



**House of Assembly
Newfoundland and Labrador**

**Minutes of the House of Assembly
Management Commission**

Date: December 14, 2011

Location: Speaker's Boardroom

Time: 10:00 a.m.

Members Present:

Hon. Ross Wiseman, Speaker
Mr. William MacKenzie, Clerk of the House of Assembly
Hon. Jerome Kennedy, Government House Leader
Hon. Joan Burke, MHA (PC) St. Georges - Stephenville
Ms. Lorraine Michael, MHA (NDP) Signal Hill - Quidi Vidi
Mr. Kevin Parsons, MHA (PC) Cape St. Francis
Ms. Yvonne Jones, MHA (L) Cartwright - L'Anse Au Clair
Mr. Dwight Ball, MHA (L) Humber Valley

Other:

Mr. Wade Verge, MHA (PC) Lewisporte, Deputy Speaker
Ms. Marlene Lambe, Chief Financial Officer
Ms. Marie Keefe, Policy and Communications Officer

CM 2011-030 The Commission, at an *in camera* session, approved the pre-commitment of funds for the 2012-13, 2013-14 and 2014-15 budget appropriations for consulting services for the management certification process.

CM 2011-031 The Commission, at an *in camera* session, approved the pre-commitment of funds for the 2012-13, 2013-14 and 2014-15 budget appropriations for audit services for the Office of the Auditor General.

CM 2011-032 The Minutes of the House of Assembly Management Commission meeting held on June 7, 2011 were approved as read.

The Speaker gave an update on authorizations made under subsection 18(4) of the *Members' Resources and Allowances Rules* for the period ending December 7, 2011. The amount of \$12,012.00 (HST excluded) was approved for constituency office accommodations for Mr. Eddie Joyce, District of Bay of Islands.

The Clerk reported on authorization given for rental vehicles for a period in excess of 15 days, furniture and equipment expenditures. The Clerk approved a rental vehicle for Mr. Jim Baker, District of Labrador West, for 3 extra days beyond the 15 consecutive days allowable without approval.

CM 2011-033 The Commission, pursuant to subsection 24(9) of the *House of Assembly Accountability, Integrity and Administration Act*, approved expense claims totaling \$117.40 which were submitted by the Member for Trinity-Bay de Verde later than the 60 day deadline as required under subsection 7(6) of the *Members' Resources and Allowances Rules*.

CM 2011-034 The Commission, pursuant to subsection 24(9) of the *House of Assembly Accountability, Integrity and Administration Act*, approved expense claims totaling \$102.67 which were submitted by the former Member for The Straits-White Bay North later than the 60 day deadline as required under subsection 7(6) of the *Members' Resources and Allowances Rules*.

CM 2011-035 The Commission, pursuant to subsection 24(9) of the *House of Assembly Accountability, Integrity and Administration Act*, approved expense claims totaling \$685.00 and \$364.67 which were submitted by the Member for Conception Bay East-Bell Island later than the 60 day deadline as required under subsection 7(6) of the *Members' Resources and Allowances Rules*.

CM 2011-036 The Commission, pursuant to subsection 24(9) of the *House of Assembly Accountability, Integrity and Administration Act*, approved expense claims totaling \$563.99 which were submitted by the Member for St. Georges-Stephenville East later than the 60 day deadline as required under subsection 7(6) of the *Members' Resources and Allowances Rules*.

CM 2011-037 The Commission, pursuant to subsection 24(9) of the *House of Assembly Accountability, Integrity and Administration Act*, approved expense claims totaling \$455.31 which were submitted by the Member for Trinity North later than the 60 day deadline as required under subsection 7(6) of the *Members' Resources and Allowances Rules*.

CM 2011-038 The Commission approved the 2010-2011 audited financial information of the House of Assembly and its Statutory Offices.

The financial reports for April 1 – June 30, 2011; April 1 - September 30, 2011; and for April 1 – November 30, 2011 were presented to the Commission for review.

CM 2011-039 The Commission approved the following transfer of funds:

From:	
Subdivision 1.1.06.01 – Government Members Caucus – Salaries	\$31,100
Subdivision 1.1.06.10 – Government Members Caucus – Grants and Subsidies	\$ 3, 600
Subdivision 1.1.01.06 – Administrative Support – Purchased Services	\$ 26,900
To:	
Subdivision 1.1.07.01 – Official Opposition Caucus – Salaries	\$20,500
Subdivision 1.1.08.01 – Third Party Caucus – Salaries	\$41,100

CM 2011-040 The Commission approved the following transfer of funds:

From:	
Subdivision 6.1.01.02	
Office of the Information and Privacy Commissioner – Employee Benefits	\$ 10,000
Subdivision 6.1.01.03	
Office of the Information and Privacy Commissioner – Transportation	\$ 35,000
Subdivision 6.1.01.06	
Office of the Information and Privacy Commissioner – Purchased Services	\$ 10,000
Subdivision 6.1.01.07	
Office of the Information and Privacy Commissioner – Property, Furnishings and Equipment	\$ 3,000
To:	
Subdivision 6.1.01.01	
Office of the Information and Privacy Commissioner – Salaries	\$58,000

The reports detailing expenditures for the Office of the Speaker, the Government Members' Caucus, the Official Opposition Caucus and the Third Party Caucus for the period April 1, 2010 to March 31, 2011 were reported to the Commission as required by the Caucus Operational Funding Grants Policy.

CM 2011-041 The Commission appointed Mr. Kevin Parsons, MHA Cape St. Francis, and Ms. Yvonne Jones, MHA Cartwright-L'Anse au Clair, as Commission members of the Audit Committee pursuant to S.23 (2)(a)

of the *House of Assembly Accountability, Integrity and Administration Act*.

CM 2011-042

The Commission appointed Mr. Kevin Parsons, MHA Cape St. Francis, as Chair of the Audit Committee pursuant to S.23 (3) of the *House of Assembly Accountability, Integrity and Administration Act*.

Adjournment: 11:05 a.m.

Hon. Ross Wiseman, MHA
Speaker and Chair

Wm. MacKenzie
Clerk and Secretary to the Commission

**House of Assembly Management Commission
Briefing Note**

Title: Office Accommodation Leasing Costs

Issue: Leasing Costs Exceeding Maximum Allowed under *Members' Resources and Allowances Rules*

Background:

- S.18 of the *House of Assembly Accountability, Integrity and Administration Act* states as follows:
 18. (1) *A member may seek reimbursement or have payment made on his or her behalf, for the provision of office expenses in order to conduct his or her constituency business.*
 - (2) *The maximum allowance available to a member for each category of office expenses is as follows:*
 - (a) *constituency office accommodation allowance, \$7,000; and*
 - (b) *office operations and supplies allowance, \$15,000.*
 - (3) *Notwithstanding the limits imposed under paragraph (2)(a), the speaker may, on application in writing by a member, authorize that member to exceed his or her maximum constituency office accommodation allowance where the speaker determines that suitable accommodation cannot be obtained at a cost equal to or less than the allowed maximum.*
 - (4) *Where the speaker makes a decision under subsection (3) to authorize an increased allowance, he or she shall, in writing, report that decision to the next meeting of the commission together with the reasons for that decision and that information shall be recorded in the minutes of the commission meeting.*
- At its December 14, 2011 meeting, the Commission, following the Speaker's report on Subsection 18(4), requested a status report on office accommodations leasing costs.

- Since the first meeting of the Commission held in August, 2007, the Speaker has reported 15 approvals where the cost of leased office accommodations exceeded \$7,000.
- The attached table provides a current update of leasing costs for constituency offices located in private buildings.

Analysis:

Legal Consultation:

Not applicable

Internal Consultation(s):

Not applicable

External Consultation(s):

Not applicable

Comparison to Government Policy:

Not applicable

Financial Impact:

Not applicable

Legislative Impact:

Not applicable

Options:

Status:

Action Required:

For information purposes.

Prepared by: Marie Keefe

Approved by: William MacKenzie

Approved by:

Date: January 17, 2012

Attachments:

1. Constituency Office Lease Costs

CONSTITUENCY OFFICE LEASE COSTS

DISTRICT	LOCATION	ANNUAL COST
Baie Verte - Springdale	Baie Verte	\$12,000
Bay of Islands	Corner Brook	12,012
Burgeo - LaPoile	Port aux Basques	12,000
Burin - Placentia West	Burin	3,000
Carbonear - Harbour Grace	Carbonear	14,900
Exploits	Bishop's Falls	19,200
Fortune Bay - Cape La Hune	St. Alban's	9,228
Grand Bank	Grand Bank	8,879
Grand Falls-Windsor -Buchans	Grand Falls	7,488
Harbour Main	Holyrood	8,964
Humber Valley	Deer Lake	17,750
Port au Port	Stephenville	11,748
Port de Grave	Bay Roberts	10,285
Terra Nova	Musgravetown	6,000
The Isles of Notre Dame	Twillingate	12,000
Trinity North	Clareville	\$18,080

**House of Assembly Management Commission
Briefing Note**

Title: Caucus Resources

Issues: **Requests for Additional Resources for the Third Party Caucus and the Official Opposition Caucus**

Background:

- The Speaker has received written requests from the Leader of the Third Party (Attachment 1), and the Leader of the Official Opposition (Attachment 3) requesting increased resources for their respective caucuses.
- Caucus resources, including leader allocations, are established to assist caucuses with research, communications and administration. In Newfoundland and Labrador, the practice of the Internal Economy Commission (IEC) was to determine caucus resources near the beginning of a new General Assembly. However, a review of IEC minutes shows these decisions tended to be made on an *ad hoc* basis with little consistency.
- In 2004, the IEC approved a more comprehensive policy respecting caucus resources for the 45th General Assembly as outlined below:

2004

	Government Members Caucus	Official Opposition Caucus	Third Party Caucus
Leader	-	- Chief of Staff - Director of Communications - Executive Assistant - Secretary	-
House Leader	1 assistant	½ assistant	-
Variable funding, \$20,000 per private member, minimum \$100,000	\$280,000	\$100,000	\$100,000

- The House of Assembly Management Commission, at its meeting of November 28, 2007, considered the issue of caucus resources for the 46th General Assembly. As consensus could not be achieved on a permanent policy, the Commission approved the resources outlined in the table below as an interim measure until such time as an independent study of the issue was undertaken, as recommended by Chief Justice Green in Chapter 12 of his Report. Green had recommended a review of resources for all opposition parties and commented specifically on the third party's resources.

2007 (INTERIM)

	Government Members Caucus	Official Opposition Caucus	Third Party Caucus
Leader's Office	-	- Chief of Staff - Director of Communications - Executive Assistant - Secretary	-
House Leader	1 assistant	1 assistant	-
Variable funding	\$21,218 per private member	\$21,218 per private member	\$21,218 per private member
Base funding	-	\$100,000	\$100,000

- An RFP respecting a review of caucus resources was issued and the contract was awarded to Metrics EFG Inc. on April 11, 2008. The recommendations of the report submitted by the consultants on August 25 (Attachment 5) were considered by the Commission at its meetings of October 15 and November 18. The Commission adopted 17 of the 18 recommendations. **CM 2008-085** and **CM 2008-093 refer.** (Attachment 6)
- The policy established the following caucus resources:
 - base funding of \$100,000 per caucus;
 - variable funding of \$18,000 per Private Member;
 - fulltime assistants to the Government and Official Opposition House Leaders;
 - Leader of Official Opposition office - \$253,600; and
 - Third Party Leader's office – 50% of Official Opposition Leader allocation
- The new policy approved funding rather than positions, with the exception of the House Leader Assistant position. Caucuses have significant freedom to determine salary levels, staff numbers, temporary staff, etc. within the overall block of funds established for staff salaries by the three components of the existing caucus resources policy: (1) base funding, (2) variable [per Member] funding, and (3) Leader's allocation.
- This resulted in the following annualized amounts being provided to each caucus:

2008

	Government Members Caucus	Official Opposition Caucus	Third Party Caucus
Leader's Office	-	\$253,600	\$126,800
House Leader Assistant	\$43,000	\$49,000	-
Variable Funding per Private Member (18,000)	\$450,000	\$54,000	\$18,000
Base Funding	\$100,000	\$100,000	\$100,000
Total	\$593,000	\$456,600	\$244,800

Note: Since 2008-09, base funding, funding for staff support to leaders and variable funding arrangements are adjusted to reflect any salary adjustments for management employees in the Executive Branch of Government.

- The results of the 2011 General Election provide the following caucus resources, annually, for the three caucuses:

	Government Members Caucus	Official Opposition Caucus	Third Party Caucus
Leader's Office	-	\$308,087	\$154,043
House Leader Ass't	\$ 59,535 (max. Step 25)	\$ 59,535 (max. Step 25)	-
Variable Funding per Private Member (21, 867)	\$437,347	\$131,204	\$109,337
Base Funding	\$121,486	\$121,486	\$121,486
Total	\$618,368	\$620,312	\$384,866

- The funding outlined above is for staff salaries only and does not include the operational funding amounts provided to each caucus. For the fiscal year 2012-13, the following operational funding is proposed
 - Government Members' Caucus \$ 100,500
 - Official Opposition Caucus \$ 120,000
 - Third Party Caucus \$ 61,900

Third Party Caucus Request

- In the letter to the Speaker dated October 27, 2011, the Leader of the Third Party requested increased resources based on the October 11, 2011 election results. The request has three components: creation of a salaried position of Third Party House Leader; creation of the specific position of Assistant to the Third Party House Leader; and, funds to create the positions of Chief of Staff and Director of Communications.

1. Third Party House Leader

- Subsection 12(1) of the *House of Assembly Accountability, Integrity and Administration Act* (the *Act*) establishes the following salaries for positions in the Official Opposition and Third Party Caucuses.

<u>Official Opposition</u>		<u>Third Party</u>	
Leader	\$54,072	Leader	\$18,918
House Leader	\$27,033	Caucus Chair	\$13,517
Deputy House Leader	\$18,457	Whip	\$13,517
Caucus Chair	\$13,517		
Whip	\$13,517		

- Other provinces were surveyed as to their practice with respect to remuneration for a Third Party House Leader. (See Attachment 7). Six provinces currently provide for a salary for the Third Party House Leader, while four provinces do not.
- The creation of additional salaried positions would require an amendment to s. 12(1) of the *Act*.

2. Assistant to House Leader

- The Government House Leader and Opposition House Leader are each assigned a specific position of an Assistant – that is, funds for the salary are specifically identified for that position and are not part of the block of funds derived from the Leader’s allocation, base funding or the variable funding. If the position were not filled, the funds would not be available for other purposes. The Commission’s decision respecting these two positions established the remuneration at the PS - 05 level.

3. Chief of Staff & Director of Communications

- The Commission has not directed that the block of funds be used for any specific positions and there has been no consistent classification applied to most caucus positions. Although the Official Opposition Leader’s allocation had originally been based on four specific positions, it is now simply block funding. Caucuses and Leaders determine positions and salary levels within their overall block of funds.

Official Opposition Caucus Request

- In the letter to the Speaker dated January 4, 2012, the Official Opposition Caucus has requested that the issue of base funding for the Official Opposition be considered by the Management Commission. The letter specifically requests that Recommendation 2 of Metrics EFG report be implemented effective immediately. This recommendation would increase the base funding for the Official Opposition Caucus from \$100,000 to \$250,000.
- A jurisdictional scan was conducted to compare the level of resources allocated to respective caucuses in other provincial Legislatures. (See Attachment 8).

Analysis:

Legal Consultation:

Not Applicable.

Internal Consultation(s):

Not Applicable.

External Consultation(s):

As outlined in attachments 7 and 8.

Comparison to Government Policy:

Not Applicable.

Financial Impact:

Funds are not included in the base budget for current FY, 2011-12.

Legislative Impact:

Providing a salary for the Third Party House Leader would require an amendment to subsection 12 (1) of the *Act*.

Options:

Status:

The existing policy with respect to caucus funding applies.

Action Required:

The direction of the Commission is requested.

Prepared by: Marie Keefe

Approved by: William MacKenzie

Approved by:

Date: January 17, 2012

Attachments:

1. Letter from Ms. Michael to the Speaker, dated October 27, 2011
2. Letter from the Speaker to Ms. Michael, dated November 15, 2011
3. Letter from Mr. Ball to the Speaker, dated January 4, 2012
4. Letter from the Speaker to Mr. Ball, dated January 12, 2012
5. Metrics EFG Report
6. **CM 2008-085 and CM 2008-093**
7. Jurisdictional Scan – Third Party House Leader Provision
8. Jurisdictional Scan – Caucus Resources Allocations



NOV 01 2011

HOUSE OF ASSEMBLY
PROVINCE OF NEWFOUNDLAND AND LABRADOR

LORRAINE MICHAEL, M.H.A.
SIGNAL HILL - QUIDI VIDI
OFFICE OF THE LEADER
NEW DEMOCRATIC PARTY

CONFEDERATION BUILDING
ST. JOHN'S, NL
CANADA
A1B 4J6

October 27, 2011

Ross Wiseman, Speaker
House of Assembly
PO Box 8700
Confederation Building
St. John's, NL
A1B 4J6

Dear Mr. Speaker

I am writing you to open up discussion on the issue of increased resources for New Democratic Party of Newfoundland and Labrador based on the unique set of circumstances we find ourselves in after the October 11, 2011 election.

In 2008 a *Review of Caucus Resources* was commissioned by the House of Assembly Management Commission to review how resources are allocated in the House to allow MHAs to effectively discharge their legislative duties. At that time the House consisted of three Liberal MHAs forming the Official Opposition, and the NDP NL holding one seat in the House as Third Party.

The principle of the House allotting sufficient resources to each caucus to do their job is one I wish to discuss. As is stated in the *Review of Caucus Resources 2008*:

"Non-government caucuses should be able to present themselves as government-in-waiting. They should have the research and analysis capacity to assess and develop alternative policy approaches in order to ensure good governance."

I am writing to make an argument for more resources for the NDP caucus, based on our increase in size and our proportion of the popular vote, which is second to that of the government, resulting in the larger NDP caucus needing more resources to function properly in the House.

The review used "best practices" in other jurisdictions as a guide to making their recommendations to the House of Assembly Management Commission regarding the allotment of resources. In particular they examined practices in Saskatchewan's and Nova Scotia's legislatures.

I think it important that the Newfoundland and Labrador House of Assembly be seen by the people it serves to be an up-to-date and effective legislative body that does incorporate "best practices" as they evolve across Canada and other parliamentary democracies.

It is well to note the point made by the 2008 Review that the other provinces of Canada allocate substantially more resources than does Newfoundland and Labrador.

The Review also notes that equitable funding should be dependent on both the number of seats an opposition party holds and the share of the popular vote.

With these points in mind I am writing today to discuss the following issues:

1. The equitable sharing of Question Period
2. The position of Third Party House Leader, and a House Leader's assistant
3. An extra position for support to the Leader of the Third Party

1. Question Period

Up to the present in the House of Assembly the allotment of the 30 minutes set for Question Period in Standing Order 26 (1) was 26 minutes for the Liberals and 4 for the NDP, a division that was worked out several sessions ago when the Official Opposition was more numerous than the Third Party. This allotment did not change in 2007 when the difference between the size of the two opposition parties became much smaller.

There is clear precedent in other provinces to allot opposition members time in Question Period in proportion to their representation in the House. This precedent includes a renegotiation of time allotment when there are changes to the ratio of opposition members.

Because of the significant change in the face of the opposition side of the House as a result of the recent election, I request a renegotiation of the amount of time the Official Opposition and the Third Party will get in the new session. It would seem fair that the new allotment be 16 minutes for the Official Opposition, and 14 minutes for the Third Party.

I point out that there is also a precedent in most other provinces regarding the rotation of questions between opposition parties within Question Period. The new configuration of opposition in the House of Assembly might be the moment to look at this broader dynamic. I would be open to discussing with the Official Opposition and the Speaker how this might work in our legislature.

2. The Position of Third Party House Leader

Most jurisdictions recognize and make provisions for the position of a House Leader of a "recognized" Third Party, and many make stipulations for funding for this position.

Now that the Third Party is more than a caucus of one, I would like this "best practice" to be reflected in the practice of our House of Assembly. The Third Party is almost equal in numbers to the Official Opposition and will have a much larger role in our legislature. It cannot realistically be expected that

the Party Leader will also serve the role of Party House Leader as it would entail much work in the House of Assembly. I would like to request funding for the position of Third Party House Leader, as well as a House Leader's assistant as provision for this position already exists in the House of Assembly.

The practise for House Leaders in the House of Assembly should reflect what happens in other jurisdictions in the country.

3. Increased Support for the Leader of the Third Party

With the expansion of our presence in the House from one MHA to five, the role of the Party Leader and staff changes dramatically.

Under the existing formula for the allocation of resources, our party is entitled to receive core staff support of \$390,735, an increase of \$87,468, which will help our new, larger caucus function.

However, the two positions created as a result of giving the Third Party Leader core staff funding will now be employed for the whole caucus which means the Leader will still require two dedicated staff positions.

I am asking you to consider the addition of two staff positions in addition to the funding allocated in the 2008 review. That report indicated that other provincial jurisdictions recognize and fund staff positions for the Leader of the Third Party (page 16 *Table 1 - Annual Funding for Core and Research Staff*).

In light of our larger caucus and in light of the popular vote we have received, I formally request the allocation of two staff person positions, a Chief of Staff and a Director of Communications, to support the Leader, in addition to the resources already allocated.

I hope you will support our requests so the NDP caucus may be able to fully function in the upcoming years in the House of Assembly.

I understand that some of the above will have to go to the House of Assembly Management Commission for discussion and approval.

Sincerely,



Lorraine Michael, MHA
Leader, NDP Caucus
Signal Hill-Quidi Vidi

cc. Kathy Dunderdale, Premier
Yvonne Jones, Leader, Official Opposition



HOUSE OF ASSEMBLY
Newfoundland and Labrador
OFFICE OF THE SPEAKER

November 15, 2011

Lorraine Michael, M.H.A.
Signal Hill-Quidi Vidi
Office of the Leader
New Democratic Party
3rd Floor, East Block
Confederation Building

Lorraine


Ms. ~~Michael~~.

Thank you for your letter of 27th October 2011 requesting additional financial resources and enhanced Question Period time for the Third Party.

As you point out, the two requests for additional financial resources must be presented to the House of Assembly Management Commission. We anticipate that a meeting will be held in the next few weeks, once its members are appointed, and I will place your request on the agenda.

With respect to the allocation of time among parties in Question Period, I will need additional time to consider your request and hope to be in a position to discuss the matter with you and the Leader of the Official Opposition in the near future.

Sincerely,


Ross Wiseman, M.H.A.
Speaker of the House of Assembly

C.C. Hon. Kathy Dunderdale, Premier
Ms. Yvonne Jones, Leader of the Official Opposition
Mr. William MacKenzie, Clerk of the House of Assembly



HOUSE OF ASSEMBLY
NEWFOUNDLAND AND LABRADOR

Official Opposition Office

Dwight Ball, MHA
Humber Valley District

OFFICE OF THE SPEAKER

JAN 06 2011

January 4th, 2012

Honourable Ross Wiseman, Speaker
Speaker's Office
House of Assembly
Main Floor, East Block
Confederation Building

Dear Mr. Speaker,

I understand the next House of Assembly Management Commission meeting is scheduled for Wednesday, January 25th, 2012.

Our Caucus would like to have the issue of funding for the Official Opposition considered at that meeting.

As you are aware, **Metrics EFG Inc.** prepared a report dated August 25th, 2008 dealing with the House of Assembly Caucus Resources.

In particular, we request that Recommendation #2 of Metrics Report which stated, "**Increase the base funding for the Official Opposition Caucus to \$250,000 annually, from the current level of \$100,000.**" be implemented effective immediately.

We look forward to discussing this issue at the upcoming House of Assembly Management Commission.

Sincerely,

Dwight Ball, MHA
Humber Valley

CC: Premier Kathy Dunderdale

Ms. Lorraine Michael, MHA
Leader of the NDP



HOUSE OF ASSEMBLY
Newfoundland and Labrador
OFFICE OF THE SPEAKER

Mr. Dwight Ball, MHA
Humber Valley
Official Opposition Office
3rd Floor, East Block
Confederation Building

January 12, 2012

Dear Mr. Ball,

Thank you for your letter of January 4th, 2012 respecting funding for the Official Opposition. This issue will be placed on the agenda for the upcoming House of Assembly Management Commission meeting.

Sincerely,

A handwritten signature in cursive, appearing to read "Ross Wiseman".

Ross Wiseman, MHA
Trinity North
Speaker of the House of Assembly

c.c. Premier Kathy Dunderdale

Ms. Lorraine Michael, MHA
Leader of the NDP

**Review of Caucus Resources –
House of Assembly**

**Prepared for
House of Assembly Management Commission
Newfoundland and Labrador**

**Prepared by
Metrics EFG Inc.**

August 25, 2008

Metrics EFG Inc.
P.O. Box 8040
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A1B 3M7

Tel 709-722-2391
Fax 709-722-4390
rvarady@metricsefg.ca

August 25, 2008

Mr. William MacKenzie
Clerk of the House of Assembly
Newfoundland and Labrador
P.O. Box 8700
St. John's, NL, A1B 4J6

Dear Mr. MacKenzie,

Subject: Review of Caucus Resources

Attached is our report on the Review of Caucus Resources in the House of Assembly, Newfoundland and Labrador.

We appreciated the opportunity to conduct this project for the House of Assembly Management Commission. We also wish to thank everyone who has contributed to our research, including Leaders in all three caucuses and the Speaker of the House of Assembly. The inputs provided by the Office of the Clerk of Assembly have been very valuable in the review.

We are available to discuss the report and its 17 specific recommendations for improving the funding of caucuses.

Yours truly,

(R Vardy)
Robert Vardy
Principal

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Part 1 - Introduction

The House of Assembly Management Commission engaged Metrics EFG Inc. to conduct a review of financial and human resources to be provided to the caucuses of the House of Assembly.

The scope of our review included the following work:

1. To recommend appropriate levels of financial and human resources to be provided to each of the following to effectively discharge their legislative duties:
 - Government Members' Caucus;
 - Official Opposition Caucus;
 - Registered Third Party Caucus(es); and
 - Independent Members.

2. To recommend which leader(s) should receive resources (financial and human) in addition to the resources provided to the respective caucuses;

3. To recommend appropriate levels of financial and human resources necessary for each caucus to effectively discharge its legislative duties, including the following:
 - The monthly grant per caucus member and the guaranteed minimum;
 - The current allocation annually per private member, and the guaranteed minimum;
 - The form of funding to be provided (e. g., block funding, core staff, other forms or combinations); and
 - Adjustment measures for determining caucus resources during future General Assemblies.

The uneven results of the Newfoundland and Labrador General Election of 2007 have resulted in the questioning, on both Government and Opposition sides, about what principles should guide the funding of parliamentary parties. Our approach has been to investigate other jurisdictions and the evolution of general principles first and then to examine what models may be of use. The objective is to provide to the House of Assembly Management Commission a proposal for consideration, including specific recommendations on each element of the project's Terms of Reference.

Part 2 - Methodology

2.1 Approach

We utilized a three-phased approach:

- Planning and issue identification phase
- Examination phase
- Reporting phase

Phase 1 - Planning and issue identification

The Metrics project team consulted with the client to confirm its understanding of the purpose and scope of the project. The team met with the Speaker of the House of Assembly and had several meetings with the staff of the Office of the Clerk of the House of Assembly. Meetings were held with representatives of the Progressive Conservative (Government Members) Caucus, the Liberal (Official Opposition) Caucus and the New Democratic Party (Third Party) Caucus.

In the interest of transparency and accountability, advertisements were placed in all regional newspapers (see Appendix A), soliciting proposals from members of the general public, as to the quantum of resources to be made available and how it should be allocated. These advertisements provided a point of contact whereby the general public could secure a list of questions to which it could respond. This effort brought a

high level of transparency to the process, but there was no formal response to this invitation for public input.

Proposals were invited from each caucus as to the absolute amount which should be available and how it should be allocated. The caucuses were invited to respond to a list of questions intended to elicit information on the nature of their financial and staff needs and the factors which should be considered in determining their requirements (see Appendix B).

Phase 2 - Examination

The project team interviewed caucus members to gain a better understanding of the requirements of each for financial and staff resources.

As part of its due diligence, the team examined other jurisdictions, including the Federal Parliament and the legislatures of most other provinces, to identify “best practices” which may be modified and developed.

The project team used information in particular from Saskatchewan and Nova Scotia to calculate the resulting contributions to caucus funding if their funding arrangements were to be applied to this Province. The purpose was to gain a better understanding as to the magnitude of, and mechanisms for, caucus funding in other jurisdictions in comparison with this Province. We also ascertained the impact upon funding of varying the number of members elected by each party.

The team examined international experiences and the principles for funding parliamentary caucuses. This research provided a summary of the key principles which have been used elsewhere as well as lessons as to how these principles have been applied. This information has been used in order to identify those funding principles which should be applied in the design of a system for Newfoundland and Labrador.

The international experiences include some where there is no public funding of parliamentary caucuses as well as others where such public funding is institutionalized.

In a number of jurisdictions, these practices are not well developed and are in an early state of evolution. We examined jurisdictions where the scale of population is similar to this Province. We also examined the experiences of other legislatures where the scale and complexity differ, but where the fundamental parliamentary system is the same, and where the effectiveness of the legislature is critical to the functioning of democracy and of all democratic institutions.

A summary of this research is presented in Part 4 of this report and is documented in more detail in Appendix C.

Phase 3 - Reporting

This final report presents our findings, including 17 recommendations for action.

We have tried to ensure that the recommendations would be acceptable to the Caucuses and Members of the House of Assembly. As well, we have been cognizant of the need to be fiscally responsible, in responding to the real resource needs of each caucus, so that our recommendations would receive greater public acceptance.

2.2 Resource Needs

Our project team understands that all of the House of Assembly caucuses require administrative and research staff and other resources to discharge their responsibilities to serve their constituencies and to meet their obligations as legislators. They must be familiar with the operations of government, with policy and legislative options, and with the impact of legislation upon the Province. They also should have an understanding of how other jurisdictions deal with issues similar to those faced in this Province so that they can assess the merits of alternative legislative proposals.

Non-government caucuses should be able to present themselves as a government-in-waiting. They should have the research and analysis capacity to assess and develop alternative policy approaches in order to ensure good governance.

Members of the House of Assembly must ensure that government services are available to their constituents and to help resolve any impasse that a constituent may face in accessing government programs, such as income support, education services and health care. To make such interventions, members and their staff need to understand how government programs operate and must be able to identify key personnel with respect to each program.

Not only must they and their staff have an understanding of government operations but they must also be able to offer options for alternative approaches to public policy and must be prepared to debate the financial, legislative, social and economic implications of each option. Each caucus needs to have access to research capacity which will enable them to proactively generate ideas for the formulation of public policy. They also must have the administrative capacity to efficiently manage their own operations and to fully account for their use of public funds.

Part 3 - Overview of Current Arrangements

Today's funding practices have evolved in response to various situations that existed in the legislature from time to time. In the past, the resources available to the caucuses were extremely limited. Over time, this situation has improved partially in response to increased research and administrative needs and funding enhancements in other Canadian jurisdictions. The problem has again come to the forefront as a result of the election of only four opposition members (three Liberal / one New Democratic Party) in the most recent General Election. The existing formula for caucus funding is based largely on a 'per member' amount. Thus, it yields very small amounts of funding when the number of caucus members is very low. This currently is a significant concern to the opposition parties in the House of Assembly.

This issue has been publicly discussed by the House of Assembly Management Commission and there appears to be a general agreement that, in today's context, the 'per member' approach is inadequate. However, discussion to date failed to reach a consensus on the amount of resources that should be provided. Hence, the need for this study, a central question of which is "what minimum level of resources should be

provided to each caucus?” The answer to this question depends to a large degree on perceptions of what constitutes the role of an opposition in today’s parliaments, within the British parliamentary system of government in particular.

The balance of this section summarizes the various components of financial assistance provided for the operation of our caucuses. It should be noted that there are several categories of financial support to the caucuses that were not part of the terms of reference of this report. These include travel and living allowances, constituency allowances, significant components of the salary budget, as well as a number of accounts that are budgeted “globally”. These include equipment purchase and leasing, supplies, postage and phone costs.

The elements of the current system that are addressed in this report are the caucus administrative and research grant, core staffing in support of leaders, and funding for miscellaneous operational purchases.

3.1 Current Caucus Research Funding

The level of caucus research funding is dependent upon the size of each caucus. From March 2004 until the October 2007 General Election each caucus was provided \$20,000 per private member per year. For this calculation, “private member” includes all Members of the House of Assembly, with the exception of Members of the Executive Council, the Speaker, the Leader of the Official Opposition, as well as the four Parliamentary Secretaries and one Parliamentary Assistant.

This \$20,000 amount, which has since been increased to \$21,218 per member, is used for research, analysis and communications at the discretion of each caucus. There are differences among caucuses in how the money is spent. For example, the opposition caucuses focus a lot of attention on policy and legislative research functions while the Government Members’ Caucus allocates some of its funding for staff to assist with appeals related to employment insurance and workplace compensation claims. The caucuses have significant flexibility in how they determine their own priorities and allocate the available funding.

The inadequacy of a 'per member' based calculation is clearly evident with the current configuration in the House of Assembly, which yields only \$42,436 for the Official Opposition. The Leader is not considered a private member for the purposes of this calculation; however, the Leader receives separate funding for support staff.

The Third Party, the New Democratic Party, receives a total of \$21,218, according to this formula, but no separate funding for staff support to the Leader.

Given the inadequacy of the current formula, an interim formula has been put in place, pending the results of this study. Under this interim formula, additional funding of \$100,000 has been provided to each of the opposition caucuses.

3.2 Current Core Staffing in Support of Leaders

Funding is specifically provided for a number of "approved" positions, mainly in the office of the Leader of the Official Opposition. There is a long standing tradition in this province to provide the Leader of the Official Opposition with a core staff, as follows:

- Chief of Staff
- Director of Communications
- Executive Assistant
- Departmental Secretary/ Office Manager

Two positions of 'Assistant to the House Leader' are also funded - one for the Government House Leader and one for the Official Opposition House Leader.

The funding provided is intended to support the leaders in carrying out their roles. In practice, however, there is considerable multi-tasking going on, with staff often required to shift focus to research and analysis functions to meet the priorities of the day.

3.3 Current Funding of Miscellaneous Operational Purchases

Monthly operational funding is provided to each caucus in the amount of \$62.50 per Member, or \$750 per year. Currently the Government Members' Caucus gets a monthly allocation of \$2,687.50, based on a total caucus size of 43 Members, including Executive Council Members. The Speaker receives the \$62.50 per Member entitlement. In light of the small number of Members in each of the two opposition caucuses, a minimum of \$500 monthly is currently provided to each caucus.

Transcripts from discussions at the House of Assembly Management Commission and discussions with caucus representatives indicate that this funding has been used for the following types of purchases:

- processing Freedom of Information requests
- newspaper subscriptions and media transcripts
- expenses for caucus meetings
- conference calls with constituency assistants
- travel for caucus staff to cover appeals
- office supplies and expenses
- web site maintenance
- flowers/wreaths for funerals and memorial services
- meals for visiting district and other delegations

3.4 Current Budgeting System

Much of the budget allocations for the House of Assembly are made on a global basis. The global budget is not broken down into sub totals for each of the Caucuses. Thus, when an expenditure need is identified, it is necessary for caucus staff to check with House of Assembly support staff to determine if sufficient funding is available.

Representatives of the Government Members' Caucus expressed some concerns that they were not receiving enough information pertaining to budgets or available balances.

Opposition caucus representatives were more satisfied with the current process and some expressed satisfaction with the higher level of control in place now, than would exist with budgets allocated and managed solely on a per caucus basis. Opposition representation on the House of Assembly Management Commission was regarded by some caucus representatives as a positive development with respect to budgetary information flows.

Administrative staff of the Office of the Clerk of the House of Assembly pointed out that the current system provides more flexibility to meet Members' needs, since the highest priorities can be addressed, irrespective of caucus lines. Also, they indicate that there would be some complexities associated with allocating budgets along caucus lines, for example Members of the House of Assembly may resign or switch caucuses, and by-elections can affect allocations.

Part 4 - Research on Alternative Funding Practices

The public funding of parliamentary caucuses is a relatively recent phenomenon. It is still evolving and there is no one model that stands out above the others. In the United Kingdom, the system has developed over the past 40 years and is still in a state of flux. In the United States, most public funding is directed toward members of the House of Representatives and the Senate, rather than toward their parties, *per se*. Much of the literature on the funding of parties tends to focus upon elections financing rather than upon the operation of legislatures.

In Canada, there has been little analysis devoted to the subject and the present system seems to have been the result of bargaining among parties. In some places, such as in the United Kingdom, the public funding of parties has been resisted, partly because citizens may be reluctant to see their tax dollars allocated to parties which they do not support. Having said this, there is a growing international body of literature which attempts to place the public funding of legislative caucuses on a principles-based foundation.

4.1 Research on International Funding Practices

The private funding (e.g., from corporations, unions and individual donations) of parliamentary parties has the potential of creating an imbalance among parties, rooted in disparities in wealth and income among their members and supporters. Concern for such effects has resulted in the development of regulations governing private funding and policies for the provision of public funding (i.e., from government) designed to create a more level playing field. From this has emerged a variety of policies whereby support is given for funding of the operations of parliamentary parties between elections.

Principles have evolved as to how the support should be structured, along with criteria to establish equity among parties. Public support for political parties is given through direct funding, including the funding of policy research which is available to all parties, but also by indirect means such as providing free access to broadcast media. In the case of direct funding the criterion for allocation most commonly used is the numbers of members elected by a party. Often, there is a minimum threshold imposed to ensure that public funding is not necessarily available to parties unless they garner a basic minimum level of support. There is also a concept that public funding should be modest, so as not to create undue dependency or detract from the independence of parties.

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.

Review commissions in the United Kingdom have argued that, in the absence of public funding, the governing party's frequent dominance of the executive branch can impinge upon the effectiveness of opposition parties. Support for private financing remains strong and, while public funding is well entrenched, there continues to be some antipathy toward it, on the grounds that citizens should decide directly which parties they want to support financially and not be forced, through taxation, to support parties whose policies they disapprove. At one point, there was a view that strong polarization was taking place and that some parties were being suppressed, while others exercised disproportionate

influence. As a result, there emerged a broader acceptance of public funding, as long as it could be accomplished fairly and objectively.

In the United Kingdom the emergence of *Short Money*, named after Edward Short, who introduced it in the House of Commons in 1975, provided money for front bench spokespeople from opposition parties. The money was earmarked for research but was not made available to the governing party. It is now indexed to the British version of the Consumer Price Index, having initially been fixed as a combination of vote and per seat calculations. The amount paid to each party is based upon the number of seats won at the last general election and the number of votes gained by the party in the last election. Travel expenses are covered as well with a fixed amount of travel funds allocated among each of the opposition parties, in the same proportion as the amount given out under the basic per seat and per vote funding formula. The formula is based upon a minimum threshold of two members elected or one member plus a minimum of 150,000 votes cast. The leader of the opposition receives a fixed amount which does not depend directly upon the number of seats or members. The allocation of a fixed amount to the Official Opposition is based upon the concept that the work of the Opposition is fixed and does not depend upon the number of Opposition Members elected.

There was recognition that *Short Money* was inadequate to fund the necessary research required by opposition parties and so the Neill Report recommended the creation of *Policy Development Grants*, available to all parties, including the governing party. The money would be shared among the parties based upon their share of the popular vote and would be incremental to *Short Money*. A recent report by the Phillips Committee recommends that increased resources be provided by merging *Short Money* and *Policy Development Grants*, with private sector money matched by public contributions, subject to a cap. This recommendation has not been implemented, so both *Policy Development Grants* and *Short Money* continue to be available.

In Australia, at the Commonwealth or federal level, there is support for policy research institutes but no support for parliamentary parties. Members of Parliament have their own staff and research support is provided by the Parliamentary Library.

In Tasmania, the upper and lower houses are supported by public funding of individual parliamentarians rather than support for parliamentary parties. However, there is funding for the offices of the party leaders. The Parliamentary Library and Parliamentary Research Service resources are available to all MPs, on an individual and confidential basis, without regard to caucus status.

In the Republic of Ireland, there is public funding for parliamentary parties, for those parties exceeding two per cent of the popular vote. All parties receive funding but on a sliding scale; as the size of the caucus increases, the grant per member declines. This is intended to reflect economies of scale in caucus operations.

In the United States, the funding is paid not to the parties but to the offices of members of the House of Representatives and Senate, as well as to Congressional Committees. As a result, the American system is not particularly relevant to the subject of this report.

In a number of South American countries, public funding goes to research, education and training, as well as to the strengthening and institutionalization of political parties and democratic party systems, rather than to publicity or election campaigns.

In Iceland, general support is allocated among the parties according to their electoral strength. Public funding plays a significant role in the financing of the parliamentary operations of political parties. To receive funding, a party must receive support from at least 2.5 percent of the electorate or else elect one member of the Icelandic Parliament.

4.2 Research on Canadian Funding Practices

The project team has examined available information on caucus funding practices in other Canadian jurisdictions.

Table C-1 in Appendix C provides a summary of caucus funding for Prince Edward Island, Nova Scotia, New Brunswick, Ontario, Saskatchewan, Alberta, Manitoba and British Columbia, based primarily on data collected by the House of Assembly staff. Our

team contacted Nova Scotia, Saskatchewan, Manitoba and New Brunswick, and was successful in obtaining more detail from Nova Scotia and Saskatchewan.

Based upon this review we concluded that the amounts provided to caucuses in other provinces are in most circumstances higher than those in Newfoundland and Labrador. As in this province's interim funding arrangements, except for the Government Members' Caucus, there usually is a combination of a base amount supplemented by a grant for each private member. Cabinet members and the leaders of the opposition parties are often excluded from the per member amount. Usually, there is additional core staff funding for the leaders of the official opposition and third parties.

Saskatchewan provides public funding to all parties. For each party, the formula is the same. There is a base amount plus an amount for each Private Member. Members of the Executive Council are excluded from the calculation, as is the Speaker. Annual funding for a caucus, other than the Government Members' Caucus, is calculated using a base amount of \$314,568 plus the product of \$24,937 multiplied by the number of private members, excluding the leader of the party. For the Government Caucus, the base funding is also \$314,568. Members of the Executive Council are excluded, as is the Speaker, but the number of Private Members is increased by two for the purpose of the calculation of funding. In addition to the payments to each caucus pursuant to this formula, there are additional amounts provided for the Office of the Leader of the Official Opposition to cover the cost of staff, supplies and services. The Office of the Leader of the Third Party is entitled to an annual grant which is one-half of the grant to the Office of the Leader of the Opposition. This year, the amounts provided to the Official Opposition and Third Party are \$155,087 and \$77,544, respectively.

In Nova Scotia, each Caucus Office is provided a lump sum of \$400,000 plus \$43,500 times the number of Members. The Speaker, Premier, other Members of the Executive Council, Leader of the Official Opposition, and Leader of the Recognized Party are excluded from the formula. The base funding is not available to Independent Members. The funding is for support services, such as printing, telecommunications, and office incidentals. In Nova Scotia, there is a budget allocated for the Leader of the Official Opposition and the Leader of the Recognized Party, which supports the cost of staff.

This year, the amounts budgeted were \$416,500 and \$250,000, respectively, for the Official Opposition and Third Party caucuses. The Third Party is treated in the formula the same as the Official Opposition, which means they qualify for the base amount plus the grant for each Private Member.

In New Brunswick, a block amount is provided for the Government Caucus and for the Official Opposition. The latter amount is about 50 percent higher than the former. There is also a per Member grant. Third parties are eligible only for the per Member amount.

In Prince Edward Island, each party receives a block of funding for support services staff plus a grant per member. The Official Opposition receives an additional amount which is reduced for a Third Party. Base funding includes an amount for each of administration, research and office automation.

In Alberta, a base amount is available to the Government Caucus. One half of this amount is provided to the Official Opposition and one quarter of this amount to a Third Party. There is also a grant for each Private Member, which is available to all Members. Parties with less than four Members are provided a prorated amount of the block funding plus the per Member amount. The same applies to Independent Members.

In British Columbia, the Government Caucus receives a fixed amount for each Private Member plus a reduced amount for each Executive Member. The Official Opposition receives the same amount for each Private Member plus an amount equivalent to the average of the funding provided to the Ministerial Offices for the previous fiscal year. A Third Party would be entitled to the per Member amount based upon a minimum of four Members. Independent Members qualify for two times the per Member allocation. In the Parliament of Canada, each of the official parties has been allocated funding in order to set up a research centre for their caucuses since the 1970s. Parliament provides \$2.3 million per party per year (approximately \$20,000 per Member). Also, Caucus Research Bureaus received \$1.8 million in 2004. After a general election, the House Officers (i.e., House Leaders and Whips) negotiate the formula for financial support of each recognized party's research offices. These research office budgets are proportional to the number of seats held by each party.

4.3 Observations from Research

Presented here are some general observations based upon our research of caucus funding systems in other jurisdictions whose approaches to funding have variable degrees of applicability to our analysis. To the extent possible, we have indicated the views of our project team, which is reflected in our proposed funding arrangements and recommendations in Parts 5 and 6, respectively.

International experience varies widely, with some jurisdictions providing resources directly to parliamentarians rather than to parties individually. This appears to be the case with the United States, both at the federal and state level. Some jurisdictions do not recognize parties in legislation and therefore do not either regulate or provide funding for parliamentary parties.

It is difficult to compare the quantum of caucus resources allocated in Newfoundland and Labrador with other jurisdictions, many of which are national governments. However, it appears that the other provinces of Canada allocate substantially more resources than does Newfoundland and Labrador.

Table 1, *Annual Funding for Core and Research Staff*, illustrates the impact of applying both the Saskatchewan and Nova Scotia arrangements to the current allocation of caucus members in the Newfoundland and Labrador House of Assembly. The Nova Scotia allocation formula would result in almost a doubling of the total budget, while Saskatchewan's model would almost triple the budget. The largest relative increases would be for the Third Party Caucus, but all three caucuses would be entitled to substantive increases.

Legislative funding for caucuses could be allocated on a basis of strict equality – equal amounts for each party – or some formula which rewards recent electoral performance. Or, it could recognize both. The evidence suggests that funding should have both a fixed component as well as a component which varies depending on the number of seats and the share of the popular vote. A fixed component for the opposition reflects the fact that they have certain duties to perform, regardless of the size of their caucus. The variable

component reflects the fact that a larger caucus is expected to accomplish more and have more administrative needs.

**Table 1 - Annual Funding for Core and Research Staff
(\$000)**

Caucus / Province	Newfoundland and Labrador(1)	Saskatchewan(2)	Nova Scotia(2)
Government Members			
Base Allocation	-	314.6	400.0
Staff – House Leader	43.0		
Variable Allocation	424.4	673.3	1,087.5(4)
Sub-Total	467.4	987.9	1,487.5
Official Opposition			
Base Allocation	100.0	314.6	400.0
Staff – Leader & House Leader	302.6	155.1(3)	416.5
Variable Allocation	42.4	49.9	87.0(4)
Sub-Total	445.0	519.6	903.5
Third Party			
Base Allocation	100.0	314.6	400.0
Staff - Leader		77.5(3)	250.0
Variable Allocation	21.2	-	-
Sub-Total	121.2	392.1	650.0
Total Allocations – All Caucuses	1,033.6	1,899.6	3,041.0
Notes:			
(1) Based on 2008-09 budget allocation, excluding subsequent salary increases.			
(2) Based on the project teams understanding of the application of the Saskatchewan and Nova Scotia caucus funding formulas to the current allocation of caucus members in the House of Assembly.			
(3) Covers cost of staff, supplies, stationary and services.			
(4) Covers staff, printing, telecommunications and office incidentals.			

There could be a measure, such as in The Republic of Ireland, to treat smaller opposition parties disproportionately more generously for numbers of seats won in order to compensate for the resources of larger parties. The Irish mechanism provides a grant to each member which declines as the size of the party increases. A similar result could be achieved by establishing a guaranteed minimum, as is the case with the House of Assembly interim funding formula. Or there could be equality of treatment for all parties in public funding. The preference of the project team is to provide a basic minimum amount for each party caucus, along with a fixed amount per Member.

For the purpose of allocation, the performance measure could be popular vote-based, or sitting member-based. Or it could be a combination, as in the case of the United Kingdom, where 64 percent of the *Short Money* is based upon seats held and 36 percent upon the share of votes cast. The project team is of the opinion that this system would add unnecessary complexity if introduced in this Province.

The money could be spent, as it is in Britain, for the special needs of parliamentary leaders, or it could be expended on the general research needs of the caucus. It might be a combination of both. The project team favours a combination of both.

The money can be spent on administration or on policy research, and it can be given as a block or earmarked for staff and other specific uses. The money might be voted for specific classes of expenditures, or alternatively, the parties might be given block funding so that they can decide how the money should be spent. In any event, the permissible objects of spending should be identified for the purpose of accountability and auditing. The project group favours giving each caucus more flexibility to use approved administrative and policy research funding as it sees fit, as long as administrative accountability functions are adequately covered and monitored. This flexibility should be exercised within the framework of defined expenditure categories and subject to audit.

Future increases in the amounts allocated to caucuses for administrative and research support could be indexed to a measure, like the increase in the salaries of the

government employees, or it could be determined on a periodic basis by the House of Assembly Management Commission. The project team prefers an automatic adjustment mechanism.

The project team concludes that there are five main funding principles that emerge from the literature and from the experience of other legislatures that have direct bearing on proposed funding arrangements in this report. These are:

1. The legislature must be strong vis-à-vis the executive in order for democratic government to be effective.
2. All registered parties have important functions to play in making legislatures effective.
3. In developed legislative systems, the Official Opposition and other registered parties play important roles, and need administrative and research support.
4. There is a need for adequate public financing for political caucuses, as well as for individual members and for legislatures as institutions.
5. There are economies of scale which need to be recognized. This can be done through a combination of base and variable funding for each caucus.

Part 5 - Proposed Funding Arrangements

This section proposes an alternative arrangement for funding the human resource needs of the Government Members' Caucus, the Official Opposition Caucus and the Third Party Caucus of the House of Assembly, as well as an alternative to the current arrangement for funding miscellaneous operational purchases by each caucus.

5.1 Proposed Funding of Human Resource Needs

The alternative arrangement presented here was designed by the project team to adequately cover the administrative and research needs of each caucus. It reflects

lessons learned from our review of other jurisdictions. It reflects insights gained from our discussions with representatives from each caucus, and with the Speaker and officials from the Office of the Clerk of the House of Assembly. It also takes into account the responsiveness of the arrangement to change, including inflation and varying allocations of members across caucuses.

The alternative arrangement is heavily influenced by the set of principles presented at the end of Part 4 which we regard to be very important. These principles recognize the need for effective legislatures in democratic states. Within legislatures, parties have important functions to play in making legislatures effective. Our system of government is adversarial in nature and strong opposition results in strong government.

Public funding to opposition parties must ensure their ability to critique government policy and to point out alternatives to the approaches proposed by the government. This requires an adequate level of staff and other resources. The administrative needs of all caucuses should also be properly funded, to ensure that each caucus has the tools to carry out its duties responsibly. This also is consistent with the recommendations of the Green Report on Constituency Allowances and Related Matters.

The Green Report offers some guidance on the issue of caucus funding, especially funding for the opposition caucuses. It recommended that a study be done to determine appropriate funding levels, taking into account submissions from the caucuses, and practices in other Canadian jurisdictions. The Green Report is supportive of adequate funding for opposition caucuses, as evidenced by the following quotation from the Report:

“There can be no doubt that for an Opposition to do its job in the House and on House Committees effectively, its MHA’s have to have sufficient levels of support in the form of administrative assistance and research capability I believe it is time to review the funding arrangements for all Opposition parties to ensure that adequate arrangements are in place for them.”¹

¹ Green Report, pp. 12-11 and 12-12.

The Green Report was more specific with respect to how the Third Party (i.e. the New Democratic Party) should be treated. The Report recommends, for example, that the Party ought to be represented on the Internal Economy Commission “even if it had only one member elected to the House”.² The Report is very specific on this issue and speaks to the situation where a Party has only one member elected, as follows:

“... a third party ought also not to be constrained by minimum-member rules with respect to being provided sufficient floor funding to enable it to perform its parliamentary functions. Even a party represented by only one member in the House should have access to basic resources, over and above those available to him or her *qua* member, to enable research and other administrative functions to be carried out ... The arrangement could be limited to only those persons or groups who meet the criteria for registration and are registered as a political party under the provisions of the Elections Act, 1991.”³

Across Canada, a caucus is generally defined as comprising more than one member. Thus, parties with only one member would not qualify for any significant caucus funding. However, the Green Report, which has received the support of all parties, is very clear in supporting both administrative and research funding for a third party, provided it meets the criteria for registration under the Elections Act, 1991. The NDP has traditionally received less caucus funding than the Official Opposition in this Province. Many Canadian provinces follow a similar approach with respect to the funding of third parties.

In addition to the base amount, most provinces also have a variable component which increases with the size of the caucus. This element is needed in particular to cover administrative needs of larger groups, such as is the case now with the Government Members' Caucus.

We concluded from our research that the funding for all three caucuses is not adequate to meet their research, policy and administrative needs. The needs are judged to be largest in the Official Opposition Caucus, but also significant in each of the other two caucuses. This conclusion was supported by the results of our analysis of caucus funding formulas in place in other jurisdictions, including similar sized provinces like Saskatchewan and Nova Scotia.

² Ibid., p. 12-12.

³ Ibid. p.12-12.

Our research did not identify a funding model in use in another jurisdiction which we would recommend for adoption here in this Province. Most of the Canadian jurisdictions have arrangements with a combination of base funding, as well as per member amounts, to look after the basic research, policy and administrative requirements of each caucus.

The project team regards the need for a base allocation to look after the research, policy analysis and administrative needs of all caucuses, and the need for support for both opposition leaders to be a very high priority. There are certain duties 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. These responsibilities are fixed in nature and do not depend upon the number of members. The existence of fewer elected members in a caucus may in fact increase pressure on research staff since more of the responsibilities for policy and legislative research and analysis must be done at the staff level.

In determining an appropriate amount for research funding, it is the project team's view that the long standing practice of allocating staff support to the Leader of the Official Opposition and Opposition House Leader should be continued to ensure the proper functioning of the office operations. It is our view that in order to have the administrative, research and policy analysis capacity needed to support good governance, additional base resources need to be allocated to the caucus.

The need for research resources in the Official Opposition Caucus has increased as a result of their increased involvement in House of Assembly Committees like the Public Accounts and Estimates Committees, and the House of Assembly Management Commission. For example, all three Members are represented on the Public Accounts Committee which now is required to meet more often than in the past and has an expanded mandate. The development of the electronic media has placed increased demands upon communication resources.

It is also the project team's view that funding for administrative support should be given to the Leader of the Third Party, along with the current level of base funding for research and analysis for that caucus. While the demands on the Third Party in the House of Assembly and Committees are not as onerous as those placed on the Official Opposition, there is evidence that the demands from the House of Assembly, as well as the public, special interest groups and the media across the Province place considerable strain on their current staff resources. The proposed staff support funding for the Leader of the Third Party would go a long way towards meeting their administrative and research needs, and would correct the imbalance that currently exists with regard to support to the leaders of the two opposition parties.

The funding arrangement we are recommending below has the following general elements:

- Base allocation for each caucus (currently \$100,000 for both the Official Opposition and Third Party Caucuses).
- Staff funding to support the Leader of the Official Opposition and the Opposition House Leader (no change from current arrangement).
- Inclusion of Parliamentary Secretaries/Assistant and the Leader of the Official Opposition in the variable funding calculation (excluded under the current arrangement).
- Staff funding to support the Leader of the Third Party (no staff funding provided under the current arrangement).
- Inclusion of the Leader of the Third Party in the variable funding calculation (same as under the current arrangement).

The proposed arrangement would cost an additional \$410,800 annually as is shown in Table 2, *Funding of Human Resource Needs - Current versus Proposed Allocations*. The proposed allocation includes the introduction of an annual base amount for the Government Members' Caucus of \$100,000. It maintains the allocation for the Third Party Caucus at \$100,000, and the base for the Official Opposition would increase from the current level of \$100,000 annually to \$250,000.

**Table 2 - Funding of Human Resource Needs -
Current versus Proposed Allocation
(\$000)**

Caucus	Current Allocation	Proposed Allocation(1)	Change
Government Members			
Base Allocation	-	100.0	100.0
Assistant to House Leader	43.0	43.0	-
Variable Allocation	424.4	450.0	25.6
Sub-Total	467.4	593.0	125.6
Official Opposition			
Base Allocation	100.0	250.0	150.0
Staff Support to Leader	253.6	253.6	-
Assistant to Opposition House Leader	49.0	49.0	-
Variable Allocation	42.4	54.0	11.6
Sub-Total	445.0	606.6	161.6
Third Party			
Base Allocation	100.0	100.0	-
Staff Support to Leader		126.8	126.8
Variable Allocation	21.2	18.0	(3.2)
Sub-Total	121.2	244.8	123.6
Total Allocations – All Caucuses	1,033.6	1,444.4	410.8

Note:

(1) Introduces a base allocation for Government Members' Caucus, increases base allocation for the Official Opposition and maintains base allocation for the Third Party. Variable allocation lowered to \$18,000, and includes Parliamentary Secretaries/Assistant and Leader of Official Opposition. Adds staff support to the Leader of the Third Party.

Also, the proposed arrangement maintains the current allocation for the Leader of the Official Opposition and Opposition House Leader of \$253,600 and \$49,000, respectively. It includes a new \$126,800 allocation for staff support of the Leader of the Third Party. This recommended support for the Leader of the Third Party is 50 percent of the allocation provided to the Leader of the Official Opposition, consistent with Nova Scotia and Alberta.

The Leader of the Third Party would remain included in the calculation of variable caucus funding, and this practice also would be extended to include the Leader of the Official Opposition and the four Parliamentary Secretaries and one Parliamentary Assistant, who are currently excluded.

It is proposed that the variable allocation in support of caucus research and policy analysis be lowered from the current level of \$21,218 per member to \$18,000. The lowering of this variable amount will partially offset the increased budgetary costs of caucus base and core staff support to leaders, and the inclusion of the Leader of the Official Opposition and the Parliamentary Secretaries/Assistant in the variable caucus funding for research. Leaving the per member entitlements at \$21,218 would have resulted in annual funding requirements going up by \$93,322, of which \$80,450 would have gone to the Government Members' Caucus.

Consideration was given to having a sliding scale of per member entitlement similar to what is currently in place in the Republic of Ireland. The entitlements would be higher for caucuses with fewer members and decline as different thresholds are reached in each caucus. The project team concluded that this method would result in a greater degree of caucus budgetary uncertainty, especially in election years. More significantly, it over-compensates for the diseconomies of scale associated with small caucuses, by introducing a second level of equalization in the variable component. The project team considers the base provisions provided in the proposed arrangement to be sufficient to cover the core research, analysis and administrative needs of each caucus and to address diseconomies of scale considerations.

Overall, the funding to support the human resource needs of the Official Opposition Caucus would increase by \$161,600 per year. Total annual funding for the Government Members' Caucus and Third Party Caucus would increase by \$125,600 and \$121,800, respectively. The project team considers these amounts adequate to fund the priority research, policy analysis and administrative needs of each caucus.

The level of funding proposed could support about seven new full-time equivalent positions:

- Official Opposition Caucus – additional three person years,
- Government Members' Caucus – additional two person years, and
- Third Party Caucus – an additional two person years.

Table 3, *Funding of Human Resource Needs - Sensitivity to Number of Caucus Members*, shows the responsiveness of our proposed arrangement to different configurations of caucus members across the three caucuses. The outcomes are regarded as being fair and equitable for all sizes of caucuses and the total cost remains constant at \$1,444,400, ensuring overall budgetary stability. Our analysis is based on 29 caucus members in three caucuses. Excluded are the 18 Executive Council Members and the Speaker of the House of Assembly.

With regard to the funding of the caucus of any new registered party, the project team recommends that they be treated the same as the Third Party, as long as they meet the approved House of Assembly criteria for being a registered party. The addition of a registered party would cost \$226,800 annually (\$100,000 base allocation and \$126,800 support to the leader - from Table 2). Conversely, if there were no Third Party, the annual cost would less by \$226,800.

Standings in the House of Assembly can change during the year, and thus their party entitlements. We recommend that an adjustment mechanism be put in place to avoid situations where a caucus loses a Member after his/her entitlement has been spent. When parties become entitled to additional amounts during years when there are no General Elections, adjustments to funding would be effective immediately, whereas any

downward adjustments would become effective at the beginning of the next fiscal year. This system is currently in place in Nova Scotia.

Table 3 - Funding of Human Resource Needs - Sensitivity to Number of Caucus Members (\$000)

Number of Caucus Members	Proposed Allocation	Per Member Allocation				
Government Members						
4	215.0	53.8				
10	323.0	32.3				
15	413.0	27.5				
20	503.0	25.2				
25	593.0	23.7				
Official Opposition						
3	606.6	202.2				
5	642.6	128.5				
10	732.6	73.3				
15	822.6	54.8				
20	912.6	45.6				
Third Party						
1	244.8	244.8				
4	298.8	74.7				
6	334.8	55.8				
8	370.8	46.4				
10	406.8	40.7				
Costs of Selected Outcomes:						
<u>Caucus</u>	<u>Allocation</u>	<u>Costs</u>	<u>Allocation</u>	<u>Costs</u>	<u>Allocation</u>	<u>Costs</u>
Government Members	25	593.0	15	413.0	4	215.0
Official Opposition	3	606.6	10	732.6	15	822.6
Third Party	1	244.8	4	298.8	10	406.8
Totals	29	1,444.4	29	1,444.4	29	1,444.4

On occasion, there could be one or more Independent Member(s) in the House of Assembly, who would not have registered party status. This review found no justification for any special measures in these cases. It is recommended that Independent Members, who are not affiliated with a registered party, receive the same entitlements as a Private Member.

The project team concluded that, while House of Assembly staff exercise proper internal controls over research funding, and maintain detailed expenditure and payroll monitoring reports, communications with caucuses on financial matters should be enhanced. We recommend that all caucuses have administrative staff designated to liaising with House of Assembly staff on budget development and monitoring matters. The additional funding identified in the proposed arrangement will allow administrative weaknesses to be addressed.

The project team recommends that flexibility be given to all caucuses to use the administrative support and policy research funding, including support to leaders, in the manner they regard as being most appropriate. However, this flexibility is subject to the condition that sufficient administrative capacity is in place to ensure needed accountability. In this regard, we recommend that each caucus have an office manager.

The office manager would be responsible and accountable for the efficient operation of each caucus office, including: office administration; budget management; inventory control; staffing, salaries and step progression; as well as leave and attendance. A major responsibility would be liaising on an ongoing basis on financial and human resource matters with the staff of the Office of the Clerk of the House of Assembly. The office manager would have a position description clearly identifying responsibilities and would be classified by the House of Assembly Classification Review Committee.

We also recommend that an administrative support person be assigned to work under the office manager in caucuses that have more than ten private members, given the significant administrative challenges associated with a large caucus. This requirement would apply currently to the Government Members' Caucus.

The three caucus office managers and the administrative person supporting the office manager in the Government Members' Caucus would be funded from the budget for each caucus recommended in this report.

The overall funding for human resource needs of all three caucuses in the House of Assembly should be adjusted to reflect any salary adjustments for the Executive Branch of Government for 2008-09, and beyond.

5.2 Proposed Funding of Miscellaneous Operational Purchases

The current level of miscellaneous operational funding is \$62.50 monthly or \$750 annually, per Member of the House of Assembly. For smaller caucuses, there is a floor of \$500 monthly or \$6,000 annually.

Representatives of all caucuses pointed out the difficulty of finding funding for many of the miscellaneous needs associated with caucus operations from other centrally administered budgets. They pointed out the importance of this relatively small miscellaneous operational funding source and the need for increased allocations in all three caucuses especially, given the rising costs.

Currently, there are no formal guidelines available on what kinds of expenses can or cannot be charged against this provision. A monthly cheque is provided to the respective caucus leaders on an 'in trust' basis. This amount is deposited to a bank account from which cheques are drawn to pay for various expenses. The cheques are signed by two caucus representatives.

The project team recommends that the \$62.50 monthly per member grant be increased to \$100 monthly or \$1200 annually. We also recommend that the floor provision for small caucuses be increased from \$500 monthly to \$800 monthly. These enhancements would cost an additional \$27,000 annually (see Table 4, *Funding for Miscellaneous Operational Purchases – Current versus Proposed Allocations*). Unlike the funding for caucus administrative and research support which excludes Members of the Executive Council and the Speaker from the base, the funding for miscellaneous operational

purchases includes all Members of the House of Assembly. This reflects that they all have caucus responsibilities outside of their Executive Council and Speaker roles.

Table 4 - Funding for Miscellaneous Operational Purchases - Current versus Proposed Allocations (\$)

Caucus	Current Allocation*	Proposed Allocation**
Office of the Speaker		
Grant – 1 Member	750	1,200
Government Members		
Grant – 43 Members	32,250	51,600
Official Opposition		
Grant – 3 Members	6,000	9,600
Third Party		
Grant – 1 Member	6,000	9,600
Total Grant – All Caucuses	45,000	72,000
Change from Current		27,000

Note: *Current formula for each Caucus is \$62.50/Member/Month – Floor \$500/Month.
 **Proposed formula for each Caucus is \$100/Member/Month – Floor \$800/Month.

While we support increased funding, the project team is of the view that more formal controls need to be put in place to ensure effective administration and accountability. In that regard, we recommend that each caucus follow a set of spending guidelines approved by the House of Assembly Management Commission in administering this grant. Spending guidelines should specify the types of expenditures that would be allowed, and equally importantly, those that would not be allowed.

The guidelines should incorporate the following two elements, subject to refinement by the Management Commission:

1. Caucus funding for miscellaneous operational purchases shall be used for items, services and activities that are:⁴

- processing Freedom of Information requests
- newspaper subscriptions and media transcripts
- expenses for caucus meetings
- conference calls with constituency assistants
- travel for caucus staff to cover appeals
- office supplies and expenses
- web site maintenance
- flowers/wreaths for funerals and memorial services
- meals for visiting district and other delegations

2. Caucus funding for miscellaneous operational purchases shall not be used for items, services and activities that are:⁵

- of a personal nature
- a donation or loan to an individual or to a party organization
- payments to an individual, association or elected member for anything that is not directly related to caucus activities

For increased accountability, we also recommend that each caucus be required to submit a report on miscellaneous operational expenditures each year to the House of Assembly Management Commission. This report would show all monies received and disbursed and any surplus funds at year-end.

⁴ Base upon transcripts of the House of Assembly Management Commission and information provided by caucus representatives.

⁵ From Directive #7.2, Board of Internal Economy, Legislative Assembly of Saskatchewan.

Alternatively, this funding could be handled by the finance staff in the Office of the Clerk of the House of Assembly, as they do for other budgetary expenditures in support of caucus operations. Separate caucus grants for miscellaneous operational purchases would be discontinued. A petty cash fund could be maintained in each caucus for smaller expenditure items, subject to spending guidelines and accounting controls.

We recommend that funding for miscellaneous operational purchases for caucuses be adjusted annually starting in 2009-10, in-line with the Consumer Price Index for the Province for the previous year. This allocation is used to purchase a wide range of expenditure items which would be adequately reflected in this broad based economic indicator.

Part 6 - Recommendations

The recommendations reflect the principles set out in this review. These principles recognize the need for an effective legislature. All parties have important functions to play in making the legislature strong and effective. The funding for opposition parties must ensure their ability to critique Government policy, and to offer alternatives to the approaches proposed by Government. All caucuses should be provided with adequate levels of staff and other resources to ensure that they operate in an effective and efficient manner.

In formulating the recommendations, we have considered funding practices of other jurisdictions. We have reflected the inputs from the representatives of all three caucuses, as well as the Speaker and Officials from the Office of the Clerk of the House of Assembly.

We have reflected the need for increased accountability for the spending of public funds. We have been cognizant of the need to be fiscally responsible, in responding to the real resource needs of each caucus, so that our recommendations would receive greater public acceptance.

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.
2. Increase the base funding for the Official Opposition Caucus to \$250,000 annually, from the current level of \$100,000.
3. Maintain the \$302,600 funding for staff support to the Leader of the Official Opposition and Opposition House Leader.
4. Maintain the \$100,000 base funding for the Third Party.
5. Provide \$126,800 funding for staff support to the Leader of the Third Party.
6. Lower the annual per member allocation for caucus members from \$21,218 to \$18,000.
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.
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.
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.

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).
11. Increase the current operational funding to caucuses for miscellaneous purchases to \$100 monthly, or \$1200 annually, and increase the floor provision for small caucuses to \$800 monthly, or \$9,600 annually.
12. Adjust the level of caucus funding for miscellaneous operational purchases annually starting in 2009-10 in line with the Consumer Price Index for the Province.
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.
14. Designate administrative staff, including an Office Manager in each caucus, to liaise with the Office of the Clerk of the House of Assembly on financial and human resource management matters.
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.
16. Treat caucuses of any new registered parties the same as that of the Third Party.
17. Provide Members not affiliated with a registered party with no additional funding beyond their normal Member entitlements.

6.2 Cost of Recommendations

The cost of each of the 17 recommendations is presented in Table 5, *Summary of Annual Cost of Recommendations*. The net additional cost of about \$437,800 is 4.1 percent of the 2008-09 Caucus Operations and Members' Expenses budget. Costs are based on salary classifications and salary steps of the staff complement at the time the 2008-09 budget was prepared.⁶ If all recommendations are accepted and implemented effective October 1, 2008, the cost will be about \$218,000 this fiscal year. For recommendations 9, 13, 15 and 16, the net impact on budgets cannot be determined in advance.

The increases in funding recommended are regarded by the project team to be adequate to allow each caucus to carry out its administrative and research duties in a responsible manner.

⁶ Small adjustments likely would have to be made by Office of the Clerk of the House of Assembly to reflect circumstances at time of implementation.

Table 5 – Summary of Annual Cost of Recommendations

#	Recommendation	Caucus	Change (\$000)
1	Base funding	Government Members	100.0
2	Base funding	Official Opposition	150.0
3	Staff support for Leader and House Leader	Official Opposition	-
4	Base funding	Third Party	-
5	Staff support to Leader	Third Party	126.8
6	Per Member variable funding amounts	All	(74.0)
7	Excluded Executive Council and Speaker - variable funding	Government Members	-
8	Include Parliamentary Secretaries/Assistant and Opposition Leaders in variable funding	All	108.0
9	Administrative and research funding adjustments	All	not known
10	Flexibility in allocating caucus funding	All	-
11	Funding for miscellaneous operational purchases	All	27.0
12	Miscellaneous operational funding adjustments	All	not known
13	Miscellaneous operational funding guidelines/reporting	All	-
14	Administrative staff in each caucus	All	-
15	In year funding adjustments	All	not known
16	New registered parties	New	not known
17	Independent members	New	-
	Total incremental costs		437.8
	Percent of 2008-2009 budget for Caucus Operations and Members' Expenses		4.1%

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PROJECT TEAM

Christopher Dunn, Researcher (International Caucus Funding Arrangements)

Peter Kennedy, Consultant

Kelvin Ng, Consultant

Robert Vardy, Principal, Metrics EFG Inc.

Appendix A – Advertisement in Regional Newspapers

Public Notice

The House of Assembly Management Commission has engaged Metrics EFG Inc. to conduct a review of financial and human resources to be provided to the caucuses of the House of Assembly. Metrics is seeking public input as part of this review.

Information on this review can be obtained by
phone: 722-2391, fax: 722-4390 or
e-mail: rvaridy@metricsefg.ca.

Regional Newspapers

Advertiser, Aurora, Beacon, Charter, Coaster, Compass,
Georgian, Gulf News, Independent, Labradorian,
Northern Pen, Nor'wester, Packet, Pilot,
Southern Gazette, The Evening Telegram, Western Star

Appendix B - Letters to Caucus Representatives

Metrics EFG Inc.
P.O. Box 8040
St. John's, NL
A1B 3M7

Tel 709-722-2391
Fax 709-722-4390
rvarady@metricsefg.ca

April 30, 2008

Mr. Clayton Forsey
Chair, Government Members' Caucus
House of Assembly
Third Floor, East Block
Confederation Building
St. John's, NL
A1B 4J6

Dear Mr. Forsey:

Subject: Review of Caucus Resources – House of Assembly

The House of Assembly Management Commission has engaged Metrics EFG to conduct a review of financial and human resources to be provided to the caucuses of the House of Assembly. The scope of this assignment is set out in Attachment 1.

The purpose of this letter is to begin a process of consultation in the hope of building a consensus on the appropriate resources to be dedicated to the caucuses. We will be in contact with your office during the next few days to try to identify a time when we can meet with you and/or your representative(s) to discuss this project. A preliminary list of questions that may help guide our discussion is presented in Attachment 2. If you wish you also can provide us with your views in writing.

We will examine how other jurisdictions establish the quantum of legislative caucus resources and how they allocate those resources. We also will invite public input.

The project team of Peter Kennedy and I wish to thank you in advance for your cooperation in expediting this project. We will strive to ensure that the final outcome will be a set of recommendations and an implementation plan acceptable to the Members of the House of Assembly, as well as to the citizens of the Province.

Sincerely,

(R. Vardy)
Robert Vardy, Principal

cc Mr. Patrick Bruce
Government Members Office

Metrics EFG Inc.
P.O. Box 8040
St. John's, NL
A1B 3M7

Tel 709-722-2391
Fax 709-722-4390
rvarady@metricsefg.ca

April 30, 2008

Ms. Yvonne Jones
Leader of the Official Opposition
House of Assembly
Fifth Floor, East Block
Confederation Building
St. John's, NL
A1B 4J6

Dear Ms. Jones:

Subject: Review of Caucus Resources – House of Assembly

The House of Assembly Management Commission has engaged Metrics EFG to conduct a review of financial and human resources to be provided to the caucuses of the House of Assembly. The scope of this assignment is set out in Attachment 1.

The purpose of this letter is to begin a process of consultation in the hope of building a consensus on the appropriate resources to be dedicated to the caucuses. We will be in contact with your office during the next few days to try to identify a time when we can meet with you and/or your representative(s) to discuss this project. A preliminary list of questions that may help guide our discussion is presented in Attachment 2. If you wish you also can provide us with your views in writing.

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Sincerely,

(R. Vardy)
Robert Vardy, Principal

Metrics EFG Inc.
P.O. Box 8040
St. John's, NL
A1B 3M7

Tel 709-722-2391
Fax 709-722-4390
rvarady@metricsefg.ca

April 30, 2008

Ms. Lorraine Michael
Leader, New Democratic Party
House of Assembly
Fifth Floor, East Block
Confederation Building
St. John's, NL
A1B 4J6

Dear Ms. Michael:

Subject: Review of Caucus Resources – House of Assembly

The House of Assembly Management Commission has engaged Metrics EFG to conduct a review of financial and human resources to be provided to the caucuses of the House of Assembly. The scope of this assignment is set out in Attachment 1.

The purpose of this letter is to begin a process of consultation in the hope of building a consensus on the appropriate resources to be dedicated to the caucuses. We will be in contact with your office during the next few days to try to identify a time when we can meet with you and/or your representative(s) to discuss this project. A preliminary list of questions that may help guide our discussion is presented in Attachment 2. If you wish you also can provide us with your views in writing.

We will examine how other jurisdictions establish the quantum of legislative caucus resources and how they allocate those resources. We also will invite public input.

The project team of Peter Kennedy and I wish to thank you in advance for your cooperation in expediting this project. We will strive to help ensure that the final outcome will be a set of recommendations and an implementation plan acceptable to the Members of the House of Assembly, as well as to the citizens of the Province.

Sincerely,

(R. Vardy)
Robert Vardy, Principal

Attachment 1 - Project Scope

The consultant is required to complete the following work:

1. Recommend appropriate levels of financial and human resources to provided to each of the following to ensure the ability to effectively discharge their legislative duties:
 - Government Members' Caucus;
 - Caucus of the Official Opposition;
 - Caucus(es) of registered third party(ies); and
 - Independent Members.

2. Recommend which leader(s) should receive resources (financial and human) in addition to the resources provided to the respective caucuses.

3. Recommend appropriate levels of financial and human resources necessary for each caucus to effectively discharge its legislative duties, including the following:
 - The monthly caucus grant funding and the guaranteed minimum;
 - The current allocation annually per private member, and the guaranteed minimum;
 - The core support functions for the Government Members' Caucus;
 - The core support functions for the Official Opposition;
 - The core support functions for the Third Parties;
 - The core support functions for the Independents;
 - The form of funding to be provided (e.g., block funding, core staff, other forms or combinations); and
 - Adjustment measures for determining caucus resources in future General Assemblies.

Attachment 2 - Preliminary List of Questions for Consideration

1. What are the various roles of an MHA which call for resourcing?
2. How does the level of resources provided to each Caucus and Independent Member impact on their effectiveness?
3. What MHA roles (e. g., review of legislative proposals and service to constituents) are most demanding of additional resources?
4. Are these demands periodic or seasonal or do they remain stable throughout the year?
5. What legislatures in other jurisdictions should be reviewed by the project team in its examination of options for responding to the terms of reference?
6. What jurisdiction provides an approach to resourcing which you feel should be emulated in the House of Assembly of Newfoundland and Labrador? Elaborate on the reasons for your answer.
7. How can the requirement for resources best be identified in terms of the functions of MHAs (e.g., public policy research, intelligence on the operations of government, and responding to the needs of constituents)?
8. What form should caucus support take? Should it be block funding, core staff or some combination?
9. Should there be a guaranteed minimum? What is the effect of having a guaranteed minimum? Should any guaranteed minimum apply to Independent Members or only to “established” parties?
10. How is an “established” party to be defined and how can an “established party” of one Member best be differentiated in practical terms from an Independent Member?
11. If the guaranteed minimum is too high will there be an incentive for new parties to be created?
12. What role should be played by the Legislative library? Should the library’s resources be augmented as a means to support the general research requirements of the caucuses?
13. What should be the determinants of the support for each caucus (e. g., number of caucus members, share of the popular vote, population of the districts represented)?

14. What factors should be used to make future adjustments in caucus resources (e. g., total provincial population, changes in population of the constituencies represented by each caucus)?
15. Should there be a periodic review of resources to each caucus and to Independents conducted by an independent body or by the House of Assembly Management Commission?

Appendix C – Research on Caucus Funding Arrangements

Research on International Arrangements

There have been a number of special studies touching on the question of political funding of parliamentary parties. The matter seems to have been of more interest to international bodies and United Kingdom parliamentary bodies than it is to Canadian counterparts. In our country, the matter seems to be a matter for bargaining between the parties themselves, but internationally the matter appears to be placed more on a principles-based footing. It should be noted that much of the literature is focused upon public funding of elections rather than upon funding for the day to day operations of legislatures.

Council of Europe

The Council of Europe is a pan-European body founded in 1949 to promote human rights, pluralist democracy and the rule of law in part by consolidating democratic stability by political, legislative and constitutional reform. As part of an integrated project called “Making Democratic Institutions Work,” it commissioned a study on the public funding of parliamentary parties.¹ The study recommended that there be a balance between private and public funding of political parties and suggested a number of principles relating to such public funding, some of which were:

1. The state may contribute – directly or indirectly – to the operational cost of party activity, election campaigns and the functioning of parliamentary party groups.
2. Political parties may receive indirect support from the state (for example, free broadcasting, state support for parliamentary groups, state subsidies for political foundations or research groups).
3. Objective, fair and reasonable criteria should be applied regarding the distribution of state support. The state should enable new parties to enter the political arena and compete under fair conditions with more well-established parties. The levels of political support should be calculated on the basis of objective criteria. The criteria most frequently used are the number of votes cast for a party, the number of parliamentary seats obtained, or a combination of the two.

4. There should be a threshold to serve as a more or less arbitrary cut-off point above which popular support is considered sufficient to qualify for state subventions, thus avoiding state subsidies for every party contesting the election. Currently, in the Province of Newfoundland and Labrador, the operative threshold is the election of at least one member to the House of Assembly which triggers in the interim formula, a basic minimum level of support plus an amount of support based upon the number of members elected.
5. State support should be limited to reasonable contributions. The state should insure that any support from the state and/or citizens does not interfere with the independence of political parties and candidates.
6. There should be a legal maximum for state subsidies.
7. The legal framework for party and candidate financing should include provisions for disclosure, reporting, monitoring and enforcement.²

European Commission for Democracy through Law (Venice Commission)

The Venice Commission, founded in 1990 and so called because of its regular meetings in Venice, is an independent advisory body of the Council of Europe. It is composed of experts in the field of constitutional law. In 2001, it issued guidelines regarding public and private financing, election campaigns, and controls and sanctions. It specified that “public financing must be aimed at each party represented in Parliament. It added however, that in order....to ensure the equality of opportunities for the different political forces, public financing could also be extended to political bodies representing a significant section of the electoral body and presenting candidates for election.”³ A supporting study by Professor Jacques Robert reviewed the party funding practices of thirty countries in Europe and around the world and reviewed principles that were common to many of them. In Robert’s words:

1. For decades many countries had no legislation governing the financing of political parties... Each party had to raise funds at all costs, and the richest were the strongest. {Countries ended} this constant quest for financing by providing a public source of funds, with the aim of placing parties and their candidates on a more equal footing.
2. The emergence of this new source of funds did not, however, mean an end to all private financing. But since the state was offering financial assistance, it could legitimately exercise some degree of supervision over parties’ private sources of

funds, so that the disparities in funding did not in fact undermine the equality between parties which the public financing arrangements were seeking to promote.

3. The problem facing states which, alongside other public or private institutions, decide to finance political parties is striking a fair balance among all parties - in terms of the funds distributed - and avoiding distribution based on arbitrary criteria, which would favour the most powerful parties to the detriment of those which either did not score well in the most recent elections or are newly formed and have not yet stood the test of elections.... It is therefore important that state financing should be calculated on the most objective, fairest basis possible.... More often than not, national law ... makes public aid for political parties conditional on both the number of seats obtained and the overall percentage score.
4. If the democratic process is to function well, it is necessary both to limit, as far as possible, and reduce expenditure by political parties and at the same time to safeguard the principle of equality between parties, which often appears to be jeopardized in favour of mainstream parties, which - because they obtain the highest scores and the largest number of seats - are allocated considerable public subsidies.⁴

International IDEA

Once state subsidies are involved, the matter of equitable treatment towards the recipients of the subsidies arises. A report by respected parties expert Pippa Norris for IDEA (International Institute for Democracy in Electoral Assistance), an international body dedicated to the furthering of democracy, outlines what has become an increasingly common template to put the issue of equitable treatment in perspective:

To greatly simplify the comparison, the degree of legal regulation governing political parties can be classified into three broad ideal-types or analytical categories.

- *Monopolistic* regulations are explicitly skewed towards the ruling party, restricting all opposition parties and dissident movements, to prop up repressive regimes and one-party states.
- *Cartel* regulations respect general human rights but nonetheless they limit party competition through a variety of restrictive practices designed to benefit established parties in parliament or in government. This includes the requirements for ballot access, the regulations governing the allocation of public funding, and the rights to free campaign broadcasts and state subsidies. Cartels

are designed to skew resources towards insiders, with a high effective vote threshold protecting against outside challengers.

- Lastly, the most *egalitarian* regulations are designed to facilitate plural party competition among multiple contenders, with equal access to public resources and minimal legal restrictions on which parties and candidates appear on the ballot.⁵

The report suggests that the latter is the best option. Parties should be equal under the law, and the state should regulate them in a fashion that is not restrictive or discriminatory. While monopolistic regulations are not in use in Canada, it should be noted that cartel-type regulations are considered by many political scientists to be commonplace.⁶ Examples of cartel operations are minimal vote or seat thresholds to qualify for aid, exclusion of smaller parties from broadcast rights, and legal prohibitions against certain types of parties. There is of course a tension between the cartel and egalitarian principles when considering aid to parties; some hybridization is probably necessary to prevent the needless multiplication of fringe parties. In other words, there may be a practical need to invoke thresholds even though they may not conform fully with equalitarian principles of access to funding by all parties.

British Studies and Practices

One of the countries which have tried to wrestle with the principles underlying the financing of parliamentary parties is the United Kingdom. It has done this by a multiplicity of studies and incremental reforms in the last three decades. In light of the fact that our parliamentary model derives from British practice, it is fitting that we consider the principles arising from these studies and reforms.

The Houghton Report

In May 1975, the Labour Government set up a committee chaired by Lord Houghton of Sowerby to examine the increasingly pressing issue of financial aid to political parties.⁷ It recommended that financial aid be given to both the central and constituency wings of the parties. The purpose of this was to arrest the increasing irrelevance of British parties and

their being overpowered by the growth of the state and its bureaucracy. There was also a sense that members of the increasingly impoverished political parties, upon whose shoulders much of the burden of party finance had heretofore rested, had done enough. Private financing (implicitly corporate in nature) was an option, but in the interests of good public policy it should not exercise overwhelming influence.

Four members of the Committee dissented and issued a minority report that in essence amounts to a repudiation of the principles of the main report. It mentioned that taxpayers would disapprove of funding parties they disagreed with, that there was no guarantee that financing would lead to improved party performance, that traditional bases of support for parties would be weakened, that parties would be forced to alter their practices by the state, that newly funded central party organizations were bound in time to overwhelm the local ones, and public cynicism was likely to occur after MPs funded their own parties with significant amounts. The report was ahead of its time and was roundly ignored for decades.

The Hansard Society Commission Report

Relatively more popular was the Hansard Society Report: *Paying for Politics*.⁸ One reason was that the principles upon which it based its recommendations were the needs of the public, and the need for balance. The then-current emphasis on corporate and union finance was leading to increasing class polarization in the country, and certain interests in society were being “organized out” of authoritative decision-making, while others enjoyed disproportionate influence. Participation of the public in politics was also being discouraged, the opposite of what a funding mechanism should be seeking to achieve.

The Hansard Society Report recommended a system of matching payments by the state to parties in parity with donations from the public. Payments would be based on the achieving of a minimum threshold of votes and seats.

The Committee on Standards in Public Life Report (Neill Report)

The Committee on Standards in Public Life is an innovative body, set up in the wake of political scandals in the 1990s in the UK and reporting to the Prime Minister. It is a standing committee of politicians and non-politicians who report on various matters affecting the

ethical climate of the country. Its fifth report under its then-chair, Lord Neill, turned its attention to public financing of political parties.⁹ It is particularly useful in the context of the focus of our report, since it drew a distinction between funding of parties outside of Parliament and within it.

The Neill Committee recommended a significant increase in “Short Money,”¹⁰ public funds given to opposition parties in Parliament for the pursuance of their parliamentary duties. It goes to research support for front-bench spokespeople, Whips’ offices, staff for the Leader of the Opposition, and travel for Opposition frontbenchers. The Government Caucus is not eligible to obtain this funding. It is now indexed to the British version of the CPI, having initially been fixed as a combination of vote and per – seat calculations. The amount paid to each party is based upon the number of seats won at the last election and the number of votes gained by the party in the last election. Travel expenses are covered as well with a fixed amount of travel funds allocated among each of the opposition parties in the same proportion as the amount given out under the basic per seat and per vote funding formula. The formula is based upon a minimum threshold two members elected or one member plus a minimum of 150,000 votes cast. The leader of the opposition receives a fixed amount which does not depend directly upon the number of seats or members.

The rationale for the in-Parliament funding of parties actually appeared to be caught, interestingly enough, in the language of one of its recommendations, number 41:

The political parties in the House of Commons should review the allocation of Short money to ensure that the Official Opposition’s allocation is fixed and does not depend on the outcome of the previous general election and also to ensure that the allocation of Short money to all opposition parties is sufficient to enable them to perform their functions adequately.¹¹

This is based upon the fact that the Official Opposition has constitutional functions to perform which do not depend upon the number of seats. These duties must be carried out whether the Opposition is large or small and thus there needs to be a formula which recognizes these functions by providing at least a share of caucus resources which does not depend upon the electoral results. This argument led to the creation of a pool of resources for use by the Opposition, a block of money fixed in amount and provided to the Leader of

the Opposition. The principle that the Official Opposition must have a fixed amount of resources is implicit in the interim funding arrangements for the House of Assembly.

It also saw the need for a “Policy Development Fund,” to balance off the danger that only routine administrative matters might receive funding and for which all parties, including the Government Caucus, would be eligible. Its rationale is germane to the work of the House of Assembly Management Commission (HOAMC):

Perhaps surprisingly, this applies almost as much to the governing party as to the Opposition. Ministers become preoccupied with current crises and the sheer volume of government business. They, and the party to which they belong, find it hard to ‘think long’. The opposition parties, for their part, are also in continuous danger of being deflected from one of their principal tasks, which is to prepare for government in policy terms. The political parties themselves should be one of the major sources of ideas in British politics. They are not always so at present.¹²

It reviewed the pros and cons of public financing much as the Hansard Society had done and concluded that they were generally balanced, but that public dissatisfaction would be turned aside by the requirement for regular reporting.

The Political Parties Elections and Referendums Act 2000

The Government’s Response was to pass a new *Political Parties, Elections and Referendums Act* (PPERA) in 2000. It established a new Electoral Commission and required it to come forward with a Policy Development Fund. The Fund is divided equally among all the “eligible” (oath-taking) political parties in England, Wales, Scotland and Northern Ireland, taking into account the size of their electorates. The Short Money scheme continues.

Philips Committee, 2007

The Phillips Committee Report was commissioned by Prime Minister Tony Blair in the wake of the cash-for-honours scandal of 2006. It was headed by Sir Hayden Phillips, a former civil servant. The Committee recommended the ending of the Policy Development Grants, but suggested that the need for them would be done away with by the significant increase in

party funding, based on the share of popular vote.¹³ The new approach would make all parties eligible for funding and provide for matching of private sector contributions, subject to a cap. This recommendation has not been implemented.

Australian Practices

As recently as a decade ago, a review of legislative electoral and party aid conducted by the Neill Committee found that “there is no specific funding for the parliamentary activities of the political parties [in the Australian Parliament]. Members of Parliament have their own staff and research support is provided by the Parliamentary Library.”¹⁴

There was a change of heart, however, and some research money is now earmarked for party research. A survey by Tom Axworthy found that:

The Labour and Liberal parties each receive \$179,375 for think-tank groups, the Chifley Research Centre Limited and the Menzies Research Centre Limited, respectively. The grant enables the Chifley Research Centre Limited “to undertake research into social, economic, and political policies and to encourage the development of high quality public policy”, while the Menzies Research Centre Limited endeavours to conduct “research, a public lecture series, seminars on social and political issues, publication of articles on educational, environmental and indigenous policy issues, and website development”.¹⁵

In addition, the Labour and Liberal parties each receive \$1 million from the government to support democratic government overseas, although this is not discretionary funding and is more a method of international assistance rather than a method of party funding.

In Tasmania the forty Members of both Houses are funded on an individual basis. There is no Caucus funding as such however the Opposition (Liberals) and the Third party (Greens) have extra resources to fund Leaders’ staff and offices. These funds are allocated by the Department of Premier and Cabinet and lumped into a large pool of money called “Ministerial and Parliamentary Support”. They also administer House of Assembly electorate offices and personnel. Legislative Council Members have their electorate offices and personnel looked after by the Legislative Council.

The House of Assembly has a long-standing policy that it should not be within the realm of the Assembly to administer staff and money as this amounts to party political activity. The

minimum number of members required for party recognition is four. The Parliamentary Library and Parliamentary Research Service resources are available to all Members on an individual and confidential basis without regard to caucus status.

Practices in the Republic of Ireland

Most state aid to parties in the Republic of Ireland has dramatically increased in the last two decades and is allocated mostly for parliamentary activities and relatively little for campaign expenditures. The most recent versions of legislation are the Electoral Act, 1997, amended by the Electoral (Amendment) Act, 2001. Special emphasis is placed on general administration, research, funding of a policy foundation, and promoting the participation of women and youth in political activity. There is an annual upper limit on the total spent for these purposes by the responsible body, the Public Office Commission. There is a minimum percentage of the total first preference votes – two percent - needed to qualify for aid. The allowance is allocated on the basis of elected members, according to a sliding scale: parties with fewer members get more per member than parties with many members. All parties receive funding of this sort, even the government party, but in the latter case the money is on a reduced scale.¹⁶

American Practices

In some ways the United States is not relevant to a discussion that focuses on financing in a Westminster-type system. This is because of a number of factors. The focus of US public funding is on support for candidates and not parties.¹⁷ Another is that even after being elected, the money is focused at the individual member of the Senate or House of Representatives. Senators and Representatives have large bureaucracies to help them: staff members on their office payrolls, committee and subcommittee staffs to help them. Office staffs tend to emphasize constituent services, whereas the committee staffs work on the drafting of bills, organization of hearings, and liaison with the executive branch.

It can be seen that, although there is some party assistance, it is overwhelmed proportionately by the personal and committee staffs. In 2001, each Representative was allocated up to \$662,708 for staff; Senators were allowed up to \$410,277 for legislative staff

and up to \$2.4 million for clerical staff, depending on the population of the state represented.¹⁸

The function of parties to some extent has been taken over by Political Action Committees (PACs). They engage in political action, regulated by the *Federal Election Campaign Act*, giving limited funding to federal candidates and party committees; unlimited independent expenditures; and “soft money” and advertising on issues, outside the limits on election spending. Like parties, some of them may even raise money by voluntary contributions from unions and corporations.

Whether all this would be acceptable in a Westminster-type system is questionable. Such funding practices act as a buffer against party discipline, tend to promote personality- rather than policy-oriented parties and elections, weaken party identification at the level of the elector, and provide large avenues of influence for interest groups. On the other hand, there is much to be said for the institutionalized commitment to the administrative and policy role of the legislator in the legislature.

South American Practices

A review of the literature on party financing in South America found a healthy attention to institutional, as opposed to electoral, support for parties.

There is a tendency in the region to favour public funding for the strengthening and institutional development of political parties, including research, training and education activities for party cadres. This is the case in Argentina, Bolivia, Brazil, Colombia, Mexico, Panama and Peru. This trend is the result of ‘an urgent need to “de-electoralize” political party activity. Regardless of whether funding is granted through public funding or a mixed funding approach, institutional frameworks must be devised for political parties to finance their day-to-day operations on a permanent basis, beyond election campaigns’. The issue’s growing importance is reflected in the number and quality of comparative studies and national studies being done, particularly in the past ten years.¹⁹

The authors derive a principle from this as a model to the rest of the region. Other countries should:

Enhance the use of public funds by investing in the strengthening of democratic parties. Political parties and an open and free political contest are vital to the very existence, functioning and sustainability of democracy. Consequently, parties must have equal access to adequate resources to finance their ongoing operations and election campaigns. It is also important to invest a share of public resources in research, education and training, as well as in the strengthening and institutionalization of political parties and democratic party systems, rather than in publicity or campaigns.²⁰

Icelandic Practices

In Iceland, political parties were not regulated by the state until 2007, but there were informal arrangements in place before that. There was general support from the budget amounting to 2 million Euros in 2003 from the national treasury that was not monitored by the state; there was funding of 550,000 Euros for special advisors and publishing, the division of which among the parties was to be decided by negotiations among the heads of the parliamentary parties and the president of the Althingi, the parliament; and from 2001 there was a special fund from the Prime Minister's Office, of 300,000 Euros in total for all parties, to allow them to adjust to a new electoral system.²¹ The general support (2 million Euros in 2003) is given to each party that received more than 2.5 per cent of the parliamentary vote in the last general election and is allocated among the parties according to their electoral strength. The amount for special advisors and publishing is allocated based upon the parliamentary strength (i.e., number of members) of the parties through discussions among the President of the Parliament and the chairs of the parliamentary parties.

As the result of political funding scandals and international attention, Iceland introduced a new legislative framework for political financing. *Law No. 162/2006 on the Financial Affairs of Political Organisations and Candidates and Their Duty to Provide Information of 21 December 2006* applies on the one hand to political parties and alliances running for election to the Parliament as well as to municipal governments, and on the other hand to individual candidates, running in party primaries or for seats at the municipal level. The main objectives of Law No. 162/2006 are to reduce the risk of conflict of interest and to provide

financial transparency in order to increase public trust in political activities and strengthen democracy (Article 1, Law No. 162/2006).²²

Research on Canadian Arrangements

Saskatchewan

The Board of Internal Economy of the Saskatchewan Legislature has authorized the payment of public money to each caucus. The money is provided to support the members of each caucus in their roles as legislators in the Legislative Assembly and in Legislative Committees and is to be spent for research, information technology, administrative services and other operating expenses of the caucus. Each caucus is an organized group of two or more individuals who are elected members of the Legislative Assembly and who have the same party affiliation. For each party the formula is the same. There is a base amount plus an amount for each Private Member. However, the formula defines the number of Private Members differently for the Government versus non-government caucuses.

Annual funding for a caucus, other than the Government Caucus, is calculated using a base amount of \$314,568 plus the product of \$24,937 multiplied by the number of Private Members, excluding the Leader of the Party. For the Government Caucus the base amount is the same as is the amount per Private Member. Members of the Executive Council are excluded, as is the Speaker, but the number of Private Members, with these exclusions, is increased by two for the purpose of the calculation of funding.

Caucus funding cannot be used for activities that are personal in nature or for the conduct of an election. A list of disallowed expenditures has been identified. In addition to the payments to each caucus pursuant to this formula there is also an additional amount for information technology. Each caucus is entitled to a grant in the amount of \$1,000 per elected Member belonging to that caucus. The money is to be spent on information technology enhancements including hardware, software, technical support, and maintenance and system development expenses.

Each independent Member is entitled to receive annual funding of \$24,937 for research, information technology, administrative services and other operating expenses. An independent Member is one who does not belong to a caucus. An additional grant of \$155,087 per annum is paid to the Office of the Leader of the Opposition to cover the cost of staff, supplies stationery and services.

The Office of the Leader of the Third Party is entitled to an annual grant of \$77,544, or one-half of the grant to the Office of the Leader of the Opposition. Each caucus must commission an independent auditor to conduct an annual audit of monies received and disbursed. The various grants are adjusted twice a year based upon the Consumer Price Index for Saskatchewan.

Nova Scotia

In Nova Scotia each Caucus Office is provided a lump sum of \$400,000 plus \$43,500 times the number of Members. The Speaker, Premier, other members of the Executive Council, Leader of the Opposition, and Leader of the Recognized Party are not included in the formula. The base funding is not available to Independent Members. The funding is for support services, such as printing, telecommunications, and office incidentals. In Nova Scotia there is a budget allocated for the Leader of the Official Opposition and the Leader of the Recognized Party which supports the cost of staff. This year, the amounts budgeted were \$416,500 and \$250,000, respectively, for the Official Opposition and Third Party Caucuses.

Section 43 of the Nova Scotia House of Assembly Act reads as follows:

43 (1) The Leader of the Opposition shall be provided with office facilities consisting of a private office for the Leader, a private office for a senior assistant or senior secretary, a private office for a director of research and a research assistant, a reception area for the Leader's secretary and a working area for a secretary for the director of research and the research assistant and necessary equipment for the office and the cost of the office facilities and the necessary equipment shall be paid out of the Consolidated Fund of the Province.

(2) The salaries, as determined pursuant to subsection (5), of

(a) two secretaries;

- (b) a director of research;
- (c) a research assistant; and
- (d) a senior assistant or senior secretary,

employed by the Leader of the Opposition shall be paid out of the Consolidated Fund of the Province.

(3) The leader of a recognized party, other than the Premier and the Leader of the Opposition, shall be provided with the office facilities consisting of a private office for the leader, a senior assistant or senior secretary, and a private office for the leader's research assistant and a reception area for the leader's secretary and necessary equipment for the office and the cost of the office facilities and the necessary equipment shall be paid out of the Consolidated Fund of the Province.

(4) The salaries, as determined pursuant to subsection (5), of

- (a) a secretary;
- (b) a research assistant; and

(c) a senior assistant or senior secretary, employed by the leader of a recognized party pursuant to subsection (3) shall be paid out of the Consolidated Fund of the Province.

(5) The Civil Service Commission from time to time shall fix and determine schedules of compensation for the senior assistant or senior secretary, for the director of research, the secretaries and the research assistants in the same manner as it fixes and determines schedules of compensation for civil servants, provided that the initial salary of the research assistants shall not exceed fifteen thousand dollars per annum.

(6) The senior assistant or senior secretary, director of research, the secretaries and the research assistants are deemed to be employees of the Province for the purposes of the Public Service Superannuation Act, vacation and sick leave pursuant to the Civil Service Act, group life insurance and other forms of insurance or benefits to which civil servants are entitled from time to time.

(7) The Leader of the Opposition and the leader of a recognized party, other than the Premier, shall be paid from the Consolidated Fund of the Province such sum as is determined by the Legislature Internal Economy Board to indemnify them for reasonable expenses incurred for travelling or otherwise in the discharge of their official duties. *R.S. (1992 Supp.), c. 1, s. 43.*

Constituency Assistants for Members are paid through the Legislative Services Budget and these payments are not part of the Caucus or Leaders' funding. The third party is treated in the formula the same as the Official Opposition, which means they qualify for the base amount plus the grant for each Private Member. The past practice has been that the grant (\$43,500) for each Member would increase each year equivalent to the cost of living increase awarded to Civil Servants.

Other Canadian Provinces

Table C-1, at the end of this Appendix, provides a summary of caucus funding for each of Prince Edward Island, Nova Scotia, New Brunswick, Ontario, Saskatchewan, Alberta, Manitoba and British Columbia. These data were collected by the House of Assembly staff and provided to the project team. Our general observations are as follows:

- The amounts provided to Caucuses in other Provinces are generally higher than those in Newfoundland and Labrador.
- Usually, there is a combination of a base amount supplemented by a grant for each Private Member, similar to the Interim Funding arrangement in this Province.
- Sometimes Cabinet Members and the Leader of the Opposition are excluded from the per Member amount.
- Usually there is additional base funding for the Leader of the Opposition and for the Leaders of Third Parties.
- The Group contacted Nova Scotia, Saskatchewan, Manitoba and New Brunswick directly and was successful in obtaining responses from Nova Scotia and Saskatchewan, which are summarized above. The following summaries are taken from the information collected by the House of Assembly staff.

New Brunswick

A block amount is provided for the Government Caucus and for the Official Opposition. The latter amount is about 50 percent higher than the former. There is also a per Member grant. Third parties are eligible only for the per Member amount.

Prince Edward Island

In Prince Edward Island each party receives an equal block of funding for support services staff plus a grant per member. The Official Opposition receives an additional amount which is reduced for a Third Party.

Ontario

Base funding includes an amount for each of (1) administration, (2) research and (3) office automation. The base amount is higher for the Official Opposition and for Third Parties. Grants per member are similarly allocated for each of these three categories, with an incremental amount available to the Opposition and Third Parties.

Alberta

A base amount is available to the Government Caucus. One half of this amount is provided to the Official Opposition and one quarter of this amount to a Third Party. There is also a grant for each Private Member, which is available to all Members. Parties with less than four Members are provided a prorated amount of the block funding plus the per Member amount. The same applies to Independents.

British Columbia

In British Columbia the Government Caucus receives an amount per Member for each Private Member plus a reduced amount for each Executive Member. The Official Opposition receives the same amount for each Private Member plus an amount equivalent to the average of the funding provided to the Ministerial Offices for the previous fiscal year. A Third Party would be entitled to the per Member amount based upon a minimum of four Members.

Canadian House of Commons

Tom Axworthy comments on the provisions for research that pertain in the House of Commons:

Since the 1970s, each of the official parties in Parliament has been allocated funding in order to set up a research centre for their caucus. For this purpose, parliament provides \$2.3 million per party per year (approximately \$20,000 per Member of Parliament). This is a recent increase. Caucus research bureaus received \$1.8

million in 2004. The bureaus, as well as their funding, are under the control of the chair of the parliamentary caucuses; though in practice they tend to be strongly associated with the leader's office. The bureau's services are available to any member of the caucus who requests assistance, and each bureau is capable of performing a wide variety of tasks, including communication, opposition research, political analysis, and policy development, among other responsibilities. As noted by the director of the Liberal Caucus Research Bureau, "the Library of Parliament does great work, but there are certain things it cannot do." The caucus research organizations fill these gaps, providing research, expertise and analysis that are outside the mandate of the neutral Library of Parliament.²³

The various Research Bureaus are organized to support the party members in their various roles.

After a general election, the House Officers (i.e., House Leaders and Whips) negotiate the formula for financial support of each recognized party's research offices. These research office budgets are proportional to the number of seats held by each party and are then subject to the same percentage increases that occur periodically, such as a Cost of Living Index that effect changes in the budgets for the offices of the House Officers themselves.²⁴

General Principles on Democratic Legislatures and Caucus Funding

The general principles that emerge from the review of the literature are as follows:

1. *The primary aim in legislative reform is to enhance the quality of democracy*

This principle may strike one as a truism, but it deserves to be emphasized nonetheless. Legislatures are the primary evidence that a country or province has a working democracy in place. It is the reason for which legislatures come into being. Democracy, or rule by the people, is not a given, however, but a goal, and one that needs constant nourishing. Political parties play a key role in the selection of governments and in formulation of the legislation which establishes the policy framework within which the executive, judicial and legislative branches operate. The party which elects most members is the party which normally forms the government. Among other parties the one which garners most seats normally forms the official opposition. The opposition and other parties have an important role to challenge the actions of the governing party and to offer electoral alternatives to the governing party. This is how the principle of adversarialism works in a parliamentary system.

2. The legislature has important functions in a democratic state

The traditional functions of legislatures will be familiar to most. *Representation*, or providing a voice for constituents in the seats of power, is one of the most familiar. Another one is *legitimation*. Governments and citizens are obliged to follow laws that are passed in proper fashion, and the sign of that is that a majority of the members of the elected house are in agreement with an act. Another is *scrutiny*. Public policy proposals and actions of the executive are to be subject to examination and constructive criticism by parties in the House, and especially by the backbenchers, both on the government and opposition benches. *Recruitment* is another function. The government of the day, the cabinet, is chosen from elected members of the house, save for exceptional circumstances in which a non-elected member is chosen, only to stand for election soon thereafter. Also joining the list is *law making*. In modern parliaments dominated by political parties, the law-making function amounts to assenting to the legislative program of the government, but the stages in the enactment of legislation create regular opportunities for the legislature to influence the shape and purpose of the legislation. Others, rather than referring to law making, use the term “policy-making.” *Financing* is yet another function of parliament. Constitutionally, no spending or revenue raising is permitted that has not been first introduced by the Monarch’s representative, normally the governing party, and passed by the legislature. As well, the Auditor General acts as an officer, or direct agent, of the legislature in verifying public financial statements and the legitimacy of expenditures. *Political education* is also a function of legislatures. They are expected to raise issues, debate them, and inform the public along the way. This is the reason for the multiplicity of instruments that they use: question periods, reports, committee hearings, budgets and so forth. Lastly, there is *accountability*. The government of the day is made to submit its program to the legislature, to defend it, and to resign if the legislature finds it wanting.

These are all vitally important, public opinion sometimes notwithstanding. The Norton Commission in the UK put it eloquently in 2000:

Other bodies may fulfill some, but only some, of the tasks ascribed to Parliament. A citizen with a grievance may seek media attention to get that grievance heard. Investigative journalism may expose the failings of ministers and officials. However, Parliament alone can carry out the full range of tasks ascribed to it. It alone has the

constitutional authority to give assent to measures of public policy. It alone has the popular legitimacy to do so. People do not go to the polls to elect newspaper proprietors or the political editor of the BBC. People do not go to the polls to elect the leaders of pressure groups. The courts do not enforce views expressed in public opinion polls. They enforce Acts of Parliament and regulations made under the authority of Acts of Parliament. In short, Parliament matters. The best way to appreciate how much it matters is to consider what it would be like if it did not exist.²⁵

3. *The legislature must be strong vis-à-vis the executive in order for democratic government to be effective*

Executive dominance is a pervasive fact of life for legislatures in Canada and around the world. Nevertheless the meaningfulness of the commitment to democracy, and of the functions listed in the previous section, depend on the vitality of the legislature and its willingness to question the approach to the government's program. In the words of the National Democratic Institute:

The health of a democracy declines dramatically, however, when the executive branch excessively dominates the legislature. A government with a legislature lacking the capacity to effectively oversee the executive or influence policy – a legislature that exists solely to “rubber stamp” executive decisions – cannot be deemed democratic in the modern sense.²⁶

The legislature must be in a position to check the freedom of movement of the executive, without checkmating it.

4. *Parties in legislatures have important functions to play in making legislatures effective.*

Political parties are creations of the 19th century but crucial to governance in the 21st. They perform a number of roles that are central to the functioning of parliamentary government. They provide the leadership for the legislature. They provide the means for disciplining members that allows the government the security to proceed with its program. Parties are interlocutors between government and the people. Taken as a whole, the Parties in particular have a very important role in helping the legislature in Westminster systems to perform important stabilizing functions. They help to create governments and sustain them.

They provide a government-in-waiting, except in rare occasions where there are lopsided victories for the government party, such as is now the case in Newfoundland and Labrador.

5. *In adversarial systems, the Opposition and other parties play important roles and need institutionalized protections*

A closely related matter is that legislative vitality requires Opposition vitality. As the Norton Commission put it, there has to be testing of the government by providing alternatives to its program. Although meant as commentary on the UK Parliament, the analysis is entirely germane to Canadian legislatures as well.

We also recognize the value of the party system. The existence of the opposition, and of opposition parties, ensures that government proposals are subject to sustained scrutiny from a potentially critical perspective. Government proposals are subject to critical questioning. They are tested through debate. Members, and indeed the electorate, are provided with alternative views. We believe this to be valuable, indeed central to any democratic system. We believe that testing by the opposition is crucial. We also believe that such testing should be informed. To do their job effectively, opposition parties need to have the resources that will enable them to engage in informed questioning.²⁷

The crucial thing is that there has to be informed opposition, and that takes resources. However, one other consideration is germane here. That is that in first-past-the-post (single member plurality) systems such as those that exist in Canada, there is a danger of opposition shut-outs or quasi shut-outs as the electoral system exaggerates the winner's share of seats. This has been seen in general elections in the provinces of Newfoundland and Labrador, PEI, New Brunswick, Alberta and British Columbia. There needs to be a kind of "Opposition Bill of Rights" to deal with such anomalies, since Westminster systems depend on adversarialism.

6. *There is a need for a balance in public financing for Parliament as an institution, for individual members, and for parties in Parliament.*

There has been a progression of support in most jurisdictions from support for the legislature as an institution to support for individual members in their roles as constituency representatives. Less developed is support for parliamentary parties, and, where it has occurred in Canada, it has tended not to be on the basis of consistent principles, but on a series of pragmatic compromises. In this regard, Canada lags behind the Europeans, who

have tended to see the need for aid to parliamentary parties as part of a range of public aid to political parties and something that needs to be subject to public review and discussion. In the United States the general approach has been to provide members (i.e., members of the House of Representatives and the Senate) with support staff and other resources, rather than to allocate such resources to political parties.

7. *The professionalization of the political vocation should be encouraged to enhance the effectiveness of democratic legislatures.*

The Green Commission recently referred to the need to increase the level of professionalization” of political life.²⁸ A politician should to a great extent also be a professional and see his/her job as a vocation. Professions are occupations whose practitioners are highly specialized and committed to ethical codes which value serving the public over any other considerations. Vocations are callings. The Commission suggested a number of desirable attributes for individual lawmakers. Some of these attributes are:

- The politician is given the tools of the trade necessary for his or her work.
- The professional politician is transparent. This means that the member publishes his or her expenditures for public viewing and does not have access to non-accountable allowances.
- A professional politician adheres to, and more importantly, internalizes the code of conduct adopted by the Assembly by complying with provisions of the code and with its spirit and intent.
- In the place of professional bodies, the politician looks to the regulatory structure that is established by and for the legislature to provide safeguards for the professionalism of the parliamentarian.
- A professional politician undertakes training in what is expected of him or her.

However, because it was outside its terms of reference, the Green Commission did not look at the issue of support to party caucuses in any depth. Professions require that their members demonstrate a high level of education, training or competence. One way to do this in the context of party caucuses is to permit them to hire or contract high-level research staff.

8. *Over and above these considerations, the legislature as an institution should seek to take on the attributes of a developed legislature and to shed those of an undeveloped legislature.*

Generally speaking, legislatures in Canada can be categorized as falling into two categories, developed and undeveloped. Developed legislatures have significant committee structures, significant resources, and significant influence in policy- and budget-making achieved by emphasizing consultation with the public. Undeveloped legislatures are the opposite in all these respects. To some extent, developed legislatures are such because they exist in larger provinces with greater resources, but this is not a lock-step sort of relationship. Smaller legislatures in smaller provinces can also be effective. Yet the most pressing issue that is germane to the funding of parliamentary parties is that without adequate funding for staff and researchers, the parties will not have the resources to make the developed legislature work.

9. *Evaluating legislatures means assessing their relative policy effectiveness.*

Graham White has noted that there are multiple criteria to apply to the evaluation of provincial legislatures, but that the most important one is gauging policy effectiveness. White says there have been significant improvements in the policy making capacity of the legislatures since the mid 1970s. According to him, there are three interrelated variables which affect the capacity of the legislature to influence public policy: 1. Independence from government; 2. Professionalization; and 3. Committee effectiveness.²⁹ The provision of adequate resources to each party or to each member impacts heavily upon each of these variables.

Lessons from Review of Canadian and International Arrangements

There are a number of lessons arising from the review of Canadian and International experiences. Many of these are instructive in the design of rational options for consideration within the context of the House of Assembly of Newfoundland and Labrador.

1. **International experience varies widely**, with some jurisdictions providing resources directly to parliamentarians rather than to parties individually. This appears to be the case with the United States, both at the federal and state level. Some jurisdictions do not recognize parties in legislation and therefore do not either regulate or provide funding for parliamentary parties. This is the approach of Switzerland, and until the mid-1970s, the UK. Modern Canadian and British approaches take the recognition route. The study group has chosen to draw upon the experiences of those jurisdictions that have a history of supporting caucuses and has based its recommendations upon their best practices. However, it should be noted that the nature of the resources provided to parliamentary caucuses varies widely from one jurisdiction to another. Generally, research is identified as a critical component of such support.
2. **The quantum of resources to be allocated for caucus resourcing.** It is difficult to compare the level of resources allocated with other jurisdictions, many of which are national governments. However, it appears that the other provinces of Canada allocate substantially more resources than does Newfoundland and Labrador. This conclusion is subject to the caveat that one needs to undertake an almost forensic analysis to validate this conclusion, given that what may be core legislative resources in one jurisdiction, available to all parliamentarians, may be provided on a caucus by caucus basis in others. Therefore our conclusions concerning other jurisdictions must be qualified.
3. **Strict equality versus strict proportionality.** The parties' legislative funding could be allocated on a basis of strict equality – equal amounts for each party – or some formula which rewards recent electoral performance. Or it could recognize both. The evidence suggests that funding should have both a fixed component as well as a component which varies depending upon the number of seats and the share of the popular vote. A fixed component for the opposition reflects the fact that they have

certain duties to perform regardless of the size of their caucus. The variable component reflects the fact that a larger caucus is expected to accomplish more and to mount a more effective opposition.

4. **Preference for smaller opposition parties or all parties treated the same.** There could be a measure, such as in the Republic of Ireland, to treat smaller opposition parties disproportionately more generously, for categories of seat won, in order to compensate for the resources of larger parties. The Irish mechanism provides a grant to each member which declines according to the size of the party. A similar result could be achieved by establishing a guaranteed minimum, as is the case with the House of Assembly interim funding formula. Or there could be equality of treatment for all parties in public funding. Our preference is to provide a basic minimum amount for each Party Caucus, along with a fixed amount per member.
5. **Vote based or seat based principle.** For the purpose of allocation, the performance measure could be popular vote-based, or sitting member-based. Or it could be a combination, as in the case of the United Kingdom, where 64% of the “Short Money” is based upon seats held and 36% upon the share of votes cast.
6. **Where should the money go: to party leaders or evenly to caucus.** The money could be spent, as it is in Britain, for the special needs of parliamentary leaders, or it could be expended on the general research needs of the caucus. Or it might be a combination of both.
7. **How should the money be spent: Administration or Policy and should the resources be given as a block or earmarked for staff and other specific uses.** The money could be spent on administration and clerical purposes, or on research. It might be voted for specific classes of expenditures or alternatively the parties might be given block funding so that they can decide how the money should be spent. In any event the permissible objects of spending should be identified for the purpose of accountability and auditing. The project group favours giving each Caucus the flexibility to use its administrative and research funding as it sees fit, subject to accountability and audit.

8. **A special allocation to the Leader of the Opposition.** This is the situation in the UK as well as in the House of Assembly Interim formula. The project group believes this should continue.
9. **Indexing, or not.** The matter of automatic increases in the amounts allocated to parties could be indexed to a measure, like the CPI, recognizing that the cost of doing business rises over time. Or it could be passed by the House of Assembly Management Commission, emphasizing transparency. The project group recommends an automatic adjustment.
10. **Legislation, Regulation, or Standing Orders.** Once a scheme is in place, the method for putting it into effect has to be considered. Each of Legislation, Regulation, or Standing Orders has arguments that can be marshaled on their behalf.
11. **Public/private balance in funding to parties in the legislature, or solely public financing.** This is a fairly straightforward question, but with some important ramifications. In this Province, the private sector funding of parties applies for elections but not for the operation of the House of Assembly.
12. **Funding to all parties, or to only opposition parties.** The UK practice is to fund all parties in some contexts (like the Policy Development Fund), and only the opposition in others (Short Money). In most jurisdictions all parties are funded, as at present in Newfoundland and Labrador and we recommend that this continue.
13. **Aid to parties in the legislature, or aid to elected members of parties in the legislature.** One could have a system of aid to parties, in order to strengthen them as institutions, as is the case in many countries, or one could have the US model of aid to candidates for office and aid to them as individual members of the house. The context for this assignment is the funding of parties and that is the approach recommended.

End Notes:

¹ Ingrid van Biezen, “Financing political parties and election campaigns – guidelines” Integrated project “Making democratic institutions work” (Strasbourg: Council of Europe Publishing, 2003). (ISBN 92-871-5355-8)

² Van Biezen, “Financing Political Parties.”

³³ Guidelines and Report on the Financing of Political Parties, adopted by the Venice Commission at its 46th Plenary Meeting, Venice, 9-10 March, 2001. Retrieved at : [http://www.venice.coe.int/docs/2001/CDL-INF\(2001\)008-e.asp](http://www.venice.coe.int/docs/2001/CDL-INF(2001)008-e.asp)

⁴ REPORT by Mr Jacques ROBERT (Member, France) adopted by the Commission at its 44th Plenary Meeting, (Venice, 13-14 October 2000). Attached to the above report.

⁵ Pippa Norris, *Building political parties: reforming legal regulations and internal rules* A report for International IDEA, (Cambridge, MA: January 5, 2005). http://www.idea.int/parties/upload/pippa%20norris%20ready%20for%20wev%20_3_.pdf

⁶ See, for example, Heather MacIvor, “Do Canadian Political Parties Form a Cartel?”, *Canadian Journal of Political Science*, (1996)

⁷ *Report of the Committee on financial aid to political parties* Cmnd 6601

⁸ *Paying for politics*, Hansard Society Commission, 1981

⁹ Fifth Report of the Committee on Standards in Public Life, Cm 4057-I, October 1998 (Neill Committee)

¹⁰ Named after Edward Short, Leader of the House of Commons, who introduced it in 1975.

¹¹ Neill Committee Report, p. 104.(Font in 10 and 11 different)

¹² Neill Committee Report, paragraph 7.25, p 93

¹³ *Strengthening Democracy: Fair and Sustainable Funding of Political Parties: The Review of the Funding of Political Parties*, (March 2007), pp. 20, 29.

¹⁴ Neill Committee, “Survey of Foreign Countries”, Appendix 1, p. 201.

¹⁵ Thomas S. Axworthy, *Everything Old is New Again: Observations on Parliamentary Reform* (Kingston: The Centre for the Study of Democracy, Queen’s University, April 2008), p. 124. Axworthy gets his information from:

Parliament of Australia, Annual Report. (2006-2007), <http://www.finance.gov.au/publications/annualreport06-07/appendices/>

¹⁶ Michael Marsh, "Parties and Society," in John Coakley and Michael Gallagher, eds., *Politics in the Republic of Ireland*, fourth edition (London, Routledge, 2005), pp. 164-169. See also Neill Committee, "Survey of Foreign Countries", Appendix 1, p. 200.

¹⁷ The Center for Governmental Studies. 2007 gives an exhaustive review of the support given to candidates for office at the state level and updates the material regularly. See State Public Financing Laws, available at http://www.cgs.org/images/publications/pub_fin_state_2007.pdf

¹⁸ Roger H. Davidson and Walter J. Olezek, *Congress and Its Members*, 8th ed. (Washington, D.C., Congressional Quarterly Press, 2002), pp. 148-151.

¹⁹ Steven Griner and Daniel Zovatto, "From Norms to Good Practices: A Comparative Regional Analysis of the Funding of Political Parties and Election Campaigns in Latin America," in Steven Griner and Daniel Zovatto, eds., *Funding of Political Parties and Election Campaigns in the Americas* (San Jose, Costa Rica: Organization of American States and International IDEA, 2005), pp. 30-31.

²⁰ Ibid, pp. 53-54.

²¹ Transparency International, *Country Reports on Political Corruption and Party Financing: Iceland* by Kristjan Guy Burgess, n.d. (probably 2005)

²² Third Evaluation Round, Evaluation Report on Iceland, Transparency of Party Funding (Theme II) Adopted by GRECO [Groupe d'Etats contre la corruption, Council of Europe] at its 37th Plenary Meeting (Strasbourg, 31 March-4 April 2008). Performed by the Directorate of Monitoring and Directorate General of Human Rights and Legal Affairs. [http://www.coe.int/t/dg1/Greco/evaluations/round3/GrecoEval3\(2007\)7_Iceland_Two_EN.pdf](http://www.coe.int/t/dg1/Greco/evaluations/round3/GrecoEval3(2007)7_Iceland_Two_EN.pdf)

²³ Axworthy, *Everything Old is New Again*, pp. 121-122.

²⁴ Correspondence from Audrey O'Brien, Clerk of the House of Commons, May 22, 2008.

²⁵ *Strengthening Parliament*, The Report of The Commission to Strengthen Parliament, (London, 2000), p. 4.. The Commission was appointed by the Rt. Hon. William Hague MP, Leader of the Conservative Party, in July 1999 and reported, after a consultation process, in 2000. It was chaired by political scientist Philip Norton and will be heretofore referred to as the "Norton Commission."

²⁶ National Democratic Institute, *Strengthening Legislative Capacity in Legislative-Executive Relations* (Washington DC: NDI, 2000), p. 4.

²⁷ Norton Commission, *Strengthening Parliament*, p. 34.

²⁸ The Green Commission noted the following characteristics of professions:

- Professions involve a high level of education, training or competence on the part of their members.

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- The acquisition of this knowledge typically extends over a long period of time.
 - Professions develop around the central values of society.
 - The welfare of society depends to a significant extent on the health of the professions.
 - Professions demand a certain sphere of autonomy in decision-making.
 - Professions tend to have a certain degree of self-regulation accorded to them by the state.
 - Professions often control access to the profession itself.
 - Professions have professional bodies who maintain certification procedures outlining the fitness of particular members.
 - Professions value service to the public over monetary benefit
 - Professions demand high standards of ethical behaviour of their members, often with reference to codes of conduct
 - Professions may administer discipline to their members that is over and above that accorded by the legal system.
 - The reasons for professional discipline may range from breaches of codes of conduct to malpractice or malfeasance.
 - There is concern for and provision of the continuing education of the profession's active membership.

²⁹ Graham White, "Evaluating Provincial Legislatures in Canada," in Christopher Dunn, ed., *Provinces: Canadian Provincial Politics* (Peterborough, ON: Broadview Press, 2006).

Table C-1 Caucus Funding in Canadian Provinces

<i>Province</i>	<i>Definition of Caucus</i>	<i>Government</i>	<i>Official Opposition</i>	<i>Third Party and Others</i>
Nova Scotia	A party represented by 2 or more Members, had candidates standing in ¼ of the seats and received 10% of the votes.	\$400,000 lump sum and \$43,500 per Member, not including Speaker or Cabinet Ministers.	\$400,000 lump sum and \$43,500 per Member, not including Leader. \$416,800 to Leader for support services.	\$400,000 for support services staff, \$43,500 per Member, not including the Leader. \$250,000 to Leader.
PEI	Can have a caucus of one.	Approximately \$73,000 lump sum caucus grant. There are no constituency offices or allowances and administration pays for political staff. A capped amount of \$229,000 for 2007-08 for staff. This amount is determined by the Management Commission and increased annually taking into consideration cost-of-living and staff requirements.	Approximately \$93,000 is provided to a capped amount for staff of \$234,000. This amount is determined by the Legislative Management Commission and increased annually taking into consideration cost-of-living and staff requirements.	Staff resources would be provided.
New Brunswick	For each party represented in the Legislature, a caucus office is provided.	Block amount of \$384,000 and per Member funding of \$18,000.	Block amount of \$586,070 and per Member funding of \$18,000.	\$18,000 per Member.
Ontario		Base funding is provided for: Administration \$474,600, Research \$474,600 and Office Automation \$107,900 for a total of \$1,057,100. It is estimated that 80 percent of the total per Member funding is used for salaries.	Base funding is provided for: Administration \$474,600, Research \$474,600, Leader's Office \$275,000 and Office Automation \$107,900 for a total of \$1,332,100. An estimated 80% used for salaries per Member.	Same as Official Opposition formula.

Table C-1 Caucus Funding in Canadian Provinces (continued)

<i>Province</i>	<i>Definition of Caucus</i>	<i>Government</i>	<i>Official Opposition</i>	<i>Third Party and Others</i>
Saskatchewan	A Caucus is defined as organized group that have the same party affiliation.	A base amount of \$306,000 plus per Member amount of \$24,258 multiplied by the number of Private Members plus 2 (excluding the Members of the Executive Council and Speaker).	A base amount of \$306,000 plus the per Member amount of \$24,258, excluding the Leader. \$155,087 grant to Leader.	Same as Official Opposition formula. \$77,544 grant to Leader. No special treatment for independent members.
Alberta	Parties with four or more Members.	Approximately \$800,000 base funding plus \$66,000 per Private Member, (excluding the Ministers, Speaker and Premier).	Approximately \$400,000 (½ of Government base amount) plus \$66,000 per Private Member.	Approximately \$200,000 (¼ of Government base amount) plus \$66,000 per Private member. Prorated per Parties with less than 4 members
British Columbia	Four elected Members.	The per Member amount is \$78,950 and \$42,055 per Executive Member.	Receive the per Member amount of \$78,950 for each Member plus average of the funding provided to the Ministerial Offices for the previous fiscal year (approximately \$483,000)	Only the per Member amount (assuming they have at least 4 Members). Independent members get per Member amount times 2.
Manitoba	Four elected Members	The Caucus Office Operating formula provides a base amount of \$60,000 plus \$3,000 for each Member in excess of 4 Members plus an additional \$1,000 per Member for all Caucus Members.	Same as Government Caucus funding plus a budget of 3 staff and \$52,500 for operating.	Based on Caucus Office Operating and Office Staff formulas. Minimum budget for small Caucuses and Independent Members.

Note: Based primarily upon information compiled by the staff in the Office of the Clerk of the House of Assembly.

At its October 15, 2008 and November 18, 2008 meetings, the House of Assembly Management Commission made the following decisions with respect to caucus resources:

October 15, 2008

CM 2008 – 085 1. Base Caucus Funding:

Government Members' Caucus and the Third Party Caucus shall be entitled to base caucus funding of \$100,000 per fiscal year for the purpose of research and administration.

2. Variable (per private Member) Funding:

Each caucus shall be entitled to \$18,000 per fiscal year for each private Member, for the purpose of research and administration. A private Member is defined as a Member who is not the Speaker or a Member of Executive Council.

3. Allocation to Party Leaders:

The Leader of the Official Opposition shall be entitled to \$253,600 per fiscal year for core staff support. The Leader of the Third Party shall be entitled to 50% of the amount allocated to the Leader of the Official Opposition for that purpose.

4. Assistant to House Leaders:

The Government House Leader and the Opposition House Leader shall each be entitled to an assistant to be paid on the PS-05 salary scale.

5. Salary Adjustments:

The allocations under items 1 to 4 above shall reflect any salary adjustments made to the Management Pay Plan of the Executive Branch, beginning with the 2008-2009 fiscal year.

6. Operational Funding:

Each caucus shall be entitled to \$100 per month for each Member of that caucus, with a monthly minimum of \$800, to fund miscellaneous operational purchases. The Speaker shall

be entitled to \$100 per month. Beginning with the 2009-2010 fiscal year, this allocation shall be adjusted based on the provincial Consumer Price Index for the prior calendar year. Guidelines respecting eligible and ineligible purchases under this allocation shall be determined by the Commission. Each caucus shall submit a report detailing expenditures on the use of this allocation to the Commission within 90 days after the end of each fiscal year.

7. Funding Adjustments:

When a caucus increases in number and becomes entitled to additional amounts, that increase shall be effective immediately. When a caucus decreases in number, the calculated reduced amount shall not take effect until the beginning of the next fiscal year.

8. Caucus Management:

Each caucus will designate an administrative staff person to liaise with the Office of the Clerk and Corporate and Members' Services Division on financial and human resource management matters.

November 18, 2008

CM 2008 – 093

1. The Commission rejected recommendation 2 to provide base funding of \$250,000 to the Official Opposition.
2. The Commission decided that the caucuses of any registered parties will be treated the same as the Third Party.
3. The Commission decided that Independent Members not affiliated with a registered political party shall be entitled to the Variable (per Private member) funding of \$18,000 per fiscal year, subject to the approved salary adjustment formula, for the purpose of research and administration, and Operational Funding of \$100 per month for miscellaneous operational purposes, subject to the approved adjustment formula.

Third Party House Leaders – Jurisdictional Scan – January 2012

Jurisdiction	Third Party House Leader Stipend?	Salary	Notes	Current Seat Distribution
Newfoundland & Labrador	No		Salaries are provided for Third Party Leader (\$18,918), Caucus Chair and Whip (both \$13,517).	PC 37 Lib 6 NDP <u>5</u> Total 48
Nova Scotia	No			NDP 31 L 13 PC 7 Ind. <u>1</u> Total 52
PEI	No			L 22 PC <u>5</u> Total 27
New Brunswick	No		The Legislative Administration Committee <u>may</u> establish a salary for a Member of a recognized party (one registered under the Elections Act) who acts as Whip or House Leader. However, has only been established for the Third Party Whip (\$500).	PC 42 L <u>13</u> Total 55
Quebec	Yes, but provisional for 39 th (current) Assembly	\$21,347	The Standing Orders specify at least 12 Members for party recognition, but a provision for the current 39 th Assembly states at least 5 Members. (The 2008 General Election returned 7 Members for the ADQ, now reduced to 4.) Salary is 25% of base Member salary (\$85,388)	L 64 PQ 45 ADQ 4 QS 1 Ind. 1 Other 9 Vac. <u>1</u> Total 125

Jurisdiction	Third Party House Leader Stipend?	Salary	Notes	Current Seat Distribution
Ontario	Yes	\$18,181 Deputy: \$9,557	A recognized party - 8 Members – can have a House Leader and Deputy House Leader with salaries of 15.6% and 8.2% respectively of base Member salary (\$116,550).	L 53 PC 37 NDP <u>17</u> Total 107
Manitoba	Yes	\$5,171	Must be a recognized party - 4 Members.	NDP 37 PC 19 L <u>1</u> Total 57
Saskatchewan	Yes	\$6,644	The Third Party must have at least 2 Members and be a party registered under election statute.	Sask P. 49 NDP <u>9</u> Total 58
Alberta	Yes	\$10,872	Must be a recognized party - 4 Members and 5% of popular vote in most recent general election.	PC 68 L 8 WRP 4 NDP 2 AP <u>1</u> Total 83
British Columbia	Yes	\$10,185	Must be a recognized party - 4 Members. Salary is 10% of base Member salary (\$101,859)	L 48 NDP 34 Ind. 2 Vac. <u>1</u> Total 85

Caucus Resources Jurisdictional Scan – January 2012

Province	Definition of Caucus	Government	Official Opposition	Third Party and Others
Newfoundland and Labrador	<p>For funding purposes, a caucus can be one elected Member of a registered political party.</p> <p>(Note: All staff funding arrangements indexed to NL government managers' pay raises.)</p>	<p><u>Salaries Budget:</u></p> <p>Base caucus funding of \$121,486.</p> <p>Variable (per private Member) Funding: \$21,867</p> <p>Government House Leader is entitled to an assistant paid at PS-05 level.</p> <p><u>Proposed 2012-13 Operating Budget:</u> \$100,500</p>	<p><u>Salaries Budget:</u></p> <p>Base caucus funding of \$121,486.</p> <p>Variable (per private Member) Funding: \$21,867</p> <p>Leader of the Official Opposition core office staff: \$308,087</p> <p>Opposition House Leader is entitled to an assistant paid at PS-05 level.</p> <p><u>Proposed 2012-13 Operating Budget:</u> \$120,000</p>	<p><u>Salaries Budget:</u></p> <p>Base caucus funding of \$121,486.</p> <p>Variable (per private Member) Funding: \$21,867</p> <p>Leader of the Third Party - 50% of the amount allocated to the Leader of the Official Opposition: \$154,043</p> <p><u>Proposed 2012-13 Operating Budget:</u> \$61,900</p>
Nova Scotia	<p>A caucus is defined as a party represented by 2 or more members, with candidates standing in ¾ of the seats and receiving 10% of the votes</p>	<p><u>Salaries & Operating:</u></p> <p>2012-13: \$445,099 lump sum and \$43,844 per Member, not including Speaker, Premier, Ministers or Leaders of recognized parties.</p> <p>(2013-14: \$440,648 and \$43,844 per)</p>	<p><u>Salaries & Operating:</u></p> <p>2012-13: \$445,099 lump sum and \$43,844 per Member, not including Speaker, Premier, Ministers or Leaders of recognized parties.</p> <p>(2013-14: \$440,648 and \$43,844 per)</p> <p>Leader's support services: \$438,000</p>	<p><u>Salaries & Operating:</u></p> <p>2012-13: \$445,099 lump sum and \$43,844 per Member, not including Speaker, Premier, Ministers or Leaders of recognized parties.</p> <p>(2013-14: \$440,648 and \$43,844 per)</p> <p>Leader's support services: \$271,000</p>

Province	Definition of Caucus	Government	Official Opposition	Third Party and Others
PEI	Can have a caucus of one.	<p><u>Salaries:</u></p> <p>Annual salary budget of \$257,600. The Assembly's administration pays for the political staff as hired in the caucus offices up to the maximum global salary budgets approved for each office .</p> <p><u>Operating:</u></p> <p>Annual grant of \$120,400.</p> <p>Includes costs associated with cell phone/blackberries, advertising, hosting, inter-constituency travel, hosting, caucus meeting costs, contracted researching/writing, office supplies, subscriptions, etc.</p> <p>PEI does not provide members with support for a constituency office or staff so the Members' annual grant is a mixing of funding for caucus and constituency expenses.</p>	<p><u>Salaries:</u></p> <p>Annual salary budget of \$267,100</p> <p><u>Operating:</u></p> <p>Annual grant of \$108,300.</p> <p>Includes costs associated with cell phone/blackberries, advertising, hosting, inter-constituency travel, hosting, caucus meeting costs, contracted researching/writing, office supplies, subscriptions, etc.</p> <p>PEI does not provide members with support for a constituency office or staff so the Members' annual grant is a mixing of funding for caucus and constituency expenses.</p> <p>No separate resources for Official Opposition Leader's Office.</p>	Staff resources would be provided.
New Brunswick	For each party represented in the legislature, a caucus office is provided.	<p><u>Salaries & Operating:</u></p> <p>Per Member funding: \$26,000.</p>	<p><u>Salaries & Operating:</u></p> <p>Per Member funding: \$26,000.</p> <p>Leader's Office: \$576,000</p>	<p><u>Salaries & Operating:</u></p> <p>Per Member funding: \$26,000.</p> <p>Leader's Office: An amount would be determined by the Legislative Administration Committee.</p>

Province	Definition of Caucus	Government	Official Opposition	Third Party and Others
Quebec		<p>House Officer <u>Staff Salaries:</u></p> <p>Gov't House Leader: \$903,677 Chief Gov't Whip: \$815,607</p> <p>House Officer <u>Operating Budgets:</u></p> <p>Gov't House Leader: \$33,100 Chief Gov't whip: \$95,700</p> <p><u>Caucus staff salaries & operating – research and support:</u> \$784,100</p>	<p>House Officer <u>Staff Salaries:</u></p> <p>Leader of Off. Opposition: \$1,719,196 Opposition House Leader: \$642,020 Chief Opposition Whip: \$808,041</p> <p>House Officer <u>Operating Budgets:</u></p> <p>Leader of Off. Opposition: \$243,100 Opposition House Leader: \$25,800 Chief Opposition whip: \$95,700</p> <p><u>Caucus staff salaries & operating – research and support:</u> \$659,500</p>	<p>House Officer <u>Staff Salaries:</u></p> <p>Leader of Second Opposition Group : \$327,392 House Leader of Second Opposition Group : \$243,013</p> <p>House Officer <u>Operating Budgets:</u></p> <p>Leader of 2nd Opposition Group: \$11,100 House Leader of 2nd Opposition Group : \$5,200</p> <p><u>Caucus staff salaries & operating – research and support:</u></p> <p>Second Opposition Group: \$128,300 Third Opposition Group: \$91,200 Independent MNAs: \$22,700</p>
Ontario	<p>Eight Members to be a recognized party.</p> <p>[Note: data is from 2009 – Ontario is compiling current figures for us.]</p>	<p>Base funding provided for: “Administration \$474,600, Research \$474,600, and Office Automation \$107,900. Total: \$1,057,100.</p>	<p>Base funding provided for: “Administration \$474,6000, Research \$474,600, and Office Automation \$107,900.</p> <p>Leader’s Office: 275,000.</p> <p>Total: 1,332,100</p>	Same as Official Opposition Formula

Province	Definition of Caucus	Government	Official Opposition	Third Party and Others
Manitoba	Four elected members to qualify for Official Party Status	<p><u>Salaries:</u></p> <p>The <i>Caucus office staff formula</i> is four staff for official party status (minimum of four MLAs) and one staff for each additional four MLAs or fraction thereof. Using this formula, a caucus of 15 MLAs would be entitled to 8 staff.</p> <p>2011/12 staffing allocation: \$928,200</p> <p><u>Operating:</u></p> <p>The <i>Caucus Office Operating Formula</i> is \$62,608 for those with official party status plus \$1,043 for each MLA, plus another \$3,130 for each MLA over 4 MLAs These amounts have a COLA applied each April 1 based on the CPI for Manitoba.</p> <p>2011/12 operating allocation:\$203,100</p>	<p><u>Salaries:</u></p> <p>Same formula applies.</p> <p>2011/12 staffing allocation:\$710,000</p> <p><u>Operating:</u></p> <p>Same formula applies.</p> <p>2011/12 operating allocation:\$131,200</p> <p>The Leader of the Official Opposition is provided with 3 staff and an operating budget of \$56,000, subject to the noted cost-of-living adjustment.</p>	<p>If the third party has four Members, the two formulas (one for staff and one for operating) apply, but if it does not elect four Members, the decision about allocation of funding resides with the Legislative Assembly Management Commission, chaired by the Speaker.</p>

Province	Definition of Caucus	Government	Official Opposition	Third Party and Others
Saskatchewan	<p>A caucus is defined as an organized group of at least two elected members that have the same party affiliation. There is no requirement that a party run candidates in a certain number of constituencies to qualify for caucus status.</p>	<p><u>Salaries & Operating:</u></p> <p>A base amount of \$324,949 plus per Member amount of \$25,760 multiplied by the number of private Members plus 2 (excludes Members of the Executive Council and Speaker).</p> <p>Rates for all parties are indexed, increased each April 1st by the annual change in the CPI for Saskatchewan.</p> <p>Following each general election, each caucus office receives a grant for information technology enhancements in that office. It is calculated at \$1,000 per each Member of the caucus, and includes leaders, ministers and speakers in that calculation.</p>	<p><u>Salaries & Operating:</u></p> <p>A base amount of \$324,949 plus per Member amount of \$25,760 (excluding the Leader).</p> <p>Additional staff and operational funding of \$160,205 is provided to the Office of the Leader of the Official Opposition</p>	<p><u>Salaries & Operating:</u></p> <p>Same as Official Opposition formula.</p> <p>The Office of the leader of the Third Party is accorded half the amount of that given to the Official Opposition for staff and operational funding (\$80,103)</p> <p>Independent Members receive an annual grant in the amount of \$25,760 for office operations of the Independent Member.</p>
Alberta	<p>For funding, a caucus may be a collective of legislators of the same party or a single member if affiliated with a particular political party and wishing to be identified as such.</p> <p>With the advent of Policy Field Committees in 2007, additional funding was allocated to all caucuses to support committee-related research.</p>	<p>\$67,407 per private Member in caucus (excludes Premier, Ministers and Speaker).</p> <p>Committee Research Funding: \$696,539</p>	<p>\$67,407 per private Member in caucus.</p> <p>Leader's Office: \$466,498 for the Official Opposition Leader.</p> <p>Committee Research Funding: \$371,120</p> <p>The Official Opposition receives the amount of \$77,144 for funding of a Southern Alberta caucus office in Calgary.</p>	<p>\$67,407 per private Member in caucus.</p> <p>The Third Party's Leader is currently not an MLA, so no Leader's allocation for the Third Party. Typically, this would be 50% of the Leader of the Official Opposition allocation.</p> <p>The 50% amount - \$233,249 – has been allocated for the Office the Fourth Party's Leader.</p> <p>Single member caucuses do not receive a leader's allowance</p> <p>Committee Research Funding: Third Party (Wildrose) - \$287,510 Fourth Party (NDP) - \$189,075 Independent Members - \$94,538 each</p>

Province	Definition of Caucus	Government	Official Opposition	Third Party and Others
British Columbia	Four elected Members	Per private Member: \$81,810 Per Executive Member: \$43,405	Receive the per Member amount of \$81,810 plus the average of the funding provided to Ministerial Offices in the previous fiscal year.	Only the per Member amount of \$81,810 (assuming they have at least four members). Independent members get per Member amount times two.

**House of Assembly Management Commission
Briefing Note**

Title: Short-term Accommodation Rentals

Issue: Restriction for Members of Capital Region Districts

Background:

- Rule 20(7) provides up to \$750 annually for rental of short-term accommodations:
 - (7) *A member who represents a constituency that is wholly outside the capital region may rent short-term accommodation in one or more locations in the member's constituency from time to time, up to a maximum of \$750 annually to facilitate the travel of the member throughout the district to meet with residents on constituency issues.*
- Neither the Rules nor the Green Report provide any further information or discussion respecting the restriction on Capital Region Members. It may be that Green assumed Members from the Capital Region would use Confederation Building facilities to meet constituents. There are 15 districts within the Capital Region as defined by the *Members' Resources and Allowances Rules*. While the definition might establish a reasonable commuting distance for Members, it does not necessarily follow that constituents of these 15 districts should have to come to Confederation Building for meetings with their MHA.
- Short-term rental costs are not an eligible expense under any other allowance category. As a result, a Capital Region Member who establishes a constituency office outside of Confederation Building has no capacity to rent short-term meeting space.
- The Leader of the Third Party has written to the Speaker (Attachment 1) requesting that the Management Commission discuss the issue of short-term accommodations for Members within the Capital region.
- If the Commission decided to allow Members in the Capital region to avail of the \$750 allowance, Rule 20 (7) would require an amendment by striking out the words "who represents a constituency that is wholly outside the capital region".

- With respect to paragraph #6 of Ms. Michael's letter, Rule 20 (5) (b) establishes that:
 - (5) *In addition to choosing office accommodation in the Confederation Building complex, a member may choose office accommodation in one of the following ways:*
 - (a) *office space in the member's constituency;*
 - (b) *instead of an office in a specific location, the rental of short term accommodation in one or more locations in the member's constituency from time to time to facilitate the travel of the member throughout the district to meet with residents on constituency issues;*
- In making this choice, a Member may then avail of the full \$7,000 office accommodation allowance.

Analysis:

Legal Consultation:

Not applicable

Internal Consultation(s):

Not applicable

External Consultation(s):

Not applicable

Comparison to Government Policy:

Not applicable

Financial Impact:

If the restriction respecting Capital Region districts was removed, an additional \$10,250 could be required. The existing Allowances & Assistance budget can accommodate this.

Legislative Impact:

Rule 20 (7) would have to be amended to apply this allowance to Capital Region districts.

Options:

1. Remove restriction on Capital Region Members
2. Status quo

Status:

Action Required:

The direction of the Commission is requested.

Prepared by: William MacKenzie

Approved by:

Date: January 17, 2012

Attachments:

1. Email from Ms. Michael, dated December 20, 2011

From: Michael, Lorraine A
Sent: Tuesday, December 20, 2011 8:58 AM
To: Wiseman, Ross
Subject: Constituency Allowance Rule

Dear Ross:

I am writing you as Chair of the House of Assembly Management Commission concerning Rule 20 (7) that is found in the Members' Administration Guide on page 4-1, dealing with short term rentals of space for meeting with constituents.

Having been in the past the only NDP MHA, and one who has a constituency office in the House of Assembly, it is the first time I have had to deal with what this actually means in practice.

The MHAs in the St. John's region who have a constituency office outside of the Confederation Building do not have access to any money for short term rentals, while those outside of the St. John's region, even if they have a constituency office in their district, do.

This rule seems to discriminate against MHAs in the St. John's region with constituency offices in the district who might want to have public meetings with constituents. It seems to be assumed that if they need to have a space large enough for a meeting they can find a donated space.

Getting a donated space is no easier in St. John's than it is outside of St. John's. It could even be more difficult. So, I find the reasoning behind this directive very hard to understand.

The three new NDP MHAs in the St. John's region are being faced with a difficult decision. Do they keep their constituency offices in the Confederation Building in order to avail of the resources to pay for rental space when holding constituency meetings? Or, do they move out and hope to be able always to find a donated space when they need a meeting space for public constituency meetings?

Having to make that choice seems to be rather drastic, and one that I believe should not have to be made by one group of MHAs and not another. A poor choice is no choice.

I am requesting an examination of this rule that could lead to the preparation of a note for discussion by the HoA Management Commission.

Thank you for considering this matter.

In case I don't see you again before we close for the holidays, I wish you all the best for a very happy Christmas celebration.

Sincerely,

Lorraine

Members' Resources & Allowances Rules – Sections 18-20

Eligibility for office expenses

18. (1) A member may seek reimbursement or have payment made on his or her behalf, for the provision of office expenses in order to conduct his or her constituency business.

(2) The maximum allowance available to a member for each category of office expenses is as follows:

(a) constituency office accommodation allowance, \$7,000; and

(b) office operations and supplies allowance, \$15,000.

(3) Notwithstanding the limits imposed under paragraph (2)(a), the speaker may, on application in writing by a member, authorize that member to exceed his or her maximum constituency office accommodation allowance where the speaker determines that suitable accommodation cannot be obtained at a cost equal to or less than the allowed maximum.

(4) Where the speaker makes a decision under subsection (3) to authorize an increased allowance, he or she shall, in writing, report that decision to the next meeting of the commission together with the reasons for that decision and that information shall be recorded in the minutes of the commission meeting.

Eligibility for constituency office accommodation

19. (1) The constituency office accommodation allowance referred to in paragraph 18 (2)(a) includes accommodation expenses related to the rental of permanent or temporary offices such as

(a) rent;

(b) utilities;

(c) taxes;

(d) insurance;

(e) security;

(f) janitorial services; and

(g) signage identifying the office as the member's constituency office without any reference to a political party.

(2) A member, who is unable to establish and operate an office to adequately serve his or her constituents, may claim expenses for the rental of meeting rooms.

(3) A member shall not use a constituency office to further partisan political activities.

(4) Following a general election or by-election, a new member who was not a member in the preceding session of the House of Assembly is, in addition to the constituency office accommodation allowance, entitled to claim amounts associated with the start-up of the member's office in an amount of not more than \$1,000 to defray expenses for supplies and equipment as follows

- (a) office supplies such as paper trays, 3 hole punch, staplers, pencil holders, scissors, hanging folders, kettle and coffee maker;
- (b) office equipment such as a computer monitor stand and non glare screen; and
- (c) other non-consumable items directly related, in the opinion of the Clerk, to establishing a constituency office.

Nature and location

20. (1) Office accommodation to which a member is entitled shall consist of space to provide

- (a) a private office for the member;
- (b) space for a constituency assistant; and
- (c) a waiting area for that office.

(2) A member shall be provided with office accommodation in the Confederation Building complex in St. John's in a location that may be determined by the speaker.

(3) The quality and size of office accommodation in the Confederation Building complex for a member of one political party shall not be materially different than that for a member of another political party.

(4) A member who chooses to have his or her constituency assistant work in the Confederation Building complex shall, with respect to the assignment of office accommodation in that complex, be given priority over a member who chooses to have his or her constituency assistant work in an office in the member's constituency.

(5) In addition to choosing office accommodation in the Confederation Building complex, a member may choose office accommodation in one of the following ways:

- (a) office space in the member's constituency;
- (b) instead of an office in a specific location, the rental of short term accommodation in one or more locations in the member's constituency from time to time to facilitate the travel of the member throughout the district to meet with residents on constituency issues;
- (c) subject to the limitations in subsection 21 (2), operate an office in his or her residence in, or within commuting distance of the constituency; or
- (d) if he or she is a minister, a parliamentary assistant or a special assistant to a minister, operate a constituency office in the building or department where his or her ministerial or assistant's office is located.

(5.1) Notwithstanding paragraph (5)(a), the Speaker may, upon the written request of a member, approve the locating of that member's constituency office space within a constituency that is not a constituency of that member provided that the requested office space is located in a constituency that is adjacent to the member's constituency.

(6) Notwithstanding paragraph (5)(a) or (d), where a member chooses office accommodation in the member's constituency in a Crown-owned building or in a building where his or her ministerial or assistant's office is located, the member may not access the constituency office accommodation allowance.

(7) A member who represents a constituency that is wholly outside the capital region may rent short-term accommodation in one or more locations in the member's constituency from time to time, up to a maximum of \$750 annually to facilitate the travel of the member throughout the district to meet with residents on constituency issues.

(8) Where choosing office accommodation in a member's constituency under paragraph (5)(a), a member shall

- (a) not make rental or lease commitments without prior approval of the speaker;
- (b) where accommodation, suitable in size, quality and location to the member, can be obtained in a Crown-owned building in the constituency, choose that space; and
- (c) where accommodation referred to in paragraph (b) cannot be obtained, the member shall decide in which community his or her office will be located and the member shall obtain in that community commercial office accommodation in accordance with the tender processes for leasing space under the *Public Tender Act*.

(9) A tender for accommodation under paragraph (8)(c) shall stipulate that the lease shall be terminable at or before the expected date of the next general election.

(9.1) Proposal documentation submitted by a landlord responding to a tender made under paragraph (8)(c) shall include the total monthly cost, including utilities, taxes, insurance, security, janitorial services, signage and snow-clearing.

(10) A lease contract for office accommodation acquired under this section shall be prepared between "Her Majesty in Queen in Right of the Province of Newfoundland and Labrador, represented here by the Honourable the Speaker of the House of Assembly" and the owner of the office space and the cost of that preparation shall, unless stipulated otherwise by the speaker in exceptional cases, be paid directly by the House of Assembly in accordance with the approved office lease.

(11) Notwithstanding section 22, following a by-election, a new member who was not a member in the preceding session of the House shall utilize the previous members' constituency office until the next general election unless that office was in the former member's home or a community in which the new member does not reside.

House of Assembly Management Commission

Briefing Note

Title: Letter of Appeal - 60 Days Submission Deadline

Issue: Appeal of Claim Ruling - Member for St. George's-Stephenville East

Background:

- The Member for St. George's-Stephenville East is appealing the denial of payment by Corporate and Members' Services Division of certain allowable expenses incurred by the Member as the expenditures were incurred more than 60 days prior to the claim being made.
- Subsection 7(6) of the *Members Resources and Allowances Rules* states that
 - (6) *A claim against an allowance for payment or reimbursement shall not be made more than 60 days after the date on which the expenditure was made.*
- Subsections 24(1) and 24(8) of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) state:
 - 24(1) *Where a member incurs an expense and a claim for reimbursement, or payment has been rejected by an officer or staff member of the House of Assembly service, or the member is unsure as to whether an expense, if incurred, will qualify for reimbursement or payment, he or she may request a ruling from the speaker.*
 - (8) *Where the ruling of the speaker is that the expenditure does not comply with the rules and directives of the commission, the member may appeal that ruling to the commission and, after giving the member an opportunity to make a submission in writing in support of the appeal, the commission may decide to reverse, uphold or modify the ruling of the speaker, and the decision of the commission is final.*
- Section 24 of the Act was amended in December 2008 to include subsection 24(9) which states:

(9) *Notwithstanding that an expense claim has been denied by an officer, staff member or the speaker, in accordance with the rules, where there is an appeal to the commission under this section and the commission determines that that claimed expense amount*

(a) *has been incurred by the member; and*

(b) *is a permitted expense under the Act and rules; and*

(c) *does not exceed an expense amount or allowance allocation permitted under the rules,*

and a denial of payment of the expense amount would, in the opinion of the commission, be unjust, the commission may approve the expenditure for the claimed expense to the extent that the commission considers to be just and the decision of the commission is final.

- The expenses submitted are permitted under the *Members' Resources and Allowances Rules*. The total of the claim being appealed is \$475.88. The expenses include accommodations and per diems for the Member and accommodations for her Constituency Assistant to attend constituency-related events.
- The letter from the Member for St. George's-Stephenville East is attached.

Analysis:

Legal Consultation:

Not applicable.

Internal Consultation(s):

Not applicable.

External Consultation(s):

Not applicable.

Comparison to Government Policy:

Not applicable.

Financial Impact:

Not applicable.

Legislative Impact:

Not applicable.

Options:

1. Approve the payment of expenses totaling \$475.88 for the Member for St. George's-Stephenville East.
2. Deny the payment of expenses totaling \$475.55 for the Member for St. George's-Stephenville East.

Status:

- Not applicable.

Action Required:

- The decision of the Commission is requested.

Prepared by: Bobbi Russell

Approved by: William MacKenzie

Approved by:

Date: January 17, 2012

Attachments:

1. Letter dated January 17, 2012 from Speaker to Member for St. George's-Stephenville East.
2. Letter dated January 16, 2012 from the Member for St. George's-Stephenville East to the Speaker.



HOUSE OF ASSEMBLY
Newfoundland and Labrador
OFFICE OF THE SPEAKER

January 17th, 2012

Ms. Joan Burke
2nd Floor, Harmon Building
58 Oregon Drive, Stephenville, NL
A2N 2Y1

Dear Ms. Burke,


I am writing in response to your letter regarding expense claims that were submitted past the required 60-day deadline.

The process for Members to follow respecting allowance use is outlined in Section 24 of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) and involves the Speaker, in the first instance, with the Commission having the final authority. Subsection 24(4) of the Act states that the Speaker's approval confirms that an expenditure complies with the Rules of the Commission.

Given the provisions of Subsection 7(6) of the Rules it is not possible for me to state that the expenditures are in compliance with the Rule. The next step, therefore, is for you to request that the issue be brought to the House of Assembly Management Commission for a final decision.

Please note I will accept your correspondence as an official appeal to the Commission and will arrange that it be included on the agenda of an upcoming meeting.

Regards,


Ross Wiseman, M.H.A.
Speaker of the House of Assembly

C.C. Ms. Marlene Lambe, Chief Financial Officer



OFFICE OF THE SPEAKER

JAN 16 2011

HOUSE OF ASSEMBLY
Newfoundland and Labrador

JOAN BURKE, M.H.A.
District of St. George's- Stephenville East

Speaker of the House of Assembly
East Block, Confederation Building
P.O. Box 8700
St. John's, NL
A1B 4J6

Dear Speaker,

I write today to appeal the decision made by Members and Corporate Services to deny processing of my travel claim, MECMS150167, for temporary accommodations to attend constituency related events.

I recognize that this travel claim was submitted after the 60 day requirement outlined in the Members' Resources and Allowances Rules, however; at this time, my constituency office was undergoing changes in staff and this claim was not completed. I respectfully ask that you review this request for an appeal to allow these expenses to be paid.

Thank you for your consideration.

Yours truly,

JOAN BURKE, MHA
St. George's - Stephenville East
Minister