

## Report calls for tougher pension rules

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### Taxpayers watchdog wants more transparent process for setting MLAs' pay

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FREDERICTON - As the furor over the pay and pension increase that New Brunswick's MLAs voted themselves two years ago shows no signs of going away, one of the country's most prominent watchdog groups has set up shop in Atlantic Canada.

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Kevin Lacey

The Canadian Taxpayers Federation unveiled its newly hired Atlantic director yesterday, while also releasing a report on the compensation the province's politicians receive.

"This past year has been a difficult year for New Brunswick taxpayers," said Kevin Lacey.

"We've seen government spending hit record highs with new deficits and we've seen politicians voting themselves new entitlements of severance and pension benefits."

Lacey said the federation's review of MLA pensions was sparked by the increase the Liberals and Progressive Conservatives voted themselves in 2008 - at a time when severe flooding in Fredericton had

turned public attention elsewhere and even stopped the legislature's television channel from broadcasting.

"Right now, MLA entitlements are costing taxpayers millions," he said.

"We believe that, with the province facing huge deficits, now is not the time to be paying huge entitlement benefits to our politicians. Instead, they should be setting an example of fiscal restraint."

The federation's report, which lists the estimated salaries of all New Brunswick MLAs, shows what they call the unequal nature of the pension plan; for every \$16 contributed by taxpayers, the politicians themselves put in \$1. The report states this adds up to \$7.5 million of taxpayers' money each year going towards MLAs' pensions, rather than into other government programs.

The report also criticizes the per-diem payments and travel allowances MLAs and ministers receive, which it describes as 'show up to work' pay.

Lacey said New Brunswick's MLAs don't necessarily make more or have richer compensation than in other provinces, but objected to the unequal way in which it is funded.

He said the report shows changes to pay and other compensation are needed.

"This package must recognize the important work done by our elected officials. But it also must be done in a way that is reasonable, fair and transparent for all taxpayers."

To help make MLA compensation more transparent and equitable, the federation recommends scrapping the current pension program and replacing it with a defined contribution RRSP plan, which would reduce the taxpayer-to-politician contribution ratio from 16:1 to 1:1.

They have also called for a citizens' oversight body to make recommendations on MLAs' compensation. They have proposed it would be made up of qualified people, randomly selected from the public.

"We believe it's this grassroots approach that protects the interests of taxpayers and not just the beneficiaries of these entitlement programs."

Finally, the report calls for the elimination of all MLA per diems.

Lacey said that making politicians' pay more fair and transparent would help restore the public's trust in government.

Those increases were unanimously approved by all 55 Liberal and Tory MLAs.

Two days before this year's election campaign started, the clerk of the legislature appointed a three-person, independent panel to review the 2008 pay and pension increases.

Yesterday, Greg Byrne, one of the Liberal members of the committee that oversees the activities of the legislature, repeated earlier comments that the panel would report back on that decision.

"We obviously will be anxious to have this review completed and to look at implementing their recommendations," he said, before specifying his party would fully accept that advice.

Bev Harrison, a Progressive Conservative member of the committee, also pledged to support whatever recommendations the panel might make.

"No matter what. We're not in the business of cherry-picking recommendations," he said. "Everybody who's on the committee is a citizen. You need a bit of expertise as well on the subject matter that's being discussed."

In response to questions about ensuring that salaries are competitive enough to attract good candidates to run for public office, the federation said that had been taken into account.

"We calculated an average (MLA salary) of almost \$110,000 a year, so in the New Brunswick context that is a fair salary," Lacey said. The federation has a petition on its website asking the government to adopt its recommended changes to politicians' compensation.

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