

# **HANSARD**

**NOVA SCOTIA HOUSE OF ASSEMBLY**

## **HOUSE OF ASSEMBLY MANAGEMENT COMMISSION**

**Thursday, July 10, 2014**

**Legislative Committees Office**

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**HOUSE OF ASSEMBLY  
MANAGEMENT COMMISSION**

Hon. Kevin Murphy (Chairman)  
Hon. Michel Samson  
Ms. Margaret Miller  
Hon. Labi Kousoulis  
Mr. Iain Rankin  
Hon. Christopher d'Entremont  
Mr. Larry Harrison  
Hon. Frank Corbett  
Mr. Neil Ferguson, Chief Clerk of the House of Assembly  
(Non-Voting Member)

**In Attendance:**

Speaker's Office Adviser  
Ms. Deborah Lusby  
Director of Administration  
Speaker's Office

Ms. Annette Boucher  
Assistant Clerk  
House of Assembly

Mr. Gordon Hebb  
Chief Legislative Counsel



House of Assembly  
*Nova Scotia*

**HALIFAX, THURSDAY, JULY 10, 2014**

**HOUSE OF ASSEMBLY MANAGEMENT COMMISSION**

2:15 P.M.

CHAIRMAN  
Hon. Kevin Murphy

MR. CHAIRMAN: Good afternoon, everybody. Welcome to the House of Assembly Management Commission meeting. My name is Kevin Murphy, I'm the Speaker of the House and I'll chair the committee today. We'll get right into the agenda and our first order of business would be item No. 1, the approval of the minutes from February 27, 2014. For that, I'll turn it over to Chief Clerk Ferguson.

MR. NEIL FERGUSON: Very quickly - one error I noted just before the meeting on Page 3, third paragraph - it says it was moved and seconded that the House of Assembly Management Commission Act be amended. Actually, it was moved that it be recommended to the government that the Act be amended, so it would simply be inserting the words after the first line, ". . . it be recommended to the government that . . ."

I've reviewed the Hansard and that's what happened, so if everybody is okay with that change then we would have a motion to accept the minutes as amended.

MS. MARGARET MILLER: I so move.

HON. CHRISTOPHER D'ENTREMONT: I'll second it.

MR. CHAIRMAN: The motion was moved by Ms. Miller and seconded by Mr. d'Entremont.

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Are there any other changes or comments on the minutes?

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried. The minutes are accepted.

Just before we go on to item No. 2, are there any other additions to the agenda? Mr. Corbett.

HON. FRANK CORBETT: Mr. Samson and I are both heading in an easterly direction very soon, but I'd like to put in for a very short conversation today, and maybe we can carry it over to our next meeting about transitional funding for caucuses as it relates to their move from last Fall.

MS. DEBORAH LUSBY: I have 2014-15 quarter one financials to present.

MR. CHAIRMAN: I think the only other thing I'll add to the agenda is an item brought by MLAs Lloyd Hines and Gordon Wilson about the topic of additional expenses related to serving their constituencies due to the geographic size. We'll just put that on for the purposes of discussion to get it on the agenda.

Again, I don't see any lengthy discussion or debate on the matter today, but I did want to introduce that. Are there any other additions before we move on?

We'll move on to item No. 2, Amendments to the House of Assembly Management Commission Regulations. I'll turn that over to Chief Clerk Ferguson.

MR. FERGUSON: I believe there are several that are being proposed. The one that I was going to speak to is the set of changes that are necessary because of the work of the Remuneration Review Panel. They made a significant number of recommendations. Those came into force and effect as a matter of law. What that means is that we have a bunch of regulations that are now out of date, that don't match the recommendations.

We've already circulated the large set of changes that have been drafted by Legislative Counsel simply to effect the changes already made to the law. Since they've been circulated, I don't think there's any merit in having me read them at length unless it's asked for. I guess the motion would be for someone to approve what is shown as amendments to the House of Assembly Management Commission Regulations as directed by the 2014 Remuneration Review Panel. It would be that set of amendments that would be the subject of a motion.

MR. CHAIRMAN: Mr. Samson.

HON. MICHEL SAMSON: Just as a question of procedure, I have amendments to those amendments. Do you wish to have those amendments passed and then these amendments considered, or procedurally, how would you like it to be done?

MR. FERGUSON: I believe that what you're suggesting is the best way - we do the large group that deal with the panel and then if you want to go through your other changes that, I guess, are tweaks that need to be made to those, so I take your point.

MR. CHAIRMAN: So we're all in agreement, one step at a time, to do the amendments necessary to have the recommendations by the Remuneration Review Panel adopted first and then we'll deal with the subsequent suggested amendments one at a time afterwards.

If everyone has had a chance to read the first group of changes that were circulated in advance - the first five pages - are there any questions or comments on any of those?

MR. FERGUSON: You need a mover and a seconder. (Interruptions)

MR. CHAIRMAN: It was moved by Mr. Corbett and seconded by Mr. Samson.

Would all those in favour of adopting these amendments please say Aye. Contrary minded, Nay.

The motion is carried.

Mr. Samson.

MR. SAMSON: Members would have received a couple small amendments being proposed. I'll go through the first one. The first one is:

"1 Clause 21(1)(k) of the *House of Assembly Management Commission Regulations* is repealed and the following clause substituted:

(k) two tickets to any event related to the member's constituency work, but not events related to the member's political party;"

I so move that amendment.

On that, that's in consideration of the fact that oftentimes members are asked to purchase tickets to events in their ridings, which can be some point in the future. Under the current rules and what was proposed is that the Speaker's Office would be unable to reimburse members for those costs until after the event has actually taken place and after

confirmation the member has attended. This would remove that requirement and make it easier that if members are purchasing tickets to an event that they would be eligible for reimbursement once that claim is submitted, rather than having to wait. I so move.

MR. CHAIRMAN: Are there any comments or discussion on this proposed amendment? Is there a seconder? It is seconded by Ms. Miller.

Would all those in favour of this particular amendment to Clause 21(1)(k) of the House of Assembly Management Commission Regulations please say Aye. Contrary minded, Nay.

The motion is carried.

Mr. Samson.

MR. SAMSON: The second amendment - I'll read through it:

“1 Section 28 of the *Regulations* is repealed and the following Section substituted:

28(1) A non-outside member may claim reimbursement for an overnight hotel stay in Halifax when, because of

- (a) inclement weather;
- (b) time of day; or
- (c) any other reason,

the member is unable to return to the member's ordinary residence following a sitting of the House or a meeting of one of its committees or a caucus meeting.

(2) On May 1, 2015, and every subsequent May 1<sup>st</sup> thereafter, each non-outside member who has claimed reimbursement in accordance with subsection (1) shall table in the House of Assembly if the House is then sitting or, where the House is not then sitting, file with the Clerk of the House a report setting out the dates and the reason in each case for the overnight hotel stays for the fiscal year ending on March 31<sup>st</sup> in the year the report is tabled.

I would move that amendment.

This addresses some of the concerns raised by the fact that the members who are very close to the new limit that has been imposed, determining who is an inside and outside member, there were safety concerns raised. As you know, we just went through a winter

that we had basically three days where the government was shut down due to inclement weather.

In light of those safety concerns we believe that this is a prudent way to ensure that members don't feel absolutely obliged, in what they might consider dangerous situations, to have to get on the road. At the same time, the accountability is there that any time that would happen, it would be disclosed and made public as to how often it happened and why it happened. I would so move.

MR. CHAIRMAN: Seconded by Iain Rankin. Are there any comments or discussion?

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Frank.

MR. CORBETT: Mr. Chairman, I'd like to move this amendment respecting the regulations pursuant to the House of Assembly Act. I'll read it, then I'll give the thought behind it.

“Whereas the 2014 MLA Remuneration Review Panel changed the definition of ‘outside member’ and directed that members who no longer had the status of outside member because of the change, terminate their apartment leases at the earliest possible point under the terms of the lease.

Therefore be it resolved that regulations be enacted as follows:

1 These Regulations may be cited as the *House of Assembly Management Commission Outside Member Transition Regulations*.

2 Words and expressions in these Regulations have the same meaning as in the *House of Assembly Management Commission Regulations*.

3(1) A member who, as an outside member, was renting an apartment on April 9, 2014, in the former City of Halifax and is no longer an outside member as a result of the MLA Remuneration Review Panel Report of April 9, 2014, may claim the cost of moving the contents of the member's apartment to the member's primary residence.

(2) A claim pursuant to this Section must be paid from the member's franking and travel allowance.

The purpose of that is that all the affected members had taken apartments in the city from the October election believing that would at the very least be in their realm until the next election. I believe not many members saw this coming and so some have to shut down sooner than later, and everyone will probably be - the ones who have their status changed - will have moved before the end of October probably.

What we're asking is to help some people with unforeseen expense that they could take this - if they have money in their franking - that they would be allowed to take this out of the travel and franking money. I so move.

MR. CHAIRMAN: Seconded by Michel Samson. Is there any discussion or comment?

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

I will now move on to Item No. 4, the internal control review and OAG audit update. (Interruption) I'm sorry. Mr. Samson.

MR. SAMSON: Following up on Mr. Corbett's resolution here - because of some of the changes made, it looks like there will have to be some legislative changes in the Fall. Today we just wanted to highlight to the commission our intention in the Fall so that it is on the record to show our intention in order to be able to do this. I'll read that out for the members and seek passage of it:

Whereas the 2014 MLA Remuneration Review Panel changed the definition of "outside member" and directed that members who no longer had the status of outside member because of the change, terminate their apartment leases at the earliest possible point under the terms of the lease;

Therefore be it resolved that the commission recommends the House of Assembly enact amendments to the House of Assembly Act permitting members, who have apartment leases and who are no longer outside members, to vacate their apartments on or before July 31, 2014.

This would in essence give a three-month period following the tabling of the report by the independent commission. That three months is the same standard that we use for a member who is either defeated or resigns in order for them to be able to terminate their apartment, their office leases, and to be able to have their stuff moved, which was the motion made by Mr. Corbett.

So this is in keeping and in line with the practices of the commission. Because of the fact that it will require a legislative change, we will be bringing that in when the House

of Assembly resumes in the Fall, but in the spirit of co-operation and openness, we wanted to make a resolution here just so that it was clearly on the record what our intentions will be when the Fall sitting resumes. I so move.

MR. CHAIRMAN: Seconded by Frank Corbett. Is there any discussion or comment?

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Now we'll move on to item No. 4 - Internal Control Review and OAG Audit Update. Chief Clerk Ferguson.

MR. FERGUSON: We have a brief update on a number of things that have been going on in the audit world of the House. I'd ask Ms. Lusby, as quickly as we can, to go through the high points.

MS. LUSBY: The Internal Audit Centre commenced a 2013-14 internal control review on-site mid-June and they're tying up loose ends now. We should have their draft report by the end of July. I've been advised that there's nothing unusual to report. The Chief Clerk will rely upon the IAC's report when making the certification that the internal controls are operating effectively.

A second part of the IAC's scope is to draft a template for the Speaker's Administration office to perform the 2014-15 internal control review themselves and then on an ongoing basis. Following this template, the testing performed throughout the year will be documented and then can be reviewed by the Auditor General's Office when they do the annual audit. The IAC are not charging the Speaker's Office for this project.

With respect to the OAG audit update, the 2013-14 letter of engagement was revised to account for the fact the House of Assembly is not required to prepare and have audited a full set of financial statements. The OAG's focus will be: that the expenses are in accordance with the House of Assembly Management Commission policies and regulations; and confirming the Chief Clerk's assertion that the internal controls are operating effectively.

OAG staff spent a bit of time in the office in January testing the first six months of 2013-14, and they will be back mid to late August to finish the audit. They will complete the audit for 2013-14 and review the internal control testing performed by the IAC.

Based on a reduced scope, the OAG fee has been reduced from \$50,000 to \$20,000.

The risk assessment project - if I could just give a brief update on that as well. In 2012, the OAG recommended that the House of Assembly Management Commission prepare a comprehensive risk assessment of the House of Assembly operations with the intent to strengthen their internal control framework. The Internal Audit Centre was engaged to conduct this assessment, which included direct interviews with management and a risk assessment workshop with key stakeholders.

The IAC completed the risk assessment on April 29, 2014 and they've issued their final report to the House of Assembly Management Commission Audit Committee. The Audit Committee has met to review the report and to discuss action plans to mitigate the key risks to the House of Assembly.

MR. CHAIRMAN: Do we need a motion to accept that? It's just a report to be tabled. Are there any questions or comments on Deborah's report?

We'll move on to Item No. 5, the 2013-14 year-end/quarter 4 financial review - over to Deborah.

MS. LUSBY: The fourth quarter and year-end review for 2014 is attached. The key highlights are of course that we came in under budget. In note B, it highlights the cost savings that were within the budget, but also the additional costs for the election. So of the \$17.9 million in the legislative expense budget, we had a cost savings of approximately \$1.8 million. That is higher than usual due to the number of MLAs who retired or weren't re-elected and then didn't spend their full three-month allowance that they were permitted to have if they needed it. Then we added on the estimated election costs of \$2.2 million - \$1.6 million of that is the transition allowance for the MLAs who retired or were not re-elected.

If you don't have any questions on that, we just completed the first quarter of 2014-15 on Tuesday. That is the other spreadsheet included in your package. The only change here is that the PC budget has been reduced to account for the loss of one of their members.

MR. CHAIRMAN: Are there any questions on either one of those reports and updates? We'll table those. Thank you, Deborah.

We'll move on to the extra item and turn that over to Frank.

MR. CORBETT: I'll be quick with this. I don't know if we want to dispense with this today, but even if we can put it on the record for the next meeting. Traditionally after elections, what we had done - the old Internal Economy Board used to do it - there were transition costs covered. Those transition costs, I would put them aside from severances and so on. These are actual moving costs such as the movers, shredding of documents,

removal of waste, issues like that that can be quantified. I would like to see that this be carried on and that we would be allowed to submit actual expenses for our transition costs.

I have them here in front of me just so we get a ballpark. Our transition costs - and I'll table it for everybody - what they would do is they're all moving expenses or shutting down of offices. It would come to a little over \$22,000. I'll table that now. I'd like for it to be considered. I don't know whether you want to put out a notice that it will be on the next meeting that we could deal with that.

MR. CHAIRMAN: Michel, you had a comment?

MR. SAMSON: May I suggest that Mr. d'Entremont maybe provide the Director of the Speaker's Office with the costs that were involved with their office, and I will also ask our chairman, Lloyd Hines, to see what the cost was. I know there were significant renovations that were required in our caucus office as well. If I could suggest that each caucus be asked to provide a breakdown of their costs and then we can have a further discussion if this is something that we can take out of the consolidated funds rather than in the transition monies that were made available for severances and employees.

MR. CHAIRMAN: Are there any other questions or comments? The other item I wanted to add was, we do have some written communications here from MLA Lloyd Hines and MLA Gordon Wilson, outlining some concerns they had about their ability to deliver services in their constituencies due to the large geographic size as a result of the realignment - the purpose of sharing their concerns and a couple of suggestions of how to deliver services. We just wanted to get this on the agenda for discussion and, again, no intention to resolve anything today, but to put it on there as something that we look at moving forward.

HON. CHRIS D'ENTREMONT: I haven't written a letter and I was hoping that we would have this discussion at some point. As we're rolling into our first year of operation in our new configurations, I think we're finding it a little difficult in the way that traditionally the people of Barrington were served by the MLA and had a constituency office; the people of Argyle had an MLA and a constituency office. When we got married up, do you pull a constituency office or do you try to serve them the same way they were because of the distance between those two communities?

There are significant costs in trying to do that - trying to have some extra offices, to try to have an extra constituency assistant to help with the caseload, those kinds of things. I'm glad that this is here today and I look forward to furthering the discussion because it is making us a little close to our total budgets and not giving us any leeway really to do much advertising or any work that way.

MR. CHAIRMAN: Michel and then Frank.

MR. SAMSON: This is obviously a topic of concern. If I can suggest - and we may want to ask the Director of the Speaker's Office to look at a few different options for our consideration - right now the franking and travel allowance is based on a formula, but our office budgets are all the same amount of money. While the franking and travel recognizes that larger constituencies should have more funding available due to their size, it doesn't translate when it comes to office budget. There might want to be a look at what would it look like if we were to tie in that formula to the office budgets and would that be enough to assist members in very large geographic areas or dual constituencies.

The other issue, and I would suggest that we may want to ask the Director of the Speaker's Office to look at it, is the ability for the rental portion of constituency offices to be taken out of the budget and paid directly by the Speaker's Office. As a commission we agreed to make our offices accessible. That has come at a high price.

Ironically, while I would have initially thought rural areas would have been the places with the high costs, it has been the exact opposite. It has been metro that has seen some of the most significant increases for our members; I believe there may be at least one sitting around the table who can attest to that. One of our colleagues told me yesterday that his rent is in excess of \$2,200 a month. With a budget of just over \$50,000, there's half his budget going to pay rent. Whereas for myself at this point in time, my rent is but a fraction of that, so it puts me at an advantage compared to my colleague, which I don't think was ever the intention.

I would ask that, if we could agree, that the director would explore some options for us. If it's going to be paid directly out of the Speaker's Office and from our budget, there may have to be some corresponding reductions in our overall budget to reflect that. I believe that if we can agree to that, that the director will have enough guidance to at least get a sense of what some of the options may be, there might be a possibility of doing these changes while at the end of the day staying within our overall envelope without affecting the envelope, but certainly making it more reasonable for members to have access to the budgets that were intended to be available to them for all of their other responsibilities.

MR. CORBETT: I won't spend too long on this because the worst thing I would say is I agree with the former speaker. I agree with the two people who spoke previous to me - one from the perspective of the geography of the constituencies that have changed and that is reflected in many of our rural seats now. To what my good friend Mr. Samson talked about is our friends - one of whom I know is around the table - about the cost of getting reasonable rental accommodations for offices here in the city.

I'm one of those people who is in transition when it comes to getting new space that would accommodate our changes, and I will see a significant increase in my rent. I know we have leeway time, but I see that as a maximum, not a minimum. I think any of us who got into appropriate rental space should do it sooner than later, and that's part of what we're trying to do here.

So without re-plowing ground, I agree with the two former speakers in both the thrust of the constituency, whether the CA system should be looked and in particular whether we look at some sort of apportioning of how office rent should be paid.

MR. CHAIRMAN: I think the commitment is here and the agreement is here around the table, and not speaking for the administration staff, but anything that we can do to make life easier for everybody and more applicable in terms of the realities of what it is we're trying to do. The different marketplaces, metro versus rural Nova Scotia and certainly trying to deliver those kinds of varied services within that budget envelope that we have, I think we're all in agreement there.

Perhaps the path forward is we'll continue on the Speaker's Office side to try to come up with creative ways to address those issues and concerns. As well, we have two written submissions here from MLAs Gordon Wilson and Lloyd Hines, but if there are other MLAs such as Chris has mentioned, perhaps if you could put a couple of things in writing - all three Leaders - and we'll depend on you to bring those bits of information and any other operational suggestions forward to this committee so that we can move forward.

Michel.

MR. SAMSON: May I suggest that in light of you receiving that correspondence, you may wish to reply to the members who have written to you and others who may write to you to at least confirm that the matter was discussed at this meeting and that we are exploring options, just so that they're aware that we have heard their concerns and that they are being worked upon.

MR. CHAIRMAN: Yes, sir, thank you. Are there any other items on the agenda?

Hearing none, we have Frank's motion for adjournment. Seconded by Labi. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

We stand adjourned.

[The committee adjourned at 2:53 p.m.]