



Fourth Session, 40th Parliament

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REPORT OF PROCEEDINGS  
(HANSARD)

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# LEGISLATIVE ASSEMBLY MANAGEMENT COMMITTEE

**Victoria**

**Monday, November 23, 2015**

**Issue No. 12**

HON. LINDA REID, MLA, CHAIR  
AND SPEAKER OF THE LEGISLATIVE ASSEMBLY

ISSN 1929-8668 (Print)  
ISSN 1929-8676 (Online)



**LEGISLATIVE ASSEMBLY MANAGEMENT COMMITTEE**

Victoria

Monday, November 23, 2015

*Chair:* Hon. Linda Reid (Speaker of the Legislative Assembly)

*Members:* Hon. Michael de Jong, QC (Abbotsford West BC Liberal)  
Mike Farnworth (Port Coquitlam NDP)  
Eric Foster (Vernon-Monashee BC Liberal)  
Shane Simpson (Vancouver-Hastings NDP)  
Jackie Tegart (Fraser-Nicola BC Liberal)

*Clerk:* Craig James (Clerk of the House)



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MINUTES

# LEGISLATIVE ASSEMBLY MANAGEMENT COMMITTEE

Monday, November 23, 2015  
1:00 p.m.  
Douglas Fir Committee Room, Room 226  
Parliament Buildings, Victoria, B.C.



**Present:** Hon. Linda Reid, MLA (Speaker and Chair); Hon. Michael de Jong, QC, MLA; Mike Farnworth, MLA; Eric Foster, MLA; Shane Simpson, MLA; Jackie Tegart, MLA

**Legislative Assembly Officials Present:** Craig James, Clerk of the House; Gary Lenz, Sergeant-at-Arms; Hilary Woodward, Executive Financial Officer; Susan Sourial, Committee Clerk

1. The Chair called the Committee to order at 1:07 p.m.
2. **Resolved**, that the Committee approve the agenda as circulated (Eric Foster, MLA)
3. **Resolved**, that the Committee approve the minutes of May 26, 2015 as circulated (Eric Foster, MLA)
4. **Resolved**, that the Committee approve the minutes of July 15, 2015 (*in-camera*) as circulated. (Mike Farnworth, MLA)
5. In addressing the topic of *Health, Safety and Accessibility of the Parliamentary Precinct*, the Speaker noted the work being undertaken to render the elevators at Government House accessible.
6. The Sergeant-at-Arms provided an update on the security upgrades to the main entrance of the Parliament Building.
7. **Resolved**, that the minutes of the Finance and Audit Committee for May 12, 2015 be accepted (Mike Farnworth, MLA)
8. **Resolved**, that the minutes of the Finance and Audit Committee for October 29, 2015 be accepted (Shane Simpson, MLA)
9. **Resolved**, that the minutes of the Finance and Audit Committee for November 3, 2015 be accepted (Mike Farnworth, MLA)
10. **Resolved**, that the minutes of the Finance and Audit Committee for November 17, 2015 be accepted (Mike Farnworth, MLA)
11. The Clerk of the House and the Executive Financial Officer provided the Committee with an overview of the Vote 1 Budget Estimates: FY 2016-17 and responded to questions.
12. The Committee considered the Finance and Audit Committee recommendation regarding a proposed increase to constituency office funding.
13. **Resolved**, that the report of the Finance and Audit Committee be amended by deleting the proposed cumulative increase of \$1.346 million for constituency office funding. (Hon. Mike de Jong, Q.C., MLA)

14. **Resolved**, that the proposed increase to constituency office funding be a total of \$1.346 million for all electoral districts. The funding is to be indexed to the year over year change in the BC CPI and will be implemented after the next provincial general election in May 2017. (Jackie Tegart, MLA)
15. **Resolved**, that the name of Vote 1 be changed from “Legislation” to “Legislative Assembly”. (Jackie Tegart, MLA)
16. **Resolved**, that the 2016/17 estimates of expenditure for the Legislative Assembly for Vote 1, as amended, be approved. (Jackie Tegart, MLA)
17. **Resolved**, that the Speaker transmit the 2015/16 estimates of expenditure for the Legislative Assembly for Vote 1, as amended, to the Minister of Finance on behalf of the Committee. (Eric Foster, MLA)
18. The Clerk of the House provided the Committee with an overview of the draft *Legislative Assembly Accountability Report, 2014-15*.
19. **Resolved**, that the Committee adopt the *Financial Statements of the Legislative Assembly of British Columbia for the year ended March 31, 2015* as presented today. (Jackie Tegart, MLA)
- Resolved**, that, pursuant to section 5 of the *Legislative Assembly Management Committee Act*, the Committee adopt the *Legislative Assembly Accountability Report, 2014-15* as presented today; and further that a copy of the report be deposited with the Office of the Clerk and that the Speaker present the report to the House at the earliest opportunity. (Jackie Tegart, MLA)
20. The Executive Financial Officer provided the Committee with an update on the Assembly’s 2015-16 First and Second Quarter Financial Statements for the periods April 1, 2015 to June 30, 2015 (Quarter 1) and April 1, 2015 to September 30, 2015 (Quarter 2).
21. **Resolved**, that the Committee approve the Assembly’s 2015-16 First and Second Quarter Financial Statements for the periods April 1, 2015 to June 30, 2015 (Quarter 1) and April 1, 2015 to September 30, 2015 (Quarter 2) as presented. (Shane Simpson, MLA)
22. The Committee considered the *Governance Framework Internal Audit Report*.
23. **Resolved**, that the Committee approve the report *Governance Framework Internal Audit Report* as presented. (Jackie Tegart, MLA)
24. The Committee considered the *Risk Based Audit Plan 2015/16-2017/18*.
25. **Resolved**, that the Committee approve the draft *Risk Based Audit Plan 2015/16-2017/18*, including the proposed audit fees for the 2015-16 fiscal year, as presented. (Eric Foster, MLA)
26. The Committee noted three information items: Flagpole Replacement Project; Central Heating Plant Status Update; and Legislative Assembly 10 Year Capital Plan.
27. **Resolved**, that the Committee meet *in-camera* to consider a personnel issue. (Hon. Mike de Jong, Q.C., MLA)
28. The Committee met *in-camera* from 1:55 p.m. to 2:10 p.m.
29. The Committee continued in public session at 2:10 p.m.
30. The Committee adjourned to the call of the Chair at 2:11 p.m.

MONDAY, NOVEMBER 23, 2015

The committee met at 1:07 p.m.

[Madame Speaker in the chair.]

### Approval of Agenda and Minutes

**Madame Speaker:** I'm pleased to call to order the meeting of the Legislative Assembly Management Committee of November 23, 2015, Douglas Fir Committee Room, Parliament Buildings, Victoria.

Motion to approve the agenda?

**E. Foster:** So moved.

**Madame Speaker:** Moved by Eric Foster. Seconded by Mr. Farnworth.

Motion approved.

**Madame Speaker:** Item 2, review of the previous minutes. I'll allow a minute or two to consolidate your thinking around the minutes of Tuesday, May 26, before we proceed to the next set of minutes.

Any business arising?

**A Voice:** So moved.

**Madame Speaker:** It's been moved and seconded.

Motion approved.

**Madame Speaker:** The minutes of July 15, 2015. Any business arising?

**M. Farnworth:** So moved.

**Madame Speaker:** It's been moved. Seconded by Jackie Tegart.

Motion approved.

### Health, Safety and Accessibility of Parliamentary Precinct

**Madame Speaker:** This brings us to item 3 on the agenda: health, safety and accessibility of the parliamentary precinct.

You will know there have been some outstanding issues on a go-forward basis, not the least of which is elevators in this building. Hopefully, at some juncture, we can come to a response about how we might proceed, if we proceed, with respect to an elevator at Government House. You will know that, certainly, as the people's Houses in both instances, a ceremonial

home for British Columbians at Government House....

At some point, we will make, hopefully, the appropriate recommendations so that indeed, those buildings become more accessible on a go-forward basis. I certainly continue to receive commentary from individuals who have thoughts and ideas about other ways to improve safety and accessibility.

We don't see it on our piece here, but perhaps we can have Gary spend a minute on the safety upgrade in the front entrance. If any of you have been there and seen it recently, it's actually complete. It looks fabulous. Please pass on our thanks to Surjit and Randy and his team.

Gary, give us a sense of when it'll be operational.

[1310]

**G. Lenz:** The final installation will be in about the next three to four weeks. Then before the next session, it'll be fully operational with the next opening of parliament.

**Madame Speaker:** Any questions? Any more thoughts? Any ideas about when we're going to finalize the plan about who is screened and who is not? Did you wish to put that on a forward agenda?

**G. Lenz:** We can do it on a forward agenda.

**Madame Speaker:** Okay. Excellent.

### Approval of Minutes Finance and Audit Committee

**Madame Speaker:** That brings us to item 4, finance and audit committee, reviewing the minutes of May 12 as circulated. Motion to move.

**A Voice:** Moved.

**Madame Speaker:** Second, Jackie Tegart.

Motion approved.

**Madame Speaker:** Minutes of October 29, also in your binder. Please take a moment to see if there's any business arising.

Moved by Shane Simpson. Seconded by Jackie Tegart.

Motion approved.

**Madame Speaker:** Minutes of Tuesday, November 3, 2015. Any business arising?

Moved. Looking for a seconder. Madam Tegart.

Motion approved.

**Madame Speaker:** Minutes for November 17, which we reviewed earlier. Motion to accept — Farnworth. Seconded by Jackie Tegart.

Motion approved.

**Madame Speaker:** That brings us to the report of the finance and audit committee. Perhaps we'll have Hilary make a presentation in terms of decision item 1, budget estimates Vote 1 — or Craig and/or Gary.

### Finance and Audit Committee Report

**C. James (Clerk of the House):** In your package today, you have a budget submission that I have circulated to members. It includes a recommendation by the finance and audit committee and also includes in some detail the spending for Vote 1, the expenditure of the various branches and the caucuses over the course of the next several fiscal years but in particular next fiscal year.

It also includes a ten-year capital plan, which is, for the first time, provided to members of the committee to more fully appreciate and understand the nature of repairs going forward over the next ten years. And it fits in nicely with the retrofitting and upgrading for accessibility different areas of the Legislative Assembly, including elevators throughout the buildings but in particular in the Legislative Library, which, everyone knows, has an elevator which is very, very old, and parts are just not available for it anymore.

Hilary, would you like to comment?

**H. Woodward:** Certainly. I can give a bit of an overview.

The proposed 2016-17 budget provides for total operating expenses of \$71.109 million. That's an increase of \$1.544 million, or 2.2 percent, compared to the prior fiscal year, 2015-16. This increase reflects the recommendations contained in the motion passed by the finance and audit committee on November 17, 2015.

That, subject to Legislative Assembly Management Committee approval, would result in a \$1.346 million increase in constituency office funding in 2016-17 to address a loss of purchasing power and increased office responsibilities related to enhanced disclosure and transparency requirements. The proposed amount is based on the net change in B.C. CPI, inflation, since 2005 and effectively increases the annual constituency office funding allocation from \$119,000 to \$134,835 per year, or \$15,835 per member.

[1315]

The motion also recommends, beginning in 2017-18, that an indexing factor be applied to constituency office funding based on the B.C. CPI. In addition, there was a \$198,000 increase to the operating budget contingency reserve. That was to restore the reserve to 2015-16 levels. The initial budget submission reduced the contingency

reserve from 0.54 percent to 0.25 percent of the total operating budget.

The Legislative Assembly remains committed to fiscal accountability. Excluding the proposed increase to this constituency office allowance funding, the Legislative Assembly's budget has remained relatively unchanged over the last five years, not including the 2013-14 election costs, while at the same time continuing to make significant improvements to service delivery and accountability.

To date, the Legislative Assembly has been successful in managing increasing budget pressures, a growing demand for services and new initiatives, and has successfully identified sufficient internal savings to absorb all of these anticipated compensation and benefit increases for legislative staff and members as well as a number of operational and security-related cost pressures — a total impact of \$940,000. Sources of the internal savings include a refinement in the calculation of benefits, branch-specific operational efficiencies, LASPAR-related savings and a change in service model for internal audit services.

The proposed 2016-17 Legislative Assembly budget also provides for total capital expenses of \$2.422 million. The capital budget has been reduced by 14.4 percent, or \$408,000, as compared to the prior year. This reduction reflects the anticipated capital requirements for the upcoming year, including capital projects and anticipated life-cycle replacements. While the capital budget allows for maintenance of capital, it does not allow for any major renovations or upgrades.

For planning purposes, future operating and capital expense budget projections for fiscal years 2017-18 through 2019-20 are based on known and anticipated compensation and inflationary increases, expected election costs in 2017-18 and maintenance-only assumptions. The budget submission provided in your materials provides a more detailed breakdown of the year-over-year changes in each of the main categories of expenses: members services, caucus support services and legislative support services.

I would be pleased to respond to any questions the members of the committee may have.

**Madame Speaker:** Any questions for Hilary?

**Hon. M. de Jong:** I apologize for being late. The recommendation around the caucus support, derived from the committee — has that been dealt with in advance of my arrival?

**Madame Speaker:** A previous LAMC meeting made the recommendation to come to a consideration now, today.

**Hon. M. de Jong:** Right. But we haven't dealt with that yet today.

**Madame Speaker:** No.

**Hon. M. de Jong:** Hilary, I can't imagine you'd have any problems with this, but one of the recommendations around the budget that I saw in the material was really a labelling thing that had changed the title of Vote 1 from "Legislation" to "Legislative Assembly." That struck me as an eminently sensible thing to do. Any qualms about that?

**H. Woodward:** None whatsoever.

**Hon. M. de Jong:** Very good.

The other thing that struck me, as I reviewed the numbers, is that most departments have done a reasonably good job — or maybe a very good job — in bringing themselves in below their budgeted amount, so not just living within their budgets but managing to come in slightly below budget. In several examples, that's reflected in a slightly lower budget ask for the year coming. Is that an accurate summary on my part?

**H. Woodward:** Yes, that would be the case.

**Hon. M. de Jong:** Are we just on operating, or did we lump them together, the operating and capital?

**Madame Speaker:** We're just under 4(b) for the agenda — decision item 1, budget estimates Vote 1. Hilary can speak more clearly to capital if you wish.

**H. Woodward:** I've just provided an overview to date on both categories.

[1320]

**Hon. M. de Jong:** Very good. I think, except for that single item, those are the questions I had for Hilary.

**Madame Speaker:** Do you want to handle that item now?

**Hon. M. de Jong:** Right. I'm not sure I can do so in the guise of a question to Hilary per se. I came in as you were reporting to the committee what the recommendation from finance and audit was. I wonder, in fairness, if we might.... Maybe you've already given this, or maybe members of the committee would want to provide the rationale for the recommendation that derived from the finance and audit committee.

**Madame Speaker:** Okay, thank you.  
Shane, did you wish to speak to the issue?

**S. Simpson:** Well, I think that there were a couple of things.

Clearly, when we had looked at cost pressures as they relate to constituency offices, I think what became evi-

dent is when we went back and asked staff to look at what has occurred over the last decade, more or less, since the last increase to constituency office budgets.... What we realized from that, of course, is that there has been an erosion in the buying power in constituency offices, and while costs continue to go up, the buying power has eroded to the tune of \$12,000, \$13,000. The number is not right in front of me. But it was a significant reduction — between 11 and 12 percent reduction in the ability, the capacity of a constituency office.

We know we're dealing here with relatively modest budgets — \$119,000, not including the direct costs paid by the assembly on matters. I'm assuming that those.... If we look closely — and I'm not sure whether that work has been done — we would see that some of those costs have in fact increased and that we've been paying increased costs there in order to meet those responsibilities, because cost pressures go up there.

We haven't seen that reflected on the other side, where the majority of the money does go towards staff but also to other costs. The intent here was to address that and, again, to make constituency offices whole, at least back to the value of the \$119,000, as it was intended in 2005 when that number was adopted.

The second thing here, and I think it's managing well, is that we have seen increased pressures on our staff at our constituency offices related to further accountability and transparency measures that have been obliged around reporting — all things, I think, that we generally would all agree have value and have improved the accountability, overall, of this place and us as members. But there is an obligation that comes with that, and that obligation is staff time in order to do that work — work that was not done or anticipated prior to the changes that were made, I guess, after the Auditor General's report back a couple of years ago. So this is about making that whole.

Then the second piece of that was to say, "Let's correct this now and not put ourselves back in this place again," which is the reason to say that after this year — it would be, then, in '17-18; I think my number's right — we would then look at some kind of consumer indexing of this so that there wouldn't be the erosion of buying power, indexing similar to what we do in our caucus budgets now.

We use a different formula than the CPI, but we essentially have an indexing formula based, largely, on.... We know our caucus budgets are mostly about staff, and it reflects the BCGEU increase — or their collective agreement, more or less. That's the place where we've addressed that question of indexing.

I think this is simply a matter of trying to make these offices whole again, allowing them to move forward. And I would note that for many, many people in this province — many of our constituents, for all of us — maybe the most important thing that we do as legislators, actually, is have a constituency office that allows people who are

having challenges with government to come in and get some guidance, get some clarification, get some support to answer the questions that they can't find answers to.

[1325]

Arguably, as a front line, the most important front line we have as MLAs probably is what our constituency offices and our staff do for us every day in those offices. A modest restoration of the support of those offices.... I don't see it as an increase. I see it as restoring what was there, and it makes eminent sense, certainly, to me.

I know that the conversations we've had at finance and audit.... Certainly, the indications I get, I know, are from colleagues on the opposition side who feel that, but I also get the sense from the discussion here at finance and audit that some of those challenges are not unique to the opposition side, by any means. So this was a chance to correct that.

I will tell the minister.... I originally was proposing something that was probably significantly more than that, but I fully appreciate that we need to manage here. These recommendations came back from staff, after looking at the options and proposals, at a series of options that were presented. This was the option chosen by the committee that I think was somewhere in the middle among the choices and one that allows us to correct that now and, hopefully, not have to deal with it again if we index this thing going forward.

**Madame Speaker:** Any other comments?

**Hon. M. de Jong:** I saw the letter, and I don't in any way dispute or argue with the mounting pressure and the challenges that have arisen and continue to arise. Of course, there are pressures that have arisen for a variety of departments of government and the Legislative Assembly.

I just want to say — in part because, well, he happens to be here — that the Sergeant-at-Arms, I noted in the report, has dealt with some pressures. By the way, Hansard, I see, has managed to account for some of the pressures, as has the library, and has actually managed to reduce ever so slightly. In the case of the library and in the case of Hansard, they've accounted for some salary increases and have held firm.

Here's the part about this that I wonder if we have to be sensitive to. No one else, by vote of four or five legislators, gets to fix the problem and the pressures they're facing, albeit that those pressures are real. The cumulative effect of the increase, if I'm correct, is just over \$1.3 million for the whole assembly, and that accounts for the increase in the proposed budget.

I'm wondering if a way to deal with the perception or the assumption that when it comes time to deal with pressures that confront the politicians directly, they just have a vote and fix it for themselves....

[1330]

Maybe the way to do this, in accepting the logic of the thing, is for LAMC to say: "Yes, there is pressure. Yes, there should be a mechanism, and that should take effect when the new parliament is elected so that it's not a case of instantaneously fixing things for the group that is here now. We think that there is a coherent argument. Eighteen months from now, when a new group is selected to do this job, they will have the knowledge, or the rules will be in place, going forward. In the meantime, we'll manage the pressures that are presented, recognizing that they are real."

**S. Simpson:** I appreciate that. I guess the observation I'd make is that there's nothing instant about this. It's been a problem that has been growing for a decade, every year. It's been a problem that's been here for a long time. The question is: when do you address it?

You'll know, Mike. We discussed this prior to the last election. For reasons that I think everybody agreed with.... We were heading into an election, and this wasn't a matter that we were going to address at that time. This has come back now. The reason for bringing it now is that it's far enough ahead of the next election to deal with it.

The reality is, quite frankly, that we can deal with this today. There will be a new committee here. Who knows what the makeup of the committee will be after the next election? We don't know. We could be sending that same group or the group of people there back to revisit this, because I suspect that.... These things get revisited before they get implemented. That's, I think, the reality of what we'll see.

If we have a problem that is legitimate and that affects the ability not of the five or six members of this committee but of 85 members of the Legislature in how they deliver service and, in the big picture of things, it is relatively modest — though I don't want to diminish \$1 million — then I think you have to say: "At what point do you bite the bullet and take the action that you think is warranted?" That becomes the question.

If you don't believe that fixing the problem is warranted, then that's one thing. But I didn't hear you say that. If we think the problem needs to be fixed, then we should fix the problem, particularly at a time when we probably have some capacity to do that with less politics around it than there will be at other times.

I appreciate the comment, but it is my view that if we believe this is a real problem and if we believe it does affect the ability of our offices to deliver service to our constituents at our front-line offices, then we should figure out how we correct this. We have a proposal here to do that. I appreciate the comment, but I would certainly think that we should deal with the matter rather than kick it down the road 18 months.

**Madame Speaker:** Any other comments?

**Hon. M. de Jong:** Only this. I suppose it's true — not really kicking the problem down the road, probably kicking the solution down the road.

I suppose, in fairness, my sensitivity to this derives from the number of times I and the government have said to agencies: "You're going to have to make do." I won't try to deny that's, in part, why I'm a bit sensitive about taking steps that.... And I have your point about having immediate.... Although the solution, then, becomes immediate.

I think it frustrates people that when a problem and a pressure that they are confronted with on a regular basis reveals itself with respect to the politicians themselves — admittedly, in this case, the important process of providing constituency-level services — the solution is.... We've done the calculation. What is it — about 15 percent?

**C. James (Clerk of the House):** A little bit less. I think it's 12, 13 — something like that.

**Hon. M. de Jong:** The catch-up, if that word is appropriate, will happen all at once and immediately. We hear that from a lot of agencies that can make similar arguments about the accumulated pressures and the relief isn't as complete and as immediate. I think that there is, on balance.... Creating some distance between the group....

[1335]

LAMC is prepared to make the argument, "Here's what needs to be done." It is slightly less self-serving, in my view, when we're making that argument and making the point: "But it will not take effect until the people have had a chance to select the new group, and we'll muddle on in the meantime." One could say that the effect is the same except for the delay. I think there is merit in creating that distance and taking a decision, the benefits of which don't accrue until people have had a chance to select the group that will benefit from that decision.

**M. Farnworth:** I've got a question that perhaps the minister can answer.

In 2017, in May, that will be, in essence, a full decade where there has been no increase in the constituency office budgets whatsoever. I'm not sure how many other departments have had a full ten years where there has been absolutely no increase.

My question is: in his comments, is he saying that he would support the increase of, roughly, \$15,000 plus the CPI to take effect, then, after the next election? Is that what he's saying?

**Hon. M. de Jong:** Yeah. I think so, Mike. That's the difference. I think the committee has analyzed and said: "Here's what we think capacity needs are, and let's have a mechanism for timely adjustments on a regular basis."

My suggestion is that it wouldn't take effect until after May of 2017.

**Madame Speaker:** Would that be the motion?

**Hon. M. de Jong:** Well, in fairness, then.... I think the committee came with a recommendation, and I'm suggesting we alter the recommendation. I think the motion would be.... It's probably two motions, in fact — I think. One would be to amend the proposed budget by deleting the proposed increase for — whatever that's called — caucus services. Then a second motion would be relative to the proposed increase and when it is to take effect. I think it's probably two motions.

**Madame Speaker:** Well, if the original motion were to stand and to be, "to come into effect following the 2017 provincial election," all those other steps will happen and correspond appropriately.

**Hon. M. de Jong:** I suppose. But I think we have the proposed budget before us.

**Madame Speaker:** Yes. But if we deal with this one first, the rest of the budget document will flow.

**Hon. M. de Jong:** You'd still have to amend the budget document.

**Madame Speaker:** Correct.

**Hon. M. de Jong:** I think the cleanest way to do it is.... We're dealing with the budget now. My suggestion is.... We're dealing with the budget. Let's amend the budget to delete the proposed increase and then come back and make the motion as it relates to the finance and audit committee recommendation.

**Madame Speaker:** I only say "in the reverse order" because one is the recommendation for finance audit that should come to this table first. But I am in your hands. How would you like to proceed?

**Hon. M. de Jong:** At the end of the day, it doesn't matter. I just think it's two motions. I don't care what the order is.

**Madame Speaker:** Okay. You've heard the motion, then, to amend the budget as presented.

**S. Simpson:** Explain this to me again. What are we doing here?

**Hon. M. de Jong:** In this order, my motion would be to amend the proposed Vote 1 budget by deleting the proposed cumulative increase of \$1.346 million for con-

stituency office funding. That would be the first motion — so budget approval with that change.

**Madame Speaker:** Is there a seconder? Eric Foster. Any discussion?

**S. Simpson:** I will be opposing the motion moved by the minister. When we get this down the road to the next piece, I'll probably be supporting the next motion.

[1340]

I guess what I would say is that I think we have an issue here, as Mike has said. It's a decade since we've dealt with these budgets. We dealt with them in a significant way about a decade ago. I think we added \$30,000 or so to the budgets then — moved them from \$84,000, \$89,000 or whatever — up to where they are today. We've ignored the budgets, largely, I think, because people didn't feel a whole lot of pressure over the first number of years of that and were comfortable with that. It had been a significant increase at that time, moving forward.

I do think that we now have a real problem in a number of offices. I think the problems are bigger than this. There are rural and northern issues. There is a whole variety of issues that I hear from members that are more complex than simply this one. But we need to get at addressing this.

You know, when the minister talks about what things look like, when they may prove to be self-serving or not.... I appreciate that. When I talk to people in my constituency, self-serving may be: "Do you get a pay raise? Tell me about your pension." That's the self-serving that they want to talk about if they want to talk about whether I'm looking after my own interests. It's not about how a couple of people in my office meet the needs of folks who come in the door.

I think that this is the right time to deal with this. I kind of accept where this is going. I think this is the right time, and I think it's unfortunate to amend the budget this way, so I will be opposing the decision.

**J. Tegart:** I appreciate the comments made today, and certainly, we had a fulsome discussion at finance and audit in regards to the needs. But also shared was the concern about timing and about needing to ensure that a new group is not dealing with this again in 2017. Apparently, it's been on the table a number of times. I'm comfortable with the fact that we're actually going to have a second motion and look at it for the future and ensure that this issue is dealt with.

**Madame Speaker:** Calling the question on the first motion, which is to amend the budget — that the committee approve the estimates of expenditure as amended, Vote 1 budget, by deleting "proposed cumulative increase for constituency office funding."

Motion approved.

**Madame Speaker:** Looking for the second motion.

**Hon. M. de Jong:** I'm happy to make it, but maybe someone from the committee should make the second motion.

**J. Tegart:** I don't know what the wording would look like in regards to.... Do you have some wording?

**Madame Speaker:** I'll go to Mike Farnworth.

**M. Farnworth:** The proposed increase of \$15,000 or whatever that number is, plus the increase based on cost of living for constituency office allowances, come into effect following the election in May 2017.

**Madame Speaker:** Looking for a seconder. Jackie Tegart.

Motion approved.

**Madame Speaker:** Minister de Jong, any further comment?

Members, a recommendation: resolve that the committee approve the change in identifying name of Vote 1 to "Legislative Assembly," in lieu of legislation.

Motion approved.

**Madame Speaker:** I believe that takes us to approval of the 2016-17.... We've done that as amended.

**E. Foster:** Excuse me, Madame Speaker. As you're doing this, could you give us the tab number — if it's 4(b) (1)...?

**Madame Speaker:** Yes, I can.

[1345]

Okay, looking for a mover for the committee to approve the estimates of expenditure, fiscal year 2016-17, for the Leg. Assembly, for Vote 1 as amended? Looking for a mover. Madam Tegart. Secunder? Mr. Foster.

Motion approved.

**Madame Speaker:** A second motion: "I move that the Speaker transmit the estimates for expenditure, fiscal year 2016-17, for the Legislative Assembly for Vote 1 to the Ministry of Finance on behalf of the committee."

Looking for a mover. Mr. Foster. Secunder? Mr. Farnworth.

Motion approved.

**Madame Speaker:** Any other points anyone wishes to raise? Otherwise, I believe we're moving to item 2.

**C. James (Clerk of the House):** Members have in front of them the *Accountability Report, 2014-15*. A new feature of this accountability report, which members are being asked to approve, are performance measures which are being incorporated into the various branches, including my office, for the next fiscal year. This is something that's very unique across the country. One or two other jurisdictions are working on these as well.

I did mention this morning that I do volunteer with the World Bank, World Bank Institute and Commonwealth Parliamentary Association. The World Bank has cast a keen eye on the work that we're doing with our accountability report and are very impressed, so far, with the results that we've been trying to achieve. They are very interested in the performance measures as they would apply to other jurisdictions, parliamentary jurisdictions throughout Africa, Asia, South America and elsewhere.

Members are being asked today to approve the accountability report, which also contains the financial statements, in order for us to include them in the report and for the report to become public.

**Madame Speaker:** In the hopes that the information is as current as possible, if we can have a motion to accept the accountability report and, certainly, to amend it right to the day it's released in terms of updating the details. So moved by Mr. Farnworth. Seconded? Mr. Foster.

Motion approved.

**Madame Speaker:** That brings us to decision item 3 — 2015-16 financial update.

**H. Woodward:** You have before you two of our 2015-16 financial updates. They're the first- and second-quarter reports. I'll begin with the first quarterly report.

For quarter 1.... I'm going to combine report 1 and report 2 together. Essentially, as of June 30, 2015, the Legislative Assembly was forecasting to fully spend its capital and operating budget for the '15-16 fiscal year. The proposed motion for consideration for the first quarter report is located on page 2. Sorry, I will hold off on that because we have to do the second one.

Were there any questions on the first quarterly report?

**Hon. M. de Jong:** Just to confirm, based on the first three months, you weren't showing any variation except, I take it, foreign exchange on the personal computer thing — took it from operating to capital. Is that...?

**H. Woodward:** Correct.

**Hon. M. de Jong:** Anything, Hilary, that caught you by surprise? It shows zero variation except for that one, so presumably, everything's still on track.

**H. Woodward:** Yeah. Certainly for the first three months of the year, we were indicating, outside of the item that you mentioned, very, very little in terms of what we were forecasting to spend — for the first three months.

**Hon. M. de Jong:** Sounds ominous. What were the next three months like?

**H. Woodward:** We'll get to that one next. Not ominous, though.

For the second quarter — this is the first six months of the current fiscal year, so as of September 30, 2015 — the Legislative Assembly was forecasting an underspend of \$4.6 million, or 6.6 percent, in the operating side for the '15-16 fiscal year. There are forecasted reductions in six of the nine expense categories. They primarily relate to operational savings, unfilled staff vacancies. We mentioned in the budget submission, as well, that we have some savings in our benefits costs and just lower-than-expected operating expenses.

There are explanations of the notable variances in the operating expense report, and that's report No. 1, for quarter 2.

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The second report is to do with the capital expenditures and, again, for the first six months of the year. So as of September 30, 2015, the Legislative Assembly is forecasting to be \$690,000, or 24 percent, underspent in their capital expenditures for the '15-16 fiscal year.

Primary reasons. As noted previously, the exchange rate impacts, particularly to do with the PCs; a reduction of our capital contingency — at this point, we're forecasting that we will not be spending the capital contingency, so we've identified that as an underspend; and also delay and/or cancellation of some of the approved projects. Again, the notable variances are explained at the bottom of that report as well.

I'm happy to answer any questions. Page 2 of the finance and audit committee report contains the proposed motion.

**Madame Speaker:** Any questions for Hilary?

"Resolved that the committee approve the Legislative Assembly *Accountability Report, 2014-15*, and the financial statements of the Legislative Assembly of British Columbia for the year ended March 31, as presented, and" — apparently, the piece I left off earlier — "that the report be deposited with the Office of the Clerk and that the Speaker present the report to the House at the earliest opportunity."

**Madame Speaker:** Hilary, do you want to put your next motion into the record?

**H. Woodward:** Yes, please.

Interjection.

**Madame Speaker:** Jackie, do you have a question?

**J. Tegart:** No, I'll move the report as printed.

**Madame Speaker:** Second? Mr. Farnworth.

Motion approved.

**Madame Speaker:** Hilary, any additional comments?

**H. Woodward:** Not for item 3, no.

**Madame Speaker:** Does that bring us to item 4, governance framework internal audit report?

**H. Woodward:** I think you need to pass the motion for item 3.

**Madame Speaker:** "That the committee approve the Legislative Assembly's 2015-16 first and second quarter financial results through the periods April 1, 2014, to June 30, 2015, quarter 1, and April 1, 2014, to September 30, 2015, quarter 2, as presented."

Thank you, Shane. Seconded by Eric.

Motion approved.

**Madame Speaker:** That brings us to decision item 4, governance framework internal audit report.

**H. Woodward:** This is a report that we've received from our internal audit. It is the governance framework internal audit report.

The members may recall that the previous three-year internal audit plan identified governance framework as an internal audit project. This is the result of that review by internal audit. In the report is a summary of their findings and also some accompanying recommendations relating to enhancing governance effectiveness. The report was discussed with the finance and audit committee on October 29, 2015.

**Madame Speaker:** Any questions for Hilary?

The motion is, then: "Resolved that the committee approve the report *Internal Audit on Governance Framework*."

Moved by Jackie Tegart, seconded by Shane Simpson.

Motion approved.

**Madame Speaker:** Decision item 5, risk-based audit plan 2015-16 to 2017-18.

**H. Woodward:** The risk-based audit plan 2015-16 to 2017-18. Again, on October 29, 2015, the internal auditor went over the draft three-year risk-based audit plan. The audit plan included a risk matrix, the audit fee schedule and the proposed internal audit projects recommended for the 2015-16 fiscal year.

The report is in your packages.

**Madame Speaker:** Any questions for Hilary on item 5? "Be it resolved that the committee approve the draft risk-based audit plan 2015-16 to 2017-18, including the proposed audit fees for the 2015-16 fiscal year, as presented."

Moved by Foster, seconded by Farnworth.

Motion approved.

**Madame Speaker:** The remaining items are information items: the flagpole replacement project, central heating plant status update and Legislative Assembly ten-year capital plan.

Any questions to either Hilary or Craig on any of those three items?

Seeing none, item 5, Clerk's update.

**C. James (Clerk of the House):** I don't have anything at the moment, Madame Speaker.

**Madame Speaker:** Anything under other business?

**Hon. M. de Jong:** Are we going in camera?

**Madame Speaker:** It is your call. We can do it now, or we can do it at the next meeting. I think your time is....

**Hon. M. de Jong:** No, no. Well, I don't want anyone.... I'm sorry. I thought we were going in camera to deal with a legislative officer-related issue.

**Madame Speaker:** Does your time allow?

**Hon. M. de Jong:** Might I move that we go in camera?

Motion approved.

The committee continued in camera from 1:55 p.m. to 2:10 p.m.

The committee adjourned at 2:11 p.m.

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and printed under the authority of the Speaker.

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