

Canadian Processes for Determining Members' Remuneration and Benefits, circa 1990 - 2006

Overview

In some Canadian legislatures (Parliament of Canada, Manitoba, Ontario, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories), the principle that Members' remuneration be decided by an arms-length process is formally recognized in legislation. The practice in the other assemblies (British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Yukon, Nunavut) is that Members continue to set their own remuneration and benefits, via legislative assembly management boards/committees. This process does not preclude the use of an independent review panel from time to time.

House of Commons of Canada

Since 1976, the *Parliament of Canada Act* requires the Governor General in Council to appoint a Commission to review parliamentarians' compensation within two months after each general election. The Commission's mandate is to independently assess and review remuneration and other allowances paid to Members of the Senate and the House of Commons. The Act also requires that the Commission submit its report to the Governor General in Council within six months of its appointment, after which it must be tabled in Parliament within 15 sitting days.

January 12, 2001: Seventh Commission established to review compensation. The report of the Commission to Review Allowances of Members in the House of Commons was tabled in Parliament on May 29, 2001.

June 2001: MPs adopted the new pay scale recommended by the Commission and eliminated the tax-free expense allowance, first approved by the House of Commons Board of Internal Economy in January 1990.

Under the 2001 legislation agreed to by all parliamentary parties, the pay rates for MPs were tied to the salaries of judges serving on the Supreme Court of Canada. The base rate of a MP's pay was set at 50 percent of the salary of the Chief Justice.

April 21, 2005: Bill C-30, *An Act to Amend the Parliament of Canada Act and the Salaries Act*, received royal assent. This legislation removes the provision linking increases in parliamentary remuneration to increases for federal judges, and pegs them instead to the federal government's annual average wage settlement index.

April 1, 2006: The base salary of MPs increased by 2.4 percent (\$147,700), the same proportion as awarded to federal public servants.

Sources:

2001 Commission to Review Allowances of Parliamentarians; Canadian Parliamentary Review, spring 2005; Victoria Times Colonist 10 April 2006

British Columbia Legislative Assembly

1987: The all-party Board of Internal Economy was given the power to determine Members' remuneration.

June 23, 1992: By an unanimous resolution, Members agreed to a review of MLA remuneration — specifically, an assessment and recommendations on existing salary levels; the utilization of a formula to adjust remuneration levels from time to time; and the appointment of an independent body to recommend or set those levels from time to time.

August 14, 1992: The Legislative Assembly appointed an independent commissioner to conduct the review of MLA remuneration. Commissioner C.J. (Chuck) Connaghan, an industrial relations expert, issued a call for written submissions from the public and consulted with MLAs.

December 15, 1992: The Connaghan report recommended that the focus of comparison for MLA remuneration be compensation for relatively comparable jobs within British Columbia; that the proposed formula be based on cost-of-living increases and increases in private-sector wages; and that the Legislative Assembly make provision for the appointment by the Speaker, every third year, starting in 1995, of an independent commissioner on MLA remuneration. The independent commissioner's recommendations would be binding, subject only to an appropriate vote of the Legislative Assembly for acceptance or rejection, but not for amending.

1993: Three reports on constituency allowances were tabled with the Speaker. The reviews were conducted by Hon. E.N. (Ted) Hughes, Q.C., pursuant to the motion of the Legislature passed on July 3, 1992 and to section 15(1) of the *Members' Conflict of Interest Act*, as amended in 1992.

August 14, 1996: The Legislative Assembly Management Committee established a Citizens' Panel to conduct a review of compensation levels for MLA salaries, benefits and allowances. The five-person panel issued a call for written submissions.

January 31, 1997: The Citizens' Panel's *Report on MLA Compensation* was deposited with the Legislative Assembly Management Committee. The report's recommendations were based on patterns for similar occupations in the private sector and were in line with the formula developed in the 1992 Connaghan report.

July 26, 1997: Pension legislation was passed by the Legislature to act as a bridge between the pension plan that MLAs voted to abolish in 1995 and a new pension plan with more modest benefits.

January 29, 2002: Government caucus initiated a three-year rollback of 5 percent in the base salary for all Liberal MLAs, effective April 1, 2002.

June 2005: Following the provincial general election, MLAs received a 10 percent pay increase, raising their salaries to what they would have been if their wages had continued to rise according to the formula set by the independent Citizens' Panel in 1997.

Fall 2005: The Legislative Assembly Management Committee conducted a comprehensive review of MLA pay, benefits and funding necessary for effective representation. Its recommendations required several amendments to existing statutes.

November 17, 2005: Bill 17, *Legislative Assembly Statutes Amendment Act, 2005* was introduced and passed third reading.

November 21, 2005: Bill 19, *Legislative Assembly Statutes Amendment Act, 2005 Repeal Act* was introduced and passed third reading.

April 1, 2006: Annual base pay for an MLA increased by 1 percent (\$76,100) in line with the existing formula.

January 30, 2007: Premier Gordon Campbell announced the establishment of a three-person Independent Commission of Review to conduct a fair and impartial review of MLA compensation, including pension arrangements. The commissioners have also been asked to recommend the means by which MLA compensation, including pension arrangements, can be reviewed independently and regularly and what, if any, annual adjustments should be made.

The Independent Commission has been given broad terms of reference to collect data, receive public input and make recommendations to the Speaker of the House within 90 days. Recommendations of the report will be voted on in the spring legislative session.

Sources:

Cited reports; Vancouver Sun (10 February 1989; 17 August 1992; 19 November 2005); Office of the Premier, News Release and Backgrounder 30 January 2007

Alberta Legislative Assembly

In Alberta, adjustment of pay, benefits and allowances is under the authority of the Special Standing Committee on Members' Services, which issues Members' Services Committee Orders respecting these items.

Since 1998, there has been a formula in place for the adjustment of the various elements of Member remuneration. Components of Member remuneration are adjusted on April 1 of each year by the same percentage increase or decrease as in the average weekly earnings for Alberta, as reported by Statistics Canada's survey of employment payroll and hours for the immediately preceding calendar year. Those components of remuneration to which this formula applies are summarized at:

<http://www.assembly.ab.ca/lao/hr/MLA/mem0.htm>

Changes in Members' benefits and allowances are also determined by the Members' Services Committee, typically on a year-to-year basis in relation to the development and approval of the Assembly's annual budget. Information on Members' benefits and allowances can be found at: <http://www.assembly.ab.ca/lao/MembersGuide/index.htm>

April 1, 2006: Levels of basic compensation for Members raised by 5.23 percent (\$71,244) based on the increase in the Alberta average weekly earnings.

Source: private correspondence

Saskatchewan Legislative Assembly

The remuneration and benefits provided to MLAs are authorized by *The Legislative Assembly and Executive Council Act, 2005*. Sections 65 and 66 of the Act also provides for the appointment of a committee by the Lieutenant Governor in Council to review salaries, indemnities and allowances. Any reports prepared by a committee are reviewed by the Board of Internal Economy, who, in turn, is authorized to issue directives implementing or varying the level of salaries, indemnities or allowances in any manner the Board feels is appropriate. See: <http://www.publications.gov.sk.ca/details.cfm?p=10649>

December 21, 1994: The Independent Committee on MLA Compensation (Salaries and Compensation) was appointed, by order-in-council to review the salaries, expense allowances and per diems for Members, and to recommend how to improve public accountability for all MLA payments. To carry out its mandate, the Committee received public input through oral presentations and written submissions from the public, and by consulting former MLAs regarding issues affecting Members' compensation.

March 30, 1995: The Independent Committee submitted its report to the Speaker, as Chair of the Board of Internal Economy, which has the statutory mandate to approve, reject or vary the report. Since this report was tabled, the *Legislative Assembly and Executive Council Act* has been amended, rendering the report outdated.

Spring 2006: An Independent Review Committee on MLA Indemnity was appointed to determine the manner in which the basic annual indemnity paid to MLAs should be adjusted. The Committee examined the compensation systems in place in other jurisdictions and received submissions from the general public.

In preparing its report, the Independent Review Committee was guided by the principle that the salary paid to MLAs should be transparent, taxable and comparable to the compensation paid to other provincial legislators and occupational groups in the private and public sectors. The Committee recommended the elimination of the tax-free annual expense allowance (\$5,425) and replacing it with a 10 percent increase to the annual MLA indemnity (from \$73,173 to \$80,500).

The Committee also proposed that mandatory independent reviews be conducted at least every five years to examine relevant components of MLA compensation, including allowances for additional duties, transition allowance, expense allowance, pension and

benefits. It also recommended that once the Board of Internal Economy has considered the recommendations of such reviews and has set Members' salaries and allowances, the Board will no longer have the authority to adjust such amounts, other than accountable expense allowances, between independent reviews. See:

<http://www.legassembly.sk.ca/mlaindemnity>

The Committee's report was submitted to the Speaker of the Legislative Assembly in June 2006 and received by the Board of Internal Economy on July 7th. The Board subsequently agreed to adopt the report's recommendations.

Sources:

Province of Saskatchewan, Report of the Independent Committee on MLA Compensation (Salaries and Allowances), March 1995; Province of Saskatchewan, Report of the Independent Review Committee on MLA Indemnity, June 2006; Canadian Parliamentary Review, autumn 2006; private correspondence

Manitoba Legislative Assembly

Sections 52.6 to 52.14 of the *Legislative Assembly Act* prescribe that an Independent Commissioner has the responsibility to review pay, benefits and indemnities, and then make recommendations. The Legislature must either adopt the report in its entirety or reject it, and has no ability to "cherry-pick" certain recommendations. See <http://web2.gov.mb.ca/laws/statutes/ccsm/l110e.php>

The role of Commissioner for MLA Pay, Allowances and Retirement Benefits was established by the Legislature on December 12, 2002, via amendment to the *Legislative Assembly Act*. The mandate for the Commissioner covered all of the above named compensation items, including additional compensation for members of the Executive Council and other MLAs who have additional duties within the Legislature.

The Legislative Assembly Management Commission (LAMC) is charged with the responsibility of administering the pay and benefits for the elected members of the Legislature. Following the election in June 2003, the LAMC undertook to implement the requirements of the 2002 legislation and appointed a single Commissioner in October 2003 to make recommendations to the Legislature on pay, allowances and retirement benefits. Under the original legislation, the LAMC was required to convey the Commissioner's report, along with its own recommendation, to the Speaker. The Speaker was then required to table the report to the Legislature for acceptance or rejection.

2004: The Commissioner's first report (released May 14, 2004) was rejected by the Legislature. The resolution passed by the House stated that members believed that "salary increases were not appropriate at this time" and the Commissioner was asked to review the recommendations and submit another report.

The Commissioner submitted a second supplementary report on June 8, 2004. Among other things, this report confirmed the May resolution of the Legislative Assembly by recommending a roll back of the cost of living adjustment that has traditionally been

given to all MLAs on April 1 of each fiscal year. Therefore MLAs did not receive a cost-of-living adjustment for 2004 and no other recommended increases were implemented. The Commissioner also recommended that the Legislative Assembly consider a process that would remove the necessity for MLAs to vote on their compensation levels. See: <http://www.reviewcommissioner.mb.ca/report.pdf>

The Legislative Assembly implemented the final recommendation of the Commissioner's supplementary report by enacting legislation in June 10, 2004 creating the role of an Interim Commissioner who would have the authority to decide the compensation levels of MLAs. This is in contrast to the role of the original Commissioner who was to make recommendations to the Legislative Assembly.

May 5, 2005: The Interim Commissioner for MLA Pay released a report on his salary decisions: an annual cost-of-living increase added to the basic annual salary of MLAs, effective each April 1; and an increase in the basic annual salary for MLAs (\$72,000), effective April 1, 2006. See <http://www.reviewcommissioner.mb.ca/report05.pdf>

June 7, 2006: The Commissioner for MLA Pay, Allowances and Retirement Benefits released a report regarding the buy back of past service under the Legislative Assembly pension plan. His final and binding decision is that the province and MLAs split equally the remaining cost of pensionable service for the period April 25, 1995 to October 1, 2004. See <http://www.reviewcommissioner.mb.ca/report06.pdf>

Source: Report of Commissioner for MLA Pay, Allowances and Retirement Benefits to the Legislative Assembly of Manitoba, May 14, 2004; Report of Interim Commissioner for MLA Pay to the Legislative Assembly of Manitoba, May 5, 2005; Report of Commissioner to the Speaker of the Legislative Assembly of Manitoba Re: Buy Back of Past Service under the Legislative Assembly Pension Plan for the Period April 25, 1995 to October 1, 2004; private correspondence

Ontario Legislative Assembly

In 2001, the Legislature passed the *MPP Compensation Reform Act (Arm's Length Process), 2001* to determine remuneration for Members of the Provincial Parliament (MPPs). The Act gave the Integrity Commissioner jurisdiction to determine appropriate salaries for MPPs, but not to deal with Members' pension entitlements. The Office of the Integrity Commissioner also has jurisdiction under the *Cabinet Ministers' and Opposition Leaders' Expenses Review and Accountability Act, 2002*.

On August 27, 2001, in the first report issued by the Integrity Commissioner, Hon. Gregory Evans, Q.C. noted that "there had been no change in Members' salary since April 1990, other than in 1992 when their salary was reduced by 5.5 percent. The reduction was restored in 1996 by the Brown Commission when the tax free allowance was eliminated, the pension plan revised and the salary restructured to the present salary of \$78,007, all of which became subject to tax."

The 2001 report of the Integrity Commissioner recommended staged salary increases for Members until the completion of a recommended quadrennial review (scheduled for

2005). The Commissioner's specific recommendations were that Members should receive a 3 percent increase effective April 2001, and a similar increase in each following year to the year in which the next election was held. Mr. Evans also determined that Members' salaries should increase by 25 percent immediately after what turned out to be the October 2003 election. He viewed this increase as catch-up remuneration, made necessary by the unwillingness of the Legislature to address the sufficiency of Members' salaries at reasonable intervals.

However, the 25 percent post-election salary increase threatened to become an issue in the October 2003 election. In the end, all three party leaders took the position that the 25 percent salary increase should, in effect, be rescinded.

August 2003: The Integrity Commissioner (Justice Coulter Osborne) was asked by Premier Eves to re-examine the proposed catch-up remuneration. He recommended a more modest increase for 2004, based on changes to the average industrial wage (2.2%).

2005: The Integrity Commissioner delayed his review of Members' compensation, due to the passage of the *MPP Salary Freeze Act, 2004*. This law was enacted in response to the Commissioner's March 2004 Report, which determined that Members should receive a 2.7 percent increase in their salaries to take account of inflation. Upon the expiry of the salary freeze, effective April 1, 2005, the MPPs received a CPI-based increase of 1.9 percent (and an increase of 2.2 percent, effective April 1, 2006).

December 7, 2006: The independent Integrity Commissioner issued his report on members' compensation, calling for MPPs' salaries to be linked to federal MPs' salaries (\$147,700). The Commissioner also recommended that members' pension rights be, at a minimum, equal to the pension rights of employees of the Ontario public service.

December 21, 2006: The Ontario Legislative Assembly passed legislation relating to the compensation of MPPs, their pension plan and severance provisions, with third reading of Bill 173 approved on division. Effective December 21, 2006, an MPP's salary has been pegged at the rate of 75 percent of the salary of a Member of the House of Commons of Canada. The current base salary of an MPP is therefore \$110,775. Whenever the salary paid to a MP changes, a corresponding change will be made to the salary of every MPP.

Re pension arrangements, effective December 21, 2006, the Legislative Assembly of Ontario each month contributes an amount equal to 10 percent (up from 5%) of the MPP's salary (base plus ministerial and additional) to a registered pension plan account in his or her name. Legislative changes to severance entitlements were also made.

Sources:

Legislative Assembly of Ontario, Office of the Integrity Commissioner, Annual Report, 2004 -2005; Report, December 7, 2006; private correspondence

Québec National Assembly

Annual Indemnity

The basic annual indemnity paid to a Member is provided for in section 1 of the Act respecting the conditions of employment and the pension plan of the Members of the National Assembly (MNAs). The second paragraph of this section provides that the annual indemnity is to be increased by a percentage equal to that of the increase in the salary scales for the group of positions of senior executives in the public service as of the effective dates of the new salary scales.

Expense Allowance

Since the additional annual indemnity paid to a Member who occupies certain parliamentary functions is determined as a percentage of the basic annual indemnity, the additional annual indemnity increases at the same time as the basic annual indemnity.

The expense allowance is non taxable; however, an amount of \$750 is added to taxable income pursuant to the fiscal provisions of Québec. The expense allowance is provided for in section 10 of the Act respecting the conditions of employment and the pension plan of the Members of the National Assembly. Section 11 provides that, beginning in 1984, this allowance is adjusted each January 1 according to the rate of increase of the Consumer Price Index for Canada as determined by Statistics Canada.

Miscellaneous Allowances

The majority of the allowances and budgets paid to Members are provided for in the regulation on the allowances paid to Members adopted by the Office of the National Assembly, via decision 007 on May 26, 1983.

Since May 2005, indexation clauses applicable on April 1 of each year are included in the regulation in order that these allowances may be increased annually according to the rate of increase of the Consumer Price Index for Canada published by Statistics Canada.

As of 1 April 2006, a Member received an annual salary of \$80,464 under section 1 of the Act respecting the conditions of employment and the pension plan of the Members of the National Assembly (R.S.Q., chapter C-52.1). After that date, a Member's annual salary will be increased by the percentage of increase applicable to the salary scales for executive officers in the public service, as of the effective dates of the new salary scales.

A Member who exercises certain parliamentary duties receives an additional entitlement corresponding to a percentage of the annual salary. If a MNA holds two or more posts for which an additional entitlement is granted, the Member is only entitled to the higher of the two. See <http://www.assnat.qc.ca/eng/Membres/indemnites.html>

Source: *private correspondence*

Nova Scotia House of Assembly

The *House of Assembly Act* provides in section 45(1) that the Speaker, after appropriate consultation, shall on or before the first day of October in each year appoint persons to make an inquiry and produce a report respecting the indemnities, allowances and salaries to be paid pursuant to the *House of Assembly Act*, the *Executive Council Act* and the *Members' Retiring Allowances Act*. See: <http://www.gov.ns.ca/legislature/legc/>

Amendments to section 45, passed by the Legislature in 2001 and 2002, provided that, in the years 2001 and 2002, the Speaker should not appoint persons pursuant to subsection 45(1), and for the years 2002 and 2003, increases in salaries paid, pursuant to the *House of Assembly Act* and the *Executive Council Act*, were equated to the average % increase in salary paid to members of the public service in the management compensation pay plan.

September 26, 2003: The Speaker appointed Hon. Arthur Donahue, Q.C., to consider and report upon MLA indemnities, allowances and salaries. The Commissioner conducted public consultations (one public hearing and a call for written submissions) and also invited each MLA and Caucus Chair, as well as members of the Legislative Press Gallery, to make submissions.

December 2003: The Commissioner's Report recommended adoption of the practice of linkage with amounts paid to federal MPs. Such a comparison was seen as appropriate on the grounds that Nova Scotia's MLAs perform functions at the provincial level that are similar, if not identical, to those of MPs, always taking into account the different jurisdictional responsibilities and bearing in mind that both jobs are full-time.

The Commissioner's specific recommendation was that effective on the first day of the month in which the next general election is held, the annual indemnity paid to a MLA be set at an amount equal to 63 percent of the annual sessional allowance payable to Members of the House of Commons of Canada, and that the non-taxable allowance then paid to MLAs be abolished.

The House, as is its custom, nullified most of the recommendations of the Report and passed legislation increasing pay by an amount equivalent to what had been given to the public service (3.8%), not the larger amount recommended by the Commission. In fall 2005, the House passed another amendment to the *House of Assembly Act* obviating the need for a Commission for 2005 and granting a pay increase of 2.9 percent (the public service average increase).

February 2006: A Commission of Inquiry was established to examine the salaries of MLAs and additional indemnities for parliamentary leaders, and to determine their appropriateness in the current environment. The three Commissioners were asked to report within three months of the next election, subsequently called for June 13, 2006. They hired a professional in the field of compensation to conduct comparative research, and they encouraged public participation – via written, on-line, and oral submissions – but the response rate was low.

September 2006: The Commission of Inquiry on the Remuneration of Elected Provincial Officials released its report and recommended that the base salary of an MLA be increased by 21.27 percent to \$79,500, and that parliamentary leaders receive additional remuneration. See http://www.gov.ns.ca/legislature/MLA_Commission/index.html

2007-: A new process has been adopted as a result of an amendment to section 45 of the *House of Assembly Act* (July 14, 2006). The amendment provides that within 60 days of each provincial general election, the Speaker shall appoint three persons to make an inquiry into and report respecting the annual indemnity of members. Upon receipt of the report, the Speaker shall cause the recommendations of the report to be implemented with the same force and effect as if enacted by the Legislature. Each subsequent year, on the anniversary date of the effective date of the recommendations, the annual indemnity and salaries shall be increased proportionately to the increase in the consumer price index.

Sources: Nova Scotia House of Assembly, Report of Commission of Inquiry on Remuneration of Elected Provincial Officials, December 2003; Nova Scotia House of Assembly, Report of Commission of Inquiry on Remuneration of Elected Provincial Officials, September 2006; private correspondence

New Brunswick Legislative Assembly

In New Brunswick, the pay and allowances of Members are provided for in sections 25 and 28 of the *Legislative Assembly Act*. See: <http://www.gnb.ca/0062/acts/acts/1-03.htm> Any changes to the specified amounts must be agreed to, on consensus, by the Legislative Administration Committee, chaired by the Speaker and composed of the Deputy Speakers, two Ministers, and a few government and opposition backbenchers. Once changes are agreed to, the government introduces the necessary amending legislation.

In addition, section 8 of the *Executive Council Act* provides that all salaries paid under the *Legislative Assembly Act* shall be reviewed by the Legislative Assembly every two years, following the report of a committee appointed by the Lieutenant Governor in Council composed of citizens who are not Members of the Legislative Assembly. However, an independent commission to review MLA salaries has not been appointed since the early 1980s.

The basic annual indemnity and expense allowance for MLAs are adjusted annually on January 1, through provisions of the *Legislative Assembly Act*. Adjustments are based on the change in the average weekly earnings (industrial aggregate) for all employees in New Brunswick. Similarly, salaries of Ministers are adjusted annually in accordance with the *Executive Council Act*.

Source: private correspondence

Prince Edward Island Legislative Assembly

1980 – 1993: Five separate commissions of inquiry reported on Members' remuneration (February 20, 1980; May 12, 1983; December 31, 1986; December 14, 1989, December 10, 1993). The 1993 Commission of Inquiry conducted public consultations.

1994: A legislative amendment to the *Legislative Assembly Act* established an independent three-person Indemnities and Allowances Commission (appointed by the Speaker). Pursuant to section 46, the Commission is required to report annually to the Speaker, on or before the first day of December, with binding decisions on pay, benefits and allowances for MLAs, ministers and parliamentary leaders.

February 8, 2006: The Indemnities and Allowances Commission issued its final 2005 report on Members' remuneration and benefits, which was based on limited public input. It decided not to adjust the annual indemnity for MLAs (\$36,689) but to sanction a minor increase in the annual (non-taxable) expense allowance. See:

http://www.gov.pe.ca/photos/original/SCN_20050808.pdf

Sources:

1993 Report of the Commission of Inquiry; 2005 Report of the Indemnities and Allowance Commission, February 2006; private correspondence

Newfoundland and Labrador House of Assembly

Section 13 of the *Internal Economy Commission Act* provides for the striking of a three-person independent commission to conduct an inquiry respecting the indemnities, allowances and salaries to be paid to Members of the House of Assembly (MHAs). The Commissioners are required to deliver their report containing recommendations to the Speaker within 90 days of their appointment. The Speaker refers the report to the Internal Economy Commission. See: <http://www.hoa.gov.nl.ca/hoa/statutes/i14.htm#13>

1989: The Commission on Remuneration to Members of the House of Assembly was struck and made recommendations on Member's indemnity and non-taxable allowance (Morgan Report). However, after the 1993 provincial election, the House decided to abandon that route and link MHA pay raises, if any, to the public service.

1996: Amendments were made to Member's travel and constituency rules in line with recommendations of the Morgan report.

June 2006: Premier Danny Williams appointed Chief Justice Derek Green of the Supreme Court of Newfoundland and Labrador to review salary levels and pension benefits for MHAs. The review includes an evaluation of best practices in other jurisdictions to provide government with advice on appropriate levels of compensation. The report is expected by mid-February 2007.

Sources: Executive Council of Newfoundland and Labrador, News Release, 26 June 2006; private correspondence

Yukon Legislative Assembly

The last review of the pay of Members of the Yukon Legislative Assembly was done by a committee of the House in the early 1980s.

Matters relating to Members' remuneration are considered by the Members' Services Board, which is chaired by the Speaker and has, as its members, the Premier, Leader of the Official Opposition, Leader of the Third Party and Government House Leader.

Source: private correspondence

Northwest Territories Legislative Assembly

Section 21 of the *Legislative Assembly and Executive Council Act* allows the Board of Management to amend, by regulation, the amounts of indemnities, allowances and expenses which are set out in Schedule C of the Act. Section 21(3) prescribes that such changes must be reported to the House.

In addition, pursuant to section 35.1 of the *Legislative Assembly and Executive Council Act*, within two years after the day fixed for the return of writs for a general election, the Speaker, on the recommendation of the Board of Management, shall establish an independent commission and appoint as its members three individuals who are independent, neutral, and knowledgeable. Within six months of the establishment of the Commission, a report must be delivered to the Speaker that sets out recommendations for changes it determines should be made to the indemnities, reimbursement of expenditures, and all other benefits of Members. The recommendations are considered by the House, and there is no impediment to "cherry-picking" recommendations. See: http://www.justice.gov.nt.ca/pdf/ACTS/LA_&_Exec_Council.pdf

July 12, 2005: The Independent Commission to Review Members' Compensation and Benefits was appointed by the Speaker in accordance with the legislated requirement for a review within two years after a territorial general election.

December 30, 2005: The Independent Commission issued its report to the Speaker, after seeking public input and soliciting Members' submissions. The report's recommendations included a 9 percent increase to the basic and additional indemnities of regular Members and ministers. The majority of the recommendations, if adopted by the Assembly, would take effect upon commencement of the next parliament. See:



February 3, 2006: The Report of the Independent Commission tabled in the House. Subsequently, in November 2006, legislative amendments were made to *the Legislative Assembly and Executive Council Act* to clarify the effective dates of various benefits and allowances for Members. Another amendment gives the Executive Council authority to establish policies regarding additional allowances to members of the Executive Council, provided the Premier submits an annual report to the Legislative Assembly for scrutiny.

Sources:

2005 Review of MLAs' Compensation and Benefits, December 30, 2006; Canadian Parliamentary Review, spring 2006; private correspondence

Legislative Assembly of Nunavut

The Management and Services Board, with the assistance of the Office of the Clerk, undertook a review of Member remuneration in 2001. Recommendations from the review resulted in an amendment to the *Legislative Assembly & Executive Council Act* (March 2002) to provide a formula for the increase or decrease in Members' rates of pay.

Section 35 of the *Legislative Assembly and Executive Council Act* allows for Members' basic pay to be increased (or decreased) in relation to what public service employees obtain per the collective bargaining process. ((In Nunavut government employees are represented by one union). Under section 35(1), the Management and Services Board may, by regulation, amend Schedule C by the same percentage increase or decrease.

If the Members wished to do a global review of all their pay, benefits, etc, then an independent five-member commission must be formed by motion of the House, pursuant to section 37 of that Act. The commissioners would be chosen by the Speaker on the recommendation of the Management and Services Board. However, to date this has not happened in Nunavut.

Source: private correspondence