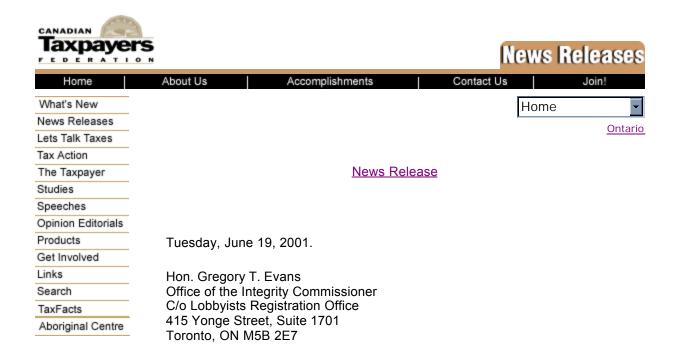
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Dear Mr. Evans,

I write to you today in anticipation of passage of Bill 28, MPP Compensation Reform Act (Arm's Length Process), 2001. As you are aware, passage of this Bill - most likely before the end of this month - will compel your office to review the current level of members' salaries and report back to the Speaker of the Legislative Assembly. Any changes or amendments to the structure of compensation for Members of Provincial Parliament that you may propose would take effect upon delivery to the Speaker.

The Canadian Taxpayers Federation is Canada's largest, most visible and most effective taxpayer advocacy organization. In eleven short years we have grown to 83,000 supporters nationwide and are perceived in political circles as well as in the media to be the leading voice on the issue of compensation reform for elected officials. Indeed, elements of our proposals for reform have been put into effect in five provinces and most recently, were also enacted in structural changes at the federal level.

Four guiding principles must underlie any serious effort at reforming compensation for parliamentarians: simplicity, transparency, accountability and fairness.

To be fair, the Harris government satisfactorily embraced the principles of simplicity and transparency by eliminating tax-free allowances and reforming the MPP pension plan early in its mandate. However, the principles of accountability and fairness have not been addressed.

While the impartiality of your office is well respected by our organization, it would be inappropriate for you, as a servant of the Legislature, to recommend a binding pay structure for members of this same Legislature. In effect, you would be usurping the primary and fundamental democratic responsibility of members, that of being responsible and accountable for the

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expenditure of public funds.

In an attempt to escape the axiomatic conflict of interest in setting their own salaries, not to mention the odious spectacle that transpired in Ottawa a few weeks ago, members have asked you, through Bill 28, to do this for them. /...2

- 2 -

Yet this rush to caution, if carried to its logical conclusion, would result in members abdicating their fiduciary responsibility for the expenditure of public monies. In effect, the integrity of the Legislature would be brought into question and - as the Integrity Commissioner - we believe that you must not allow this to happen.

Even though you are a servant of the Legislature, you can refuse to comply with the precise letter of Bill 28 on the grounds that it would compromise not only the Legislature, but the integrity of your office as well.

Therefore, we suggest the following:

- 1) In your response to the Legislature, no recommendation of pay changes whatsoever for the current session of the Legislature. Indeed, all 103 MPPs sought elected office of their own free will with full knowledge and acceptance of the current salary and benefit regime. To make recommendations to the contrary would be patently unfair.
- 2) For the session of the Legislature following the next provincial election, it would be appropriate for you to recommend a new salary regime. To this end, we have also enclosed a research survey that provides a comparative table depicting the salary regimes in effect in other provincial legislatures as well as federally in Ottawa.
- 3) This new regime should also include a wage indexation clause that could reflect the annual average of public and private sector wage growth. Utilization of such an index would forever remove the conflict of interest of having MPPs set their own salaries. In addition, wage growth for MPPs would then reflect the prevailing trends amongst Ontario's population as a whole.

Adoption of these last two suggestions would adhere to our principles of fairness and accountability. We offer these suggestions to you in the interests of all taxpayers and the maintenance of the integrity of the legislature. In addition, I am willing to make myself available to meet with you at your earliest convenience.

Sincerely,

Walter Robinson Federal Director

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