



PROVINCE OF NEWFOUNDLAND AND LABRADOR
HOUSE OF ASSEMBLY

HOUSE OF ASSEMBLY
MANAGEMENT COMMISSION

Seventy-eighth Meeting

Thursday, July 30, 2020

HANSARD

Speaker: Honourable Scott Reid, MHA

The Management Commission met at 9 a.m. via video conference.

MS. RUSSELL: Okay, Mr. Chair, we're ready to go.

MR. SPEAKER (Reid): Okay, we're live now, so I'll call the meeting to order.

Before we get started, I just want to welcome all the Members to this broadcast, and all the people watching as well.

Before we start, I'd like to introduce the Members of the Commission and the staff present at this meeting today. First, there's the hon. Siobhan Coady, Government House Leader; Ms. Alison Coffin, Member for St. John's East - Quidi Vidi; the hon. John Haggie, Member for Gander; Mr. Elvis Loveless, Member for Fortune Bay - Cape La Hune; Mr. Barry Petten, Member for Conception Bay South; Mr. Derek Bennet, Deputy Speaker; Ms. Sandra Barnes, Clerk of the House of Assembly and secretary to the Commission; and Ms. Bobbi Russell, Policy and Communications Officer.

Today, in keeping with our practice as we experiment with these online meetings and broadcast, we have a fairly light agenda for today. First item is the approval of the minutes; then, we have a couple reporting items in relation to budget transfers and caucus operation funding grant reports, and then an item related to caucus funding. So we'll work our way through this.

First of all, the draft of the minutes has been circulated to all Members and it's part of the briefing package that's available online for members of the public to see.

Do we have any comments or questions on the minutes? Okay.

We need a motion, then, to adopt the minutes.

Dr. Haggie, and Mr. Petten seconded.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

On motion, minutes adopted as circulated.

MR. SPEAKER: The next two items are reporting items. The *House of Assembly Transfer of Funds Policy* requires only certain budget transfers to be approved by the Commission; however, the policy requires that all transfers of funds be reported to the Commission at the end of the fiscal year to ensure transparency. Details of every budget transfer approved during the 2019-2020 fiscal year are included in the briefing package. That's also available online.

This is just a reporting item, there's no decision required.

Does anyone have any comments or questions in relation to this item? No, okay.

This is just, I guess, the – a lot of it happens at the end of the year as we have budgets spent in one item and need funds in another item, so there's a transfer. It's sort of a very regular practice within government, especially as we approach the end of the fiscal year.

We'll move to the next item, which is item 3 on our agenda, which is related to caucus operational funding grant reports for the 2019-2020 fiscal year. Similar to the last item, this is just a reporting item.

The *Caucus Operational Funding Grants Policy* requires each caucus, the Office of the Speaker, and any independent Members, to submit to the Management Commission a report detailing expenditures on the use of allocations within 90 days after the end of the fiscal year. In accordance with the policy, reports detailing expenditures for the period from May 16, 2019, to March 31, 2020, have been received and are included in the briefing package.

The report presented to the Commission for the fiscal year commencing May 16, 2019, which was the date of the 2019 general election; reports for the period April 1, 2019, to April 17, 2019, of the 48th General Assembly were submitted to the Commission last year.

As I said earlier, this is a reporting item and no decision on this is required.

Does anyone have any questions or comments on this? No.

Okay, moving right along then.

So the next item relates to inconsistencies which have been identified between the caucus fund policy provision and the definition of caucuses in the *House of Assembly Accountability, Integrity and Administration Act*, which defines a caucus as a group of two or more Members who belong to the same registered political party. The requirement for registration of political parties is outlined in accordance with the *Elections Act, 1991*.

The issue was identified in May 2019, when considering the potential outcome of the election of the 49th General Assembly, as a fourth registered political party was fielding candidates. Should a registered political party elect only one Member to the House of Assembly, no funding can be provided to that Member based on the current provisions.

So the briefing package provides a summary of the caucus funding policy provisions, as well as a summary table of the current caucus funding allocations.

I'm going to open the floor for comment. I see hon. Siobhan Coady wishes to speak.

MS. COADY: Thank you very much, Mr. Speaker, and good morning everyone.

I'm completely in support of the recommendations here. I think it's essential that Members be treated equally. We do know the independents do receive the stipend as well, but because it's specific – this says caucus of two or more.

I do note that we don't want any unintended consequences here. When Justice Green made his report, he suggested a caucus of two. So I would suggest Option 2, which is the Commission directs the definition of caucus in the act to remain as it, but provides specific policy direction on the funding allocation for a

registered political party with one elected Member.

So it gives the same outcome but it doesn't have any knock-on effects or unintended consequences, and does keep to the spirit of what Justice Green said in his report.

MR. SPEAKER: Okay. Did I see someone else have a hand up?

Ms. Coffin.

MS. COFFIN: Half a hand. I'm thinking about this now in the context of what are the responsibilities of a party of one. We do have another factor at play right now. We do have a fourth political party in our province that can potentially have seats; they're talking about running a full slate of candidates.

So maybe Ms. Barnes can perhaps provide a little bit more direction on this in terms of if we were to have a caucus of one and if it was a different party than we currently have, then are there implications for seats on Committees and other activities that the party would need to be participating in?

One of the things that I talk about from my caucus is we have a very small caucus, but we have exactly the same responsibilities as everyone else. We have to sit on Standing Orders and we're sitting on House Management. We're sitting on all the Committees and we have representations all over the place, so the responsibilities are the same; they're just spread amongst fewer people.

In terms of that, maybe Ms. Barnes can provide a little bit of direction in terms of the responsibilities and that might help frame the discussion a little bit more.

MR. SPEAKER: Ms. Barnes.

CLERK (Barnes): We have to separate the parliamentary aspect from the administrative aspect because Green only speaks to the administrative aspect. I guess the rights of caucuses and Members in the House are defined through our Standing Orders process.

However, we have a real-life example: From 2007 to 2011, former MHA Lorraine Michael represented the Third Party in the House and she was a caucus of one. Even though they didn't change the act or anything at the time, she did receive base funding which allows staffing resources for the caucus, in addition to the variable funding component.

Of course, all of the caucuses and the independent Members receive an operational funding component. It's currently in the order of about \$124 a month. Of course, a caucus, it's based on a floor of eight Members. For example, after the 2011 election, when the Official Opposition, which was the Liberal Party, held six seats and the Third Party, which was the NDP, held 5 seats, that operational funding grant afforded them based on eight Members – that operational funding component, not the variable, the operational piece, because that's what the funding policy allows. The funding policy recognizes that in receiving caucus funding you need support resources quite different than if you were an unaffiliated or an independent Member where you represent your district, because caucus, obviously representing a registered political party, has to develop and articulate provincial positions on policy.

From a parliamentary perspective, even though our Standing Orders are not codified in this respect, we have a long-standing practice of the Third Party being given time in Question Period, representation on Committees and the ability to speak to Ministerial Statements – a response to Ministerial Statements. There's a long-standing practice. So whenever anything changes in the House, if it's not codified in the Standing Orders, we look at our practices to see how we handled it in the past.

Did I answer your question?

MS. COFFIN: And that the two are separate and distinct, that's nice to hear.

In terms of Option 1 and Option 2, I appreciate where Minister Coady came from when we talk about Option 2 being a reasonable option but it says it provides specific policy direction. Does that mean that this would come back to the House Management Commission to make a decision, or there's just guidance along the way

so it's going to be based on at the time there will be an interpretation of the policy?

MR. SPEAKER: Do you want to deal with that Sandra or ...?

CLERK: MHA Coady would.

MR. SPEAKER: Okay, we'll go to MHA Coady first.

MS. COADY: Thank you.

My interpretation of it – and I think that's where my head was – was rather than change Green's intent, we would make a policy decision for the go-forward. So we wouldn't hope to bring it back to Management. It could be changed in the future depending on where things go, but that we have a policy decision that says that a caucus of one receives the funding. Because, right now, independent Members receive the funding, so there's no reason why a caucus of one shouldn't receive that funding.

We know what Green had said in his report and by just making it a policy decision, we don't have any other knock-on effects or unintended consequences that we are not considering today.

I just think if we could put it in policy and set policy that says a caucus of one receives this funding, I think that's clear and clean.

Thank you.

MR. SPEAKER: Just my understanding is the funding that the independent Members receive – I'm just going to seek clarification from Sandra on this, but the funding that the independent Members receive is just based on one Member, and it's at the variable rate, the same variable rate that caucuses receive funding based on each additional Member they have. But the independents don't receive the base amount of the funding.

CLERK: That's correct.

MR. SPEAKER: So is what we're talking about here, if there's a caucus of one – and a registered party has to go through a fairly rigorous process, I think, to become a party. You have to have so many signatures; you have to

run so many candidates and things like that before you're considered a registered party.

If a Member were elected, one Member for a fourth party, say, then would they receive – what we're talking about is them receiving that base amount as well?

CLERK: Correct.

MR. SPEAKER: Yes.

CLERK: Correct, yes.

A caucus representing a registered political party would receive the base funding. That allows them to get staffing resources to support them in their parliamentary function.

MR. SPEAKER: Yes.

The rationale behind this is if you're the leader or you're a representative of a registered party, you have a broader responsibility than an independent Member would. So part of that additional base funding is to allow Members or representatives of a caucus, registered party, to be able to do the broader research that they need to represent the whole province, I guess, on issues, rather than just a constituency.

CLERK: Correct. So these would be the resources to help prep for Question Period, help prep responses to Ministerial Statements, to do the research for participation in Committees, those sorts of parliamentary duties.

MR. SPEAKER: I'm seeing two other people. I'm going to go with Barry first and then Siobhan.

Barry.

MR. PETTEN: Yes, thanks, Mr. Speaker.

To the point, I don't have any real issue with either way we go with this, but I think something needs to be taken into consideration year to year. Sandra's points about the money would be used for research on Ministerial Statements or QP or bills, legislation, what have you – legislation takes a lot of research, as people might realize. When the bills are in the House our researchers work, put in a lot of hours

researching, getting the background information to help all of us. But the two independent Members, they talk on all legislation. They partake and they get one day they ask some questions. I guess what I'm saying is why are we differentiating between the two independents and a caucus of one, because whether we want to agree with it or not, the two independents represent a dissentient voice out in the province.

They only represent their districts but if you follow the two of them, they get a following of people that are not really enthused with what they see in the political world that we all offer. So I think you have to take that into account when you're looking at 40 Members in the Legislature. There's a three-party system there now and the independents, so you're going to bring a fourth party in and you're going to treat them differently than your two independents there who have rightful seats – they own two of 40 seats.

So I just want to throw that out there for consideration because I think that to go along and give them extra funding than what you're going to give an independent, I'm not so sure they're doing a whole lot more than what the two independents are doing. I just throw that in there for consideration because I think this is probably missing in this argument or this debate.

Thanks.

MR. SPEAKER: Siobhan.

MS. COADY: I think Sandra raised her hand. I'm just allowing, Mr. Speaker, the Clerk to respond to Mr. Petten I think.

MR. SPEAKER: Okay.

CLERK: I just want to make it clear that the independents do receive an amount of \$23,000 a year and that allows them to hire research assistants. They typically hire those people when the House is sitting to support them. It's like a part-time position, and it's up to them who they hire and how long they hire them for.

MR. SPEAKER: Siobhan.

MS. COADY: Thank you, Mr. Speaker.

I think that was a great clarity about the base versus the variable per Member. Independents do receive the variable amount, roughly \$23,000 a year for sessional supports. The base amount, which we were speaking about, that would be received by a party because they have provincial responsibilities and representation.

For example, I understand the Leader of the Third Party is now in Labrador. They have to travel; they have to represent the people of the province, so I do see a differentiation in what the requirements of a party would be versus what the requirements of a sessional person would be. All I'm saying is I'm supporting this funding.

MR. SPEAKER: Barry.

MR. PETTEN: Mr. Speaker, what would be the base funding for this party of one? What would they get? Independent MHAs get \$22-and-some-odd thousand, plus \$123 per month for caucus funds, you said, so what would be given to a party of one? What would be their amounts?

MR. SPEAKER: Sandra.

CLERK: If you look at the table at the end of the Briefing Note, the Third Party would receive \$127,632 per fiscal year in their base funding and then every caucus receives the variable amount based on the number of Members. Then, the operational funding, that \$123.65 a month, an independent Member receives that amount per month, so it's about \$1,300 or \$1,400 a year, whereas a caucus, the floor is established of eight Members, so that's the minimum.

The monthly allowance would be \$123.65 times eight, no matter if you're one or if you're five. As I said, in 2011 the Official Opposition had six Members, they got it for eight; the Third Party had five Members, they got it for eight. I can remember after the 2015 election you got it for eight, but then when you get more Members it goes up by the number of Members. It's exponential.

MR. SPEAKER: Barry, I'm sorry, I can't –

MR. PETTEN: Sorry.

MR. SPEAKER: Go ahead. I couldn't hear you there.

MR. PETTEN: Sorry, I think I was muted.

Are there any other legislatures across this country that has this similar situation? Are you using this from any other examples around? I know federally we have, what is it, four parties federally now? So are there any other examples around that you can use or are we kind of just breaking new ground?

CLERK: We're not breaking new ground at all. Our caucus funding formula was developed by – they hired independent consultants back in 2008 who came forward with the report. The Metrics report it's referred to, it's online. It was considered quite thoroughly, I guess, by the Management Commission of the day, before the final decisions were made, so it's relevant to our situation.

We're in a different position because our administration is governed by a piece of legislation, whereas across the country they have taken various approaches to it in terms of how their Management Commissions or Boards of Internal Economy have dealt with it. Some of it is tied into their definition of official party status in their Standing Orders. We don't have that term in our Standing Orders, so it's difficult to draw exact comparisons.

MR. SPEAKER: Just a question, Sandra, to get more background there.

So this was done in the early '90s, and part of that was a cross-jurisdictional analysis of funding formulas for caucuses across the country, I believe. Is that correct?

CLERK: No, this was done in 2008. It was one of the post-Green exercises that were conducted. They hired an independent consultant that did all that jurisdiction analysis and came forward and made a number of recommendations. There's a briefing note that actually tracks that history. We distributed it, I think, last November, Bobbi? I think it was. I can resend it to everyone because it does give the history and any changes that were made to the caucus-funding formula. But that's essentially what everything has been based on since then.

There are adjustments to the formula on an annual basis. It's adjusted by the Consumer

Price Index. For example, that operational funding grant started off as \$100 per Member in 2008 and now it's \$123.65. It's adjusted on an annual basis by CPI adjustment, similarly to the variable funding per Member. The base hasn't been adjusted.

MR. SPEAKER: Yes.

I guess it's good to make this kind of decision now rather than after because we're able to make the decision now based on what the best policy is, rather than making a decision after an election based on how it would impact each of the parties involved. I guess doing it now allows us to examine the policy in a more theoretical way.

CLERK: Yes.

The issue being, Mr. Speaker, is that the day after the election, the caucuses will reach out to us asking what is available to them in terms of funding for staffing and space and all those sorts of things. So we do need clarity because it's only fair that every caucus is up and running as quickly as possible following an election.

In the absence of clarity, and you have a caucus with one Member, it's going to put us in a really – it's not a good spot to be, from a policy perspective.

MR. SPEAKER: I noticed MHA Coady has her hand up.

MS. COADY: I just want to make sure we're clear. There is precedence on this from 2007-2011 with the Third Party, correct?

CLERK: Correct.

MS. COADY: So this is not anything new. We're codifying it – if we can use that word – and making it so that this is the policy that will carry on.

CLERK: Yes, exactly.

As a matter of fact, if you go and you look at *Hansard* when the Management Commission discussed this, several times, actually, former MHA Michael mentioned that she was a caucus of one, and I guess they just didn't twig to the

fact that the act said two or more. The Third Party definitely received the caucus funding for the 2007-2011 period.

Of course, in 2011, it wouldn't have even been thought about because the election results were such that it wouldn't have been a problem. And, obviously, we didn't pick it up in 2015 either. But I think what happened is we were looking at it very closely last year, because it was the first time we actually had a fourth registered party running and we were looking, okay, where would we find space for everybody and what would the funding allocation – what would the requirements be, and we noticed this gap.

To be quite honest, we couldn't authorize the funding based on the past practice simply because the legislation says something different. Then right after an election it's very difficult to get the Management Commission together to deal with this problem. So it's better to be prepared.

MR. SPEAKER: Yes.

MHA Coffin.

MS. COFFIN: Okay, I'm off mute?

MR. SPEAKER: Yes.

MS. COFFIN: Okay, I think going back to – I remember when we discussed this very early on, a caucus is a caucus is a caucus. They have the same responsibilities all across the province. Even if you don't have a Member in a particular jurisdiction, there are still people who vote for that party and you have to ensure that the people who are there who support the views are appropriately represented. So I think we do need to recognize that, and it certainly sounds like the discussion we're having right now is leading us to the place where, yes, we do need to have the appropriate supports in place, no matter the size of the caucus.

I see the benefits to developing a good policy. My question now would be what would be the next step? If we go with Option 2 are we going to write that policy right now, or will we hand that over to Ms. Barnes and Ms. Russell to put together that policy and we'll come back to the

House Management Commission for our aye or nay on that?

MR. SPEAKER: Sandra.

CLERK: Based on the direction of the Management Commission, we would rewrite the policy and bring back the draft policy document for the final stamp of approval to the Management Commission.

MR. SPEAKER: Any further comments on this?

Alison.

MS. COFFIN: I'm very comfortable with going with Option 2. I look forward to seeing what that policy says. I'm comfortable, and if everyone else is comfortable – everyone is nodding so I think we're in a good spot right now, but I'd just like to say I would support Option 2.

MR. SPEAKER: If that's the case, we'll need a motion to direct the Clerk and staff of the House to develop that policy.

I see Dr. Haggie has his hand up there.

I'm going to ask Ms. Russell, does she have a draft motion in that regard, based on what we've discussed?

MS. RUSSELL: Based on the discussion and the fact that it seems that the Commission is in agreement with going with Option 2, the motion would just be that the Commission directs an amendment to the caucus funding policy provisions to deal with caucus funding for one Member of a registered political party to be brought back to the Commission at a future meeting.

MR. SPEAKER: I'll go back to Dr. Haggie.

MR. HAGGIE: (Inaudible) she said.

MR. SPEAKER: Dr. Haggie moves that motion.

Do we have a seconder? Okay, I see Barry's hand first.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

Any other items anyone would like to raise?

So we've gone through our agenda items. Have we established a time for our next meeting or do we need to do that now or will we send out a – have we set the time for our next meeting?
Sandra?

CLERK: No, we haven't because the government now is going to face a new Leader and there's going to be a bit of a transition period. I would suggest that probably around the third week of August. We have plenty of things to bring forward to the Management Commission.

Bobbi, I think we can wait until the third week of August to deal with whatever is outstanding, but that will give them time in case there are any changes to the composition of the Management Commission from a government perspective.

Does that sound reasonable? So we'll just put out a call in terms of when it –

MR. SPEAKER: So sometime around the third week in August.

CLERK: If I might, we would follow the same practice and try to keep it to one hour at a time. I find this particular format is really efficient to move things forward and get it done.

MR. SPEAKER: Okay.

If there's no further business, I'm going to ask for a motion to adjourn.

Dr. Haggie moves the motion; seconded by Mr. Loveless.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

Okay, thank you very much, and I'll see you all
(inaudible).

On motion, meeting adjourned