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# Managing the House in Fiscally Challenging Times: A Roundtable

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**Dale Graham, MLA; Bill Barisoff, MLA; Alfie MacLeod, MLA; Steve Peters; Senator David Smith, Gordie Gosse, MLA; Fatima Houda-Pepin, MNA; Hunter Tootoo, MLA**

*The final session of the 33<sup>rd</sup> Canadian Regional Seminar held in Fredericton on November 4, 2011, was devoted to the issue of financial restraint. The following extracts are based on the transcript. Dale Graham is Speaker of the New Brunswick Legislative Assembly, Bill Barisoff is Speaker of the Legislative Assembly of British Columbia, Alfie MacLeod is Deputy Speaker of the Nova Scotia House of Assembly, Steve Peters is a former Speaker of the Ontario Legislative Assembly, David Smith is a member of the Senate of Canada, Gordie Gosse is Speaker of the Nova Scotia House of Assembly, Fatima Houda Pepin is Deputy Speaker of the Quebec National Assembly, Hunter Tootoo is Speaker of the Nunavut Legislative Assembly.*



**Dale Graham (New Brunswick):**

Fiscal management during difficult economic times is becoming a common theme in many jurisdictions. As Speakers, it is important that we gain an understanding of the financial workings of our respective parliaments to ensure that we can continue to

deliver core services. In New Brunswick, we have been through a number of cost-cutting exercises since the early nineties, and we anticipate more cost-cutting in the next few years. We know that difficult times are ahead, and, while there is no one-size-fits-all solution, some common considerations can be applied to our respective Legislatures.

I think we all agree that Assemblies must retain independence in decision making. In our House, budgetary decisions are made by the Legislative Administration Committee, an all-party committee of the House that is equivalent to the Board of Internal Economy in some legislatures. The committee which I chair, also has Cabinet representation. When the government identifies fiscal restraint targets, historically, LAC has agreed that the legislature will lead by example. The reality is that assemblies cannot operate in isolation of the fiscal objectives of governments. How, then, do we retain our independence?

First, we need to be proactive and to take the initiative when it comes to fiscal management. By being

prepared, the Assembly can make changes on its own terms. Good fiscal management practices should be in place and consistently assessed at all times, not just at times of fiscal crisis. This will ensure the decisions that must be made to achieve fiscal objectives are Assembly decisions and not the cost-cutting priorities of the government.

It is important that the Legislative Administration Committee be apprised of the core services of the Assembly, the cost of running these services, and the real cost of the fiscal reductions that the committee may decide to impose on the institution. It is our responsibility to ensure that Assembly's priorities are protected and that it can continue to deliver core programming and services.

We need to be inclusive and consult senior managers and staff to seek their input. They may bring forward good ideas that may help achieve our fiscal objectives.

We need to carefully consider each change and decide whether it is really worth the cost. The area of MLA and staff travel and training is always where we seem to have been hit in the past.

We have to be realistic. The reality is that 85% to 90% of our legislature budget is comprised of salaries and benefits for members and staff. When I was discussing the topic of fiscal restraint with the Clerk, she reminded me that, in the past three fiscal years alone, the budget of the New Brunswick Legislature has been reduced by

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5%, 3%, and 2% respectively. That is a 10% reduction. More cuts will mean job losses and members need to be aware of this. They need to be ready for the fallout that goes with that. If we are serious about the budget reduction targets, it also means loss of service, which can sometimes be difficult for all of us to accept.

When making cuts, we must share the pain. Political offices must feel their fair share of the pain as well. They should not go through the exercise without feeling the brunt of some of our fiscal challenges that the rest of the Assembly must go through. This was not always the case in New Brunswick.

It is important to educate members and ensure that they have a firm understanding of the Assembly's mission statement on core services and of how these will be affected by proposed cuts. We need to ask ourselves if we, as members, are willing to live without services for some time to come. We have learned from experience that once a program or service is gone, it is pretty difficult to get it back.

Finally, we need to put things in perspective. In New Brunswick, the Assembly budget is approximately 0.165% of the overall provincial budget. A properly functioning legislature, providing professional oversight of executive government spending and public policy, will prove, time and time again, to present an excellent return on our investment.



**Bill Barisoff (British Columbia):** I agree that we all have to do our part when we are looking at fiscal restraint. My role and the role of the legislative management committee has been to assure that if the rest of government is taking part in an austerity program, we are also taking part.

We try to figure out which programs we can cut. You are right in saying that, once we eliminate them, trying to get them back is almost impossible. You might cut back in some respects. We have people in costume during the summer. It starts in May and ends in September. We have cut that back by two weeks on either side. We are trying to adopt some things that we can perhaps bring back when things are better.

We have a two-year freeze on salaries that is not coming off. The difficulty you have occurs either when you start coming out of it or when people believe that they do not have to be part of it. It does not matter whether we are in British Columbia, New Brunswick,

or Ontario. Wherever it is, I think that we are all feeling the effect of what is taking place south of the border and particularly in the eurozone with what is taking place in Greece and other countries. We are not immune.

In our area, we are, of course, in an earthquake zone. The Attorney General, Shirley Bond, and I took part in the earthquake drill. The first question that was asked of me when I met with the press was this: "Are the buildings themselves earthquake proof?" Of course, they are not. It would take \$250 million to \$300 million to put that into place. My response was that we have a lot of schools and hospitals that should be looked at first.

I do not know how we manage this as legislators. In our role as Speakers, we are still obligated to look after the building and do what we can. From my perspective, with the Legislative Assembly Management Committee we are doing that but we are very cognizant of what is taking place in the rest of the province.



**Alfie MacLeod (Nova Scotia):** What worries and concerns me is that the legislative branch of government is being chipped away by the centre. We know how insignificant an amount the budget of the House is, yet when people look at our democratic system, they believe that the House is what it is all about. They look at it and say: This is where people go to make decisions for us as residents of this province. If it keeps getting chipped away and chipped away to the point where the Legislature cannot do its job and remain as independent as possible from the government and from the judicial branch, I think that democracy as we know it is going to take a hit that we will probably not be able to repair.

When we look at the management commission that we have in Nova Scotia, it is always the majority that seems to be running it. That means that government is actually operating the legislative branch of government, and it is supposed to be separate.

We are quite proud in Nova Scotia that ours is the oldest Legislature outside Westminster. We have 250 years of representative government. If we keep chipping away at what that stands for, why would anybody come out to vote? We, as a group of people who are elected, must take this head-on and challenge the members of our own party, whichever party it is. We have to uphold what we have, or we are going to end up as Greece or Italy in every province.



**Steve Peters (Ontario):** We, in Ontario, have what is called the Board of Internal Economy, but the biggest challenge on that board is that, while the Speaker chairs it, it has four government members and one member from each opposition party. That causes challenges right off the bat. I truly wish that, in Ontario, we could move toward a more federal model in which there is equality. Each party has equal membership on the Board of Internal Economy federally. Decisions that are made at the federal Board of Internal Economy are unanimous. If the board says that we are going to do this, all parties have bought into it. This is a real problem that we face in Ontario.

I will use some issues that we dealt with in our budget last year. The legislature comes forward with its spending plan, and the government uses its majority to say we do not want to go down that road or we do not need that new washroom or we do not need this or that. I remember getting into a fight with the government's so-called lead and saying to the member: If you treated your ministerial budget in the same way that you guys are pushing back at the Legislative Assembly budget, the province would be in far different fiscal shape.

When the Board of Internal Economy is asked to look at the global budget of the Legislative Assembly, my sense of what is going to happen is that we are going to have a target given in which we are going to have to find X percent. However, you need to protect the members' global budgets and protect all the wonderful things that we have done to support the members. Then the Legislative Assembly, in its day-to-day operations, will not try to find a 10% hit. It may be a 15% hit because we are going to have to make up the difference to protect the members' global budgets.

From 1995 to about 1997, the Assembly took a 25% hit. The members themselves and the other services that are provided out of that global budget took a 10% hit. If we could find a way, not only in Ontario but also in the other Legislatures, to ensure that there is an equality of all members and all parties sitting around that table, then everyone is going to wear a decision. If a decision is made to spend the money to put new lamp posts in on the front grounds of your legislature, then everyone is going to be behind it. There are going to be challenging times. I know that it certainly will be in Ontario. We are dealing with a \$15-billion deficit, and everyone is going to have to do their part.

Let me make an observation on a point made by Alfie MacLeod. The significance of the individual member is

almost nonexistent now. The control rests, as I like to say, in the centre, with these unelected, 25 year-olds telling us how thou shalt vote. They have never put their names on a ballot.

I look at a person such as Senator Smith, who has been part of the backrooms of government for 40-odd years. In those years, he has probably witnessed the lessening of the impact of the individual member and the concentration of power in the corner office. Are we, as members, ever going to be in a position to take it back?

Other than Nunavut and the Northwest Territories, are we stuck with this? Are we stuck with having to deal with the corner office and being told what to do as members? How do you cause that revolt among members? Is it ever going to happen? Can that pendulum be swung back so that we, as members, actually have more of a say, whether it is in dealing with the budgets of our Legislatures or dealing with so many of the issues we have talked about today? Can we, as individual members, take our respective Legislatures back? I would love to hear from the Senator.



**Senator David Smith:** I am not trying to be partisan here, but Mr. Chrétien was actually quite good at not interfering too much with members. If you were a minister in his government, he was not ramming it down your throat, telling you what to do. He had done a stint in Finance. He had been Foreign Affairs Minister and Justice Minister back when we did the *Charter*. He had about eight portfolios. However, whenever you would ask him, of all the Cabinet spots that he held, what his favourite post was, he would say Northern and Indian Affairs. He was there for seven years and he used to say, "when you have been someplace longer than the deputy minister and longer than all the ADMs, that is when you really start running the joint." He actually had quite a point.

I also agree with some of the things that the British have done in terms of more free votes that are not non confidence. I would like to see more of that happen. That is a situation in which you really can do what you think is right, and you do not have to be worrying about the Whips and bringing down the government.

I hope there is a trend in that direction. You hear those things talked about at CPA meetings from time to time, but it will not be easy to solve. Again, I am not trying to be partisan but I think that the current government in Ottawa, is about as tightly controlled as I have ever

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seen. I think that is regrettable because I just do not like parliamentary governments to function that way. Time will tell if there is a little bit of push back.



**Gordie Gosse (Nova Scotia):** In Nova Scotia we have the House of Assembly Management Commission for our budgets. Right now, we have a caucus funding freeze over a three-year period. The MLAs' wages are frozen for two years.

We cut 3% out of the House of Assembly operating budget over each of the last two years, which was really tough. We have had some problems and some issues with members. We have had to make drastic changes. We adopted some of the Newfoundland House of Assembly management committee regulations that were put in, because we went through some of the same spending issues—an inappropriate spending scandal, or whatever the media might call it.

On top of that, we are having tough economic times. We are pretty well down to the bare bones, having to fight to get an extra person for IT for the library. That is the situation we are in. We are up against it every time we see the Finance Minister or the government, saying that we cannot cut anymore. We are cut right to the end right now. They have moved some people out of the Speaker's Office. It has now been taken over by the finance office. The Speaker's Office controls the spending on advertising and other issues of MLA spending. The constituency office is controlled through the Speaker's Office, but that has been cut way back too.



**Fatima Houda-Pepin (Québec):** At the Quebec National Assembly, we have an independent budget. The funding is permanent and is not approved by the National Assembly. Instead, it is presented, discussed and approved in the National Assembly's executive body, the Office of the National Assembly. The Office is composed of the Speaker, the three deputy speakers and 10 MNAs from the government and Official Opposition, and one from the second opposition party. It is a non-partisan body that manages the National Assembly's affairs.

In 2011–2012, we approved a budget of some \$116 million. It is true that during the past two years the

National Assembly has also made an effort to cut costs, as everyone is facing a difficult financial situation. But there is not necessarily any direct pressure from the Department of Finance or elsewhere.

Another interesting aspect of managing this budget is everything related to renovation expenditures. We know very well that renovations cost a great deal, so we created a kind of dedicated fund for them. We have a renovation plan, which means that between legislative sessions, when MNAs are away, workers are renovating, painting and working on both the interior and exterior of the National Assembly building. There is no need to go back every time to ask for authorizations left and right. The administration has *carte blanche* since the budget and accompanying plan are discussed and approved beforehand. We know for certain that the work will be done and the money is there to cover these expenditures.

I would like to add to the comment by the Speaker of New Brunswick, who spoke about the media and the degree to which parliamentary administrations feel besieged by media questions. We are caught off-guard, and we have to justify our spending and more. I think we need to be transparent about our spending. We must be able to justify it, but also argue for it.

For example, on the subject of travel, right now I am in New Brunswick, so I am travelling. Personally, if a journalist says to me "You were travelling in New Brunswick," I will tell him that I was on a parliamentary mission to New Brunswick. When I travel, I choose my destination and pay for my trip. When I take part in a parliamentary mission, I am working. This is the sort of problem we have in explaining what we do to the public through the media.

We are here to discuss our practices, how we manage our institutions and how we make democracy work. This is work, not a vacation. We are not at the beach or at the lake. We must be able to explain to people that, when we are on a parliamentary mission, we are not on holiday. This is extremely important, and it legitimizes and justifies the spending this type of activity requires.

We must also explain that, when legislatures forge links with each other, they can look beyond their own province and share their experiences with others. That is how we make progress.

The other aspect is that parliamentary missions are good training. Members are in positions where they must decide on many things and take a stand on many issues. They are not always well prepared, but this type of mission enables them to see how issues are handled elsewhere. So the training component is

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critical. For example, if the Government of Quebec believes staff training is important enough to merit 1% of corporate budgets, why would not the legislature devote a percentage of its budget to train its members?



**Hunter Tootoo (Nunavut):**

In the Nunavut Legislature, our budget is run by the Management and Services Board. As Speaker, I chair that Board. There is one person from Cabinet on the Board and three members who are not in Cabinet. The Legislative Assembly budget is brought to and approved by the Board, and then it is sent over

to Finance. That is it. They do not come back, saying take this out or try to cut it back.

Over the years, I have seen departmental budgets balloon. The Assembly's budget has always been very conservative. We did our capital budget recently. It was less than 1% of the total government budget.

When it comes to cutbacks and things like that, a couple of years ago, the government sent a note to all

departments, saying that they had to cut 3% of their budgets, but the Assembly was left out of that.

The Legislative Assembly's budget is not part of the government's budget. It is in the budget document, but it is separate and left alone. We all have core functions that we have to provide to the Assembly, to all members. We cannot go below that because we cannot operate without those core services. How is it going to look if something does not go well because we did not have the manpower or the resources to ensure that things run smoothly? For Speakers and Clerks from all Assemblies, your biggest concern is to make sure that your operations run smoothly.

We have been very good at making sure that we just meet those services. There is nothing fancy in there. We just leave it alone. We are lucky in that sense. I know that it is not the same boat that the rest of you are in, because I have heard some of the comments about battles for funding. It seems weird to me, because we do not have the same challenge. Maybe a way around it for you would be to get all your members together and say: The Assembly is a separate institution from government, and this is what we require to operate.