



HOUSE OF ASSEMBLY

Members' Compensation Review Committee

*Annex to
Review of:
MHA Salaries, Allowances,
Severance Payments and Pensions*

*Public
Presentations
&
Written
Submissions*

October 2009

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Please note that the public presentations and written submissions contained within this report appear exactly as they were presented to the Members' Compensation Review Committee. No corrections have been made and no editing has taken place.

Comments on Member Compensation Review

July 29, 2009

Clareville, NL

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Introduction

My comments are non-partisan. I have no affiliation with any political party, and pride myself in not taking sides in debate purely because of any political persuasion. I am currently an independent financial advisor, working mainly in the insurance sector, where I provide insurance advice, both Property & Casualty and Life & Health, to individuals, businesses, and non-profit groups. I have been doing this for some 35 years, on a part-time basis for the first 15 years, and full-time for the past 20 years. I have spent 18 years as a Math and Physics Instructor in the community college system, prior to my full-time career as a financial advisor.

Early school education was in the district of Trinity South, I graduated from Memorial University with degrees in Education and Science, and went on to University of Waterloo, where I obtained a Masters degree in Mathematics. I have completed several training programs in the insurance and financial services field, including Chartered Life Underwriter designation and Chartered Financial Services Broker. I now work in the District of Trinity North.

My extensive experience dealing with the insurance and financial needs of workers and their families, and with the companies that employ many of these workers, has given me, I feel, the knowledge to comment on what is a fair wage package for Members of the House of Assembly (MHA's) in Newfoundland and Labrador.

And because of my education in science and mathematics, scientific method and its lack of bias guides my efforts. To be termed scientific, a method of inquiry must be based on gathering observable, empirical, and measurable evidence subject to specific principles of reasoning. Among other facets shared by various fields of inquiry is the conviction that the process be objective to reduce biased interpretations of the results. Another basic expectation is to document, archive and share all data and methodology so they are available for careful scrutiny by other researches, who could verify the results by attempting to reproduce them.

To begin with, it needs to be said that it was a frustrating experience to find out information about existing compensation arrangements for members. With assistance from your Admin Assistant, I obtained a copy of the Members' Handbook, and found in Chapter 6 what the current salary of an MHA is, but could not find out the extra amount paid to an MHA who is appointed as a Minister of a Department. Your admin assistant told me that the amount was not paid by the

House of Assembly, but was paid by the appropriate department. I found this odd when the bonus amounts for many other “extra duties” are shown in the Handbook. My immediate comment to your admin assistant was shouldn't this committee have made it a first order of business to determine the present compensation arrangements and have this material ready for any person like me who wanted to make a presentation? It is a lot to expect of an individual, who must prepare these submissions to committees such as yours on his own time that he must also dig to get information that the committee requires comments on. Following a conversation with your chair, I learned that your committee's mandate does not include an examination of any bonus paid to MHA's as a result of being appointed Minister of a Department. To me this is ludicrous. How can your committee examine an MHA's compensation without considering a sizeable portion of the income of approximately half of the MHA's? After learning this, I considered not making this presentation. My immediate thought, with all due respect to committee members, was what a joke!! This is just more evidence of what the general public has become so skeptical about in politics.

But since I had already put most of this together anyway, I decided to proceed, if you will hear me.

MHA Job Classification

The National Occupational Classification (NOC) scheme lists legislators as NOC 0011, and includes in it such occupations as First Nation Band Chiefs, Members of Parliament, Members of Provincial Parliaments, Prime Minister, Senators, etc.

It lists their main Job Duties as:

- enact, amend, or repeal laws and regulations
- participate in developing or amending government policies, programs and procedures
- represent their government at local, national, and international meetings and conferences
- respond to matters of concern to constituents or the general public
- may serve as minister responsible for a government department or agency, and direct senior government managers and officials in the implementation of government policy and the management of that department or agency.

Working Conditions:

A normal controlled environment such as an office, hospital or school.

Education, Training and Qualifications

There doesn't seem to be any minimum requirements in this regard. MHA's in recent history have come from many backgrounds such as lawyers, doctors, teachers, union workers, media personnel, fishermen, town councilors, to name a few. I have observed anecdotally that one common qualification is an acquired ability to talk around a subject, rather than give a definitive answer. Further, based on recently disclosed abuse of constituency allowance spending, perhaps one needs an ability to unwisely spend someone else's money as a criteria to be an MHA.

Certainly, there is no evidence that any amount of training or qualifications will guarantee you a job as an MHA. We have seen over the years that many well-educated and experienced persons have not been elected as an MHA in the first place, or, once elected one time, are not re-elected.

I can't think of any other job where, once you have decided that you want to work in that field, an army of volunteers and paid staff comes forward to make sure you get the job. With most jobs one must prove to the employer that he or she is the best person for the job. And with most jobs, there is a probation period, making it possible for an employer to correct a mistake. This is not so with MHA's. Once elected, the electorate is pretty well bound to a 4 year probation period.

Compensation

So, how do you determine an appropriate compensation package for this individual?

In the NOC 00 category, senior managers may work considerably more than a 40-hour work week. Their earnings are considerably higher than the average of all workers, reflecting their experience, responsibility, and education. In 2000, for example, legislators (NOC 0011) earned \$47,900, compared to senior managers in finance, communications and other business services, who earned \$118,000.

Private sector executives now earn more than elected officials. For example, the Canada West Foundation stated that the average salary of one bank CEO (\$14.9 million) in 2005 was higher than the combined salaries of the 75 elected officials comprising the Calgary city council, the Alberta Legislature, and the federal cabinet!!!

Does one conclude therefore that because an MHA may work as hard as a CEO of a chartered bank that an MHA salary should average \$14.9 million? I don't think so. Does one argue that because the CEO of Eastern Health, or a brain surgeon at Eastern Health, might be paid \$300,000 or more, the Minister of Health should make just as much as or more than these? I don't think so.

We must remember that the compensation for the work done has to be a function of the availability of workers to do the work. Witness the tremendous rise in earnings for tradesmen and others in the oil industry in recent years. Witness our own provincial government having to increase salaries for pathologists recently. Availability of workers is one of the reasons why the hairdresser who cuts a pathologist's hair doesn't make the same salary as the pathologist who determines the stage of the hairdresser's cancer.

In my memory, there doesn't seem to be a lack of applicants to fill MHA positions. We have dozens vying for the job at each election. Do you recall our provincial government having to place an ad in the paper to look for someone to fill an MHA position??

Are they all highly educated?

Are they all trained to fill an MHA job?

If one of them quits, would it be difficult to get a replacement?

We have to ask these questions when deciding how much to pay an elected member.

If you argue that we must pay highly to get competent people to leave their existing jobs, then why do we accept and pay MHA's \$100,000 a year who perhaps never earned more than \$50,000 a year in their lifetime? I suspect that we have MHA's now who receive more salary and benefits as an MHA than they ever dreamed possible. And what type of career do we look for candidates from? Is it a teacher, a lawyer, an engineer, a medical doctor? For many careers, any annual compensation of less than \$250,000 would not be attractive. Granted, I agree that we do have very competent MHA's who have left good-paying careers in order to represent their constituents and fellow-Newfoundlanders. Those, we all applaud. For some MHA's, as well, it may not be possible to get their old job back once the electorate has decided that their services are no longer required.

Let's not overlook other reasons why they chose to seek an MHA's position; it may have been for self gratification, to be in the public spotlight, or simply to have their names in the history books. Their reasons may not have all been monetary.

Around the province we have thousands of people who volunteer for positions on town councils, chambers of commerce, boards of trade, Rotary clubs, Lions clubs, etc. Do these people contribute their energy and time in return for compensation? I'm not suggesting that our MHAs' jobs be filled by volunteers, but I am suggesting that for many of them the pay is not the reason for being there. Some MHA's donate their MHA salary to charity. Indeed, we have now, and have had in the past, many MHA's who were already receiving continuing annual incomes. I am thinking of former public servants, former teachers, former federal politicians, and others, who have been receiving pensions from various public pension plans while receiving an income as an MHA. This has resulted in circumstances where retired MHA's could receive as many as three pension incomes from the public purse. Is this the intended use of public pensions?

The suggestion has been made that MHA's compensation increases should follow the percents negotiated for the provincial government employees. I don't agree. Firstly, 20% of a \$20,000 annual salary is nowhere near as much as 20% of a \$100,000 salary. Secondly, MHA's salaries are perhaps too high to start with. Thirdly, if this were an automatic process, wouldn't it be in the MHA's best interest to make sure that all public service employees received a large percent increase at each negotiation? Indirectly, MHA's would get to vote themselves a raise, which is what we want to try to get away from.

Benefits

Group life, health, dental, LTD, etc should be the same as other public servants, with premiums cost-shared by the MHA's in the same proportions as other public servants. Participation should not be on a voluntary basis as it is now. Unions and Government have negotiated a very good benefit program for tens of thousands of public servants in the province. If it is good enough for all these families, why do we need to have a different plan for MHA's and their families? It creates more administrative costs. Because of the small number of members in this plan, it is prone to poor experience and higher premiums.

The MHA pension plan should be the same as other public servants, a defined benefit plan. I don't accept the argument that an MHA may not be elected for enough years to qualify for pensions if the rules of the Public Service Pension applied. An MHA should inquire of the perks of the job before applying for it. I refer to my earlier comments about no lack of candidates applying for the job. There are many reasons why regular public servants do not work long enough to qualify for their pensions. Again, why should we single out MHA's as being different?

The vast majority of my clients in the private sector do not have any benefit package, not even the most rudimentary of health plans or pension plans. Employers tell me that they cannot afford the extra cost to them, and the employees' wages are too small to have further deductions taken from them for benefits. Picture any of the many minimum wage earners in this province trying to find \$100 or more per month in their pay envelopes to pay their 50% share of a health plan!! I have a manufacturing client that unionized. When the union negotiated a benefit package with the employer, the union members said they needed the extra money as wages rather than take the benefit package.

Yet, we have the tens-of-thousands of employees in the public service being provided with rich benefit packages being partly paid for by the very taxpayers that cannot afford to have their own plans. That is partly why I would not want to see the taxpayer pay even more in order that our elected MHA's have a richer benefit and pension package than other public servants.

Concluding remarks

It has been my experience that too many elected MHA's do not measure up to the expectation that the electorate has of them. Over the years I have written, emailed, or phoned many MHA's, and frankly, the return communication rate has been abysmal. In my own business, if I didn't return communications to my clients, I would be out of business. Yet, the very persons we hire to work for us can routinely ignore us too often. This is not a partisan issue. The experience crosses all party lines.

Over the years I have watched from my office as these very same MHA's have on at least 3 occasions seen fit to make rules that cut my income. Several years ago the territorial boundary for auto insurance was arbitrarily changed thereby reducing the premium base on which I received commission by some 30%. I was forced to serve just as many clients for 30% less income. Then again a couple of years ago, the elected MHA's decided to cut auto insurance rates by 15%, once more reducing my commission income. And most recently, our MHA's decided to allow Credit Unions in this province to sell life insurance out of their branches, contrary to what our Federal MP's would not permit the chartered banks to do for fear of compromising tied-selling and loan approval for Canadians, a decision that will affect my income again. I site these three examples, not because I disagree with why our MHA's made them, but rather, to illustrate that your committee should not be thinking that the only way to change a salary is to increase it. If your review finds that our MHA's are already paid enough, then do not recommend an increase. If their compensation package is costing the province too much, you should recommend a reduction. The reduction in my income hurt, but I worked harder and recovered from my legislated loss of income.

When I think back over the years to some of the most memorable MHA's that I can remember, I recall those that did not necessarily come from professional backgrounds. I think of those excellent constituency people who attended every fireman's ball, every community event. I think of the MHA's who helped constituents with their day-to-day problems, who returned every phone call, who never missed an appointment, who assisted with the multitude of personal problems that constituents have. I feel that these MHA's would have taken the job for half the pay; they probably did not even know the perks of the job; they just wanted to help.

Therein lies the dilemma: how do you recommend a compensation package for MHA's that would meet the needs of attracting both types of MHA's, those who want to be there to help, and those who see the job as a step to a prosperous retirement?

I don't know what you plan to do, over and above the hearings you have scheduled, to aid in your efforts. I assume you have access to full time staff who could do research and organization. I would like to offer the following suggestions:

1. Compile a list of MHA/MLA/MP compensation packages from across the country. I'm talking about "TOTAL COMPENSATION" not just basic salary. We should not pay our MHA's higher than the average of these. This compilation should include a study of the demographics of other provincial constituencies to compare the population and size of electoral districts. Perhaps our MHA's represent smaller districts and should not be expected to receive as high a pay as a MLA in B.C., for example.
2. Have a telephone or mail survey completed by contacting a sample of constituents throughout the province. I don't think you will get an adequate response from rank-and-file Newfoundlanders and Labradorians at these hearings.
3. Meet with compensation experts in the private sector who may have assisted with legislator compensation studies in other jurisdictions.
4. Why not meet with former MHA's, as well as present MHA's, to get a personal perspective from them, anonymously, I might add.
5. Circulate a written survey to chambers of commerce and boards of trade and other groups. These volunteer groups will be more likely to complete a survey form than prepare a presentation for a public hearing.
6. Publicly circulate your report and recommendations.
7. After the House of Assembly Management Commission reviews the report, monitor and report on the results.

I want to thank you for the opportunity to present my thoughts, and wish you success in your work.

Regards

Ern Warren, B.Ed., B.Sc., M.Math, CLU, CFSB

**Submitted To: Committee review MHA compensation looking for public's
input
August 5, 2009**

**Presented by:
(Retired) Capt. Wilfred Bartlett**

Should MHA's get a Raise?

While I have a lot of confidence in Premier Williams and what he is trying to do and have done since taking office, such as good deals with the Oil Companies, taking taxes off insurance, etc. things that will benefit us for years to come.

But what I have seen happen the last little while cause me great concern. The following is a list of things that causes me to lose my confidence in the MHA's that Mr. Williams has around the table, while Mr. Williams is a good Captain some of his crew leaves a lot to be desired and being a sea Captain I know how important a good crew is.

#1 The attempt to close down the Cameron inquiry into the cancer inquiry, I myself have lost many friends and family to cancer.

#2 The search for a President for Memorial University and the fiasco with Minister Burke, who thought that she was qualified to make the decision on her own, in what turned out to be the wrong one and an embarrassment to our Province.

#3 Highway signage's Policy. The policy of this government to ban highway signs puts a lot of small business in our rural communities out of business and for what reason, what damage are these signs doing?

#4 Oil tank inspections. There is nothing wrong with oil tank inspections if it is done in the right way, if government saw a problem with oil tanks they should have put inspectors on the road, telling people what had to be done to bring it up to standard and let people that were able to, to do it themselves, as we all know Newfoundlanders & Labradorians are very handy people and have always been doing things themselves, now we have people installing these tanks that are gouging people. I have seen some of these tanks installed and I would not pass them and I am not an inspector.

#5 Caribou facing extinction. Ever since the Coyote have arrived on the Island (**and I don't believe they came across on the ice**) the caribou have been declining very rapidly all outfitters and hunters and many retired forestry wildlife officers blame the coyote, but what does the Minister do? Authorizes a 5 year study at a cost of \$15 Million dollars, **while Rome burns Nero plays the fiddle**, by the time this study is completed we may very well have no caribou left.

#6 Gravel Pit camping, this is the one that really sticks in my craw. Minister Johnson has started a war that she can't win; she started out this year on a campaign to deny all Nflders and Labradorians that don't have title to the land where their trailer or cabin is located, the right to enjoy our great outdoors.

In an interview on CBC radio she asked the question, "why are you doing this now?", her answer was, "I didn't start this now, this has been an ongoing campaign", if this is true why by her own admission there are 4000 illegal campers that she knew off. Some of these campers have been there 20-30 years. I contend that there are many more because there are many more around our bays and islands and they will have to be targeted too.

The Provincial Government is spending millions of dollars advertising across Canada and other countries trying to entice tourist to visit our fair Province to enjoy our beautiful scenery. At the same time they are targeting the people that built this Province with their sweat and blood, and denying them the right to enjoy the same thing by driving them out of their favourite camping spot and forcing them to stay home, these 4000 plus campers are mostly low income and retired citizens with nowhere to go.

At the same time CBPPL, a Montreal based company, that has timber rights to approx 1/3 of all the forested land on this island, is refusing the vast majority of applications for development on crown lands, where they own the timber rights. I myself applied for a cabin permit on a woods road last year and got turned down by CBPPL, where are these campers supposed to go?

If there was an environmental problem with some of these campers they should have been targeted, not the 95% that are causing no problems.

She has used 2 reasons for doing this, one is they don't own the land, it is crown land, but who owns crown land? If she was compassionate she would have given them the opportunity to get the land registered, if that was her problem.

The other reason was that people applied for a permit to build a cabin but before it was approved someone had already occupied it. A very flimsy excuse.

#7 Minister Johnson has also limited the time you can part a trailer in any one spot to 48 hours. Example I purchased a 16' trailer last year took it up in the woods in mid September to an area that I hunt, parked it and left it there until just before the snow came and towed it back home, I was only up there on Saturdays and Sundays. Now this year I have to drag it a two hour drive on Saturday morning and bring it back home on Sunday night burning up more gas and extra danger on the highway, plus the time of setting it up and for what?

I have always strived to make this Province a better place for my grandchildren and great grandchildren, so they could enjoy the things that my parents and grand parents left for me but what I see happening is an erosion of our freedoms and our way of life, that we have had for so many years, we are no longer living in a free society. We are being regulated to death.

While there are some MHA's that are doing a good job I would not have a problem giving them a raise, but there are others that should not be there, and as with Minister Johnson's stand on the campers the 95% that are causing no problem has to pay the same as the 5% that are causing a problem.

It is for the above reasons that I am voting NO to a raise for our MHA's and I believe that their pensions are far to generous for people who has only spent a short few years in politics.

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**Public Presentation to the
Member's Compensation Review Committee
Tuesday, August 18th, 2009
2:00 p.m.
Capital Hotel**

By: Mr. Norman Mercer

I want to first of all thank the committee members for giving me the opportunity to present my views here this afternoon concerning the Salaries, Allowances, Severance Benefits and Pensions to be paid to our “employees”, “the people’s employees”, the elected members of the House of Assembly of Newfoundland and Labrador.

My name is Norman L. Mercer and here today, I am coming forward to speak as a parent, an active community volunteer, a resident of the City of Mount Pearl, a friend and an advocate of a young man, my son, who has an intellectual disability, and also as a citizen of one of the most resource rich regions of the entire globe – the Province of Newfoundland and Labrador.

My interest in these public meetings and in political affairs in general in the province, I can personally trace back to my boyhood days growing up in the town of Gander, during the 1950’s and 1960’s. I believe I come by these interests honestly having had a great-grandfather serve in the island’s nation – status government long before the Great Depression and the Commission of Government. My mother’s father, my grandfather, was the owner and editor of the Notre Dame Bay newspaper – “The Twillingate Sun”. My father and my mother, who were amongst the earliest residents of the young town of Gander believed strongly in community and public service, my dad being a town councillor, mayor, community volunteer and my mom being active in Guiding, her church, the Women’s Guild and volunteering at the hospital. Community and public service and giving back to one’s place and to help others were traits that I was steeped in, no different than the thousands of other men and women around this province, back then and still today who provide community and public service, in so many instances without wanting or expecting payment or remuneration. I will return several times during my remarks to this theme of “public service”.

As a young boy and as a teenager I listened with great interest to the recordings of the political speeches and confederation battles of the late 1940’s. I remember quite vividly the many stories my parents and my uncle told me and my other brothers and sister about growing up in Bay Roberts and Twillingate during the dirty 30’s – The Great Depression and the War Years – the numerous stories of poverty, yes of in some instances starvation and disease, a hard life indeed for the majority of the island’s and Labrador’s population. But yet, we produced more millionaires on Water Street and their wealthy associate merchants in the outports. Such wealth generated from the sea and the land – our fish, our minerals, our forests and so on. And our history was full of examples where this system was aided and nurtured on by some in the government, the elected members and powerful parts of the so-called Christian church. I was captivated by the many speeches of Joe Smallwood, of Peter Cashin and others like Bill Keough,

some of my high school chums and several teachers at Gander Collegiate thought I was naïve indeed. That naivety probably comes through here today, but let's move on.

As a young 17 year old university student moving to St. John's, eager to learn and to get involved in campus life and affairs, I decided to attend a Liberal Youth organizing meeting at Hatcher House at M.U.N. Seeing the sign posted on a bulletin board over at the Thompson Student Centre I quickly jotted down the date, time and place. For me, I always tried to be to events early, and on time, as much as possible. Arriving at the meeting location 10-15 minutes early, I peered in to an almost empty chair-filled room and made my way to the front row. Two chaps were busy up front getting things ready, one I recognized has having some affiliation with the students union on campus. Their back and forth banter and discussion was perfectly audible to the two perched ears sitting eagerly in the front row that fall evening. What I listened to disgusted me as they talked back and forth about, and to quote "How they would hone their political skills here at the university and in the Young Liberal Club, and then go out around the bay and run for the Liberal Party provincially and how easy this would be, easy because those baymen would vote for anyone". Needless to say my stint with the Liberal Youth came abruptly to an end that evening, just prior to the meeting's beginning. What lack of integrity, what contempt. Eventually, both those individuals went on to get elected. Both later falling into disfavour, the chickens coming home to roost.

So this contempt or disrespect for the people I believe is still alive and operating even today. Let us all please remember, that it was not the more recent members of the People's House – our House of Assembly who came forward to clean things up, which had been going on for a number of years. The Premier moved forward with a commitment to have his government re-instate the auditor general into the House of Assembly and I congratulate him for doing the right thing, but I doubt he envisioned the financial mess and improprieties happening there and involving a number of supposedly honourable members. Members from both sides of the House had voted to remove the Auditor General, had voted to only have certain minutes of meetings spelled out in the public record, hiding a number of financial matters from the public, the people who entrusted them. All and every member past and present who was involved in such shady activities needs to be held accountable. Members of this committee – the old boys and girls club, was alive and well and the question I hope for each of you is – do we want to continue the same old sort of structure – of privilege, of excess spending, of lack of transparency and openness. Why are these public meetings for the most part being held in the summer season, when so many members of the public are on holidays, when many organizations take a summer's break, with schools closed. To minimize attention to the process. Are meetings with our employees – "the MHA's" being held separately behind closed doors, if so, why, as they should be totally open and transparent. I urge the Premier to demand that this be the case. Is there still a contempt or disrespect for the public, the employer?

I remember having our Scout Troop being taken on a tour by one of our area M.H.A.'s a number of years ago, it was an excellent tour and the young scouts were working on their citizenship badge. That evening they learnt about the government structure, the history of responsible government and the role of the MHA, Cabinet and Premier's office. But one comment, the member said, as we all stood in the Chamber of the People's House, he said and I quote "one of the first lessons that I learnt here, after becoming your MHA, was not to take this place to

serious”. Those comments lingered with me for a long, long time and more recently I came to fully understand the mindset. More recently, another MHA commented to me and with others present, regarding the M.H.A. spending scandal, “The people want blood”. No I said, the people want honesty and integrity. I remember a bush plane pilot – a friend of mine telling me about a trip he took a few years ago to drop a number of business people and politicians off to a hunting and fishing lodge in central Newfoundland owned by a prominent Newfoundland businessman. My friend said that the lodge’s guest book read like “a who’s who” of the Liberal and P.C. Parties of Newfoundland and Labrador.

Members of the committee; business entities do not vote on Election Day, neither does the St. John’s Board of Trade, Chambers of Commerce, Unions and the list goes on, as we all know, people vote, individual citizens only. I guess my naivety is coming through to each of you loud and clear this afternoon. This whole business of privilege and entitlement needs to be done away with once and for all. This is almost 2010, well into a new century, patronage still practiced needs to be ended. Listening to career politician and former Lieutenant Governor Ed Roberts welcome back one former Premier and newly elected PC member and cabinet minister was like listening to those attending the “Old Boys Club” reunion.

My social life is quite limited, boring you would probably say and I tend to watch CPAC on cable whenever I get a chance. One evening, as I watched the televised coverage of the new House of Assembly Management Committee – our employees – conducting business, as the camera panned along the front bench, one particular member, who had some very questionable expenditures, quietly moved back in his chair, out of view, as he saw the camera moving along the benches towards him. I am sure by now you have a strong sense of my cynicism to much that has gone on. Let me please put this in some family context. My oldest child, my son, who is a wonderful young adult, has an intellectual disability and from a very early age we were continuously confronted, whether it was school officials, government bureaucrats or elected politicians, tell us many times that there were no monies, no resources. As parents we had lobbied as did others with similar children with special needs, that student assistants in neighbourhood schools should not just go on a 10-12 week rotation from “social assistance” to work and then on to as it is now called “employment insurance”. That home care workers and supported employment, job coaches should make decent wages with benefits and proper training programs, not always just above the minimum wage, but real living wages and benefits. I am so thankful for my son’s independent living arrangement and I am doing all I can, as he has to live on such a modest no not modest, terribly low income. My son’s and our story can be repeated thousands of times over here in this province. From the many instances of individuals with disabilities living on low incomes, their families fighting for decent home care and supports, people in this area with physical disabilities having to wait and wait and having to use a deplorable wheelway service. Hundreds of individuals with mental illnesses with lack of supports particularly out side of the urban areas. We know all too well how those situations that boil over, how they are handled. Single parents trying to raise their children and give them the best of opportunities on very little income. Thousands of seniors, low and middle income families trying to make do, make ends meet, to do their best, in so many instances on very modest pensions and modest incomes. The untold number of needs and requirements faced by so many when it comes to their personal health and drug coverage. I could go on. Many thousands of our people can’t afford to go off to Florida each year to escape winter’s wrath.

Though much has been done to turn our economy on a new course and I congratulate the Premier for his efforts, we as a people and a province still have one of the highest per capita debts in the country, an unemployment rate which is shameful, almost twice the national average and in some instances over 3 times provincial rates in several provinces, resource rich like ourselves. I have attached tables here with my presentation clearly laying out these various numbers.

I want to now come back to the theme of public service, of honesty, leadership and integrity in our elected officials, our employees, the members of the House of Assembly. I personally believe that greed has transcended this honourable place. That the thread of public service has worn thin. How much is enough. Our M.H.A's fall within the top half, close to the top third of legislators in Canada when it comes to their pay. For years, while many in the province had wages frozen, pensions on hold, the salaries and benefits of MHA's rose dramatically. As of July 1, 2009, with a further 8% raise, the base salary for an M.H.A. here in Newfoundland and Labrador stands at \$102,986.00. If members take on additional roles such as speaker, leader of the opposition, party whip, those salaries can rise anywhere from \$11,160.00 up to over \$58,000.00. I believe cabinet minister's salaries are similar to the speakers top up of over \$58,000.00. As I understand it, if M.H.A's, even though it is in their duties description, if they are appointed or selected to committees they get an additional \$200.00 per day for every day the committee meets. And the list goes on. In a province where there is so much need. I believe that this is grossly unfair. Greed has transcended an honourable house of public service.

You, the three committee members here today, have an opportunity to put a hold on this. I sincerely hope, maybe naively so, that you will reflect on all of this and what you have gathered in what I understand as such poorly attended public meetings. Interviews by television and radio commentators around the province have shown (all be it a limited sampling), that the vast majority of the citizens of this province believe that the MHA wages and benefits should not increase any further at this time. The citizens of this province are "the employer" and "the only employer".

If a job fair was held tomorrow around this province, as others have been, and the positions advertised were for the M.H.A. jobs, seeking people with integrity, honesty, a commitment to public service, common sense and a good education, if the salary offered, with regular benefits, was for \$75,000 per year, a darn good salary I might add, then the job fair would receive hundreds of applicants and line-ups. This notion that these much higher salaries and perks were required to draw out the most capable and committed, I personally believe is a falacy – a falsehood. Our recent history and what is still unfolding in the courts bears this out. Many people who I speak to in community do not believe that this sort of abuse and excessive behaviour only just started in recent years. One instance that today still makes me angry was back during the last year or so of the Tobin administration, when I as a father and as a disabilities advocate stood in the lobby of Confederation Building, our building, with several hundred parents and individuals with disabilities railing the Tobin government for better services and supports for individuals, who more often than not are living at the margins, with opposition members, Loyola Sullivan, Ed Byrne and Jack Harris encouraging us on, saying that they supported all our efforts. That two of the three of those men kicked the auditor general out of the House of Assembly, that they along with Jack Harris and all but two of the then sitting M.H.A.'s took their \$2,500.00 cheques quite quietly, while so many were being told as we were in the

lobby that day, that there was no money - that the province had such a large deficit – what a sham, what a lack of integrity.

In conclusion, on behalf of so many silent voices, I would like to make these recommendations and I sincerely hope that they will be considered.

- 1) That there be an immediate freeze for 3 years minimum, to MHA salaries and benefits.
- 2) That Severance be based on payout of 1 week for each year of service. I believe that this is standard in many occupations throughout the province. Not one month for each year of service.
- 3) That all additional positions salaries that are held whether it be a cabinet post, speaker, etc, etc be immediately reduced by 1/3, still a darn good wage. I have met a number of fine M.H.A.'s over the past twenty years, particularly since I have been a parent and a community volunteer. I do not even remember one of those times when I saw sweat on their brow or stress (other than once) in their manner.

Our House of Assembly sits amongst the least number of days per year compared to many legislatures in Canada and the U.S.A. Also, in a number of instances, the legislative agenda and output has been light indeed in some sessions.

- 4) The M.H.A. Pension Plan should be very carefully assessed and changed. Several provinces have adopted an RRSP contributions type model. Please remember, many of our MHA's have Law Practices, businesses and other professional jobs waiting for them when they exit the political arena. A number of them carry forward pensions and other benefits from previous careers such as teaching already.
- 5) The MHA job description should be rewritten and under "other related duties", should be added participation on committees when asked, nominated or selected with no additional remuneration only out of pocket expenses such as meals, travel, accommodations not the \$200.00 for every meeting attended.
- 6) Discretionary expenses, entertainment allowances, if deemed excessive, should become or be made more modest. No more cases of liquor or wine on our dime.

Finally, I do sincerely thank you for listening today, if there are behind closed door meetings with MHA's, then I do hope that you will all put a stop to that. As a father, the parent of one young man with special needs and a citizen of this Province, I want to again sincerely thank the Premier for bringing accountability back to the House of Assembly, now let's foster honesty, integrity and true public service.

Thank you – Norm Mercer

Position	As of July 1, 2007	Increase July 1, 2008 3%	Increase July 1, 2009 8%
Base Salary	\$92,580	\$95,357	\$102,986
A Member who also holds one of the following positions shall be paid an additional salary, effective July 1, 2007, as follows			
Speaker	\$52,497	\$54,072	\$58,398
Deputy Speaker & chair of Committees	\$26,246	\$27,033	\$29,196
Deputy Chair of Committees	\$13,123	\$13,517	\$14,598
Leader of the Opposition	\$52,497	\$54,072	\$58,398
Opposition House Leader	\$26,246	\$27,033	\$29,196
Deputy Opposition House Leader	\$17,919	\$18,457	\$19,933
Leader of a third party	\$18,367	\$18,918	\$20,431
Party Whip	\$13,123	\$13,517	\$14,598
Caucus Chairperson	\$13,123	\$13,517	\$14,598
Chairperson, Public Accounts Committee	\$13,123	\$13,517	\$14,598
Vice Chairperson, Public Accounts Committee	\$10,032	\$10,333	\$11,160

**Newfoundland and Labrador Public Service Pensioners' Association
Presentation to the MHA Compensation Review Committee
Capital Hotel-17 September, 2009**

Opening Remarks, Robert Langdon, President NLPSPA

I am here today representing the Newfoundland and Labrador Public Sector Pensioners' Association and supported by the Pensioners' Coalition which has representation from the following:

- NAPE Retirees Local 7002
- Retired Teachers' Association of Newfoundland and Labrador
- Memorial University of Newfoundland Pensioners' Association
- Royal Newfoundland Constabulary Veterans' Association
- St. John's Firefighters Retirees Association
- Retired Correctional Officers of Newfoundland and Labrador
- Newfoundland and Labrador Nurses' Union (Observer status)

Who are these people? They are the former employees of Government who made a great contribution to this Province. They staffed our schools and our health care institutions, they maintained our roads and infrastructures, they fought fires to protect lives and property, they brought offenders to justice and kept them secure in our penal facilities, they managed our natural resources and by so doing they laid the foundation for today's offshore oil industry. But they have one additional thing in common; they stayed right here in Newfoundland and Labrador and helped build this province during the tough, lean years.

The purpose of our presentation to the Review Committee is not to argue whether the MHAs should or should not receive any compensation adjustment, but rather to draw attention to the discrepancies and gaps that currently exists between the compensation (pension and health insurance benefits) of Public Sector Pensioners and those of MHAs. I also want to remind you that whatever decision Government will take with respect to compensation for MHAs will nevertheless be born on the backs of these pensioners, as it is currently. My colleagues, Mr. Vink and Mr. Morris, will speak more specifically to this topic after my opening remarks.

First I would like to provide some background on the issues that Public Sector Pensioners have struggled with over a lengthy period. Our Association was formed in 1989, some 20 years ago. It was founded to address an important issue that being the termination of *ad hoc* increases which were awarded to Public Sector Pensioners, which until then had usually been in relation to wage settlements in the public service.

These *ad hoc* increases were a recognition by the governments of the day that the pension benefits under the Pension Fund were inadequate to meet the income needs of pensioners. Because the Pension Fund had been sorely mismanaged by government in the early days of the Plan, it could not address the continuing impact of inflation. This situation has now reached serious levels for many Public Sector Pensioners.

The Review Committee should be cognizant of the change made to the Pension Plan in 2002, when partial cost of living indexing was introduced. That indexing is capped at 1.2% of the CPI. Our analysis shows that of the ten provincial jurisdictions and the federal government, our Pension Plan has the lowest (worst) indexing benefits of all.

Our Association is well aware of the initiatives which the present government has taken across the broad social spectrum in this province. Many organizations and programs have sought and deservedly received reviews and increases to their funding. We compliment government on those actions and mention in particulate the increase in the Minimum Wage and the recent generous wage settlement with current government employees. Should MHAs be successful with an increase, the merits of which I will leave for others to judge, the pensioners of the day and the future will be subsidizing their increases as their contribution amounts and time to the Pension Plan are considerably less that the ordinary civil servant and hence MHAs, like Judges, have to be subsidized in their pension benefits on the backs of the general worker and current pensioners.

For some unexplained reason Public Sector Pensioners have not succeeded in getting onto governments' agenda. Although we have pressed government to formalize discussions with its former employees on pension and health insurance issues, only marginal success in getting the talks started had been achieved. Indeed regular discussions that commenced during 2008 have stopped.

To say it is incongruent for government to readily review the compensation benefits for MHAs whose pensions average something like \$50,000.00 annually, as compared with \$13,000.00 for Public Sector Pensioners, is an understatement. Injustice was done to public sector pensioners long before 1989 when government completed the greatest injustice of all and it has been continued to today. Our request is not monumental. All we want is equality of treatment. I encourage the Review Committee to bring our concerns to the attention of government.

Mr. Vink and Mr. Morris will now elaborate in a bit more detail on the injustice of the present and the past and raise attention to some of the continuing injustices of the day, as they directly relate to whatever decision Government may take on the matter of compensation for MHAs.

Comments, Jerry Vink, Executive Director, NLPSPA

Background:

Members of the House of Assembly from both parties that have formed governments since the establishment of the provincial pension plans in 1965 have made far-reaching and fundamental decisions on the benefits, or lack of them, that public sector pensioners receive. In fact, the amount of income that is available to those pensioners has been severely restricted because of those decisions.

These matters have been raised extensively at various times such as, most recently, during the pre-budget consultations. It is not appropriate to delve into them at this time, other than to recognize that the Members of the House of Assembly made decisions, which have a negative impact on pensioners such as:

- Limiting pension increases;
- Limiting spousal benefits;
- Refusal to deal with “claw backs” at age 65;
- Refusal to deal with redress of the years that government held back on contributions to the pension plans;
- Refusal to deal with full indexing;
- Refusal to deal with escalating premium costs;
- Refusal to deal with the limited number of recipients who cannot avail of death benefit provisions;
- Refusal to deal with a number of additional other issues affecting pensioners.

The result of these cited instances means that today, pensioners, especially those at the lower levels of the pension scales are certainly not achieving *the primary objective*, identified by the Pensions Administrative Division as being, *to help people prepare for a comfortable retirement*.

It is against this background that the Newfoundland and Labrador Public Sector Pensioners’ Association, as part of the Pensioners’ Coalition, will address the issue of compensation for the members of the House of Assembly.

Compensation:

The mandate of the Hearings on the Compensation for Members of the House of Assembly is not clear. We have been unable to obtain a reasonable definition. Thus, we do not know what is being considered – increases in salaries or increases in pensionable earnings or changes in the qualifying period for pensions? At the same time, the benefits available for the Members, as per the *Members’ Handbook*, are certainly quite favourable and exceed those available to the ordinary public sector pensioners.

The generous retirement benefits are largely based on the relatively short period that Members pay into their Plan; on their regular increases in remuneration; and on the inclusion of other credited pensionable service. It is the Members’ former employees and the still employed people in the public sector who have to pay for the generous, but under-funded, Members’ Pension Plan.

The Newfoundland and Labrador Public Sector Pensioners’ Association wishes to raise a number of ethical concerns that must be considered in determining any increase in compensation to the Members of the House of Assembly.

An Ethical Concern: Equity, Equal Treatment and Equal Dignity

Governments since 1965 have made a number of decisions that affect the *comfortable retirement* promoted in the Pensions Administrative Division’s Website.

Whether those decisions about public sector pensions were right or wrong is irrelevant for the purposes of this presentation to the Hearings of the Members Compensation Review Committee. The reality is that they were made, and, as a result many ordinary pensioners in three pension plans are paying the price through reduced incomes that make for less than *comfortable retirement*.

The issue that needs to be addressed is whether any improvements in the compensation provided to the Members of the House are justified when balanced against the compensation available to other public sector pensioners. This is obviously crucial if we focus on the compensation provided to Members as part of their pensions.

To properly decide on the justification for compensation, especially as it applies to pensions, the following values must be considered:

1. Administrative Justice, the appropriate ethical philosophy on which decisions about reasonable compensation is based, includes a number of values or principles that promote good and humane public administration. Two of those values are equity and equal treatment. Although there may be some modifications to achieve a fair balance between conflicting demands, the basic concepts of equity and equal treatment must be applied in considering the compensation for the Members of the House of Assembly.
2. A second consideration needs to be noted. Our society is based on the rule of law. The rule of law in turn has a foundation that among other things promotes equal dignity. Members of society, and in this case, past and present members of the public sector must feel that they are treated justly so as to ensure that their equality is promoted.

Excessive compensation in pension provisions is an ethical concern that needs to be addressed. It is the Association's and the Coalition's position that the Members' pensions are unfair compared to those of their public sector peers.

Moreover, government tends to treat their own legislative members' needs in a manner vastly different compared to those of other pensioners.

This bias offends the concepts of equality and dignity. The Association and Coalition therefore must voice their concern that the present compensation, let alone its enhancements violate the ethical standards of equity, equal treatment and equal dignity.

An Ethical Concern: Conflict of Interest

Our justice system is also based on a number of principles. One of these is that *nobody shall be a judge in his /her own case*. This is the reason that we have impartial judges to deal with court cases.

However, this principle of natural justice also has an implication for the matter under review. As long as Members of the House of Assembly received compensation that was comparable to that received by their employees and former employees, any changes or improvements to their own

compensation did not conflict with others who were also paid out of the public purse. The Members of the House of Assembly have consistently refused to seriously address the complaints of the public sector pensioners as identified earlier in this presentation. Thus, it becomes problematic, if not unethical, when they consider improvements for themselves in those areas of compensation where they have denied them to others.

This means that we have reached a position where the members decisions to improve their own benefits is in conflict with their denial of equal treatment to pensioners dependent on their considerations.

Our Position:

The present compensation package for the Members of the House of Assembly is more than adequate to obtain a comfortable life style and retirement. It far surpasses the compensation available to public sector pensioners.

1. The members of the legislative branch of government should not be provided with further enhancement of their compensation package until they have brought about equity and equal treatment for their former employees by rectifying the inequities that are the result of past government decisions. It is only through providing redress that pensioners are treated with equal dignity.
2. As former members of the public sector, we must be treated as equals to those who were former members of the Legislative Branch. Both groups served the same public as public employees. Thus any unfair differentiation in compensation is a denial of equal treatment.
3. The conflict of interest that characterizes the present dilemma necessitates that the Members of the House of Assembly cannot be allowed to judge their own cause. As long as the public sector pensioners are forced to accept a substantially lower and unfair pension regime, any enhancement of the Members' package would constitute a conflict of interest.

A Final Comment:

Past and present Members of the House of Assembly have, overall, done a commendable job. They have taken this province through difficult times. In return, they are well compensated.

The same cannot be said for their former employees and partners in providing services to the public.

The Newfoundland and Labrador Public Sector Pensioners' Association has focussed on a number of ethical concerns. It is our belief that if the Members of the House of Assembly give themselves improvements in their compensation, it will constitute a breach of ethics that will further contribute to lowering the public respect for an institution that has a long and honourable history.

Comments, Ralph Morris, NAPE Pensioners

Pensions for MHAs in Newfoundland and Labrador were first introduced in 1962 under Members of the House of Assembly Contributory Pension Plan Act. Under that plan, individual members and government each contributed an amount equal to 7% of the members' sessional indemnity into a fund established as part of the Consolidated Revenue Fund. While a separate trust fund was said to be established, it remained part of the overall Consolidated Revenue Fund. No assets were accumulated and obligations were paid from the Consolidated Revenue Fund. At the time of introduction the plan was said to be in line with other MHA plans across Canada.

- An annual benefit rate 5% for 10 years, 4% for 5 years, and 2.5% for 2 years.
- Maximum pension entitlement: 75% of salary at 17 years of service.
- Pension eligibility: age plus service = 60 (55 for premier)
- Pensions based on an average salary for the highest 3 years salary.
- MHS contribution rate of 7%

While there have been subsequent amendments to the plan over the years, it essentially forms the basis for the current MHA pension plan.

In 1990 the government set up the Cummings Commission to review pensions in the public sector. The Commission made a range of recommendations in respect to the Public Sector Pension Plan (PSPP), the Uniformed Services Pension Plan (USPP), the Teachers Pension Plan (TPP), and the Members of the House of Assembly Plan (MHA Plan). While not all were accepted, some of the recommendations, which combined with the national trend toward pension reform and changes to the Income Tax Act, formed the basis for fundamental changes in the pension plan structure for the 3 public sector pension plans. It is interesting to note that the MHA plan was not amended to correspond with the changes to the other plans. The holiday which Government took from contributions to the 3 public sector plans did not apply to the MHA plan.

Some of the changes made to the 3 plans in 1991 and 1992 included:

- Contribution rates were increased for all employee plans to "meet the cost of benefits as they were earned".
- Some of the most generous provisions of the USPP were eliminated (i.e. Pensions based on final salary were replaced by a 3 year average, and higher accrual rates in years 21 - 25 (4%) and year 30 (7%) were eliminated)
- Pension funding targets were established and initiatives were undertaken to provide special payments annually to begin to address the large and ever growing unfunded liability in respect to prior service for the teachers plan and the public service plan.
- Service accrual rates under the TPP were reduced to 2% from 2.22%
- The ability to purchase "un-worked service" and teachers training were eliminated.

No similar modifications were made to the MHA plan.

In 1995 a further set of recommendations were drafted by finance officials who proposed the discontinuance of the MHA Plan at the end of the 42 General Assembly. The analysis of the plan by the Department of Finance suggested that the plan was too generous and difficult to justify in the economics of the 1990's in comparison to other public sector plans. The draft paper and associated recommendations did not find favour and were never submitted to cabinet.

In 1998 some minor changes were provided for, but were very minor in content.

In 2005 the MHA plan was further amended primarily in response to the requirements for registration under the Income Tax Act.

(1) A registered pension plan component which provided for benefits up to the maximum permitted under the Income tax act

(2) A supplementary employee retirement plan Supplementary Employee Retirement Plan (SERP) which provides for the balance of the benefits as stipulated in the MHA plan, which are in excess of the amounts permitted under a Registered Pension Plan.

This effectively sets up two pension plans for the MHAs. Other changes made at that time were made to the accrual rates to build the maximum entitlement to 75%.

The base salary used to calculate the basic MHA pension benefit entitlement is sessional indemnity plus the non taxable allowance and where applicable will include other remuneration as such allowances paid the Deputy Speaker, Chairs of committees, and other parliamentary officers. These same entitlements are also applied to various MHAs in respect to their role as Ministers, and to the Speaker and the Leader of the Opposition for years served in their respective roles. In the 3 other government plans benefits over and above annual basic salary are not pensionable. Quite a perk for MHAs.

There is no indexing of benefits for MHAs and persons under the USPP. Over the years there have been *ad hoc* increases for all pension plans but this was discontinued in 1989. Since that time persons on pension have seen the value of their pension dollar diminish at a rate that over this 20 year period those pensions are today only worth approximately 50% of their value at the time of retirement.

The MHA plan is the most attractive plan of all the Public sector plans in Newfoundland and Labrador.

The key benefits are the rapid accrual rate to a maximum of 75% with 20 years of service as an MHA (with reduction of service years in case of a carryover of other services) and the ability to retire early and draw a pension with NO penalty. An MHA can accumulate a pension entitlement equal to 50% of the salary base in 10 years, whereas it would take a public employee 25 years to reach that level of accrued benefit.

A comparison of the current service cost and contribution arrangements of the MHA Plan and other plans in the public service indicates the current service cost of MHA plan is clearly the most expensive. The current service cost as a % of payroll is 41.9% compared to 11.3% for the PSPP, TSP 13.3%, and USPP AT 12.8%.

The accumulated net unfunded liability in the MHA Plan in the actuarial valuation in 2003 was estimated at \$60.8 million. In 2006 it was set at \$65.1 million. Quite a sum considering only 111 former MHAs are getting a pension. Contributions for the MHA plan were estimated at \$570,000 while some \$4,500,000 was paid out. All in all a costly venture to the tax payers of the province including the PSPP pensioners who have seen no increase in income from their pension for the last 20 years.

His Honour Justice Green made several recommendations for pension change in his report to the House of Assembly several months ago and to date none of the proposals have seen the light of day.

We, as public sector pensioners are not even remotely suggesting that MHAs should not receive proper remuneration in salaries or pensions that are affordable to the financial abilities of the province to pay such benefits but when they become a burden on the public sector pensioner...the taxpayer... that far exceeds his/her ability to pay, then such benefits should be adjusted accordingly. It is our contention that no increase in benefits to MHAs either pension or salary, until the issue of the erosion of benefits for public sector pensioners has been dealt with. Those pensioners have suffered through years of financial restraint and loss of pension benefits while the MHAs have not seen the same thing happen to their benefits. We respectfully ask that your Committee bring this matter to the attention of the Government of the day and make recommendations accordingly.

Attached to this submission you will find some appendices that are relevant to what we have had to say today.

We thank you for the time here today and all 25,000 plus pensioners eagerly look forward to government's response.

Schedule A

That a one-off be paid to retirees who have had no increase since 1989.

This one time payment be paid over a twelve (12) month period based on the follow formula:

Pensioners in receipt of pension of :

- (a) \$10,000 (net) or less at a rate of 10%
- (b) \$10,001 - \$21,000 (net) at a rate of 8%
- (c) \$21,001 - \$30,000 (net) at a rate of 6%
- (d) \$30,001 - \$40,000 (net) at a rate of 4%
- (e) \$40,001 - \$55,000 (net) at a rate of 2%

Cut off at \$55,001

...THE IMPACT OF INFLATION

It's important to recognize that inflation over the years will impact seniors' income by reducing the income's purchasing power. The table below shows how different rates of inflation impact on purchasing power over the years.

**The Impact of Inflation on Future Purchasing Power
The Future Value of One Dollar (\$1.00)**

Inflation Rate / Number of Years	2%	3%	4%	5%	6%	8%	10%
5 Years	91¢	86¢	82¢	78¢	75¢	68¢	62¢
10 Years	82¢	74¢	68¢	61¢	56¢	46¢	39¢
15 Years	74¢	64¢	56¢	48¢	42¢	32¢	24¢
20 Years	67¢	55¢	46¢	38¢	31¢	21¢	15¢
25 Years	61¢	48¢	38¢	30¢	23¢	15¢	9¢

Inflation obviously will impose a major burden on pensioners with fixed income; it is often described as “*a monster that dines on your future*”. On a somewhat positive note, however, is the fact that today's inflation experience is more moderate (in the 2-3% range). However, in the past it has been severe, peaking in 1980 at about 12.5%.

Schedule D

History of Pension Increases* for all Public Servants

1. Pension Increases in this schedule are applicable to the schedules “A” “B” & “C”
Note: The 1972 Increase was applied to Teachers Pensioners effective April 1, 1972 for persons retired under pensions referred to in schedules “A” “B” & “C”

Pension Increases

1961 Effective 1961 all pensions being paid or to be paid increased as follows:

- if present pension is \$600 or less the increase will be the greater of (i) \$600, less amount of present pension or (ii) 25% of present pension.
- if present pension is from \$600.01 to \$625.00, increase the pension to \$75.00
- if the present pension is from \$625.01 to \$800.00, add 20% of the present pension.
- if the present pension is from \$800.00, and add 20% of the present pension.
- if the present pension is from \$800.01, to \$834. 78, increase the pension to \$960.
- if the present pension is from \$834.79 to \$1,000.00, add 15% to present pension.
- if the present pension is from \$1,000.01 to 1,045.44 increase the pension to \$1,150.00.
- if the present pension is from \$1,045.45, or over, add 10% to the present pension limiting the total to \$1,200.00 which is the maximum.

Pensions as a result of the above increase cannot exceed average salary for last three years of service.

* See Increase of Pension Act

1972 Pension awarded prior to April 2, 1967 increased as follows:

Before January 1,	1960	20%
During	1960	18%
	1961	16%
	1962	14%
	1963	12%
	1964	10%
	1965	8%
	1966	6%
	1967	4%

1973 Pensions awarded during the period April 1, 1973 – March 1977

Under \$2,000	increased by \$360
\$2,000 - \$4,000	increased by \$240
\$4,000 – over	increased by \$180

Plus Pensions awarded during the period April 1, 1974 to March 31, 1977

1974	Under \$2,000	increased by \$480
	\$2,000 - \$4,000	increased by \$360
	\$4,000 - \$10,000	increased by \$240
	Over \$10,000	increased by \$120

Note: The 1973-74 increase schedule was also applied to all new pensioners added after March 31, 1973 up to and including March 31, 1977.

1975 Effective April 1, 1975 pensions awarded prior to April 2, 1975 increased by 12% to a maximum of \$1,000.

Minimum pension including survivor benefit set a \$1,240 per annum.

1976 No increase awarded

1977 Effective April 1, 1975 pensions awarded prior to April 2, 1975 increased by 6% to a maximum of \$720 but not less than \$240 per annum.

1978 Effective April 1, 1978 pensions awarded prior to April 2, 1988 increased by 5% to a maximum of \$600 but not less than \$240.

Minimum pension including survivor benefits set a \$1,680 per annum.

1979 Effective August 1, 1989 pensions awarded prior to April 2, 1989 increased by 7% to a maximum \$700 but not less that \$240.

1980 Minimum pension including survivor benefits set a \$1,920 per annum.
Effective April 1, 1980 pensions awarded prior to April 2, 1980 increased by 8% plus an additional increase for long time pensioners retired as follows:

On or before December 31,	1961	10%
During	1962	9%
During	1963	8%
During	1964	7%
During	1965	6%
During	1966	5%
During	1967	4%
During	1968	3%
During	1969	2%
During	1970	1%

Total increase not be less than \$280 per annum.

Minimum pension including survivor benefits set a \$2,200 per annum.

1981 Effective April 1, 1981 pensions awarded prior to April 2, 1981 increased by 8% plus an additional increase for long time pensioners retired as follows:

On or before December 31,	1962	10%
During	1963	9%
During	1964	8%
During	1965	7%
During	1966	6%
During	1967	5%
During	1968	4%
During	1969	3%
During	1970	2%
During	1971	1%

Total increase not to be less than \$240 per annum.

Minimum pension including survivor benefits \$2,200 per annum.

1982 Effective May 1, 1982 pensions awarded prior to April 2, 1982 increased by 8% plus an additional increase for long time pensioners retired as follows:

On or before December 31,	1962	10%
During	1963	9%
During	1964	8%
During	1965	7%
During	1966	6%
During	1967	5%

During	1968	4%
During	1969	3%
During	1970	2%
During	1971	1%

Total increase not to be less than \$240 per annum.

Minimum pension including survivor benefits \$2,200 per annum.

1983 Effective May 1, 1983 pensions awarded prior to April 2, 1983 increased by 6% but not less than \$240.

Minimum pension including survivor benefits \$2,200 per annum.

1986 Effective April 1, 1986 pensions awarded prior to April 2, 1986 increased by 4%. Increase not to be less than \$240.

Minimum pension including survivor benefits \$2,200 per annum.

1987 Effective April 1, 1987 pensions awarded prior to April 2, 1987 increased depending on effective date of retirement as follows:

On or before December 31,	1970	10%
During	1971	9%
During	1972	8%
During	1973	7%
During	1974	6%
During	1975	5%
During	1976	4%

On or after January 1, 1977
but before April 1, 1987 3%

Increase not to be less than \$240 per annum.

Presentation to MHA Compensation Review Committee

September 17, 2009

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

QUESTION 1: In May 2007, Chief Justice Green concluded a study into the Members of the House of Assembly's (MHA) constituency allowances and related matters. Based on his recommendations, the Members' Compensation Review Committee was established to inquire and prepare a report respecting the salaries, allowances, severance payments and pensions paid to MHAs. Recommendations submitted by this committee may or may not be accepted. Should the recommendations of the Members' Compensation Review Committee be binding? (Select one)

Yes	53.7%
No	23.2%
Don't Know	23.2%

QUESTION 2: Since July 1, 2007, MHAs have been paid an annual salary of \$92,580, which ranks fifth highest among the 13 provincial and territorial jurisdictions in Canada. MHAs who hold another position, such as speaker or minister, receive an additional salary. In his report Chief Justice Green stated that the level of compensation for Newfoundland and Labrador MHAs remains "adequate" and he found no basis for recommending an increase. In your opinion is the overall salary level for Newfoundland and Labrador MHAs reasonable? (Select one)

Yes	86.0%
No	11.8%
Don't Know	2.2%

QUESTION 3: The Members' Compensation Review Committee was established to inquire and prepare a report respecting the salaries, allowances, severance payments and pensions paid to the MHAs. What factors should be taken into account when setting MHA salaries? (Select as many as apply)

Salary Levels of other provincial and territorial elected officials	84.7%
Recommendations of the Members' Compensation Review Committee	64.3%
Presentation economic climate	63.3%
Salaries of private sector professional in the province	56.1%
Public sector salaries	55.1%
Cost of living (inflation)	48.0%
Performance of the government	41.8%
Other (please specify)	13.3%

Summary of "Other": education; experience; government's ability to pay within a balanced budget; and travel.

Bradley George

Director of Provincial Affairs

Canadian Federation of Provincial Affairs

**Submission to: Review Committee
For MHA's salary
Submitted by: Richard Bouzan
15 Conran St
St. John's, NL
A1E 5L8
709-364-8415**

I felt compelled to appear here today – largely due to the mixed emotions that this issue of a pay raise for MHA's has brought out in me.

Outrage – disbelief – greed – hypercritical etc.

Over 80,000 Newfoundlanders/Labradorians have left this province over the last decade – that to me is total failure of our elected politicians – The MHA's → and even with this failure the MHA's are looking for a pay raise!! You knew the pay scale when you ran. Hardly a year into office you want a raise!

Open

I come here today to tell this committee why I feel our MHA's do not deserve a raise and I will give a few examples of why I feel they are grossly overpaid for the job they are now doing vs other jobs.

They are mere figureheads – nothing more.

I hope the examples I quote here today will explain why I (and others) feel this way.

(i) Let us compare our MHA's salary to that of mainland MHA's.

(A) Mainland MHA's have a lot more constituents yet most do not get paid as much as our MHA's.

Why is that??

(ii) Let us now compare the duties and responsibilities our \$60.00 hour MHA's versus one of the lowest paid \$9.50 hour worker!! → ECE

Our MHA's are not held accountably for the majority of the decisions they make – but the \$9.50 hour are?

The ECE get about \$9.50 hour and are among some of the most important & essential people needed in our society.

The service they provide far exceeds what “figurehead” MHA’s provide. Yet “figurehead” MHA’s get about \$59.50 hour.

MHA’s are not even qualified to do ECE work yet they come here today – via this committee – and say they need more!! Then some MHA’s are the ones who decided that E.C.E are only worth \$9.50 hour. How dare you!! Fix the ECE Wage 1st.

Danny Williams & his government has announced the “Youth Retention Program”. We need to keep our young people. Danny’s even paying the young people a \$1,000 to have a child. All this to try to retain the youth.

The younger people can’t get into a day care because they are full and some of the best ECE have left for the mainland where they get a decent wage for their invaluable services.

This Youth Retention Program is doomed unless the government forgets about MHA’s raises and subsidizes the ECE to about a \$15.00 per hour wage. The MHA’s should be pushing this agenda and not their own self serving interests.

\$15.00/hour vs \$59.50 hour is still unacceptably, but it is at least a start. While our ECE and young people flock to the mainland – not one MHA has moved west!! Too bad.

“Another comparison” of MHA’s (Also Public Pensioners to → Retired Public Pensioners)

As a retired public pensioner, I have great difficulty in understanding why the MHA’s feel they need – let alone deserve a pay raise!! The majority of MHA’s appear to be there as career politicians, and their behaviour reflects this. They appear to be more arrogant as the amount of time that they elected increases. The recent constituency allowance scandal is proof of that.

The system appears to work for the MHA’s and not for the public – to whom theses MHA’s report too. The whole system of pay increase, allowances etc all need to be 100% open to the public and accountable to the public and to regular Auditor General reviews.

I personally, have a lack of respect for politicians and recent and past events have only served to increase this lack of respect.

MHA’s are employees of the public and must first and foremost report to the public.

I understand that over 14 MHA’s have made personal written submissions to the committee requesting a pay raise. What arrogance!! Behind closed doors.

A telegram report stated that MHA’s Kelly and Kent made the comment that a higher salary is needed to attract better candidates. This statement can only be interpreted as they and other MHA’s are neither competent nor capable. They don’t deserve a raise.

As a former employee of the Health Care I had to do overtime – no extra pay; I had to sit on various committees – no extra pay, so why should MHA's expect to get compensated for being on a committee?? It is part of their job – suck it up and stop complaining.

To add insult to injury MHA's wanted to eliminate briefing notes. This takes away all public access to critical information needed by the public to determine the competency of our MHA's and who we may vote for the next time. To give MHA's a pay raise would be insulting all the present and former civil servants – who had to work 35 years to get a pension vs what a MHA has to work to get a pension. This system is not acceptable to me anymore!!!!

If MHA's can have a separate forum to discuss their salary and pensions – why can't retired public pensioners have one too??

MHA's are nothing but figureheads – they generally have no expertise in the field they are the Minister off. The MHA pay of \$103,000.00 is way too high!! If the MHA's are worth that – then why isn't a nurse – (far more educated in health – than the health minister) not worth \$103,000??

There are 100's and 100's of volunteers who do as much if not more work than any MHA and volunteers get \$0 dollars!!

The average public pensioner gets \$14,000.00 a year as discussed on Randy Simms Open Line in the last week of August/09 on Open Line. How dare MHA's request more and do nothing about a situation like this.

Young women with a 2/3 training program in Early Childhood Development get \$9.50 an hour. Yet them trained skilled people look after our most valuable resources – our children, our kids!! There is not an MHA in the House who can do this, because they do not have this training, yet the MHA's get \$103,000.00 plus perks.

What a shameful situation this is. How dare you look for a raise.

Yet not one MHA has raised the serious issue of the former public pensioner or the Early childhood Development people up. Why is this??

As Dr. A. Tate has stated – people – trained & educated people are leaving ECE and moving on taking jobs at KC for higher pay!!

These ECE don't need a 3 year training program to work at KFC or McDonalds or Tim Horton's – and get higher pay – for work that is clearly way more valuable to our society than these jobs – who need no 3 year specialized training.

Government (Danny) has announced the New Youth Retention Program and the \$1,000.00 baby bonus as a way to keep the population from leaving – yet the most critical plank in making this Program a success is to ensure that young people with children – have adequate day care – with these trained ECE workers. Who are properly paid.

If this is not addressed then Danny's "Youth Retention" Program is only smoke and mirrors to make him look good.

Give ECE workers the decent salary or subsidy they deserve and maybe this "Youth Retention Program" may work.

Another injustice that this current government and the MHA's ← the same MHA's who now want a raise ← have done is to ignore their responsibility to a very unique group of people in our society.

"Former Public Pensioners Retirees"

These are the people who worked for the government for 35 years plus and then received a small pension.

Do not confuse Seniors with Public Pensioners, they are 2 separate groups.

When Danny announced the four year 20% raise for public workers – for the patience and hard times they endured with no raises for almost 10 years – he overlooked the ones who retired during these hard times – and these are the Retired Public Pensioners – who also deserved some type of raise – but as Danny said "Not on my watch". What Insensitivity – What Disrespect for the group of people!!! What disrespect for Seniors.

The MHA's who represent these people – said nothing and did nothing. Yet 14 MHA's submitted written presentations to this Review Committee requesting a pay raise – they did this not in the open but behind a closed door.

Shameful.

Not only is Danny insensitive toward Retired Public Pensioners – the MHA's also appear to be. Yet these MHA's want a raise using the hard earned money put into the system by these former Public Pensioners.

The majority of the other provinces have given a cost of living indexing to their retired Public Pensioners. Why? These are not "HAVE" provinces as we are!!

An exploration is needed for this – and justice must be done before one single MHA gets any kind of raise!!

MHA's pension should be based on the same principles as other public civil servants are. The number of years worked should be what their pension are – not the grossly overinflated pension that MHA's now get.

Even the playing field!!

From 1989 – to about 1999 – there were no raises for Public employees of government.

Remember – former public servants who retired during this period – their pension was based on their 5 highest years of pay.

The government (Danny) – when recognizing that Public servants sacrificed for these years – only gave them a 4 year 20% raise ignored the ones who retired during that time – at a much lower pension rate – due to 10 year wage freeze.

Also, the money paid into the system by the former Public Pensioners – was not invested but put into general revenues and used to pave roads or get MHA's re-elected. It was years before this injustice was corrected – but the ones who are now suffering the most from things are the Retired Public Pensioners.

Before any MHA raise is ever considered this injustice must be corrected!!!

Danny and his MHA's are now making announcements that they will give severance and salaries to former Abitibi Price workers – to loggers and now fishers ← with our money – yet Danny and his MHA's refuse to correct the injustice done to former Public Pensioners.

Why is this??

Remember the mill workers – the loggers and the fisherman didn't pay into a pension like the retired Public Pensioners did!! So why are they left out??

This is not acceptable!!

Let us first correct this injustice to former Public Pensioners before any MHA's raises are even considered.

As Danny and his government are raking in billions and billions of dollars – Danny is looking after everyone except this unique group.

Now the same people → who can correct this wrong ← are looking to us → our tax dollars for a raise.

No Way

During a telephone conversation with Mr. Bouzan on October 5, 2009 he requested to make some additional comments regarding the work of the Members' Compensation Review Committee. Below are the additional comments.

“This is a farce! Due to the fact that the MHAs have already had their raise as of July 2009.

Also that the Committee itself was bias because it reported to Government and not the people. They were all appointed by Government and therefore they report to Government

and not to the people. So the intention or purpose of the public meetings is for the Committee to act on what the Committee says and not what Government says.

This was an exercise in futility. Also it was total secrecy by the MHAs and the Government because this was a done deal. MHAs and Government should not have been allowed to go near that Committee. There should have been an independent adjudicator appointed by the public to do the final report (PUBLIC REPORT)”

Submission to: Members' Compensation Review Committee

Chair: Mr. Joe O'Neill

P. O. Box 8700

St. John's, NL

A1B 4J6

Attention: Ms. Ann Oldford, Administrative Assistant

709-729-7372, E-Mail: mcrc@gov.nl.ca

Submitted by: Terry W. Burry

P. O. Box 131

Glovertown, NL

A0G 2L0

Submission: September 17, 2009

This submission is a follow up from the: [Members' Compensation Review Committee - Public Advisory: Notice of Public Meetings](#), St. John's,

September 17th, 3:30 pm, Capital Hotel, with Mr. Joe O'Neill, Ms. Cathy Bennett and Mr. Brian Barry.

Good afternoon, my name is Terry Burry from Glovertown. Thank you for the opportunity to be here today and speak to your committee, this last session in St. John's. Gander would have been much closer for me to drive, about 40 minutes, as opposed to a 3 hour drive to the Capital City. However, Gander wasn't on your schedule.

First of all I would like to concur with the six-point program as by Mr. Norm Mercer in his presentation that he made to you on August 18th, which included:

- 1) A 3 year freeze on salaries and benefits
- 2) A one-third cut to top up salaries
- 3) An end to an extra \$200/day to attend committee meetings
- 4) Severance pay at one week of salary, not one month
- 5) Pensions modified to reflect a RRSP style of contributions
- 6) A more modest travel allowance

I also concur with Mr. Mark Watton, who I understand made a presentation on August 6th in Corner Brook. He suggested:

Too much attention has been given to what MHA's may have spent money on, and more focus should have been on the practice of using public money to curry favour with the electorate.

The purpose of my attending the St. John's session was to talk about Health care, Mental Health in particular.

But before doing so, I would like to speak, briefly, about the structure of the committee. Firstly, I believe that once the chair has been selected, then the chair and the chair alone should determine who gets to sit on the committee. If Justice Margaret Cameron can get to pick and choose her co-counsel, then the chair should get to do likewise. Secondly, the committee should have at least 7 members on board, not just the 3 at present. The House of Assembly has 48 members, the City of St. John's has 11 councilors and most other municipalities have 7 councilors. Also, the 7 members on the committee should come from a broad spectrum of society:

- One from business
- One from labour
- A retired judge
- Two from the university (one from Economics and one from Political Science)
- The other two should be ordinary citizens, maybe a single Mom or Dad and a seasonal worker from rural NL who may work at a fish plant or in the forestry sector.

I said I want to talk about HealthCare. We have to take a family member to the US every six months for health care . . . while twice as much gets spent on MHA's salaries, on a per capita base, as compared to Nova Scotia and Manitoba, due to the number of constituents in a given district. And on top of that our NL MHA's are some of the highest paid in the country, on a per salary and benefits base.

Now we have a Minister of Health, or should I say a Premier, who has done away with briefing notes:

[Briefings only oral for Oram](#)

BY ROB ANTLE

The Telegram

15 Aug 2009

It has a budget of \$2.6 billion and is responsible for ensuring the wellbeing of more than half a million residents of Newfoundland and Labrador, but the Department of Health and Community Services says it does not have a single scrap of paper or... [read more...](#)



[Verbal briefings defended by health minister](#)

Provincial NDP Lorraine Michael said she was shocked to learn that Oram had no briefing notes provided to him. "I have briefing notes on everything ... done ...

[Worth noting](#)

The Telegram

29 Aug 2009

*"I'm sitting at my desk here now with, I don't know, maybe 24 inches of briefing notes and books and everything I have to go over." That's **Paul Oram**, the newly minted minister of health, talking to a reporter at the Gander Beacon in July. Strange... [read more...](#)*

We have a government who has taken its own Information Commissioner to court:

[Province sues to cut powers of watchdog](#)

BY ROB ANTLE

The Telegram

08 Sep 2009

Newfoundland and Labrador's attorney general has filed two Supreme Court actions aimed at curtailing the powers of the province's open-records watchdog. The information commissioner investigates complaints by citizens, and writes reports that outline... [read more...](#)

POSTED ON 08/07/2008

[Go to court or be satisfied, Ring says - Transparency](#)
Transparency

If you don't go to court to access government records, you must be happy with the decision to deny you the information, the province's privacy commissioner says.

To further diminish his authority and to curtail the public's right to have access to information; and for that, MHA's should be rewarded with a pay raise??? I don't think so!!!

While waiting lists grow longer in this province to see a specialist; while residence of Gander and area enters a draw for family doctors; while residence of Lewisporte and area loose lab and X-ray services that was established many decades ago . . . MHA's seek an increase to the base income of \$102,000, while the average person makes about \$30,000/year.

While Teen Patients get transferred in handcuffs for psychiatric care from the Janeway Hospital in a police car; MHA's want a pay raise.

[Teen patient transferred in handcuffs for psychiatric care](#)

A mother is outraged that officials at a St. John's paediatric hospital handcuffed her distraught daughter and transferred her in a police car to a psychiatric hospital. [more »](#)



[Investigation launched into children's psychiatric unit](#)

[The Child and Youth advocate in Newfoundland and Labrador has announced a full-scale investigation into the operation of the psychiatric unit at a children's hospital after questions rose about how suicidal teens were being treated. more](#)

While doctors quit at the Janeway Hospital and move away; MHA's want a paid raise:

[Janeway emergency doctors need better training](#)

BY STEPHEN NOSEWORTHY

The Telegram

06 Sep 2008

I write in response to Dr. Ken Henderson's comments regarding the resignation of the

province's only pediatric emergency room specialist in the Aug. 23 Telegram ("No support for change"). Are the children of Newfoundland and Labrador not worth the... [read more...](#)

September 13, 2008 [Quality assurance missing at Janeway ER](#) Dr. Steven Noseworthy's piece ("Janeway emergency doctors need better training") in the Sept. 6 Telegram was déjà vu all over again . . . Ches Crosbie

While the CEO of Eastern Health loses his job and while the Deputy Minister of Health loses his job; MHA's want a pay raise:



George Tilley said Eastern Health was asked to shave millions of dollars in spending soon after it was formed. (CBC)

April 19, 2008 [Cutbacks loomed during cancer crisis, N.L. inquiry told](#)



John Abbott testified that he feels he lost his job as deputy minister of health over the cancer testing controversy. (CBC)

[Schedule & Witnesses](#)

[CBC Newfoundland and Labrador | Features | Cameron Inquiry](#)

[N.L. government thrown into 'disarray' by cancer tests, inquiry told](#)

7 May 2008 ... John Abbott testified that he feels he lost his job as deputy minister of health over the cancer testing controversy. (CBC) ...

www.cbc.ca/canada/newfoundland-labrador/.../cancer-chaos.html

John G. Abbott, now the CEO,

*The Health Council of Canada
Suite 900, 90 Eglinton Avenue East
Toronto, ON M4P 2Y3*

Telephone: 416.481.7397

Facsimile: 416.481.1381

E-mail: jabbott@healthcouncilcanada.ca

Waiting list to see doctors gets longer:

http://www.fcpp.org/main/publication_detail.php?PubID=2346

Canada Health Consumer Index 2008

<http://www.cbc.ca/health/story/2008/09/16/frontier-health-index.html?ref=rss> Newfoundland and Labrador's health care system placed last in the September 16th, 2008 inaugural Canada Health Consumer Index while Ontario was the leader, based on measurements such as wait times, health outcomes and value for spending. The Frontier Centre for Public Policy, a Winnipeg-based think tank, and the Health Consumer Powerhouse, a Swedish organization that compiles consumer information on health care, released the report, which assesses the 10 provinces in terms of a set of consumer-oriented indicators.

[The Telegram \(St. John's\)](#) File Format: PDF/Adobe Acrobat - [View as HTML](#)
*The Telegram (St. John's); Tuesday, November 20, 2007, p. A4 - Health. Association addresses mental health wait times. By Tara Mullooney ... Newfoundland and Labrador was named as the province with the longest wait time for psychiatric treatment in a report released by the Fraser Institute Monday. **Patients in this province wait about 39.2 weeks to be seen by a psychiatrist, compared to a national average of 18.5 weeks.***

The mess that is in this province today, with the Child and Youth Advocate suspended from her job:



N.L. youth advocate removed from job

Newfoundland and Labrador's child and youth advocate has been suspended because of complaints about how the office is run. [more »](#)

The Citizens' Representative is in a conflict of interest:



*Citizens' Representative
Barry Fleming*

His wife was and is employed by Eastern Health.

There's a saying that: *if you lose **your** wealth you've lost **nothing**; if you lose **your health** you've lost **everything!***

There is nothing more unequal than the equal treatment of unequal people.
-- Thomas Jefferson

All of us do not have equal talent, but all of us should have an equal opportunity to develop our talent.
-- John F. Kennedy



COO, Eastern Health
Beverley Clarke

And the MHA's want a pay raise!

In conclusion, there should be no pay raise for MHA's at this time. Healthcare is more important than pay raises for MHA's.

Additional comments made by Mr. Terry Burry (October 5, 2009)

I've lost all confidences in your committee because:

As of July 1st, all of our MHA's got an eight per cent increase . . . they Cherrie pick all the best aspects of every situation and will continue to do so!!! And meet the Committee behind closed doors!!! Amazing!!! Allowing MHAs private status provides neither transparency nor accountability. And the fact that MHAs don't recognize that and agreed to make their case in private, shows the reform of attitude is far from complete.

Also, for the pay that members get, they don't even return phone calls. The only time that they do phone is to swear on voters use all sorts of bad language, "F" words, etc., re: flying in first class on February 26th, AC 260, Toronto to St. John's.

They are out of control – a government run by a dictator.

Terry Burry
Glovertown

SUMMARY
Presentation to MCRC by
DAVID C. PRIOR
WHITEWAY, NL

Capital Hotel
St. John's
September 17th 2009

The Chairman was asked to clarify the Mandate of the Commission to ensure that any suggestions would at least be listened to by Government and that this exercise is not simply Yes/No for remuneration change.

The short answer to the question of MHA remuneration is to leave the current status as it is for now....no changes.

The long answer qualifies that stand.

It was acknowledged that there are members of the house who work diligently for the people who elected them, and that is to be applauded.

For all members there can only be one pay scale. You cannot differentiate between those who work diligently and those who do not.

If we cannot change the pay structure we have to try and change the factors which create discontent amongst the electorate.

We therefore have to look at two factor groups.

1. MHA'S THEMSELVES.
2. GOVERNMENT AS A BODY

Problems discussed were.

ACCOUNTABILITY

Need to have records of attendance and responses to E-Mails readily available for scrutiny.

Two anecdotes were presented to illustrate opposite reactions to problems presented previously to Ministers. It is possible depending on the particular minister to get things done.

PEER REVIEWS for politicians (NOT BY POLITICIANS) were suggested and job appraisal consistent with many other professional bodies.

THE CREATION OF AN OMBUDSMAN FOR CONSTITUENTS was suggested.

2. Operation of Government as a body.

The behaviour of a minority government illustrates how a response to the electorate can occur. Unfortunately we are not blessed with minority government or a large opposition.

A major source of discontent is an apparent lack of common sense being applied to certain situations.

The Memorial Presidential affair was noted as such.

Increasing the amount of time the house sat, would encourage debate and the enactment of more required legislation.

There are many problems which do not cost any money to improve such as legislation increasing penalties for animal abuse.

Items which do cost money but are vital to the improved well being of the province are delayed for years.

Example. Midwifery has been discussed for over 30 years committees, meetings, reports etc, yet nothing tangible available.

Contracts for negotiation are often left until well past the contract date. A settlement eventually realized in the middle of the night at the final hour. The cost of this attitude is enormous and avoidable.

HOW DO WE CHANGE THINGS.

Change the attitude of Government.

An example of a constituency meeting was given illustrating utter arrogance and disregard for the residents. Unacceptable.

MHA's having two jobs at once should not be allowed. Multi tasking is a myth.

A couple of the principles of conduct for MHA's were quoted. Recent events such as constituency allowances go against those principles. It is therefore not surprising that the public have little faith in their elected officials.

THE PRINCIPLES ARE THERE TO BE ADHERED TO.

WHAT CAN WE DO TO ENSURE THEY ARE.

Finally perhaps we should have a system of recall. An ability of a constituency to remove its member who falls below standards expected, before an election.

BASICALLY MR CHAIRMAN, if government want our respect and support for any changes in remuneration they should work to deserve it.

Measures that can be taken to ensure this could be.

Increased accountability
Better communications
Changes in attitude
An Electoral Ombudsman
Peer reviews, job appraisals
Perhaps recall.

Respectfully submitted.
September 17, 2009

David C. Prior

**Presentation
to
Members' Compensation Review Committee
By
Home Care Workers**

Who We Are

We have been chosen to represent more than 2000 home care workers who are members of the Newfoundland and Labrador Association of Public and Private Employees (NAPE) who work in every region of the Province of Newfoundland and Labrador.

We provide personal care, dispense medications, provide housekeeping services, provide supervised access to Child, Youth and Family Services clients, as well as perform nursing duties such as changing sterile dressings, performing ileostomy, colostomy and tracheotomy care, testing blood glucose levels, etc.

We provide these services in the clients' private homes for the grand sum of \$10.50 per hour. Should we perform these duties in a public institutional setting, we would - at a minimum - be classed as Personal Care Attendants and would earn on a scale of \$17.58 - \$18.86 per hour as well as the full range of benefits negotiated by NAPE for hospital support staff.

We work in isolation, without the supports of an institutional setting.

Home care workers, the majority of whom are women, are subjected to health and safety risks and face poor working conditions which include split shifts, 7 day work weeks, excessive travel requirements with no reimbursement for mileage and non-paid time between clients.

Because the Government of Newfoundland and Labrador has privatized the provision of home care services, we are employees of private agencies whose compensation rate is dictated by the Government. Although adamant that they are not the employer, Government stipulates the wages and controls the funding which limits our benefits and is directly responsible for our working conditions.

Why Are We Here?

We understand that the mandate of the Members' Compensation Review Committee is to inquire into and prepare a report respecting the salaries, allowances, severance payments and pensions to be paid to the Members of the House of Assembly of Newfoundland and Labrador. Our compensation "package" comes from the same pot as does the MHAs and is ultimately funded by the same people – the citizens of Newfoundland and Labrador.

As members of the public, we are here because we are being asked to support MHAs in their pursuit of a just system of compensation for their work. We clearly state that all working people should be appropriately compensated for the work they do.

We are not in a position to judge whether current levels of compensation for MHAs are adequate or whether they should be increased and by how much. We are, however, in a position to tell you that we home care workers are definitely not properly compensated for the work we do.

Salaries

As we understand, the base salary of a Member of the House of Assembly is \$92,580.00 per year. Members who hold additional roles receive additional compensation.

The current rate – dictated by the Government - for a home care worker is \$10.50 per hour. Working a 40 hour week, a homecare worker will earn \$21,840.00 per year or \$21,000.00 should she or he actually take a two week vacation.

Payments MHAs receive for additional roles are often greater than the total salary of a home care worker.

Severance Pay

At present, home care workers do not have an entitlement to severance, regardless of the number of years they have served an employer. MHAs, however, are paid up to one year's salary (and a minimum of 3 months) on the formula of a month's pay for each year of service. Members are entitled to these very generous severance terms when they leave the House of Assembly - even if they have failed to be re-elected.

Pensions

Public sector workers have a pension plan. We understand that MHAs have a “Cadillac” pension plan in comparison to that of employees in the public sector. In any event, it is difficult to support any additional benefits for MHAs when we, home care workers, do not have access to any sort of a pension plan. We are very much afraid that at the end of the day, after a lifetime of service to the public, when our bodies are aged and broken, we will have nothing.

Sick Leave/Workers' Compensation

There is little information on the level of benefits enjoyed by Members of the House of Assembly with respect to sick leave/workers' compensation. However, we are assured that Members do not lose pay should they experience illness, accident or injury and we agree that is as it should be.

Working people who provide an essential service to the people of Newfoundland and Labrador, however, do not enjoy the same level of benefit. Home Care workers, on average – if unionized – earn approximately one day per year in sick leave benefits. Workers are reporting for work in the

homes of clients when, in fact they should be at home but cannot afford the loss of pay.

Those who are employees of agencies – only – are covered by Workers' Compensation if injured on the job. The benefit level is so low and based on such low wages, many workers are continuing to work while injured rather than suffer the loss of income.

Medical, Dental and Life Insurance

Members of the House of Assembly are fully covered by the Government of Newfoundland and Labrador's Life Insurance and Medical and Dental plans at very affordable rates. In contrast, less than 10% of home care workers are eligible for coverage in an employer-provided medical plan and even they have to pay the full cost of the medical plan which is as much as 25% of their monthly wages. No home care workers have access to a dental plan or life insurance.

Travel on the Employer's Business

Members of the House of Assembly are, in fact, compensated for any travel on the employer's business. This, however, is not the case for the vast majority of home care workers. Workers may have to travel between 2, 3, or as many as 5 clients and, in all but the rare cases, are expected to provide their own transportation at their own cost. Neither do they qualify for any kind of meal allowance. Even more disturbing, workers are not compensated for travel time between clients.

What Bearing Does This Have on MHA Compensation?

MHAs are asking the people of this province to support their request for a raise in salary, a raise that would come from public funds. Newfoundland and Labrador MHAs are already the third-highest paid in Canada. On the other hand, home care workers in this province are amongst the lowest paid in Canada. We, too, are paid from the public pot. We, too, provide a public service. We, too, work hard. We work very hard in very difficult circumstances.

Unlike MHAs, however, the issue of recruitment and retention is a very real problem for our sector. Many leave at the first opportunity to take better paying jobs in the public health care system. Many others leave to work in other provinces where the wages and benefits are much higher.

We are not saying the MHAs shouldn't receive an increase. We are saying that before MHAs give themselves a raise, they should address the situation of home care workers. They should acknowledge that the provincial government is our true employer: they should agree to pay us a competitive wage, and provide us with basic benefits. And MHA's should do that before they improve their own pay and benefits. It is the fair thing to do. It is the right thing to do.

We would like to thank the Committee members for their time and attention.

**Submission to:
Members' Compensation Review Committee**

**Submitted by:
Employees of the Burin/Marystown Community Training and Employment Board
Capital Hotel, St. John's
September 18, 2009**

Good morning Mr. Chairperson and members of the committee.

We welcome the opportunity to make representation to you.

We are here on behalf of a group of workers with the Burin/Marystown Community Training and Employment Board. We are here to make representation and put forward our views on the subject of the salary increase for Members of the House of Assembly.

In order to appreciate our position we believe it is important for you to understand who we are and the rationale for our views. Let me say up front that we are here to deal with the increase for MHAs and not to negotiate a wage increase for ourselves; however, we ask that you allow us to relay our story as part of our rationale.

We are a group of 14 workers who provide support services to persons with disabilities in the Burin-Marystown area. What we actually do is provide support based services to enable persons with disabilities to work in the community.

We are unionized workers represented by the Newfoundland and Labrador Association of Public and Private Employees (NAPE), and whose wages and benefits are covered by a collective agreement.

Our salaries range from \$9.73 at the beginning scale to \$10.62 an hour at the top of our scale, which comes into effect after two years employment. We are a predominantly female group of workers, with over 90 per cent of our workforce being female.

The collective bargaining process for us commenced in December of last year. We initially made a proposal to accept Government's template offer made to public sector workers, which included the 20 percent pay increase. We believed at that time that our offer was acceptable to our employer, contingent on Government funding being available to the Board.

Some months later, Government became involved and put forward proposals which in effect are concessions for us. It is important that we have not had any offer of a wage increase, just an offer to take the few benefits we have. One of these concessions is the removal of a letter which would enable us to be included in the new classification system for Government, which is currently being developed.

In other words we would forfeit our ability to be compared to similar classifications in the public sector. This is a right no other public sector group has had to give up.

Mr. Chairperson and Committee Members, we do not begrudge any worker, including those in elected positions, a decent wage or benefits. After all, that is what we ask for ourselves.

No one is asking MHAs to give up any of their benefits to get a wage increase. Yet, we as a group of workers, are being told, by these same people, Government, that we have to give up sick leave benefits, that we have to give up an opportunity to be compared to others in the public sector and paid a comparable wage to others in the public sector, during that process.

The MHAs are seeking a pay raise which, in essence, is the same increase as given to other public sector groups. The annual base salary for an MHA is \$92,580; Cabinet Ministers earn an additional increase as does the Speaker of the House. MHAs also receive an allowance for committee meetings and receive constituency allowances.

Clearly, their base salary is not a true reflection of what they are paid to do their jobs. Overall, this is part of their income. However, we are not here to offer comment on their current wage, but we feel it is necessary to our discussion to reflect on this.

We are not here to say MHAs should have their benefits reduced, nor are we saying they should not get an increase. But Mr. Chairperson and Committee members, there is a fundamental flaw in MHAs seeking a 20 percent pay raise, when this same group of people will not discuss a pay raise for us unless we agree to concessions.

What we find so disconcerting and yes, even offensive, is that MHAs expect us to say it is okay to give them something they are not prepared to give us. There is something fundamentally wrong when our MHAs ask us to support them in approving a 20 percent increase for themselves, when these same people are telling us they are not prepared to reciprocate and support a wage increase for us, a group of support workers earning \$10 an hour.

Some MHAs have spoken on this issue. The leader of the New Democratic Party, Ms. Lorraine Michael, is quoted in an August 21, 2009 *Telegram* editorial as saying she supported an increase because she works hard. We all work hard, even those of us who make low wages. We might be so bold as to say that we work harder than some.

Two MHAs have recently alluded to the importance of a comparative review. In a presentation to this very committee on August 17, an MHA suggested that pay increases for MHAs could be justified if they were given a more defined role - a job description - and an increased level of responsibility. Another MHA, on VOCM radio on July 31, 2009, stated that he agreed with the 20 percent increase for MHAs to attract great people to the House of Assembly; and for recruiting great candidates, there has to be a competitive compensation package in place. Both of these MHAs clearly see the value of such a process for themselves.

Without offering any commentary on the greatness of our elected officials, we think it is fair to say that we all want a method to provide competitive wages and benefits for all sectors of our work force, including for those who provide services for persons with disabilities. We agree that a competitive compensation package is important to recruitment. That is why we are so determined to ensure that our own workforce remains viable.

One Government MHA has stated that he believes in a comparative system for politicians, and yet his Government is seeking to take away the very provision which we have negotiated, which would enable us to have a comparative review. It is clear he supports this for his own colleagues. We have yet to hear him state that we, as support workers for persons with disabilities, should have the same benefit which he espoused for himself.

Currently, the base salary for an MHA in this province is the third highest in the country, and that figure does not include any of the additional remuneration individual Members of the House receive.

The same Government is seeking to take from us the ability to be compared with other public sector workers in this province. We are confident, with a current salary of approximately \$10 an hour, such a review would result in an upward adjustment for us. Clearly, it appears so is Government.

We are in jobs which have historically been low paid, receiving no recognition for the value of our work. If we do not work, the persons we support are unable to participate in the workforce. In other words, if we are not there, those to whom we provide support services cannot work. In comparison, if many of these MHAs, in particular back benchers, do not show up for work, does anyone even notice?

In our deliberations of whether MHAs deserve a salary increase we cannot ignore our own current situation, nor can we separate the two. Government has chosen to become an active participant in our negotiations. They have made no offer of a salary increase to us. They have made concessions the order of the day, expecting us to accept less than other public sector workers.

If Government is seeking concessions from us because of budgetary restraints, then the issue of a wage increase for MHAs is redundant. If that is in fact the rationale for the position they have imposed on us, then it is irrelevant what we or anyone else has to say on the matter, and with all due respect to the Committee, your work is already done.

If there are other reasons why we are expected to accede to less than what we already have, then our position is unequivocal. We believe this is a double standard. In our case, we have no monetary offer, only demands for concessions which ultimately would result in our forfeiting a potential increase in our wages.

We thank you for this opportunity to present to you our position in this matter. We hope that you take into consideration what we have put forward to you in a matter of fairness, and we wish you well in your own deliberations.

**Doug Smith
38 Knight Street
Grand Falls-Windsor, NL
A2A 2N3**

Dear Committee Members:

There are two factors I believe you must take into account when determining compensation for our MHAs, namely, the public perception of our politicians and the great disparity between MHA salaries and the salaries of all other citizens.

First, the public perception of our provincial politicians. The recent constituency allowance scandal where millions of dollars were inappropriately used by 108 of 115 politicians investigated, left the public deeply disappointed in our members. Comments in, letters to the editor, on open line shows and on the internet were made such as, these politicians have no honour, scruples, conscience, masters at swindling the public, and only out for themselves. These beliefs and others like them, becoming wide spread, do nothing but undermine our democracy and breed contempt and cynicism for our elected officials.

If the above wasn't bad enough, according to the latest auditor general's report, current and former MHAs have failed to repay nearly \$2 million in connection with the constituency allowance spending scandal. When the people's hard earned money is taken from them in the form of taxes, they have a right to expect that their tax dollars will be used in a right and proper way for the good of all citizens in this province. To refuse to pay back inappropriately used tax payers money, I believe shows a disdain for the citizens of Newfoundland and Labrador and casts more than a shadow on the character of our MHAs.

The second factor committee members need to take into account in determining compensation, and here I restrict myself to salaries, is the great disparity between MHA salaries and the salaries of all other citizens.

In May 2007 the Hon. J Derek Green, chief justice of the Supreme Court of Newfoundland and Labrador issued a report dealing with the constituency scandal and MHA compensation. In his report there is some interesting information that should influence anyone making a recommendation concerning MHA salaries.

In the report it was noted the 2006 salary of NL MHAs was \$90,946.00. In my opinion, this is already too generous. Attention was drawn to the fact NL MHAs rank 5th highest among 13 provincial and territorial jurisdictions. Even, wealthy Alberta and British Columbia are behind NL.

When it comes to comparing our MHAs' compensation with ordinary citizens, our politicians do extremely well. It could well entice a person to try to get elected just for the salary rather than serve the people, as our politicians always claim they do.

The 2005 average provincial family, not individual, but family income was \$51,500.00.

The 2005 average Canadian family income was \$62,700.

According to Statistics Canada in 2005 approximately 97% of individuals in NL earned less than our MHAs.

In 2005, 95% of individuals in Canada earned less than our MHAs.

Given these facts, and following the principles of transparency and accountability, which are absolute musts, if we want people to have a belief that our politicians really are looking after the people's interest and not their own shameful self interest as I related in the earlier part of this letter, my recommendation to the committee reviewing MHA compensation will be the following:

- NL MHAs compensation will be the average of the 9 other provinces.
- That any increase above the Canadian average for politicians will only happen when the average salary of the citizens of NL is above the average for the citizens of Canada.

These measures will weed out those whose main interest is to be in the top 5% (as our MHAs are) of earners in Canada and reduce the unconscionable salary disparity between citizen and politician.

**Sincerely,
Doug Smith**

Report to the Members Compensation Review Committee
Submitted by: Mr. Geoffrey Peters

I am please to present my views on a subject which has concerned me greatly for many years and I appreciate the opportunity to offer my thoughts for your consideration.

I was given time to present late on Thursday, September 17th but I had a previous commitment so I do hope that presenting this report after the public hearings will suffice.

I prefer to limit my thoughts to members compensation only as I feel members allowances have been addressed by Justice Green and pensions and severances are best left to those more familiar with the subject. It is difficult to comment on compensation matters when one hasn't experienced the job and so you ask "how much is too much, how much is a fair salary?" We know that at present members receive a base salary of \$102,000 with additional indemnities, salary and allowances paid to those who carry out extra duties, Premier, Minister, Speaker, Leader of the opposition etc.

Whereas the members of the Legislative Assembly of New Brunswick receive a base salary of \$43,955.23 (2006 figures) in fact NL members are the third highest paid in Canada among Provincial Legislatures. To make matters worse, we are told that any increase given to the civil service through negotiated contracts is automatically passed on to the MHAs, hence the increase to \$102,000 from \$92,000.

In my opinion this is wrong and I strongly suggest you recommend withdrawing this policy at once. Members of our Assembly should NOT be benefiting from contracts they vote on. It's a conflict. "The fox in the hen house syndrome."

I now turn to the issue of district representation. We have 48 seats in our House of Assembly, 4 seats from the Labrador portion of our Province and 44 from the island. Our latest census count is 512,930. There are 485,066 residents on the island and 27,864 in Labrador so we average 11,024 per district and 6,966 per district in Labrador. Is 48 seats too many? Let's look at it further. Greater St. John's including Mount Pearl and Kilbride is represented by 10 seats and I ask, do we really need 10 seats?

Many of the issues of concern to these residents of an urban setting are of a municipal nature so a sitting MHA from the St. John's area has a lot less work than an MHA from the rural areas of our Province. I would suggest that in the smaller rural areas, the sitting MHA is the go to person for all issues. You can imagine the work involved for these members as they attempt to look after their districts when the House is in session. It must be remembered that roads, snow clearing, water, sewage and property taxes, etc. are generally not on an MHA's agenda in a city riding and it's my opinion that we can eliminate at least 3 districts in the St. John's area thereby eliminating some expense. I also think that even 45 seats are too many for a Province of our size and population.

Members of the Committee,

It's very difficult to justify having one of the highest compensation packages of all the Legislative Assemblies in Canada when we have the highest per capita debt and one of the highest rates of unemployment. How can this level of compensation be justified in this environment?

There have been comments about the lack of interest in your committee and it's my humble opinion that people are simply fed up with the sense of entitlement and lack of responsibility by some elected officials. I refer to the ongoing constituency spending scandal and the Federal sponsorship debacle of a few years ago.

It appears that the ordinary voter has lost interest in the process and feels that his or her opinion won't change anything. That attitude has to change so I therefore wish you every success as you present your report to the Speaker and the House of Assembly and I only hope that you consider my points and the arguments of others presented to you during your hearings.

You have been given a difficult but very important task and I challenge you to make the recommendations thereby restoring the trust in the Government that we expect.

Respectfully Submitted,

Geoffrey Peters

September 17th, 2009

**Janice Eisenhauer
Grand Falls-Windsor**

Good Day!

I would like to add my comments regarding the MHA's salary.

I do not support an increase in their salary. The money would be better spent on social programs such as student aids for disabled children, women's shelters, and subsidized housing for seniors and the disabled. I feel MHA's are paid ample for their services.

Regards,
Janice Eisenhauer

Ms. Eisenhauer asked to include additional comments to her submission. As per her e-mail dated October 5, 2009, the following are her comments:

Why were there public consultations in the first place if MHAs already had their raise?

Why did they get an 8% raise in one raise and public employees would have to wait 4 to 5 years to get such a raise?

Lead by example.

Ken O'Brien
3 Ryan Street
St. John's
Electoral District of St. John's South
E-mail address: crocker.obrien@nl.rogers.com

To the members of the Members' Compensation Review Committee:

Mr. Joe O'Neill, Chair

Mr. Brian Barry

Ms. Cathy Bennett

Thank you for the opportunity to comment on the salaries, allowances, severance payments, and pensions to be paid to Members of the House of Assembly. This is an important matter which has gained increased public attention and cynicism in the wake of the MHA spending scandal in Newfoundland and Labrador.

My own comment is that, whatever is decided, no politician should be able to vote to change (usually, this means to increase) his or her own salary or benefits. That is inherently a conflict of interest and completely improper.

Any change in salary or benefits, voted on by the House, should only take effect after the next election. In other words, the House should only determine the salary or benefits of the future House (their successors), not the present House (themselves).

Anyone standing for election knows what the salary and benefits are. Politicians voting on their own pay increases create increased public cynicism, as it is a rare thing indeed that a working person can simply decide to increase his or her own salary.

Good luck in your deliberations.

Ken O'Brien

Jeff Tulk
St. John's, Newfoundland
jefftulk@chipplehouse.com
T 709 764 2802

I would like to offer the following submission re MHA salaries, Pensions, and allowances.

I have a background in human resources and management consulting, including training in the Hay Compensation System. I believe the current MHA system requires a complete overhaul to:

- adequately compensate MHAs for service to the Province.
- recognize that compensation should be adequate but not excessive. The motivations and rewards for MHA are many, but the most important one should be desire for public service, leadership, et; it should not be to significantly increase one's salary at the expense of the Province's citizens.
- a compensation system based on other jurisdictions or relatively narrow "comparable" occupations will "inevitably" result is compensation that is not reflective of Newfoundland realities and/or a race to the top as each year/review the comparator groups rises to meet the same internal comparators. These types of systems are a virtuous circle for the individuals to be compensated but not for the overall good of the Province. The obvious example of this problem is the recent wall street compensation system - because the argument is the comparator group makes x, an individual in the group should as well, regardless of whatever specific compensation designs were put into place to prevent abuse. Result was huge company losses while individuals received huge payouts, often from taxpayer financing. This problem is ongoing and will only be fixed once the "music stops" for the group as a whole.
- the current system has been proven to be open to abuse and it can be easily argued that the compensation system attracts or motivates individuals interested in the compensation system first at the expense of what should be the primary motivation for seeking to become an MHA - public service.
- the tax free allowance system and pension systems are "relics" – the allowance system should be eliminated and the pension plan wound up or at a minimum closed to new entrants.

Given the above, I would like to see/recommend:

- a base wage rate set based on a Newfoundland-based reference, such as the official Statistics Canada average wages of Newfoundlanders in managerial occupations. (This is also the higher average wage occupation in Newfoundland.) This is Newfoundland based, broad enough to provide an adequate reference group, not easily accusable of being used to "pad the system", and the data point comes from a respected external Agency at no design cost to the Provincial government The data is obtainable with a simple and transparent check of public information: <http://www40.statcan.ca/l01/cst01/labr69b-eng.htm>

For example, in July 2009, there were over 12,000 people employed in managerial occupations in Newfoundland and Labrador with an average wage of \$27.69/hours. Using a standard managerial work week of 37.5 hours this works out to 1950 hours per year = \$54,000. I recognize that MHA do not have the job security of the average managerial worker and/or it is not a long term career path for some. As a result I recommend a multiplier of 1.5 to compensate for this (although with the current system, there appear to be more MHA lifers than non lifers!) So the MHA salary should be $\$54,000 \times 1.5 = \$81,000$ to be reviewed annually and changed as the reference changes per Statistics Canada data. It is recognized that MHAs work outside of “normal” office hours, however outside of House of Assembly session periods, MHAs are not required to attend at work every day. And the nature of the work for people employed in managerial occupations often requires non financially compensated work for hours in excess of 37.5 per week. (I recognize that Cabinet Ministers are outside the scope of your review but a higher multiple could easily be used to set their compensation as well.)

- replace the pension plan with a contribution to a MHAs RRSP of $\frac{1}{2}$ the annual maximum (9% of salary). Generous, fair, cost effective, simple to administer, hard to abuse and at the upper end of what most people receive.

- eliminate the tax-free allowance – Expenses that meet federal tax free reimbursement guidelines can be allowed and would adequately compensate MHAs for employment related costs. Reimbursement rates for allowable expenses such as kilometers for business travel in a private vehicle should be at the rates negotiated for the rest of the NL public service. While this can lead to self-motivated negotiating, I believe that the scale and cost of the Provincial employees overall should motivate MHA’s not to abuse the negotiation process.

- Health benefits – MHA should participate in the Provincial government plan applicable to all employees and fund their contribution at the same rate as other employees. How can it be argued that an MHA faces more health risk or costs than say a Newfoundland Hydro linesman, a Transportation snow plow operator, or a Deputy Minister?

I believe the above would adequately compensate MHAs while not preventing them from seeking office. The cost to the Province would be reasonable and the perception of MHA compensation easily defensible and relatively guarded against abuse/self enrichment.

Thank you for taking the time to consider my submission.

Jeff Tulk

**John Gibbons
PO Box 176
Cape Broyle, NL
A0A 1P0
Mrs. Ann Oldford
Members Compensation Review Commission**

Dear Mrs. Oldford,

I am writing this letter in response to your E-Mail that the Commission is accepting written submissions.

All salary info was taken from a report commissioned by the NS Government and released September 2006. The info is located at Appendix H of the Commission of Inquiry on the Remuneration of Elected Provincial Officials of September 2006.

I feel that the members of the House of Assembly are at least adequately compensated and probably better compensated than is normal for provincial governments. The base salary in 2006 in Newfoundland & Labrador was \$87,630; in Saskatchewan, \$80,500; in New Brunswick, \$79,779; in Manitoba, \$73,512, in PEI, \$56,849 and in Nova Scotia it was \$65,556 with additional funding for positions such as Cabinet member, Speaker, Deputy Speaker, Leader of the Opposition and Government House Leader.

Newfoundland and Labrador also leads these provinces in all other positions that stats are available for such as a Cabinet member, Speaker and Deputy Speaker, Leader of the Opposition and Government House Leader.

Because we supposedly have the highest debt per capita of all provinces, and our major money-making natural resources such as oil and gas, nickel and iron ore are all finite and non renewable, we need to ensure that we get this debt paid down as quickly as possible so that our children and grandchildren are not left to get rid of this handicap. Therefore, we should all be part of the solution.

As the saying goes, it seems that the rich get richer and the poor get poorer. Somebody making \$30,000.00 has much less to give than somebody making \$87,630 and possibly more. Even if both get a 20% raise, the person originally making \$87,630.00 will get a raise of \$17,526.00 which is more than ½ of the worker's \$30,000.00 salary while the person making \$30,000.00 will only get a raise of \$6,000.00.

As well, government members should not be eligible for a pension until age 55. The only pensions that I have heard of that allow somebody to draw a pension within the limited time limits belong to St. John's municipal councillors, provincial and or federal legislative members. By not allowing the limited funds that young members may pay into a pension fund to gather and collect interest for several years. They are obviously being a drain on the taxpayers of the province who are responsible for any shortcomings of the provincial pension funds – members or civil servants.

While government is doing an excellent job for the province, they have to remember that they are hired at the public's pleasure. It seems from listening to the open-line shows and reading the paper that the majority of the public feel as I do - it is NOT necessary to give the members a raise this year. Thank You.

My contact info is E-Mail johngibbons01@nf.sympatico.ca;
cell 709-691-1732 and phone 709-432-2585

John Reade
58 Portugal Cove Road
St. John's, Newfoundland & Labrador
Canada
A1B 2L9
(709) 722-0972
August 8, 2009

Members Compensation Review Committee
P.O. Box 8700
St. John's, NL
A1B 4J6

Mr. Joe O'Neill, Chair,

I'm a retired teacher who is finding it difficult to accept that our pension plan, from which the provincial government stole for years thus causing it to develop a large unfunded liability, continues to be supported by a claw back of our Canadian Pension Plan benefits. As we have no choice but to accept this indignity, the MHA pensions are not or are minimally contributed to by the people who stole from teachers. Their pensions are indexed and paid for by taxpayers. This scenario is despicable and unacceptable. It must be changed so that at least the MHAs contribute to their pension plan as much as other public servants had to do - preferably in a retroactive manner.

This does have precedence. Teachers do not have their CPP claw backed at the rate in which they contributed; rather, it is in an amount they WOULD have collected had they contributed the maximum amount possible for forty (40) years. In every case, teachers will lose money after they reach the age of 65. The rationale that the Canadian Old Age Security benefit will make up the difference is untrue. The OAS is prorated and will not make up the entire difference in lost pension. Therefore, retired and current MHAs may contribute the maximum possible to a pension fund until their fund becomes self sufficient. These contributions should come from their base salary of \$92,580.00.

Furthermore, the additional compensation package MHAs receive for doing extra duties should be eliminated completely. As an administrator in a school, I received an extra amount of money that was dependent upon the number of students enrolled in the school. During the course of my career, the administrative duties I had to do increased as did the determination that I had to return to the classroom and teach courses so that the budget cuts made by MHAs to our school could be realized without disrupting the programs. I did NOT receive a salary supplement to do this. MHAs should NOT receive a salary supplement equivalent to another public servant's annual salary i.e., \$52,497 for Speaker of the House, \$26,246 for Deputy Speaker etc. This is also a despicable and unacceptable practice that only contributes to the attitude of entitlement that so many MHAs have developed and must be stopped. I suggest that any additional compensation be made on the same basis that a principal or vice-principal of a school is made - on a per capita basis.

Sincerely,
John Reade

**Joseph F. Downey
18 Wadland Crescent
St. John's, NL
722-1714**

Should our M.H.A.'s receive a raise in pay?

My answer is absolutely not – at least not until they can show that they are earning what they now receive and that they are working for the people who elected them, and who ultimately pay them.

The salaries paid to M.H.A.'s should be public information. It should not be given in a manner such that it is difficult to comprehend – if at all possible to do so. We have a salary, plus extra pay if they are appointed to a committee, plus non-taxable allowances.

We had one of those committees ruled that their minutes were edited before they went to Hansard and removed the Auditor General from auditing their books on the grounds that there was a conflict of interest. He was employed by –The House – and this was expenditures of the House. I cannot see the conflict, but if there was one, there should have been a replacement before he was removed.

There is one thing that M.H.A.'s give up when elected, and that is some of their right to privacy. Their employers are the people who elected them, and any employer has a right to know the terms and conditions of the pay of their employees.

One area where I feel there should be no pay for M.H.A.'s is pay to the party leader and party whip. If these positions require pay, it should be paid by the party members – not by the general public. The party system is a detriment to democracy, not a necessary part of it. The party system destroys democracy in that when a party has a majority of members elected, then the leader of that party becomes a dictator. He names or dismisses the cabinet, he dictates the total agenda of government. Members should be elected in each district and they should elect a premier and the cabinet.

We have too many M.H.A.'s. One M.H.A. for each 10,000 people is more than we need – reducing the number would be more efficient at less cost.

The place where M.H.A.'s are overpaid to the greatest extent is in their pensions. In general, people who are working towards a pension receive a credit of 2% of the salary on which it is calculated for each year worked, and they pay a percentage of their salary as a contribution to that pension.

I have not seen an amount for M.H.A.'s, but I believe that it goes to as high as 10% for each year, and they do not pay for this privilege.

We have made an improvement to the M.H.A. pension plan in that they do not receive it until their age plus their years of service reach a total of 60, instead of receiving it as soon as they retire.

A reasonable pension plan for M.H.A.'s would be one of two options:

1. If they are a member of a pension plan before election, they could continue in that plan with government making the employer contributions.
2. If they are not part of a pension plan, then government can contribute to an RRSP in their name, equal to the contributions they would make to a pension plan.

When any individual in society is granted rights or privileges that are exclusive to them, it is unfair to all others. When a group is granted benefits that are hidden from all others – especially from their employers, that is fraudulent. What we need is a clear definition of the benefits and responsibilities of M.H.A.'s, and that those be known to all.

Distortion of Income

For over forty years we have continued to increase salaries by a percentage – the rich get richer and the poor get poorer. We must break away from this and a good place to start is with M.H.A.'s.

Salaries of M.H.A.'s should be open to the public. Their expenses should be open to the public. Can we trust them to behave without control – they have answered that and in looking at their salaries it is important that controls that are open to the public are in place.

**Members' Compensation Review Committee
House of Assembly of Newfoundland and Labrador**

**Sid Small
20 Bondar St.
Gander, NL
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tel: 709-256-8312 (home)

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In response to the hearings now being held by the referenced committee I wish to make the following submission with respect to the compensation of members of the House of Assembly and to do so in the context of:

- a. ensuring our elected representatives are compensated on a competitive basis such that our legislature attracts capable people who are not disadvantaged financially through their public service
- b. ensuring that the taxpayers of this province are not unduly burdened financially (in comparison with other Canadian jurisdictions) with the costs of maintaining representation in our legislative assembly.

Proposal:

Compensation:

Within the private sector the usual approach to the setting of compensation is to establish pay scales based on norms established by the market place for labour. These norms are assessed by means of compensation surveys within the regional marketplace. This approach is most applicable in cases of employees with a defined and relatively uniform skills set, for example, electrical engineers or nurses. It is recognized that the skill sets required of a MHA are not as readily defined as those of say, an engineer or a nurse. Furthermore, it would be in the public interest to attract to our legislature an array of people with a diverse range of experience and skill sets and, therefore, I would propose that the following alternative approach be adopted.

With the aid of an accountant or compensation specialist (if required) the committee review the total compensation (salary, benefits, pension entitlement) as well as the provisions for expense reimbursement in other provincial jurisdictions of Canada with particular reference to those of legislators in the provinces of Nova Scotia and New Brunswick - these two jurisdictions being the most comparable to our own province. Results of the review would, of course, be made public. Should it be found that the (total) compensation of our MHAs is out of line with that prevailing elsewhere in Canada then appropriate revisions be undertaken. However, any revision in MHA's compensation would be subject to the following condition: – that total compensation

by all means as well as provisions for expense reimbursement for Newfoundland and Labrador MHAs not exceed 110% of the average paid to members of the provincial legislatures of Nova Scotia and New Brunswick. Through this proposal I submit that the MHAs in this province will receive remuneration commensurate with that of a.) people with comparable skills and responsibilities elsewhere in Canada and b.) that is at a level which has elsewhere been shown to be adequate to attract capable people to public service.

Legislature Costs – Cost Containment:

It should be a basic policy of our elected representatives that taxpayers are provided with cost effective, efficient government. This imperative to deliver cost effective, efficient government extends to all branches of government – executive as well as legislative. With respect to the legislative branch of our government in Newfoundland there would appear to be significant room to manage down total costs and to do so even if an increase in compensation of MHAs is indicated by the study proposed above. This would be achieved through a reduction in the number of MHAs. That our legislature is currently too large and could continue to be effective even with a reduced number of members is evident from the table below which summarizes the population of each Canadian province, the number of elected representatives for that province and a calculation of the population per elected representative.

Province	Population	Provincial Legislative Members	Population Per Legislative Member
NL	507,900	48	10,581
PEI	139,800	27	5,178
NS	938,300	52	18,044
NB	747,300	55	13,587
Quebec	7,750,500	125	62,004
Ont.	12,929,00	107	120,832
Man.	1,208,000	57	21,193
Sask.	1,016,000	58	17,517
Alberta	3,585,100	83	43,194
BC	4,381,600	79	55,463

Very clearly, the people of our province are over-represented, politically. Aside from PEI (which has too small a population to be a good comparable), Newfoundland and Labrador is the most “intensively represented” province in the country at 10,581 people per elected representative. (“Intensively represented” in this case is really another way of saying over-represented). The next nearest jurisdiction at 13,587 people per representative is New Brunswick. Both Newfoundland and Labrador and New Brunswick compare dismally with Ontario where provincial legislators each represent 120,832 people. A glance at the

legislator/population ratios for other provinces in the table would surely indicate there is room for improved productivity on the part of our MHAs in this province.

This conclusion is further supported by a review of the historical ratios of population to elected representatives within Newfoundland and Labrador. Clearly our level of representation has not matched the population changes within the province as evidenced by the following table:

Election – Year of:	Population	Number of Elected Members	Population per Elected member
1956	415,100	36	11,531
1962	467,800	42	11,138
1971	530,900	42	12,640
1975	556,500	51	10,912
1979	570,100	52	10,963
1996	559,700	48	11,660
2008	507,900	48	10,581

Notwithstanding a reduction in the size of the legislature from the all-time high of 52 members to 48 members we are still more “intensively” represented (ie. over-represented) that at any time in the past 52 years. If we were to revert to the representation levels we had in 1956 this would indicate that our legislature should now consist of 44 members rather than the current 48.

While at one time it might have been argued that Newfoundland and Labrador needed more intense representation (that is, a low member to population ratio) because of our geography this argument has now been invalidated by the massive improvement in communications that has occurred in recent years as evidenced by our extensive highway network, advent of facsimile transmission and e-mail as well as the reductions in long-distance telephone costs that has taken place since de-regulation of the telephone industry. All of these improvements in communications, which are really means of productivity improvement in functions such as those of a MHA, would argue that we should now be able to function effectively with even fewer than 44 MHAs. For example, communications resources and costs in this province (excepting, possibly, Labrador) now are on a par with those in Nova Scotia and New Brunswick. If we were to total the populations and numbers of legislators in those two provinces we would find that they have combined numbers of 1,685,600 people and 107 legislators. This would make for a ratio of 15,753 residents per legislator. Applying that ratio to our own province would indicate that in Newfoundland and Labrador we should now only have 32 MHAs. While this might entail a seemingly drastic reduction in the size of our legislature, is there any reason why our MHAs should be any less productive than those of our comparable sister Atlantic provinces?

Summary of Recommendations

1. The MHAs of Newfoundland and Labrador should enjoy total compensation (and expense reimbursement) on a basis comparable to that of legislators in other provincial jurisdictions in Canada but subject to a maximum of 110% of the average paid to the elected representatives of Nova Scotia and New Brunswick
2. The costs of maintaining our legislative process in Newfoundland and Labrador are excessive given our level of “over-representation”. Regardless of the outcome of the current review of MHA compensation, immediate steps should be taken to reduce the number of MHAs in this province. An appropriate level of representation would be to move to a ratio approximating the Nova Scotia/New Brunswick average of one legislator for each 15,750 residents. This ratio would indicate a House of Assembly of 32 members.



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September 22, 2009

Dear members of the Members' Compensation Review Committee:

We are writing in response to the request for public consultation on the matter of compensation for Members of the House of Assembly (MHAs).

The apparent lack of public interest in providing input on this matter should not dissuade you from the important issue that you are investigating and you are to be thanked for your efforts. Undoubtedly there will always be public frustration towards compensation for politicians, in part because of the negativity associated with politics, but also because of the significant generosity of compensation awarded to members compared to most other employment opportunities. This is particularly true in Newfoundland and Labrador, where wages are generally lower than the national average and where unemployment figures are far higher than the national average, and where there might thus be a reasonable expectation that compensation for MHAs should be below the national average. The recent spending scandal in the House of Assembly surely adds to public distaste for politicians' compensation and tarnishes all MHAs regardless of the extent of their involvement. We believe that your recommendations on compensation will need to balance the need to pay politicians enough to attract high-quality candidates with the need to respond to public distrust and resentment of elected officials.

Current Remuneration for MHAs

In total, the compensation and benefits awarded to Members of the House of Assembly far exceed those available to most other employees in the public or private sector.

According to the *House of Assembly Accountability, Integrity and Administration Act*, as of 2007 an MHA received an annual salary of \$92,580, which is adjusted each July in line with the executive pay plan of the government. There is additional remuneration for extra work. This ranges from an additional \$52,497 for the Speaker and for Leader of the Opposition, to an additional \$10,032 for the Vice Chair of the Public Accounts Committee. Cabinet ministers also receive comparable additional salaries, though these are not identified in the legislature's *Member's Handbook* (October 2007). All MHAs are also entitled to an unusually generous package of benefits, such as life and medical insurance. They are eligible to participate in an MHA pension plan and they qualify for a pension if they have been elected twice and served for at least five years. They begin receiving their pension once they have left office and if/when their age and years of service totals 60 (55 for the premier); the pension is calculated based on their best three years of remuneration. Furthermore they are entitled to severance pay of one month of pay for each year of service, up to 12 months.

Number of MHAs

The remuneration for MHAs, particularly the pension plan, is generous and we are aware of reasons why this is the case (e.g., to attract good candidates). It is our opinion that a consideration that is likely to be overlooked when examining the issue of remuneration is an elected official's workload. Since we are not aware of a comparative workload study we must look to the number of constituents a member represents (Figure 1). This does not tell the whole story, but it does indicate that Newfoundland and Labrador's MHAs, particularly those who do not have extra duties, have among the lowest workloads of full-time elected officials in Canada. These data indicate that members of the Newfoundland and Labrador House of Assembly are comparatively underworked and therefore overcompensated (i.e., there are too many members).

There is, of course, variation within the province in terms of number of constituents represented and the effort exerted in representing those constituents. By referencing the province's 2007 list of electors—hardly a comprehensive list of citizens but nevertheless useful for illustrative purposes—we see that some St. John's-area MHAs represent roughly nine thousand adults whereas two Labrador MHAs represent about a third as many people. However, a St. John's MHA could commute to the Confederation building and walk to attend meetings in his or her district; a Labrador MHA needs to fly to St. John's and typically travels long distances

to attend meetings within the district. Furthermore, it must be considered that this province's citizens are more likely to contact their elected officials than would citizens in many other provinces, due to proportionately greater use of government services particularly in some rural areas.

Figure 1

Province	Population*	Provincial Legislature		House of Commons	
		# Members	Constituents (mean)	# MPs	Constituents (mean)
ON	13,014,018	107	121,626	106	122,774
QU	7,799,372	125	62,395	75	103,992
BC	4,435,344	85	52,181	36	123,204
<i>All</i>	<i>33,484,534</i>	<i>697</i>	<i>48,041</i>	<i>305</i>	<i>109,785</i>
AB	3,653,840	83	44,022	28	130,494
MB	1,217,163	57	21,354	14	86,940
NS	939,475	52	18,067	11	85,407
SK	1,027,092	58	17,708	14	73,364
NB	748,866	55	13,616	10	74,887
NL	508,726	48	10,598	7	72,675
PEI	140,638	27	5,209	4	35,160

*as of April 1, 2009 (source: Statistics Canada)

Note: does not include Territories

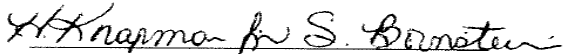
Yet, in the time that the number of MHAs was reduced from 52 to 48 in the mid-1990s, improvements in travel and communications infrastructure have been greatly enhancing MHAs' ability to interact with their constituents, all the while that the number of people they represent has been declining. Many of Newfoundland and Labrador's MHAs could handle representing more constituents than they do now without a need for additional compensation.

It is therefore our belief that MHAs do not currently warrant an increase in compensation and, in fact, that a strong case could be made that their compensation should be reduced from current levels. It is also our belief that the Members' Compensation Review Committee should recommend that an evaluation be performed regarding the number of MHAs in order to arrive at a formula to calculate a more rational number of elected officials. This could result in a change to the *Electoral Boundaries Act* that establishes a floor of a base minimum number of elected representatives, one that would increase or decrease depending on the provincial population. Implementing such legislation would significantly reduce the internal political pressures faced by the governing party when making such decisions.

Data Collection

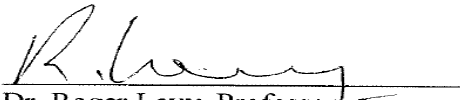
We would be remiss not to remark on the extremely poor attendance at Committee hearings, as reported by the media. It is our understanding that Nova Scotia similarly experienced public indifference in 2006 when a Commission of Inquiry held public consultations (nobody attended three of its six meetings). In our view the Committee should note in its report that opinion surveys should merit serious consideration in future efforts undertaken by the Government of Newfoundland and Labrador, instead of the tendency to finance consultation tours across the province, however well intended.

Thank you for considering these views.


Dr. Stephen Bornstein, Professor


Dr. David Close, Professor


Mr. Mark Graesser, Associate Professor (retired)


Dr. Roger Levy, Professor


Dr. Alex Marland, Assistant Professor