

August 28, 2003

Honourable Coulter Osborne
Commissioner
Office of the Integrity Commissioner
2 Bloor Street East, Suite 2101
Toronto, Ontario
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Dear Mr. Justice Osborne;

This letter is a follow up to my earlier correspondence of August 13, 2003, requesting a meeting with you to discuss the important issue of compensation for Members of Provincial Parliament. While the Canadian Taxpayers Federation (CTF) has not received a formal reply, the conversations I have had with your staff have been productive and I have no doubt that we will be able to meet when your schedule allows.

I am writing today in order to impress upon you the need to make public your recommendations on MPP salaries before the provincial election, specifically what, if any, pay raise they merit; and to offer input to ensure legislators are satisfactorily compensated within the framework of respecting the views of Ontario's taxpayers.

On August 27, 2001, your predecessor, the Honourable Gregory Evans, tabled his recommendations on reforming MPP pay. His advice to the Ontario legislature was for "an annual increase of 3 per cent on April 1, 2001, and each successive year, including the year in which the Writ for the next election is issued." Moreover, "immediately after the next election, the salary of the Members shall increase 25 per cent" and a follow-up review shall occur in 2005. In the interim period between the election and that review "the Members shall receive an annual increase in an amount equal to the Ontario Industrial Average Wage Index, not to exceed 7 per cent, for the previous year as determined by Statistics Canada."

Earlier this month, Premier Ernie Eves sent a letter asking your office to review the proposed 25 per cent pay increase MPPs are scheduled to receive following the election. In order for taxpayers to be properly informed of the raise it is imperative that the issue of MPP pay is resolved before voters go to the polls. Otherwise, the important principles of transparency and accountability will be scuttled.

The premier is on record stating the pay raise should be re-visited to make it fair. Your recent letter to the three party leaders seeking their input was an opportunity for each of them to explain to you — and taxpayers — what level of pay raise they believe MPPs deserve. New Democratic leader Howard Hampton has long maintained that no additional pay is in order. Liberal leader Dalton McGuinty stated the recommended 25 per cent pay raise should not go forward, and that if you counsel an increase it should not exceed the increase in the cost of living. Regrettably, Mr. Eves has not stated publicly what level he believes is appropriate. He will need to clarify his position to taxpayers.

Your review is necessary to provide guidance on the matter of MPP pay. No doubt, you would prefer to operate in an environment without deadlines being imposed by outside events. Yet you have been asked to reassess the salary level of our elected officials on the eve of an election. Waiting to table your report until after the vote will plunge us back to the days when lawmakers vote themselves pay raises without any oversight from the public. Such an outcome is wholly unacceptable to Ontario taxpayers.

In order to ensure the public has a voice and lawmakers are adequately compensated, the CTF's recommendations are to:

- Maintain the existing structure whereby the Integrity Commissioner continues to provide advice on compensation and that the final arbitrators be Ontario legislators. Politicians are responsible for setting their own pay. Truly accountable lawmakers would not accept a pay raise they — and the public — view as excessive simply because a third party recommended it.
- Continue to ensure that any salary "catch-up," pension programme modification, or change that provides extra remuneration to lawmakers is acceptable to a majority of the public by waiting until after an election

before the increase is triggered. The reason for this is obvious: To give taxpayers a voice in setting the salary of their lawmakers.

- Scrap the 25 per cent pay raise. Since 2001, MPP have received an annual 3 per cent raise, for a compounded increase of 9.3 per cent. A further 25 per cent hike will bring the total pay package to 36.6 per cent — a figure that is completely out of line with public expectations.
- Provide MPPs with an annual pay increase every year on April 1, and tie it to any increase in the cost of living using either the Consumer Price Index from the previous calendar year, or a provincial weekly earnings average composite. The second option is most like a performance measurement for legislators. The rate can go up or down depending on the health of the economy, and it is a reflection of the economic conditions experienced by the people paying their salaries.
- Post MPP salary levels as well as all additional indemnities (i.e. extra pay for additional duties awarded to the premier, cabinet members, opposition leaders) on the legislative webpage, as is currently done in Alberta. This will enable all taxpayers to review what MPPs earn and any increase they are to receive.

Finally, the Integrity Commissioner's 2001 report was mute on the question of increasing indemnities provided to MPPs for additional duties. The omission has caused some confusion, as it is unclear whether or not the annual 3 per cent increases, and 25 per cent catch-up was intended to cover indemnities. It appears that Ontario's lawmakers chose to increase both their base pay and the indemnities despite the fact the report does not address this question. Your report will need to clarify this matter. We would advise that indemnities be on the same track as the pay raise schedule.

Your task will not be an easy one and I do not envy your position. You are confronted with the double responsibility of meeting the expectations of Ontario's 103 MPPs and testing the public's willingness to pay them more. But regardless of how the pay for politicians is set it must be in line with the public's expectations. This may require a salary level less than what elected officials want or you believe they deserve. But given that all three party leaders are on record to either lower or scrap the proposed MPP pay raise, your path is an obvious one.

Like many other Ontarians, I look forward to reviewing your recommendations.

Sincerely,

John Williamson
Ontario Director

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For more information:

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