

Honourable Keith Bain  
Speaker of the Nova Scotia House of Assembly  
Province House, PO Box 1617  
1726 Hollis Street  
Halifax, NS B3J 2Y3

15 July 2022

To the Honourable Keith Bain,

Pursuant to your letters of appointment and subsection 45A(1) of the *House of Assembly Act* (the "Act") we confirm that we have inquired into the following matters:

- the annual indemnity to be paid to members of the House of Assembly under subsection 39(1) of the Act;
- the salary to be paid to the Speaker under clause 42(1)(a) of the Act;
- the salary to be paid to the Deputy Speaker under clause 42(1)(b) of the Act;
- the salary to be paid to the Leader of the Opposition under subsection 42(3) of the Act;
- the salary to be paid to the leader of any other recognized opposition party under subsection 42(4) of the Act;
- the salary to be paid to the Premier under subsection 6(1) of the *Executive Council Act*;
- the salary to be paid to every Minister with portfolio under subsection 6(2) of the *Executive Council Act*; and
- the salary to be paid to every Minister without portfolio under subsection 7(1) of the *Executive Council Act*.

We have approached this important task according to the principles of fairness, equity, and the best interests of Nova Scotians. In further fulfilment of our mandate, we attach our report for your consideration. We understand that our binding recommendations shall be implemented pursuant to subsection 45A(5) of *the Act*. We also hope that our findings and observations will be useful in the future.

We are grateful for this opportunity to serve Nova Scotia.

Sincerely,



Dr. Ajay Parasram



Burtley Francis



Kyle MacIsaac



Nova Scotia House of Assembly

Report of Remuneration Review Panel appointed by the Speaker  
of the Nova Scotia House of Assembly

# Remuneration Review

64<sup>th</sup> General Assembly

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## ACKNOWLEDGEMENTS

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## 1. EXECUTIVE SUMMARY

This is the first remuneration review for Members of the Nova Scotia House of Assembly (MLAs) since 2014. As an independent panel, we have been mandated by the Nova Scotia *House of Assembly Act* (the "Act") to review the annual indemnity paid to MLAs, as well as the additional salaries paid for the seven roles of Speaker, the Deputy Speaker, the Leader of the Opposition, the leader of any other recognized opposition party, the Premier, Ministers with Portfolio, and Ministers without Portfolio.

"Indemnity" is the technical statutory term for MLAs' base pay. For clarity, this report adopts the term "MLA base pay" throughout, unless citing the *Act*.

"Salary" is the technical statutory term for the additional remuneration that an elected MLA receives for occupying one of the separate seven roles above, as set out in the *Act* and/or the *Executive Council Act*. For clarity, this report adopts the term "additional amount" to refer to the remuneration for those seven separate roles.

In December 2013, the Speaker appointed a three-member review panel that submitted its report in April 2014. That review recommended no change to the 2013 base pay of MLAs. It has remained at the 2013 levels until now.

The scope of the 2014 review was broader than that of the current review. Its mandate included the entire compensation components of MLA pensions, expenses and allowances, counselling or retraining services, and other remuneration. Since those broader components fall outside the statutory jurisdiction of the current 2022 review, we did not have the legal power to change or address those other components of the entire compensation package.

We have carried out our consultations, research, reviews, and deliberations according to the guiding principles of fairness, transparency, and the best interests of Nova Scotians. In the course of this work, a number of issues arose that fell outside the strict technical parameters of our





narrow statutory mandate, yet were nevertheless interwoven and interrelated to the issues we were tasked with reviewing. However, we believe these issues to be important enough to raise in this report. They include the following:

- section 45A(7A) of the *Act* and its enduring effects on MLA compensation;
- diversity within the legislature and the need to attract MLAs who more broadly reflect Nova Scotia's demographics;
- barriers facing those from under-represented groups who are considering running for public office;
- the short 30-day statutory limit on the present review, which constrained a thorough review; and
- the narrow statutory mandate, which precluded decisions regarding the complete compensation package (pensions, expenses, allowances, etc.).

To help us understand MLAs' remuneration within the context of the economy, we asked experts to share their insights. There was consensus among those experts that

- Nova Scotia has recovered rapidly from the effects of the COVID-19 pandemic despite lags in some sectors,
- the recent high rate of inflation is expected to drop back to the Bank of Canada's target rate of 2% annually within the next 18 to 24 months,
- a recession in Nova Scotia is unlikely, and
- the recent and expected increases in the provincial population will continue to have a positive economic impact.

We also took into account the increases in public-sector wages and salaries since MLA base pays and additional amounts were frozen in 2013.

In setting forth our recommendations, we have sought to remedy approximately 10 years of static MLA wages which could have otherwise been addressed by existing legislative provisions. Specifically, section 45A(7) of the *Act* already provides an automatic mechanism for increasing MLA base pays and additional amounts in line with annual increases in public sector pay.

Our recommended increase to MLAs' base pay is reflective of the actual increases in salaries and wages negotiated by the Nova Scotia Government and General Employees Union during the 2013–2022 period. We recommend a reduction in salary to the roles of Premier and Minister



without Portfolio. For the five additional roles and their respective amounts, we recommend no change.

## 2. BACKGROUND AND MANDATE

On May 30, 2022, the Speaker of the House of Assembly appointed a three-person independent panel (the “Remuneration Panel”), pursuant to subsection 45A(1) of the *House of Assembly Act* (the “Act”). The appointed Panel members are Ajay Parasram, Associate Professor, Dalhousie University; Burtley Francis, Lawyer and Partner, Stewart McKelvey; and Kyle MacIsaac, Lawyer and Partner, Mathews Dinsdale & Clark LLP.

Pursuant to section 45A(4) of the *Act*, the Remuneration Panel possesses the powers of a Commission of Inquiry under the *Public Inquiries Act*. Pursuant to subsection 19(d) of the *Interpretation Act*, a decision of the majority of the Panel is binding.

Our statutory mandate tasks us with reviewing the remuneration paid for eight roles held by elected officials in Nova Scotia: the base pay for elected Members of the House of Assembly (MLAs), and the additional amounts paid to those elected Members who take on one of the seven additional offices.

The eight amounts under review are shown in Table 1 (next page):



**Table 1, Current Roles, Remunerations and Statutory References**

Role	Current Remuneration	Statutory Reference
MLA	\$89,234.90	subsection 39(1) of the <i>House of Assembly Act</i>
Speaker	\$49,046.51	clause 42(1)(a) of the <i>House of Assembly Act</i>
Deputy Speaker	\$24,523.25	clause 42(1)(b) of the <i>House of Assembly Act</i>
Leader of the Opposition	\$49,046.51	subsection 42(3) of the <i>House of Assembly Act</i>
Leader of any other recognized opposition party	\$24,523.25	subsection 42(4) of the <i>House of Assembly Act</i>
Premier	\$112,791.20	subsection 6(1) of the <i>Executive Council Act</i>
Minister with Portfolio	\$49,046.51	subsection 6(2) of the <i>Executive Council Act</i>
Minister without Portfolio	\$49,046.51	subsection 7(1) of the <i>Executive Council Act</i>

The scope of this review is narrower than the last, which occurred in 2014. The mandate of the 2014 review included other, broader components of the compensation package: pensions; expenses and allowances; counselling or retraining services; and other remuneration.

Since those broader components fall outside the statutory jurisdiction of the current 2022 review, we are unable to review or recommend changes to those other components of the entire compensation package.

### 3. INDEPENDENCE OF PANEL

At the outset, we wish to highlight that, as a Panel, we are independent and politically neutral, and we have carried out this review without interference. The principles guiding the Remuneration Panel's independence are consistent with the commentary of Justice LeDain, in the Supreme Court of Canada's decision in *Valente v. The Queen*, [1985] 2 SCR 673 at paragraph 18:

The scope of the status or relationship of judicial independence was defined in a very comprehensive manner by Sir Guy Green, Chief Justice of the State of Tasmania, in



“The Rationale and Some Aspects of Judicial Independence,” (1985), 59 *A.L.J.* 135, at p. 135 as follows:

“I thus define judicial independence as the capacity of the courts to perform their constitutional function free from actual or apparent interference by, and to the extend [sic] that it is constitutionally possible, free from actual or apparent dependence upon, any persons or institutions, including, in particular, the executive arm of government, over which they do not exercise direct control.”

While we acknowledge that the above decision relates to independence of the court system, we believe the same principles are relevant to this Panel and future panels.

#### 4. HISTORY OF PRIOR PANELS

Until the late 20<sup>th</sup> century, Members of the Nova Scotia House of Assembly set their own remuneration.

Commissions of Inquiry appointed in 1977 and 1982 made recommendations on remuneration that were implemented by a vote of the House. The new section 43A, now section 45, of the present *House of Assembly Act* changed that practice in 1983. It provided for the Commissioner’s recommendations to be implemented by the Speaker with no further action needed (that is, no vote). Recommendations would apply from the first day of January in the year immediately following the Commissioner’s report.

In 2006, an independent Commission held public hearings and solicited public participation. At the time of the review, the base taxable salary was \$65,556. The Commission recommended an increase to \$79,500 (21.27% increase) that would bring Nova Scotia MLAs’ pay on par with the national average. Effective January 1, 2006, an amendment to the *Act* (Bill 252, assented to Dec. 8, 2005) eliminated expense accounts and increased the annual base pay by the amount of the former expense allowance, plus an adjustment since that amount was now taxable.

For the year 2008 and the year 2009, in accordance with the *Act*, section 45A(7), MLA salaries were increased on January 1 each year by the same percentage increase provided to civil servants.

The wage freeze was accomplished by the *Financial Measures (2009) Act*, SNS 2009, c. 5, section 10, which enacted the original section 45A(8):

(8) Notwithstanding anything contained in this Section,



(a) there shall be no increase paid in accordance with this Section until January 1, 2012;

(b) no inquiry and report shall be undertaken pursuant to subsection (1) before September 1, 2011, the recommendations contained in that report shall be delivered to the Speaker by November 30, 2011, and the effective date of the recommendations contained in that report is January 1, 2012; and

(c) no increase in the annual indemnity or salaries paid pursuant to this Section shall occur for the year 2012, except as recommended in the report referred to in clause (b).

Subsection 45A(8) froze MLA base pay and additional amounts for 2010 and 2011.

Section 23 of the *Government Administration Amendment (2011) Act*, SNS 2011, c. 9, repealed clauses (b) and (c) and substituted a new clause (b) that postponed the inquiry and report until after the following General Election, which occurred in 2013.

Finally, after the 2013 General Election, *An Act to Amend Chapter 1 (1992 Supplement) of the Revised Statutes, 1989, the House of Assembly Act*, SNS 2013, c. 38, repealed section 45A(8) of the *House of Assembly Act* and substituted the provision that currently exists. Section 45A(7A) provided for the expanded review that occurred from 2013 to 2014.

(7A) Notwithstanding subsection (7), no increase in the annual indemnity and salaries shall occur from January 1, 2015, to December 31<sup>st</sup> in the year in which increases are next effective pursuant to subsection (6), inclusive.

Pursuant to the above section 45A(7A), in December 2013, the Speaker appointed a three-member review panel, which submitted its report in April 2014. That review recommended that the 2013 base pay and additional amounts remain unchanged. The base pay and additional amounts have all remained at the 2013 levels until now.



## 5. METHOD

Our review unfolded across two phases: 1. Research and Consultation, and 2. Deliberations and Analysis.

### *Research*

We were apprised of our legislative mandate, interrelated regulatory frameworks, and applicable policies, including the *House of Assembly Act*, *Public Inquiries Act*, and *House of Assembly Management Commission Act*. We gained insight into Nova Scotia's social and economic outlook from the most recent and reliable data available, including demographics, census profiles, Gross Domestic Product, and Consumer Price Indexing. To compare with the remuneration paid at our neighbouring jurisdictions, we studied surveys and reports on the compensation of elected officials across global and Canadian legislatures, with a special focus on Atlantic Canada. Within Nova Scotia, we concentrated on the remuneration reviews conducted by our predecessors and considered the compensation packages for occupations in the public sector.

### *Consultation*

We invited input – both oral and written – from two key stakeholders: Nova Scotians and their elected representatives.

Members of the public had the opportunity to give a virtual presentation to us. We also accepted written submissions through email or post. Although the level of public engagement was less than it was for the broader and longer review in 2014, we appreciate the input we received.

In an array of industries and sectors, the people whose wages are under review have a meaningful opportunity to represent their views in a frank and candid fashion to the decision-makers tasked with reviewing their compensation. To understand the nature of the role of an MLA and the responsibilities it entails, we invited MLAs to share their perspectives confidentially with us through a virtual presentation or in writing. Although nothing from this consultation was determinative, this firsthand perspective gave us insight into the obstacles to attracting diverse and qualified representatives.

### *Guiding Principles*

We carried out our consultations, research, reviews, and deliberations according to the following three guiding principles:

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- Fairness
- Transparency
- Best interests of Nova Scotians

We recognize that differing views exist among the public of what is “fair.” However, there are few, we believe, who would contend that Nova Scotia MLAs should not receive fair compensation for their work. To arrive at fair decisions and avoid basing our analysis on temporary conditions, we have adopted an analytical approach that identifies and applies objective, comparative factors.

This objective approach is articulated by Commissioner Michael Werier, at page 15 in his July 2017 remuneration report for Manitoba MLAs, as follows:

Any system of pay or salary must be fair, reasonable, and equitable to both the member and the public. A member is entitled to a reasonable level of pay or salary commensurate with the responsibilities of the position. The level of salary should reflect the economic realities of the province. Comparisons should be made to salary indices within Manitoba such as the weekly average wage and welfare rates and two other benchmarks such as pay levels for other public service positions within Manitoba. Interprovincial rankings of MLA salaries should compare reasonably to the province's relative economic position. The compensation system designed in this way will allow the general public to understand what is provided to an MLA and will allow the MLA to be clearly responsible and accountable.<sup>1</sup>

The following are some of the factors we considered as we conducted our work (in no particular order). Greater weight may be placed on certain factors depending on the priorities and circumstances at the time:

- salary comparison with elected roles in other provincial legislatures and other public roles within Nova Scotia (such as Deputy Ministers)
- the need for compensation levels that make the MLA role attractive to highly qualified candidates who reflect all Nova Scotian communities
- the public sentiment on how much the roles of elected officials should be paid
- the need to have compensation levels that reflect the importance of the MLA role
- the increased cost of living since the last MLA pay increase

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<sup>1</sup> Report of the Commissioner on Salaries, Allowances and Retirement Benefits for Members of the Manitoba Legislative Assembly, 2017.

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- Nova Scotia's economic position compared to other provinces

We believe that the primary factors that consistently should be ascribed significant weight are salary comparisons with other provinces; the importance of the role fulfilled by the members of the legislature in the democracy of the province; the need to attract qualified candidates to run for public office; the general state of the Nova Scotia economy compared to those of other provinces; and the importance of creating a diverse legislature reflecting the ethnicity, gender, age, national origin, ability, sexual orientation, education and religion of the various communities within Nova Scotia.

## 6. FINDINGS

In the course of our consultations and research, certain issues arose that were not part of our legislated mandate. Even so, we believe these issues are important enough to draw attention to and remark upon in this report.

### **Findings from Previous Panels**

Until 2006, panels and commissions responsible for reviewing MLAs' remuneration were not truly independent. In 2006, however, no member of that year's Commission was an MLA, and Alan Dunnet, an expert in compensation, was hired to research and compare Nova Scotia to other Canadian jurisdictions. Pensions and other benefits were not included in their mandate. As we noted earlier, that year saw a substantial increase in MLAs' remuneration to bring it into line with the national average at the time.

Following the 2009 provincial election, no remuneration review was undertaken, as amendments made to the *Act* specifically prevented the review from taking place until after the 2013 election.

In 2011, a three-member panel was appointed to review MLA pensions. MLA base pays and additional amounts were not part of their review.

A three-member review panel was appointed in December 2013 and submitted their report in April 2014. Their broad mandate encompassed all allowances, reimbursements, allowable expenses or other payments to Members pursuant to the *House of Assembly Management Commission Act*, and all retiring allowances pursuant to the *Members' Retiring Allowances Act*. Their recommendations were to leave MLA base pays and additional amounts unchanged. They made several other detailed recommendations regarding pensions and expenses.





The present Remuneration Panel is the first panel appointed since 2014. In its present form, the *House of Assembly Act* mandates that remuneration must be reviewed immediately following a General Election.

### **Implementation of Sections 45A(7) and 45A(7A)**

Under the *Act*, section 45A(7), first enacted in 2007, the MLA base salary was meant to be increased annually by a percentage equal to the increase in civil service pay for that fiscal year:

45A(7) In each subsequent year on January 1st, the annual indemnity and salaries shall be increased by the percentage increase in salary provided to civil servants for the current fiscal year.

When section 45A(7A) entered into force in 2015, it retroactively froze MLA salaries, and the specified annual increases could not be applied:

45A(7A) Notwithstanding subsection (7), no increase in the annual indemnity and salaries shall occur from January 1, 2015, to December 31<sup>st</sup> in the year in which increases are next effective pursuant to subsection (6), inclusive.

Although the intention of section 45A(7A) of the *Act* seems to have been temporary – i.e., for three years – its effect has endured. As a result, we as a Panel have been tasked to review MLAs' remuneration when section 45A(7) already existed to deal with the question of whether that remuneration should increase and, if so, by how much.

In December 2017, an Arbitration Award between the Government of Nova Scotia and the General Employees Union (NSGEU) unfroze wages and salaries for civil servants represented by the NSGEU, but not for MLAs. A recent NSGEU Arbitration Award in 2022 has established annual increases until March 2024.

### **Barriers to Serving**

It is critically important to democratic government that no one is dissuaded from seeking public office solely on account of perceived financial risk or certain disproportionate financial loss. The central principle is to widen the opportunity to attract leaders from the community to participate in public office. There is no certainty in how long an MLA will hold office. It has been well noted that the interruption in the career path and in an individual's private life are real considerations that every individual contemplating public office must weigh. While political life is voluntarily chosen by those who serve, there are long-term impacts on their family life and career

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development. If the cost is too great to career or too onerous to family, the field of candidates narrows and the quality shrinks. Furthermore, we must acknowledge the disproportionate costs to individuals from equity-deserving groups and under-represented communities in giving up their earned tenure and seniority in their chosen career with no assurance they will be able to re-enter at the same level they left.

### **Diversity Within the Legislature**

At first glance, the issue of diversity may not appear to be connected to MLAs' remuneration. Yet it is in fact key to the larger question of how we in Nova Scotia can attract MLAs who represent the demographic makeup of this province. When we considered the issue of diversity within the current cohort of MLAs, we found that the issue is twofold. The first part relates broadly to the challenge of attracting people from under-represented groups. Nova Scotia's Legislature should reflect the ethnicity, gender, age, national origin, ability, sexual orientation, education and religion of the various communities within the province. The second part relates specifically to the challenges that persist in attracting women and gender-diverse individuals to run as MLAs, especially those who are raising young children.

#### *The Challenge of Attracting People from Under-represented Groups*

Nova Scotia's 41st General Election, held in 2021, was the first to unfold across 55 electoral districts, encompassing a four-seat increase in the House's size. Through redrawing existing boundaries and reviving protected districts, the additional four seats brought about the voter parity recommended by the independent Electoral Boundaries Commission in 2012 (and again in 2019), as well as the constitutional right to effective representation interpreted by the Nova Scotia Court of Appeal in 2017.<sup>2</sup>

Upon commencement, the standings of registered parties in the 64th General Assembly were as follows:

- Progressive Conservative: 31
- Liberal: 17
- New Democratic Party: 6
- Independent: 1

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<sup>2</sup> Reference re the Final Report of the Electoral Boundaries Commission, 2017 NSCA 10.

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**Age:** The average age of MLAs is 49 years old. Based on those who have disclosed their ages publicly, the current range is from 30 to 70 years old.

**Gender identity:** There are 35 males, 19 females, and 1 non-binary member.

**Ethnicity:** Among the 55 MLAs, 4 identify as African-Nova Scotian and 1 MLA identifies as biracial. There is no data on the number of MLAs who identify as white. It is problematic to assume those who have not self-identified are “white” because the assumption contributes to the idea that “white,” or person of European ancestry, is a position that is considered to be “normal” or not in need of being situated to understand the larger challenges of diversity within the Legislature.

Diversity gains have been made, including increasing the number of African Nova Scotian MLAs from one to four. The House also welcomed its first Muslim MLA, its first gender non-binary MLA, and first Nova Scotian of Chinese descent.

These gains are important. However, the need to increase representation from equity-deserving groups remains a significant priority for Nova Scotia. Interdisciplinary literature on the importance of representation within institutions speaks to the need of achieving a critical mass of equity-deserving perspectives to transform institutional cultures including patriarchy, racism and other forms of systemic discrimination.<sup>3</sup>

### **Family Challenges**

Challenges persist in attracting women to run as MLAs, especially those who are raising young children. The life of an MLA or Minister includes many demands that take them away from home or can otherwise impact child care, whether it’s travel in the course of their work or attending after-hours meetings or events. The continuing imbalance in child care responsibilities impacts women disproportionately. This imbalance can be a significant factor in terms of their decision to enter political life.

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<sup>3</sup> See e.g., Dahlerup, D. (2006). The Story of the Theory of Critical Mass. *Politics & Gender*, 2(4), 511-522. doi:10.1017/S1743923X0624114X; Liza M. Mügge, Daphne J. van der Pas & Marc van de Wardt (2019) Representing their own? Ethnic minority women in the Dutch Parliament, *West European Politics*, 42:4, 705-727, DOI: 10.1080/01402382.2019.1573036.

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At the federal level, Members of Parliament with young children have a variety of supports available to them, including on-site child care, to enable them to do their work on behalf of Canadians.<sup>4</sup>

At the provincial or territorial level, such supports are rare, but they do exist. While we are unaware of other provincial Legislatures offering child care supports to their MLAs, in Nunavut, the legislative assembly set up a commission in 2018 that would, among other tasks, consider “practical and cost-effective ways to support the work of members who are expectant mothers or who are raising young children, in respect to such areas as child care and parental leave.”<sup>5</sup> In the Northwest Territories, a bill providing child care benefits to assembly members passed unanimously at the NWT Legislative Assembly in December 2019. The policy was aimed at attracting more mothers and fathers to run for office as an MLA.<sup>6</sup>

Today, if Nova Scotian MLAs with young children are required to attend after-hours meetings or events, the burden falls on them to arrange for their own child care.

We therefore propose that the Legislature consider establishing a fund that would be accessible to all parents to provide for reimbursement of child care expenses. It is our understanding that the cost of such a fund would be small, but its benefit would have more of an impact on women and gender-diverse individuals, and on their decisions to run for office.

### **Provisions for a Mi'kmaw Representative**

What is technically the 56<sup>th</sup> seat in the Legislature has been vacant since its inception. In 1992, the House allocated a seat for a Mi'kmaw representative under the *House of Assembly Act*, as follows:

6 (1) The House hereby declares its intention to include as an additional member a person who represents the Mi'kmaq people, such member to be chosen and to sit in

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<sup>4</sup> *Support for Members of Parliament with Young Children: Report of the Standing Committee on Procedure and House Affairs*. The Honourable Larry Bagnell, Chair. November 2017: <https://www.ourcommons.ca/Content/Committee/421/PROC/Reports/RP9286448/procrp48/procrp48-e.pdf>. See also <http://www.childrenonthehill.ca/en/index.html>.

<sup>5</sup> “Nunavut MLAs should get daycare money, commission recommends.” By Jim Bell. *Nunatsiaq News*. April 2019: <https://nunatsiaq.com/stories/article/nunavut-mlas-should-get-daycare-money-commission-recommends/>

<sup>6</sup> Legislative Assembly of the Northwest Territories, *Members' Handbook*, 73: <https://mlainformation.wixsite.com/home/allowances-entitlements-and-service> “Childcare now available for MLAs in bid to attract parents, women.” By Nick Pearce. *NNSL Media*. January 10, 2020: <https://www.nnsi.com/nwtnewsnorth/childcare-now-available-for-mlas-in-bid-to-attract-parents-women/>

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a manner and upon terms agreed to and approved by representatives of the Mi'kmaq people.

(2) Until the additional member referred to in subsection (1) is included, the Premier, the Leader of the Official Opposition and the leader of a recognized party shall meet at least annually with representatives of the Mi'kmaq people concerning the nature of Mi'kmaq representation in accordance with the wishes of the Mi'kmaq people, and the Premier shall report annually to the House on the status of the consultations. – *House of Assembly Act*, RSNS (1992 Supp.), c. 21, s. 6.

Thirty years on, this seat is yet to be occupied. We wish to draw attention to this fact and to call for the Government of Nova Scotia to revisit the provision in the *Act* to ensure that it is fulfilled. In terms of the scope of our inquiry, there is the question of where that role fits within the mandated roles, if someone were able to be compensated for that role. We recognize that the phrasing within the *House of Assembly Act* may need revisiting in consultation with Mi'kmaw legal scholars, as there is a constitutional necessity to practise nation-to-nation relationship building. It is not clear in the as-yet-unused legislation how the representative would actually be selected and how they would fit in a geographically determined riding-based House, as Mi'kma'ki and Nova Scotia overlap. Revisited in good faith, we agree with Mi'kmaw Senator Dan Christmas that fulfilling this position could do a lot of good for the people of both Nova Scotia and Mi'kma'ki.<sup>7</sup>

### **Nova Scotia Economy**

To help us understand and respond to concerns about MLAs' remuneration within the context of Nova Scotia's economy, we asked experts to share their insights into the economic changes in Canada and Nova Scotia since 2013, the current state of the economy, and economic forecasts for the future. The following experts made presentations to us via video link on June 29, 2022:

- Dr. Lars Osberg: Professor, Department of Economics, Dalhousie University
- Dr. Casey Warman: Professor, Department of Economics, Dalhousie University
- Fred Bergman: Senior Policy Analyst, Atlantic Provinces Economic Council
- Dr. Patrick deLamirande: Associate Professor, Department of Financial and Information Management, Cape Breton University

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<sup>7</sup> "Time may be right for Mi'kmaq seat in Nova Scotia legislature: senator" By Keith Doucette, *Canadian Press*. June 15, 2017: <https://globalnews.ca/news/3532293/time-may-be-right-for-mikmaq-seat-in-nova-scotia-legislature-senator/>

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Our specific focuses were the effects of the COVID-19 pandemic on the economy and where we are in the recovery; the recent rise in inflation and the expected trend; whether a recession is likely; and the recent and expected increases in the provincial population, along with the potential economic impact of those population increases.

The experts' presentations were consistent in providing evidence that the province has recovered well from the impact of COVID-19 in terms of the unemployment and employment rates. Further, they showed that although the recent and current elevated rate of inflation is unexpected, it was not seen to cause alarm. Inflation is predicted to return to the pre-pandemic target rate of 2% annual inflation within about 18 to 24 months. In the opinion of these experts, a recession is unlikely. Nova Scotia's recent and anticipated increase in population, due largely to immigration from other provinces and countries, would continue to grow the tax base and improve GDP, assuming the rates of those increases remain on track.

#### *COVID-19*

When many businesses were shuttered during early 2020 as part of governments' efforts to slow the spread of COVID-19, economic output and employment plummeted. Nova Scotia was protected to some extent by its relatively low levels of global economic integration and low population density, but even here the economic effects were marked. However, by the last quarter of 2021, unemployment rates in Canada and Nova Scotia had dropped below pre-pandemic rates. Employment levels rebounded and surpassed 2019 levels. As a result, Nova Scotia's GDP also recovered to higher than pre-pandemic rates.

Some industries continue to struggle, most notably accommodation and food services; information, culture, and recreation; and wholesale and retail trade. But despite the uneven recovery across sectors, the consensus among the experts was that the Nova Scotia economy has recovered surprisingly quickly.

#### *Inflation*

A variety of factors, including the pandemic, have pushed inflation rates above the Bank of Canada's target rate of 2% annually. Supply chain disruptions, housing prices, the price of oil, pent-up demand for goods, the invasion of Ukraine, and climate change have all impacted the global economy and, in turn, the economies of Canada and Nova Scotia.

Efforts by government and the Bank of Canada to bring down inflation take time, because there is always a lag between their actions and the effects of those actions. All the experts agreed that

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bringing inflation back to the 2% target rate is likely to take at least 18 months and could take two or three years.

A lot of uncertainty remains, in part because some other countries have not recovered as strongly as Canada has. Another factor is labour shortages and the pressure they may put on wages to rise. However, the experts see inflation as a relatively short-term problem, because, they say, the monetary policy regulators have the tools to solve the structural problems that cause it.

### *Likelihood of Recession*

Despite the many uncertainties that are pushing the economy in different directions, the experts say that recession in Nova Scotia is unlikely.

Nova Scotian real economic activity is forecast to increase by 2.4% this year. Capital spending in Nova Scotia in both the private and public sectors is forecast to reach \$4.8 billion this year, a record for the province. However, stock markets are declining, and the global economic uncertainty suggests we should prepare for more economic turbulence.

Higher allocations for the Nova Scotia Nominee Program and Atlantic immigration programs, along with more Ukrainian refugees, are expected to boost population growth and provide a cushion for a soft economic landing. An expanding population may help to keep Nova Scotia from going into recession.

### *Impact of Population Increases*

If Nova Scotia's population continues to increase, the province's tax base will inevitably grow as well.

Nova Scotia's population numbers flattened in the 1990s and 2000s, but they surged in recent years and surpassed one million in December 2021. In the first quarter of this year, Nova Scotia's population increased at an annualized rate of 1.8%. That's stronger than normal population growth in the province.

Nova Scotia in-migration from other provinces over the last year was the highest since 1990, while out-migration to other parts of Canada declined. The primary age group leading the way for net interprovincial migration is the 20- to 29-year-old demographic, young people who in the past often moved to other provinces to find work.



Although immigration fell sharply during the pandemic because of international travel restrictions and limited means of processing capacity, it has begun to rise again. Up to April of this year, Nova Scotia immigration was almost 4,200. If that pace is maintained throughout the year, immigration could reach almost 12,600 this year, which would be a new record.

A growing population means more jobs, incomes, spending and household investment.

### **Fairness and Equity**

The question of remuneration and the broader issues of fairness and equity should not only be tethered to economic forecasting. Part of what we heard from expert analysis is that MLAs have the most direct impact on the income of Nova Scotians living on social assistance, especially those living with a disability. In the 1970s and 1980s, the income of Nova Scotians on social assistance was more generous than it has been in recent years. The guiding principle here speaks to the “revealed preferences” of MLAs in terms of what they as a legislative body deem to be fair and equitable, as measured by increases in the baseline incomes of Nova Scotians on social assistance. While we ultimately did not adopt the principle of tying MLA salaries to this particular measure, in drawing attention to this insight we hope that future panels that may have broader mandates might consider thinking more expansively on issues of fairness and equity.

### **Timing of the Review**

Under the *Act*, an appointed independent panel has 30 days within which to consult, research, review, deliberate, and report on MLA remuneration:

45A(1) Within sixty days after ordinary polling day in each general election, the Speaker shall appoint three persons to make an inquiry and a report respecting the annual indemnity to be paid to members of the House pursuant to this Act, the salaries to be paid to the Speaker, the Deputy Speaker, the Leader of the Opposition and the leader of any other recognized opposition party pursuant to this Act and the salaries to be paid to members of the Executive Council pursuant to the *Executive Council Act*.

45A(4) The persons appointed pursuant to subsection (1) or (2) have all the powers, privileges and immunities of a commissioner pursuant to the *Public Inquiries Act* and shall complete their inquiry and deliver their report containing recommendations to the Speaker or, where no Speaker has been elected, the Chief Clerk within ninety days after ordinary polling day.





This span of 30 days is insufficient for any panel to conduct a full and comprehensive review. A review involves many people beyond the panel to assemble the information needed. It is also insufficient time to canvass and consult with stakeholders, groups, and experts in a meaningful way.

We note that the timelines for remuneration reviews in other Canadian jurisdictions we looked at are considerably longer. In Prince Edward Island, the timeline is 90 days.<sup>8</sup> In Newfoundland and Labrador, the timeline for their most recent review in 2016 was 120 days.<sup>9</sup> It is also worth noting that, for the Nova Scotia review of MLA pensions in 2011, the timeline was six months.

### **Total Compensation Review**

In most compensation reviews outside the context of this one, the reviewer's mandate encompasses the occupation's entire compensation package. This complete picture enables an appropriate and fair assessment.

We therefore suggest that the Legislature consider ensuring all future remuneration reviews cover all aspects of compensation (MLA base pays, additional amounts, pensions, expenses, and allowances). In our view, at least 180 days should be provided for a thorough and comprehensive review.

The current narrow statutory mandate precluded that approach, and the short statutory timeframe set for conducting our review would have made it impossible in any case. Thus, if the scope of future reviews remains the same as ours, we suggest that the review period be extended to at least 90 days.

### **Other Relevant Pay Increases Since 2013**

Since MLA base pays and additional amounts have been frozen since 2013, we considered it fruitful to look at changes during that period that relate to specific and relevant pay considerations.

Since 2013, the median family income in Nova Scotia has increased by 15% from \$70,020 to \$80,600.

The provincial budget has increased by 40% from \$9.5 billion to \$13.3 billion.

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<sup>8</sup> *Legislative Assembly Act*, RSPEI 1988, c L-7.1 (53(6)):

<sup>9</sup> *Review of MHA Salaries, Allowances, Pensions & Severance*, November 2016, p.3:

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Over the same period, public-sector unions in Nova Scotia have negotiated wage and salary increases. Table 2 outlines the cumulative percentage increases for the Nova Scotia Teachers Union, the Nova Scotia Nurses' Union, Doctors Nova Scotia, and the Nova Scotia Government and General Employees Union.

**Table 2: Union increases to compensation in Nova Scotia, 2013 to present**

Union	Years	% increase
NSTU	2011–2019	10.95%
NSNU	2013–2020	7.2%
DNS	2019–2023	8.2%
NSGEU	2013–2021	14.3%

Deputy Ministers' salaries increased significantly during the same time period. Between 2013 and 2022, the SO2 pay plan for Deputy Ministers' salaries increased by 13.8%, while MLAs' and Ministers' incomes remained frozen at 2013 levels. While MLAs' base salaries and additional amounts have remained unchanged, their public-sector colleagues have seen their incomes increase, and in some cases dramatically so.

Although there are other possible benchmarks to use to index annual increases to MLA salaries, we note that, like Nova Scotia, Newfoundland and Labrador ties annual increases to corresponding increases in public union contracts. In response to concerns of perceived conflicts of interest in this approach, our view is that the negotiation process with the public sector unions is done in good faith by arm's length parties who are not and who do not include, MLAs. In the negotiations, the needs of public sector employees are balanced against the ability of the Nova Scotia taxpayer to pay. In our view, these realities in the negotiation process result in little risk of a conflict of interest in adjustments to MLA salaries.

## 7. NON-BINDING RECOMMENDATIONS

As mentioned earlier, we wish to comment on certain issues that arose but were not part of our legislated mandate.

Based on the factual findings above, we summarize our non-binding recommendations as follows:

### *Future Remuneration Reviews*

To improve future remuneration reviews, we recommend that the Legislature consider:



- **Fairness and Equity:** Establish a broader mandate to enable future panels to tailor MLA base pays to variables for equity and diversity.
- **Total Compensation Review:** All future remuneration reviews should cover all aspects of MLA compensation.
- **Length of Review Period:** To do so, a period of at least 180 days should be provided. If the mandate for future reviews remains limited to MLA base pay and the seven additional roles we have considered, then at least 90 days should be provided.

### *Reducing Barriers*

To reduce barriers, we recommend that the Legislature consider:

- **Child care:** Establish a fund that would be accessible to all parents to provide for reimbursement of child care expenses.
- **Section 6 of the Act:** Practise nation-to-nation relationship building and consult Mi'kmaw legal scholars to revisit the Act's provisions for a Mi'kmaw Representative.

## 8. BINDING RECOMMENDATIONS

In setting forth our binding recommendations, we have sought to remedy approximately 10 years of static MLA wages, which could have otherwise been addressed by existing legislative provisions. A legislative mechanism already exists to annually adjust MLAs' base pay and additional amounts at the same rate of any increase in public civil service pay. This mechanism, section 45A(7) of the *House of Assembly Act*, passed in 2007. Had it not been superseded by the retroactive entry into force of section 45A(7A) of the *Act* in 2015, thus freezing MLA base pay and additional amounts until now, the task we undertook would have been less extensive.

If the MLA base pay had not been frozen at the 2013 rate of \$89,234.90, but had instead increased at the same percentage as the civil service, MLAs would have been paid as shown in Table 3 (next page):



**Table 3, Potential MLA Base Salary Changes, 2014–2021**

Year	MLA Base Salary (effective January 1)	% Increase – Civil Service Rate
2014	\$91,465.77	2.5%
2015	\$94,209.74	3%
2016	\$94,209.74	0%
2017	\$94,209.74	0%
2018	\$95,151.84	1%
2019	\$96,579.12	1.5%
2020	\$98,510.70	2.0%
2021	\$100,480.91	2.0%

No formal job descriptions exist for the eight roles for which the Remuneration Panel has been asked to make recommendations. Rather, the roles must be understood by the various customary and statutory duties assigned to them.

*Member of the House of Assembly (MLA)*

The late Arthur Fordham QC characterized the legislature (and by extension MLAs) as having four functions: law maker, controller of the purse strings of the province, watchdog of the government, and public forum.

The work of an MLA at Province House accounts for a small amount of their time, although it is the most publicly visible. The Assembly usually sits for several weeks in the spring and again for several weeks in the fall. Six of the standing committees meet throughout the year.

MLAs are each given a budget to run a constituency office, which they can use as they choose. Most MLAs spend significant time out in their community, attending events and speaking with people. MLAs also tend to do significant amounts of casework in which they are helping constituents. Much of this work involves connecting constituents with provincial government offices and programs, helping constituents to apply for benefits, and negotiating government bureaucracy to solve the constituent's problem.

All MLAs receive an annual base pay pursuant to subsection 39(1) of the *House of Assembly Act*.

**Recommendation**

*\$89,234.90 now*



*\$100,480.91 recommended (increase of \$11,246.01 based on what the MLA base salary would have been with annual increases over the last 10 years as contemplated in the Act)*

By operation of subsection 45A(7), the annual increases to MLA base pay will occur every January 1 and will track the increases provided for the civil service for that fiscal year. Going forward, MLA base pay automatically increases as follows:

- January 1, 2022: 1.5%
- January 1, 2023: 1.5%
- January 1, 2024: 3.5%

In addition to the base pay all MLAs receive, some MLAs receive an additional amount provided pursuant to the *Act*, by virtue of holding one of the following offices:

- Speaker (clause 43(1)(a)), or
- Deputy Speaker (clause 42(1)(b)), or
- Leader of the Opposition (subsection 42(3)), or
- Leader of a recognized party (other than the Premier or the Leader of the Opposition) (subsection 42(4)).

Only a current MLA can hold the offices of Speaker, Deputy Speaker, Leader of the Opposition or leader of a recognized party.

In addition to the annual base pay payable to an MLA, Members of the Executive Council (Ministers) receive an additional amount pursuant to the *Executive Council Act* by virtue of holding one of the following ministerial offices:

- Premier (subsection 6(1)), or
- Minister with Portfolio (subsection 6(2)), or
- Minister without Portfolio (subsection 7(1)).

It is possible for an individual to be a member of the Executive Council without being an MLA. A member of the Executive Council who is not an MLA is not entitled to the MLA base pay; that individual may only receive a ministerial amount under the *Executive Council Act*.

### *Speaker*

The Speaker is the presiding officer of the House of Assembly, elected by the MLAs to preside over legislative proceedings. In the chamber, the Speaker is responsible for maintaining order

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and decorum, regulating debate, deciding on questions of order, and ruling on questions of privilege in accordance with the *Rules and Practices of the House of Assembly*.

The Speaker represents the Assembly and has jurisdiction over all matters concerning Province House.

The Speaker is *ex officio* Chair of the House of Assembly Management Commission, the body responsible for the stewardship of all public money approved by the Assembly for the use and operation of the Assembly and for all financial and administrative policy affecting the Assembly and its MLAs, offices and staff.

#### **Recommendation**

*\$49,046.51 now*

*No change recommended*

#### *Deputy Speaker*

The Deputy Speaker is either elected by the MLAs or appointed by resolution of the Assembly.

When the Speaker is absent, the Deputy Speaker takes the chair and performs all the duties of the Speaker. When the Speakership becomes vacant, the Deputy Speaker exercises the authority of the Speaker until a new Speaker is elected.

The Deputy Speaker is *ex officio* a member of the House of Assembly Management Commission. The Deputy Speaker also serves as Chair of Committees, presiding over all Committees of the Whole House.

#### **Recommendation**

*\$24,523.25 now*

*No change recommended*

#### *Leader of the Opposition*

The Leader of the Opposition is by custom the leader of the party (styled as the Official Opposition) having the most seats in the House of Assembly that is not the governing party or a member of a governing coalition.



The role of the Official Opposition is to hold the government to account. It is often viewed as a government in waiting. To that end, the Leader of the Opposition acts as a counterpart to the Premier. The Leader of the Opposition selects a “shadow Cabinet” of critics to mirror the responsibilities of the Ministers. The critics scrutinize the activities and policies of the government and question Ministers during question period.

**Recommendation**

*\$49,046.51 now*

*No change recommended*

*Leader of a Recognized Party*

The leader of a recognized party, under clause 2(c) of the *House of Assembly Act*, is

the leader in the House of a party represented by two or more members, other than the Premier or the Leader of the Opposition, whose party was a registered party in accordance with the *Elections Act* and had candidates standing for election for three quarters of the seats of members in the House and whose party received ten per cent or more of the votes officially recorded in the latest general election of members of the House[.]

Like the Official Opposition, the role of the recognized parties is to hold the government to account. Similar to the Leader of the Opposition, the leader of a recognized party acts as a counterpart to the Premier and selects that party’s critics.

**Recommendation**

*\$24,523.25 now*

*No change recommended*

*Premier*

The Premier is the person chosen by the Lieutenant Governor to form the government. This is usually the leader of the party having the most seats in the House of Assembly. The Premier is the head of government and effectively directs the exercise of executive power in the province.

In Nova Scotia, the Premier is traditionally appointed as President of the Executive Council. The Premier chooses who will serve as members of the Executive Council and the capacity in which



they will serve. The Premier recommends these appointments to the Lieutenant Governor, who then appoints the individuals so recommended. Ministers serve at the Premier's pleasure. The Premier presides over Cabinet meetings and has charge of the Executive Council Office.

### **Recommendation of Members Francis and Parasram**

*\$112,791.20 now*

*\$101,545.19 recommended (decrease of \$11,246.01)*

A majority of the Panel viewed the current total compensation of the Premier's office as fair and reasonable on account of the following: Nova Scotia's economy ranks 7th in Canada in GDP<sup>10</sup>; however, Nova Scotia's total compensation for the Premier's office (\$202,026.10)<sup>11</sup> ranks as the 3rd highest in Canada behind only British Columbia and Ontario, while total compensation to Nova Scotia Ministers (\$138,353.00)<sup>12</sup> and Nova Scotia MLA base pay rank 10th in Canada, respectively. Finally, the difference between the total compensation for the Nova Scotia Premier's office is approximately 46% higher than the total compensation for Nova Scotia Ministers, which is the highest differential of any province (the next highest provinces are British Columbia and Ontario, which have approximately a 26% difference). For these reasons, we do not see a justification to further increase total remuneration to the office of the Premier, and we recommend that the Premier's additional amount be reduced by \$11,246.01 to offset the increase in MLA base pay so the total compensation remains at current levels.

### **Dissenting Recommendation of Member MacIsaac**

I have had the benefit of reviewing the above recommendation of my esteemed fellow Panel members, and with the greatest respect, I cannot agree with their conclusion.

I have reviewed and agree with the findings of the 2006 Commission of Inquiry on the Remuneration of Elected Officials. That report concluded, amongst other things, that the position of Premier is unequalled within the Nova Scotia government, and that there are no precise comparative positions against which the position of Premier can be assessed. The 2006 report concluded that the most accurate comparative position within our provincial legislative

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<sup>10</sup> Statistics Canada. [Table 36-10-0402-01 Gross domestic product \(GDP\) at basic prices, by industry, provinces and territories \(x 1,000,000\)](#)

<sup>11</sup> MLA base pay (\$89,234.00) plus MLA additional amount (\$112,791.20)

<sup>12</sup> MLA base pay (\$89,234.00) plus MLA additional amount (\$49,046.51)

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democracy against which to compare the Head of the Executive Branch is the Head of the Judicial Branch. I agree with this analysis.

As of 2019, the Chief Judge of the Province of Nova Scotia earns a salary of \$257,594.04. This amount is very likely to increase in the near future following a recent decision of the Nova Scotia Supreme Court regarding the lawfulness of a government-imposed freeze on the salary of Nova Scotia Provincial Court Judges.

Respectfully, the position of Premier within our provincial legislative democracy is of paramount importance and significance. I see no compelling reason why the Head of the Executive Branch of Government should be paid demonstrably lower than the Head of the Judicial Branch of Government, and I do not endorse a recommendation which would see the difference between these two salaries widen. On this basis, I see no compelling reason to reduce the Premier's additional amount, and I recommend that the Premier's additional amount remain unchanged.

*Member of Executive Council (Minister)*

Ministers are usually given responsibility for one or more government departments or offices. They may also be assigned responsibility for certain enactments or assigned duties by the Governor in Council. While the day-to-day running of a department or office is in the hands of public servants led by a Deputy Minister or Chief Executive Officer, the Minister is responsible for the overall direction of the department and for making the key policy and strategic decisions.

*Minister with Portfolio*

A Minister with Portfolio is assigned to oversee one or more government departments, along with other duties as prescribed by statute or assigned by the Governor in Council.

**Recommendation**

*\$49,046.51 now*

*No change recommended*

*Minister without Portfolio*

A Minister without Portfolio does not preside over a department but may be assigned duties by the Governor in Council. The Nova Scotia Legislature has not had a Minister without Portfolio since 1996.

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*\$49,046.51 now  
change to \$39,237.21*

### **Recommendation of Members Francis and Parasram**

A majority of the Panel believe that elevating an MLA to cabinet without Portfolio should not come with the same additional amount as Ministers with assigned portfolios. Only five provinces currently have this position: Ontario, Alberta, Manitoba, New Brunswick, and Nova Scotia. Of the five, Nova Scotia is the only jurisdiction in which the Minister without Portfolio receives the same additional amount as Ministers with portfolios. In Alberta and Ontario, Ministers without Portfolio are paid 45% of what Ministers with Portfolio receive. The figure is 75% in New Brunswick, and 84% in Manitoba.

We recognize that this office is seldom used, and that there may be instances in which the role can be used in terms of hypothetical coalition building, securing the advice and guidance of senior colleagues, and more. Nevertheless, the majority of the Panel believe that a lower additional amount for a Minister without Portfolio is needed, and that an appropriate and fair amount would be 80% of the normal Ministerial amount. As such, we are recommending a reduction in the additional amount from \$49,046.51 to \$39,237.21.

### **Dissenting Recommendation of Member MacIsaac**

I have had the benefit of reviewing the above recommendation of my esteemed fellow Panel members, and with the greatest respect, I cannot agree with their conclusion.

It has been decades since Nova Scotia has seen the appointment of a Minister without Portfolio. Indeed, the use of a Minister without Portfolio appears to have all but been eliminated from the Nova Scotia political landscape. However, I note that in other jurisdictions within Canada, utilization of such a position is not entirely without precedent in recent years. As recently as 2021, the Prime Minister of Canada appointed a Member of Parliament to Federal Cabinet as Minister without Portfolio.

While I acknowledge that such a position has been rarely used in recent Nova Scotia history, the *Act* clearly contemplates the Premier having the ability to make such an appointment. Should the Premier of Nova Scotia wish to appoint an individual to the position of Minister without Portfolio, then the Premier would need to justify such an appointment to the people of Nova Scotia. However, the recommendation of my colleagues that such a position receive a reduced salary may have the practical effect of rendering such a position obsolete or otherwise inoperative.

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Should the Legislature wish to eliminate the position of Minister without Portfolio, it is open to the Legislature to do so by amending the *Act*. Until or unless the Legislature makes such an amendment, I respectfully view it as outside the mandate of this Panel to render a decision which might fetter the discretion of any future Premier to appoint an individual to Cabinet in a position and manner in which that Premier judges appropriate.

On this basis, I recommend that the current salary for Minister without Portfolio remain unchanged.

## 9. FINAL OBSERVATIONS

We wish to note that in light of the current economic climate, we did discuss various methods of implementing the increase to MLA base pays. As the Panel is faced with correcting 10 years' worth of static wages, we considered different approaches to economically correct the discrepancies of the past. These included the following options: implementing the change as a lump sum increase all at once, implementing the change incrementally over a number of years (either in equal or weighted percentage increases), or delaying the effective date of the change.

However, suggesting the manner in which the recommended increase in the MLA base salary should be implemented is beyond our mandate, and the Panel is bound by the legal framework to implement the change as of September 1, 2021.

In response to those who in the course of our consultations believed that the current economic climate (specifically high inflation faced by Nova Scotians) should be the primary deciding factor in favour of continuing to freeze MLA salaries, we would note that there is precedent for MLAs in other jurisdictions to return their annual increases to government or to donate them to not-for-profit organizations of their choice to directly support their local communities if they share this view.

We have also considered the impact on the government's budget and on individual Nova Scotians, as shown in Table 4 (next page):



**Table 4, Budgetary Impact**

<b>\$ Impact on NS government budget</b>	
Proposed increase per MLA (includes 18% ancillary adjustment)	\$13,270.29
x Number of MLAs	55
= Net budget increase	\$729,866.05
<b>% Impact on NS government budget</b>	
2022–23 House of Assembly Budget	\$25,661,000
Increase as % of 2022–23 HOA Budget	2.8%
2022–23 Government of NS Budget	\$13,292,456,000
Increase as % of 2022–23 GNS Budget	0.005%
<b>\$ Impact for individual Nova Scotians</b>	
\$ Increase per NS individual (2021 population: 969,383)	<b>\$0.75</b>
\$ Increase per NS taxpayer (2019 no. of taxpayers: 738,730)	<b>\$0.99</b>

It is in the best interests of Nova Scotians for all political parties to be able to attract highly qualified individuals to run for public office. There is no assurance that any particular party will form government. For a healthy democracy, the MLA base pay must be sufficient on its own to attract qualified candidates with skills and experience that would benefit the legislative process. Otherwise, an imbalance will be perpetuated where parties more likely to form government will be best positioned to attract highly qualified candidates from the private and public sectors.

We appreciate the opportunity to serve the Province of Nova Scotia in this way and hope that our recommendations will be useful, in terms of our mandate and the broader issues we have raised.



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	<a href="#"><u>Independent Review Committee on MLA Indemnity, Legislative Assembly of Saskatchewan, 2006</u></a>
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## APPENDICES

1. News Release – May 30, 2022
2. Socioeconomic Research
3. Cross-Canada Scan, Salaries of Members, Ministers, Speakers
4. Comparative Pay Data, Nova Scotia Public Sector
5. Public Presentations and Hansard Transcripts – June 8, 2022
6. Expert Presentations and Hansard Transcripts – June 29, 2022
7. Pension Comparisons
8. Child Care Research

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News release

# Remuneration Panel Appointed, Public Consultation Begins

Speaker's Office ([../search?dept=42](#))

May 30, 2022 - 4:39 PM

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Today, May 30, an independent panel officially begins reviewing the remuneration paid to MLAs.

Pursuant to section 45A of the House of Assembly Act, Keith Bain, Speaker of the House of Assembly, announced the appointment of Ajay Parasram, Burtley Francis and Kyle MacIsaac as members of the panel:

- Ajay Parasram is an associate professor, cross-appointed to the departments of international development studies, history and political science at Dalhousie University; trained in political science and political economy, he researches and teaches about the colonial present
- Burtley Francis is a practicing lawyer and partner with Stewart McKelvey in Halifax; he regularly advises and represents small businesses and national public companies on a broad range of commercial matters; he also sits on the board of directors of the Black Business Initiative and the Federation of African Canadian Economics
- Kyle MacIsaac is a labour and employment lawyer and partner with Mathews Dinsdale & Clark LLP in Halifax who represents provincially and federally regulated employers in all aspects of workplace law; he appears regularly before labour arbitrators, human rights tribunals, labour boards and workers' compensation tribunals, as well as all levels of court in various Canadian provinces.



The remuneration panel has the powers of a commission of inquiry pursuant to the Public Inquiries Act and is mandated by law to review the annual amounts paid for the following eight roles:

- Members of the House of Assembly (currently \$89,234.90)
- the Speaker (currently \$49,046.51)
- the Deputy Speaker (currently \$24,523.25)
- the Leader of the Opposition (currently \$49,046.51)
- the Leader of any other recognized opposition party (currently \$24,523.25)
- the Premier (currently \$112,791.20)
- Ministers with portfolio (currently \$49,046.51)
- Ministers without portfolio (currently \$49,046.51).

The panel's report is due this summer. The scope of this review is narrower than the last, which occurred in 2014. In addition to fixing the amounts for the above eight roles, the mandate of the previous review included pensions, expenses and allowances. Those matters fall outside of the statutory jurisdiction of the current review and will not be considered by the panel.

## Public Consultation

To inform their deliberations, the panel is conducting a province-wide public consultation. Residents of Nova Scotia are invited to share their perspectives in writing or in a virtual presentation to the panel.

Written comments may be submitted by email to [hoa.remuneration.panel@novascotia.ca](mailto:hoa.remuneration.panel@novascotia.ca) (<mailto:hoa.remuneration.panel@novascotia.ca>) or by mail (postmarked before June 10) to Remuneration Panel, c/o Clerk's Office, 1<sup>st</sup> Floor – Province House, P.O. Box 1617, Halifax, N.S., B3J 2Y3.

Nova Scotians can make a 10-minute presentation to the panel on Wednesday, June 8. To schedule, people must send an email to [hoa.remuneration.panel@novascotia.ca](mailto:hoa.remuneration.panel@novascotia.ca) (<mailto:hoa.remuneration.panel@novascotia.ca>) before 4 p.m. on Monday, June 6, with the following:

- subject line – Presentation
- message content – full name and mailing address of presenter and if presenting on behalf of an organization, its official name

-30-

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## Census Profile, 2021 Census of Population

# Profile table

Characteristic	Nova Scotia ⓘ			Canada ⓘ		
	[Province]			[Country]		
	✕ Remove			✕ Remove		
	Counts			Counts		
	Total	Men +	Women +	Total	Men +	Women +
Population and dwellings						
Population, 2021 <sup>1</sup>	969,383	... (not applicable)	... (not applicable)	36,991,981	... (not applicable)	... (not applicable)
Population, 2016 <sup>1</sup>	923,598	... (not applicable)	... (not applicable)	35,151,728	... (not applicable)	... (not applicable)
Population percentage change, 2016 to 2021	5.0	... (not applicable)	... (not applicable)	5.2	... (not applicable)	... (not applicable)
Total private dwellings <sup>2</sup>	476,007	... (not applicable)	... (not applicable)	16,284,235	... (not applicable)	... (not applicable)
Private dwellings occupied by usual residents <sup>3</sup>	428,228	... (not applicable)	... (not applicable)	14,978,941	... (not applicable)	... (not applicable)
Population density per square kilometre	18.4	... (not applicable)	... (not applicable)	4.2	... (not applicable)	... (not applicable)
Land area in square kilometres	52,824.71	... (not applicable)	... (not applicable)	8,788,702.80	... (not applicable)	... (not applicable)
Age characteristics						
Total - Age groups of the population - 100% data	969,380	471,730	497,650	36,991,980	18,226,240	18,765,740
0 to 14 years	136,710	70,165	66,540	6,012,795	3,086,510	2,926,285
0 to 4 years	40,340	20,610	19,735	1,831,195	938,790	902,405
5 to 9 years	47,070	24,055	23,015	2,054,900	1,054,240	998,660
10 to 14 years	49,300	25,505	23,795	2,126,705	1,093,480	1,032,225

Characteristic	Nova Scotia ⓘ			Canada ⓘ		
	[Province]			[Country]		
	✕ Remove			✕ Remove		
	Counts			Counts		
	Total	Men +	Women +	Total	Men +	Women +
15 to 64 years	617,345	302,720	314,625	23,957,760	11,915,050	12,042,710
15 to 19 years	48,180	24,770	23,410	2,012,975	1,036,730	976,245
20 to 24 years	58,005	30,115	27,890	2,202,255	1,138,825	1,063,430
25 to 29 years	60,430	30,375	30,050	2,421,510	1,228,135	1,193,375
30 to 34 years	59,575	29,295	30,285	2,518,835	1,252,795	1,266,040
35 to 39 years	57,755	27,960	29,790	2,511,345	1,238,515	1,272,830
40 to 44 years	56,420	26,900	29,515	2,399,405	1,175,875	1,223,530
45 to 49 years	59,200	28,415	30,785	2,304,170	1,129,185	1,174,985
50 to 54 years	63,775	30,595	33,175	2,368,350	1,161,665	1,206,685
55 to 59 years	77,080	37,205	39,870	2,647,330	1,299,975	1,347,355
60 to 64 years	76,935	37,085	39,850	2,571,580	1,253,335	1,318,245
65 years and over	215,325	98,845	116,480	7,021,430	3,224,680	3,796,750
65 to 69 years	68,395	32,735	35,665	2,210,970	1,065,305	1,145,665
70 to 74 years	59,435	28,295	31,140	1,847,585	879,850	967,735
75 to 79 years	39,325	18,400	20,925	1,260,930	589,090	671,840
80 to 84 years	25,130	11,095	14,040	840,545	370,905	469,640
85 years and over	23,035	8,325	14,715	861,395	319,540	541,855
85 to 89 years	14,595	5,860	8,740	525,445	212,735	312,710
90 to 94 years	6,345	2,050	4,300	258,035	87,300	170,735
95 to 99 years	1,805	375	1,435	68,380	17,670	50,710
100 years and over	290	50	245	9,535	1,830	7,705
Total - Distribution (%) of the population by broad age groups - 100% data	100.0	100.0	100.0	100.0	100.0	100.0
0 to 14 years	14.1	14.9	13.4	16.3	16.9	15.4

Characteristic	Nova Scotia ⓘ			Canada ⓘ		
	[Province]			[Country]		
	✕ Remove			✕ Remove		
	Counts			Counts		
	Total	Men +	Women +	Total	Men +	Women +
15 to 64 years	63.7	64.2	63.2	64.8	65.4	
65 years and over	22.2	21.0	23.4	19.0	17.7	
85 years and over	2.4	1.8	3.0	2.3	1.8	
Average age of the population	44.2	43.2	45.2	41.9	41.0	
Median age of the population	45.6	44.4	46.8	41.6	40.4	
Household and dwelling characteristics						
Total - Occupied private dwellings by structural type of dwelling - 100% data	428,230	....(not applicable)	....(not applicable)	14,978,940	....(not applicable)	....(not ap
Single-detached house	272,980	....(not applicable)	....(not applicable)	7,872,310	....(not applicable)	....(not ap
Semi-detached house	21,605	....(not applicable)	....(not applicable)	746,560	....(not applicable)	....(not ap
Row house	11,220	....(not applicable)	....(not applicable)	980,110	....(not applicable)	....(not ap
Apartment or flat in a duplex	13,165	....(not applicable)	....(not applicable)	821,490	....(not applicable)	....(not ap
Apartment in a building that has fewer than five storeys	64,575	....(not applicable)	....(not applicable)	2,738,020	....(not applicable)	....(not ap
Apartment in a building that has five or more storeys	28,650	....(not applicable)	....(not applicable)	1,596,155	....(not applicable)	....(not ap
Other single-attached house	700	....(not applicable)	....(not applicable)	34,880	....(not applicable)	....(not ap
Movable dwelling <sup>4</sup>	15,345	....(not applicable)	....(not applicable)	189,420	....(not applicable)	....(not ap

Characteristic	Nova Scotia ⓘ			Canada ⓘ		
	[Province]			[Country]		
	✕ Remove			✕ Remove		
	Counts			Counts		
	Total	Men +	Women +	Total	Men +	Women +
Total - Private households by household size - 100% data	428,225	... (not applicable)	... (not applicable)	14,978,940	... (not applicable)	... (not applicable)
1 person	131,850	... (not applicable)	... (not applicable)	4,396,015	... (not applicable)	... (not applicable)
2 persons	166,475	... (not applicable)	... (not applicable)	5,124,800	... (not applicable)	... (not applicable)
3 persons	61,700	... (not applicable)	... (not applicable)	2,194,825	... (not applicable)	... (not applicable)
4 persons	45,700	... (not applicable)	... (not applicable)	2,002,455	... (not applicable)	... (not applicable)
5 or more persons	22,500	... (not applicable)	... (not applicable)	1,260,850	... (not applicable)	... (not applicable)
Number of persons in private households	955,855	465,820	490,035	36,328,475	17,937,230	18,391,245
Average household size	2.2	... (not applicable)	... (not applicable)	2.4	... (not applicable)	... (not applicable)

### Symbol legend

... not applicable

**Source:** Statistics Canada, 2021 Census of Population.

**How to cite:** Statistics Canada. 2022. (table). *Census Profile*. 2021 Census of Population. Statistics Canada Catalogue no. (number) 98-316-X2021001. Ottawa. Released April 27, 2022.

<https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/index.cfm?Lang=E> (accessed May 26, 2022).

### Note(s):

#### Footnote 1

2021 and 2016 population

Statistics Canada is committed to protect the privacy of all Canadians and the confidentiality of the data they provide to us. As part of this commitment, some population counts of geographic areas are adjusted in order to ensure confidentiality.

The adjustment to counts of the total population for any dissemination block is controlled to ensure that the population counts for dissemination areas will always be within 5 of the actual values. The adjustment has no impact on the population counts of census divisions and large census subdivisions.

## Footnote 2

### Total private dwellings

Private dwelling refers to a separate set of living quarters with a private entrance either from outside the building or from a common hall, lobby, vestibule or stairway inside the building. The entrance to the dwelling must be one that can be used without passing through the living quarters of some other person or group of persons.

## Footnote 3

### Private dwellings occupied by usual residents

A private dwelling occupied by usual residents refers to a private dwelling in which a person or a group of persons is permanently residing. Also included are private dwellings whose usual residents are temporarily absent on May 11, 2021.

## Footnote 4

The category 'Movable dwelling' includes mobile homes and other movable dwellings such as houseboats, recreational vehicles and railroad cars.

### Date modified:

2022-04-26



Geography <sup>4</sup>	Canada <sup>5</sup> ( <a href="#">map</a> )					Atlantic provinces ( <a href="#">map</a> )					Nova Scotia ( <a href="#">map</a> )				
Age group	25 to 54 years					25 to 54 years					25 to 54 years				
Sex	Both sexes					Both sexes					Both sexes				
Income source	Total income					Total income					Total income				
Statistics	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
	Number														
Number of persons (x 1,000)	14,537 <sup>A</sup>	14,597 <sup>A</sup>	14,711 <sup>A</sup>	14,840 <sup>A</sup>	14,869 <sup>A</sup>	898 <sup>A</sup>	891 <sup>A</sup>	886 <sup>A</sup>	885 <sup>A</sup>	879 <sup>A</sup>	351 <sup>A</sup>	350 <sup>A</sup>	350 <sup>A</sup>	353 <sup>A</sup>	353 <sup>A</sup>
Number with income (x 1,000)	14,331 <sup>A</sup>	14,351 <sup>A</sup>	14,498 <sup>A</sup>	14,634 <sup>A</sup>	14,766 <sup>A</sup>	884 <sup>A</sup>	877 <sup>A</sup>	872 <sup>A</sup>	869 <sup>A</sup>	870 <sup>A</sup>	345 <sup>A</sup>	344 <sup>A</sup>	345 <sup>A</sup>	348 <sup>A</sup>	350 <sup>A</sup>
	2020 constant dollars														
Aggregate income (x 1,000,000)	808,825 <sup>A</sup>	827,865 <sup>A</sup>	845,585 <sup>A</sup>	860,733 <sup>A</sup>	898,960 <sup>A</sup>	46,295 <sup>A</sup>	45,903 <sup>A</sup>	47,347 <sup>A</sup>	46,219 <sup>A</sup>	48,208 <sup>A</sup>	17,738 <sup>B</sup>	17,468 <sup>A</sup>	18,261 <sup>A</sup>	18,269 <sup>B</sup>	18,828 <sup>A</sup>
Average income (excluding zeros)	56,400 <sup>A</sup>	57,700 <sup>A</sup>	58,300 <sup>A</sup>	58,800 <sup>A</sup>	60,900 <sup>A</sup>	52,400 <sup>A</sup>	52,400 <sup>A</sup>	54,300 <sup>A</sup>	53,200 <sup>A</sup>	55,400 <sup>A</sup>	51,400 <sup>B</sup>	50,800 <sup>A</sup>	53,000 <sup>A</sup>	52,500 <sup>B</sup>	53,800 <sup>A</sup>
Median income (excluding zeros)	46,000 <sup>A</sup>	46,800 <sup>A</sup>	47,500 <sup>A</sup>	48,800 <sup>A</sup>	49,900 <sup>A</sup>	43,000 <sup>A</sup>	43,900 <sup>A</sup>	45,300 <sup>A</sup>	44,500 <sup>A</sup>	46,200 <sup>A</sup>	41,600 <sup>B</sup>	43,500 <sup>A</sup>	44,600 <sup>B</sup>	44,800 <sup>A</sup>	45,800 <sup>A</sup>

Symbol legend:

<sup>A</sup> data quality: excellent

<sup>B</sup> data quality: very good

**How to cite:** Statistics Canada. [Table 11-10-0239-01 Income of individuals by age group, sex and income source, Canada, provinces and selected census metropolitan areas](#)

**DOI:** <https://doi.org/10.25318/1110023901-eng>

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**March 23, 2022**

**CANADIAN INCOME SURVEY, 2020**

Statistics Canada has released results from the Canadian Income Survey, reporting on incomes for 2020. This includes average and median incomes as well as Canada's official poverty rate, as assessed against the Market Basket Measure.

Note that there were significant government income supports during the COVID-19 pandemic which drove a large decline in the poverty rate in 2020.

[Poverty Rates](#)

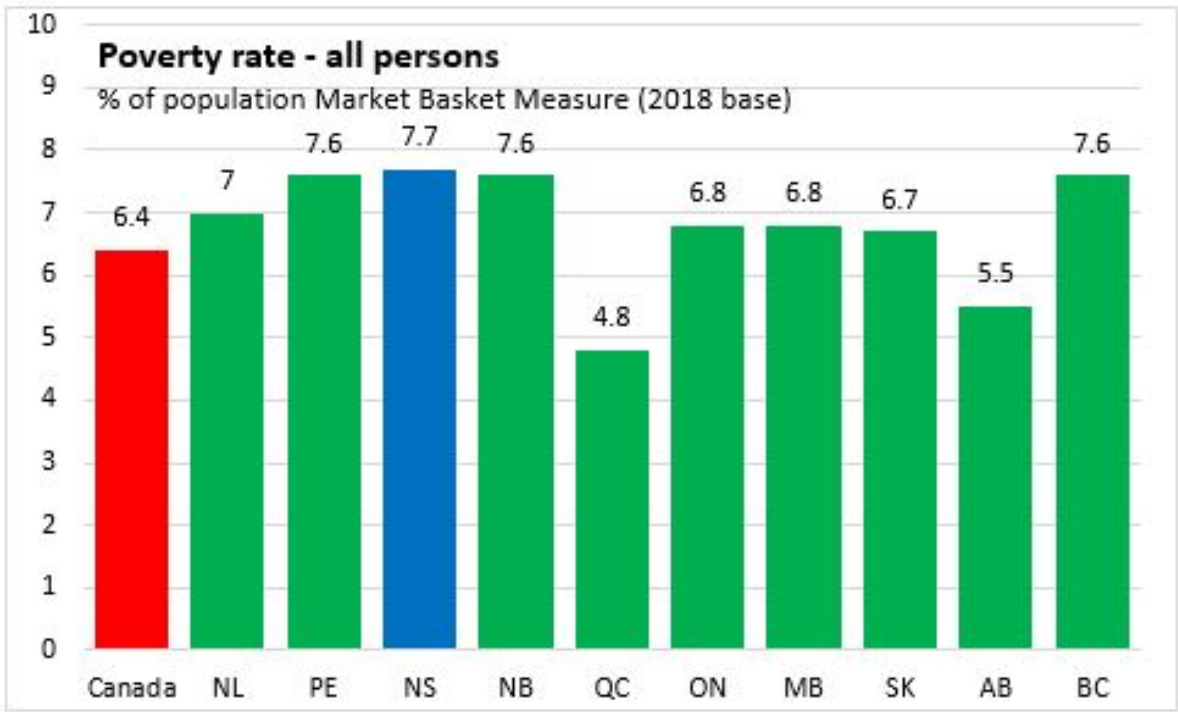
The Market Basket Measure (MBM) estimates the share of the population that do not have sufficient income for a reference family to afford the cost of a basket of essential goods and services. The MBM threshold is estimated for specific communities. In Nova Scotia, there are separate thresholds for MBM in Halifax, Cape Breton, communities with populations between 30,000 and 100,000, communities with



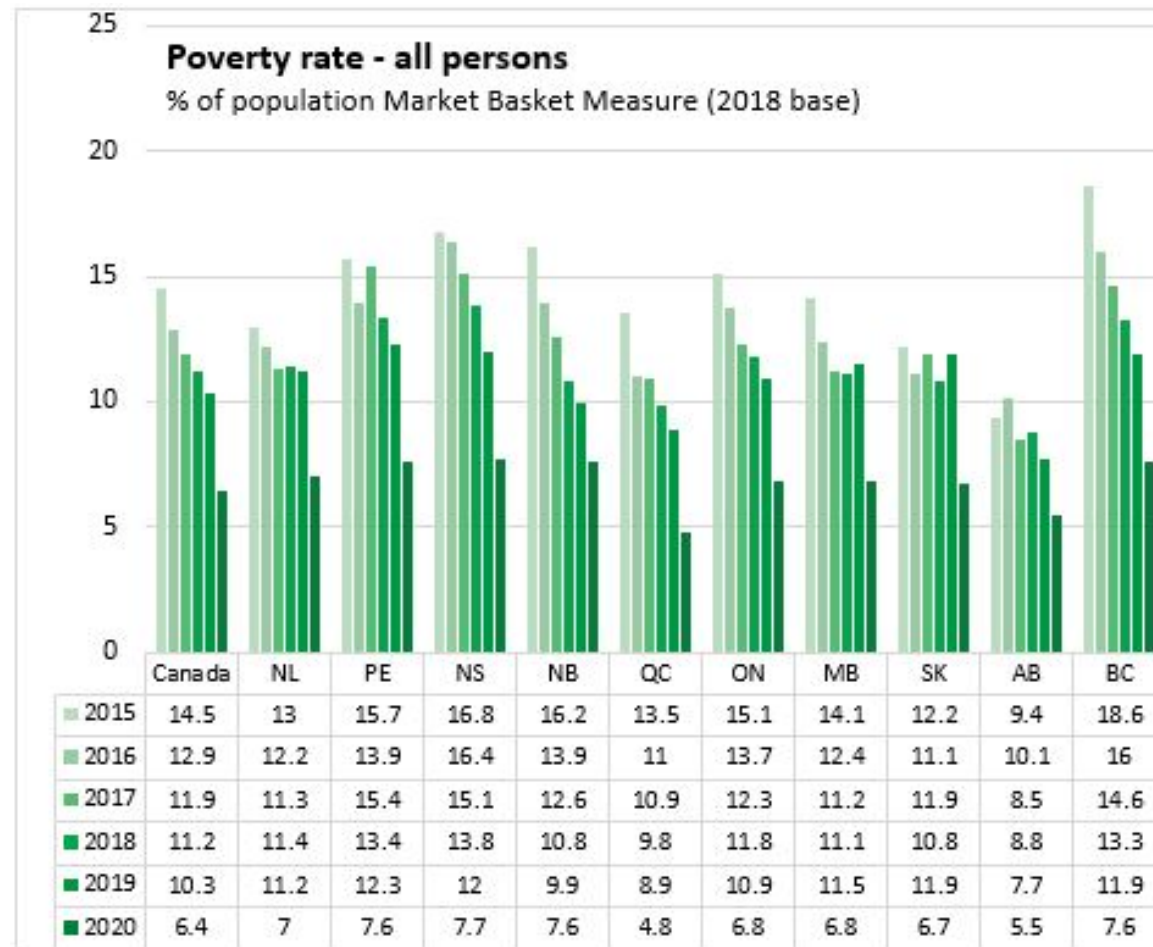
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populations under 30,000 and rural areas. The Market Basket has recently been updated to 2018, with historical estimates provided back to 2015. These data are collected through the Canadian Income Survey. Indicators of poverty and income for smaller sub-components of the population may be of limited data quality.

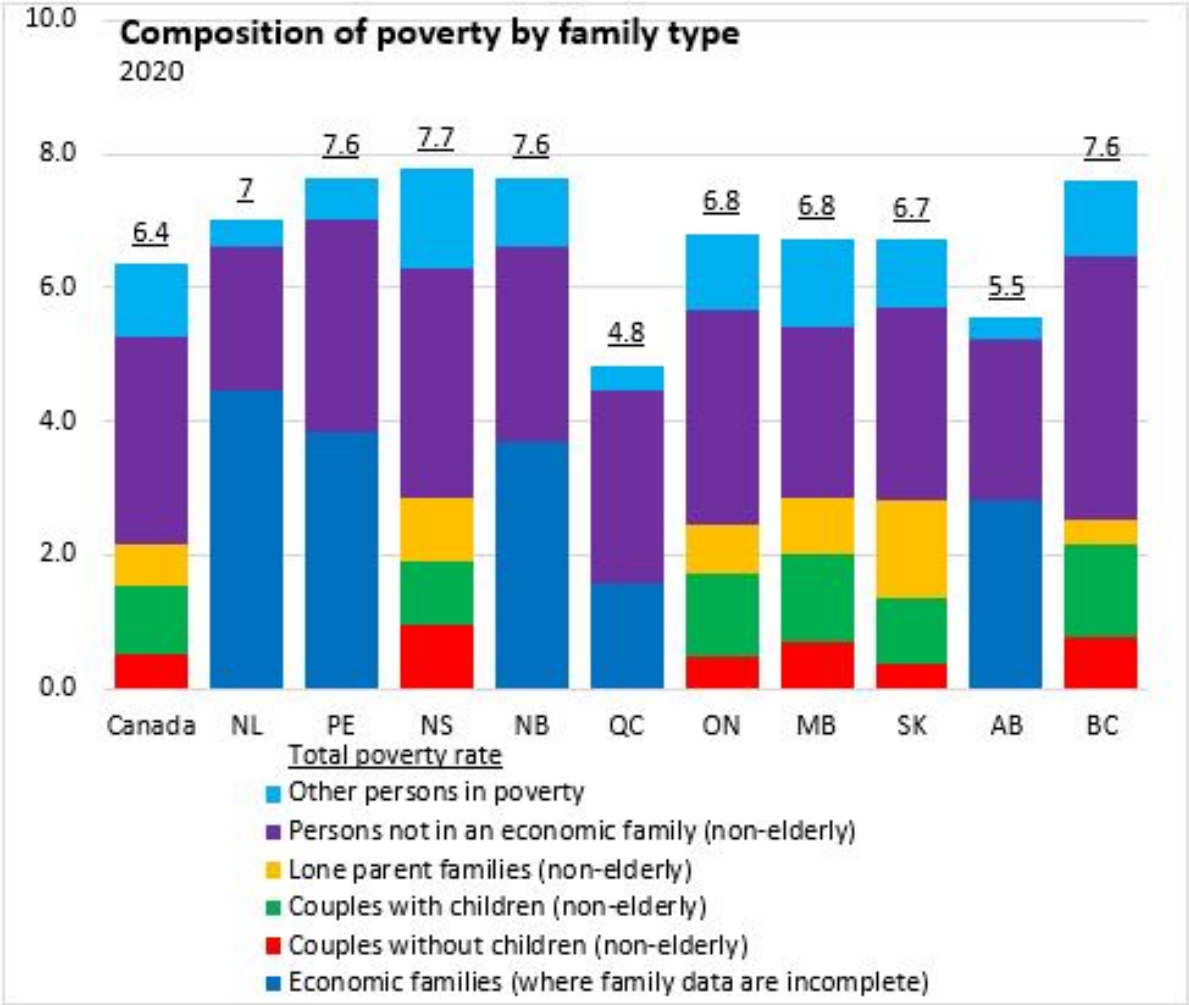
The poverty rate was 7.7% in Nova Scotia in 2020. Nationally, 6.4% of the population had income below the MBM threshold. The lowest poverty rate was in Quebec and the highest in Nova Scotia, followed closely by Prince Edward Island, New Brunswick and British Columbia.



Poverty rates have been declining across Canada. From 2019 to 2020 all provinces saw a significant decline in the overall poverty rate. Nova Scotia's poverty rate fell from 12.0% to 7.7% in 2020. The national poverty rate declined from 10.3% to 6.4%. The largest improvements in poverty rates were observed in Saskatchewan, Prince Edward Island and Manitoba.

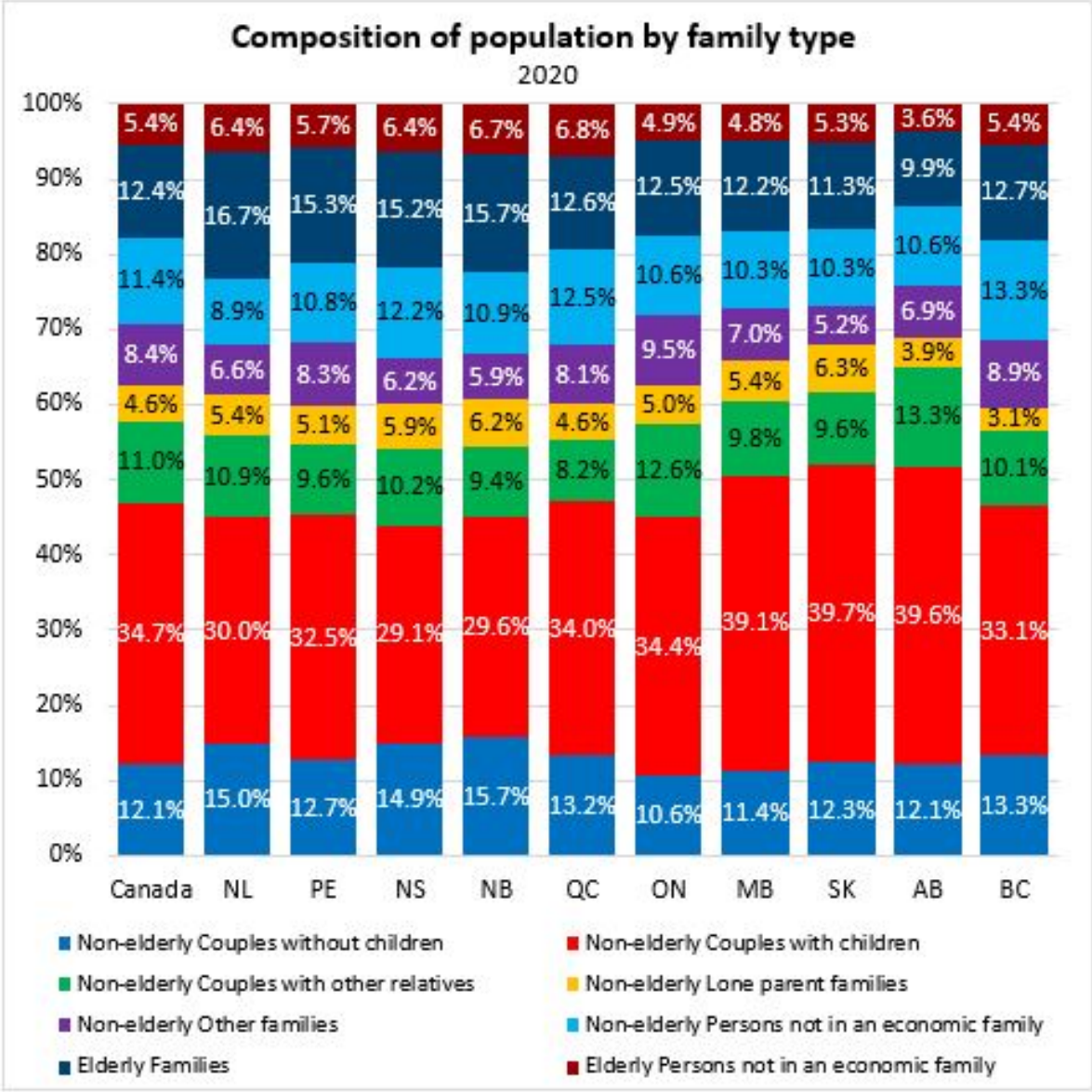


The largest group of persons in poverty in Canada is found among those who are not in economic families followed by couples with children. Although poverty rates among lone parent families are higher across the country, this is a relatively smaller portion of the population and does not contribute as much to the poverty rate.

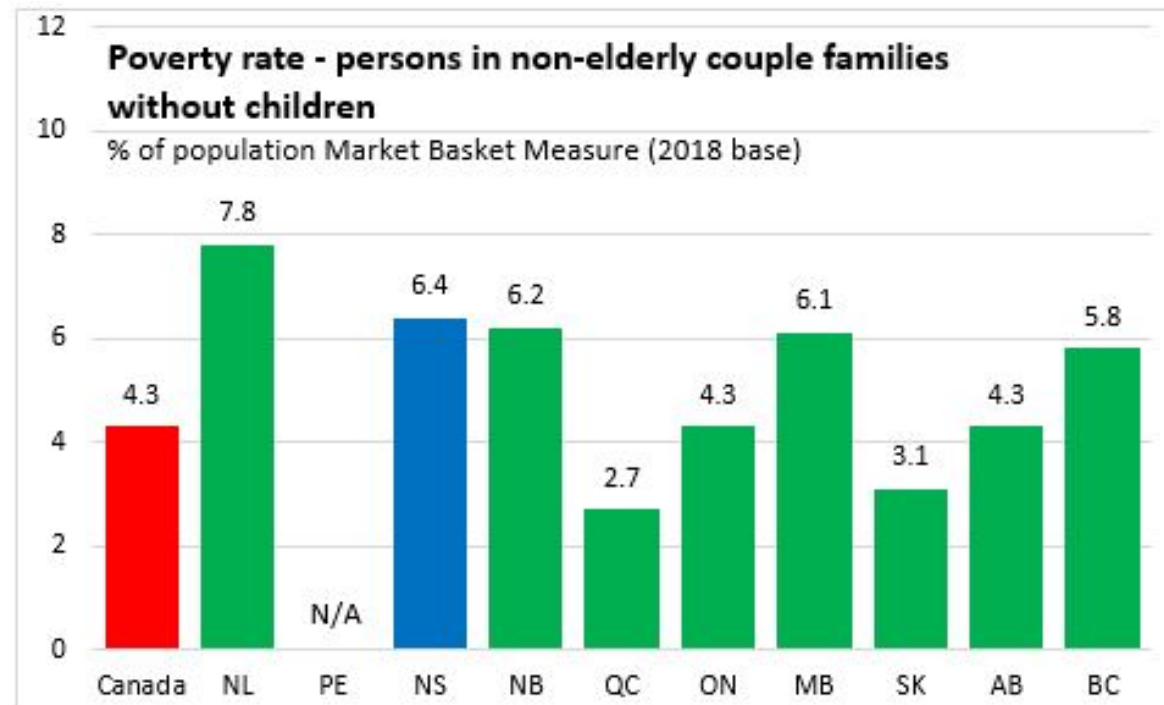


Compared with the national average, Nova Scotia's population has a higher share of elderly families, elderly persons not in an economic family, non-elderly couples without children, lone parents, and non-elderly persons not in an economic family.

Nova Scotia's population has relatively fewer non-elderly couple families with children, non-elderly other families as well as non-elderly couples living with other relatives.

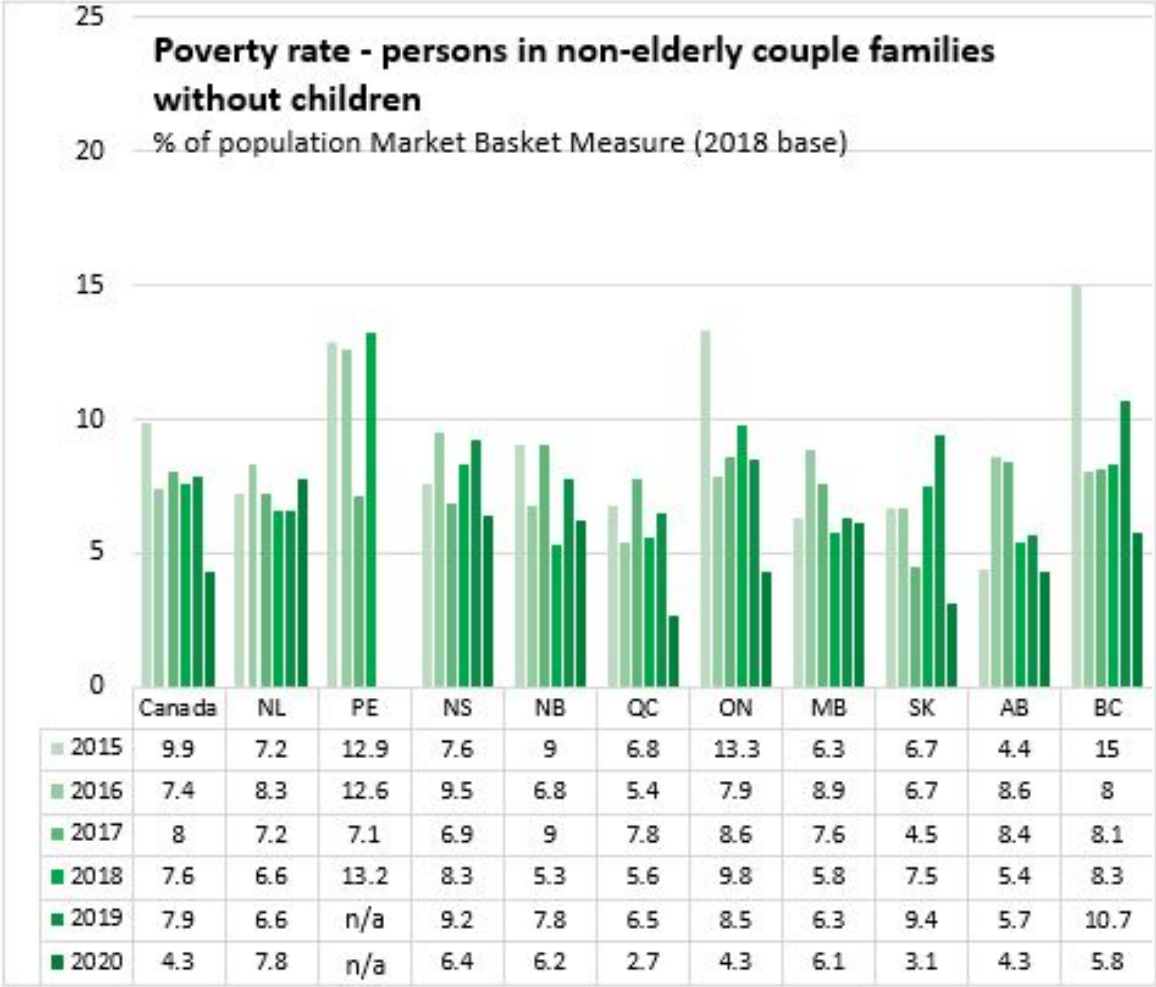


Couple families without children generally have lower poverty rates than the average. In Nova Scotia, the poverty rate for non-elderly couples without children was 6.4% in 2020. Across Canada the poverty rate was 4.3%, with the highest rate in Newfoundland and Labrador and the lowest rate in Quebec.



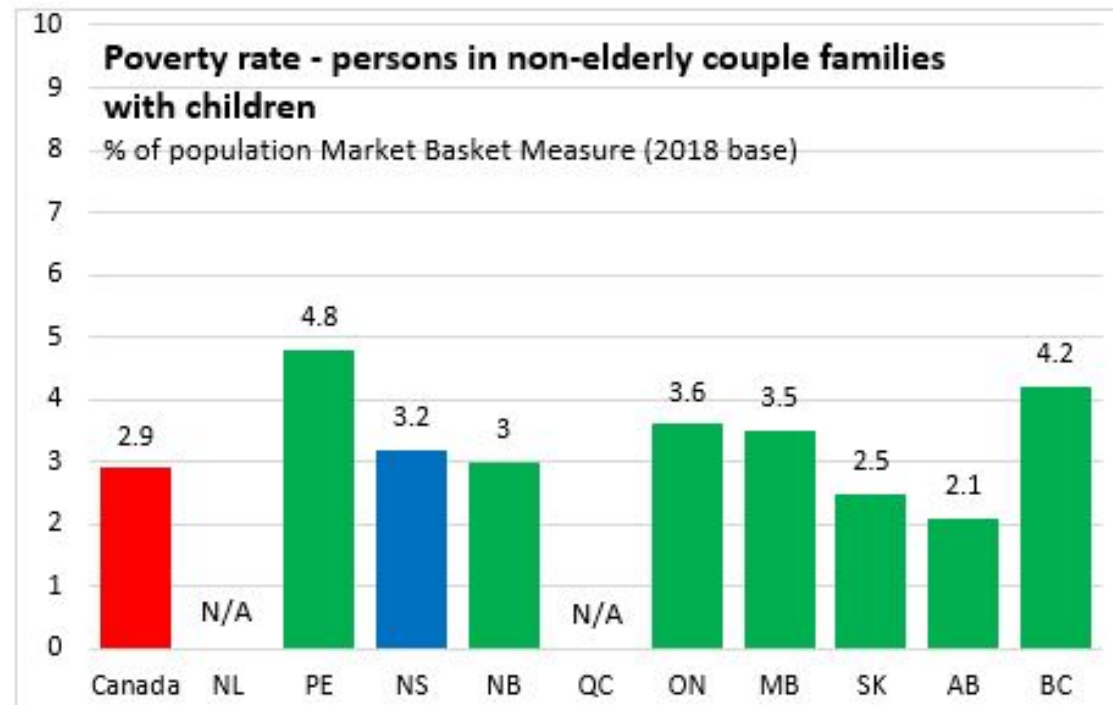
Nova Scotia's poverty rate among couples without children was rising from 2017 to 2019, but fell in 2020. The poverty rate for couples without children fell for every province in 2020 except Newfoundland and Labrador, where it rose.



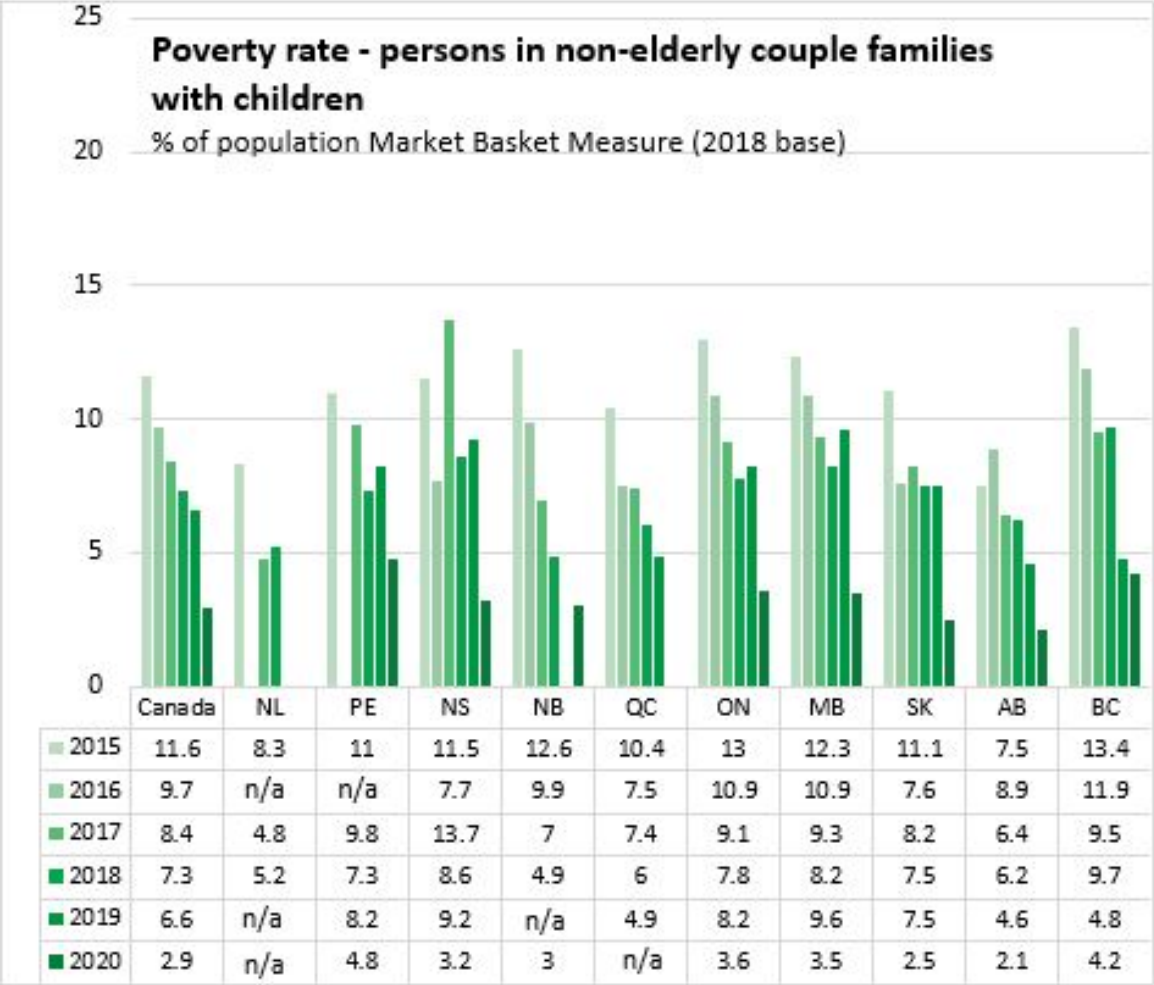


Poverty among couple families with children has been more volatile, with large increases and decreases over the past 4 years. Nova Scotia's poverty rate for couples with children fell from 9.2% in 2019 to 3.2% in 2020 . The national poverty rate among couples with children was 2.9%. The highest poverty rate for couples with children was in Prince Edward Island and the lowest was in Alberta.

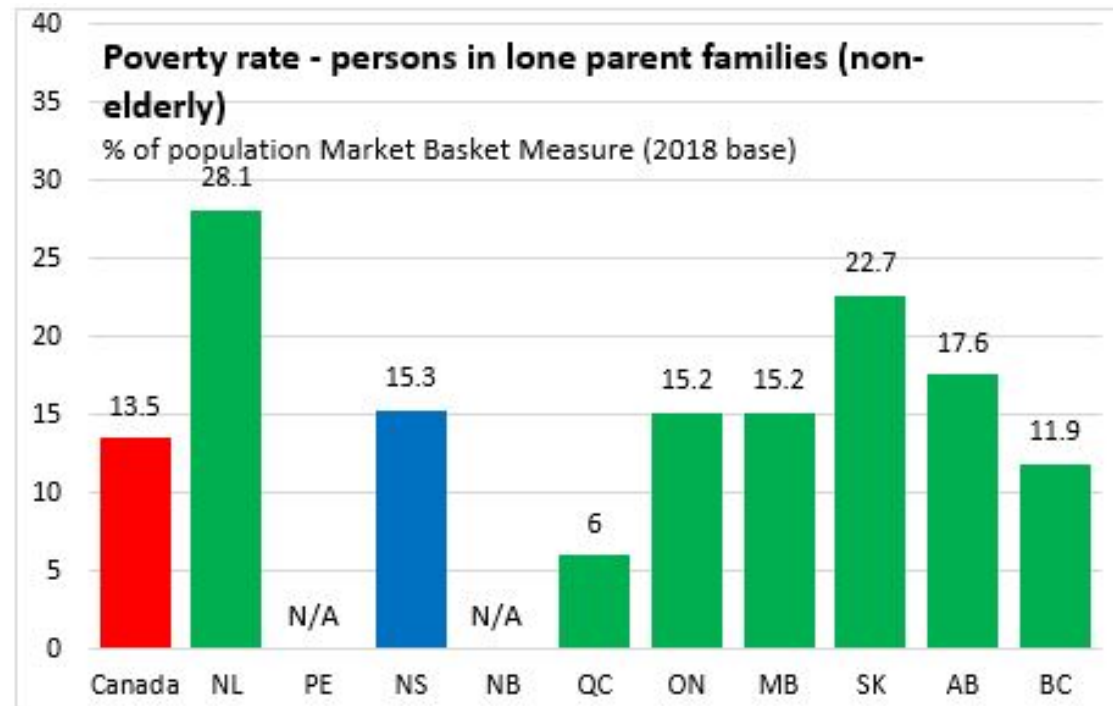




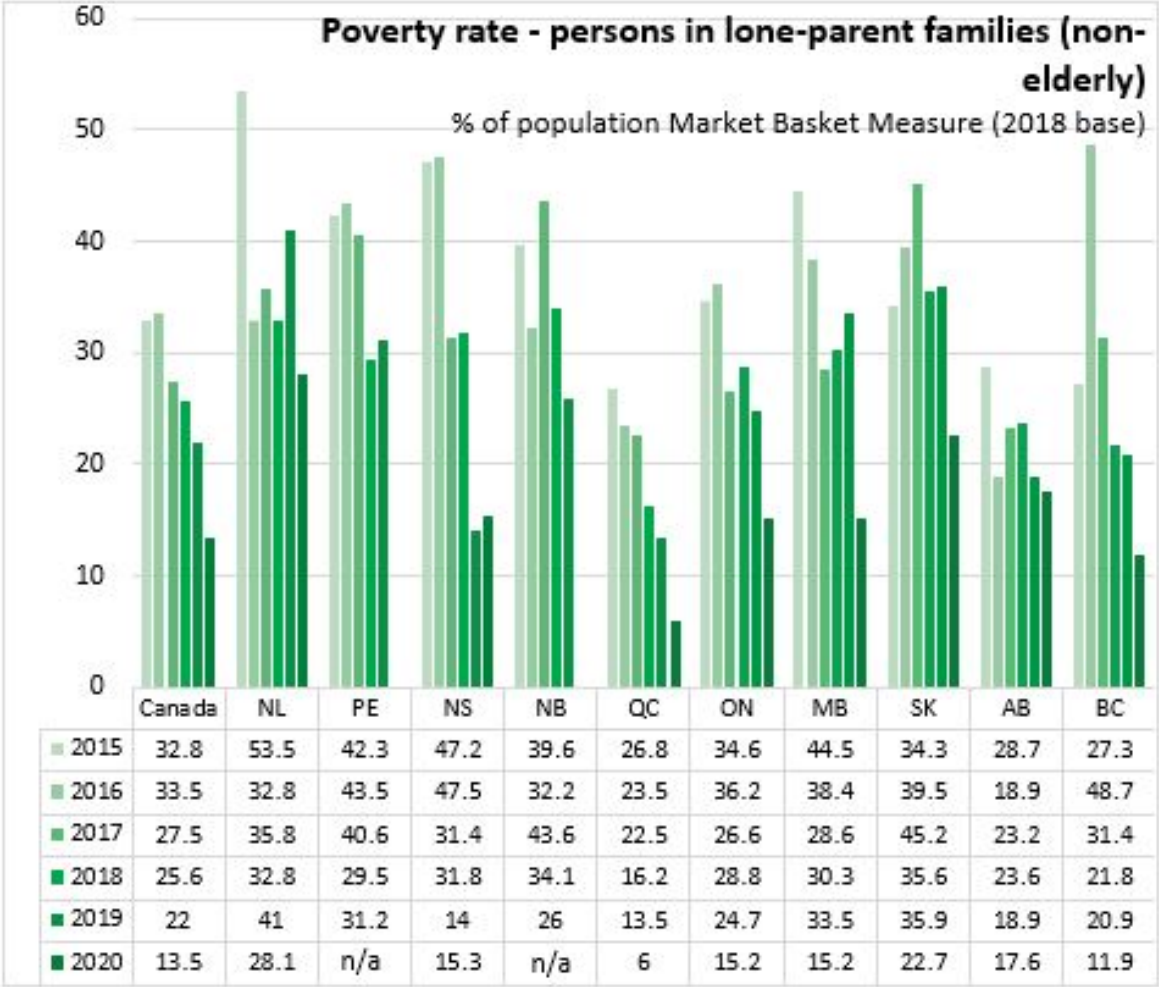
Poverty rates for couples with children have generally been declining across Canada and fell for every province in 2020 (for which data were available).



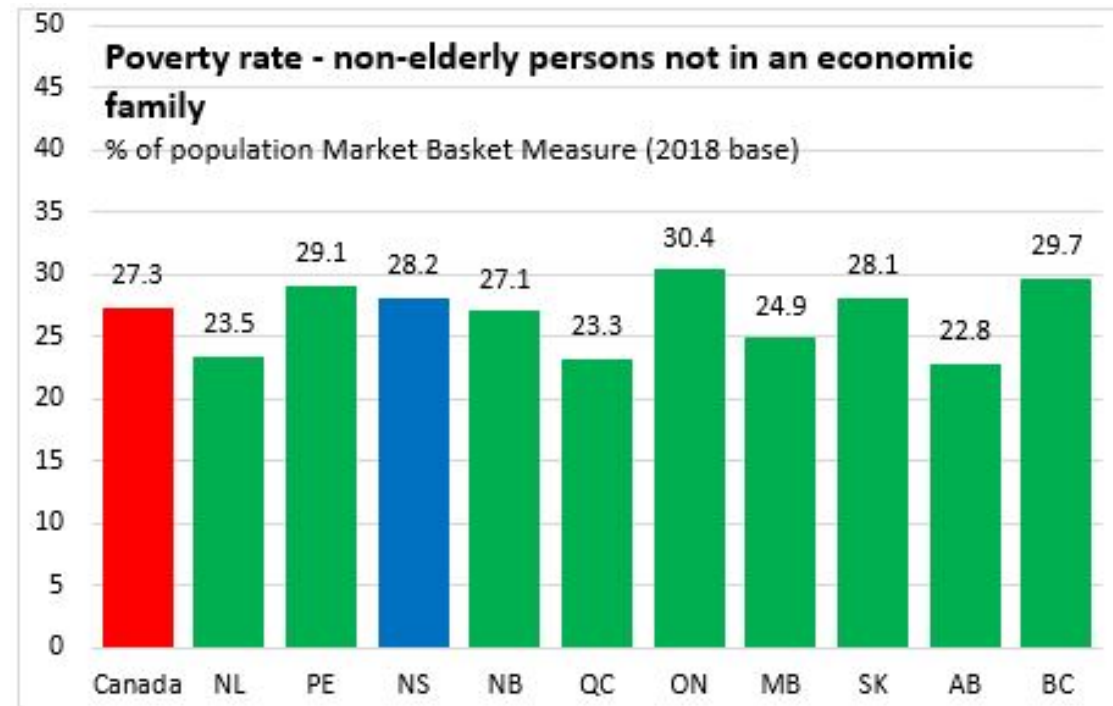
Lone parent families across the country generally report a higher poverty rate. Nova Scotia's lone parents report a poverty rate of 15.3%, which was an increase over 2019. Nationally, the poverty rate among lone parent families was 13.5%, with the highest rate in Newfoundland and Labrador.



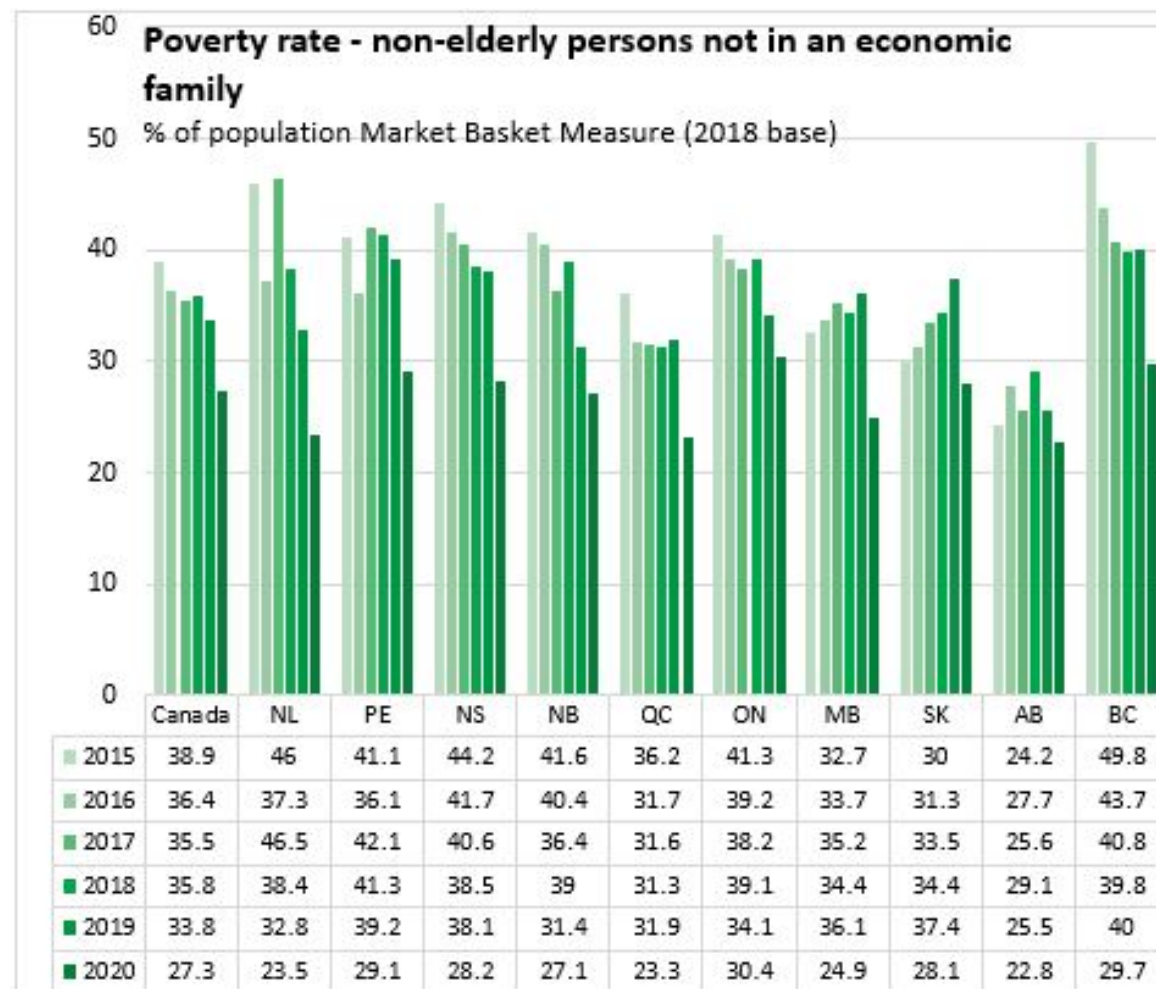
Nova Scotia's poverty rate among lone parent families have declined since 2016, with a particularly sharp drop from 2018 to 2019. Nationally, lone parent poverty rates have also been coming down since 2016.



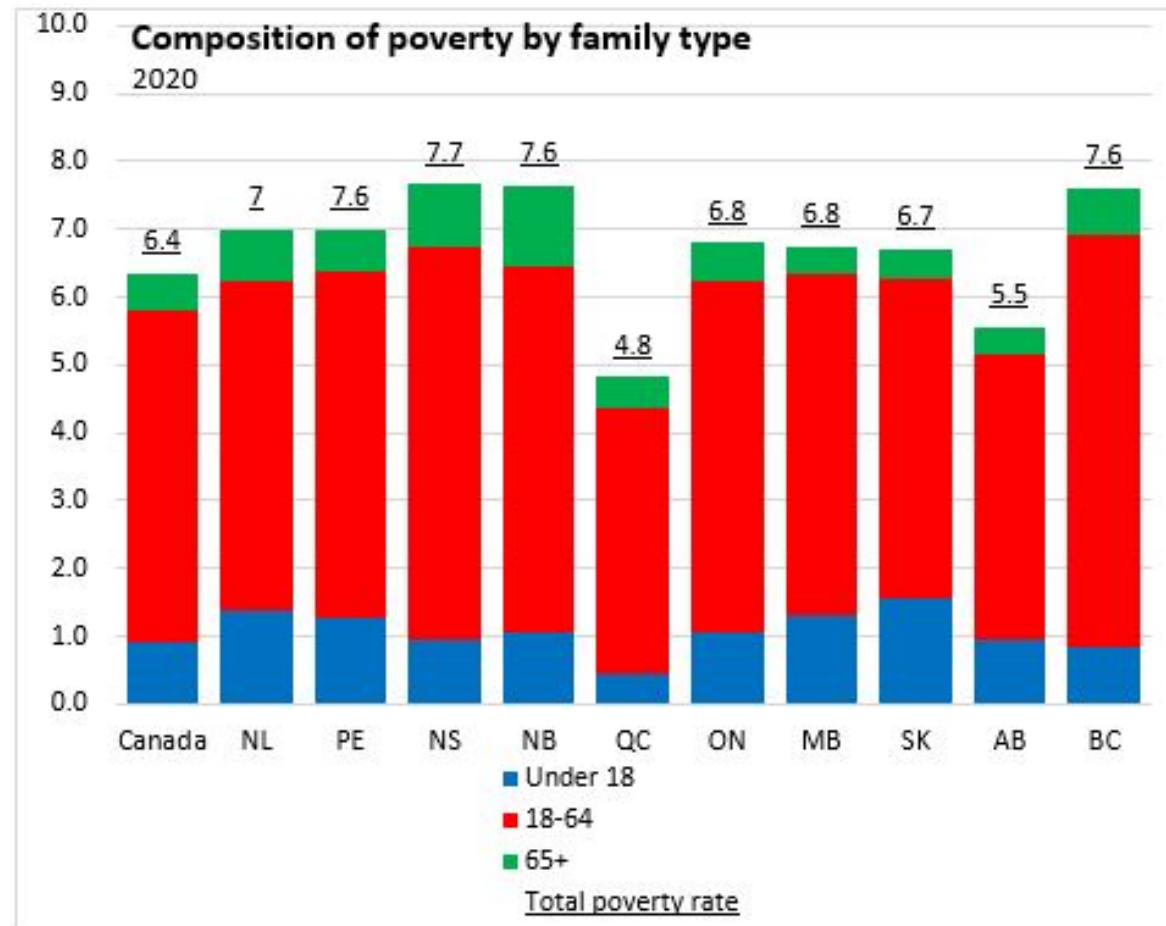
Among non-elderly persons living outside of economic families, the poverty rate remains much higher than average. Nova Scotia's poverty rate among those not in an economic family was 28.2%. Across Canada, the poverty rate among persons not in an economic family was 27.3%, with the highest rate in Ontario and the lowest in Alberta.



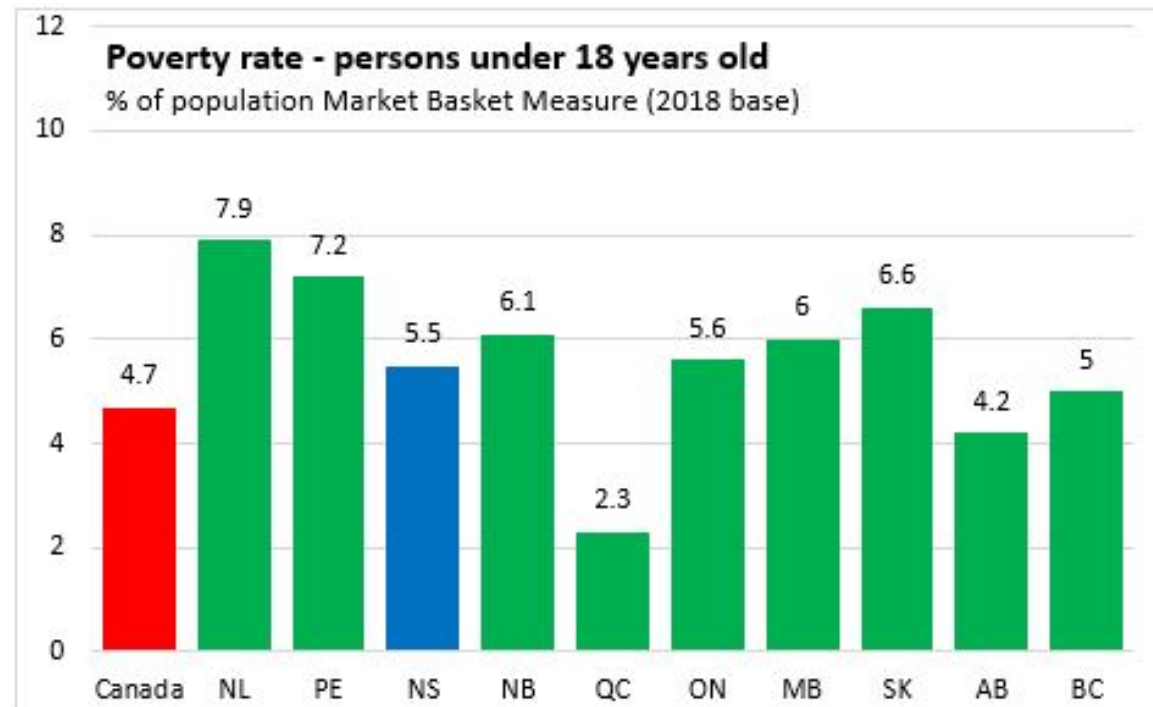
Poverty rates for non-elderly persons not in an economic family have been declining in Nova Scotia since 2015. It declined in every province in 2020. Across Canada, this poverty rate has generally been declining, with the exception of Saskatchewan.



The composition of poverty by age cohort shows that the population aged 18-64 accounts for the largest portion of poverty (it is also the largest age cohort).

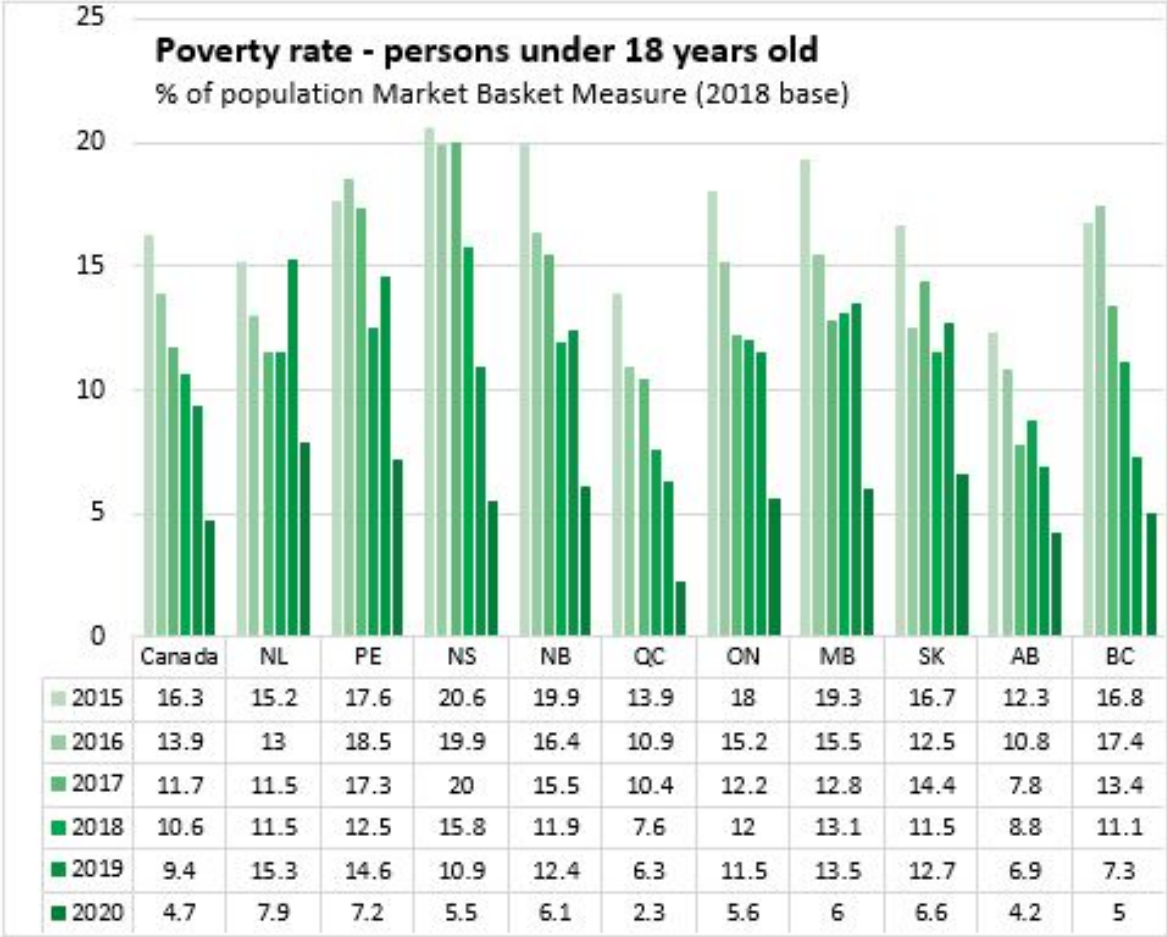


The poverty rate among children aged 17 and under was 5.5% in Nova Scotia in 2020. This was above the national average of 4.7%, but below 6 other provinces (led by Newfoundland and Labrador and Prince Edward Island). The lowest rate of child poverty in 2020 was reported in Quebec.

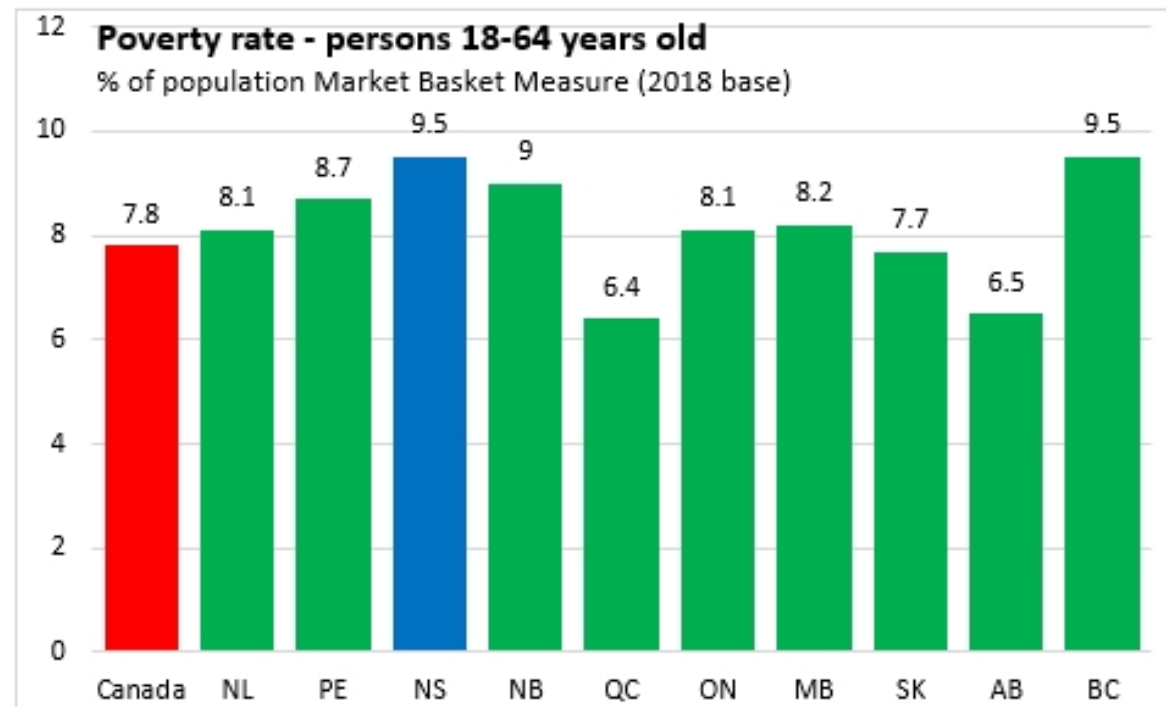


The poverty rate for children in Nova Scotia has declined considerably since 2017. National child poverty rates have been falling for several years as well.

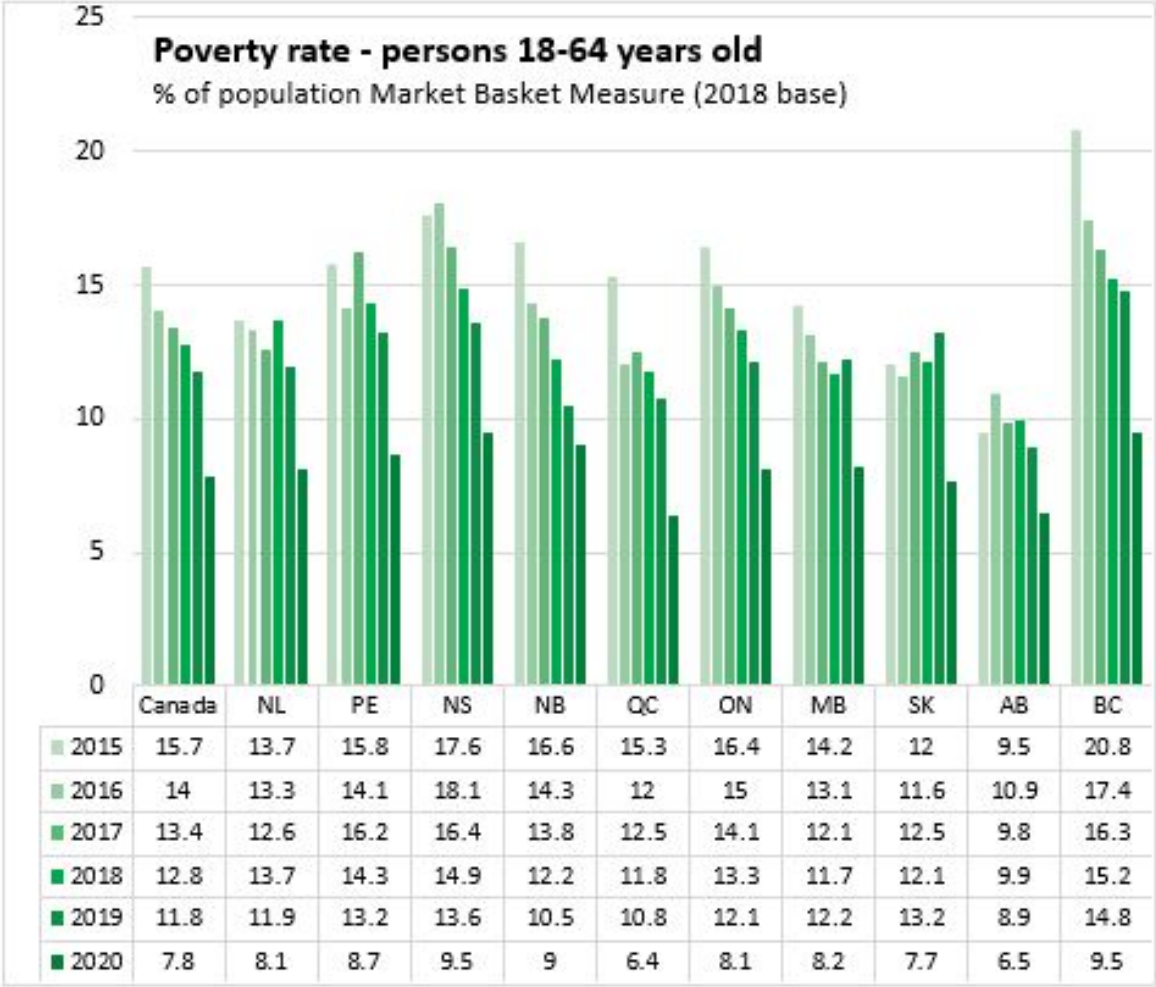




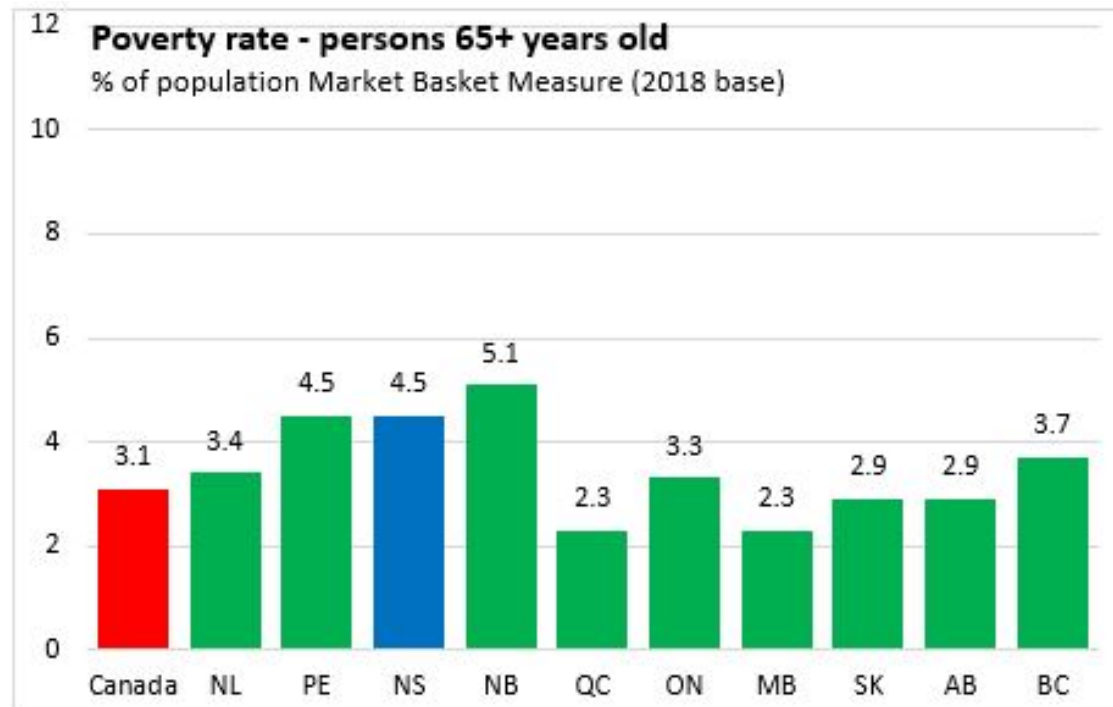
In Nova Scotia, 9.5% of the population aged 18-64 lived with income below the poverty line in 2020. This was tied with British Columbia for the highest portion in the country. Across Canada, the poverty rate for those aged 18-64 was 7.8% with a low of 6.4% in Quebec.



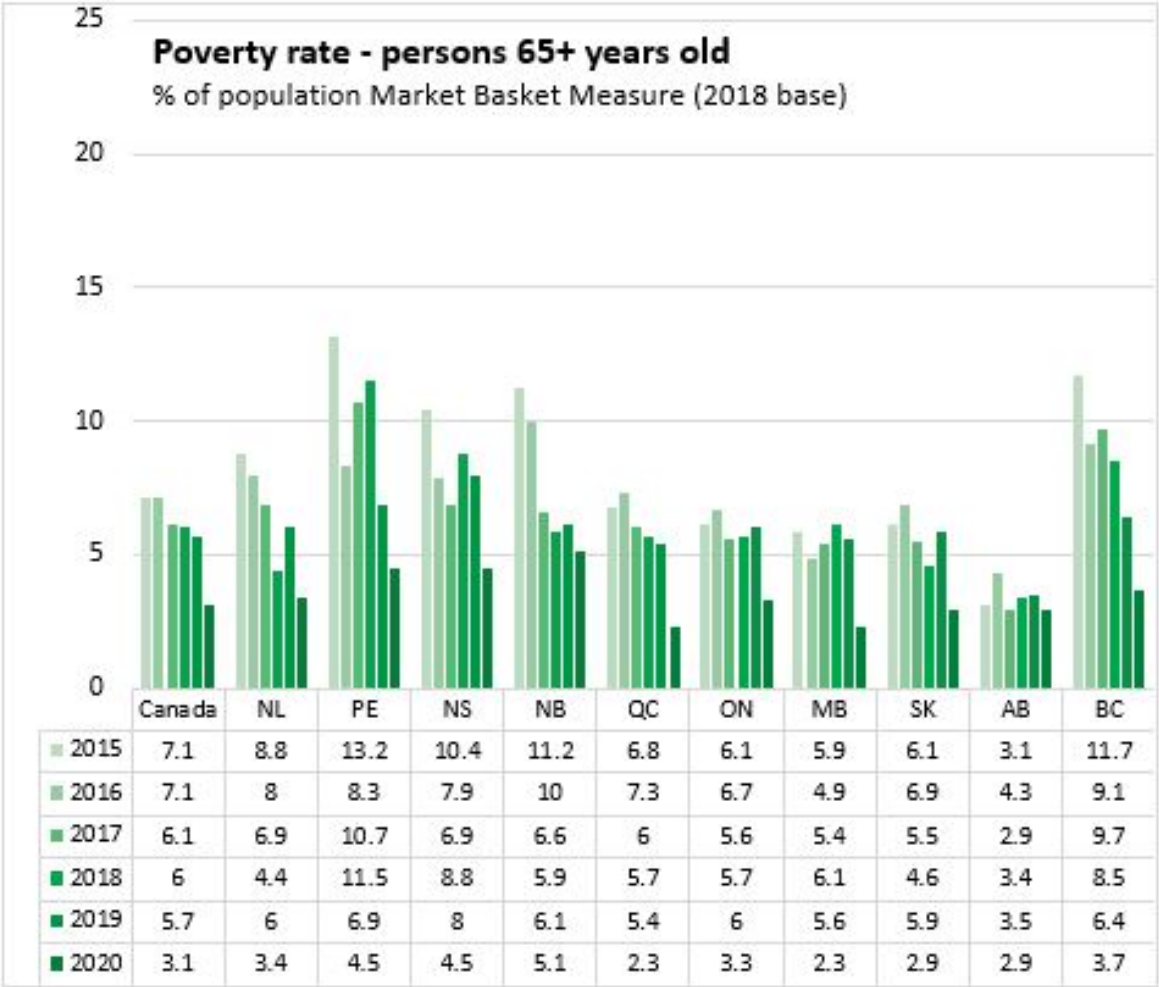
Poverty rates among those aged 18-64 have been trending down in Nova Scotia and across much of the country. In Saskatchewan, poverty rates among those aged 18-64 had been rising, but all provinces saw declines in 2020 over 2019.



Although poverty rates for those aged 65 and older are generally lower, Nova Scotia reports the second highest poverty rate in the country for this age cohort at 4.5% (tied with Prince Edward Island). National poverty among older Canadians was 3.1% with a high of 5.1% in New Brunswick and a low of 2.3% in Quebec and Manitoba.

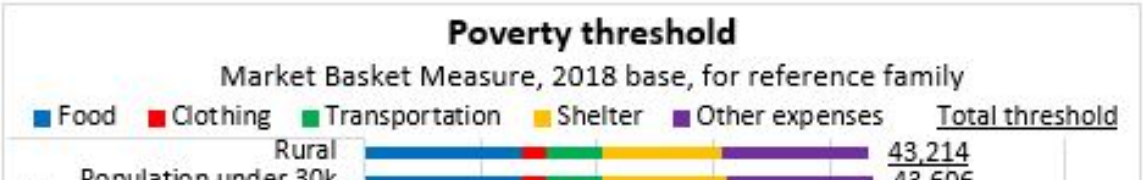


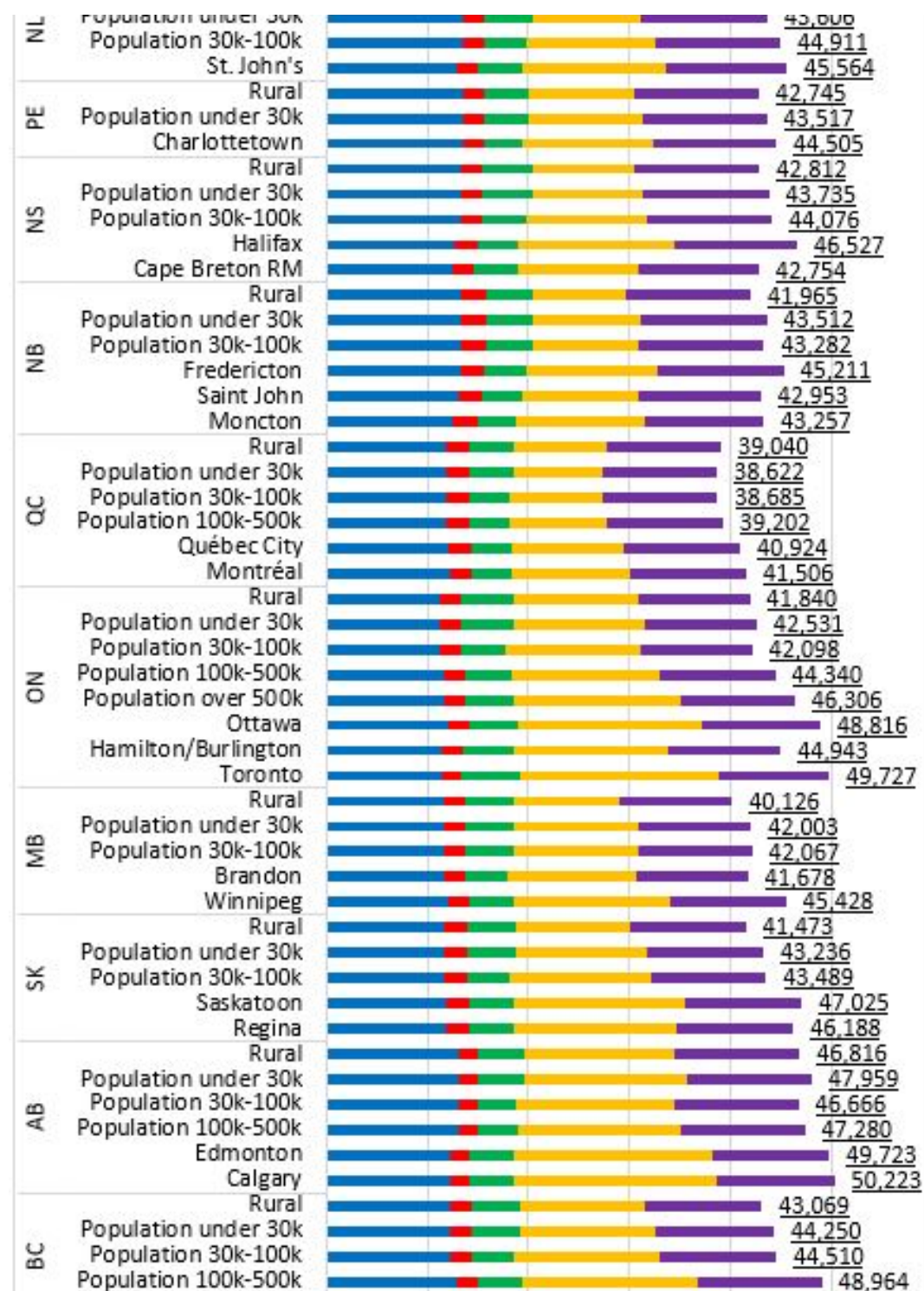
Poverty rates among older Canadians have been trending down, and every province saw a decline in 2020 over 2019.

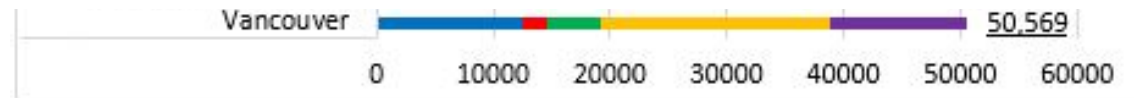


Threshold

The threshold for the poverty rate varies by province and community size. In Nova Scotia, the income required for a reference family (2 adults, 2 children) to afford a basic standard of living ranged from \$42,754 in Cape Breton RM to \$46,527 in Halifax. The highest thresholds were reported in larger cities across Ontario, Alberta and British Columbia. The lowest thresholds were in smaller communities of Quebec.



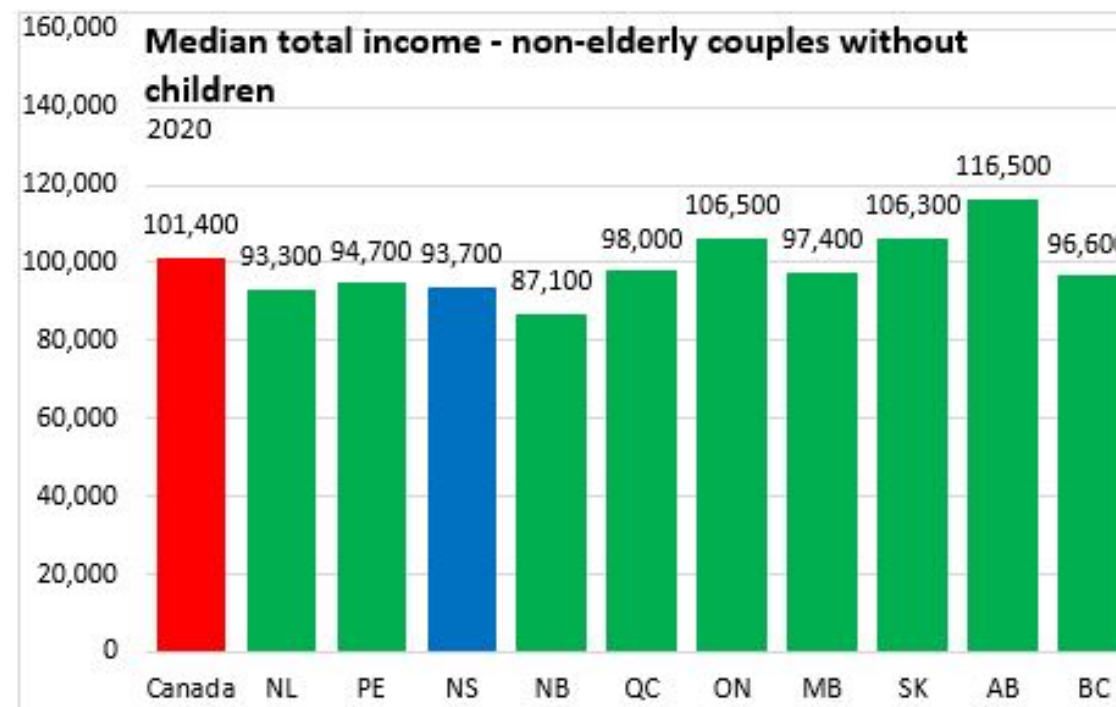




### Median Incomes

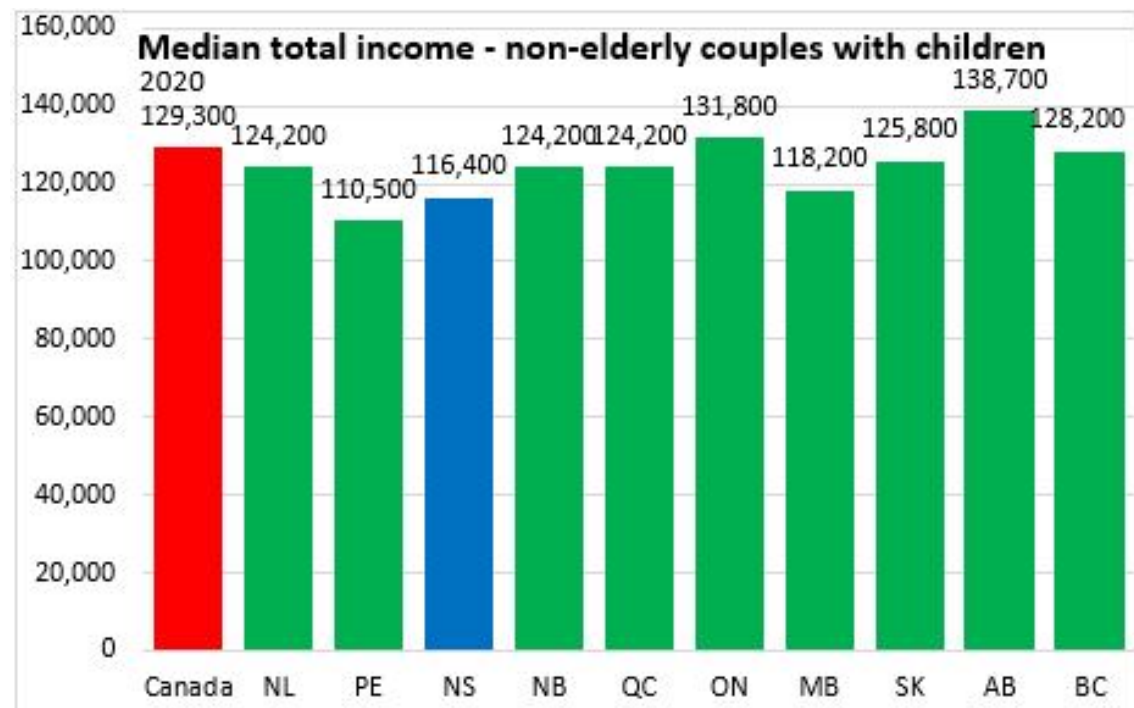
Median incomes are the level of income at which half the population had higher income and half had lower income. Median incomes are frequently used in making income comparisons because, unlike averages, they are not influenced by outliers with very high values.

Median income for non-elderly couples without children in Nova Scotia was \$93,700 in 2020. National median income was \$101,400 with higher incomes in Alberta, Ontario and Saskatchewan and lower incomes in New Brunswick and Newfoundland and Labrador.



Median incomes for couples with children were higher than for couples without children. The median income of couples with children in Nova Scotia was \$116,400 in 2020 (second lowest after Prince Edward Island). National median income for couple families with children was \$129,300 with the highest median income in Alberta.

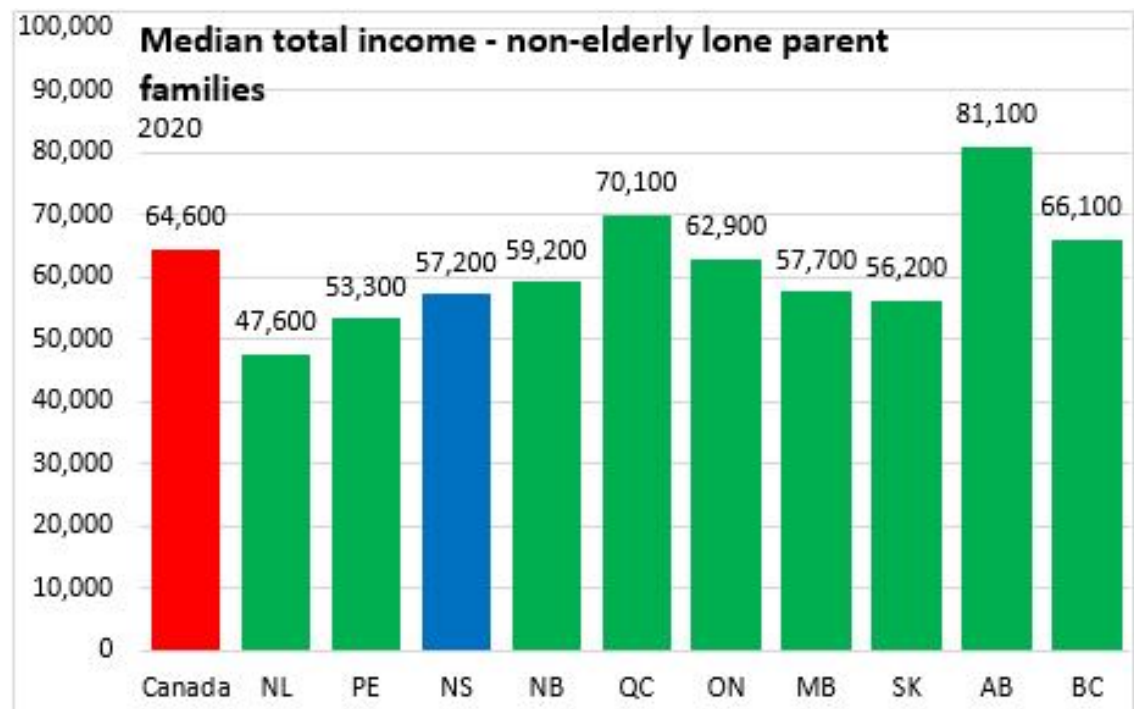




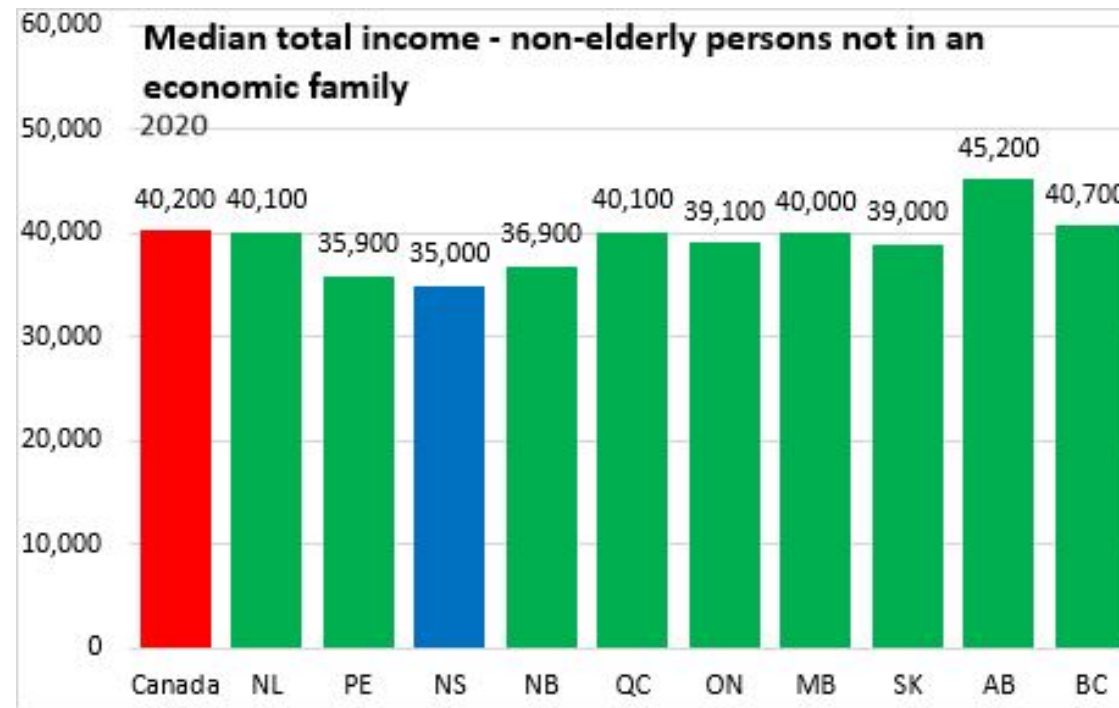
The median incomes of lone parent families and persons not in a census family are typically lower, as couples have more potential earners.

The median income of lone parent families in Nova Scotia was \$57,200, lower than the national average of \$64,600. Lone parent families in Newfoundland and Labrador had the lowest median incomes in 2020 while those in Alberta had the highest.

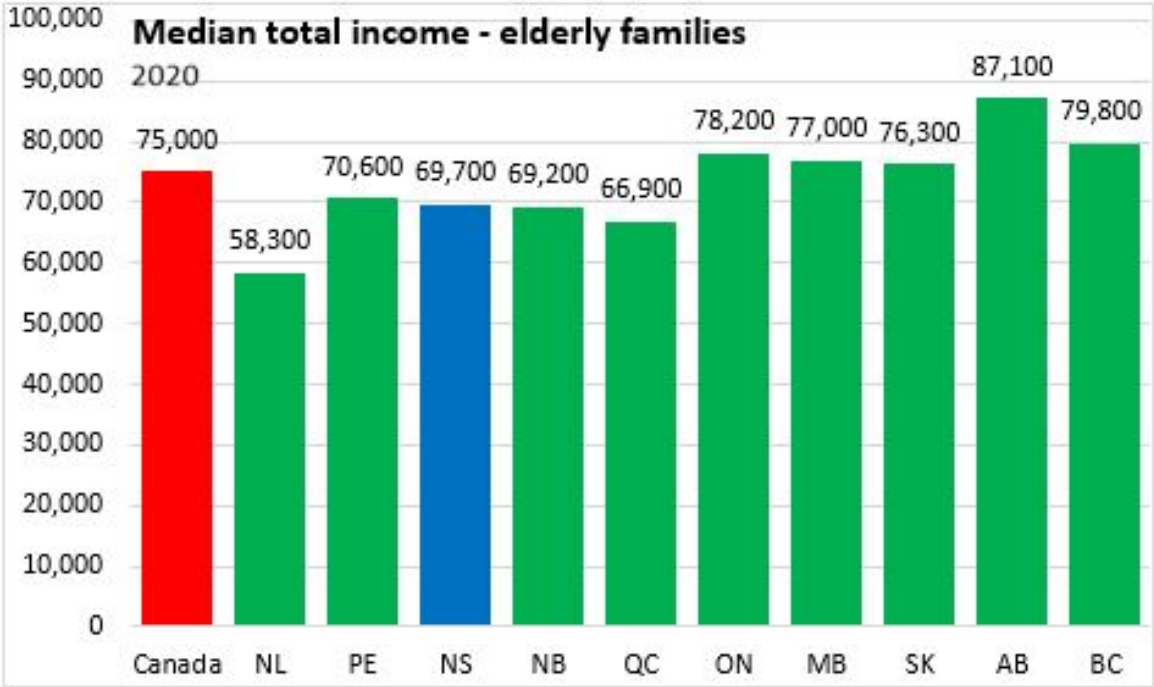




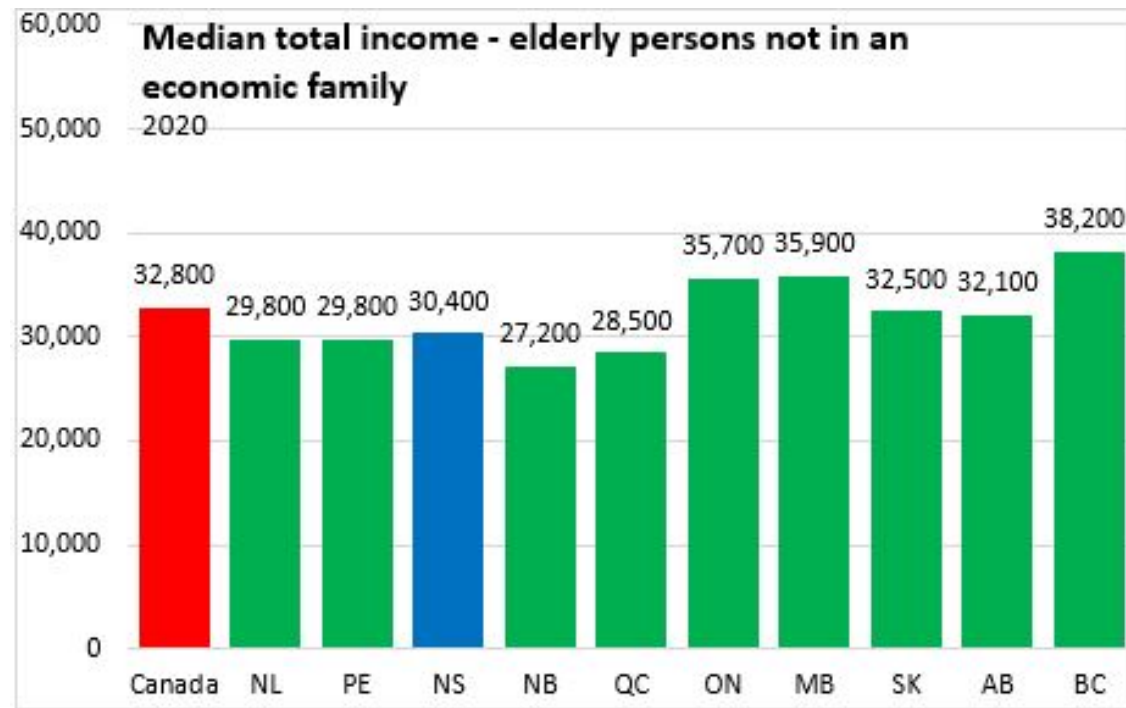
Among non-elderly persons not in an economic family, the Nova Scotia median income was \$35,000 in 2020, the lowest among the provinces. National median income for non-elderly persons not in an economic family was \$42,200 with a high of \$45,200 in Alberta.



The median income of elderly families was \$69,700 in Nova Scotia, which was below the national average of \$75,000. Elderly couples in Alberta had the highest median incomes in 2020 while those in Newfoundland and Labrador had substantially lower median incomes.

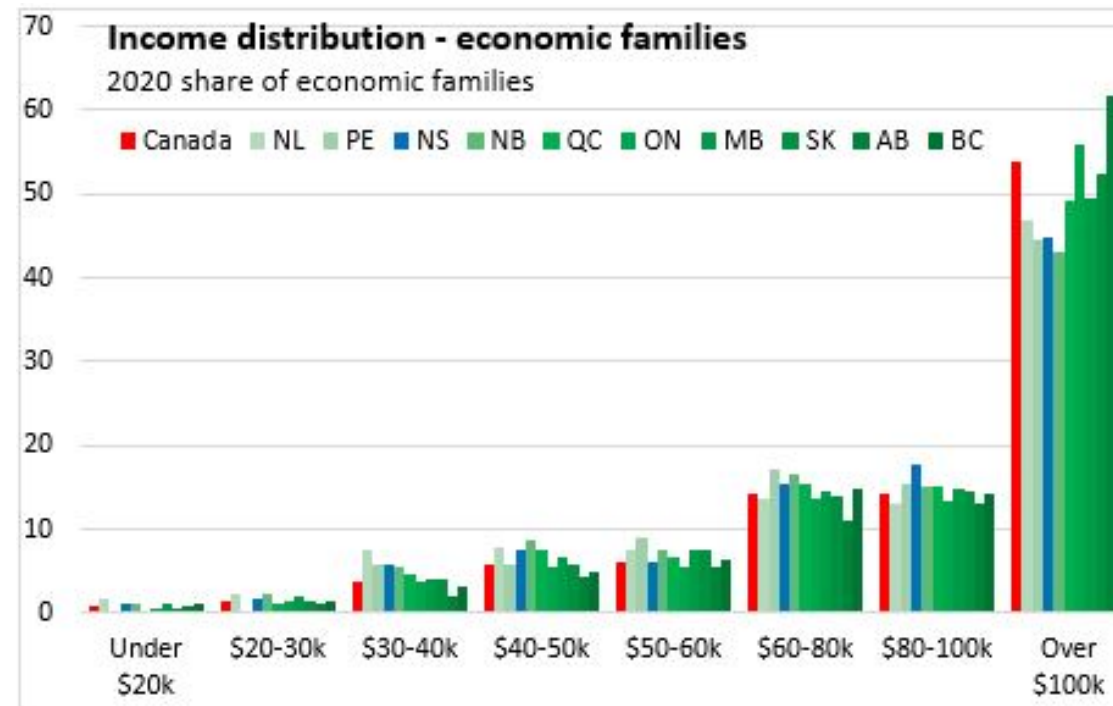


The median income among elderly persons not in an economic family was \$32,800 across Canada in 2020. Elderly persons not in an economic family in Nova Scotia had a median income of \$30,400. The lowest median income for non-elderly persons not in an economic family was reported in New Brunswick and the highest in British Columbia.

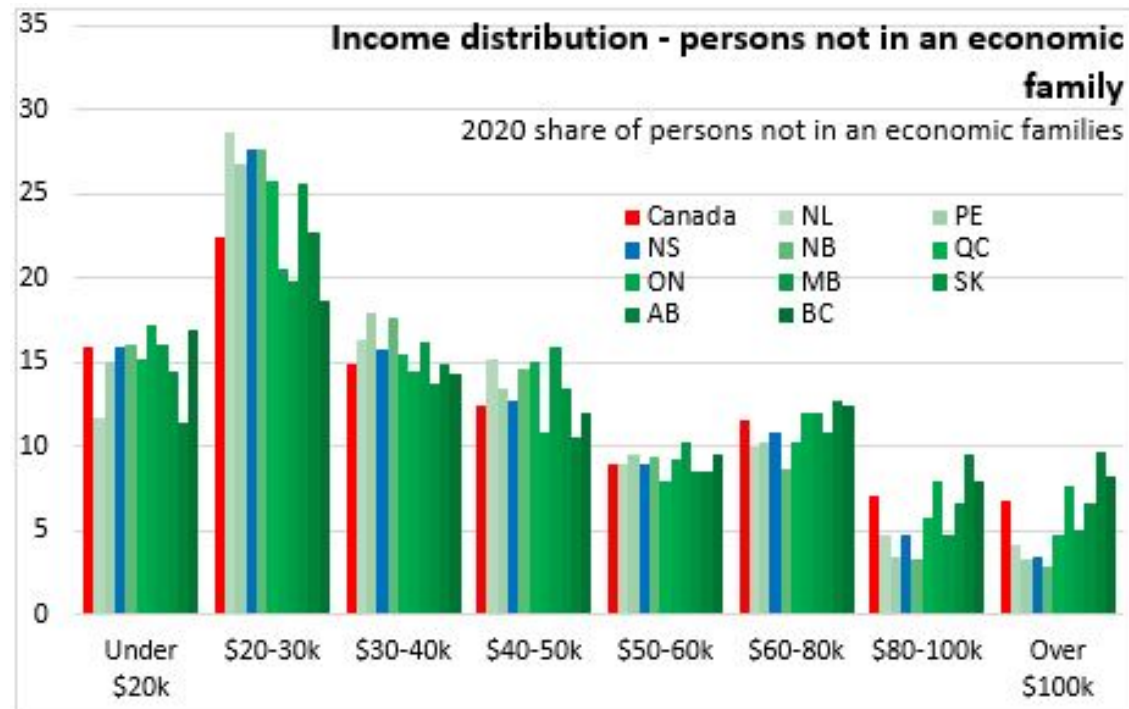


#### Income distribution

Among economic families, 44.7% of Nova Scotian families had income above \$100,000 in 2020 (53.8% nationally). A further 33.1% reported incomes between \$60,000 and \$100,000 (28.2% nationally) while 13.5% reported incomes between \$40,000 and \$60,000 (12.0% nationally). A total of 8.7% of Nova Scotia economic families reported income under \$40,000 (6.0% nationally).



The distribution of income is notably different among persons not in an economic family. Just 3.4% of Nova Scotians not in an economic family reported income over \$100,000 (6.8% nationally). Another 15.6% reported income between \$60,000 and \$100,000 (18.6% nationally) along with 21.6% that reported income between \$40,000 and \$60,000 (21.4% nationally). Among Nova Scotians not in an economic family, 43.5% reported incomes between \$20,000 and \$40,000 (37.3% nationally) while 15.9% (also 15.9% nationally) reported income under \$20,000 in 2020.

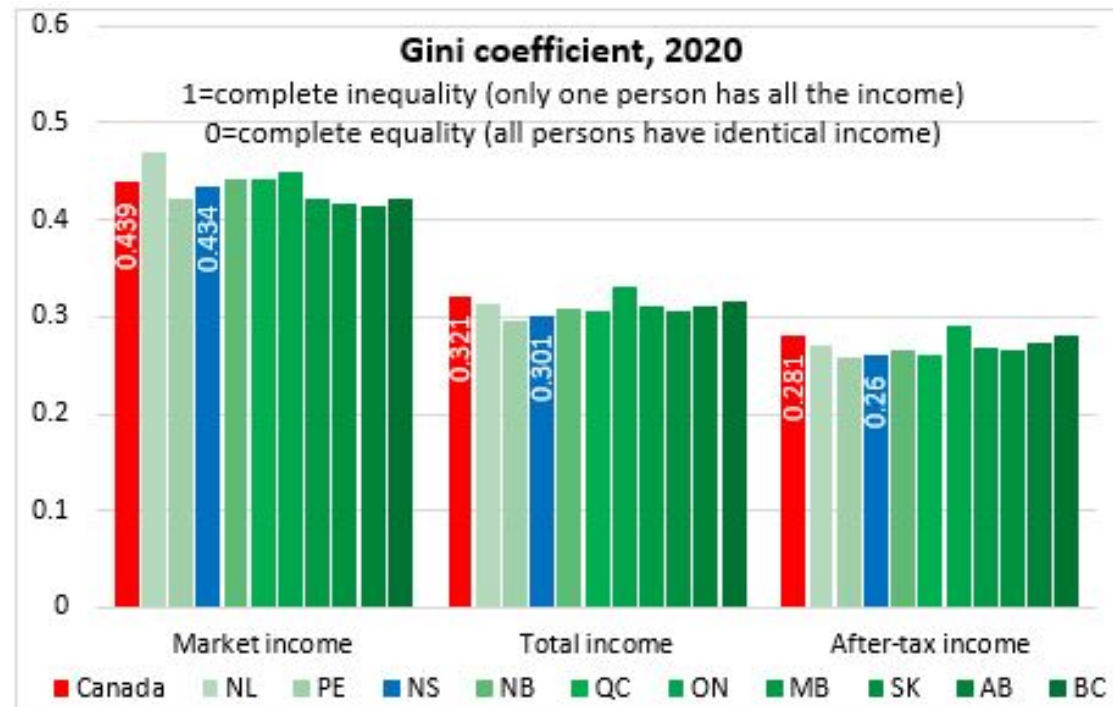


#### Gini coefficient of income distribution

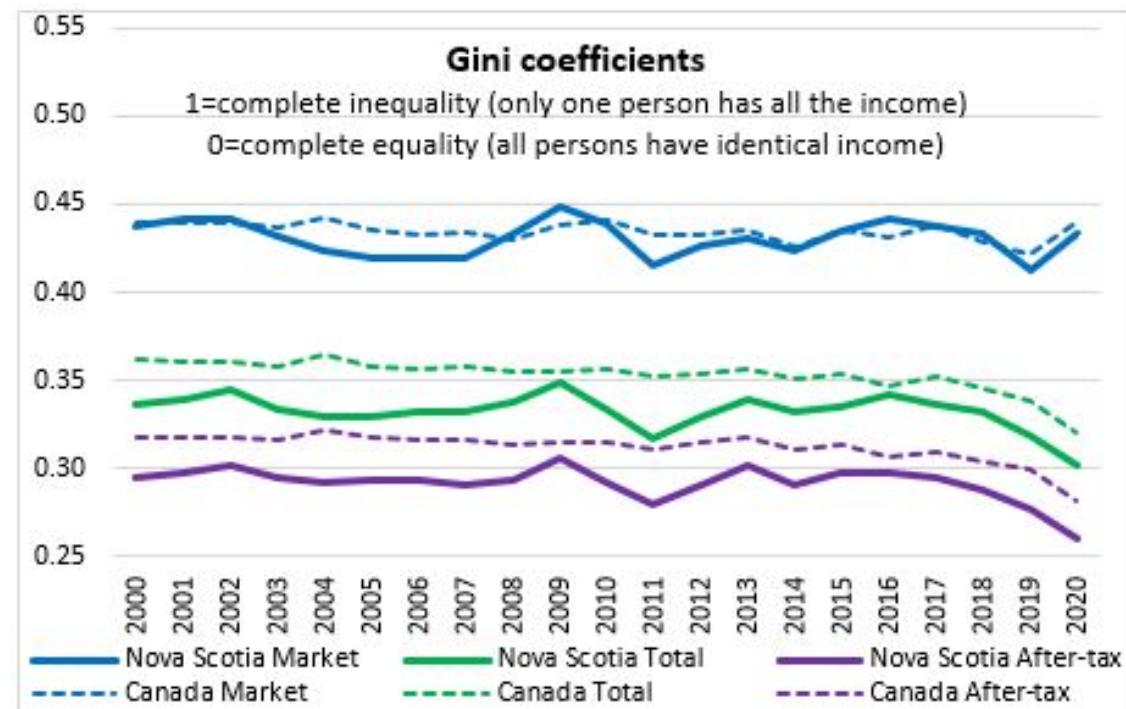
The Canadian Income Survey also reports the Gini coefficient measure of income distribution. Gini coefficients range between zero (representing perfect equality in which all individuals have the same income) and one (representing perfect inequality in which only one person has all the income while others have none). A higher Gini coefficient means greater income inequality.

Gini coefficients can be measured for market income, total income (market income plus transfers) and after tax income (total income less taxes).

Measured by market income, Nova Scotia has a similar income distribution as the national average. However, after factoring government transfers (which are concentrated among those with less income), Nova Scotia's total income Gini coefficient is less than the national average. Likewise, Nova Scotia's after tax Gini coefficient is lower than the national average.



Income inequality has been decreasing since 2017 at both the national and Nova Scotia levels. This has been mainly caused by greater income equality in market sources. However, in 2020, Gini coefficients increased for market income (both provincially and at the national level) while total and after-tax inequality measures declined. This is due to the role of government transfers during the pandemic in 2020.



#### Notes and definitions

The Canadian Income Survey estimates are based on probability samples and are therefore subject to sampling variability. As a result, estimates will show more variability than trends observed over longer time periods.

The market basket measure (MBM) of poverty is based on the cost of a specific basket of goods and services representing a modest, basic standard of living. It includes the costs of food, clothing, footwear, transportation, shelter and other expenses for a reference family. These costs are compared with the disposable income of families to determine whether or not they fall below the poverty line.

An economic family refers to a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law union, adoption or a foster relationship. This concept differs from the census family concept used for subprovincial data in the Annual Income Estimates for Census Families and Individuals.

The median is the level of income at which half the population had higher income and half had lower. Income estimates are expressed in 2018 constant dollars to factor in inflation and enable comparisons across time in real terms.

After-tax income is the total of market income and government transfers, less income tax.



Market income consists of employment income and private pensions, as well as income from investments and other market sources.

Government transfers include benefits such as Old Age Security, the Guaranteed Income Supplement, the Canada Pension Plan and the Quebec Pension Plan, Employment Insurance, social assistance, the goods and services tax credit, provincial tax credits, and various types of child benefits.

Sources: Statistics Canada, Canadian Income Survey:

[Table 11-10-0134-01 Gini coefficients of adjusted market, total and after-tax income](#)

[Table 11-10-0135-01 Low income statistics by age, sex and economic family type](#)

[Table 11-10-0136-01 Low income statistics by economic family type](#)

[Table 11-10-0190-01 Market income, government transfers, total income, income tax and after-tax income by economic family type](#)

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# Living Wages in Nova Scotia 2021

Working for a Living, Not Living to Work

Christine Saulnier





CCPA

CANADIAN CENTRE  
for POLICY ALTERNATIVES  
CENTRE CANADIEN  
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*Christine Saulnier* is the Nova Scotia Director of the Canadian Centre for Policy Alternatives. She has a PhD in political science. She has been the author or co-author of the living wage reports for Nova Scotia, as well as Charlottetown PEI, and St. John's, Newfoundland and Labrador.

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This living wage work was guided first and foremost by the work done by the BC office of the Canadian Centre for Policy Alternatives and the Canadian Living Wage Framework.

Jean-Philippe Bourgeois provided invaluable analysis for the tax and transfer calculations of the living wage rates, as he has done for the past three calculations.

Thanks also to Hailie Tatttrie, CCPA-NS Research Assistant, who collected all the data needed for the calculations.

This year's living wage report builds on the first Halifax report of June 2015, and the first-time calculation of the living wage in Atlantic Canada, was done in partnership with the United Way Halifax.

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# Living Wages in Nova Scotia 2021

Working for a Living, Not Living to Work

THIS LIVING WAGE report provides living wage rates for Nova Scotia. Living wage rates were calculated for the entire province by regions defined according to Statistics Canada's economic regions: Halifax (\$22.05), Cape Breton (\$18.45), Annapolis Valley (\$21.30), Southern (\$21.03), and Northern (\$19.20).

For the two communities that can be compared to previous year's calculations, the wage rates have increased, for Halifax by 1% and for Cape Breton by 4%. These increases are due to a combination of cost increases (in shelter in particular), methodological changes, and because there was little improvement in tax credits or income transfers. The living wage is calculated to arrive at an hourly rate at which a household can meet its basic needs (the expenses in the living wage budget), once government transfers have been added to the family's income (such as federal and provincial child benefits) and deductions have been subtracted (such as income taxes and Employment Insurance premiums). In Cape Breton, for example, increases in the employment income needed to cover expenses this year meant the income exceeded the threshold to qualify for the GST credit and resulted in less child benefit.

How the rates are calculated and the changes are explained in more detail in the report and in Appendix A.

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## Introduction

Workers have been running in place for a very long time, struggling to provide for themselves let alone support a family. This has been made worse by a lack of affordable housing, the high cost and lack of child care, and by the high cost of food or other necessities. In addition, the gaps in health and social services leave people paying for out-of-pocket costs to cover basic needs including prescription drugs. Workers are left living to work instead of working to live.

Many continually seek ways to fill gaps left by inadequate income, whether by visiting food banks or community suppers, or seeking other community supports that provide discounted or free goods and services. Workers must work very long hours, often at multiple jobs, leaving little time to play with their children or to consider up-skilling through additional education or training. When people live to work they have no time for community activities which impacts our collective vitality. Everyone deserves to have a decent job that supports them to live, have quality time with their friends and family, some leisure time, and time to recharge — which also allows them to be their best at work.

Paying a living wage is part of the just recovery that needs to happen. In one of the largest sectors of low wage workers, employers in food and accommodation services have difficulty finding labour, but this is more about a shortage of workers willing to work at the current wage rate and job conditions.<sup>1</sup>

As the living wage calculations show, while it is important for employers to pay decent wages, we also need to decrease costs, many of which are best addressed at a societal level through social programs and public infrastructure.

# Regional Living Wage Rates for Nova Scotia

THIS YEAR WE use economic regions to calculate living wage rates for the entire province. Statistics Canada's economic regions<sup>2</sup> are:

- Annapolis valley (Annapolis, Kings, and Hants counties)
- Cape Breton (Cape Breton, Inverness, Richmond and Victoria counties)
- Halifax (Halifax County)
- Northern (Antigonish, Colchester, Cumberland, Guysborough, and Pictou counties)
- Southern (Digby, Lunenburg, Queens, Shelburne, and Yarmouth counties)

The geographic coverage for the Halifax and Cape Breton living wages remains the same and considers updated wages (see comparative analysis below). The other living wage rates are new. The Northern regional rate covers Antigonish and the Southern regional rate covers Bridgewater.

Regional rates allow for a comparison for all parts of Nova Scotia, showing the impact of costs, as well as the availability of products and services. Regional rates allow for a larger geographic coverage than small community rates and as such better capture the reality of people's lives. Often because



**TABLE 1** 2021 Living Wages, Nova Scotia Regions

Individual 2021	Annapolis Valley	Cape Breton	Halifax	Northern	Southern
Hourly Living Wage	\$21.30	\$18.45	\$22.05	\$19.20	\$21.03
Annual Employment Income (gross)	\$38,766.00	\$33,579.00	\$40,131.00	\$34,944.00	\$38,274.60

they have no choice, people can work in one community, use child care in another, and live in yet another.

Table 1 shows the living wage for each region. Our calculations show the wage (given the existing social programs, taxes and transfers, and living expenses) needs to be 19.5% higher in Halifax than the wage in Cape Breton, which is the lowest in the province (but also still considerably higher than the current minimum wage).

### What are the Most Significant Costs in Each Region?

As can be seen in Table 2, the top three most expensive items in all regions are shelter, food and child care. The most expensive item in all regions is shelter cost (Table 3) which account for 24% of the budget in the Northern region, 25% in Cape Breton and 28% in the other three regions.

There are things to note about the shelter amounts. The rental costs do not reflect what is available on the market currently to rent, nor current costs given that the data are for October 2020. If we take Halifax as an example, the vacancy rate for three-bedrooms was 1.7%, the lowest of all bedroom types (October 2020). The vacancy rate is under 1% for three-bedrooms in most of Halifax except for Dartmouth South and Peninsula North, with an overall vacancy rate for Halifax at 1.9% for all bedroom types. There are only 4,442 three-bedroom units in all of Halifax (out of 52,913), 1687 of these units were built since 2000.<sup>3</sup>

The second most expensive item in all regions except Halifax is food, (where it is third most expensive), representing 17% of the budget in Halifax, 18% in the Annapolis Valley and Southern, and 19% in Northern and Cape Breton. These food costs do not reflect increases that were seen in 2021 and thus, like shelter costs, are below what families need to spend currently.

The third most expensive item in all budgets except Halifax is child care, which takes up 18% of the budget in Halifax, 17% in Cape Breton and 17% in the other three budgets.

**TABLE 2** Living Wage Monthly Family Budgets, Nova Scotia Regions, 2020 Costs

Item	Annapolis Valley	Cape Breton	Halifax	Northern	Southern
Food	\$1,120.42	\$1,050.88	\$1,073.31	\$1,120.42	\$1,120.42
Clothing and Footwear	\$179.48	\$179.48	\$179.48	\$179.48	\$179.48
Shelter	\$1,697.81	\$1,435.66	\$1,748.42	\$1,414.31	\$1,694.23
Transportation	\$461.66	\$451.33	\$512.16	\$472.33	\$448.00
Child Care	\$1,039.57	\$1,002.83	\$1,132.75	\$995.25	\$1,018.31
Health Care	\$179.68	\$179.68	\$179.68	\$179.68	\$179.68
Contingency/Emergency	\$248.50	\$215.25	\$257.25	\$224.00	\$245.35
Parent Education	\$122.78	\$122.78	\$122.78	\$122.78	\$122.78
Household Expenses	\$640.95	\$610.19	\$620.10	\$640.95	\$640.95
Social Inclusion	\$427.30	\$406.79	\$413.40	\$427.30	\$427.30
Total	\$6,118.14	\$5,654.89	\$6,239.33	\$5,776.49	\$6,076.49

**Note** The monthly budget totals in Table 2 are for items that fluctuate in monthly costs throughout the year and thus these amounts reflect the monthly average of the annual budgets used to calculate the living wage rates.

**TABLE 3** Budgetary Items as Percentage of Overall Annual Budget, Nova Scotia Regions, 2020 Costs

Item	Annapolis Valley	Cape Breton	Halifax	Northern	Southern
Food	18%	19%	17%	19%	18%
Clothing and Footwear	3%	3%	3%	3%	3%
Shelter	28%	25%	28%	24%	28%
Transportation	8%	8%	8%	8%	7%
Child Care	17%	18%	18%	17%	17%
Health Care	3%	3%	3%	3%	3%
Contingency/Emergency	4%	4%	4%	4%	4%
Parent Education	2%	2%	2%	2%	2%
Household Expenses	10%	11%	10%	11%	11%
Social Inclusion	7%	7%	7%	7%	7%

The cost is for full-time child care for a toddler plus care that is needed for a seven-year-old before and after-school and when school is closed. These costs do not reflect availability, a serious concern. Many communities do not offer care for the seven-year-old outside of the regular school day. Our survey data suggest there is more available and affordable after-school care across the province; however few communities have before-school care. Many

communities have very little available to cover Professional Development (PD) days and some have limited options for March break and summer holidays.

The cost for full-time care for just the toddler is \$853 a month in Halifax (which is over \$10,000 a year). If a family had an infant those fees would be higher, e.g. the cost of infant care in Halifax is \$957 per month (median).<sup>4</sup>

## **Explaining Wage Increases for Halifax and Cape Breton**

Expenses in both Halifax and Cape Breton increased largely because of a combination of inflationary increases (for food, and shelter) and methodological changes (see Appendix A). The living wage is calculated to arrive at an hourly rate at which a household can meet its basic needs (the expenses in the budget), once government transfers have been added to the family's income (such as federal and provincial child benefits) and deductions have been subtracted (such as income taxes and Employment Insurance premiums). Changes in one impact the other.

### **Halifax**

As can be seen in Table 4 in the 2021 Halifax living wage budget, the largest inflationary increase was to rent, with an increase of 5% according to the CPI; the additional 1% increase in shelter was an increase in other expenses including content insurance, and utilities.

The largest budgetary change was for food costs, where 4% of the increase is because of inflation and the remainder is because of the change in data source (using the Market Basket Measure (MBM) measure over local data).

The largest decrease in Halifax was the child care budget, which simply reflects a change in methodology. The toddler cost increased by 1.6%. The fees for the school-aged child decreased because the lower-cost afterschool programs arranged through the Halifax Education Centre are more available and thus were used. The highest fee specialty camps and regulated centre fees for PD days were no longer considered for arriving at median cost, as those costs would be prohibitive for this family.

Clothing costs decreased 3% as measured by CPI.

For transportation, the operation of passenger vehicle costs saw a decrease in the CPI of 16%, but the decline in the budget was only 8% because of an increase in the other transportation costs included in the budget (public transit and taxi trips).

The overall living wage budget increased by 3% — the employment income amount had to increase by 1% to cover the increased costs. The remainder of

**TABLE 4** Comparing Halifax Living Wage Family Annual Budgets, 2021 to 2020

Item	2021	2020	Diff Annual Budget
Food	\$12,879.73	\$10,094.16	22%
Clothing and Footwear	\$2,153.76	\$2,220.30	-3%
Shelter	\$20,981.04	\$19,648.54	6%
Transportation	\$6,145.96	\$6,623.99	-8%
Child Care	\$13,593.00	\$15,829.00	-16%
Health Care	\$2,156.16	\$2,115.96	2%
Contingency/Emergency	\$3,087.00	\$3,052.00	1%
Parent Education	\$1,473.38	\$1,395.46	5%
Household Expenses	\$7,441.18	\$7,200.29	3%
Social Inclusion	\$4,960.79	\$4,800.19	3%
Total	\$74,871.99	\$72,979.89	3%

the take home pay increase came from a deduction in taxes because of the introduction of the Canada Training Credit, for those aged 26 to 64, which allows for a federal tax credit of \$250.<sup>5</sup> The remainder of the income increase was the increase of the Canada Child Benefit.

### Cape Breton

Table 5 shows that the most significant increase in the Cape Breton budget was for food. Like Halifax, this is mainly due to the change in data source. It is still significant that 4% of the increase is because of inflation, with the remainder due to the amount for food allocated in the Market Basket Measure for Cape Breton (new data being used this year).

The second most significant increase was to shelter costs. The cost for a three-bedroom apartment/townhouse went from an average of \$999 to \$1,101, which is a 10% increase. This is higher than the 5% inflationary increase for the province. There are only 123 three-bedroom units available in Cape Breton Regional Municipality, and only eight constructed since 2000, according to CMHC.<sup>6</sup> The rental market report, however, only covers units available in the primary market, with much rental housing in the community being situated in the secondary market, such as duplexes which are rented.

Clothing costs decreased 3% as measured by CPI. The decline in child care was because of the change in methodology and not because child care costs decreased — they increased slightly.

For transportation, the operation of passenger vehicle costs saw a decrease in the CPI of 16%, but the decline in the budget was only 12% because of

**TABLE 5** Comparing Cape Breton Living Wage Annual Family Budgets, 2021 to 2020

Item	2021	2020	Difference
Food	\$12,610.60	\$10,445.70	17%
Clothing and Footwear	\$2,153.76	\$2,220.30	-3%
Shelter	\$17,227.97	\$15,528.54	10%
Transportation	\$5,415.96	\$6,052.49	-12%
Child Care	\$12,034.00	\$12,945.32	-8%
Health Care	\$2,156.16	\$2,115.96	2%
Contingency/Emergency	\$2,583.00	\$2,471.00	4%
Parent Education	\$1,473.38	\$1,395.46	5%
Household Expenses	\$7,322.28	\$7,085.19	3%
Social Inclusion	\$4,881.52	\$4,723.46	3%
Total	\$67,858.63	\$64,983.42	4%

an increase in the other transportation costs included in the budget (public transit and taxi trips).

For Cape Breton, the total budget increased by 4% and the entire increase was covered by an increase in employment income. The amount of the increase needed meant that the income surpassed the eligibility for the GST credit and saw only a 1% increase in CCB, for an overall decrease of 1% in income transfers from government. This decrease cancelled out the small tax savings from the Canada Training Benefit because the increase in employment income meant an increase in premiums.

# How is the Living Wage Calculated?

THE LIVING WAGE is calculated to show exactly how much a household must earn to cover all necessities *and* allow families to enjoy a decent quality of life. The wage is calculated such that the family should be able to avoid severe financial stress, support the healthy development of their children, and participate in the social, civic and cultural lives of their communities. Actual expenses are used to calculate the wage to reflect the rate of pay that families need to meet their basic needs given the costs, available government supports and services, and norms of a specific region.

The living wage is *not* the government-legislated minimum that employers must pay their workers.

A living wage is *not* a guaranteed annual income, which is a redistributive grant paid for via general tax revenue and most effectively administered and funded by the federal government.

The living wage is the hourly rate at which a household can meet its basic needs once government transfers are added to the family's income (such as federal and provincial child benefits) and deductions subtracted (such as income taxes and Employment Insurance premiums). For the full details on the living wage methodology and calculations see the calculation guide and the first Halifax living wage report published in 2015.<sup>7</sup> The spreadsheet for the 2021 calculations is available as well.

The 2021 living wage follows the Canadian Living Wage Framework<sup>8</sup> and is based on a reference family of four with two parents working full-time (35 hours).<sup>9</sup> While it uses a four-member family, two adults with two young children (aged 2 and 7), research shows that there are no significant differences in the hourly living wage rate needed to sufficiently meet the needs of a single adult or a lone parent with one child. This hourly rate would likely not be enough for some families, such as those with more children or younger children needing more expensive childcare or those with only one adult earner and more than one child. The living wage rate is calculated based on:

- Employers providing the statutory minimums for time-off. In Nova Scotia, employees are entitled to two weeks of paid vacation.
- The cost of government deductions (provincial and federal taxes, Employment Insurance premiums and Canada Pension Plan contributions) for the 2020 tax year.
- The value of government transfers, such as the Canada Child Benefit, are calculated for the year using the rates effective from July 2019 to July 2020.<sup>10</sup>

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## Living Wage Budget

The living wage budget is a conservative estimate. It includes 11 expense categories as explained below. The budget does **not include**:

- Credit card or loan payments
- Savings for retirement
- Life insurance
- Home ownership costs such as property taxes, home maintenance and repairs.
- Costs associated with a child or adult family member who has disabilities or serious illness requiring care or adaptive supports.

The costs included in the budget reflect the 2020 calendar year. Many expenses are calculated drawing on local sources as well as the Market Basket Measure (MBM). The MBM is Canada's official poverty line. It has undergone a second comprehensive review and the numbers in the living wage calculations for 2021 use the updated (2018 based) MBM methodology and data (as did the

2020 wage calculations).<sup>11</sup> The MBM 2019 thresholds, adjusted for inflation to arrive at a 2020 amount,<sup>12</sup> are used to calculate food, clothing and footwear, and transportation for all communities. The MBM “other” category is “meant to represent the costs of goods and services other than food, shelter, transportation and clothing. The list of items that could be included in the other component is large and could depend on the structure, age, location or other circumstances of a family.”<sup>13</sup> We use the MBM “other” category to calculate household expenses and social inclusion for all communities.

### **Food**

The MBM food costs is based on the 2019 National Nutritious Food Basket, which is consistent with the new Canada’s Food Guide. It covers 38 cities across Canada for a slightly different family of four than the living wage family (the MBM children are 9 and 13). The MBM food budget does not consider special dietary needs, cultural or other food preferences or eating out.

### **Clothing and Footwear**

Clothing and footwear costs are drawn from the MBM. The 2018-base MBM covers the cost of clothes and footwear for school, work and play.

### **Shelter**

The shelter amount includes renting a 3-bedroom accommodation, the cost of basic tenant contents insurance, the cost of utilities and internet. The rent amount is based on median rents for three-bedroom apartments and three-bedroom row houses using data available from Canada Mortgage and Housing’s survey on rental housing for October 2020.<sup>14</sup> The regional rental rates represent the costs in the community with the highest calculated wage rate (see Appendix 1 for methodological details). For rural regions for which there are no CMHC annual rental surveys, the provincial pooled median rental rate for small centres (population between 2500-10,000) was used. The shelter amount also includes the cost of utilities (1100/kwh per month), assuming heat is electric and water is included in the rental cost. Also included is the cost of high-speed internet (50/10 Mbps or more, with unlimited data, and includes installation fees).

Rental data need to better reflect the reality of the market, both considering what is available, as well as ensure the data reflect what is included in the rent (i.e., CMHC’s data collection doesn’t specify whether utilities are included or not).<sup>15</sup> The data are also inconsistently available outside of the Halifax Regional Municipality. There are very few communities that have median



rental rates available through CMHC's data portal, with communities with populations less than 10,000 having no annual rental market data collected on the part of CMHC. Using provincial pooled data as done for the Southern and Annapolis Valley regions, because of a lack of community data, does not sufficiently reflect the differences in rental rates in local areas.

### **Transportation**

The transportation expense includes the cost of maintaining a second-hand car,<sup>16</sup> plus a monthly bus pass if available, and a modest budget for a limited number of taxi trips. With two parents working and two kids needing to get to child care and school, plus a parent taking community college classes, this realistic transportation budget enables the family to ensure timely travel daily, plus having quality time at home. For communities without bus service, additional taxi trips are included in the budget. It is reasonable to assume there would be instances aside from attending community college where one parent may have the vehicle and when transit may not be convenient for the parent (if it is available at all).

### **Child Care**

This expense includes the cost of full-time, full year child care for the two-year old, before and after school care for the seven-year-old, as well as additional fees for when the older child would need full-time care, such as during the summer and winter breaks, on PD days, and non-statutory holidays. The rate for the toddler in Halifax is taken from the CCPA's annual report on child care fees, which reports the median toddler rate in 37 cities across Canada.<sup>17</sup> Toddler fees for the other regions, as well as fees in all communities for the school-aged child, are from our independent cost survey.<sup>18</sup> The child care calculations also assume the parents use their vacation time to cover some of the seven-year-old's needs (for the toddler, child care centres require spots to be paid regardless of whether the child is there).

### **Health Care**

The cost of a basic private health insurance plan is included in the budget. This is to cover health-related expenses such as dental care and prescription drugs, that are not covered by public medicare. The family still must pay deductibles and the remaining cost after insurance. This is a modest estimate for household health expenses and would not be adequate for families with large medical expenses, such as households where one or

more family member has a severe health condition or a disability requiring expensive equipment or medications.

### **Contingency/Emergency**

A modest allowance for unforeseen circumstances is included in the family budget, equivalent to two weeks' pay per parent per year and is a very small percentage of the overall household budget. A small cushion for emergencies can make a big difference in averting further problems.

### **Parent Education**

Part-time education for one parent at Nova Scotia Community College is in the budget. This covers two courses for the year, as well as a small textbook allowance, and student fees for a part-time student. The living wage framework recognizes that additional education and skills could assist low wage workers to find higher paying jobs.

### **Household Expenses**

This is to cover necessary items including toiletries and personal care (e.g. toothbrush, toothpaste, deodorant, shampoo, menstrual products), furniture, small kitchen appliances or kitchen tools, household supplies (e.g. clingwrap, foil, cleaning supplies), bank fees and laundry costs. The MBM "other necessities" category now includes an explicit amount for cell phone service.<sup>19</sup> This represents 60% of the MBM's "other" category.

### **Social Inclusion**

The social inclusion category is meant to lessen stigma and allow family members to participate fully in the life of their community, whatever form that participation takes. The category includes expenses such as school supplies and fees, reading materials, minimal recreation and sports fees, art or music classes, child's birthday or holiday gifts, a small budget for entertainment (e.g., tickets for a movie, museum fees), restaurant meals, family daytrips or children's toys or games. This represents 40% of the MBM's "other" category.

# Benefits of a Living Wage

THERE IS MOUNTING evidence of the benefits of paying a living wage for employers, e.g., higher retention rates, fewer sick days, and better work quality.<sup>20</sup> For workers, being paid a living wage is a form of preventative health care: a way to address the many health risks associated with low wages. People who work for low wages often struggle to pay for medication and medical supplies, and the small health insurance contained in the living wage budget will help a little. Costs not covered by medicare make it difficult to manage chronic conditions or recover from acute illness. Low wages are incredibly detrimental to mental well-being, and often exacerbate existing mental illnesses.<sup>21</sup> As food is not a fixed cost, it is often sacrificed to pay for shelter costs; higher quality, healthier food is often more expensive than high calorie foods. Food insecurity is also a detriment to good health.<sup>22</sup>

The living wage includes a social inclusion budget, essential to enable families to participate fully in communities; the stigma attached to struggling with a low income has a devastating impact, especially on children.

People with an adequate and reliable paycheck do not have to work multiple jobs to get by. They can spend more time with their families and communities, volunteering their time and contributing to the life of the places they call home.

# Role of Employers and Governments

FIRST AND FOREMOST, this report is a call for employers to pay a living wage.

In other provinces, the living wage movement has included voluntary certification programs for private and public employers who agree to pay the wage. This year we intend to support the development of a living wage employer certification program to be launched in 2022.

Certified living wage employers in the other provinces exist in all sectors and sizes—public, private and non-profit. Governments should pay their staff and contract workers a living wage. The impact of government as a direct employer, as well as the substantive procurement undertaken by government, could have a considerable impact.

In 2020, the Halifax Regional Municipal Council approved a policy to incorporate paying the CCPA-NS living wage rates into its supplier code of conduct when contracts are up for negotiation beginning in April 2021.<sup>23</sup> While this was a huge step forward for many workers in Halifax, many more workers are being left out, including those who are temporary or casual staff, or otherwise excluded.<sup>24</sup> Meanwhile, many other workers will only see an increase when their contracts open, which won't be for several years for some of them. Government budgets are impacted by the high costs of poverty whether by productivity lost or by the pressures on its budget to help people manage to live on a low-income. Governments should not be contributing to the problem by paying poverty wages.<sup>25</sup>

The challenges facing low wage workers go beyond their wage rate. Efforts need to be made to address the cost side of the equation as well. Many of these costs are best addressed through social programs and government investments, and policy changes that would better support work/life balance. As the living wage calculation shows, government policies and programs have a direct impact on our standard of living, including by providing income supports.

Employers must also recognize that the more generous government programs, services, and income transfers are, the less employment income workers need to cover their costs. Employers should play a proactive role advocating for improvements in universal services and programs, and investments in public infrastructure.

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## **Strengthen Employment Standards**

During this pandemic, the lack of health and safety protection for workers in low-waged jobs providing critical services to our community tells us our government does not do enough to support them and that these workers deserve more protections. At minimum, workers deserve 10 paid sick days.<sup>26</sup> Workers also deserve more paid time off, more coverage for statutory holidays and an additional paid week of vacation, which could also help reduce child care costs for families with school-aged children.<sup>27</sup> These workers take the brunt of the rising influence of corporations and business organizations in politics, alongside the declining power of labour unions.

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## **Raise the Minimum Wage**

What does it say about the current minimum wage when even the lowest living wage is far above it?

Providing workers with the Community Emergency Response Benefit (CERB) was a critically important pandemic response by the federal government. There are lessons to be learned from this benefit; it was needed to fill the gaps in existing services and programs like Employment Insurance. The minimum level of support provided is also instructive; \$2000 per month works out to approximately \$15 hour (gross) working 40 hours per week. The minimum wage should be raised to at least \$15.

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## Government Taxes, Transfers and Tax Credits

Expanding universal public services funded by a robust, progressive tax system would alleviate some of the pressure on this family. We should be shifting away from regressive forms of taxation (including consumption taxes, government user fees, and property taxes) and towards a more progressive income taxation system. This is the first time since we have been calculating the living wage that there was the introduction of a tax credit specifically for working adults — the Canada Training Benefit.<sup>28</sup>

The living wage calculations show that the more generous government transfers, the lower the private wage needed to cover costs. For example, in 2018 the Halifax wage went down because of the increase in the Canada Child Benefit, which was the case for most living wage rates across the country.

The thresholds before transfers are clawed back or for eligibility for subsidies or tax credits vary widely, but are not generous. None of the households earning a living wage across the province qualify for most of the tax credits because the households' incomes needed to afford the budget. The reference family's adjusted net living wage income for all regions (which range from \$53,977 to \$67,042) is too high to qualify for the Nova Scotia Affordable Living Tax Credit and the Nova Scotia Child Benefit.<sup>29</sup> While all the households qualify for the Canada Child Benefit (CCB), to receive the full Canada Child Benefit, the adjusted net family income would need to be \$31,711 or less, which means none receive the full benefit if they earn the living wage. None of the households earning a living wage qualify for the GST credit or the Canada Worker Benefit.<sup>30</sup>

The tax transfer system must be improved and made more sensitive to the benefit cliff where small increases in earning result in sudden, drastic reductions in public benefits. The living wage calculations should be used to determine the level of income benefits, thresholds and clawback provisions that would support families to be lifted out of poverty and the stress that accompanies it.

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## Early Learning and Child Care: Subsidies Do Not Create Spaces

As it stands all the living wage families' adjusted household income would qualify them for the child care subsidy program. The maximum subsidy is available for families with adjusted household income of \$35,000 and completely phases out at \$70,000, which means it would be quite a small subsidy

for families in the regions that need the highest living wage incomes.<sup>31</sup> For all the families, the wait list for licensed child care means that we cannot be sure that they would access this subsidy and therefore it is not included in the calculations. The seven-year-old's child care expenses would not qualify for a subsidy unless the family arranged for before- and after-school care at a licensed child care facility, where fees are much higher than the Halifax Regional Education Centre's EXCEL program (and similar programs across the province) or unlicensed before/after school program, which may still mean they pay almost as much even with the subsidy. Subsidies are not a substitute for more spaces that are affordable and accessible to families across the province. It is imperative that child care be made more affordable and accessible by funding an Early Learning and Child Care system<sup>32</sup> that reflects the reality of parents' actual work schedules and the need for seamless year around care for all children under age 12. Should the Nova Scotia government move forward to cut child care fees by 50% with a goal to providing child care at an average of \$10 a day, this would have the impact of lowering the living wage quite substantively. The bilateral agreement with the federal government will undoubtedly make a big difference for families.<sup>33</sup>

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## Expand Public Services

Aside from child care, the other top four highest cost items in all the living wage families' budgets are housing, food, and transportation and can be addressed by government policy.

- Fund more accessible, affordable public transportation within communities and between communities.
- Build more affordable housing through the public and community (non-profit and co-operative) housing sectors, introduce permanent rent control, and implement a plan with targets to eliminate homelessness and core housing need.<sup>34</sup>
- Invest to support local, sustainable, affordable food production and distribution.
- Expand public health care to include universal pharmacare, dental care and mental health supports.
- Invest with a goal to make post-secondary education, both university and college, free. While governments work toward that goal, it is

important that they reduce tuition, and make it possible for more people to upgrade their skills and education without having to take on a huge debt load. More part-time college options should be available to support workers who want to remain in the workforce.



# Conclusion

THE LIVING WAGE is one tool to help low wage workers bridge the gap between income and costs. Calculating the living wage shines a spotlight on what needs to be done to support families, and more broadly low wage workers, to help everyone attain a good quality of life.

Calling for employers to pay a living wage voluntarily is not a substitute for a needed, substantive increase to the minimum wage, for proactive enforcement of stronger labour standards, and public investment in quality public services including universal child care, an extension of public health care, more affordable housing in our communities, and in the expansion of affordable, accessible public transit.

# Appendix A

## A Note on Methodological and Data Changes to the Living Wage Calculation

IT IS CRITICAL to test the living wage methodology and make changes to ensure it is accurate, credible and reflective of the reality for families in their specific community. The spreadsheets showing how these wages were calculated are available for viewing along with this report. This is a summary of changes made to the way the living wage is calculated this year.

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### Regional Rates

The living wage is to be designed to ensure that the wage rate is high enough to cover the costs and reality of the diversity of households. Following this principle, the regional rental rates represent the costs in the community with the highest calculated wage rate. To determine the highest wage rate, several communities in each of the three new regions were tested. The regions are divided by the Statistics Canada's economic regions, which are used to provide labour market information across the province.<sup>35</sup> The only difference is that our Northern is called North Shore by Statistics Canada.

- Annapolis valley (Annapolis, Kings, and Hants counties)
- Cape Breton (counties of Cape Breton, Inverness, Richmond and Victoria)

- Halifax (Halifax County)
- Northern (Antigonish, Colchester, Cumberland, Guysborough, and Pictou counties)
- Southern (Digby, Lunenburg, Queens, Shelburne, and Yarmouth counties)

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## Calculating the Cost-of-living Increases

Some of the major cost items are drawn from the MBM (food, clothing, transportation, social inclusion and household expenses). The most recent MBM thresholds are for 2019 and thus they need to be adjusted using the Canada Price Index. Normally, we would use year over year changes, i.e. adjust the MBM 2019 to reflect 2020 costs. This year the 2019 costs were adjusted using the average CPI change for the first six months of 2021. 2020 saw several uncharacteristic and temporary declines in the prices of certain items. Since then, prices have rebounded and, in many cases, have increased rapidly. To remove the temporary pandemic effects, the 2021 Living Wage Calculation Spreadsheet adjusts family expenses using CPI for the first half of 2021 (Jan – June) instead of CPI for 2020. This more accurately reflects the costs that families are facing. Given the fluctuations in prices in 2020, this average better reflects prices.

### Food

The most significant change is the use of different data for the food amount. As with most provinces, the Nova Scotia calculations had used local data for food calculations. The Participatory Food Costing Project in Nova Scotia at Mount Saint Vincent University used a community-based research method to collect data on the costs for food across the province.<sup>36</sup> Since 2002, this project had adapted the National Nutritious Food Basket to conduct a survey of food costs every two years for specific ages and sexes. The last data available, however, are for 2015 because there has not been a renewed commitment from the provincial government to fund this invaluable work. Therefore, the MBM food data are used.

### Child Care

The toddler fees reflect median costs. The costs of the 7-year-old reflect the lowest cost child care option for the child care costs for after-school, profes-

sional development days, and weekly breaks (March and Summer). There are increasingly low-cost care options available via education centres and community recreation centres.

### **Internet**

While there has been an increase in lower cost providers of internet services in Nova Scotia, some are not widely available in more rural communities. In addition, some of these lower cost providers do not provide high speed options. In recognition of the necessity of a quality, high-speed, accessible options, we no longer factor into the average cost the lower costs options that do not offer speeds of 50/10Mbps. In some cases that means there is only one provider available.

# Notes

- 1** Macdonald, D. Tipping point: pandemic forced restaurant and bar workers into better paying jobs, *The Monitor Mag*, (October 2021). <https://monitormag.ca/articles/tipping-point-pandemic-forced-restaurant-and-bar-workers-into-better-paying-jobs-2>
- 2** Statistics Canada, 2016 Economic Regions. <https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=318020&CVD=318024&CPV=1209&CST=01012016&CLV=4&MLV=5>
- 3** Canada Mortgage and Housing Corporation (CMHC), Housing Information Portal. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#TableMapChart/0580/3/Halifax>
- 4** Macdonald, D., & Friendly, M., (2021). *COVID-19's impact on Canada's precarious child care sector*. (Ottawa: CCPA). <https://www.policyalternatives.ca/TheAlarm>
- 5** Canada Revenue Agency, Canada Training Credit. <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/canada-training-credit.html>
- 6** Canada Mortgage and Housing Corporation (CMHC), Housing Information Portal. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#3%20Bedroom%20+>
- 7** Johnston, M-D., and Saulnier, C. (2015). *Working for a living, not living for work: the Halifax Living Wage 2015*. (Halifax: CCPA-NS). <https://www.policyalternatives.ca/publications/reports/working-living-not-living-work>
- 8** Living Wage Canada, *Canadian Living Wage Framework: A National Methodology For Calculating The Living Wage In Your Community*, [http://livingwagecanada.ca/index.php/download\\_file/view/113/171](http://livingwagecanada.ca/index.php/download_file/view/113/171). Any methodological and data changes for the 2020 wage calculations are noted in Appendix 1: A Note on Methodological Changes to the Living Wage Calculation.
- 9** 35 hours is chosen as way to answer to the goal of ensuring that people have time for life outside of work.
- 10** The spreadsheet shows the formulas for calculating taxes, transfers, and credits. Note that we did not include any temporary, one-time payments made in 2020. For a step-by-step explanation of how the wage is calculated, see the calculation guide CCPA-NS published when we first published the living wage calculations, available here: <https://www.policyalternatives.ca/publications/>

reports/working-living-not-living-work For an up-to-date guide, see the one published by the CCPA-BC (we follow their method very closely). [www.policyalternatives.ca/livingwage2021](http://www.policyalternatives.ca/livingwage2021)

**11** Djidel, S., Gustajtis, B., Heisz, A., Lam, K., Marchand, I. and McDermott, S. (2020). *Report on the second comprehensive review of the Market Basket Measure*. (Ottawa: Statistics Canada). <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2020002-eng.pdf>

**12** The Canadian Price Index average for the first six months of 2021 is used for inflationary adjustment in this year's calculations where applicable, instead of using the 2020 CPI. 2020 saw several uncharacteristic and temporary declines in the prices of certain items. Since then, prices have rebounded and, in many cases, have increased rapidly. To remove the temporary pandemic effects, the 2021 Living Wage Calculation Spreadsheet adjusts family expenses using CPI for the first half of 2021 (Jan – June) instead of CPI for 2020. This more accurately reflects the costs that families are facing. Given the fluctuations in prices in 2020, this average better reflects prices.

**13** Djidel et al., (2020). OPCIT, p. 11.

**14** Canada Mortgage and Housing Corporation (CMHC), Housing Market Information Portal. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#Profile/1/1/Canada>

**15** Leviten-Reid, C., Horel, B., Matthew, R., Deveaux, F. and Vassallo, P. (2019). Strong foundations: Building community through improved rental housing data. *Journal of Rural and Community Development*, 14(3), 73-86.

**16** The MBM (2018-base) amount for transportation for communities under 30,000 is used for all communities in each province. This amount provides for the purchase of an eight-year-old compact car along with 1,200 litres of gas per year. It also includes the cost of 36-month financing term at a rate corresponding to the published consumer loan rate, as well as the costs of insurance, maintenance, registration and driver's license renewals

**17** Saulnier, C., Findlay, T. (2021). *Open letter: Recommendations for Building an Early Learning and Child Care System in Nova Scotia*. (Halifax: CCPA-NS). <https://www.policyalternatives.ca/publications/commentary/open-letter-recommendations-building-early-learning-and-child-care-system>

**18** For all communities except Halifax, 3-5 child care providers were contacted to gather cost data.

**19** It includes the cost based on average provincial expenditure on cell phones for the second decile in the Survey of Household Spending (1999). Djidel, et al., (2020). OPCIT, p. 20.

**20** See "Living Wage for Families Campaign", How living wages benefit employers <http://www.livingwagecanada.ca/files/1613/8443/7402/Employer-benefit-fact-sheet.pdf>

**21** Johnston, M-D., and Saulnier, C. (2015). OPCIT.

**22** Household Food Insecurity in Canada. (PROOF, Food Insecurity Policy Research). <https://proof.utoronto.ca/food-insecurity/>

**23** Halifax, Appendix C – Supplier Code Of Conduct, April 1, 2021 [https://www.halifax.ca/sites/default/files/documents/business/doing-business-halifax/Supplier\\_Code\\_of\\_Conduct\\_Appendix\\_C.pdf](https://www.halifax.ca/sites/default/files/documents/business/doing-business-halifax/Supplier_Code_of_Conduct_Appendix_C.pdf)

**24** Nova Scotia Union of Public and Private Employees (2021) Press Release: NSUPE Local 22 calls on HRM Council to address Living Wage exclusions. (NSUPE), <https://nsupe.ca/open-letter-living-wage-exclusions/>

**25** Saulnier, C. (2020). One Step forward for Halifax workers? <https://monitormag.ca/articles/one-step-forward-for-low-waged-workers-in-halifax/>

- 26** Casey, R., Brickner, R., Carlson, J., Rudrum, S., & Munroe, J. (2021). *No Nova Scotian Should Have to Work Sick*. (Halifax: CCPA-NS). <https://www.policyalternatives.ca/publications/reports/no-nova-scotian-should-have-work-sick>
- 27** Casey, R. (2019). *A Rising Tide to Lift All Boats*. (Halifax: CCPA-NS). <https://www.policyalternatives.ca/publications/reports/rising-tide-lift-all-boats>
- 28** You can claim the CTC for eligible tuition and other fees paid to an eligible educational institution in Canada for courses you took in 2020. See <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-45350-canada-training-credit.html>
- 29** To qualify for the NS Child Benefit your adjusted family net income must be under \$34,000 and under \$30,000 for the NS Affordable Living Tax credit. These benefits are also small. The NSALTC provides \$255 for an individual or couple per year plus \$60 per child. The NSCB provides \$77.08 for the first child and \$68.75 for the second child per month. See <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/provincial-territorial-programs/province-nova-scotia.html#nscb>
- 30** The GST tax credit begins to phase out at a family net income of \$37,789. The Canada Child Benefit (CCB) begins to phase out at \$31,711 for family net income with a further phase out at \$68,708. The Canada Worker Benefit phases out entirely at \$36,483. To claim the medical insurance as part of the budget allocation, the family income needs to be under \$27,639. See <https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/federal-government-budgets/budget-2021-recovery-plan-for-jobs-growth-resilience/canada-workers-benefit-qa.html>
- 31** Department of Education and Early Childhood Development, Child Care subsidy-income eligibility (Government of Nova Scotia, 2018). <https://www.ednet.ns.ca/earlyyears/families/incomeeligibility.shtml>
- 32** Saulnier, C., Findlay, T. (2021). *Open letter: Recommendations for Building an Early Learning and Child Care System in Nova Scotia*. (Halifax: CCPA-NS). <https://www.policyalternatives.ca/publications/commentary/open-letter-recommendations-building-early-learning-and-child-care-system>
- 33** The subsidy is for licensed child care only and is paid directly to the facilities. See <https://www.ednet.ns.ca/earlyyears/families/incomeeligibility.shtml>
- 34** The Housing for All Working Group (2021). *Keys To A Housing Secure Future For All Nova Scotians*. (Halifax: CCPA-NS). <https://www.policyalternatives.ca/publications/reports/keys-housing-secure-future-all-nova-scotians-o>
- 35** Statistics Canada, 2016 Economic Regions, OPCIT
- 36** The Nova Scotia Participatory Food Costing Project, *Can Nova Scotians Afford to Eat Healthy? Report on 2015 Participatory Food Costing*. FoodARC (Halifax: Mount Saint Vincent University, 2017) [https://foodarc.ca/wp-content/uploads/2017/03/2016\\_report\\_Executive\\_summary\\_LR\\_SPREADS.pdf](https://foodarc.ca/wp-content/uploads/2017/03/2016_report_Executive_summary_LR_SPREADS.pdf)



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**April 27, 2022**

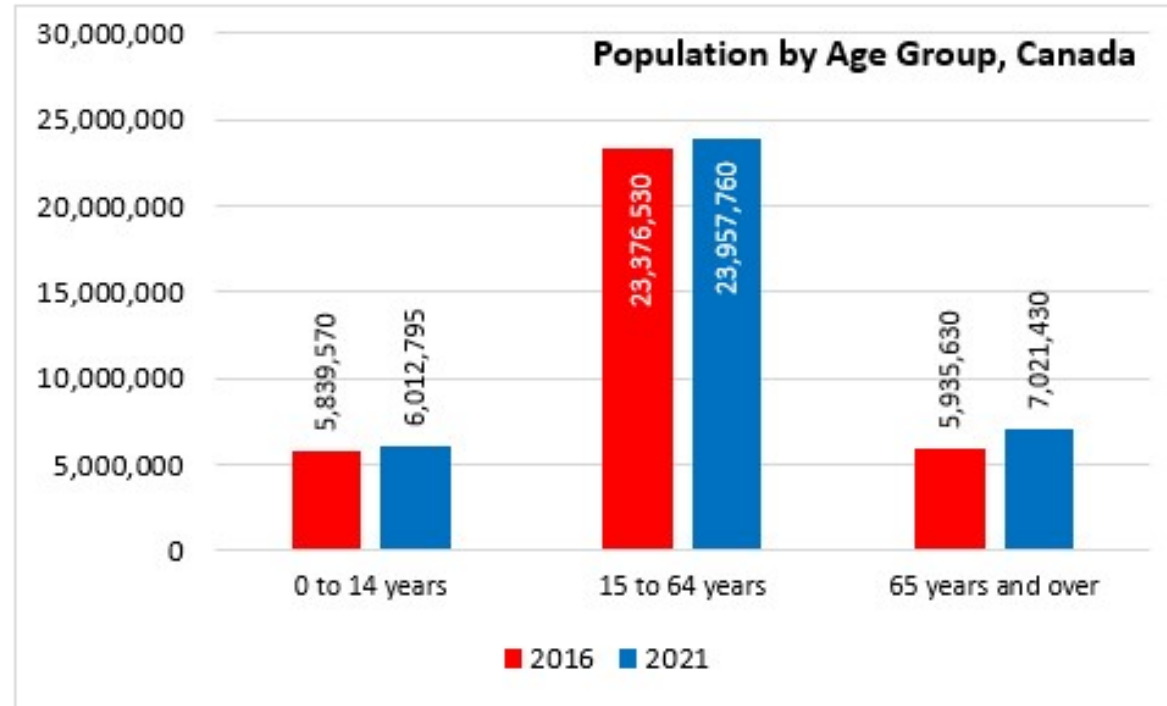
**CENSUS POPULATION BY AGE AND GENDER, 2016 & 2021**

Today, Statistics Canada released the second series of results from the 2021 Census, providing information on the age structure of the Canadian population and the types of dwelling in which Canadians live.

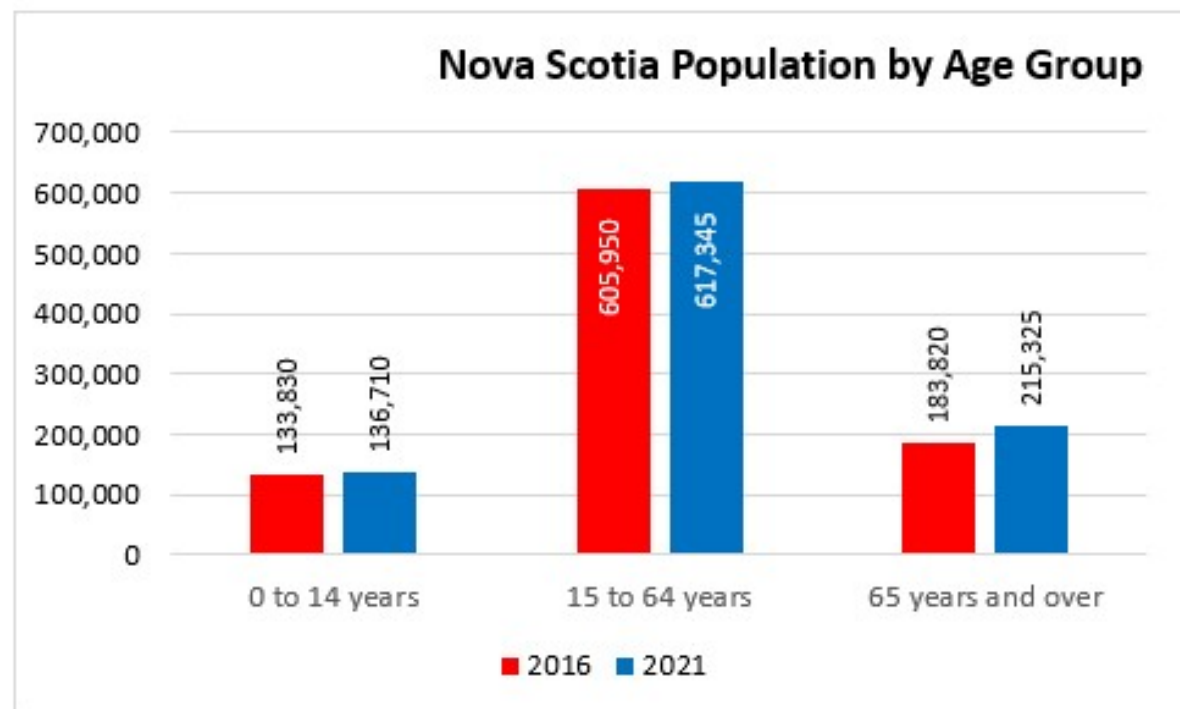
Statistics Canada noted that more than 1 in 5 (21.8%) persons of working age are aged 55 to 64 – an all time high in the history of Canadian censuses. From 2016 to 2021, the number of persons aged 65 and older rose 18.3% to 7.0 million. This is the second-largest increase in 75 years, after the one observed from 2011 to 2016 (+20.0%).



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In Nova Scotia, population aged 15 to 64 increased 1.9% from 2016 to 2021 while their share in total population declined from 65.6% to 63.7% over the same period. Nova Scotia's population aged 65 years and older increased 17.1% from 2016 to 2021 and accounted for 22.2% of total population in 2021, up from 19.9% in 2016.

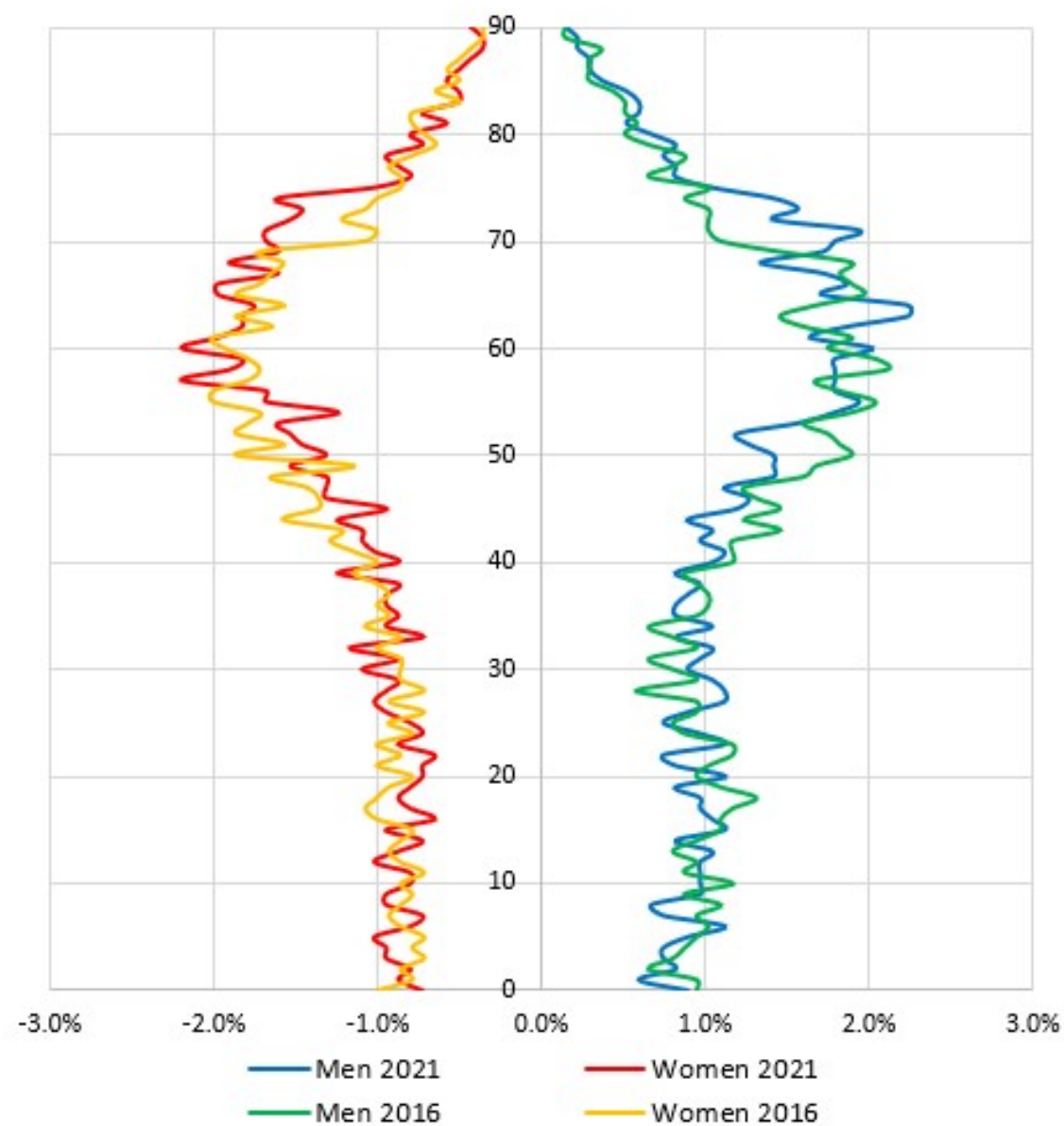


Nationally, median age increased from 41.2 in 2016 to 41.6 in 2021. Nova Scotia’s median age remained unchanged at 45.6 years old over the last five years. Across provinces, Newfoundland and Labrador had the highest median age at 48.4 years old in 2021 while Manitoba and Alberta had the youngest median age both at 38.4 years old.

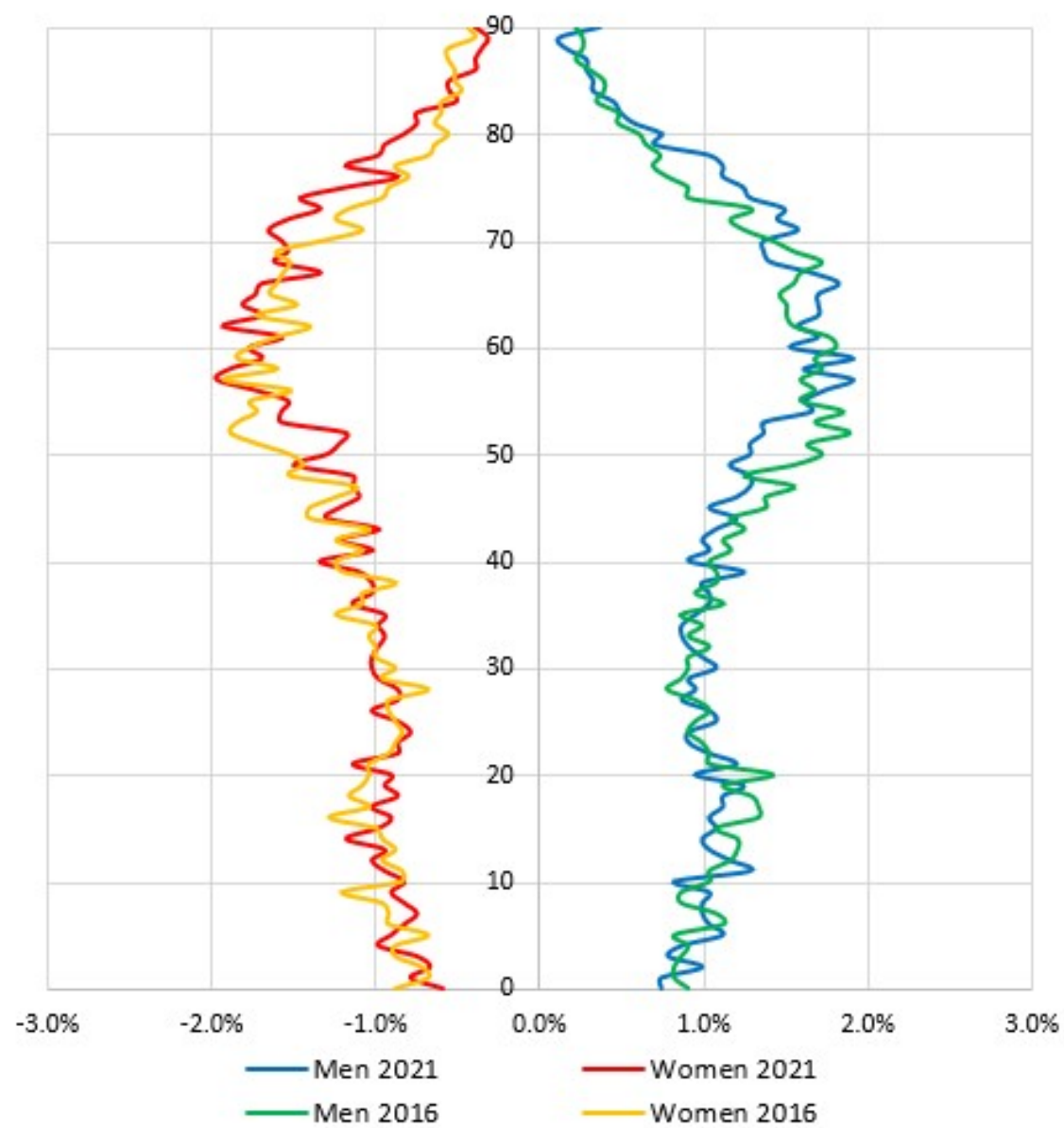
#### ***Age cohorts***

Looking at the distribution of population across age groups and sexes, Halifax saw a population increase in the ages between 25 to 40 while population aged 40 to 60 reported a decline from 2016 to 2021. The distribution is similar between males and females.

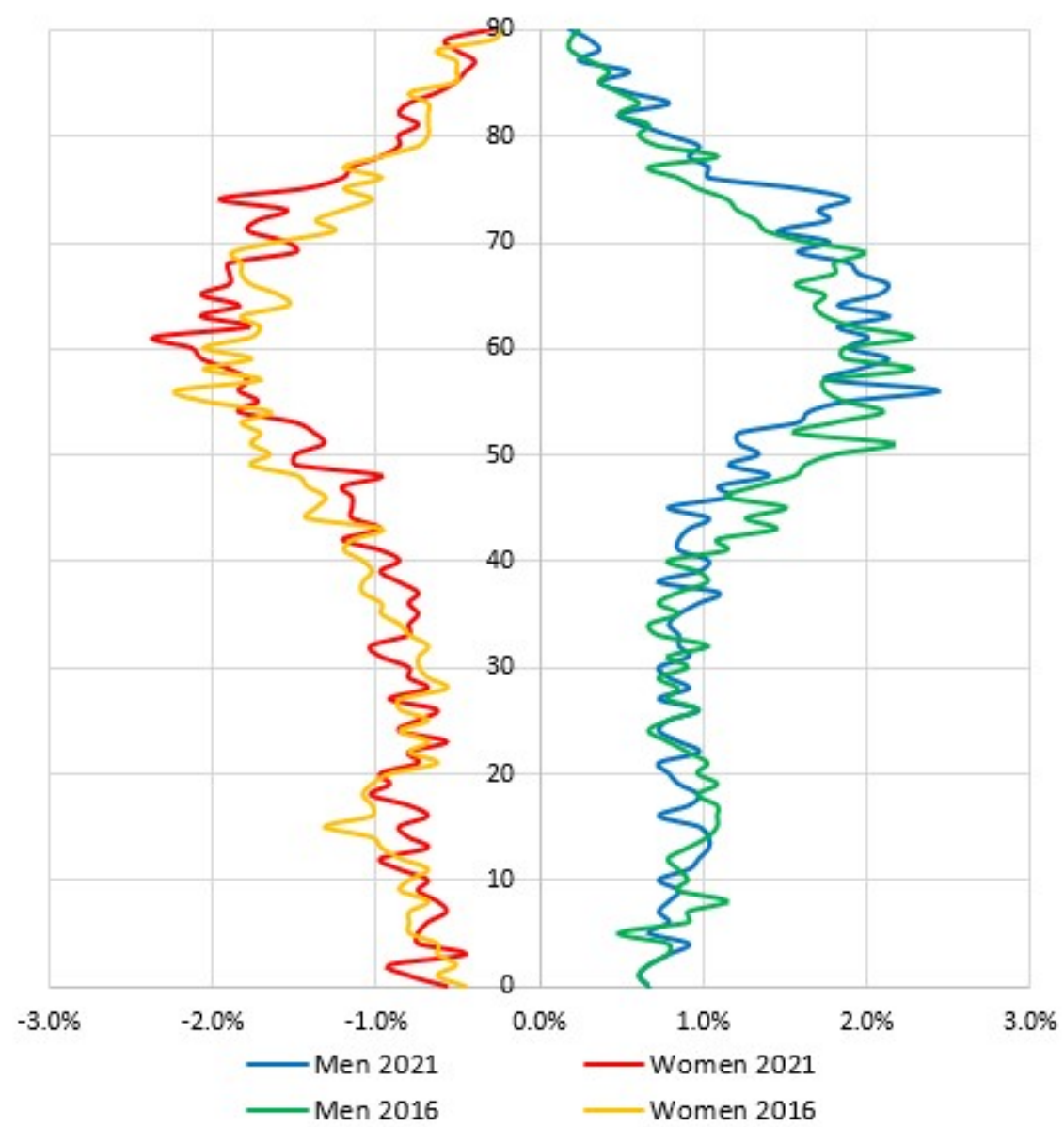
**Population Pyramid, Shelburne**



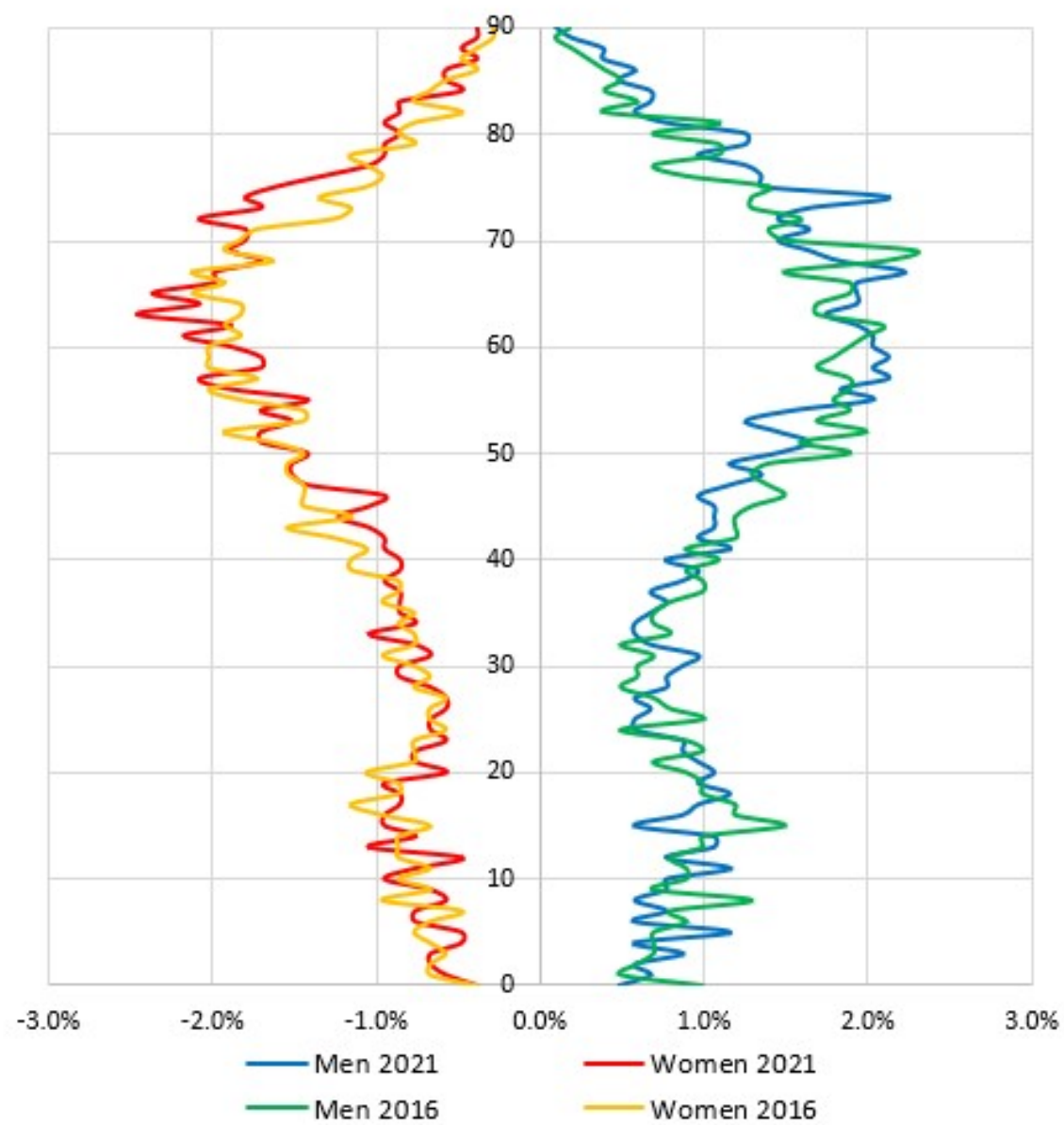
**Population Pyramid, Yarmouth**



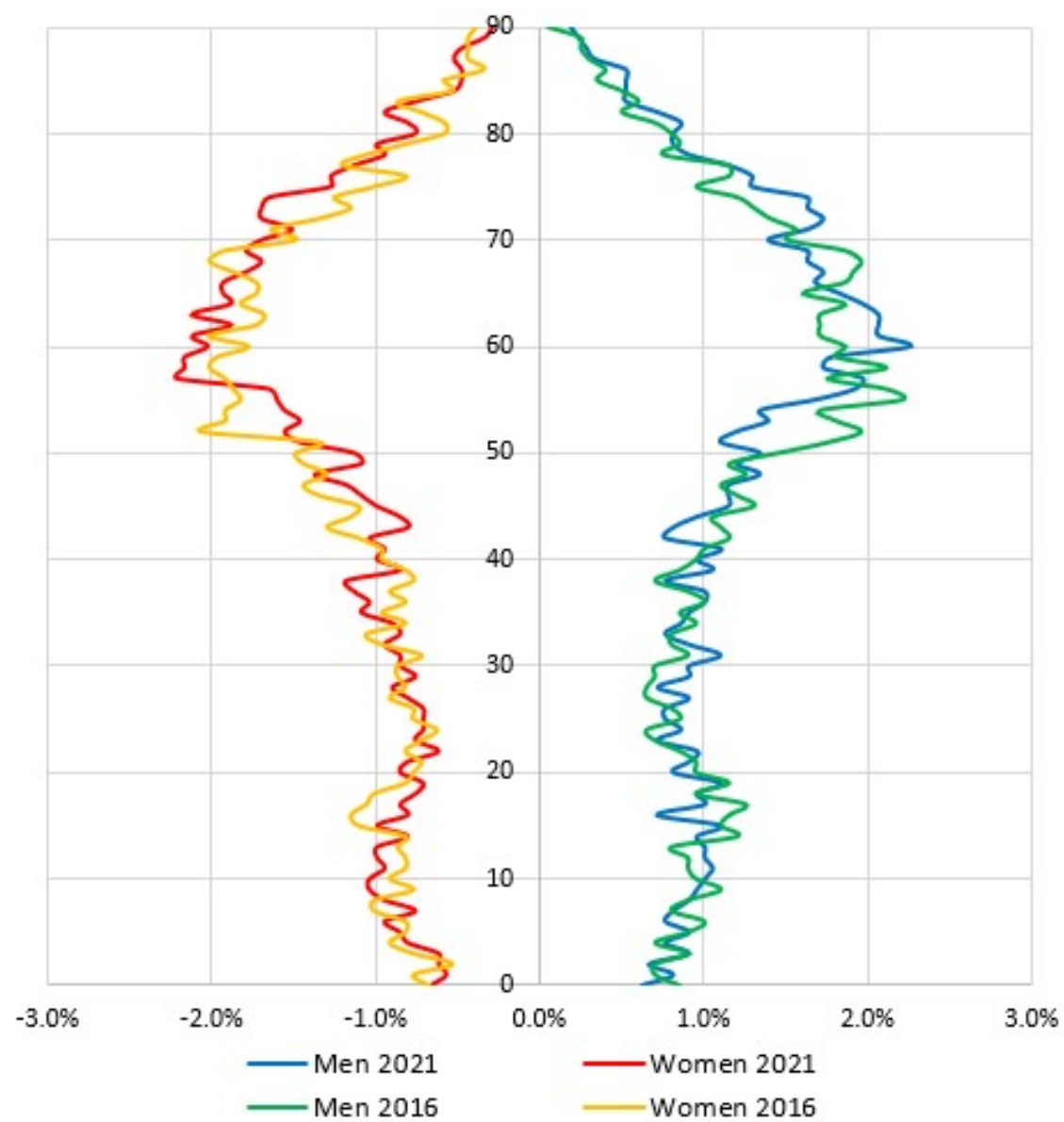
Population Pyramid, Digby



Population Pyramid, Queens

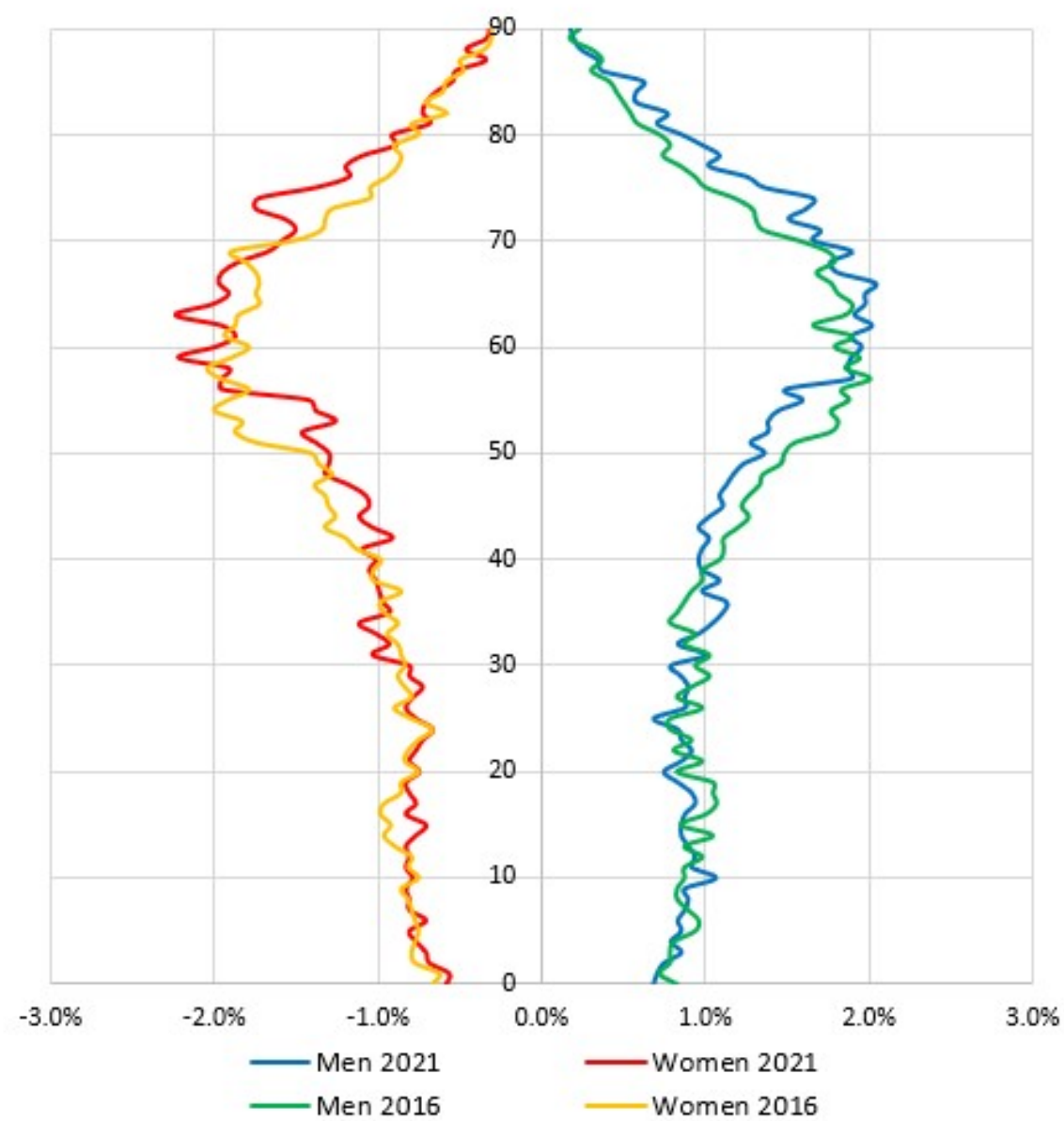


**Population Pyramid, Annapolis**

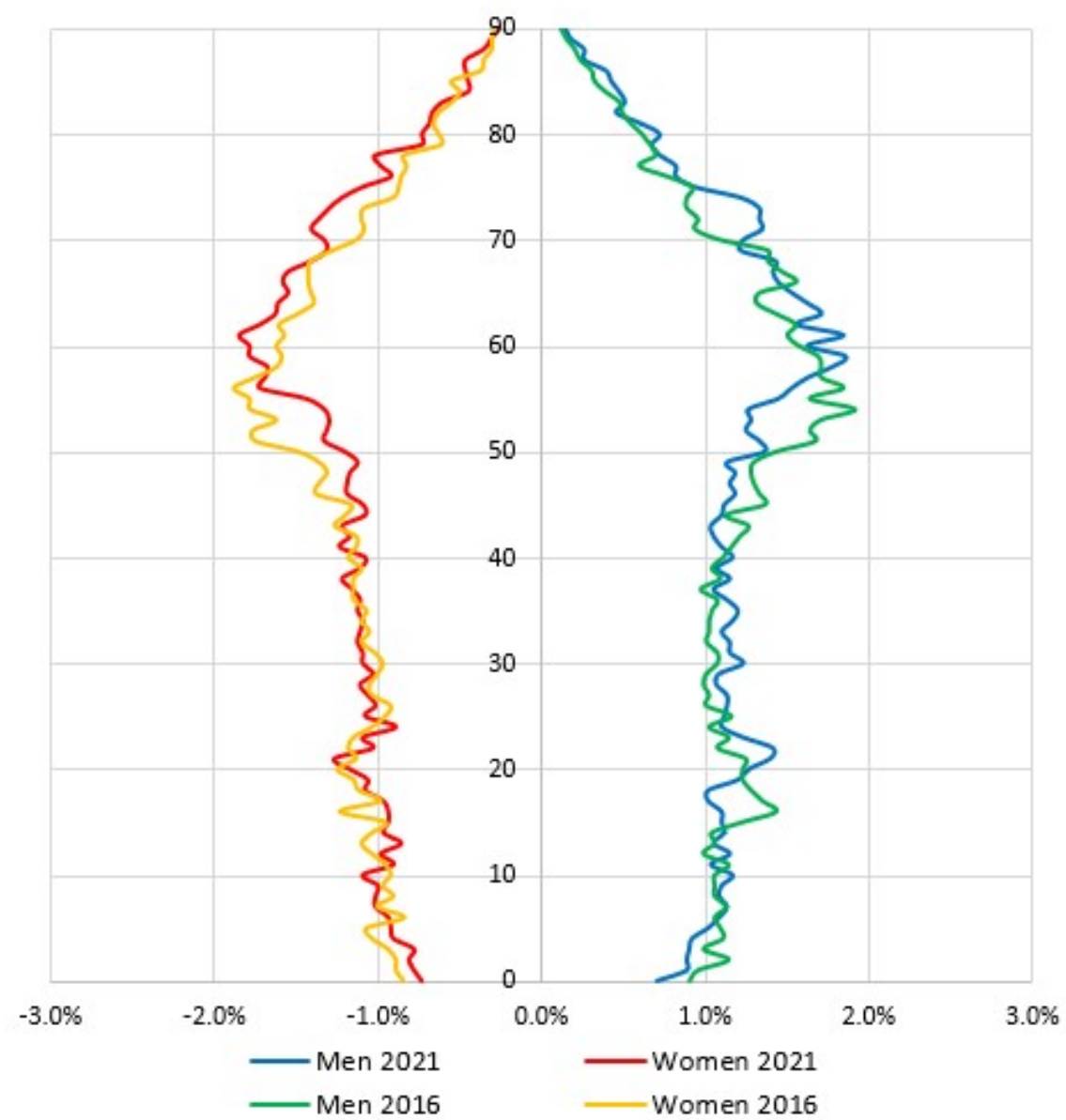




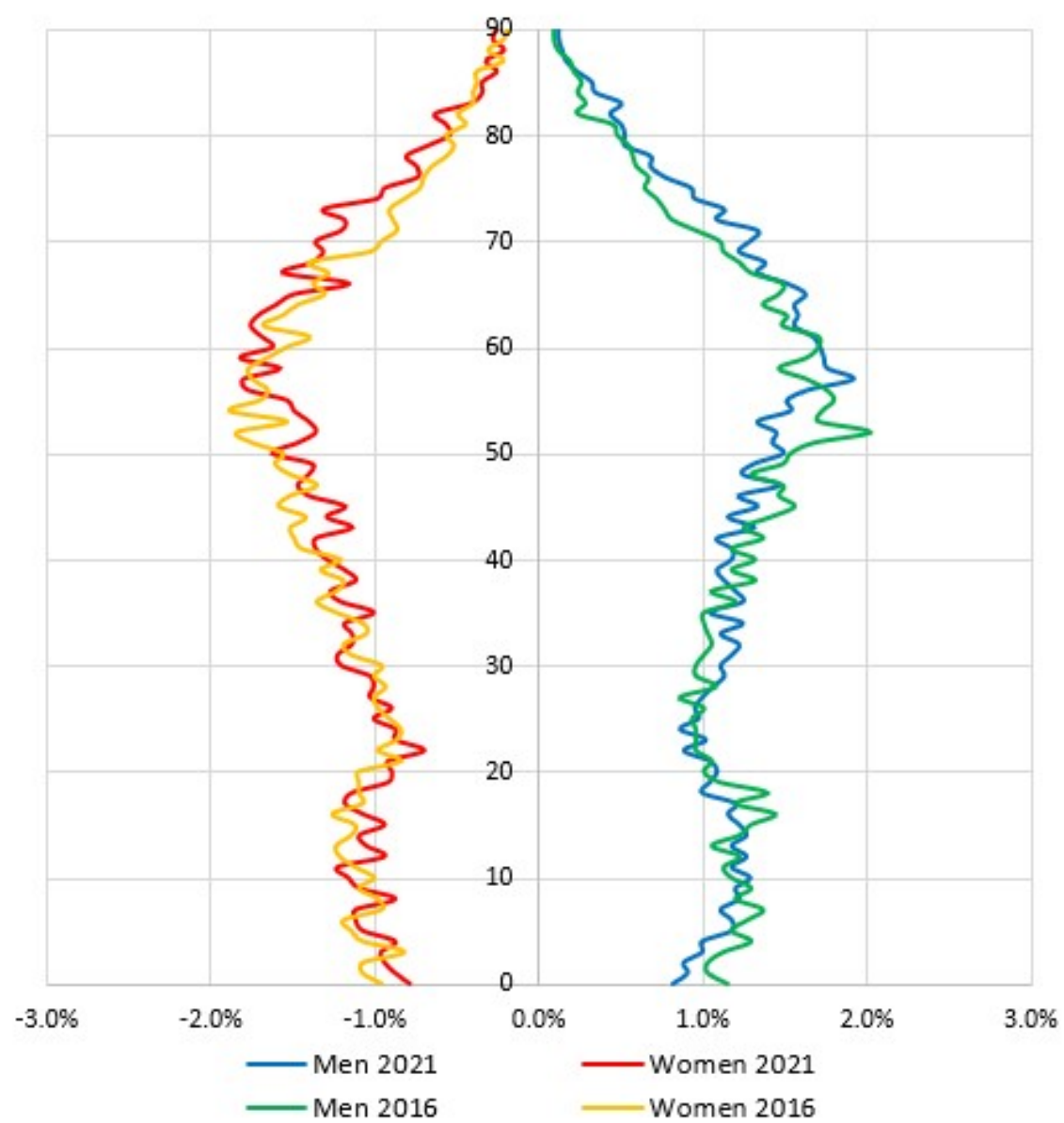
**Population Pyramid, Lunenburg**



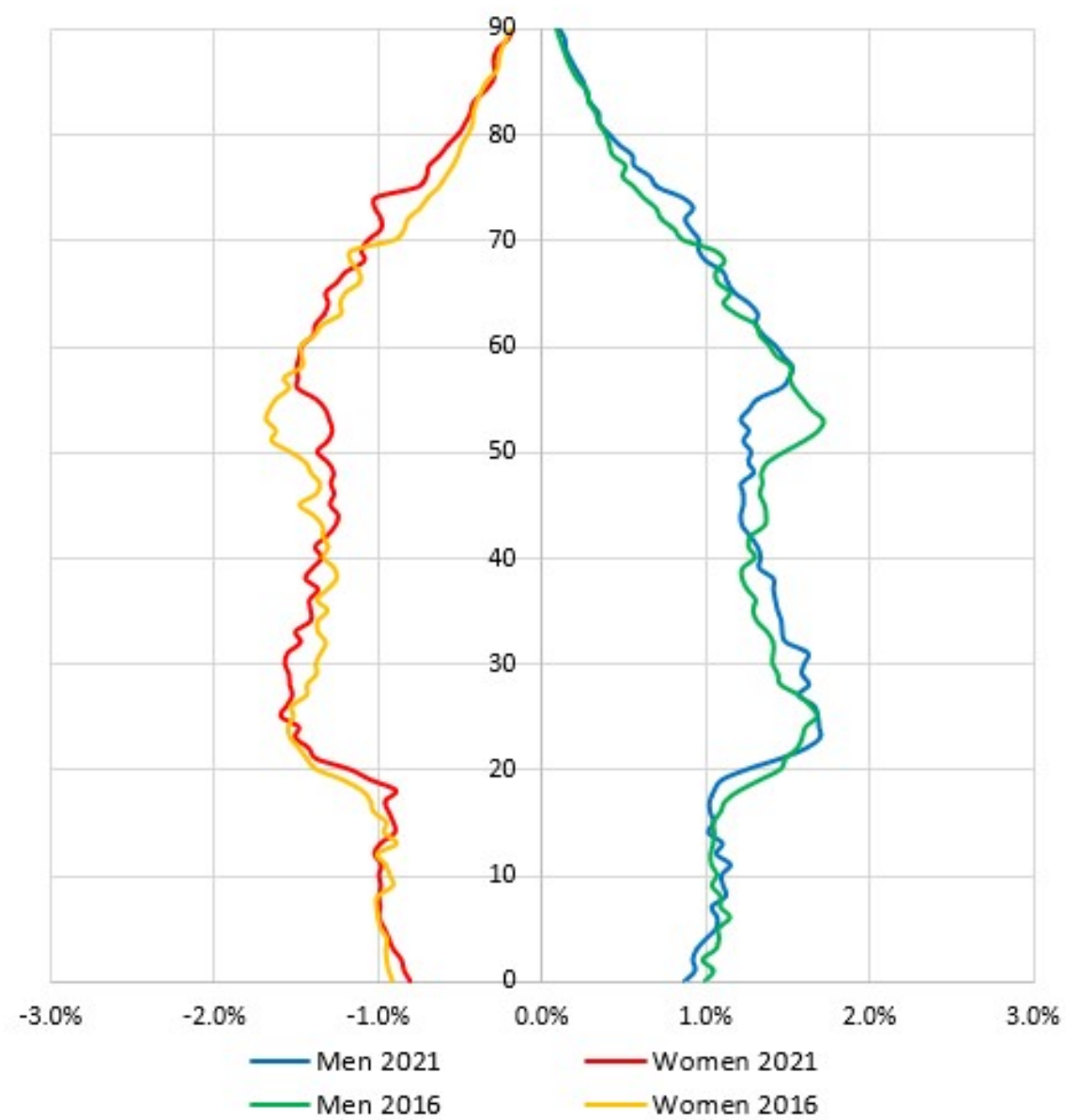
Population Pyramid, Kings



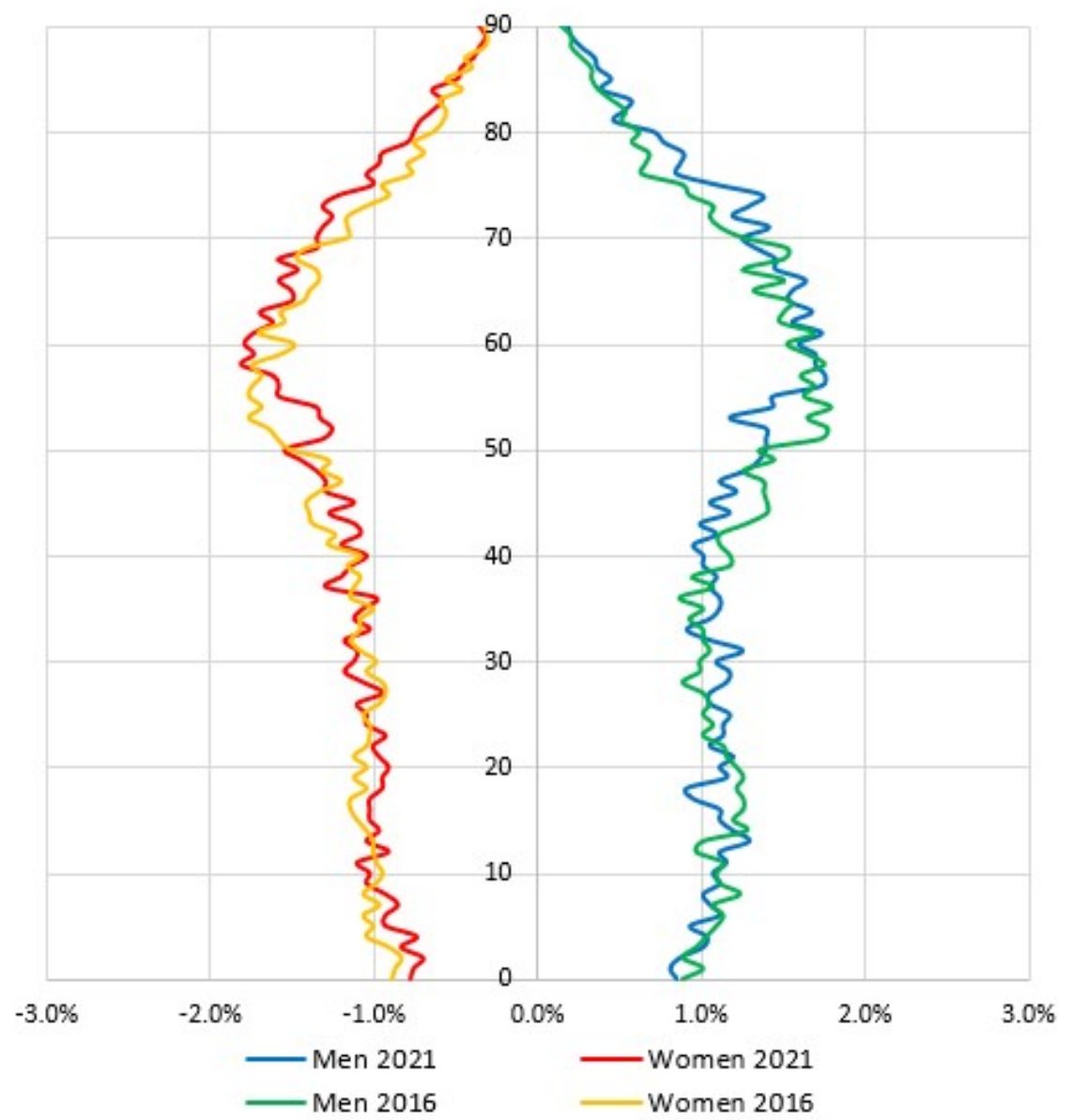
Population Pyramid, Hants



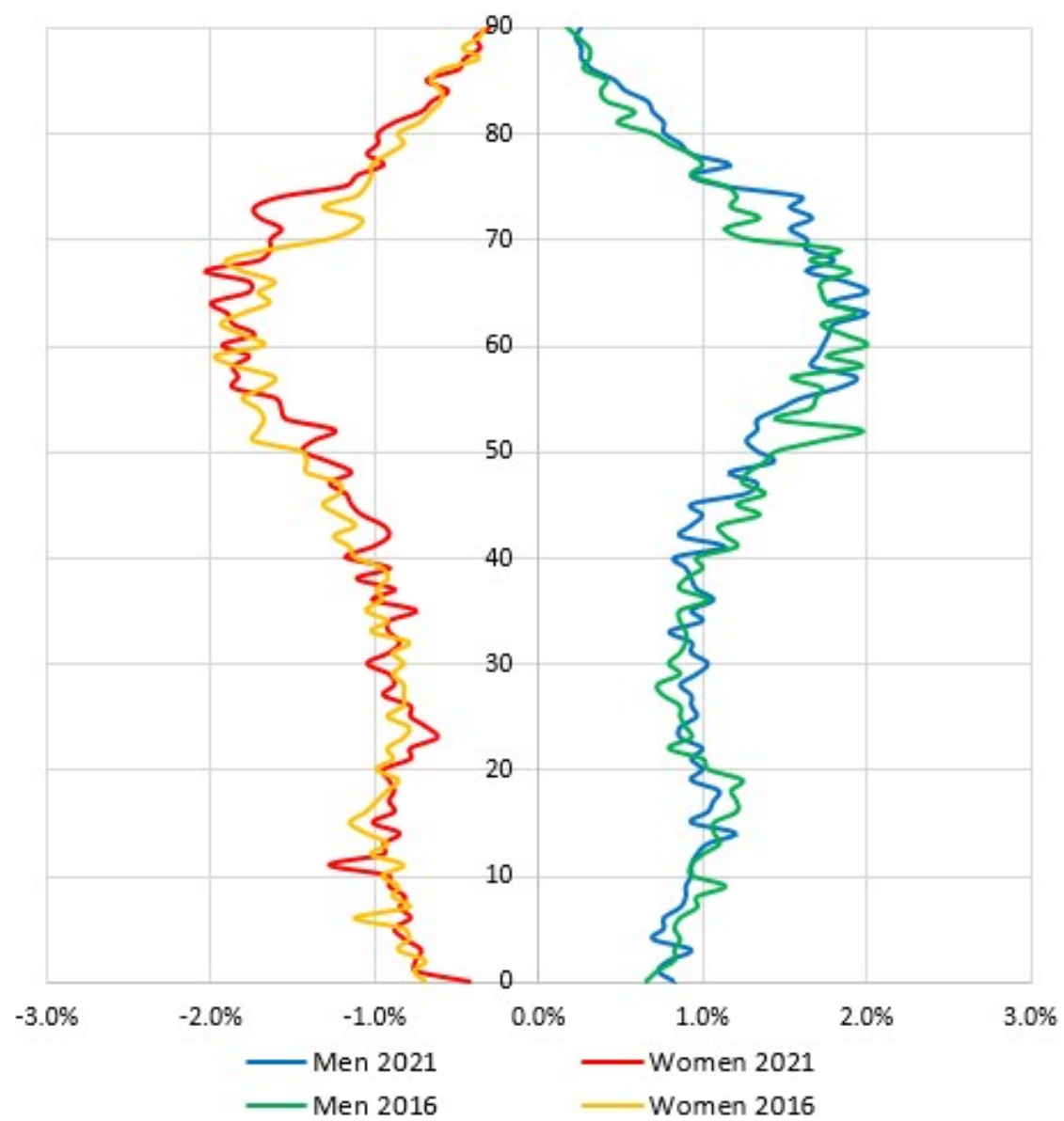
**Population Pyramid, Halifax**



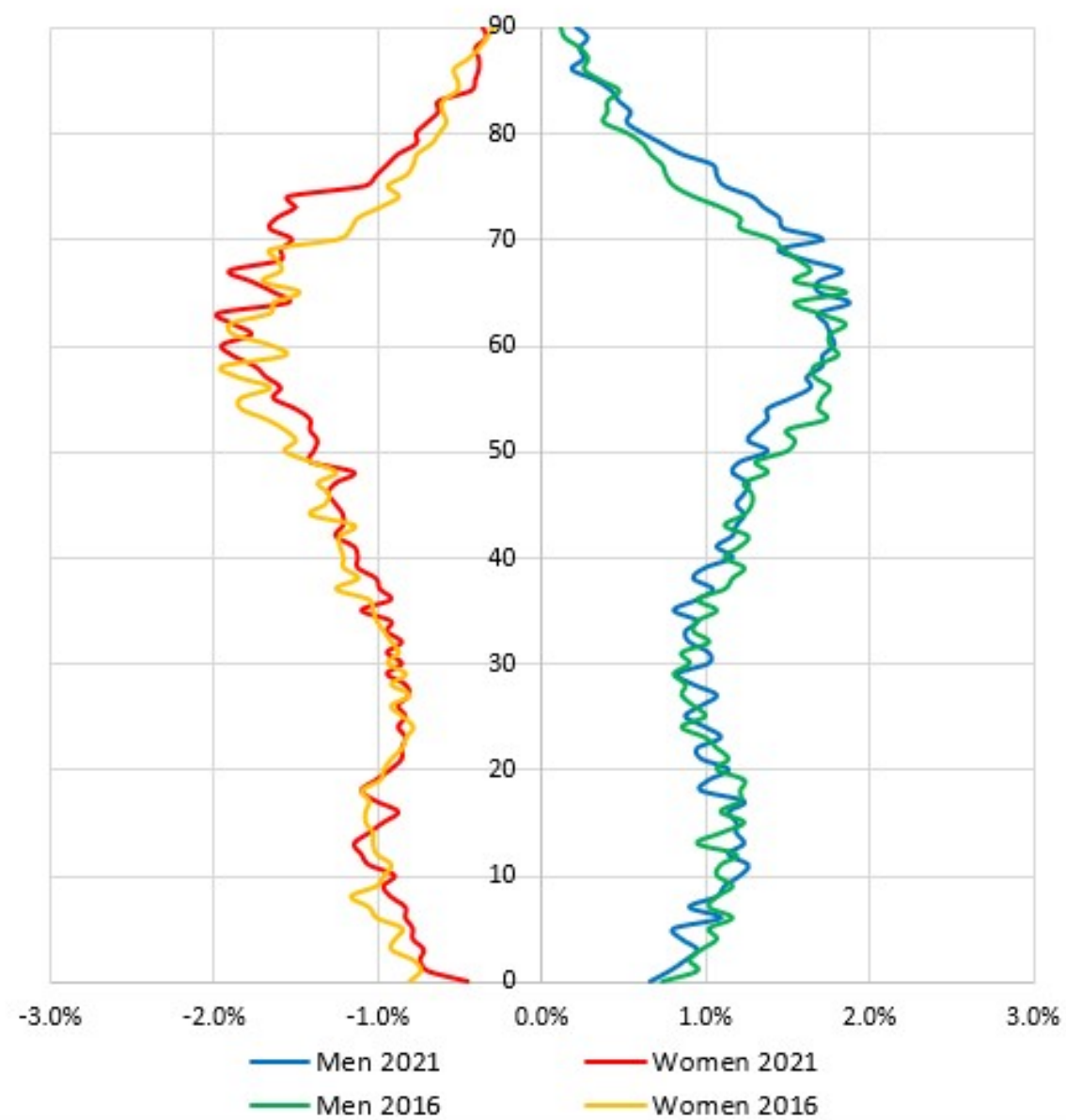
Population Pyramid, Colchester



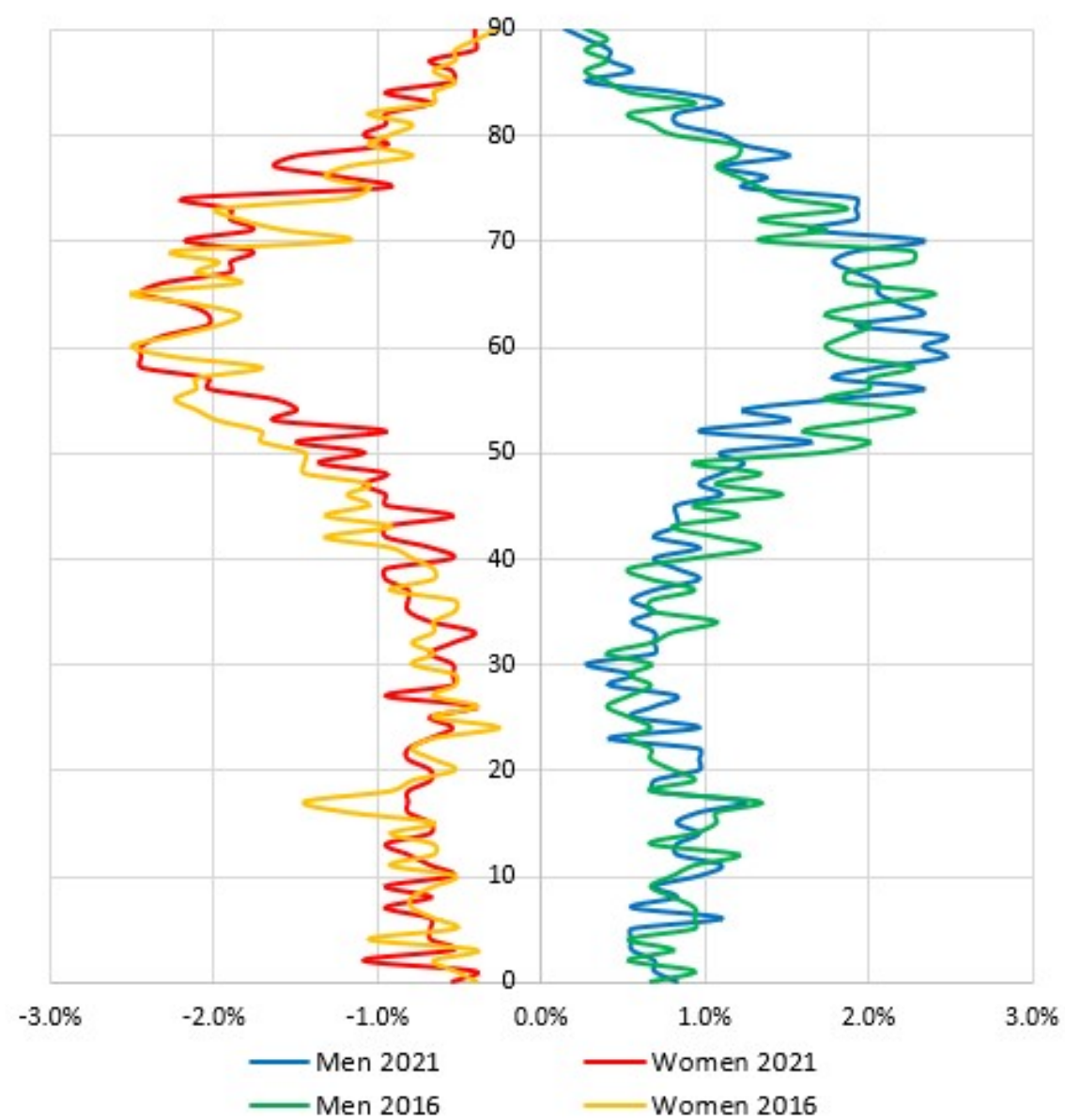
Population Pyramid, Cumberland



Population Pyramid, Pictou

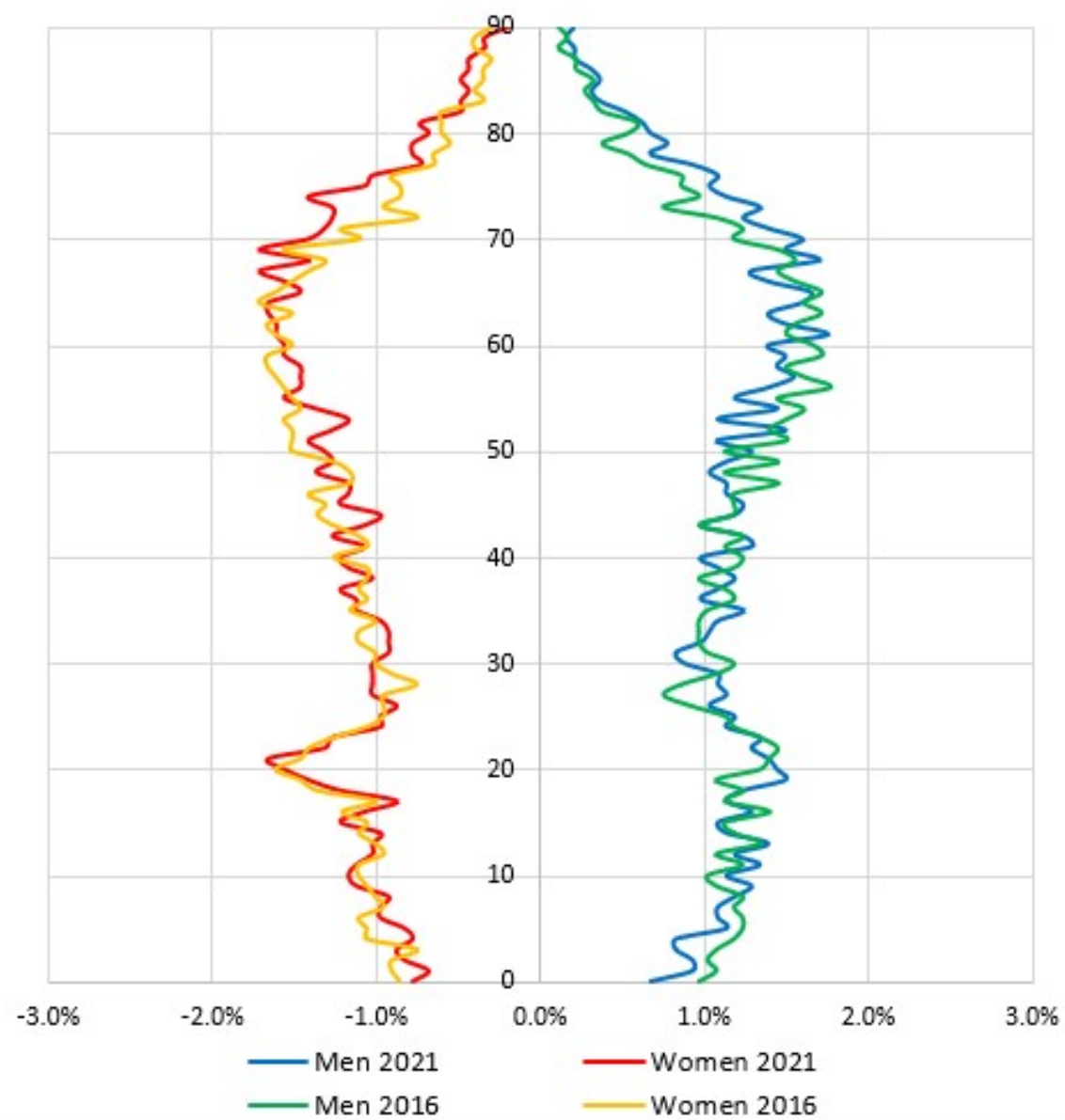


Population Pyramid, Guysborough

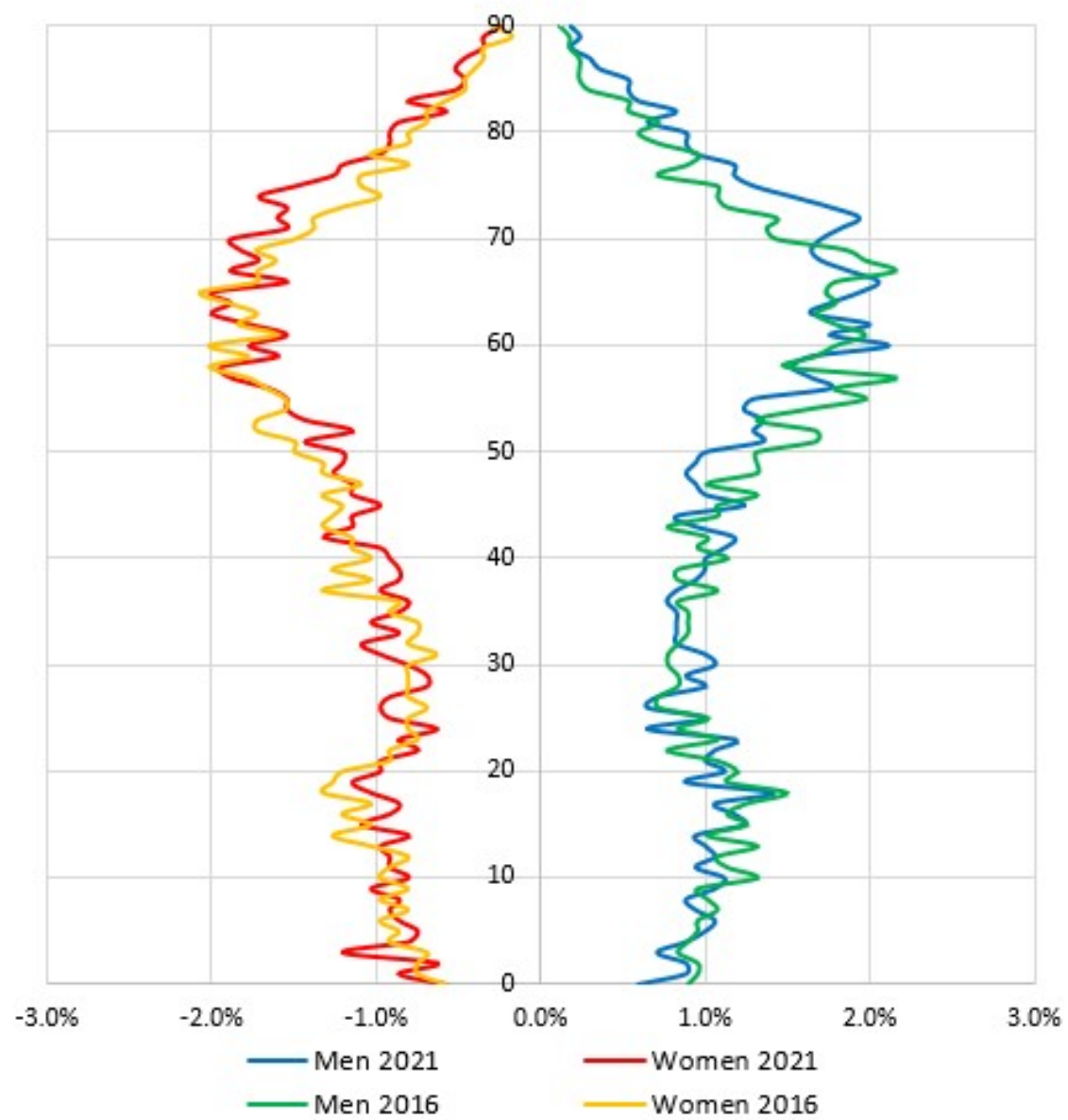




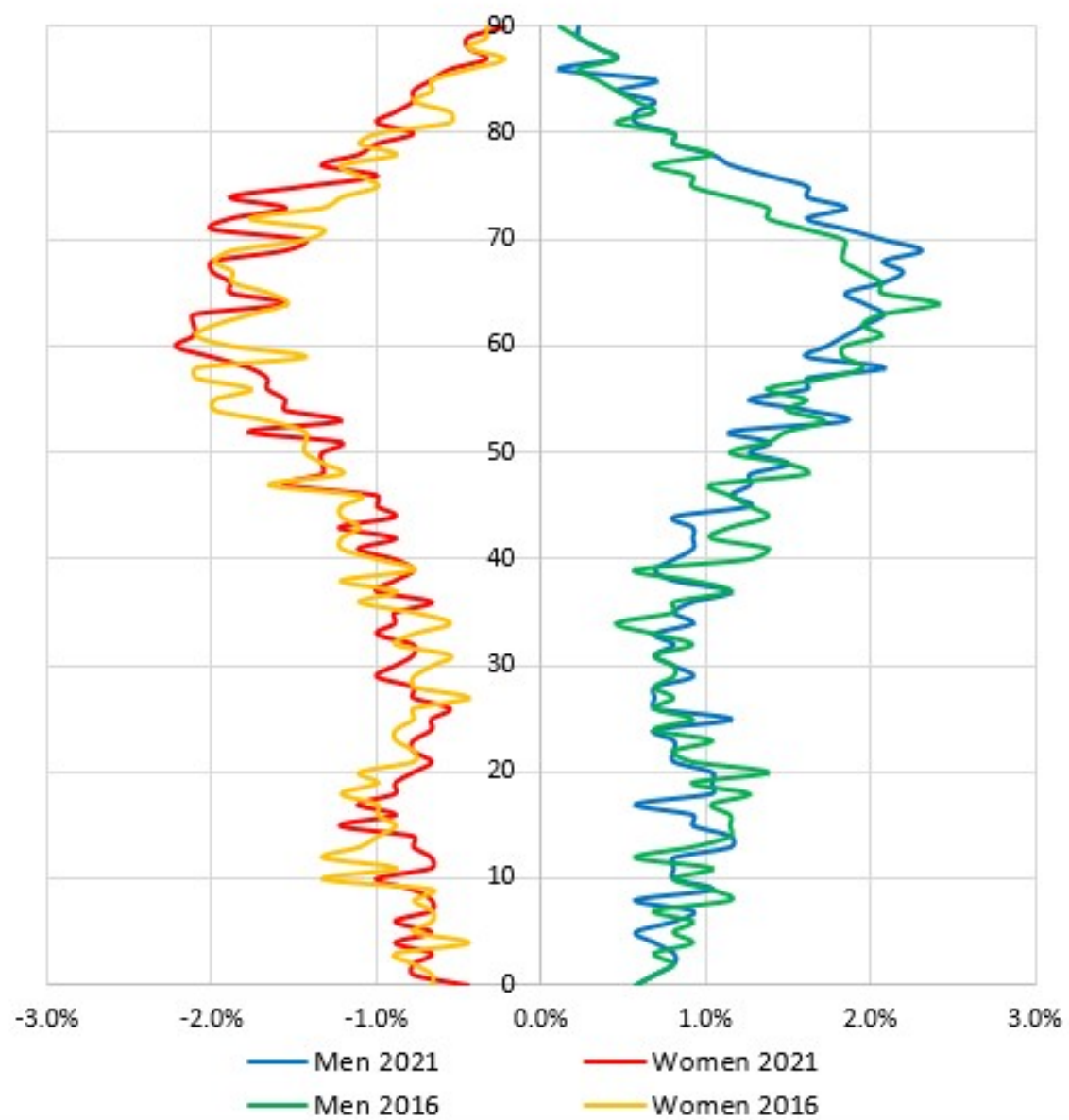
Population Pyramid, Antigoni



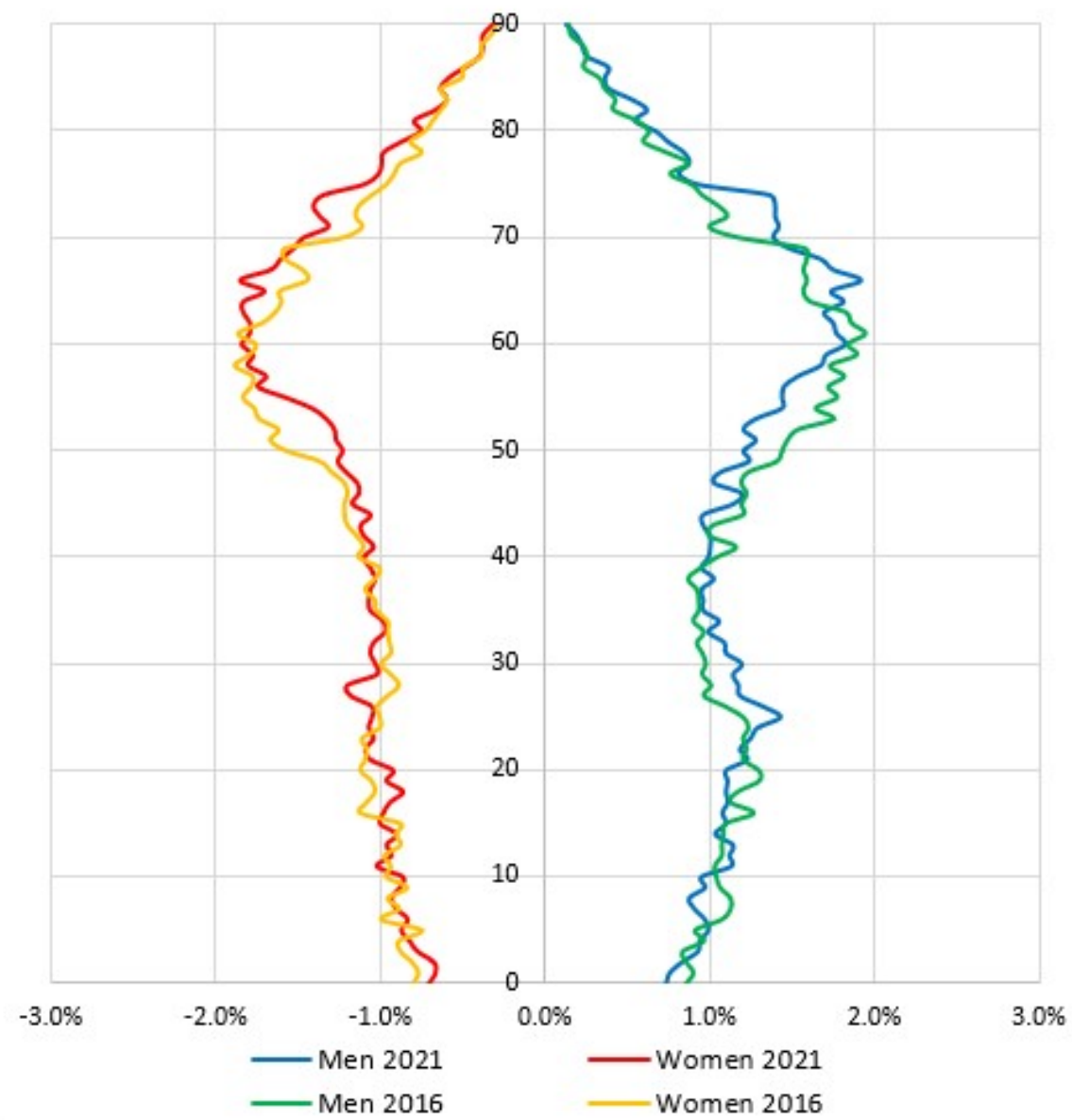
Population Pyramid, Inverness

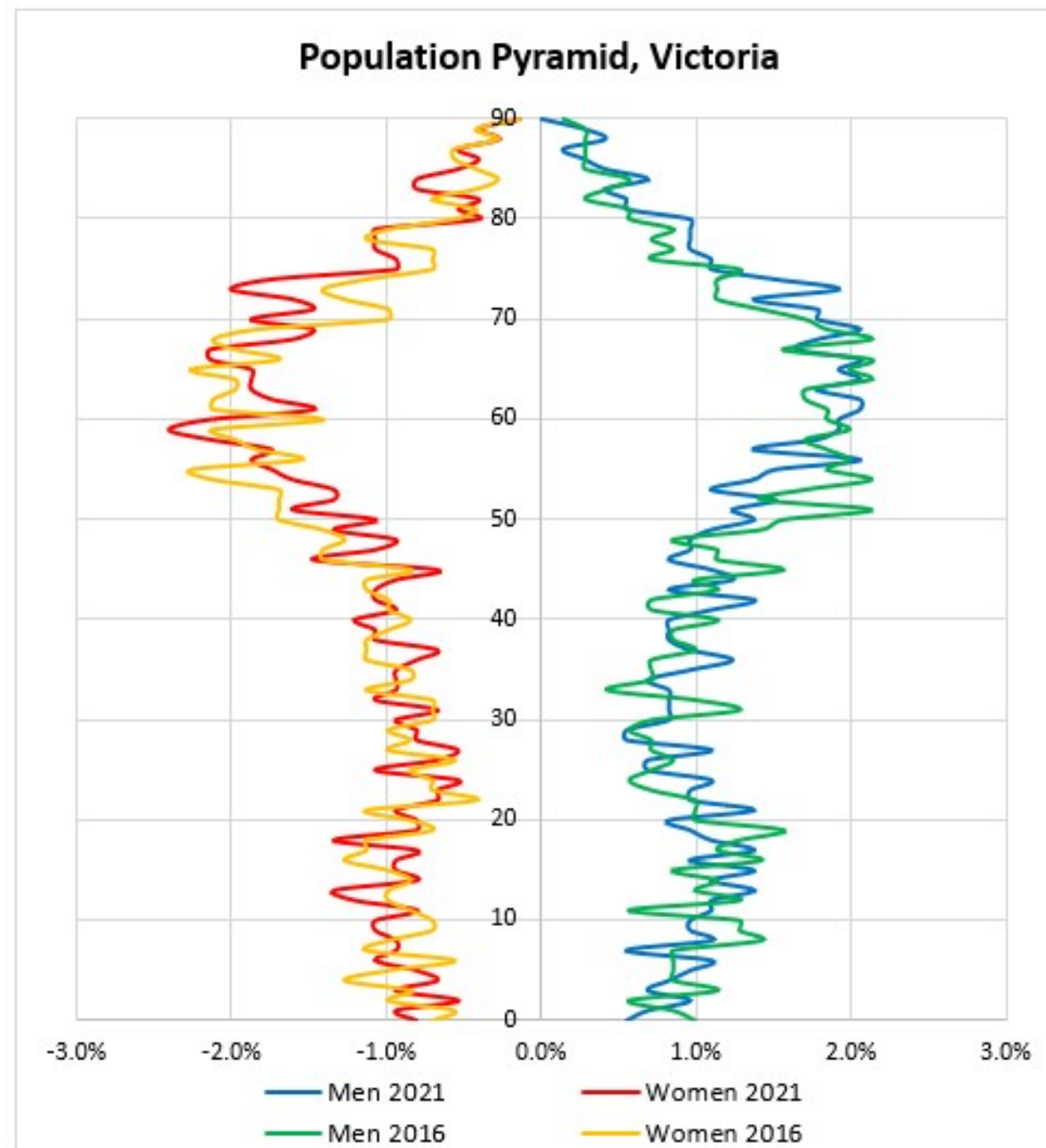


Population Pyramid, Richmond



**Population Pyramid, Cape Breton**





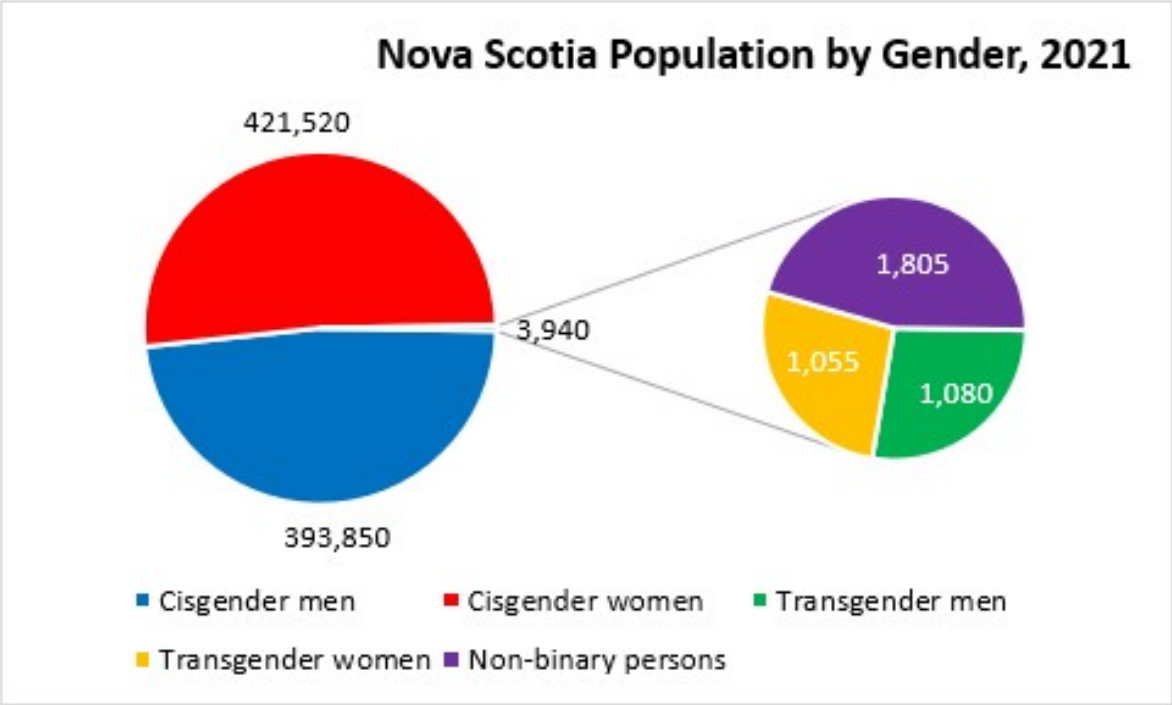
*Gender Diversity*

Beginning in 2021, the precision of "at birth" was added to the sex question on the census questionnaire, and a new question on gender was included. As a result, the historical continuity of information on sex was maintained while allowing all cisgender, transgender and non-binary individuals to report their gender.

Of the nearly 30.5 million people in Canada aged 15 and older living in a private household in May 2021, 100,815 were transgender (59,460) or non-binary (41,355), accounting for 0.33% of the population in this age group. In May 2021, the Canadian population aged 15 and older had an average age of 48.0 years. In comparison, the transgender population had an average age of 39.4 years, while the non-binary population had an average age of 30.4 years.

Nova Scotia (0.48%), Yukon (0.47%) and British Columbia (0.44%) had the highest proportions of transgender and non-binary people aged 15 and older among provinces and territories.

In 2021, there were 3,940 people in Nova Scotia who were transgender and non-binary.



Source: Statistics Canada, [Table 98-10-0022-01 Age \(in single years\), average age and median age and gender: Canada, provinces and territories, census divisions and census subdivisions](#), [Table 98-10-0036-01 Broad age groups and gender: Canada, provinces and territories](#)

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**May 18, 2022**

**ANALYSIS OF NOVA SCOTIA'S CONSUMER PRICE INDEX FOR APRIL 2022**

### TRENDS – April 2022

Nova Scotia's All-Items Consumer Price Index (CPI) increased 7.1% year-over-year in April 2022, up from the 6.8% year-over-year increase in March. This was the highest inflation in Nova Scotia since 1991. Nationally, consumer prices were up 6.8% from a year earlier. This was also the fastest national inflation since 1991.

[Impact of COVID-19 on the Consumer Price Index](#)

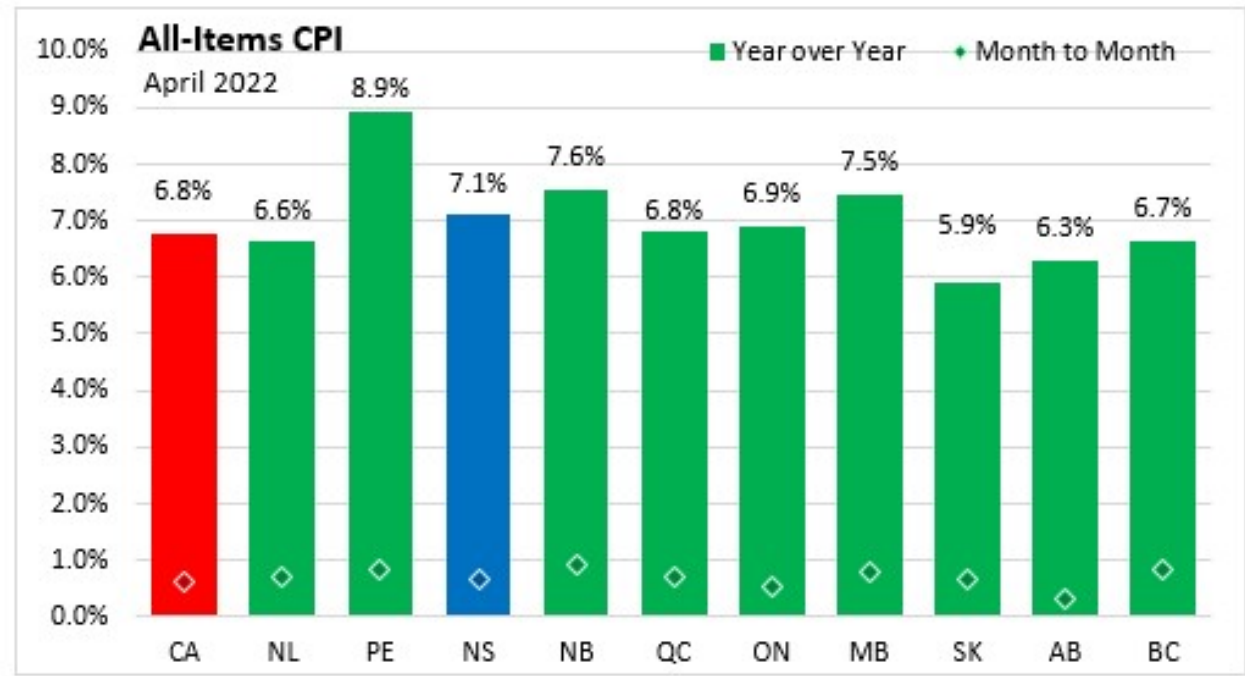
In April 2022, no special treatments for goods and services due to the COVID-19 pandemic were required.



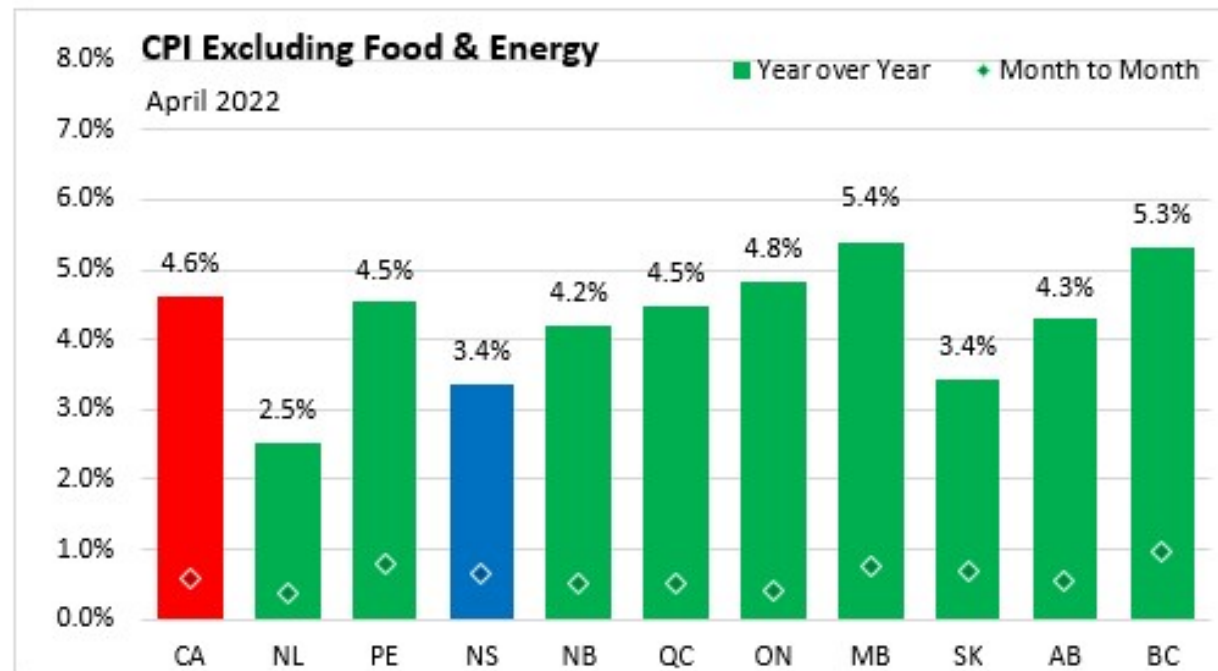
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Inflation was highest in Prince Edward Island (+9.8%) while Saskatchewan (+5.9%) had the lowest. Compared to the previous month, all provinces had increases in the CPI index in April 2022 including Nova Scotia (+0.7%).



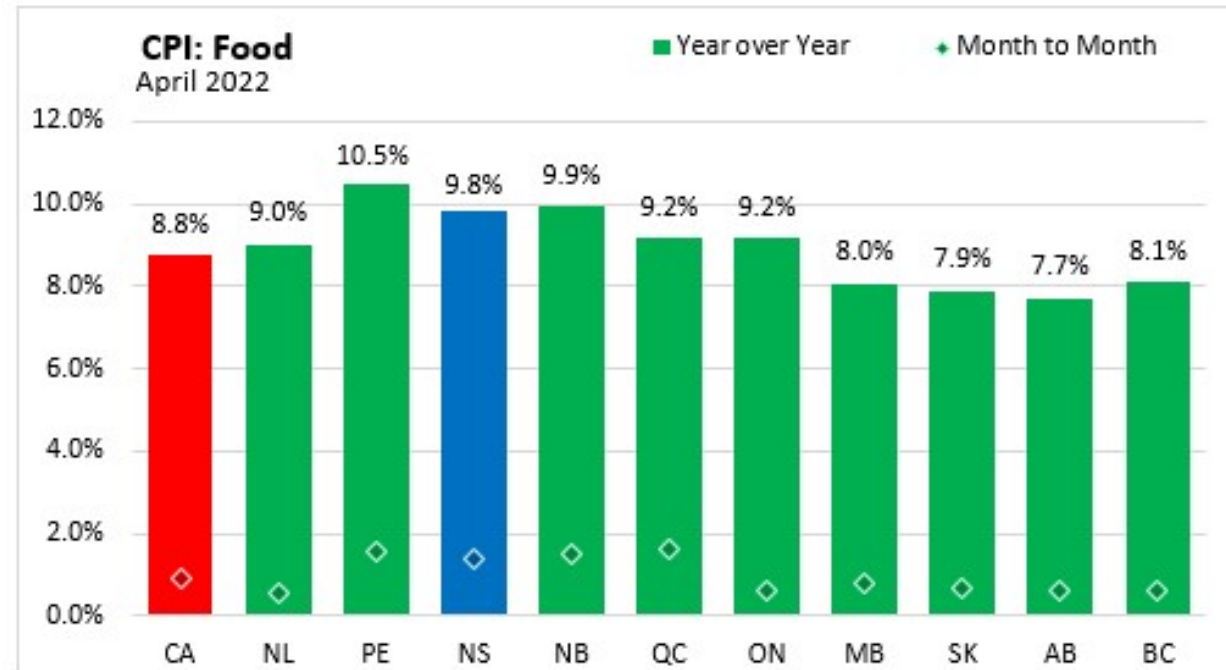
Nova Scotia’s consumer price inflation (year-over-year) excluding food and energy increased 3.4% in April 2022. Consumer prices excluding food and energy were up in all provinces led by Manitoba (5.4%). Newfoundland and Labrador had the smallest increase at 2.5%.



The CPI for food in Nova Scotia increased 9.8% year-over-year in April 2022. Nationally, food prices were also up 8.8% from a year earlier. All provinces recorded year-over-year increase in food prices led by Prince Edward Island (+10.5%). Alberta had the lowest increase at 7.7%.

Compared to the previous month, food prices in Nova Scotia were up 1.4%, above the national average of 0.9%. All provinces recorded seasonally unadjusted month-over-month gains in food prices in April.

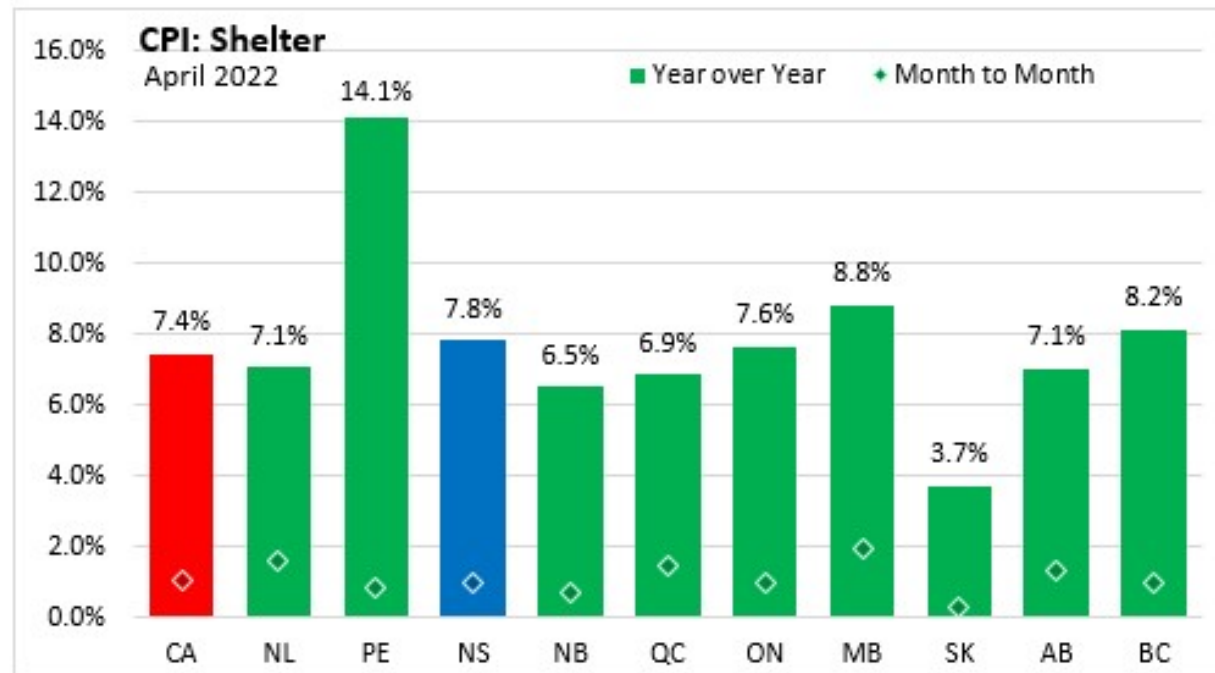
Canadians paid 9.7% more for food purchased from stores when compared to April 2021. This was the largest year-over-year increase since September 1981 and the fifth consecutive month the increase exceeded 5.0% level. Russia's invasion of Ukraine in late February put upward price pressure on food products that use wheat while higher prices for inputs such as fertilizer and natural gas continued to increase the cost of production for farmers, who have passed some of these costs on to consumers.



Year-over-year, shelter costs in Nova Scotia increased 7.8% in April 2022.

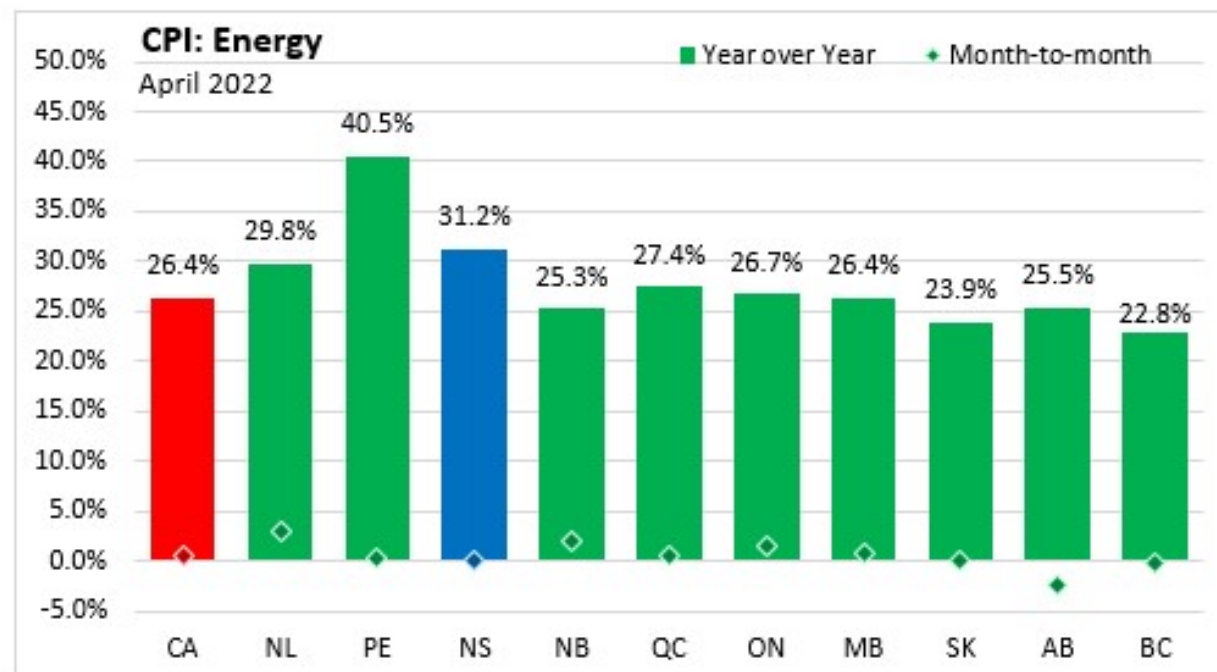
In April, shelter prices increased 7.4% year-over-year across Canada, the fastest pace of growth since June 1983. Higher prices for energy sources used to heat homes, such as natural gas (+22.2%) and fuel oil and other fuels (+64.4%), contributed to the increase. In Nova Scotia, fuel oil and other fuels prices increased 64.7% in April when compared to the previous year.

Compared to April 2021, shelter prices were up in all provinces with the largest increase in Prince Edward Island (+14.1%) and the smallest increase in Saskatchewan (+3.7%).

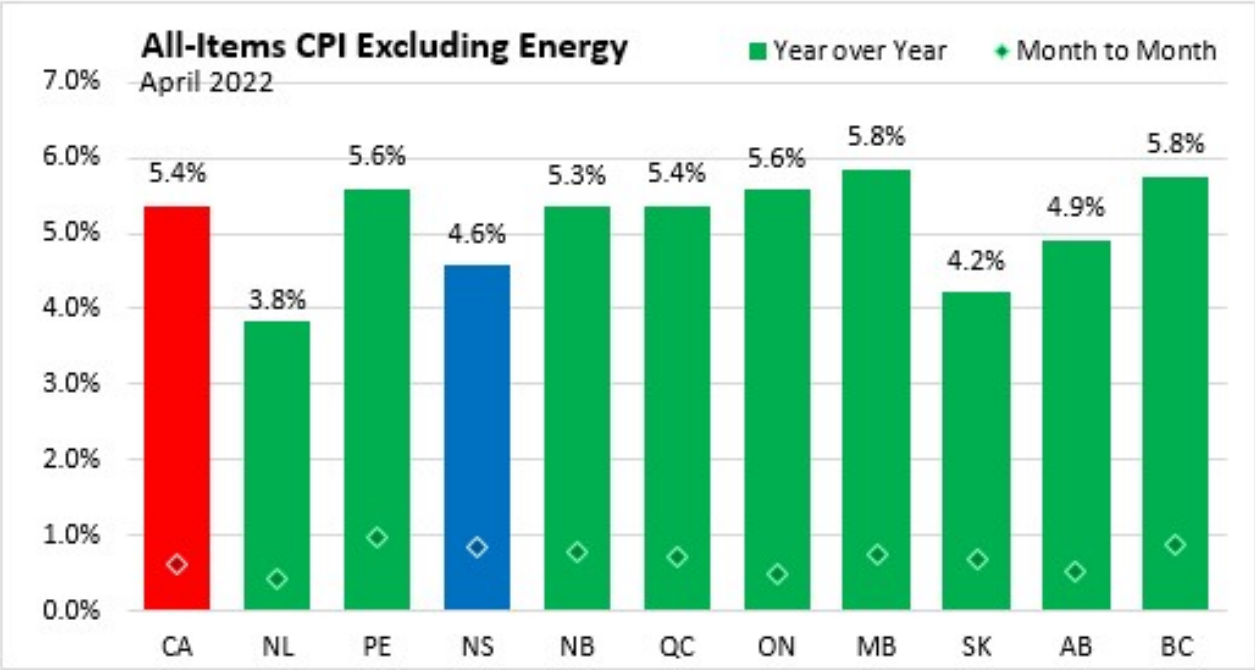


Nova Scotia's consumer price inflation (year-over-year growth in CPI) for energy was 31.2% in April, above the national average of 26.4%. Prince Edward Island (+40.5%) posted the largest year-over-year increases while British Columbia (+22.8%) had the smallest change in the energy index.

Canadian customers paid 36.3% more for gasoline in April 2022 when compared to the previous year. Nova Scotians paid 34.9% more for gasoline in April from the previous year.



Nova Scotia's consumer price inflation (year-over-year growth in CPI) excluding energy was 4.6% in April compared to a national rate of 5.4%. Manitoba and British Columbia (both +5.8%) posted the largest year-over-year gain while Newfoundland and Labrador (+3.8%) had the smallest change in the CPI excluding energy.



**Major Components for April 2022**

The following table shows the price increases specific to Nova Scotia for the major components of the CPI this month.

<b>Nova Scotia Consumer Price Index Changes Major Components April 2022</b>	<b>Month to Month Change</b>	<b>Year over Year Change</b>
Food	1.4%	9.8%
Shelter	1.0%	7.8%
Household operations, furnishings and equipment	1.0%	3.6%
Clothing and footwear	-0.6%	0.2%
Transportation	0.2%	13.6%
Health and personal care	0.3%	2.3%
Recreation, education and reading	-1.7%	1.8%
Alcoholic beverages, tobacco products and recreational cannabis	3.3%	4.6%
All-items excluding food and energy	0.7%	3.4%
All-items excluding energy	0.8%	4.6%
Energy	0.0%	31.2%

The main contributors to the monthly change (April 2022 vs March 2022) in Nova Scotia CPI were:

Fuel oil and other fuels (+2.2%)

Liquor purchased from stores (+7.9%)

Beer purchased from stores (+5.2)

Home entertainment equipment, parts and services (-8.8%)

Gasoline (-1.1%)

Preserved fruit and fruit preparations (-8.7%)

The main contributors to the yearly change (April 2022 vs April 2021) in Nova Scotia CPI were:

Gasoline (+34.9%)

Fuel oil and other fuels (+64.7%)

- Purchase and leasing of passenger vehicles (+7.2%)
- Mortgage interest cost (downward contribution, percent change not available)
- Telephone services (-7.1%)
- Video and audio subscription services (-9.0%)

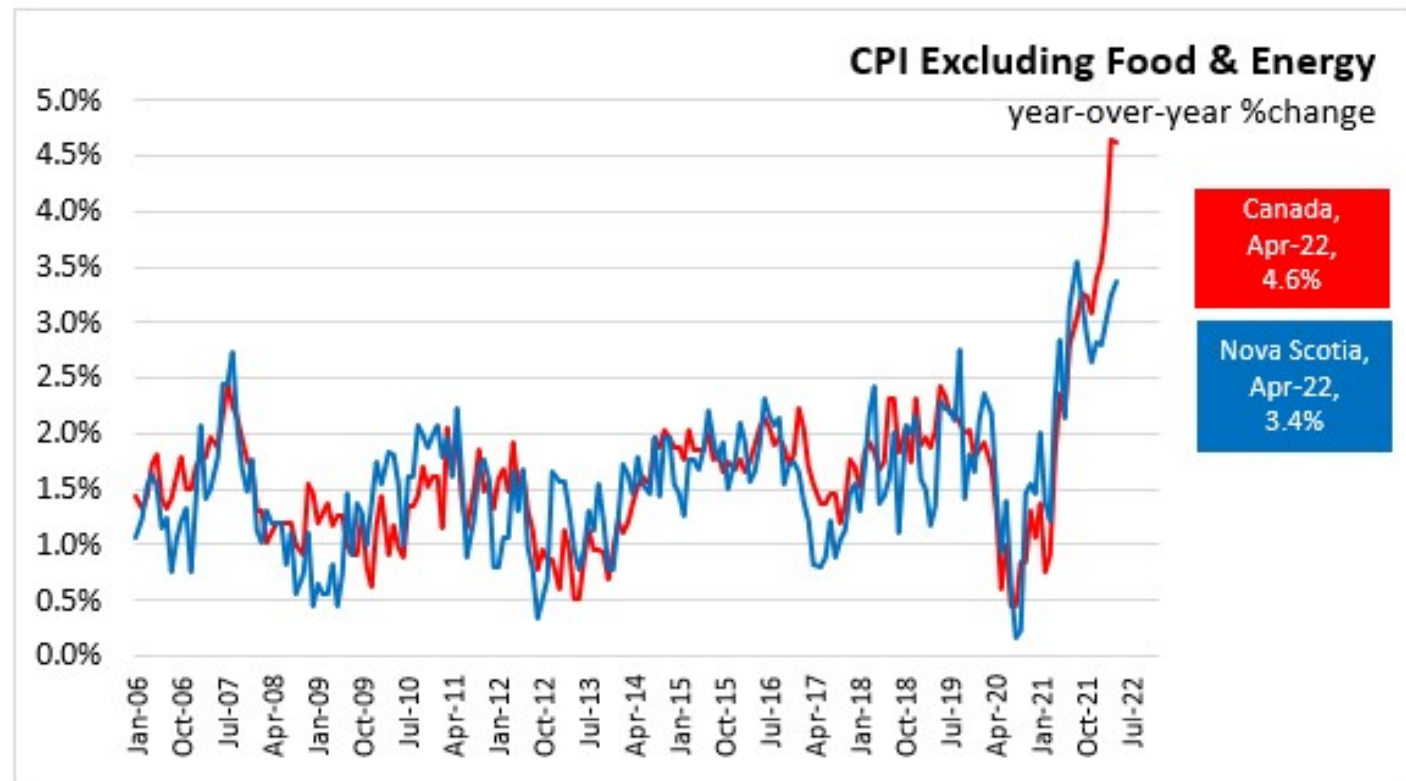
Long Run Trends

In April 2022, the all-items CPI year-over-year inflation rate for Nova Scotia was 7.1%, just above the national inflation rate of 6.8%. This was hte highest inflation in Nova Scotia since 1991. Month-to-month movements in the indices can be different, but over time they generally follow the same overall trend.



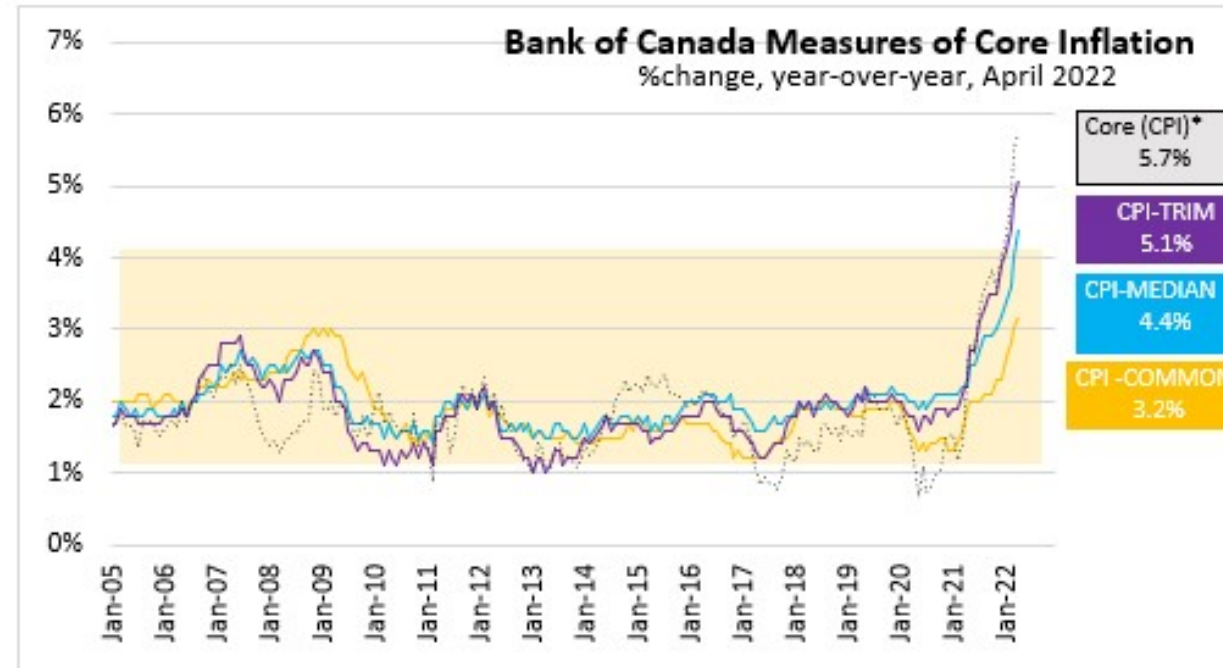
Nova Scotia’s CPI excluding food and energy increased 3.4%. Canada CPI excluding food and energy rose 4.6%. The NS CPI excluding food and energy was previously above or near 3% in 2003.





#### Bank of Canada's preferred measures of core inflation

Compared to April 2021, CPI-Common increased 3.2%, CPI-Median increased 4.4% and CPI-Trim was up 5.1% in Canada. All-items CPI excluding eight of the most volatile components as defined by the Bank of Canada and excluding the effect of changes in indirect taxes (formerly referred to as CPIX), rose 5.7% year-over-year. The change in the core inflation measures was up 0.2 percentage points for CPI-common, up 0.3 percentage points for CPI-Trim and up 0.4 percentage points for CPI-median from the previous 12-month period.



#### Appendix Tables and Charts

Consumer Price Index - All Items			
Nova Scotia	2020	2021	2022
January	138.5	140.3	147.2
February	139.1	140.8	148.8
March	138.0	141.8	151.4
April	136.6	142.3	152.4
May	136.5	143.1	
June	137.6	143.2	
July	137.8	144.2	
August	137.5	144.5	
September	137.5	144.6	
October	138.4	145.9	
November	138.7	146.0	

December	138.7	145.4	
Annual Average	137.9	143.5	150.0

Consumer Price Index - All Items (Year-over-year % Change)			
Nova Scotia	2020	2021	2022
January	2.6%	1.3%	4.9%
February	2.5%	1.2%	5.7%
March	0.9%	2.8%	6.8%
April	-0.6%	4.2%	7.1%
May	-0.9%	4.8%	
June	0.1%	4.1%	
July	-0.5%	4.6%	
August	-0.7%	5.1%	
September	-0.7%	5.2%	
October	0.3%	5.4%	
November	0.2%	5.3%	
December	0.6%	4.8%	
Annual Average	0.3%	4.1%	6.1%

Consumer Price Index - All Items excluding Food and Energy			
Nova Scotia	2020	2021	2022
January	129.6	132.2	135.9
February	130.6	132.4	136.4
March	131.0	132.6	136.9
April	130.3	133.3	137.8
May	130.0	133.7	
June	130.8	133.6	
July	130.4	134.5	

August	130.0	134.6	
September	130.4	134.6	
October	131.5	135.3	
November	131.8	135.3	
December	131.3	135.0	
Annual Average	130.6	133.9	136.8

Consumer Price Index - All Items excluding Food and Energy (Year-over-Year % Change)			
Nova Scotia	2020	2021	2022
January	2.1%	2.0%	2.8%
February	2.4%	1.4%	3.0%
March	2.2%	1.2%	3.2%
April	1.5%	2.3%	3.4%
May	0.9%	2.8%	
June	1.4%	2.1%	
July	0.6%	3.1%	
August	0.2%	3.5%	
September	0.2%	3.2%	
October	1.5%	2.9%	
November	1.5%	2.7%	
December	1.5%	2.8%	
Annual Average	1.3%	2.5%	3.1%

Source: Statistics Canada. [Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted](#); [Table 18-10-0256-01 Consumer Price Index \(CPI\) statistics, measures of core inflation and other related statistics - Bank of Canada definitions](#)

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**December 09, 2021**

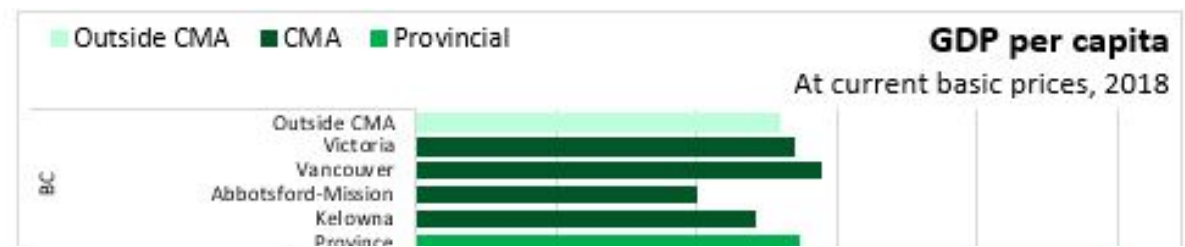
### **GDP BY CENSUS METROPOLITAN AREA, 2018**

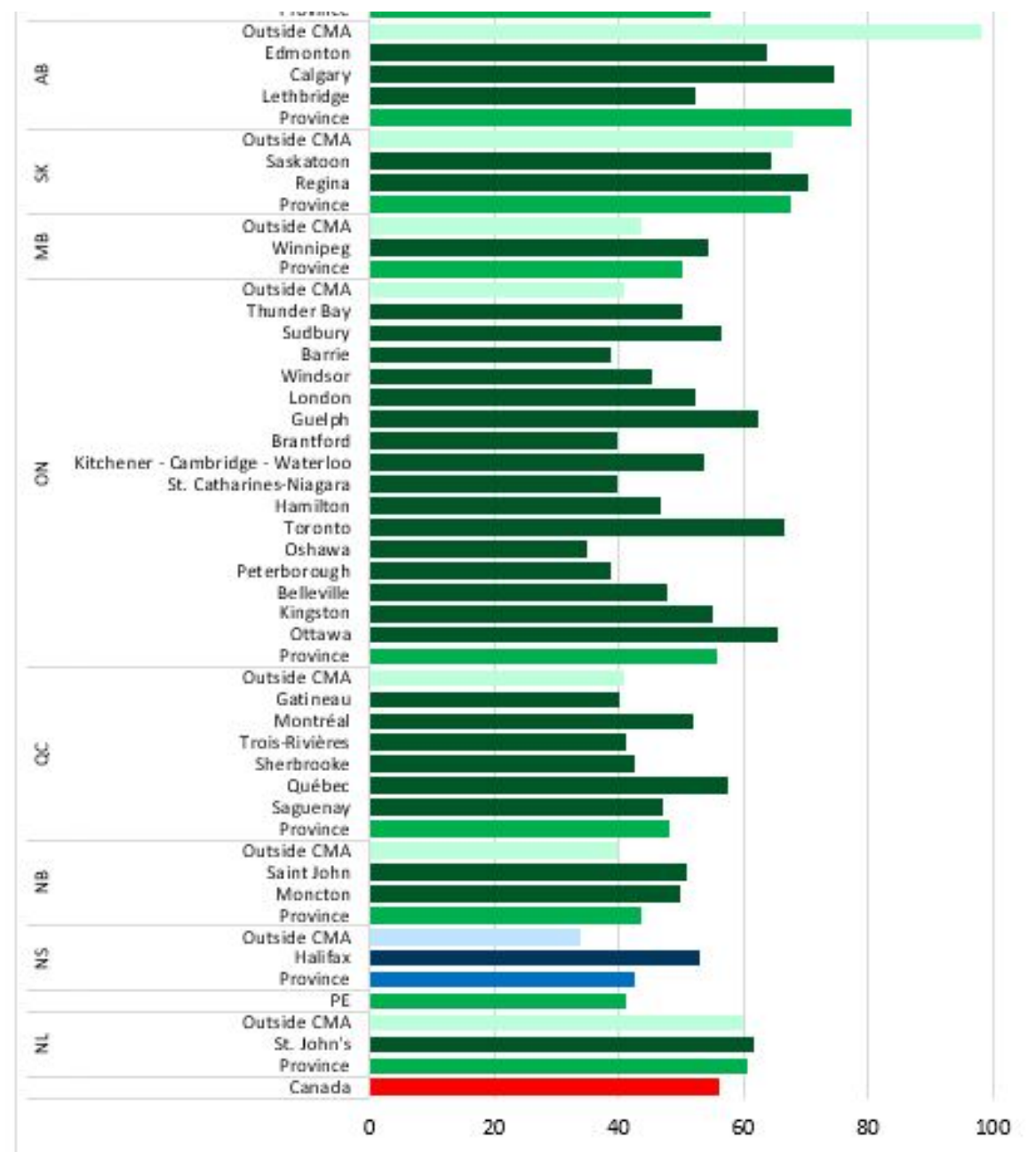
Today, Statistics Canada released Gross Domestic Product (GDP) data for Canada's Census Metropolitan Areas (CMAs) and the areas outside of CMAs for 2018. All data are benchmarked to provincial nominal GDP at basic prices.

These results continue to show that just over half of Canada's GDP is generated in six CMAs: Toronto, Montréal, Vancouver, Calgary, Edmonton and Ottawa. GDP and population are similar concentrated in CMAs. In 2018, CMAs accounted for 71.5% of Canada's population and generated 73.7% of Canadian GDP. In Nova Scotia, Halifax accounted for 44.9% of provincial population and 55.9% of provincial GDP.

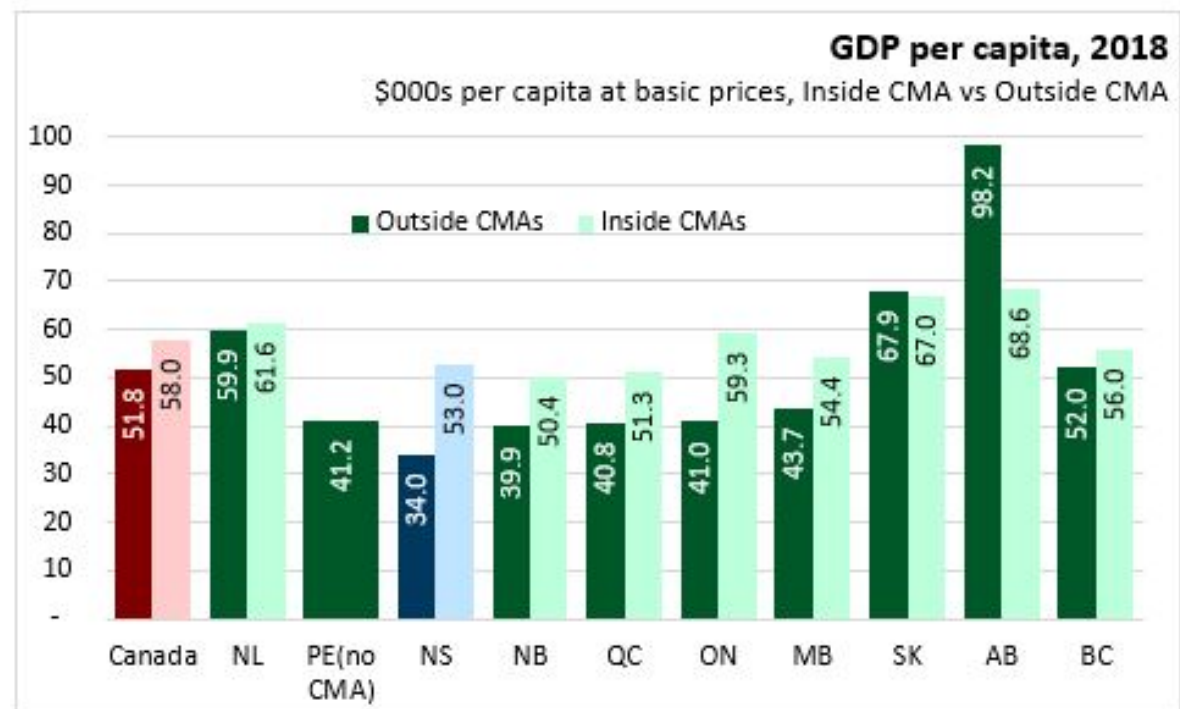
In 2018 GDP per capita amongst CMAs was \$57,957 and Halifax's GDP per capita was \$53,013. The largest GDP per capita among CMAs was found in Edmonton, Calgary, Saskatoon, Regina, Toronto, and Ottawa. However, these results may be sensitive to fluctuations in commodity prices. The lowest GDP per capita among reported CMAs was observed in Oshawa (\$34,880).

Outside CMAs, GDP per capita was \$51,826. The highest non-CMA GDP per capita was observed in Alberta at \$98,192 (higher than all CMA GDP per capita) while the lowest was reported for non-CMA Nova Scotia (\$33,963).

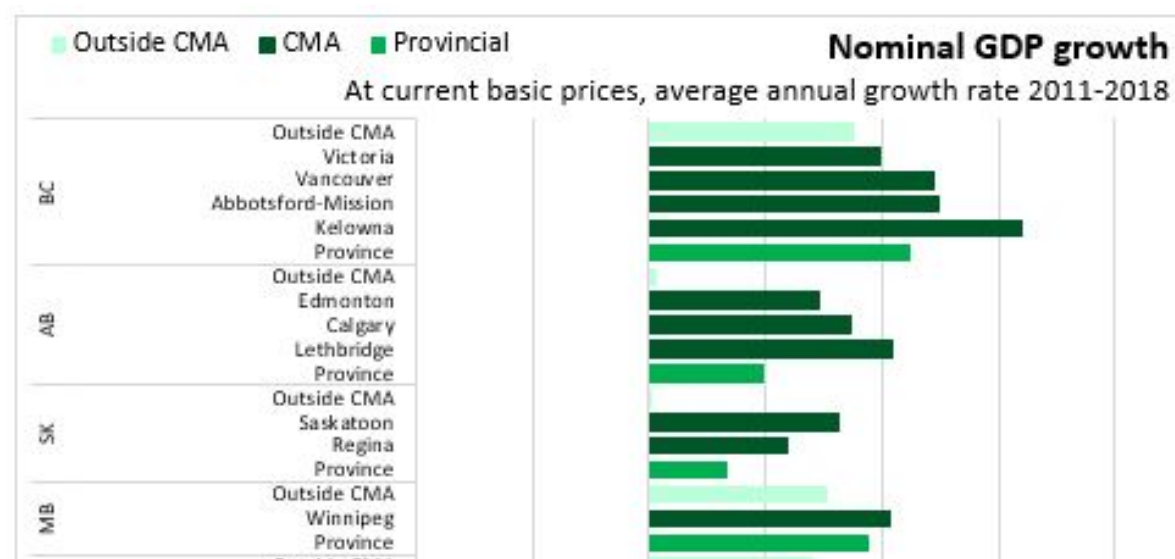




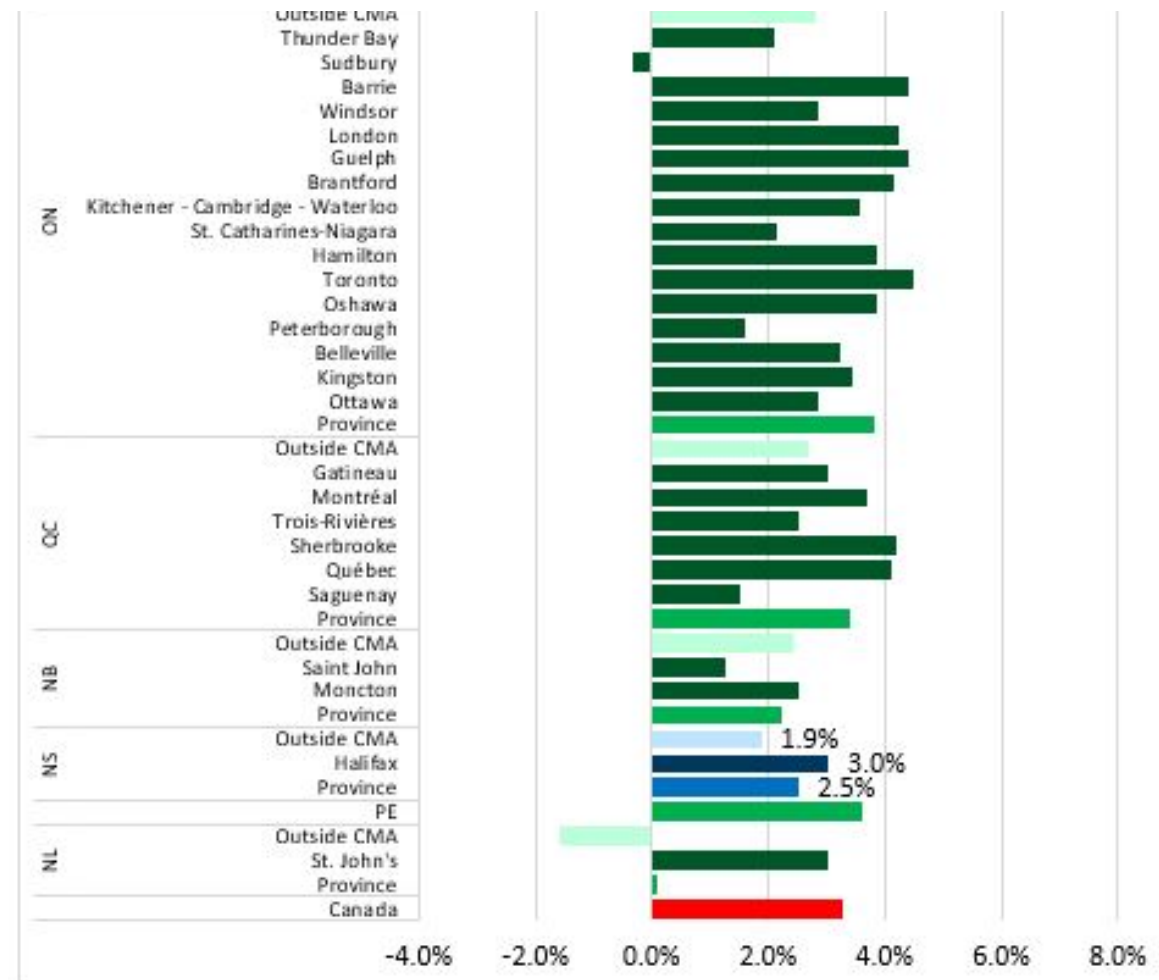




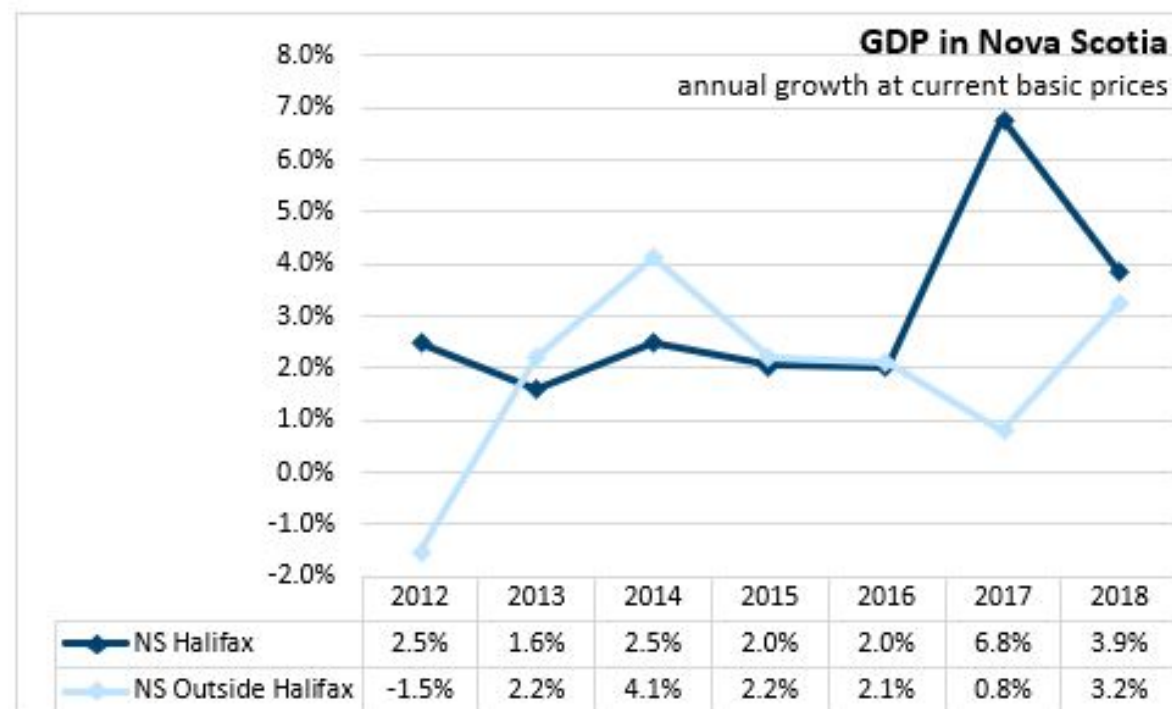
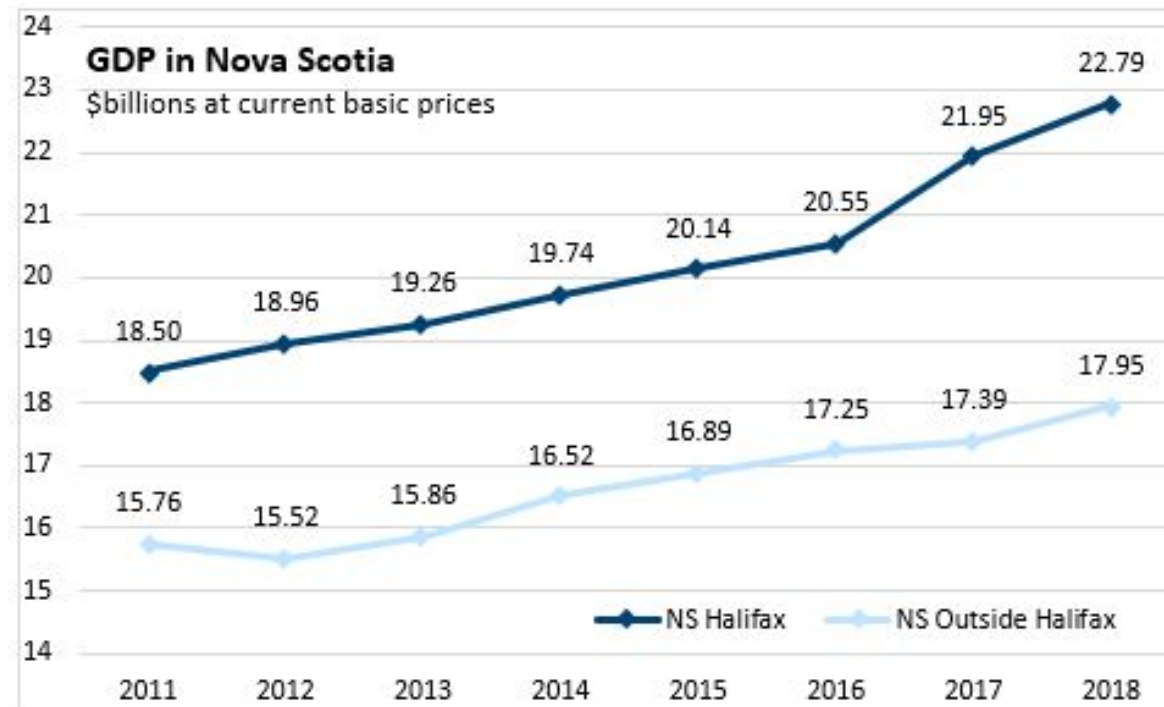
From 2011-2018, GDP growth has averaged 3.8% inside CMAs and 1.8% outside CMAs. Halifax's GDP grew by an average 3.0% per year over this period, compared to 1.9% in Nova Scotia outside of Halifax. The fastest growing economies over this period were observed in Kelowna, Abbotsford-Mission, Vancouver, and Toronto. GDP growth outside CMAs was faster in British Columbia, Manitoba, and Ontario.



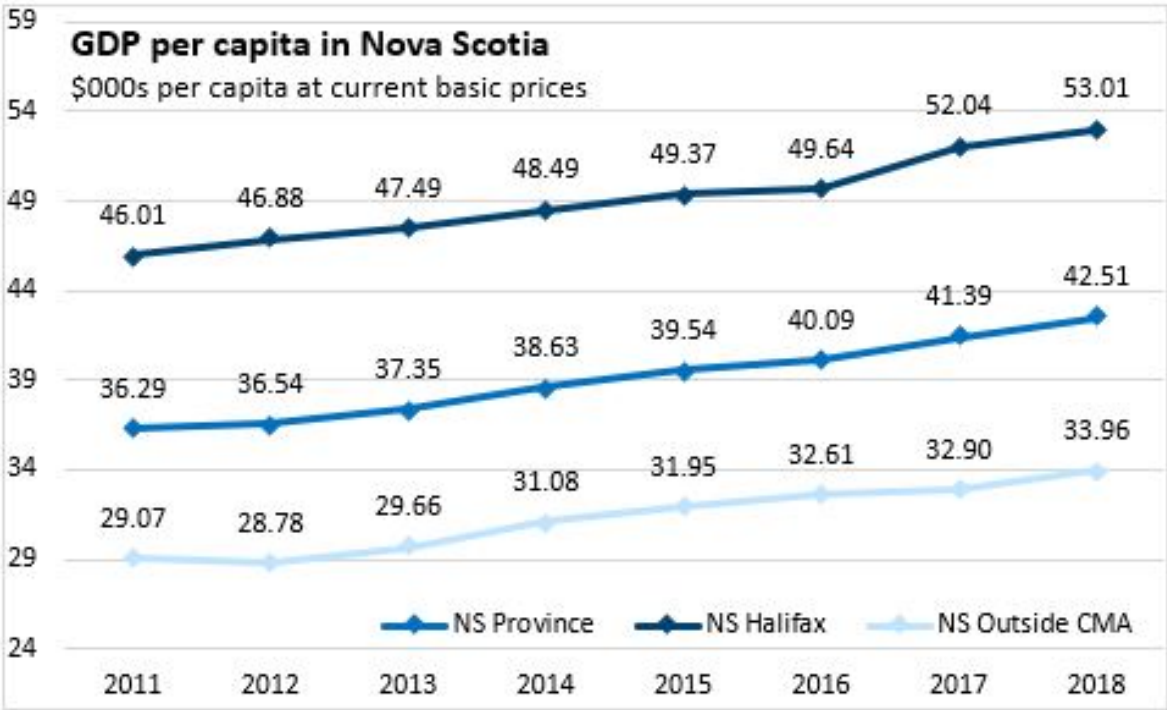


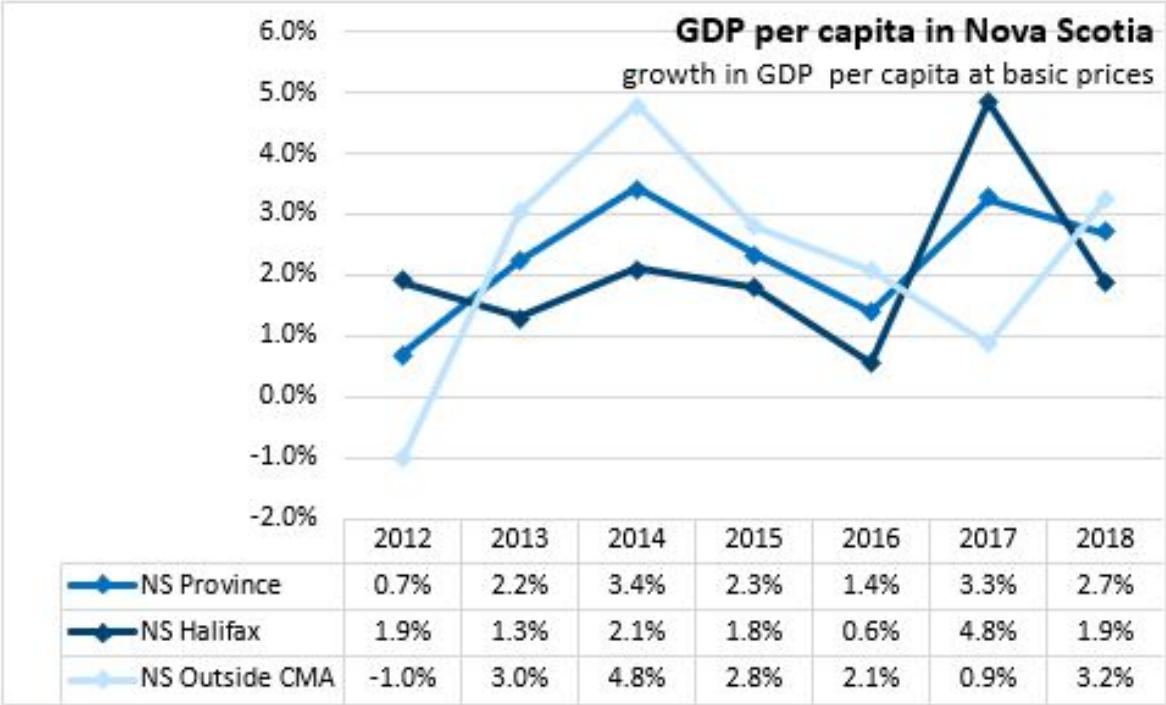


Nova Scotia's nominal GDP in 2018 was \$40.7 billion, of which \$22.8 billion was generated in Halifax and \$17.9 billion was generated outside of Halifax. GDP has been rising in both Halifax and the outside of Halifax. After a divergence in growth rates in 2017, Halifax and outside of Halifax regions grew at more similar pace in 2018.



GDP per capita is higher in Halifax than outside of Halifax. In 2018, GDP per capita growth outside of Halifax (+3.2%) exceeded GDP per capita growth in Halifax (+1.9%).





Source: Statistics Canada. [Table 36-10-0468-01 Gross domestic product \(GDP\) at basic prices, by census metropolitan area \(CMA\) \(x 1,000,000\)](#); [Table 17-10-0135-01 Population estimates, July 1, by census metropolitan area and census agglomeration, 2016 boundaries](#); [Table 17-10-0005-01 Population estimates on July 1st, by age and sex](#)

Source: [Statistics Canada. Table 11-10-0239-01 Income of individuals by age group](#)  
 Income Source: Total Income

		2013	2014	%Increase	2015	
<b>Average Income</b>	35-44	57,800 <sup>C</sup>	56,700 <sup>C</sup>	-1.9%	58,700 <sup>C</sup>	3.53%
<b>Median Income</b>	35-44	46,900 <sup>C</sup>	47,800 <sup>C</sup>	1.9%	49,800 <sup>B</sup>	4.18%
<b>Average Income</b>	44-54	57,800 <sup>C</sup>	56,700 <sup>C</sup>	-1.9%	58,700 <sup>C</sup>	3.53%
<b>Median Income</b>	44-54	47,000 <sup>B</sup>	47,600 <sup>C</sup>	1.3%	46,700 <sup>C</sup>	-1.89%

B= Data quality very good

C = Data quality good

Source: [Statistics Canada. Table 11-10-0009-01 Selected income characteristics of](#)

	2013	2014	%Increase	2015	%Increase
Median Total Income	70.020	72.270	3.21%	73.900	2.26%

[p, sex and income source, Canada, provinces and selected census metropolitan areas](#)

2016		2017		2018		2019	
56,400 <sup>B</sup>	-3.92%	54,800 <sup>B</sup>	-2.84%	54,500 <sup>B</sup>	-0.55%	58,300 <sup>C</sup>	6.97%
46,800 <sup>B</sup>	-6.02%	50,300 <sup>C</sup>	7.48%	47,000 <sup>C</sup>	-6.56%	50,300 <sup>C</sup>	7.02%
58,200 <sup>C</sup>	-0.85%	56,200 <sup>B</sup>	-3.44%	60,100 <sup>B</sup>	6.94%	57,600 <sup>C</sup>	-4.16%
47,800 <sup>C</sup>	2.36%	45,500 <sup>B</sup>	-4.81%	51,500 <sup>B</sup>	13.19%	47,600 <sup>C</sup>	-7.57%

[census families by family type](#)

2016	%Increase	2017	%Increase	2018	%Increase	2019	%Increase
74.590	0.93%	76.710	2.84%	78.920	2.88%	80.600	2.13%

2020		Cumulative Increase
57,800 <sup>B</sup>	-0.86%	0.00%
49,200 <sup>B</sup>	-2.19%	4.90%
59,400 <sup>B</sup>	3.13%	2.77%
51,000 <sup>B</sup>	7.14%	8.51%

Cumulative Increase  
15.11%

## MLA Demographics

### *A) Age*

14 out of 55 MLAs have not disclosed their age.

Of those who have disclosed their age, the current range is from 30 to 70 years old.

The average age is 49 years old.

### *B) Gender*

Male	Female	Non-Binary
35	19	1

### *C) Ethnicity*

#### Self-identified

African-Nova Scotian	4
Biracial	1



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**May 02, 2022**

**PROVINCIAL GDP BY INDUSTRY 2021 [PRELIMINARY]**

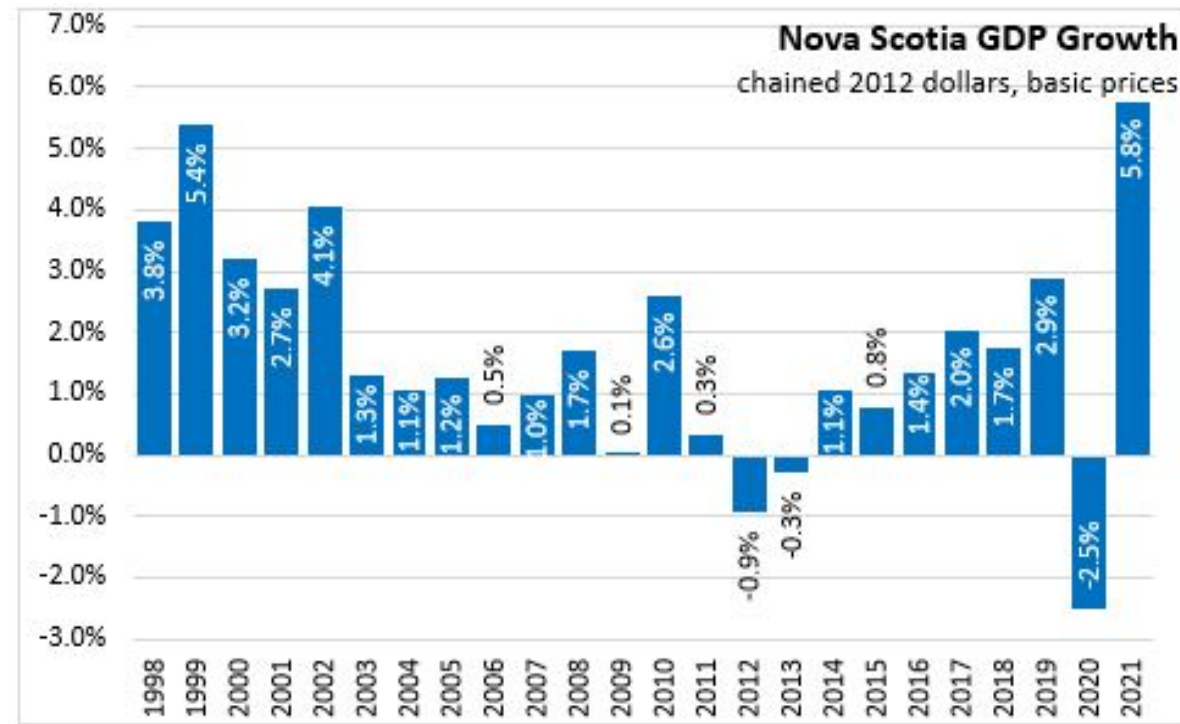
Statistics Canada released preliminary estimates of real GDP by industry for the provinces and territories in 2021.

Real GDP growth is measured at the industry level with chained 2012 dollars at basic prices (sellers' prices before taxes less subsidies on products) that removes the effect of price changes.

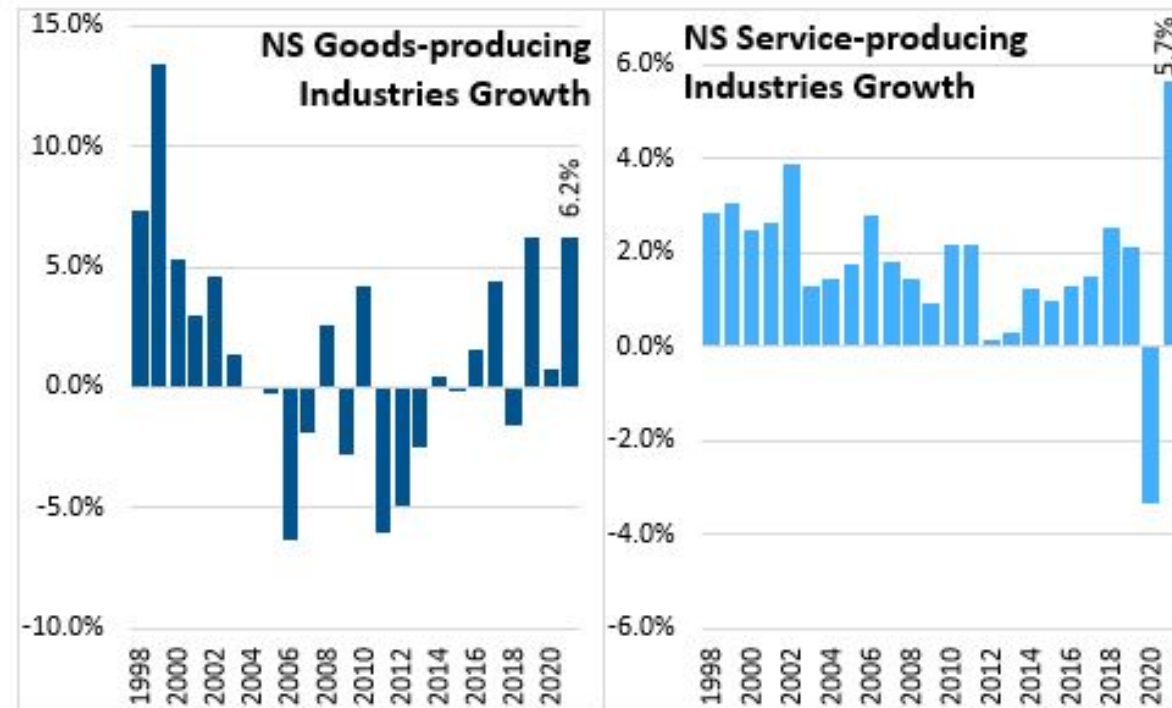
Nova Scotia's real GDP was estimated to have grown 5.8% during 2021, following a decline of 2.5% in 2020. This increase was the fastest pace in industry GDP accounts with data available back to 1985. The real GDP (chained 2012 dollars) was \$39.1 billion in 2021.



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Goods-producing industries rose 6.2% in 2021, after growing 0.8% in 2020 and 6.2% in 2019. Service-producing industries grew 5.7% in 2021 after declining 3.3% in 2020 and growing 2.1% in 2019.



In goods producing industries, real GDP increased in agriculture, forestry, fishing and hunting, utilities, construction, and manufacturing while declining in mining, quarrying, and oil and gas extraction:

Within agriculture, most subsectors increased including crop production (except cannabis) (+6.3%), licensed cannabis production (+10.1%), aquaculture (+17.9%) and animal production (+3.2%).

Real GDP from forestry/logging (not including processing industries) increased 3.6% while support activities grew 3.3%

Fishing real GDP increased by 10.2% in 2021 and was at its highest level since 2015.

Mining activities was down with lower gold mining (-24.2%) and support activities for oil and gas extraction (-58.7%) offsetting higher non-metallic mineral mining (+4.9%).

Utilities real GDP was up 1.2%, but remained 5.3% lower than 2019 levels

Construction real GDP was up 8.5% led by residential building construction (+12.3%) and electric power engineering construction (+62.8%) with solar garden projects. Non-residential building construction (-0.7%) declined for a second consecutive year while transportation engineering construction (+3.8%) grew for a third consecutive year.

Manufacturing real GDP increased 7.5%, after a 3.2% decline in 2020.

Food manufacturing was up 7.4%, led by seafood (+13.2%) and increases among sugar/confectionery product, dairy, meat, miscellaneous, bakeries, wineries and other food manufacturing. Fruit and vegetable preserving and specialty food manufacturing (-11.2%) and breweries (-6.4%) declined.

Sawmills real GDP grew 2.9% and paper manufacturing was up 1.7%

Pharmaceutical manufacturing (+21.7%) had another year of strong growth.

Plastic (+7.2%), rubber (+14.9%), non-metallic mineral product (+17.3%), cutlery, hand tools and other fabricated metal products (+32.9%), industrial machinery manufacturing (+21.0%), other electronic products (+34.4%), aerospace (+5.2%), ship and boat building (+11.5%), medical supplies (+10.4%) all had increases in 2021.

Architectural and structural steel product manufacturing (-24.2%) declined.

Service producing industries grew 5.7% in 2021 with gains in all broad industry groups except the smaller management of companies and enterprises (-26.5%):

Wholesale real GDP (+10.7%) grew in all subsectors. The largest increases in wholesale real GDP were in food and beverage, motor vehicles and parts, farm products and miscellaneous merchant wholesalers.

Retail real GDP increased 9.7% with gains in all subsectors except unlicensed cannabis stores and non-store retailers. Compared to 2019, retail GDP is higher in all subsectors except unlicensed cannabis and clothing stores.

Transportation and warehousing real GDP (+4.4%) growth was led by taxi and limousine services (+11.0%), truck transportation (+7.1%), support activities for transportation (+4.6%), and couriers (+7.2%). Air transportation (-9.0%) and other transit and ground passenger transportation and scenic and sightseeing transportation (-10.3%) declined. Urban transit systems and taxi and limousine services grew but remained around 40% below 2019 levels.

Information and cultural industries (+2.3%) grew with gains in telecommunication (+1.2%), book publishers (+17.4%), motion picture and video production (+11.3%) and broadcasting (+8.6%).

Within finance and insurance (+4.4%), real GDP increased for banks (+3.9%), credit unions (+7.6%), and insurance carriers (+5.9%), and financial investment services (+11.1%).

Real estate (+4.2%) real GDP was positive with growth for lessors of real estate (+3.0%), owner-occupied dwellings (the imputed non-market activity of households: +3.3%), offices of real estate agents (+24.0%) while real GDP in rental and leasing services (-5.4%) declined.

Professional, scientific and technical services real GDP (+12.4%) growth was broad-based with solid gains in all subsectors. The largest gains were in computer systems design and related services (+16.4%) and legal services (+9.1%).

Administrative and support, waste management and remediation services real GDP (+4.5%) increased in all subsectors except employment services and travel arrangement and reservation services.

Real GDP in educational services (+5.4%) was up in all subsectors, and only other education services (outside elementary and secondary schools, colleges, and universities) real GDP was below 2019 levels.

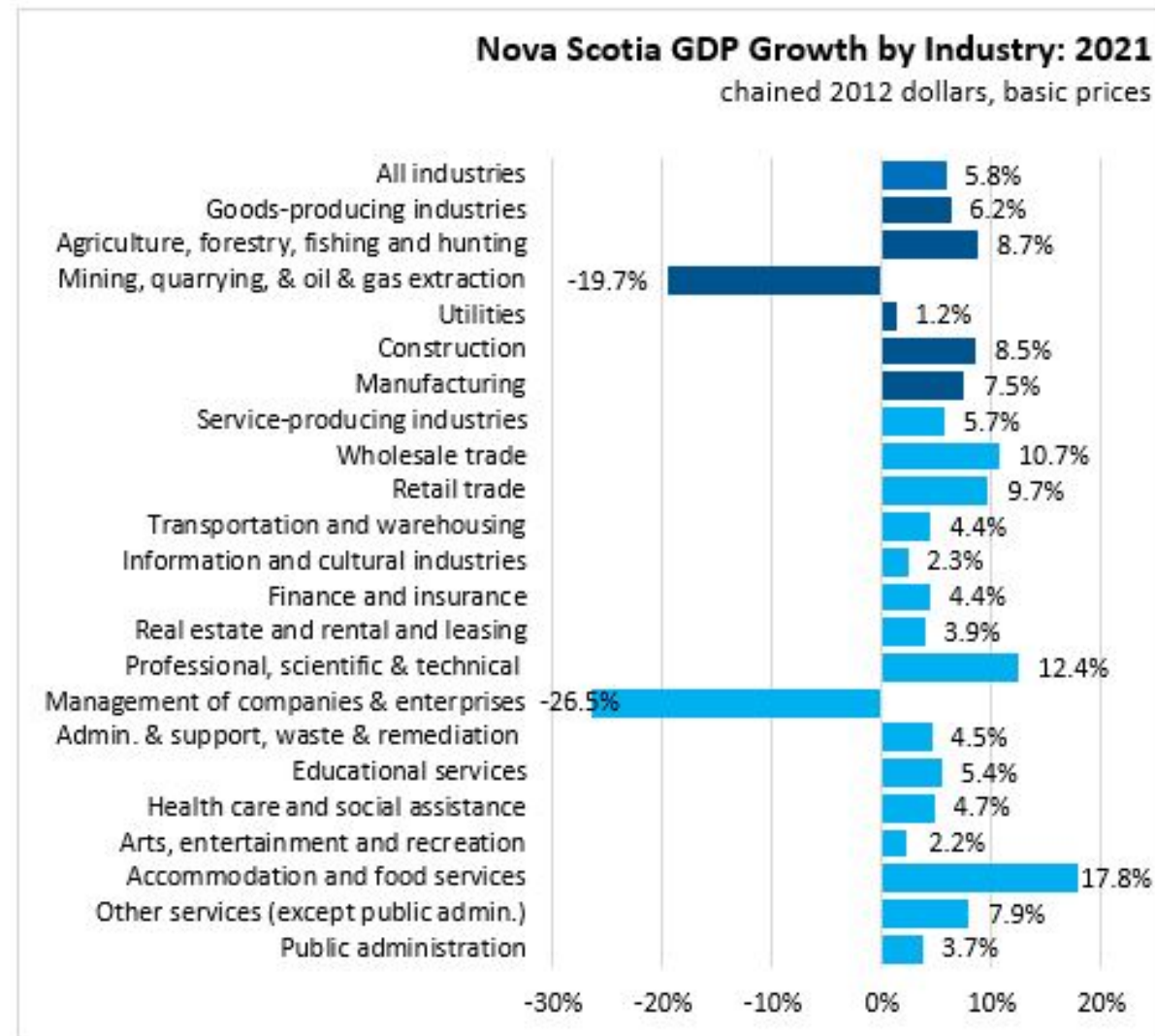
Health care and social assistance (+4.7%) real GDP had increases all subsectors in 2021. The real GDP of offices of physicians, offices of dentists, and nursing and residential care facilities, all surpassed their 2020 declines. Real GDP in hospitals and social assistance (including daycares) remain below 2019 levels.

Arts, entertainment and recreation real GDP (+2.2%) grew in 2021 with a increase in amusement and recreation (+7.6%) offsetting a decline in performing arts, spectator sports and related industries (-4.5%). Real GDP in the sector was 45.5% below 2019 level.

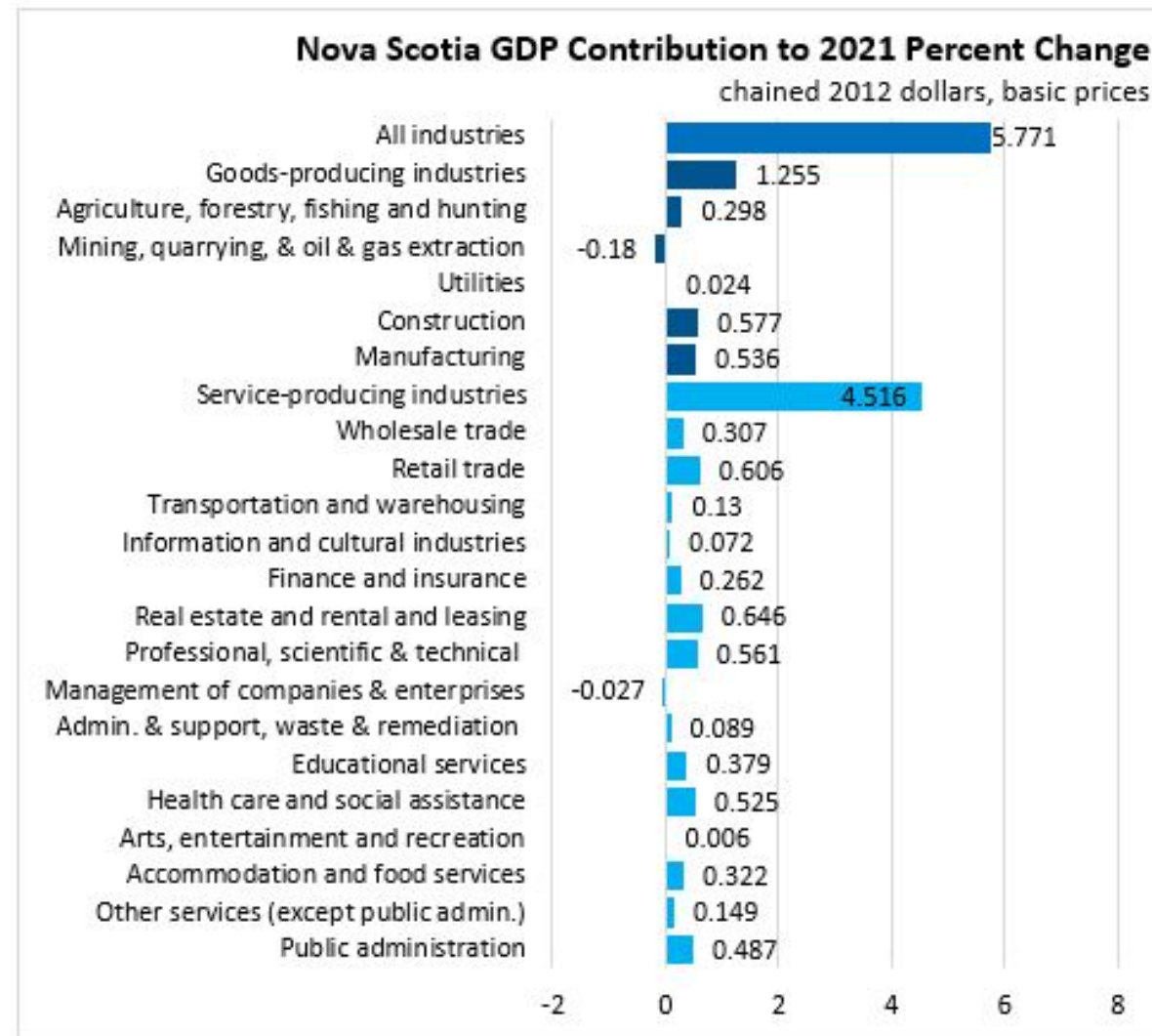
Real GDP in accommodation and food services (+17.8%) increased with higher GDP in traveller accommodations (+23.1%), RV parks, camps, boarding (+15.8%) and food services (+16.9%). Real GDP in the sector was 19.2% below the 2019 level.

Other services (except public administration) (+7.9%) was broad-based across all subsectors, but only automotive repair and maintenance recovered above 2019 levels.

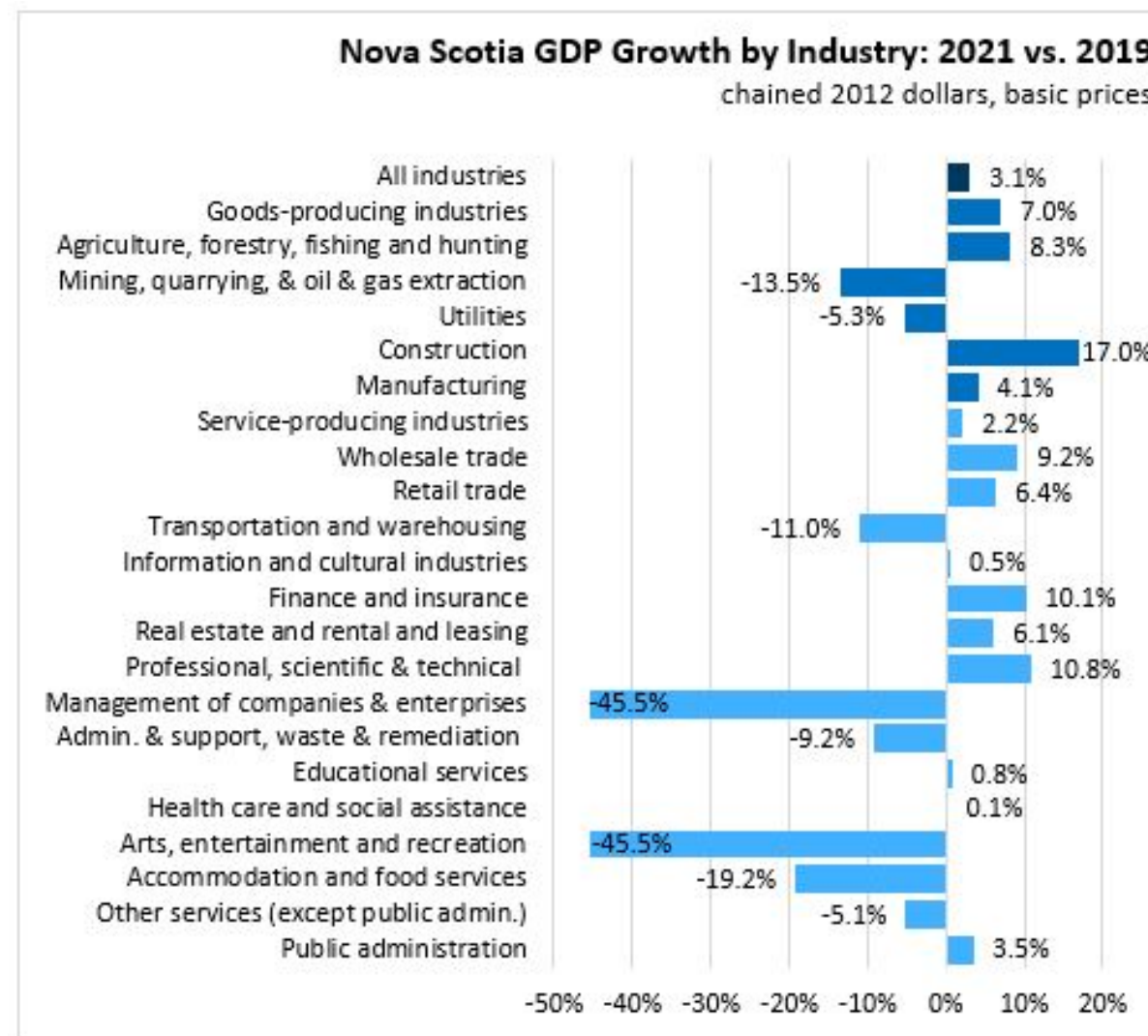
Public administration real GDP was up 3.7% with increases in defense services (+3.7%), federal public administration (+7.4%), provincial public administration (+0.9%), local, municipal and regional public administration (+2.2%) and aboriginal public administration (+7.8%).



The largest contribution to the decline in real GDP in 2020 came from real estate and rental and leasing (including owner-occupied dwellings); construction; professional, scientific and technical services; manufacturing; and health care and social assistance.



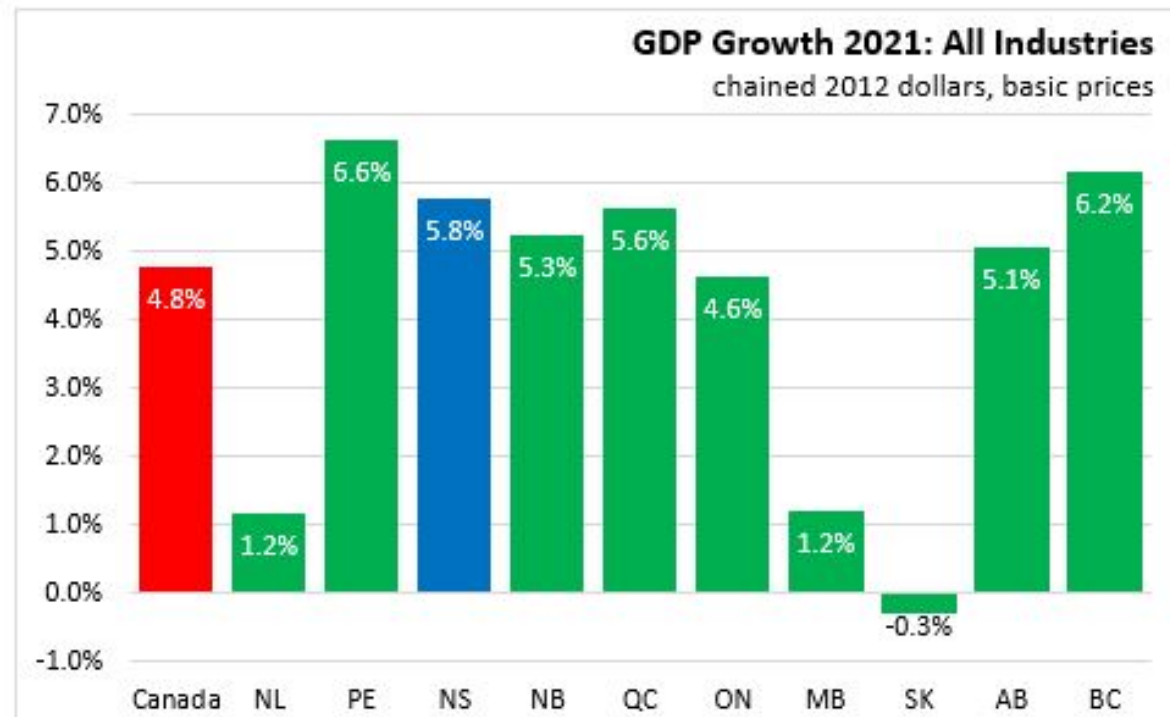
In 2021 compared to pre-pandemic 2019 level of real GDP, the Nova Scotia economy is 3.1% larger. There were 12 out of 20 sectors with higher GDP than in 2019. The largest growth over the two years was in construction (+17.0%), professional, scientific and technical service (+10.8%), and finance and insurance (+10.1%). The largest declines in real GDP from 2019 were in management of companies and enterprises (-45.5%), arts, entertainment and recreation (-45.5%), and accommodation and food services (-19.2%).



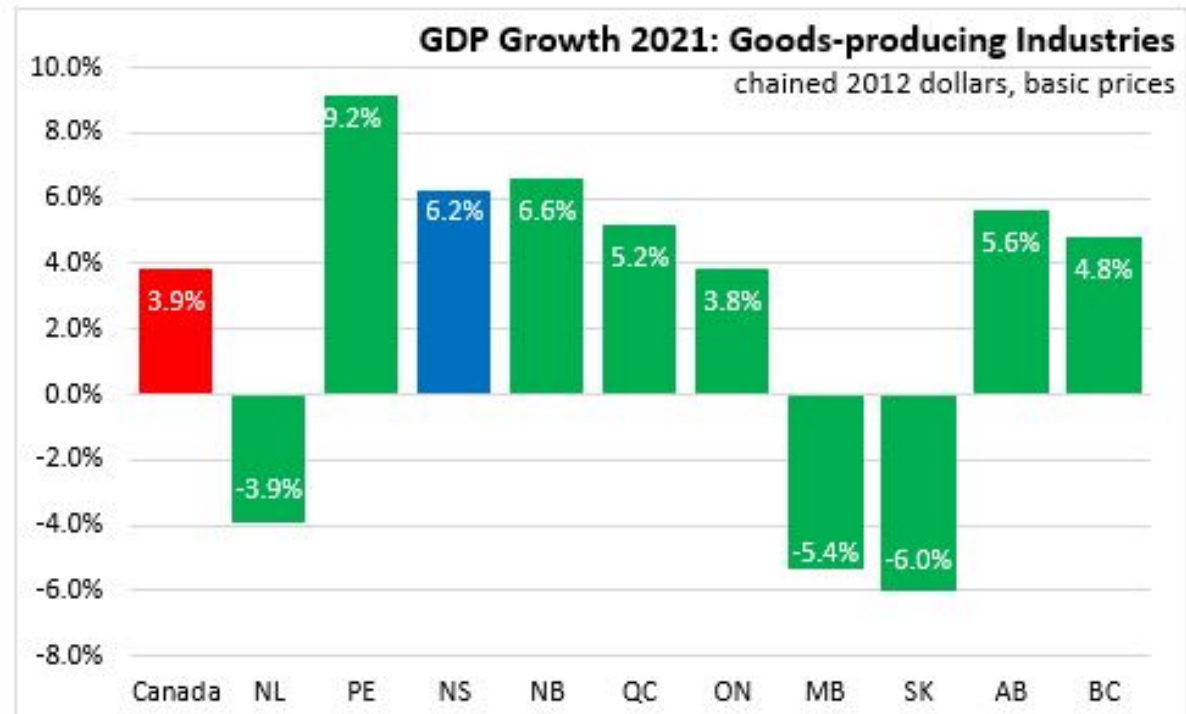
National real GDP at basic prices grew 4.8% in 2020. All provinces reported gains except Saskatchewan (-0.3%). The fastest growth was in Prince Edward Island (+6.6%), British Columbia (+6.2%) and Nova Scotia (+5.8%).

Compared to 2019, real GDP levels was higher only in Prince Edward Island (4.7%), Nova Scotia (+3.1%), British Columbia (+2.5%), and New Brunswick (+2.0%) in 2021.

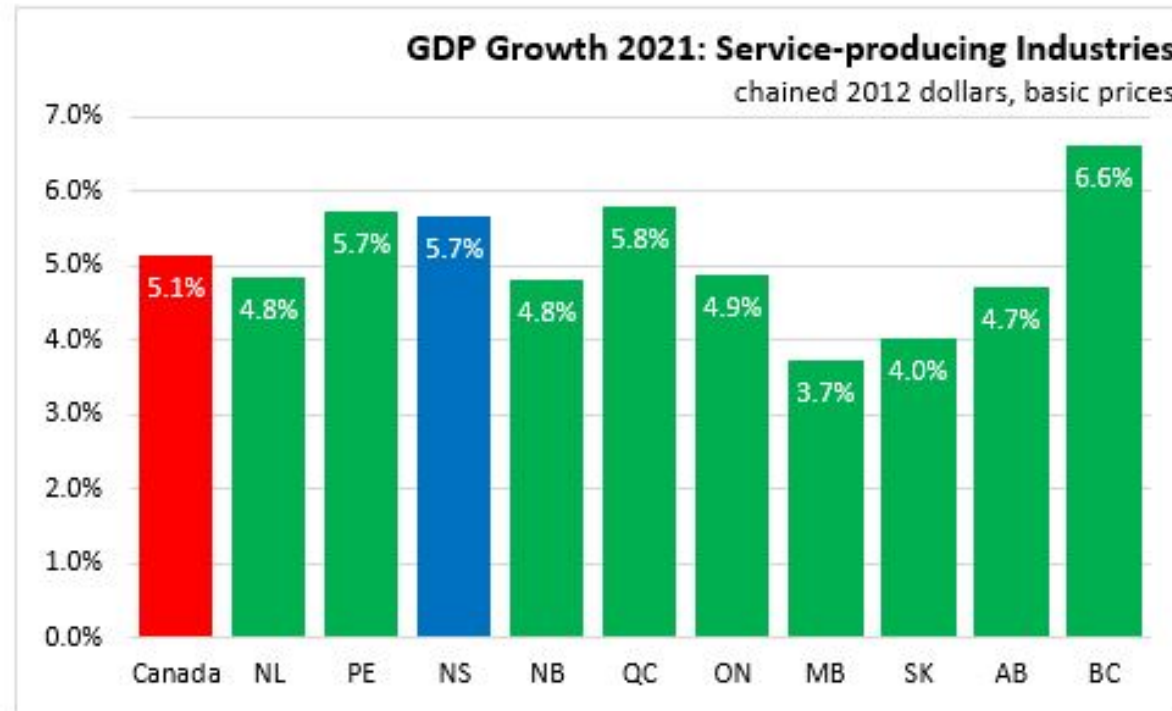




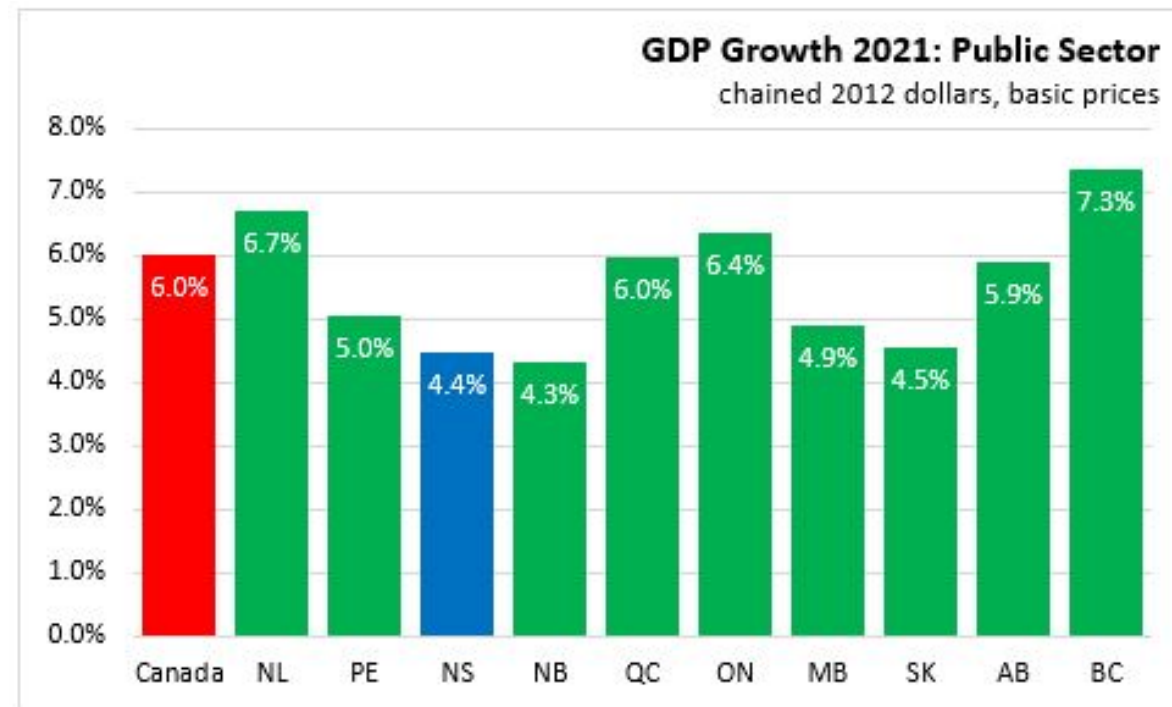
Goods industry real GDP increased 3.9% in Canada with declines in three provinces: Newfoundland and Labrador, Manitoba, and Saskatchewan.



Service industry real GDP increased in all provinces and was up 5.1% in Canada and 5.7% in Nova Scotia in 2021. The largest increase was in British Columbia (+6.6%) and the smallest in Manitoba (-5.4%).



Public sector GDP (which is included in service industries) grew 6.0% in Canada and 4.4% in Nova Scotia in 2021. All provinces reported increases with the largest in British Columbia (+7.3%) and the smallest in New Brunswick (+4.3%) and Nova Scotia (+4.4%).



Source: Statistics Canada. [Table 36-10-0402-01 Gross domestic product \(GDP\) at basic prices, by industry, provinces and territories \(x 1,000,000\)](#).

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For additional information relating to this article, please contact:

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Director – Economics and Statistics

**Email:** [thomas.storning@novascotia.ca](mailto:thomas.storning@novascotia.ca)

**February 24, 2022**

### **WAGES AND INFLATION BEFORE AND DURING THE PANDEMIC**

Rising wages may or may not be keeping pace with the prices of consumer goods and services in the economy. Comparing the change in wages with the pace of inflation can provide insight. Real wages are wages adjusted for inflation or similarly wages stated in terms of the amount of goods and services that can be purchased. When wages are rising faster than inflation, real wages and purchasing power will be increasing.

The real wage in the analysis is the average hourly wage for all employees reported in the Labour Force Survey adjusted for average 2019 prices based on the Consumer Price Index (CPI) in each province. The data does not include self-employed earnings. The data is presented as 12 month moving average to better identify trends and remove seasonal patterns.

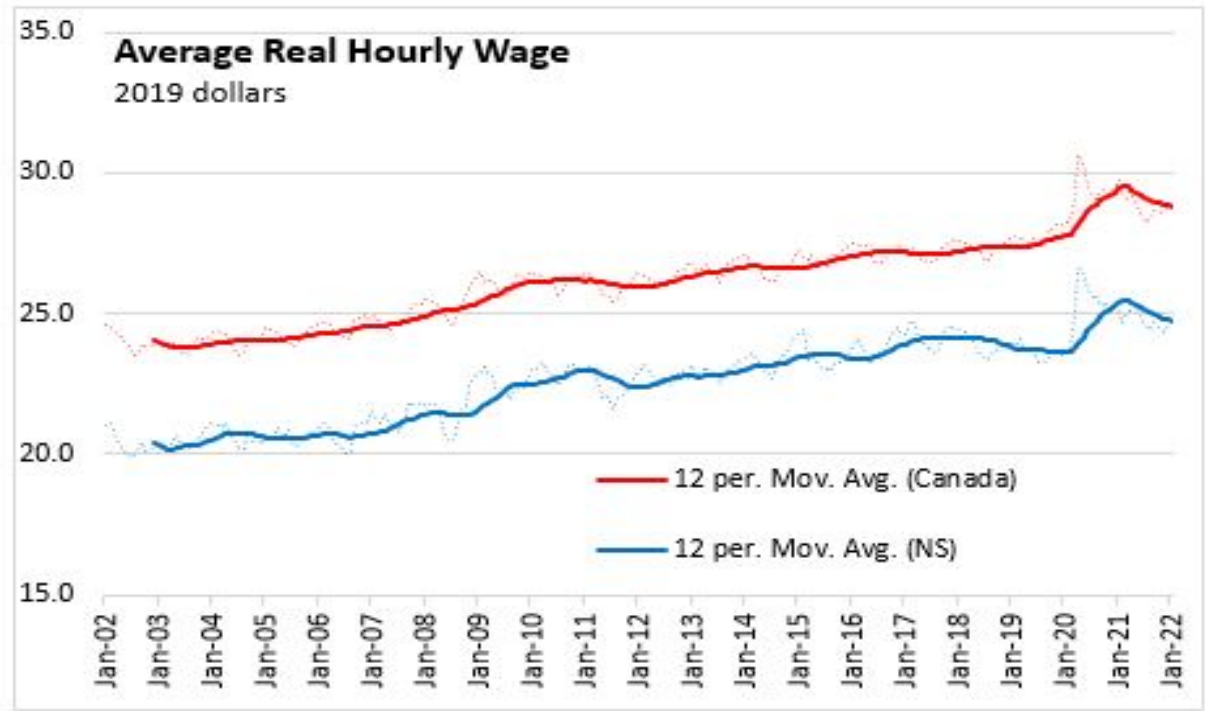
The analysis does not cover standard of living or quality of life concepts for many reasons, including: the basket of goods and services in the consumer price index has changed over time, average wages may change due to job tenure or job-type preferences shifting, and tax



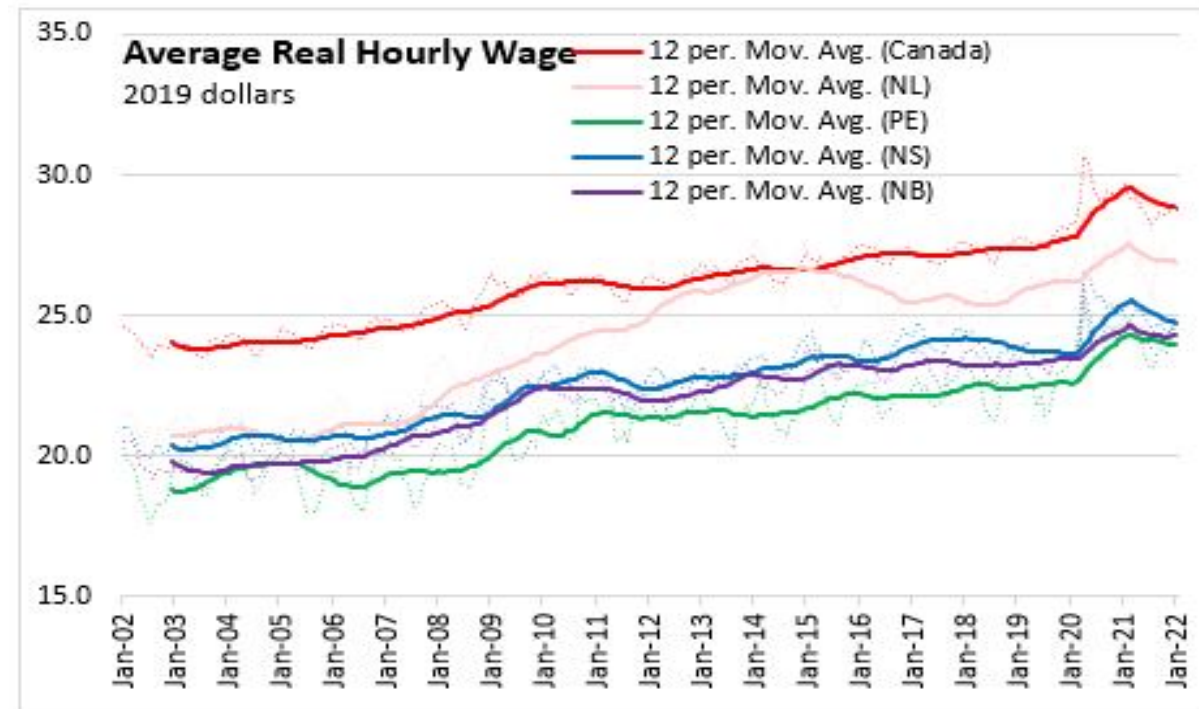
Use the [Services Directory](#) to quickly access information on all of the services provided by the NS Department of Finance.

and transfer changes.

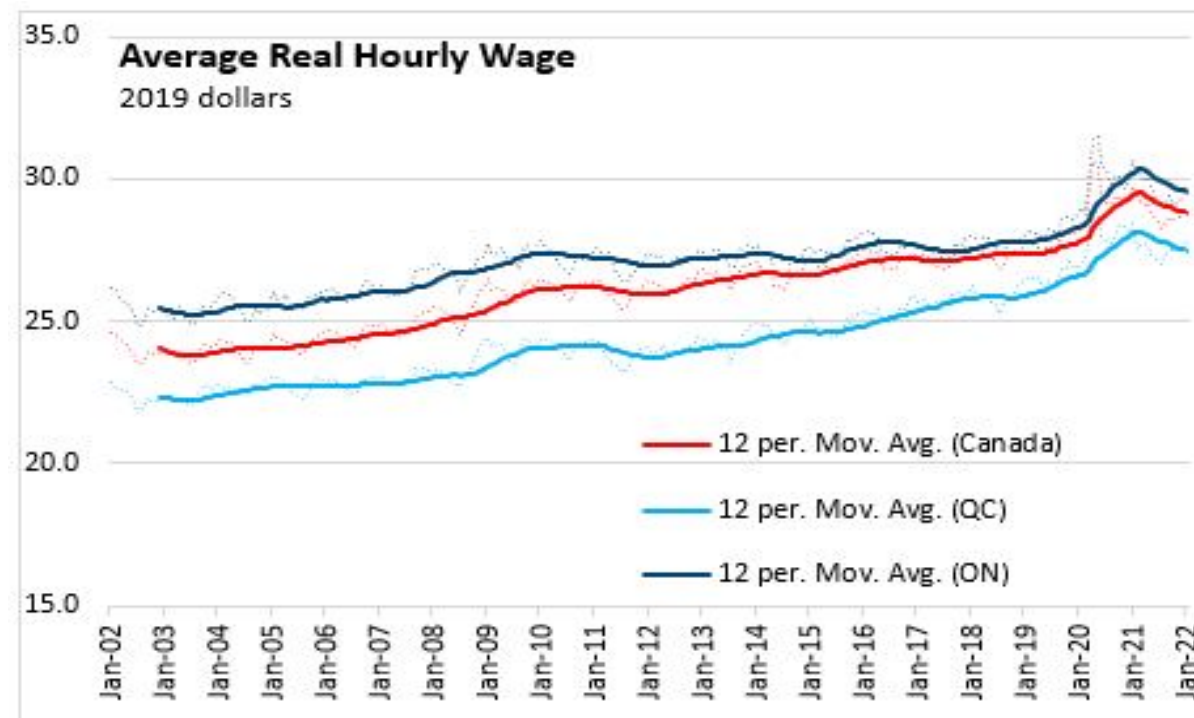
Over the past 20 years, average real wages have trended upward in both Canada and Nova Scotia. Real wages in Canada consistently exceed Nova Scotia by a similar margin over this period of time. Nova Scotia’s average real wage was \$20.40 per hour in 2002 and rose to \$24.77 per hour in 2021. Nova Scotia, Manitoba, and Newfoundland and Labrador had declining real wages prior to the pandemic. Across all the provinces, the sharpest change in real wages occur with the beginning of the COVID-19 pandemic in 2020.



Within Atlantic Canada, average real wages have been similar in New Brunswick, Prince Edward Island and Nova Scotia. Newfoundland and Labrador was similar prior to 2008 before rising above the other Atlantic provinces.

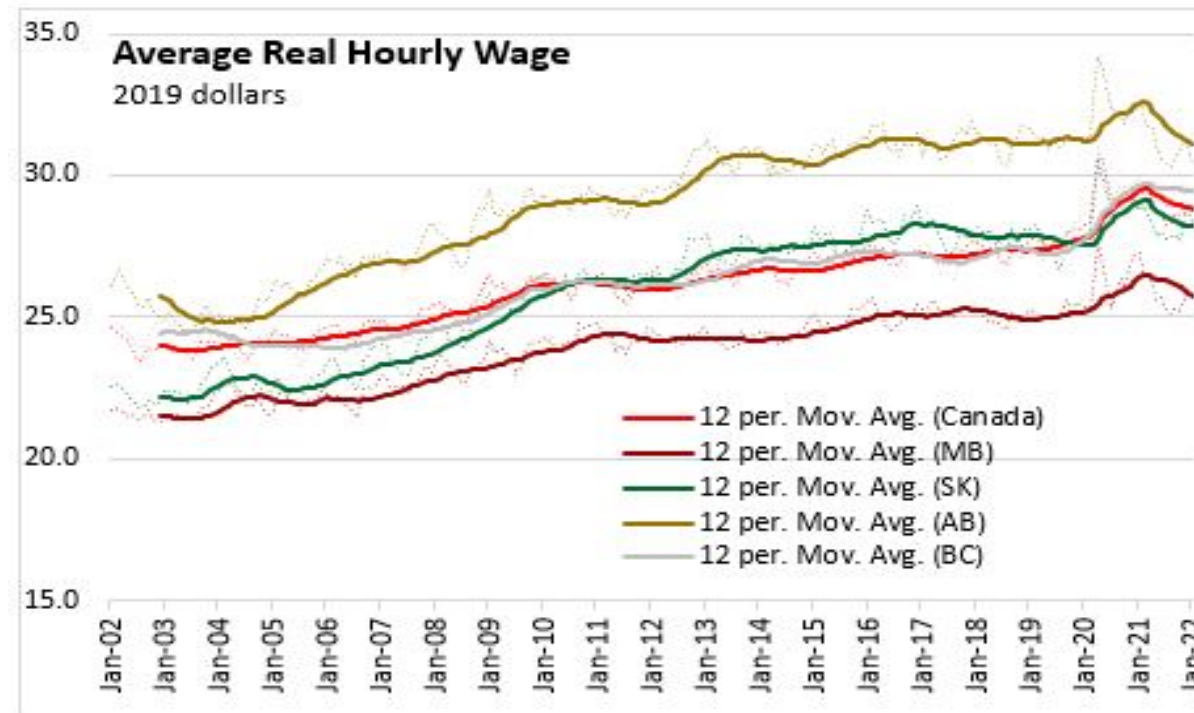


The relative difference between Ontario and Canada real wage has narrowed since the early 2000s.

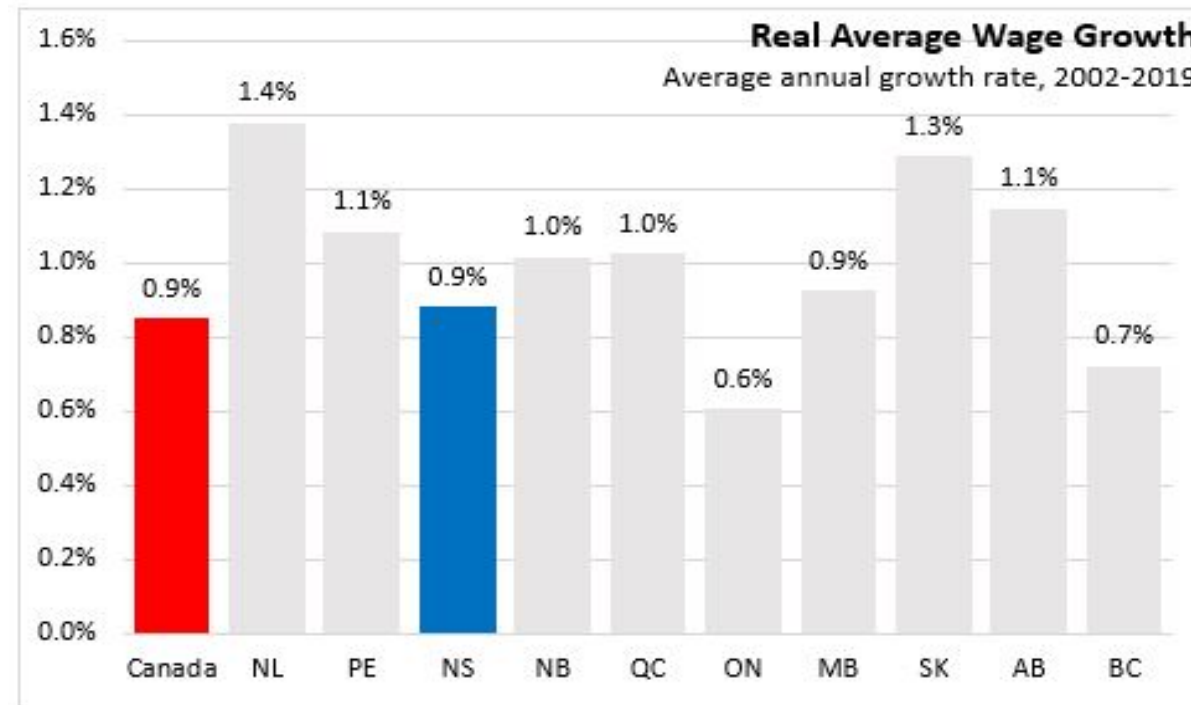


Saskatchewan and British Columbia have had similar real wages to the Canadian average. Alberta's real wage grew faster than Canada over 2002-2013, before maintaining around a \$4.00 difference prior to the pandemic.

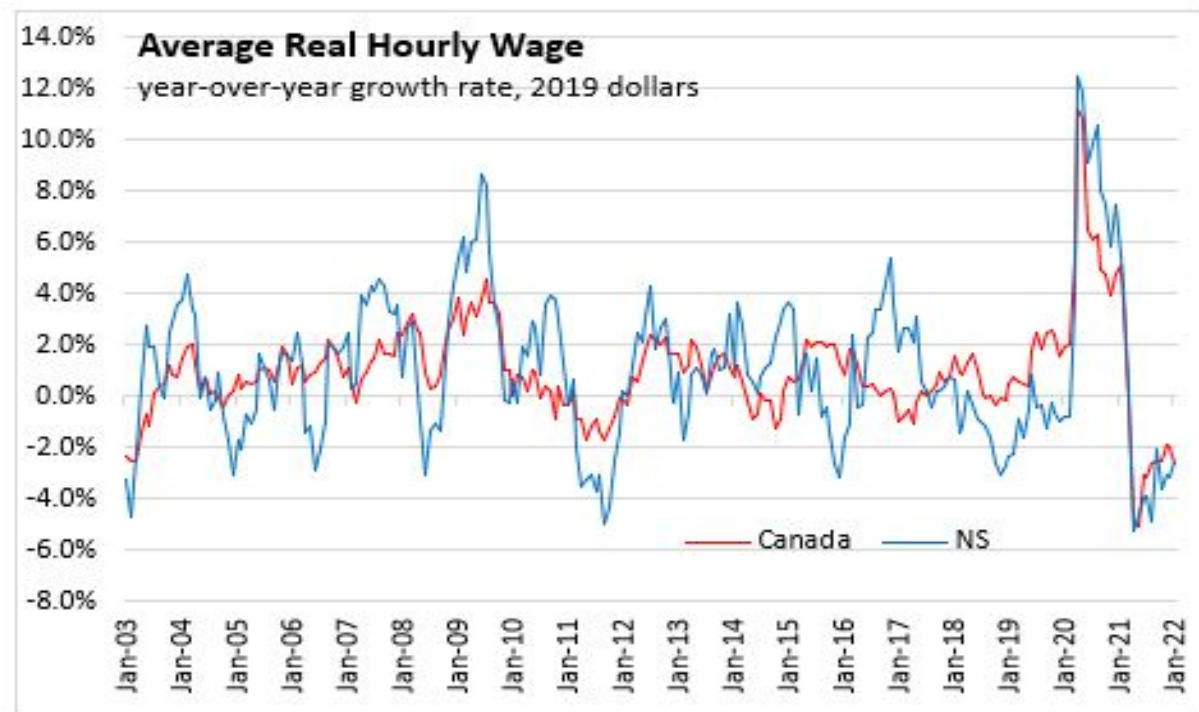


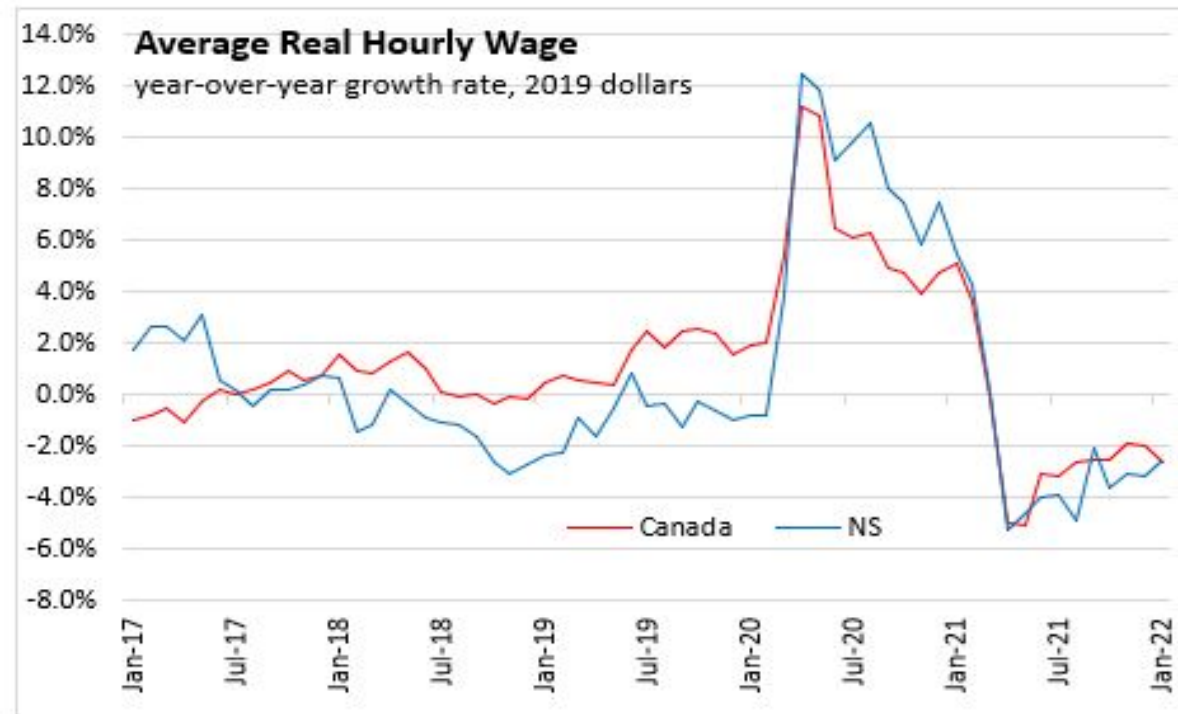


For the period 2002-2019, real wages in Nova Scotia grew 0.9% per year, similar to the Canadian average. Newfoundland and Labrador reported the fastest real wage growth while Ontario reported the slowest growth.

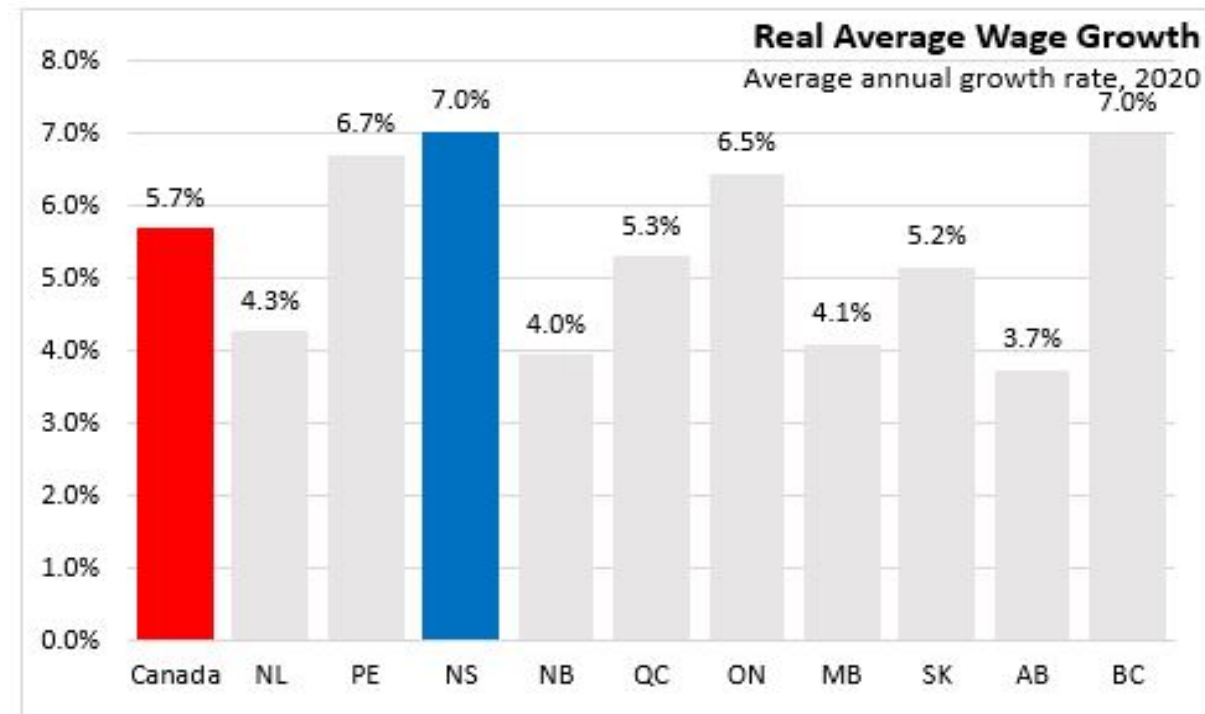


Over the past 20 years, periods of higher real wage growth are typically followed by period of lower real wage growth for both Nova Scotia and Canada. At the start of the COVID-19 pandemic, real wage growth rate increased quickly with a period of low inflation and the average wage artificially risen with certain sectors unable to operate. Real wage growth has been negative in Nova Scotia and Canada for most of 2021.

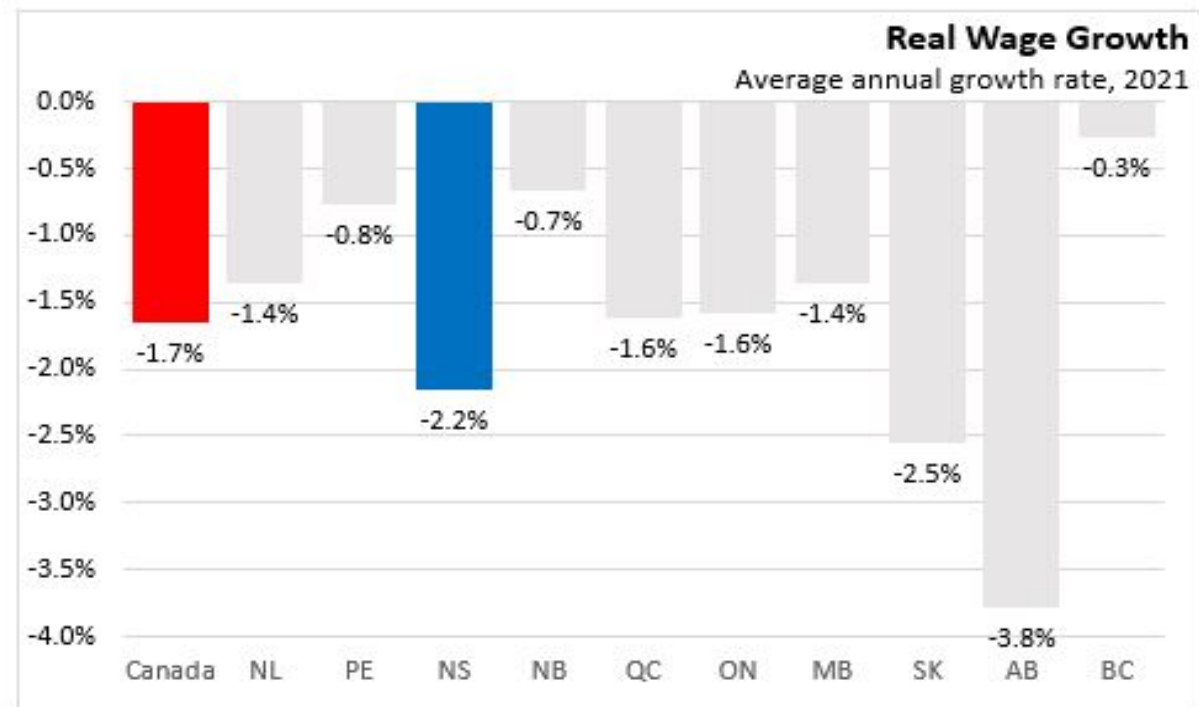




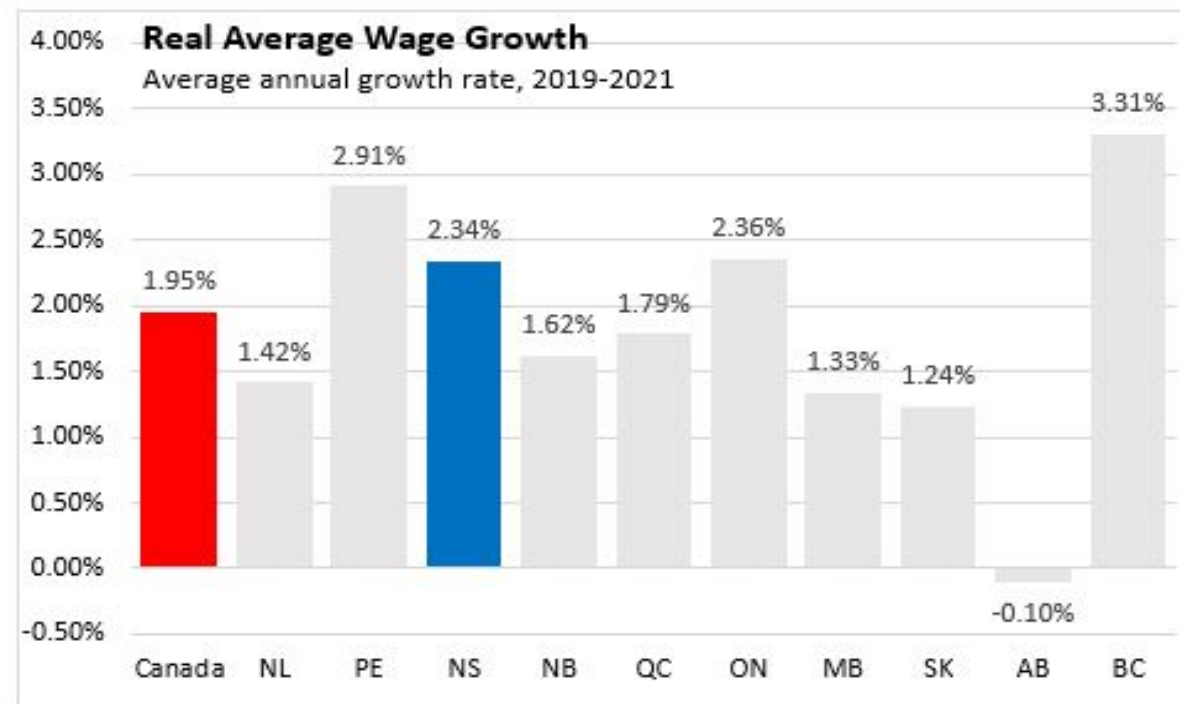
In 2020, Nova Scotia real wage growth was 7.0%, above the national average 5.7% increase. British Columbia and Nova Scotia (both +7.0%) reported the largest increase while Alberta (+3.7%) reported the smallest increase in 2020.



Real wages declined in all provinces in 2021. Nova Scotia's real wage declined (-2.2%). Alberta (-3.8%) reported the largest decline and British Columbia (-0.3%) the smallest.



Over the two years since 2019, real wage growth has been positive in nine provinces. Nova Scotia's real wage grew 2.34% per year, above the national 1.95% per year rate. British Columbia (+3.31%/year) had the largest increase while Alberta (-0.1%/year) had the only decline.



Source:

Statistics Canada. [Table 14-10-0065-01 Employee wages by job permanency and union coverage, monthly, unadjusted for seasonality](#)

Statistics Canada. [Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted](#)

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# SALARIES OF FIRST MINISTERS, SPEAKERS AND CABINET MINISTERS

Based on information compiled June 2022

JURISDICTION	FIRST MINISTER	SPEAKER	MINISTER	MINISTER W/O
HOUSE OF COMMONS	\$189,500.00	\$90,400.00	\$90,400.00	
NOVA SCOTIA*	\$112,791.20	\$49,046.51	\$49,046.51	\$49,046.51
QUEBEC*	\$100,489.00	\$71,778.00	\$71,778.00	
BRITISH COLUMBIA	\$103,541.34	\$57,522.97	\$57,522.97	
NUNAVUT*	\$95,198.00	\$80,134.00	\$80,134.00	
ONTARIO*	\$92,424.00	\$36,364.00	\$49,301.00	\$22,378.00
ALBERTA*	\$65,244.00	\$60,468.00	\$60,468.00	\$27,216.00
NEW BRUNSWICK	\$79,000.00	\$52,614.00	\$52,614.00	\$39,500.00
NORTHWEST TERRITORIES	\$87,106.00	\$49,849.00	\$61,296.00	
MANITOBA	\$83,555.00	\$54,589.00	\$54,589.00	\$46,011.00
PRINCE EDWARD ISLAND**	\$83,018.92	\$53,415.62	\$53,415.62	
NEWFOUNDLAND AND LABRADOR*	\$65,168.00	\$48,665.00	\$48,664.00	
SASKATCHEWAN	\$75,121.00	\$52,586.00	\$52,586.00	
YUKON	\$67,674.00	\$41,939.00	\$45,153.00	

\* NO CHANGE FROM PREVIOUS YEAR

\*\* PEI REPORT RECOMMENDED INCREASE OF 2.75% EFFECTIVE JANUARY 1, 2022

**Cross-Canada Indemnity Comparison of Elected Members, as of July 2022**

House of Commons	\$189,500.00
Senate	\$164,500.00
Alberta	\$120,936.00
British Columbia	\$115,045.93
Manitoba	\$99,708.00
Newfoundland & Labrador	\$95,357.00
New Brunswick	\$85,000.00 *currently under review
Northwest Territories	\$114,527.00
Nunavut	\$103,323.00* as of April 2021
Ontario	\$116,550.00
Prince Edward Island	\$76,439.84
Quebec	\$95,704.00
Saskatchewan	\$103,285.00
Yukon	\$83,855.00

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## SO - Senior Official Pay Plan

### Senior Official Pay Plan

Annual and Bi-weekly Salary Rates

Effective April 1, 2022

(Approximate Annual Salary = Bi-Weekly Salary \* 26 Pay Periods)

#### Associate Deputy Ministers (SO1)

		Bi-weekly	Approx. Annual
Minimum	\$	5,552.71	\$ 144,370.46
Policy	\$	6,940.86	\$ 180,462.36
Maximum	\$	7,634.94	\$ 198,508.44

#### Deputy Ministers (SO2)

		Bi-weekly	Approx. Annual
Minimum	\$	6,357.75	\$ 165,301.50
Policy	\$	7,947.18	\$ 206,626.68
Maximum	\$	8,741.90	\$ 227,289.40

	Compa	Bi-weekly	Approx. Annual
Associate Deputy Ministers	80%	\$ 5,552.71	\$ 144,370.46
	81%	\$ 5,622.11	\$ 146,174.86
	82%	\$ 5,691.50	\$ 147,979.00
	83%	\$ 5,760.92	\$ 149,783.92
	84%	\$ 5,830.33	\$ 151,588.58
	85%	\$ 5,899.74	\$ 153,393.24
	86%	\$ 5,969.14	\$ 155,197.64
	87%	\$ 6,038.54	\$ 157,002.04
	88%	\$ 6,107.97	\$ 158,807.22
	89%	\$ 6,177.37	\$ 160,611.62
	90%	\$ 6,246.78	\$ 162,416.28
	91%	\$ 6,316.17	\$ 164,220.42
	92%	\$ 6,385.60	\$ 166,025.60
	93%	\$ 6,454.99	\$ 167,829.74
	94%	\$ 6,524.42	\$ 169,634.92
	95%	\$ 6,593.83	\$ 171,439.58
	96%	\$ 6,663.22	\$ 173,243.72
	97%	\$ 6,732.65	\$ 175,048.90
	98%	\$ 6,802.05	\$ 176,853.30
	99%	\$ 6,871.47	\$ 178,658.22
	100%	\$ 6,940.86	\$ 180,462.36
	101%	\$ 7,010.26	\$ 182,266.76
	102%	\$ 7,079.69	\$ 184,071.94
	103%	\$ 7,149.07	\$ 185,875.82
	104%	\$ 7,218.50	\$ 187,681.00
	105%	\$ 7,287.91	\$ 189,485.66
	106%	\$ 7,357.30	\$ 191,289.80
	107%	\$ 7,426.72	\$ 193,094.72
	108%	\$ 7,496.14	\$ 194,899.64
	109%	\$ 7,565.56	\$ 196,704.56
	110%	\$ 7,634.94	\$ 198,508.44

	Compa	Bi-weekly	Approx. Annual
Deputy Ministers	80%	\$ 6,357.75	\$ 165,301.50
	81%	\$ 6,437.20	\$ 167,367.20
	82%	\$ 6,516.68	\$ 169,433.68
	83%	\$ 6,596.16	\$ 171,500.16
	84%	\$ 6,675.61	\$ 173,565.86
	85%	\$ 6,755.11	\$ 175,632.86
	86%	\$ 6,834.57	\$ 177,698.82
	87%	\$ 6,914.05	\$ 179,765.30
	88%	\$ 6,993.53	\$ 181,831.78
	89%	\$ 7,073.00	\$ 183,898.00
	90%	\$ 7,152.46	\$ 185,963.96
	91%	\$ 7,231.93	\$ 188,030.18
	92%	\$ 7,311.40	\$ 190,096.40
	93%	\$ 7,390.87	\$ 192,162.62
	94%	\$ 7,470.36	\$ 194,229.36
	95%	\$ 7,549.81	\$ 196,295.06
	96%	\$ 7,629.31	\$ 198,362.06
	97%	\$ 7,708.76	\$ 200,427.76
	98%	\$ 7,788.24	\$ 202,494.24
	99%	\$ 7,867.71	\$ 204,560.46
	100%	\$ 7,947.18	\$ 206,626.68
	101%	\$ 8,026.66	\$ 208,693.16
	102%	\$ 8,106.11	\$ 210,758.86
	103%	\$ 8,185.60	\$ 212,825.60
	104%	\$ 8,265.06	\$ 214,891.56
	105%	\$ 8,344.53	\$ 216,957.78
	106%	\$ 8,424.00	\$ 219,024.00
	107%	\$ 8,503.47	\$ 221,090.22
	108%	\$ 8,582.95	\$ 223,156.70
	109%	\$ 8,662.43	\$ 225,223.18
	110%	\$ 8,741.90	\$ 227,289.40

## Public Sector Salary Increases Negotiated by Nova Scotia Government – 2013 to Present

### **Nova Scotia Teachers' Union**

2012/2013 2%

2013/2014 2.5%

2014/2015 3%

2015/2016 0%

2016/2017 0%

2017/2018 1%

2018/2019 1.5%

2019 .5%.

Total cumulative Increase from 2011/2012 to 2019 = 10.94%

### **Nova Scotia Nurses' Union**

2013/2014 0%;

2014/2015 0%;

2015/2016 1%;

2016/2017 1.5%;

2017/2018 .5%;

2018 1.5%;

2018/2019 .5%;

2019 1.5%;

2019/2020 .5%

To clarify:

- i. Increase of 1% to all rates on November 1, 2016;
- ii. Increase of 1.5% to all rates on November 1, 2017;
- iii. Increase of 0.5% to all rates on October 31, 2018;
- iv. Increase of 1.5% to all rates on November 1, 2018;
- v. Increase of 0.5% to all rates on October 31, 2019;
- vi. Increase of 1.5% to all rates on November 1, 2019;
- vii. Increase of 0.5% to all rates on October 31, 2020.

## Physician Services Master Agreement

Fiscal Year	Rate Increases
April 1, 2019 – March 31, 2020	2%
April 1, 2020 – March 31, 2021	2%
April 1, 2021 – March 31, 2022	2%
April 1, 2022 – March 31, 2023	2%

## Nova Scotia Crown Attorneys Association

The % increase varies by class and seniority: see

[https://novascotia.ca/psc/pdf/employeeCentre/collectiveAgreements/Crown Attorneys Agreement April 1 2019.pdf](https://novascotia.ca/psc/pdf/employeeCentre/collectiveAgreements/Crown_Attorneys_Agreement_April_1_2019.pdf)

## Nova Scotia Business Inc.

01-Apr-15	1308.92	
01-Apr-16	1308.92	%increase = 0%
01-Apr-17	1322.01	%increase = 1%
01-Apr-18	1341.84	%increase = 1.5%
31-Mar-19	1348.55	%increase = .5%
01-Apr-19	1368.78	%increase = 1.5%
31-Mar-20	1375.62	%increase = .5%
01-Apr-20	1396.25	%increase = 1.5%
31-Mar-21	1403.23	%increase= 0.5%

Cumulative % increase = 7.21%

## NSLC – Local 470 A-E

April 1, 2015 – 0%  
April 1, 2016 – 0%  
2017 – 1.0%  
2018 – 1.5%  
Mar. 31 2019 – 0.5%  
Apr. 1, 2019 – 1.5%  
Mar. 31, 2020 - 0.5%  
Apr. 1, 2020 1.5%  
Mar. 31, 2021 - 0.5%  
Cumulative: 7.2%

### NSLC – Local 1670 (Managers)

	2015/2017	2017/2018	%increase	2018/2019	%increase	2019/2020	%increase
Mgr 1	55305	55858	1.00%	56696	1.50%	59000	4.06%
Mgr 2	59424	60018	1.00%	60919	1.50%	62141	2.01%
Mgr 3	65869	66528	1.00%	67526	1.50%	68881	2.01%
Mgr 4	72033	72753	1.00%	73845	1.50%	75327	2.01%
Mgr 5						79000	

	% 2020/2021 increase	2021	%increase	Cumulative
60184	2.01%	60485	0.50%	9.37%
63389	2.01%	63706	0.50%	7.21%
70264.00	2.01%	70615	0.50%	7.21%
76839.00	2.01%	77223	0.50%	7.21%
80586	2.01%	80989	0.50%	

### Housing Authorities

“In the event NSGEU Civil Service, CUPE Highway Workers, or any bargaining unit of the Health Authorities (IWK, NSHA) negotiates a greater general economic increase of 1.5% in year 7 and/or in year 8, NSGEU Local 47 has the option of accepting the greater benefit.”

April 1, 2015 0%

April 1, 2016 0%

April 1, 2017 1%

April 1, 2018 1.5%

March 31, 2019 .5%

April 1, 2019 1.5%\*

March 31, 2020 .5%

April 1, 2020 1.5%\*

March 31, 2021 .5%

April 1, 2020 1.5%

March 31, 2021 .5%

April 1, 2021 1.5%\*

April 1, 2022 1.5%\*

Cumulative varies: 10%-24% - due to adjustment

\*note: Some positions received a parity adjustment in addition to the percentage increase

### **Property Valuation Services**

CL April 1, 2022 (2.0%), 2023 (2.0%), 2024 (2.0%)

TE April 1, 2022 (2.0%), 2023 (2.0%), 2024 (2.0%)

PR April 1, 2022 (2.0%), 2023 (2.0%), 2024 (2.0%)

### **NS Pension Services**

2017/2018 1.75%

2018/2019 2.25%

2019/2020 2.75%

Cumulative 6.90%

### **Workers' Compensation Board**

December 31, 2018 - .5%

January 1, 2019 – 1.5%

December 31, 2019 - .5%

January 1, 2020 – 1.5%

December 31, 2020 - .5%

### **Tourism Nova Scotia**

April 1, 2016 – 0%

April 1, 2017 – 1%

April 1, 2018 – 1.5%

March 31, 2019 - .5%

April 1, 2019 – 1.5%

March 31, 2020 - .5%

April 1, 2020 – 1.5%

March 31, 2021 - .5%

Cumulative – 6.72%

### **Municipality of the County of Pictou**

April 1, 2021 – 1%

April 1, 2022 – 1.5%

April 1, 2023 – 1.75%

April 1, 2024 – 2%



**Pictou County Shared Services Authority**

April 1, 2020 – 1.75%

April 1, 2021 – 1.5%

April 1, 2022 - 1.25%

April 1, 2023 – 1.25%

**Richmond County Municipality**

April 1, 2022 – 2%

April 1, 2023 – 2%

April 1, 2024 – 2%

**Black Loyalist Heritage Society**

August 25, 2021 – 1.25%

August 25, 2023 – 1.5%

**Sherbrook Village**

April 1, 2016 – 0%

April 1, 2017 – 0%

April 1, 2018 - .5%

April 1, 2019 - .75%

April 1, 2020 – 1.5%

March 31, 2021 - .5%

April 1, 2021 – 1.5%

March 31, 2022 - .5%

**Cape Breton Regional Municipality Police**

January 1, 2018 – 2.5%

January 1, 2019 – 2.5%

January 1, 2020 – 2.5%

January 1, 2021 – 2.5%

January 1, 2022 – 2.5%

January 1, 2023 – 2.5%

IN THE MATTER OF AN INTEREST ARBITRATION PURSUANT TO THE ***CIVIL  
SERVICE COLLECTIVE BARGAINING ACT***

BETWEEN:

**NOVA SCOTIA GOVERNMENT AND  
GENERAL EMPLOYEES UNION**

(the “Union”)

-and-

**HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF NOVA SCOTIA**

(the “Employer”)

**Arbitration Board:**

Susan M. Ashley, Chair  
Paul Cavalluzzo (Union Nominee)  
Rollie King (Employer Nominee)

**Counsel for the Union:**

David Roberts

**Counsel for the Employer:**

Kevin Kindred Q.C.  
Katie Roebothan

**Date of Award:**

June 8, 2022

1. The current collective agreement expired on March 31, 2021. The parties were successful in bargaining a number of changes towards a renewal agreement. After they were unable to conclude a new collective agreement through bargaining, they jointly requested the appointment of this Interest Arbitration Board pursuant to Section 26 (1) of the *Civil Service Collective Bargaining Act*, to make “an inquiry into the items in dispute referred to it”, and to make an award dealing with each item in dispute (Section 27 (1)).

2. The Union referred the following matters to the Board:

- Article 20 – Standby and callback
- Article 21 – Vacations
- Article 23 – Special Leave (Domestic Violence)
- Article 32 – Travel Regulations
- Article 38 – Pay Provisions: Rates of pay, step adjustment (CL, PR, TS), pay equity proposal (CL), acting pay, shift and weekend premiums, retention incentive.
- Article 44 – Term of the Agreement
- Appendix 11 – Work from home programs.

3. The provisions referred to the Board by the Employer are as follows:

- Article 3.02 – Equity and Diversity Initiatives
- Article 13.02 Expression of Interest

- Article 13.03 – Job Posting
- Article 19 – Overtime
- Article 25.06 – LTD
- Article 29.07 – Time Limits
- Article 37.01 – Consultation
- Article 39.02 – Injury Pay Provisions.

4. In consultation with the parties prior to beginning our deliberations, it was jointly agreed that the Board would follow a mediation – arbitration process, by which it would attempt to assist the parties to come to agreement, at the end of which it would issue a binding Award pursuant to Article 27(1) of the **Act**. The Board received substantial written submissions from the parties addressing the matters in dispute, and the principles of Interest Arbitration. We met with the parties on May 8 and 9, and June 3, 2022. Prior to these sessions, certain of the outstanding issues referred to the Board were resolved/withdrawn. We are satisfied, after making inquiry into the remaining matters, that the following changes should be incorporated into the new collective agreement.

#### Article 13 – Reassignment and Job Vacancies

##### 13.02 Expression of Interest

- (c) Employees, who have completed their probationary period, and have not accepted another job offer within the past twelve (12) months, are eligible to apply for an expression of interest within the same classification and same department provided that they are:

- (i) A permanent full-time or part-time employee, including a permanent full-time or part-time employee who is working in a temporary or term position; or
- (ii) A seasonal employee; or
- (iii) A permanent full-time employee, part-time employee or seasonal employee working in a temporary or term position who applies for an expression of interest in the same department as their temporary or term position and in the same classification as their temporary or term position.

### 13.03 Job Posting

- (c) The Employer may designate up to ten (10) job postings per year to: Indigenous People, persons with disabilities, African Nova Scotians, other racialized persons, and women in roles in which they are under-represented, without Union approval.

The Union and the Employer may agree that additional job postings be designated to members from the above noted employment equity groups. The Union shall agree or disagree with the Employer's request to restrict the job posting within ten (10) business days of the Employer providing the Union with the rationale, position description, departmental seniority list of the impacted classification and applicable organizational chart.

## Article 20 – Standby and Callback

### 20.01 Standby Compensation (effective March 31, 2024)

Except as provided in 20.06, employees who are required by the Employer to standby shall receive standby pay for each standby period of eight (8) hours or less in accordance with the following:

Regular Rate, Non-holiday	\$20.00
Holiday Rate	\$40.00

## Article 21 – Vacations

### 21.01 Annual Vacation Entitlement

Subject to Article 18.05, an employee shall be entitled to receive annual vacation with pay:

- (c) each year after one hundred and sixty-eight (168) months of service at the rate of two and one twelfth (2 1/12) days for each month of service; five (5) weeks after fourteen (14) years of service.

## Article 32 – Travel Regulations

### 32.01 Kilometrage Allowance

Effective June 8, 2022, the threshold for kilometrage under Article 32 will be raised from 16000 kms to 20000 kms for all employees for the life of the current agreement. For clarity, the threshold will revert back to 16000 kms at midnight on March 31, 2024.

## Article 38 – Pay Provisions

### 38.01 Rates of Pay

The rates of pay as set out in the Appendices containing the pay plans for each of the bargaining units shall form part of this Agreement and include the following economic adjustments:

April 1, 2021	1.5%
April 1, 2022	1.5%
April 1, 2023	3.0 %
March 31, 2024	0 .5%

### 38.12A Shift Premium

Effective June 8, 2022, an employee shall receive a shift premium of two dollars and thirty-five cents (\$2.35) per hour for all hours worked, including overtime hours worked, on complete shifts, half or more of the hours of which are regularly scheduled between 6.00 p.m. and 6.00 a.m.

### 38.12B Weekend Premium

Effective June 8, 2022, an employee shall receive a shift premium of two dollars and thirty-five cents (\$2.35) per hour for all hours worked, including overtime hours worked, on complete shift, half or more of the hours of which are regularly scheduled between 12.01 a.m. on Saturday and 7.00 a.m. on Monday.

### 38.13 Pay Equity

The parties agree to the creation of a Joint Committee, with equal numbers of Union and Employer representatives, to undertake a systematic review of pay equity affecting the CL Pay Plan in the Civil Service. The Committee would have the authority to retain outside expertise as required, to be cost shared by the Employer and the Union and would report to the parties, with non-binding recommendations, no later than sixty (60) days before the expiry of the renewed Collective Agreement on March 31, 2024.

**MEMORANDUM OF AGREEMENT – WORKING CONDITIONS  
FOR DEPARTMENT OF COMMUNITY SERVICES  
CHILD PROTECTION SOCIAL WORKERS**

Whereas four joint, Labour-Management Committees in the Department of Community Services (“the Labour-Management Committees”) have made a series of recommendations regarding the working conditions of Social Workers in Child Protection Programs operated by the Department;

And Whereas a number of those recommendations deal with matters that fall under the Civil Service Agreement, including the use of standby and standby rates, retention incentives including for rural and remote areas, and Occupational Health and Safety;

And Whereas the parties are committed to the implementation of measures that respond to the recommendations identified by the Labour Management Committees;

The Parties hereby agree as follows:

1. No later than December 31, 2022, the Parties will present to a Joint Committee any proposals for implementation of the recommendations which deal with matters that fall under the Civil Service Agreement. No proposal will be presented without the mutual agreement of the Parties.
2. The Joint Committee will be made up of four (4) representatives designated by the Employer and four (4) representatives designated by the Union.
3. The Joint Committee will meet as soon as practicable after receiving the proposals and will agree on the terms by which those proposals are to be implemented.
4. If the Joint Committee is unable to agree on the terms by which any proposal is to be implemented, the Parties will refer the matter for determination by an adjudicator from the roster referenced in Appendix 10 of the Civil Service Agreement.

5.The Arbitration Board unanimously agrees that the above provisions should be incorporated into the renewal collective agreement, along with all other items previously agreed, and so orders.

Dated this 8<sup>th</sup> day of June, 2022

---

Susan M. Ashley, Chair, on behalf of the Arbitration Board



5



### MLA Salary Overview

#### MLA Salary Overview

The basic annual indemnity (salary) for a MLA is \$89,234.90. There has been no increase since January 1, 2013. An additional indemnity may be paid if a MLA holds the position of Premier, a Minister, the Speaker or Leader. These amounts are fully taxable. Pay is allocated bi-weekly by direct deposit to your financial institution.

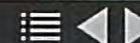
Per the House of Assembly Act a Member who serves for any part of a month is entitled to be paid for the entire month.

Payments for Committee Chairs or Vice Chairs are made at the end of each six-month period of work, as long as the committees met. These payments are made on/near September 30 for the period April 1-September 30 and on/near March 31 for the period October 1 – March 31.

Payments for House Leaders, Whips and Caucus Chairs are made at the beginning of each six month period of work. These payments are made on/near April 1 for the period April 1- September 30 and on/near October 1 for the period October 1- March 31.

## Members' Compensation and Benefits

[Need Help? Click here.](#)



### MLA Salary Overview

	Compensation <sup>(*)</sup>	Receiptable Allowance
MLA Indemnity	\$89,234.90	
Additional Indemnity:		
Premier	\$ 112,791.20	
Speaker	\$ 49,046.51	
Minister with Portfolio	\$ 49,046.51	
Minister without Portfolio	\$ 49,046.51	
Leader of the Opposition	\$ 49,046.51	\$ 42,024.00
Deputy Speaker	\$ 24,523.25	\$ 4,202.00
Leader of a Recognized Opposition Party	\$ 24,523.25	\$ 42,024.00
* Paid bi-weekly in 26 equal instalments		
<b>Committee Payments</b> (excludes the Speaker or Exec Council member)		
Chair of Public Accounts Committee	\$ 3,152.00	
Chair of all other Committees of the House	\$ 2,101.00	
Vice-Chairs of all other Committees of the House	\$ 525.00	
House Leader	\$ 10,506.00	
Deputy House Leader	\$ 5,253.00	
House Leader of the Official opposition	\$ 24,523.25	
Deputy House Leader of the Official opposition	\$ 5,253.00	
House Leader of a recognized party	\$ 10,506.00	
Deputy House Leader of a recognized party	\$ 5,253.00	
Whip of each recognized party	\$ 5,253.00	
Caucus Chair of each recognized party	\$ 10,506.00	



### Long Term Disability Plan

#### Long Term Disability Plan

The most up to date and detailed information on the Members' Long Term Disability Plan can be provided by contacting the Director, Office of the Speaker.

Your Long Term Disability Program is provided by The House of Assembly Management Commission, in partnership with the Manufacturer's Life Insurance Company.

You are eligible for Long Term Disability if you are a member under age 65 of Nova Scotia's House of Assembly, with less than 15 years of pensionable service.

The cost of the coverage is shared on a 50/50 basis between the MLA and the government. The LTD deduction from the MLA's biweekly pay is \$26.437.

**Benefits Amount** – You are eligible for 70% of monthly earnings, subject to a maximum benefit of \$3,500 per month. In order to receive benefits greater than \$3,500 per month subject to a maximum of \$6,000 per month, there is a requirement for the Member to complete and submit a medical questionnaire for approval by the insurer. Please contact the Office of the Speaker for the form.



# Members' Constituency Allowance and Expense Claims

Need Help? Click here.



## Overview

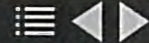
## Overview

	Monthly	Annual
Constituency Office Expenses	\$ 4,282	\$ 51,384
Annual Additional Constituency Allowance (amount depends on constituency)	\$1,172–\$1,546	\$14,059–\$18,558

Each Member is entitled to claim up to a maximum of \$5,454–\$5,828 per month (depending on the MLA constituency; see regulation 43A) net of HST, for office and constituency related travel expenses that are incurred to operate a Member's constituency office.

The annual additional allowance is allocated per constituency as follows:

- \$18,558 Colchester-Musquodoboit Valley, Cumberland South, Guysborough-Tracadie, Inverness, Queens and Victoria-The Lakes
- \$17,434 Colchester North, Digby-Annapolis, Eastern Shore and Shelburne
- \$16,309 Annapolis
- \$15,184 Antigonish, Argyle, Cape Breton East, Chester-St Margaret's, Cumberland North, Hants East, Hants West, Kings West, Lunenburg West, Pictou East, Pictou West and Richmond
- \$14,059 All other constituencies



### Overview

### Overview

Travel claims can be submitted bi-weekly or on a monthly basis. There are two types of travel claims and it is important the claims are kept separate. As well, monthly travel is tracked by the Department of Finance so please do not put different month's travel on one claim. Eg. July only travel on a July claim.

MLAs are reimbursed at the same rate per km as civil servants. The current rate to be claimed is \$0.5113 cents per kilometre up to 16,000 kms; \$0.4513 cents per km for travel greater than 16,000 kms

Travel related to Commuting (includes regular caucus meetings), Out of Town Caucus, Committees, Conferences and Legislature and other related Per Diems. You use the claim form titled [Travel Log – related to Other Travel and Per Diems](#) and [Travel Log >16,000 kms - related to Other Travel and Per Diems](#) for these types of claims. See "Other Travel" on page 4-3

1. Travel related to Constituency work or related to your duties as a MLA. You use the claim form titled [Travel Log – related to Constituency Travel Allowance](#) and [Travel Log > 16,000 kms - related to Constituency Travel](#) for these types of claims.

### Kilometrage Reimbursement

MLAs are reimbursed at the same rate per km as civil servants. The current rate to be claimed is \$0.5113 cents per kilometre up to 16,000 kms; \$0.4513 cents per km for travel greater than 16,000 kms.



### Other Travel

#### Other Travel

Other Travel is travel related to commuting, out of town caucus, committees, conferences, and per diems related to the Legislature sitting and other per diems.

#### Commuting - Outside Members

A Member whose principal place of residence is more than 100 kms from Province House is an Outside Member and are eligible for Commuting Trips. Members can be reimbursed for a maximum of 52 return trips from April to March to Halifax to attend regular caucus meetings and sittings of the House. If you use tolls or bridges for your travel, we suggest you obtain a Mac Pass as you can use the statement for your expense claim (as receipts are required).

When the House is not sitting, an Outside Member can only be reimbursed for two nights' accommodation and three per diems for each commuting trip. Allowances do not apply on weekends or statutory holidays unless in exceptional circumstances, where the Speaker determines that travel on a holiday or Saturday or Sunday is necessary. Any stays longer than 2 nights need to be approved by the Speaker in advance by completing the [Speaker Approval](#) form.





### Other Travel

#### Commuting - Inside Members

Inside Members (those whose residence is within 100 kms of Province House) cannot claim for commuting travel costs or commuting per diems under Other Travel. However an inside Member can claim the mileage to travel to Halifax on the [Constituency Travel form](#) "in relation to your duties as a member", provided there are funds available in the Constituency allowance. See section 4.2.

#### Out of Town Caucus Trips

A Member can claim for mileage, per diem if meals not provided, and accommodation not to exceed the government rate for four trips annually to attend an out of town (outside Halifax) caucus meeting.

#### Committee Trips

A Member can claim for mileage, a per diem of \$50 for not more than 2 days to cover the cost of meals and other incidentals, and accommodation not to exceed one night or the government rate.

#### Ottawa Trips

A Member can claim for economy air fare, normal ground transportation, a per diem of \$100/day to cover the cost of meals and other incidentals, and accommodation government rates for two return trips annually to attend meetings in Ottawa.





### Other Travel

#### Critic Trips

A Member occupying the position of critic of a government department or agency can claim for mileage, a per diem of \$50 for not more than 3 days to cover the cost of meals and other incidentals, and accommodation not to exceed two nights and at the government rate – for a max of four trips per year, per critic role. **Speaker Approval** is required prior to incurring the expenses.

#### Parliament or Legislative Meetings or Conferences

A Member can claim for economy air fare, normal ground transportation, a per diem of \$100/day outside Nova Scotia but within Canada, and \$150/day if outside Canada, to cover the cost of meals (when meals not provided for) and other incidentals (i.e. parking) and accommodation (at government rate) to attend parliamentary or legislative meetings or conferences, if approval from the Speaker is obtained in advance ([Speaker Approval](#) form). Proof of the Speaker's consent must accompany the [Travel Log – related to Other Travel and Per Diems form](#) when submitted for reimbursement. If the conference itinerary and/or registration includes meals, the cost of the meals per the civil service Travel Policy per diem must be deducted from the MLA per diem.

#### Legislature per diems

Inside and Outside Members can claim a per diem of \$50 for each day the House sits, and the member is in attendance, to cover the cost of meals and other incidentals. These per diems go on the [Other Travel form](#).

## Members' Travel Expenses

Need Help? Click here.



### Other Travel

#### Committee Per Diems

Inside and Outside Members who are appointed to a committee may claim a per diem of \$50 for each day a Committee meets, and the member is in attendance, to cover the cost of meals and other incidentals. These per diems go on the [Other Travel form](#). [Speaker Approval](#) form is required prior to travel.

#### Conference Per Diems

A per diem of \$50 for travel within NS, \$100/day outside Nova Scotia but within Canada, and \$150/day if outside Canada, to cover the cost of meals and other incidentals. If the conference registration and itinerary includes meals, the meal value should be deducted from the per diem at the civil servant rate of \$8 for breakfast, \$15 for lunch, and \$20 for dinner.



### Other Travel

#### Hotel Rates

The current maximum that can be reimbursed for hotel accommodations is the government rate for the establishment (providing the Member does not have an apartment).

#### Inside Members Requiring Overnight Accommodation

If an inside member requires overnight accommodation due to inclement weather, the time of day, or some other reason acceptable to the Speaker, they may claim reimbursement for an overnight stay in Halifax ([Speaker Approval](#) form). Attach the invoice and proof of payment and submit the expense on the [Other Travel Claim form](#).

Annually on May 1 each non-outside member who has claimed reimbursement for overnight accommodation shall provide to the Clerk of the House a report setting out the dates and the reason in each case for the overnight hotel stays for the fiscal year ending on March 31<sup>st</sup>. "The House sitting" is not a valid reason and more explanation is required.





### Constituency Travel

### Constituency Travel

Members can be reimbursed for travel within the constituency or travel in relation to the Member's duties and the cost comes from the MLAs Constituency Allowance. Use the [Travel Log – Related to Constituency Travel form](#) to claim these expenses. This includes mileage to travel to your office, to meetings, and to the legislature (inside members only). If you use tolls or bridges for your travel, we suggest you obtain a Mac Pass as you can use the statement for your expense claim.

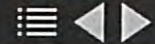
Travel costs (mileage, destination, purpose) should be recorded by day. You can use the [Travel Log – related to Constituency Travel form](#). Mileage is reimbursed at the provincial rate per kilometer. Meals and accommodation expenses will be approved only when:

- the mileage for the trip exceeds 250 km one way,
- or
- 500 kms return

We suggest the Member print many of these forms and attach them to a clip board to keep in their personal vehicle. When you take trips in your constituency or related to your duties as a MLA, record these in the [Travel Log – Related to Constituency Travel form](#) so that you have an accurate record, which is required to claim reimbursement. Do not use this form for commuting, out of town caucus, or committee or legislature per diem reimbursements.

# Members' Living Allowance

Need Help? Click here.



## Overview

## Overview

	Monthly	Annual
Outside Member Living Allowance	\$ 1,499	\$ 17,988
Outside Minister Living Allowance	\$ 1,700	\$ 20,400

A Member whose principal place of residence is more than 100 kms from Province House is an Outside Member, and they can be reimbursed up to \$1,499 / Ministers up to \$1,700 per month, for expenses related to having rental accommodation in the City of Halifax, with receipts and proofs of payment, on the [Living Allowance Claim form](#). A copy of the lease must be on file at the Speaker's Office and then a monthly invoice is not required. Approved expense items include:

- accommodation rental;
- the cost of parking for one vehicle at or near the rental unit;
- the cost of utilities provided to the rental unit;
- a security deposit;
- the cost of keys or other security devices or services;
- the cost of Internet, cable television and telephone service;
- the cost of tenant insurance;



### Overview

- the cost of the rental of appliances or furnishings; and
- the cost of vacuum, mini fridge, microwave, heater, water cooler, air conditioner and dehumidifier to a maximum per unit cost of \$200.00 and small appliances such as kettle, drip coffee maker and toaster oven to a maximum per unit cost of \$50.00.

Effective November 1, 2013 furniture and appliance purchases (excluding mattresses and linens) made by members for their rental accommodation are provincial assets and will need to be tagged and recorded on their inventory. Follow the same Asset Addition process outlined in section 3.3.1.

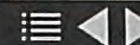
A newly elected outside member is entitled one time to be reimbursed up to \$2,550 for furnishings, utensils, cookware, linens and appliances as are required to set up their rental accommodations. Please include all start up items on one separate Living Allowance Claim, submitted with a completed [Asset Addition form](#) for reimbursement.

Ineligible expenses include: the cost of televisions, radios, CDs, DVDs, DVRs or other forms of entertainment systems or machines.



## Financial Benefits When I Am No Longer a MLA

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### Transition Allowance

### Transition Allowance

Please see section 40 in the House of Assembly Act titled Transition Allowance.  
[nslegislature.ca/sites/default/files/legc/statutes/house%20of%20assembly.pdf](https://www.nslegislature.ca/sites/default/files/legc/statutes/house%20of%20assembly.pdf)

A transition allowance is not payable to a Member who is or would have been entitled to an immediate retiring allowance (pension) at the moment the member dies, does not re-offer, resigns or is defeated.

This allowance is payable in

- a lump sum within 30 days of the member ceasing to be a member, or,
- equal amounts over twelve months,

Effective December 15, 2011 the entitled member “shall be paid a transition allowance equal to the product of

- a. one twelfth of the person’s number of months of service as a member of the House; and
- b. one twelfth of the annual indemnity and allowance for a member at the rate in force immediately before the person ceased to be a member,
- c. but in any case not less than twenty-five per cent or greater than one hundred per cent of the annual indemnity and allowance referred to in clause (a) and (b).

## Financial Benefits When I Am No Longer a MLA

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### Transition Allowance

#### Example 1

A Member making \$89,000 and with 15 years of service would get  $(180 \text{ mos.} \times 1/12 = 15) \times (1/12 \times \$89,000 = \$7,416) = \$111,240$  however clause c) does not entitle a Member to more than the annual indemnity so the transition allowance is \$89,000.

#### Example 2

A Member making \$89,000 and with 4.5 years of service would get  $(54 \text{ mos.} \times 1/12 = 4.5) \times (1/12 \times \$89,000 = \$7,416) = \$33,372$ .

### Transition Allowance Payment Options

- A Member can transfer \$2,000 of a transition payment into a Registered Retirement Saving Plan for each year of service (including partial year) up to and including 1995.
- In addition, a Member can transfer the remaining contributions to a Registered Retirement Saving Plan provided that they have sufficient unused contribution room as determined on their Revenue Canada Income Tax Notice of Assessment from their previous year tax return.



## Financial Benefits When I Am No Longer a MLA

Need Help? Click here.



### Counselling or Retraining Services

#### Counselling or Retraining Services

The Counselling and Retraining Allowance is only eligible for those in receipt of the Transition Allowance and not for those immediately eligible for an unreduced pension. The eligible member must apply to the Speaker in writing for approval to obtain counselling or retraining services to a maximum of \$7,500.00. The request can be made in advance of an election if they confirm in writing to the Speaker their intention to not re-offer or they can make the request after an election defeat or resignation. The services must be accessed no later than 12 months from the commencement of the payment of the Member's transition allowance. If the Speaker approves the service provider, the invoice is made out to the Speaker on behalf of the retiring MLA, and the payment is made directly to the service provider.

If a MLA is re-elected after having received retirement counselling, career counselling or career retraining services pursuant to the House of Assembly Act, the MLA must immediately reimburse the cost of the services to the Speaker's Office.

Please see section 40A in the House of Assembly Act titled Counseling or Retraining Services. [nslegislature.ca/sites/default/files/legc/statutes/house%20of%20assembly.pdf](https://nslegislature.ca/sites/default/files/legc/statutes/house%20of%20assembly.pdf)

## Financial Benefits When I Am No Longer a MLA

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### MLA Pension

#### MLA Pension

The most up to date and detailed information on the MLA Pension Plan can be obtained from the website. [mlapp.novascotiapension.ca](http://mlapp.novascotiapension.ca)

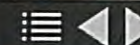
Effective October 1, 2013, Members contribute 10% of each of the two components of a MLA's remuneration: Members' Indemnity Service (MLA salary) and if applicable Salary Service (Executive Council/Leader/Speaker/Deputy Speaker salary).

Contributions are paid for a maximum of 20 years on each service or until they have earned the maximum pension, if earlier. Contributions cease once 20 years of Indemnity service (or the maximum Indemnity accrual, if earlier) has been reached. After the maximum pension contributions are paid, a member's basic salary may increase resulting in an increase in the value of the MLA pension when it goes into pay. The pension payout is based on the best 3 years earnings whether or not the MLA was contributing to the pension plan during those 3 years.

Your pensionable service begins to accrue on the first day of the month in which you are elected to the House of Assembly, regardless of which day of the month the election is held. You are credited with a full year of pensionable service for each twelve calendar months regardless of the number of days the House of Assembly sits. You stop accruing pensionable service on the last day of the last month for which you are paid as a Member of the Legislative Assembly or when the maximum number of years or maximum total accrual is reached, if earlier.

## Financial Benefits When I Am No Longer a MLA

[Need Help? Click here.](#)



### MLA Pension

If you resign as a MLA, your last day of pay and earning pensionable service is the last day of the month in which your resignation is effective. If you do not contest an election, or are unsuccessful in an election, your pensionable service ceases on the last day of the month in which the day immediately preceding the election falls. Since October 1, 2013 the maximum pension that can be paid to a MLA is 70% of their average salary in the best 3 years of service as a MLA. A minister or leader can earn the maximum pension of 70% of the average salary in the best 3 years of employment as a MLA PLUS a maximum of 70% of the average of the minister's or leader's salary in the best 3 years of service as a minister or leader. A pension exceeding 70% could be payable only where the percentage attained prior to the October 2013 election exceeded 70%.

Effective November 1, 2013, eligibility to receive a MLA pension requires that a Member serve at least two years as a MLA.

For a MLA elected for the first time in the October 2013 election, a pension benefit is based on the following formula:

- # years of Indemnity service (max 20 years) x 3.5% (accrual rate) x average salary in the best 3 years to a ceiling of 70%.

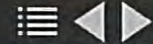
For Cabinet service and for Leaders a separate calculation is made as follows:

- # years of service as a Cabinet Minister (max 20 years) x 3.5% (accrual rate) x average salary in the best 3 years to a ceiling of 70%.



## Financial Benefits When I Am No Longer a MLA

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### MLA Pension

When a MLA who served as a MLA prior to and was elected again in the October 2013 election, the pension calculation consists of 2 distinct calculations:

1. the calculation for the pre-October 2013 service based on a 5% accrual rate for up to 15 years and to a maximum pension of 75%. (For the members who reached 70% or more prior to the October 2013 election, there is no second calculation and no further contributions or accrual of pension.)

and

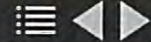
2. the calculation for the post October 2013 service based on a 3.5% accrual rate for up to 20 years minus the years of service before October 2013 for a maximum pension of 70%. (For members who did not reach 70% prior to October 2013 the addition of both calculations cannot in any case exceed 70%.)

Pension payments commence the first month following the last day of the month your resignation is effective, and are made monthly by direct deposit on the 3<sup>rd</sup> last banking day. An unreduced pension is available at age 55 if the member has at least 2 years of service as a MLA; reduced payable as early as age 50.

If a MLA does not meet the eligibility criteria (i.e. has not served for at least 2 years as a MLA), the Member may apply for a refund of contributions plus interest. The contributions made on the Indemnity and Executive Council salary, if applicable, may be transferred to an RRSP if there is sufficient RRSP room; otherwise they are paid directly to the Member.

## Financial Benefits When I Am No Longer a MLA

[Need Help? Click here.](#)



### MLA Pension

Alternatively, you may leave your contributions in the pension plan. Should you become a Member of the Legislative Assembly again at some future time, your previous service would be added to your future service in the calculation of a possible future pension. If you do take a refund and subsequently become a Member again, you may repay your refund plus interest and re-instate your service.

Effective June 2017, the retiring allowance earned under the MLA Pension Plan by a MLA or a former MLA who participates in and has contributed to the Canada Pension Plan is to be integrated with the pension benefits earned under the Canada Pension Plan and must be calculated as prescribed by the plan regulations.

Similarly, effective June 2017, a survivor allowance payable under the MLA Pension Plan to a spousal, child or dependent survivor of a MLA or a former MLA who participated in and contributed to the Canada Pension Plan is to be integrated with the pension benefits earned under the Canada Pension Plan and must be calculated as prescribed by the plan regulations.

For greater certainty, the CPP and survivor allowance changes noted above do not apply to retirement allowances and survivor allowances in pay on or before the date of the next General Election.

A MLA who is not exempt from participation in the Canada Pension Plan is deemed to be entitled to commencement of a pension under the Canada Pension Plan at age sixty-five, regardless of whether the MLA applies for and receives a pension under the Canada Pension Plan at that time.

# **HANSARD**

**NOVA SCOTIA HOUSE OF ASSEMBLY**

## **MLA REMUNERATION PANEL**

**Wednesday, June 8, 2022**

**Via Video Conference**

**Public Consultation**

**Printed and Published by Nova Scotia Hansard Reporting Services**

## **MLA REMUNERATION PANEL**

Ajay Parasram  
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Lawyer and Partner, Mathews Dinsdale & Clark LLP

### **In Attendance:**

Cara Locke  
Assistant Clerk, Office of the Clerk  
Nova Scotia House of Assembly

## **PRESENTERS**

James Charlton  
Chief Clerk  
Nova Scotia House of Assembly

Matthew Timmons  
Director of Administration, Speaker's Office  
Nova Scotia House of Assembly

Patrick Sullivan  
President and CEO  
Halifax Chamber of Commerce



**HALIFAX, WEDNESDAY, JUNE 8, 2022**

**MLA REMUNERATION PANEL**

**PUBLIC CONSULTATION**

**3:05 P.M.**

CARA LOCKE: Good afternoon, everyone. I'm Cara Locke, and I'm joining you today, June 8, 2022, in my capacity as Assistant Clerk of the House of Assembly.

Before we begin, I'm just confirming for everyone present that today's virtual proceeding is part of the public consultation for the remuneration review of the 64<sup>th</sup> General Assembly, and all three members of the panel constituted under the House of Assembly Act are present today. Given the public nature of this afternoon's proceedings, we thank Legislative TV and Hansard for recording and transcribing.

Before opening the floor to today's first presenter, we kindly ask anyone who's attending as an observer to keep their microphones muted at all times. In addition to the remarks from each presenter, there's also time for the panel to ask questions as they feel and see fit to do so.

Without further ado, I ask each of the three panel members to introduce themselves.

[The panel members introduced themselves.]

CARA LOCKE: Our first presenter of the day: I'm pleased to introduce James Charlton, who is the Chief Clerk of the House of Assembly.



JAMES CHARLTON: Good afternoon, distinguished members of the remuneration panel. It's a pleasure to be here. At your request, I'm here to provide a presentation to give you an overview of the eight roles for which the remuneration panel has been tasked with setting the level of remuneration.

I just want to ask: Have the members of the panel all received the electronic copy of my speaking notes? I would invite the panelists at any point in time, if they have questions, just feel free to interrupt me. I understand you've probably all read what I'm going to say, so if you decide that no, we've read it and we want to just jump in with questions, just feel free to go at any time. Otherwise, I will try not to read my comments verbatim.

As I indicated, I'm here to provide an overview of the eight roles whose remuneration you're considering. None of these roles comes with a formal job description, especially in relation to Members of the Legislative Assembly. That's something that you hear repeated time and time again. Rather, it's really a collection of customary duties, statutory duties, and the like, as well as to some extent what members make of the role themselves.

Just to begin, it's useful to consider what the compensation structure is for these folks. Most people whom we're talking about, most of these roles - and I'll get to where there's that little exception there - are held by MLAs. All members of the Legislative Assembly - or MLAs - receive an annual indemnity, which you can think of as the members' base salary. Right now, that amount is a little over \$89,000. Every MLA receives that.

On top of that, MLAs can hold certain additional positions, and in this case, there are two classes of positions that the remuneration panel is tasked with considering. Some of them are particular offices of the House: the Speaker, the Deputy Speaker, Leader of the Opposition and Leader of a Recognized Party. Those four roles, those duties, are always held by an MLA. You can't hold one of those offices without being an MLA.

The people who hold those offices receive, as I say, a salary. We use the terms in the legislation "annual indemnity for members" and "salary" for these other roles, but really it's the same thing. The salary that you receive in these offices is like a top-up to compensate you for the additional duties that you take on in these offices.

Now the other class of offices that the panel is tasked with considering the remuneration for is members of the Executive Council. Their salary requirements are set out under the Executive Council Act. That covers off the Premier, ministers with portfolio and ministers without portfolio.

Almost always, the occupants of these offices are also MLAs, so they'll receive the member indemnity plus the salary for the office. However, just to be technical and to satisfy

the political science professors out there, you don't actually have to be a member to hold any of these offices. There certainly have been occasions in the past when people are appointed from outside of the House of Assembly to a cabinet portfolio and serve. Our conventions around this all dictate that that person would have to go and seek a seat in the Legislature fairly quickly. However, for that portion of time when they are a member of Executive Council and not an MLA, all they would receive would be the ministerial pay.

Just to actually give a federal example: John Turner, when he was Prime Minister, that entire time - depending on how they do the swearing-in, maybe except for the very end - I think for the entire time he was not an MP. He was the Prime Minister of Canada, but he had been out of the House of Commons since 1976. He won a seat in the 1984 election, which also brought the Progressive Conservative government of Brian Mulroney to power, and I suspect without looking into it, without going back - I suspect Brian Mulroney was sworn in as Prime Minister before Turner was actually sworn in as a member of Parliament again. So technically speaking, these roles can receive the salary without a member indemnity but that's kind of a rare thing.

Looking at the roles individually - first of all, member of the Legislative Assembly. The Assembly comprises 55 members, one of whom is elected from each of the 55 electoral districts in the province. They are chosen at a general election, which occurs on a somewhat regular basis approximately every four years. That's when all of the electoral districts are contested all at once. Members can also be elected during a by-election, which is an election that occurs in a single electoral district when there has been some kind of a vacancy. When a member has retired, resigned or passed away, that will trigger a by-election.

I talked about the idea that there's no formal job description for any of these roles. That has been stated time and time again in particular with MLAs. I think where we've probably heard that a lot recently was in the writings of Graham Steele, who published a few books after his time as an MLA and Cabinet minister. I've heard this comment reflected by members of all three parties: There is no job description for being an MLA. Nowhere does it tell you how you go about being an MLA. What is your job exactly?

It's useful to consider there are - and I'm stealing a bit from Graham Steele's comments again here - things that only an MLA can do and then there are things that MLAs do that theoretically could be done by other people.

We'll start with what I would classify as the core duties of an MLA, which are the duties in relation to the Legislature. The late Arthur Fordham, Assistant Clerk of the House, characterized the Legislature and by extension MLAs as having four functions: that of lawmaker, of controller of the public purse strings, watchdog of government and lastly, the Legislature as a public forum. Lawmaker may be what we are most familiar with. The Legislature passes bills. It passes bills into law and those bills become statutes. Members have a huge role to play in that.

[3:15 p.m.]

Bills are introduced, and they go through a process of three readings. At Second and Third Reading, there's debate on the bills. After Second Reading, every bill of the House is sent to a Standing Committee of the House of Assembly. This is either the Law Amendments Committee in the case of public bills, or the Private and Local Bills Committee in the case of private and local bills.

At that stage, the public has an opportunity to provide input into the legislation. The Standing Committee holds hearings, the public is invited to come, and the public is able to give their opinion. It's a chance for the MLAs who sit on the Standing Committees to meet face to face with the public and hear what they have to say.

Those committees have the opportunity to pass amendments to the bills, which are then referred back to the House and referred to the Committee of the Whole House, which is exactly what it sounds like. It's a committee of the House, but one that comprises all of its members. At the Committee of the Whole House, now the entire House has an opportunity to pass amendments if it wants to.

After Third Reading, the bill goes on to receive Royal Assent, and then becomes law. There's a lot of opportunity for debate during this process. At Second and Third Reading, each MLA is entitled to speak for one hour. There are also things known as dilatory motions which are kind of an opportunity to delay. That's the Opposition's stock-in-trade. Especially in the case of a majority government, they can't stop legislation, but they can delay it, and they can have their voices heard. So sometimes the Opposition will bring dilatory motions, which gives them an opportunity to speak on the motion for an hour, so that extends the debate process.

Likewise, at Committee of the Whole House, there's up to 20 hours of debate on any bill that can take place. If the members want to talk about the bill, want to debate it, or want to make suggestions about how to fix it, they have significant time available to them to do so.

This sort of encompasses the duty of MLAs as lawmaker. Again, that's probably their most prominent role in the House, and that's what takes up quite a lot of the time, especially outside of the budget.

Speaking of the budget, we have the next role: controller of the purse strings. In our system of government - and it's embodied in Section 20 of the Finance Act - no payment may be made out of the general revenue fund - that's the public purse, really - unless it's been authorized by an Act of the Legislature.

Each year, we have the budget process, where the Minister of Finance and Treasury Board gets up in the House and tables the Estimates and the resolutions. The Estimates sort

of set out what each department needs - what money they need to run for each year - and the resolutions represent what the minister will be asking the House to pass to authorize that spending. The minister gives a budget speech, and at the end of that process, each of the Opposition parties has an opportunity to have one of their representatives give some comments about that.

After that reply, we then go into what is known as Supply. The Supply process takes 40 hours of time in the House. What happens is that the resolutions that were tabled by the Minister of Finance and Treasury Board are referred to another Committee of the Whole House: the Committee of the Whole House on Supply, and to a Subcommittee on Supply. The Committee of the Whole House will take five departments and consider their resolutions. The resolutions of all the other departments go to the Subcommittee on Supply.

The committee and the subcommittee then each sit for up to four hours a day until 40 hours has expired. During that time, theoretically it's debate that's taking place, but in practice what it is in fact is questioning. The ministers get up and answer questions from the Opposition members about their budgets. It's very open-ended. Members don't just ask questions about finance. They ask questions about what's going on in the department, the activities to which that financing relates. It's very much a fact-finding mission on the part of the Opposition.

As I said, this is usually four hours a day for 10 sitting days until 40 hours is completed. At the end of that process, the resolutions are passed, the government hopes, and referred back to the House to concur with. Once the House concurs with those resolutions and has passed them, then an Appropriation Act is introduced. This Act embodies those resolutions, and that is the Act referred to in the Finance Act that will authorize the spending for the next year of government. So this is a very important process. This is how the government is kept accountable for its budget for the coming year and the money it intends to spend.

Looking at the other functions of MLAs: watchdog of government. There are a number of tools that MLAs have, particularly Opposition MLAs, and time dedicated in the House to allow them to keep the government to account. One of the more prominent ones that people would know about is Question Period.

In the Nova Scotia House of Assembly, Question Period takes place Tuesdays, Wednesdays, Thursdays, and Fridays for 50 minutes after the daily routine. During that time, Opposition members may get up and ask questions of the ministers about their particular departments, or oftentimes the Premier will field questions about, really, anything that's being done in the government. This is one of the tools by which the Opposition holds the government to account.

There are also written questions that may be filed with the Clerk. Those questions are sent out to ministers, and they'll appear on the order paper until the minister provides

a written response back. That is often a good tool if you want to ask more technical questions that the minister is not going to be able to answer in the House - maybe more for information dump-type questions, where the minister can take that question, refer it back to their department and then provide a written response at a later date.

We also have the various Standing Committees of the House, including a number of Standing Committees that look at particular topics. They meet throughout the year and bring in expert witnesses and question them. That's a means by which the Opposition - and indeed, the government members - are able to find out about what's happening with particular topics relating to government, and get answers to their questions.

Perhaps most important is the Standing Committee on Public Accounts, which looks at financial matters and Reports of the Auditor General, and is really responsible for helping to hold the government to account for how it spends public money.

The last of the four functions, of course, is that of public forum. This is really the way by which members can give publicity to things that are going on and make things be known. Petitions can be tabled, by which constituents' requests or demands can be made known. They can be very simple things like requesting that a road be paved, or maybe a request that a policy be overturned, or a new policy instituted.

We also have members' statements, whereby members can just get up and speak about, really, anything that they want to talk about. They can have a one-minute statement about that. There are ministers' statements, whereby policies of government are announced. Those also come with a right of reply for a member from each of the Opposition Parties.

Also, there are specific debates. There is a debate every Wednesday called the adjournment debate where the members of the parties represented in the House can propose a topic and have someone from each of the parties discuss that topic. There's also the opportunity to apply for emergency debates to discuss matters of urgent public importance.

That really speaks to the role of MLAs in the House. That is the core role that only MLAs can do. No one else is entitled to sit in the House and discharge those functions. But MLAs only spend a small portion of their time in the House. There are a few weeks in the Spring and a few weeks in the Fall. That's usually what it amounts to: maybe six weeks in the Spring and four or five weeks in the Fall.

A lot of the time, MLAs are doing their work back in the constituency, and that's really a lot of the bread-and-butter work. That's the work the public doesn't see on a daily basis, unless you go to the MLA's office. That's the stuff that - no one MLA does not have to do it. There's no formal expectation of it, but we know in practice that this is what most MLAs do. They spend a lot of time in their constituency talking to constituents, getting their input about the matters that are important to the province, hearing what they like and

what they don't like, hearing what their problems are, and doing significant amounts of casework for people in their ridings.

This sometimes means putting them in contact with government programs or helping them apply for various government benefits that may be useful for helping them solve whatever problem they have. Whether it's applying for a particular grant for a home renovation or contacting the Department of Public Works because you have a problem with the gravel road your house is on where it needs to be graded very badly, and you want to draw that to someone's attention. MLAs spend a lot of time doing that.

To some extent, it's certainly recognized by the fact that we give members a budget for a constituency office and a constituency assistant. We kind of realize that they are, in practice, doing this. It's kind of a more recent phenomenon - recent as within the last few decades. It's not necessarily something that was happening 200 years ago, but the MLA is kind of a social worker for the constituency - that's very much a fact. That's where a lot of the member's time is spent between elections.

Now that I've talked about the members themselves, I'll just kind of go through some of the offices. The Speaker is the presiding officer of the House and is elected by the other MLAs to effectively preside over legislative proceedings and run the House of Assembly. The Speaker maintains order and decorum, regulates debate, decides questions of order, rules on questions of privilege, and generally enforces the Rules of the House.

The Speaker doesn't take part in debates of the House. If a vote finishes in a tie, the Speaker will issue a casting vote. That's usually done in accordance with accepted principles that are all about keeping the debate going. The Speaker is usually expected not to really vote based on what they want to do. It's about being based on certain principles that will keep debate moving along in the event of a tie.

The Speaker is entitled to take part in proceedings of Committee of the Whole House on Supply or Committee of the Whole House on Bills, although in practice the Speaker usually abstains from that. At least, that has been the practice in our jurisdiction over recent years.

The Speaker is the guardian of the privileges of the Assembly and protects the rights of the members. Privilege is essential to the functioning of the Assembly. It protects the Assembly and its MLAs from interference by the executive and judicial branches of government. It allows the Assembly and MLAs to remain independent.

The Speaker also represents the Assembly and has jurisdiction over all matters concerning Province House and the Legislative precinct. The Speaker's role vis-à-vis Province House is generally analogous to that of a minister over a minister's department.

The Speaker is also, by virtue of his or her office, the Chair of the House of Assembly Management Commission, which is the body responsible for the stewardship of public money used by the Assembly and for all of the financial and administrative policy affecting the Assembly and its MLAs, offices and staff.

We also have Deputy Speakers. In the House of Assembly Act, if you look at it, it sort of contemplates a Deputy Speaker but in practice we often have two or three. With Deputy Speakers, the expectation is that they will be elected, but in the case when we have more than one, what often happens is they are appointed by a motion of the House.

We've had different practices in the past. We've had a Deputy Speaker appointed from each recognized party in the House. We've had maybe just Deputy Speakers from the two opposition parties, or we've had two Deputy Speakers from the government. It really sort of depends on what direction the House wants to go and also sometimes what direction the government wants to go in terms of what its members will support. When there is more than one Deputy Speaker, the salary for Deputy Speaker gets divided equally among the office-holders.

When the Speaker is absent, the Deputy Speaker takes the Chair and discharges the Speaker's functions in the House. That can be for a whole sitting day, or it may be for just an hour while the Speaker takes a supper break, something like that. It all really depends. Also, the Deputy Speaker is, by virtue of holding that office, a member of the House of Assembly Management Commission. Usually only one is given that role and if there is a motion appointing more than one Deputy Speaker, usually that role is assigned to one of the Deputy Speakers.

Also quite important: If there is ever a vacancy in the speakership, the Deputy Speaker would take over the role of Speaker and discharge all of those administrative duties that the Speaker has in relation to Province House until such time as a new Speaker can be elected.

Moving on now to the roles of Leader of the Opposition and Leader of a Recognized Party. These roles are fairly similar. In the case of Leader of the Opposition, it is by custom the leader of the party known as the Official Opposition that has the most seats in the House of Assembly and that is not either the governing party or part of a governing coalition. Basically, it's the party with the second-most seats, but not always. There's one case federally where the third-place party was the Official Opposition. That occurred when the second-place party simply refused the role. That was in 1921.

We probably wouldn't see that happen again, but we did have one situation in Nova Scotia where there was no Official Opposition. That was in 1999, when the Liberals and NDP each tied with 11 seats. There was no basis on which to differentiate in terms of who should have the Official Opposition, so the Speaker decided simply not to recognize an

Official Opposition and divide those functions equally until such a time as one party had an advantage in the number of seats.

[3:30 p.m.]

The role of the Leader of the Opposition is to hold the government to account. Often, we think as the Leader of the Opposition as being the Premier-in-waiting, and that party is the government-in-waiting. To that end, the Leader of the Opposition is a counterpart to the Premier. Often in Question Period, you will see the Leader of the Opposition getting up first and asking many questions specifically of the Premier.

The Leader of the Opposition also selects a shadow Cabinet, as it's often referred to, of critics to mirror the responsibilities of the minister of government. These critics scrutinize the work of the ministers and their departments and ask questions of them in Question Period.

In the House, the Leader of the Opposition is entitled to ask the very first question in Question Period, and is also entitled to a second supplementary question rather than the usual one supplementary question on the Leader's very first question. The Leader of the Opposition is also the first person who gets to speak following the moving and seconding of the Address in Reply to the Speech from the Throne at the opening of a new session of the House of Assembly.

Leader of a Recognized Party: It's really the same thing, just for a party with fewer seats. A recognized party is a party in Nova Scotia that has two or more members and has had candidates standing for election for three-quarters of the seats and received at least 10 per cent of the votes recorded in the last general election. There are several criteria and, of course, to be Leader of a Recognized Party, you have to meet those criteria and not be the Premier or the Leader of the Opposition.

Otherwise, their duties are very similar. They appoint critics. The leader of each recognized party would have the opportunity to ask the question after the Leader of the Opposition in Question Period, and would also get a supplementary question, and the Leader of a Recognized Party would have the opportunity to speak after the Leader of the Opposition in Address in Reply.

In Nova Scotia, we have three political parties represented in the House of Assembly. It's been three for quite some time. So effectively, there's one Leader of a Recognized Party, but there's nothing to say that we couldn't have multiple parties that would have recognized status in Nova Scotia. We could theoretically have two, three, or four, like there would be in Ottawa, where they have the Bloc Quebecois and the NDP as recognized parties. The Greens don't have that status at the moment. Obviously, in the past in Ottawa at one point, the Canadian Alliance and the Progressive Conservatives were recognized parties before their merger.



You can theoretically have multiple recognized parties. Really, the role is the same, but usually the caucus for that party would often be smaller. Right now, we have one recognized party outside of the government and the Opposition - that's the NDP. The Official Opposition is about three times the size, but as you can see, there have been times in the past when the size gap between the Official Opposition and a recognized party may be very small - as little as one seat separating the two.

Moving on from these offices of the House, we'll just talk about ministers briefly. First, we have the Premier - that is the first minister. It's the title given to the person chosen by the Lieutenant Governor to form the government. This is usually the leader of the party having the most seats in the House of Assembly.

Sticking with the trivia, I point out that in 1925, federally at the House of Commons, William Lyon Mackenzie King actually had the second-most seats, but decided he would continue on as Prime Minister with the support of the Progressives, who held the balance of power. That was the one occasion I'm aware of, at least federally, where a party without the most seats effectively formed government. It hasn't happened here in Nova Scotia, but theoretically - depending on how many parties you have and which parties are willing to support which other parties - you could have someone other than the leader of the party with the most seats being Premier.

Premier is just a synonym of Prime Minister, and it differentiates our provincial heads of government from the federal head of government. Traditionally, the person holding the role of Premier is appointed as the President of the Executive Council. That's the case here in Nova Scotia. I believe it's the case in most other provinces. That practice isn't necessarily followed in Ottawa, where the President of the Queen's Privy Council for Canada has on some occasions been the Prime Minister, and on other occasions been another member of Cabinet.

Part of the importance of the Premier is that the Premier gets to choose who will serve in Cabinet. The Premier makes recommendations to the Lieutenant Governor who then appoints the individual so recommended. All ministers serve at the pleasure of the Premier, and the Premier can dismiss them whenever the Premier wants. The resignation or dismissal of a Premier brings about the dissolution of Cabinet. The Lieutenant Governor would then have to select a new person to form government and become the Premier and assemble a new Cabinet.

As the President of the Executive Council, the Premier gets to preside over Cabinet meetings and has charge over Executive Council Office, which is actually considered to be a department of government under the Public Service Act. While the title of Premier appears very infrequently in legislation, I think the panel members would immediately recognize it's a position of great power. The Premier is the head of government, and effectively directs the exercise of all executive power in the province.

Outside of the Premier, the rest of the members of the Executive Council can be divided between ministers with portfolio and ministers without portfolio. Ministers have a variety of duties to which they are assigned, either by statute or by the Governor in Council. Ministers often have duties to discharge and powers to exercise under statute that are either exercised directly by the minister or in the minister's name by staff at the department.

The ministers are not responsible for the day-to-day running of the department. That is left in the hands of the Public Service. The ministers are supported by a deputy minister, extensive staff and civil servants to that end. The minister is responsible for the overall direction of the department and for making the key policy and strategic decisions in accordance with the will of Cabinet. To that end, a minister receives expert advice and support from the department, and the department is tasked with loyally implementing the decisions made by the minister.

The minister is individually accountable to the House of Assembly and politically responsible for everything that the minister does and that is done in the minister's name, and also for the minister's department if the minister has one. Ministers are also collectively responsible. So the Premier and ministers act collectively as the Executive Council - Cabinet, as we would say - making collective decisions about government and issuing legal instruments in the form of Orders in Council that give effect to Cabinet's decisions. This can also include making delegated legislation in the form of regulations.

Orders in Council are issued by what we call the Governor in Council. That simply means the Lieutenant Governor acting on the advice of Executive Council.

Ministers are collectively responsible to the House for their decisions. So to give effect to that, certain conventions are followed. Ministers must respect Cabinet confidentiality, which means they don't reveal the substance of Cabinet deliberations. Therefore, ministers in Cabinet may disagree furiously, have a conversation or even a strong debate about an issue, but once that debate is settled in Cabinet, no one else outside those doors gets to hear about it. That allows vigorous and frank debate.

Ministers must publicly support decisions of Cabinet and vote with the government in the House, even if they disagree. The time for debate for Cabinet is in Cabinet meetings. Once the matter is resolved, as a minister, you must either accept that and support that Cabinet decision or you must resign from Cabinet. Lastly, ministers must maintain the confidence of the majority of the House of Assembly.

If the government loses the confidence of the House - for example, if the budget failed to pass - usually if there's any matter of confidence in the House, whether that is a vote of no confidence or critical legislation like the budget, the Financial Measures Act or any other key piece of legislation on which the government is defeated, that would bring about the end of that government. The Premier would be expected to resign and either there would be a new election, where the Premier might advise a dissolution of the Assembly for

a new election, or theoretically - depending on the circumstances - perhaps the Opposition Leader would be asked to form a government. Usually, it would result in a dissolution.

The Premier - we talked about that being a separate position and it has its own salary set. Right now, the salary payable to ministers with portfolio and ministers without portfolio is the same. Actually, the way it is set up is that ministers without portfolio - there is a maximum amount that they can be paid. The Governor in Council will set a rate, somewhere between \$7,500, which is set out in the Statute, and that maximum rate. In recent practice, ministers with a portfolio have simply been given the full rate.

What is a minister with portfolio? That's a minister having charge of a department. Ministers are assigned to oversee one or more government departments. The Executive Council Act sets out 33 ministerial offices to which ministers may be appointed. However, I note that those don't all correspond to a department. The Public Service Act sets out 19 departments of government and also provides authority to establish up to two more by Order in Council. Anyone having charge of one of those departments would be a minister with portfolio.

There is also authority to establish offices, which would be headed politically by a minister, or run on a day-to-day basis by a Chief Executive Officer, who is really in the same position as the deputy minister. The distinction between a department and an office is really a distinction without a difference. As near as I can see, I believe that the Executive Council Office is treating ministers who are not assigned to departments but offices only, the same as a minister with a portfolio for the purpose of remuneration. To be in charge of an office is the same as to be in charge of a department.

Ministers without portfolio - this is a thing that is increasingly rare today. A minister without portfolio is simply a minister who doesn't have charge of a department. It used to be incredibly common to have ministers without portfolio in the days after Confederation when there were actually very few departments of government.

As I mentioned in my speaking notes that were circulated, in 1917 there were actually only three portfolios that a Cabinet minister could hold. You would have the Premier and you would have three ministers with portfolio. They were the Attorney General, the Provincial Secretary, and the Commissioner of Public Works and Mines. Every other Cabinet minister was a minister without portfolio. It was really from that time on that we started to see departments created and handed out as portfolios to ministers and the use of minister without portfolio began to decline.

If we look back at the last five members to be styled as a minister without portfolio, we had one member for a few months in 1996, another member for about a year between 1983 and 1984, and then you would have to go back to the late 1960s. That's when you start to get some members who actually held the title of minister without portfolio for a longer period of time - for years and perhaps through a couple of Assemblies on end. They

were full members of Cabinet who simply didn't have a portfolio. That's back when there were simply fewer portfolios to go around.

[3:45 p.m.]

There are also situations where someone might not be styled as a minister without portfolio, but they may be in practice. I'll give an example of Eleanor Norrie in 1993, who was given a number of responsibilities, but none of them actually involved having charge of a department. She wasn't styled as a minister without portfolio, but there was an Order in Council passed authorizing her to be paid at the full rate as though she were a minister without portfolio. This reflected that she had been given charge of a number of duties, certain statutes, and certain bodies, but none of them were a department. She was in practice a minister without portfolio.

In other jurisdictions, the role of minister without portfolio is used to create other sort of junior ministerial positions, such as associate ministers. Someone would be styled as an associate minister for some subject matter, but they would be in effect, and paid as, a minister without portfolio. They would usually have some kind of a - I don't want to say a minor role, but they would be in charge of some aspect of a minister with portfolio's mandate, and they would be there to help that minister. Governments looking to create these - whether they call them junior ministers or associate ministers or some other title - would use the role of minister without portfolio as the basis for that. That's what they would be in substance, but styled as something else.

I'll just mention that there are a number of reasons why you might want to have a minister without portfolio. It may be that you want to have someone in your Cabinet without them having to carry the burden of a department. That may be the case with a retiring member whose wisdom you want, as Premier, to keep in your Cabinet over the remainder of their time in the House of Assembly.

It also can be useful to relieve a member of duties if they were, for example, suffering from a long-term illness and had to dedicate time to healing up. You might want to keep them in Cabinet but relieve them of the burden of administering a department over that time.

Also, there are some other roles: for example, the Government House Leader. The Government House Leader must be a minister. The Rules sometimes refer to not "the House Leader" but "the minister leading the House." But the duties of the Government House Leader are quite onerous, so it may be that you want to appoint someone as a minister without portfolio so that they can carry on the duties of Government House Leader as a minister without having to divide their time between those duties and administering the department.

I think those are all of my comments. I took significantly longer to say them than I intended. Are there any questions that I can answer for you?

BURTLEY FRANCIS: Thank you, James, for that. That's a very thorough walk-through and very helpful from my perspective.

I do have a couple of questions, if I may. The first one relates to your comments about the Speaker and the Deputy Speaker. You noted that there may be, and often are, multiple Deputy Speakers who are appointed. My question, I guess, in context between the serving of a Speaker and Deputy Speaker: Do those functions overlap, or is it the case that the Deputy Speakers are really only engaged in the absence of the Speaker?

JAMES CHARLTON: The one place where the Deputy Speakers are invaluable - and I did neglect to mention this - is that Deputy Speakers also serve as the Chair of committees. So they will chair all proceedings of the Committee of the Whole House on Bills and the Committee of the Whole House on Supply. The Speaker cannot do that. So at a bare minimum, if you have a completely engaged Speaker who misses no time whatsoever in the House, the Deputy Speakers will step in and will chair those meetings and be responsible for maintaining order and regulating the proceedings of the House, ensuring that the Rules are followed during those Committees of the Whole. Otherwise, they step in when the Speaker is absent.

I'll give you an example of when you might see something like that. Oftentimes you'd have the Speaker be present for the daily routine and Question Period, but then the House at some point goes into Committee of the Whole - let's say for Supply, for four hours - and there's only going to be a little bit of business after that. There's no point in the Speaker, perhaps, staying around for those four hours to come back and preside over 20 minutes of business at the end of the day. So the Speaker may be absent for the rest of the day and allow one of the Deputy Speakers to go and preside after Committee of the Whole for that last 20 minutes of business. It might be Third Reading of a couple of bills or something like that.

One never really knows when the Deputy Speaker is going to be needed. It may be because the Speaker is away at a conference or something like that and has to travel, and the Deputy Speaker would step in for a day or two. The one time that they are absolutely 100 per cent needed is during all proceedings of the Committee of the Whole.

BURTLEY FRANCIS: Thank you for that clarification. My next question related to that is just a clarification about the Speaker's duties. Would those last throughout the duration of the year, or is that only when the House is sitting?

JAMES CHARLTON: It's throughout the duration of the year. There are various things - for example, we have to get ministerial approvals. We don't have a minister, of

course, but that term is used for certain expenditures. Those will go to the Speaker of the House for approval here.

Even when the House isn't sitting, the Speaker is very much engaged in the administration of the House. I would have regular conversations with the Speaker, advising the Speaker of things that are going on here, getting the Speaker's authorization to do things or take actions. The Speaker is really involved in the administration on a year-round basis. It's not seasonal work in that regard.

BURTLEY FRANCIS: Thank you. My final question is in relation to a shadow Cabinet, as you describe it, for basically the Opposition parties. Are those ministers who are selected to be the critics treated - I guess I should say, is there remuneration based on the base indemnity only?

JAMES CHARLTON: I'm speaking off the top of my head, but I'm 99 per cent certain that there is no compensation for being a critic. One thing is that oftentimes there are more critic roles than there are ministerial roles. Sometimes portfolios will be divided up among members based on their interests, or the rest of the time they may even create critic positions that really don't have a counterpart but relate to some particular subject matter that the Opposition is concerned about and wants to be seen asking questions about and wants to hold the government to account over.

I'm just going to check the Management Commission regulations very quickly to confirm. No, there is no remuneration - I was 99 per cent certain but I wanted to be 100 per cent. Critics do not receive any additional pay.

BURTLEY FRANCIS: Thank you for your responses, James.

KYLE MACISAAC: James, thank you very much. That was very informative. My only question actually mirrored Burtley's first question about the dichotomy between the Speaker and Deputy Speaker, so I won't repeat it. I just want to say thank you for your time and for those very informative things.

AJAY PARASRAM: Likewise, no questions from me. A very helpful presentation, thank you, James.

JAMES CHARLTON: Thank you very much.

CARA LOCKE: Thanks, James. We're ready now for our second presentation. I am pleased to introduce Matthew Timmons, who is the Director of Operations and Administration with the Speaker's Administration Office here at the House of Assembly.

MATTHEW TIMMONS: Thank you, Cara. It's nice to be with you today. I will see if I can share my screen. I don't know if I have the ability to share my screen.

CARA LOCKE: I believe under this particular Zoom format there is no screen-sharing ability. I'm just being informed from our tech team here with Legislative Television that screen-sharing is indeed disabled. What I was going to suggest is that the slides you prepared were distributed to the panel, if you wish to refer to a specific one.

MATTHEW TIMMONS: All right, perfect. Then I guess I'll just walk through this. Like Cara said, my name is Matthew Timmons. I'm the Director of Operations and Administration here at the House of Assembly Speaker's Office. I am relatively new in this position, so I am still learning the ropes as I go. I'll just touch on the highlights, like Cara said. The document that I was going to walk through was emailed to you. It highlights some of the compensation and also other benefits that are entitlements to each of our members. I'll just start and if you have any questions, please feel free to ask as I go through.

Basically, the first kind of benefit is the salary or indemnity, which I believe James already talked about. The base indemnity is the \$89,234.90, and that has been the same since 2013. Then there are additional indemnities for various positions in the Province. The Premier, for instance, has an additional indemnity of \$112,000 on top of the \$89,000, and then as James was saying, there are indemnities of \$49,000 for ministers with portfolios. This document also has the \$49,000 for ministers without portfolios, and also \$49,000 for the Leader of the Opposition, then \$24,000 each for the Deputy Speaker and the Leader of a Recognized Party.

On top of those larger categories, there are payments made for each of the committee payments. For example, the Chair of the Public Accounts Committee gets a stipend of \$3,100 a year; the Chair of all other committees, a smaller stipend, \$2,100. Various other roles: the House Leader, an additional \$10,000; House Leader of the Official Opposition, \$24,000.

Depending on what the role is, there are various additional indemnities on top of the base \$89,000 indemnity. I'll go now right to the other benefits that our members are entitled to. They are entitled to a long-term disability plan that they pay into off of their indemnity, and basically the benefit for that is 70 per cent of their monthly earnings up to a maximum benefit of \$3,500 a month. There is a mechanism for the members to go to a maximum of \$6,000. That involves the member completing a questionnaire, and it goes through the Speaker's Office for approval.

The members are also entitled to what we call a constituency budget. That is an annual allotment for them to run the operations of each of their member offices. There is a base amount for each member, which is \$51,384. On top of that base amount, there are additional amounts depending on the size of the riding and various factors. There is also a base top-up for all members.

That's a long way to say that at the end of the year, each member has a constituency budget of \$65,448 to \$69,942. There is a range there of about \$5,000, depending on the

member's riding. As I said, that money would be used to support their operations: advertising, running their constituency office, paying for their rent in their constituency office, pay for casual staff in their constituency office, office supplies, things like that.

[4:00 p.m.]

The document that was circulated has a few slides about travel. I won't go too much into travel, other than to say travel is reimbursed at the provincial kilometre rate, which is currently 51.13 cents a kilometre, which went up as of April 1<sup>st</sup> from 45 cents. Basically, members are reimbursed for their travel. The question is just where it gets charged.

We refer to an outside member as someone who lives 100 kilometres away from the House of Assembly. All members are reimbursed for their kilometres. It's just if they're considered an inside member or an outside member or what the purpose of the travel was for - that determines where it gets charged. The reimbursement, what they're eligible for, is basically the same. It's just a matter of where it gets charged.

Moving over those slides, I'll talk more about the living allowance. Outside members, like I mentioned, are people whose principal residence is 100 kilometres away from the House of Assembly. Basically, the outside members are allocated a living allowance, which is to pay for an apartment inside of Halifax. That is a monthly rate of \$1,499 for members, and if they're a minister, it jumps up to \$1,700 a month. That is to pay for things like their rent expense. If their rent is cheaper than the monthly allotment, they can put in reimbursement for their power bill or their Aliant bill. That living allowance is for outside members only.

Some benefits are available to the members when they're no longer a member. The first one I'll talk about is a transition allowance. That is allocated as part of the House of Assembly regulations. It's a formula that takes one-twelfth of their months of service and then one-twelfth of the annual indemnity and then multiplies those two together. There is an example in the documents that I sent you that shows how that transition allowance would be calculated. I'll just at a high level talk about it.

A member who is getting \$89,000 and has 15 years of service would get a transition allowance of \$11,000. There's a separate calculation that's tracked down to the month whenever a member no longer reoffers or retires - actually no, not retires. The transition allowance is only for people who are not at the retiring age. If they're at the retiring age, they would be eligible for the pension, which I will talk to you about in a second. If they're not at the reduced pension stage, then they would be eligible for the transition allowance. Those transition allowances can be paid in a couple of options: either in a lump sum payment or part of a transfer to an RRSP to take advantage of any tax savings.

There is also a counselling or retraining service that is eligible for members who do not reoffer or who are not voted back in, and that is a maximum amount of \$7,500. That



has to go through the Speaker's Office for his approval. Once that is done, whatever the service is, the invoice comes directly through the House of Assembly's office, and then we pay the invoice from there. The services have to be accessed no more than 12 months from the member no longer being a member.

The final thing I'll just talk on briefly is the pension plan. Members are entitled to a pension plan, and they contribute 10 per cent of each of their two components of their remuneration, their base indemnity, and then if there's any kind of additional salary amount tied to their position.

So there is kind of a formula that's also documented in the document that I sent. There was a change in 2013 that changed the formula for how the pension is calculated, but there are some examples in the document that show how the pension is calculated.

I guess I will stop there and open it up for any questions.

AJAY PARASRAM: None for me, anyway. Thank you for that. Very informative.

BURTLEY FRANCIS: Thank you very much, Matt. Only one question from me, and I think it's just to clarify. When you're talking about the number of different buckets of compensation or consideration, just to be clear - I know you did talk about the constituency office - none of that is going to the minister or the member themselves. That is purely for the administration and operations of their office, correct?

MATTHEW TIMMONS: The constituency office expenses would be paid by the member, and then they're able to get reimbursed. So they would actually get money after they expense the money. Then things like mileage and per diems, for instance, would actually be money paid to the member.

BURTLEY FRANCIS: Okay, so in that case the member incurs the expense first and then seeks reimbursement for those costs?

MATTHEW TIMMONS: For the constituency office expenses, yes - advertising, office expenses, and whatnot. Things like per diems basically - they come to the Legislature for the day, and they're entitled to a \$50 per diem with no receipts.

The same thing with the mileage. They tell us, I travelled from here to here, with the appropriate kilometres, and then just apply the kilometre rate. That money is then transferred to them.

BURTLEY FRANCIS: Okay. So in that way - again, speaking specifically about the constituency amounts - the amounts are a cap on what can be recovered if spent on the office.

MATTHEW TIMMONS: Yes. There is a budget, and they cannot go over that budget. They're not eligible for any reimbursement if they go over that budget.

BURTLEY FRANCIS: Thank you for clarifying.

KYLE MACISAAC: Matthew, thank you very much. I have no questions. That was very informative. I appreciate your time and effort.

CARA LOCKE: Thank you, Matthew. We're a little bit early. Our third presenter is scheduled to begin at 4:15 p.m. I do see that our third presenter has been admitted to the Zoom link, so if he is available to begin, we could begin now. Alternatively, we could recess and reconvene at 4:15 p.m. Does the panel have any preference?

AJAY PARASRAM: I was just going to say that if Mr. Sullivan is ready to speak to us, I'm ready to hear.

PATRICK SULLIVAN: I'm all set to go if you're ready.

CARA LOCKE: Absolutely. It sounds as if we're ready to go. You have the floor. Thank you.

PATRICK SULLIVAN: Great, thank you very much. I apologize, I'm looking in two different directions. I have two screens here. This is the screen I'm going to try to look at so that I look like I'm looking at you, but to see you, I need to look over to my right. I apologize for that.

Good afternoon, everyone. My name is Patrick Sullivan. I'm the president and CEO of the Halifax Chamber of Commerce. The Halifax Chamber of Commerce is pleased to have the opportunity to address the panel on MLA remuneration.

The Halifax Chamber of Commerce, for background, is a not-for-profit advocacy organization whose goal is to create value and prosperity for our over 1,850 members - primarily in Halifax, but also province-wide - and their over 65,000 employees. Particularly relevant to the discussion today is our strategic pillar in our strategic plan to foster private sector growth, and the imperative under that pillar of optimizing the size of government through reduced tax burden, efficient spending, and increased revenue.

Of course, since the Halifax Chamber of Commerce has been around for a very long time, we've had a very long and productive relationship with all levels of government. This was particularly evident over the last few years during COVID, where we convened the Nova Scotia Business & Labour Economic Coalition, a group of over 200 organizations province-wide who met at times daily at the beginning of the pandemic with elected members at all three levels of government and the senior bureaucracy, to effectively

facilitate two-way conversation with the business community and government as policies and programs were implemented in record time under extreme circumstances.

This group met over 140 times in the last two and a half years during the first two years of the pandemic and continued to get participation from all levels of government and elected officials. Again, thanks for this opportunity to have some input into the MLA remuneration review.

As a business support organization with a long private sector and public sector personnel - some of us have actually worked inside the Nova Scotia government - do we think it's reasonable for an MLA to not have had a pay increase in approximately 10 years? Of course not. There are few, if any, private sector workers or executives who would not have gotten at least CPI increases or some portion of CPI at the very least during that time. Likely, very few of them would have stayed in an organization not providing at least a minimum increase over that period of time.

If we look back to MLAs' salaries in 2010, at \$86,619, and the current salary of \$89,234 - if that 2010 salary had increased only with inflation, it would be \$111,000 today. I'm sure you've already looked at some of these things. We certainly recognize the time and personal sacrifice individuals make to become public servants, and while monetary compensation may not be the ultimate objective, a fair and equitable salary range is necessary to attract and keep the best and brightest citizens in these challenging and vitally important roles.

However, like a private sector business, we feel it's imperative that the public evaluates how these increases are funded. In the private sector, revenue growth, cost efficiencies, and increased shareholder value create the environment and fiscal ability to increase compensation. We also talk about total compensation rather than just discussing salary, and most private sector organizations have now moved to a format so that employees understand the entire compensation being offered to them.

To use pensions as an example, according to the Auditor General's Report of October 2017, the MLA plan is unfunded with no actual assets, and the Province pays \$5 for every \$1 contribution made by MLAs. You cannot understand salaries in the absence of pension, expenses, and allowances, although I understand you have been tasked not to look at some of those areas and only focus on salaries.

To reiterate, are we against a review and adjustment of MLA salaries? No. These people work incredibly hard and should be compensated fairly. We want the best and brightest attracted to public service. Do the current salary levels achieve that? Probably not. Are the current salaries low for the market based on the job description and expectation? Yes. Is a 10-year freeze fair to an employee of any organization? No.

[4:15 p.m.]

What we're asking the government and this panel to do, however, is to put a more private sector lens on the approach to funding at whatever increases are proposed. To begin with, any consideration or increases in this review should be free of political expediency. These people need a fair and equitable review and adjustment based on the facts, not the political fallout that such adjustments might cause the sitting government.

More importantly, MLAs - particularly government MLAs - are technically in control of the major inputs of our economic well-being and the daily lives of all Nova Scotians. They make decisions that impact us fiscally, and tying their salaries to the impact of these decisions or having them understand at some level the impact of the decision making and how it will impact them and us makes good business sense.

A Nova Scotia business that doesn't increase revenue or find significant efficiencies in operations will not likely be giving raises. Governments have the luxury of not being hamstrung by revenue and can simply raise taxes or increase debt, as they're not in the habit of finding internal efficiencies to fund increases. In a province with some of the highest tax rates in the country, this is not a palatable option for citizens and businesses when we're trying to grow our population to two million and tout Nova Scotia as the best place in Canada to live, work, and raise a family.

We're also in a time of significant spending, with the current government willing to have deficits for the next four years, and debt-to-GDP ratio is widening for the next four years as well. But raising taxes and/or debt levels is not only becoming a less tenable option for Nova Scotia, it's only one of the tools available to government for funding MLA salary compensation increases. I'd therefore place the burden of responsibility back on the shoulders of our MLAs and the government representatives and propose three areas for them to consider as they think about the total compensation.

First, do MLAs understand the consequences of their actions on their compensation and the compensation of every Nova Scotian? For example, increasing the number of MLAs from 51 to 55 that was done three years ago, creating four new very small electoral districts, some of which have approximately one half the population of some of the larger districts, and paying an MLA \$89,000 for a total of \$356,000 for those four new MLAs: Where did the funding come from for that change? If we were to spread that \$356,000 across the existing 51 MLAs, that would have been a \$7,000 increase for each MLA.

Number two, at the end of the day when we talk about compensation, the ultimate concern everyone has is take-home pay - what's in my pocket - and no one has more control over what goes in the pocket of every Nova Scotian than MLAs. Only they can increase personal deductions, eliminate income taxes for persons below certain thresholds, index deductions with CPI - all by increasing the bottom line for themselves and, ultimately, the bottom line for Nova Scotians. Nova Scotia has some of the highest personal tax rates in

Canada and is only one of three provinces that do not index tax brackets to inflation. So should MLAs be addressing tax rates to increase take-home pay rather than worry about gross salaries?

Finally, every private sector employee's compensation is tied to targets. These targets often include revenue growth and operational cost savings. Why should MLAs be any different? Governments have broad targets, and non-ministerial MLAs' compensation can be tied to the achievement of significant provincial goals and operational efficiency. No one would have been surprised or shocked if the government had provided MLA raises for each year the government achieved a net surplus based on whatever was being achieved, rather than freezing their salaries for 10 years to make the frugality of politicians seem like we're all in this together.

While we appreciate the mandate of this panel is narrower than the 2014 review that included pensions, expenses, and allowances, total compensation is a critical item to consider in any salary review. In summary, we believe that MLAs do deserve a pay increase - they certainly do - but like every other business, compensation changes have consequences and compensation needs to be earned through action, growth, and cost savings. Actions have consequences, and our MLAs should be no different than any other private sector employee.

Governments and MLAs that put actions in place that achieve savings, put more money in Nova Scotians' and Nova Scotian businesses' pockets, or grow the revenue should be compensated fairly. Whatever necessary base adjustment is made to MLA compensation that you may propose, we hope and ask that ongoing MLA compensation reviews be tied to attributable actions that move the needle on the Nova Scotia economy and improve the well-being of Nova Scotians and our business community.

Thank you. I'm happy to send that to you typewritten as well. Are there questions, or is there time for questions?

CARA LOCKE: Questions are at the panel's discretion, so I invite the panel members to ask.

AJAY PARASRAM: Thank you, Patrick, for that. No questions from me, really. Lots of interesting perspectives to turn around, and certainly important issues to keep in mind as we think about not just what we're doing here but also subsequent reviews, as you noted, so thank you for your time.

BURTLEY FRANCIS: No questions from me, Patrick, but I do appreciate you taking the opportunity to speak to us today and to provide that perspective, which was very helpful and insightful.

KYLE MACISAAC: Patrick, thank you very much. I do appreciate your offer to forward those written comments. I think that might be beneficial. Thank you for that perspective. I do appreciate you being here and the time and effort you clearly put into your comments. Thank you for that.

PATRICK SULLIVAN: Thank you very much, and good luck.

CARA LOCKE: That concludes today's public proceedings. Thanks to our three presenters and to our three panelists, and again to Hansard and Legislative Television for enabling everything to be transcribed as part of the public record.

[The consultation adjourned at 4:21 p.m.]

# **Presentation to the Remuneration Panel (2022) regarding the offices for which the indemnities and salaries are being reviewed**

by James Charlton  
Chief Clerk of the House

## **Introduction**

- The intention of this presentation is to provide you with an overview of the eight roles for which the Remuneration Panel has been asked to make recommendations concerning the indemnities and salaries payable.
- None of these roles comes with a formal job description. Rather, the roles must be understood by the various customary and statutory duties assigned to them.
- All Members of the Legislative Assembly (MLAs) receive an annual indemnity pursuant to subsection 39(1) of the *House of Assembly Act*. This is essentially an MLA's base salary.
- In addition to the annual indemnity payable to an MLA, some MLAs receive an additional salary provided pursuant to the *House of Assembly Act* by virtue of holding one of the following offices:
  - Speaker (clause 43(1)(a));
  - Deputy Speaker (clause 42(1)(b));
  - Leader of the Opposition (subsection 42(3)); and
  - leader of a recognized party (other than the Premier or the Leader of the Opposition) (subsection 42(4)).
- Only a current MLA can hold the offices of Speaker, Deputy Speaker, leader of the opposition or leader of a recognized party.
- In addition to the annual indemnity payable to an MLA, Members of the Executive Council receive an additional salary pursuant to the *Executive Council Act* by virtue of holding one of the following ministerial offices:
  - Premier (subsection 6(1));
  - Minister with Portfolio (subsection 6(2)); and
  - Minister without Portfolio (subsection 7(1)).
- It is possible for an individual to be a member of the Executive Council without being an MLA. A member of the Executive Council who is not an MLA is not entitled to the annual indemnity payable to an MLA; that individual may only receive a ministerial salary under the *Executive Council Act*.<sup>1</sup>

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<sup>1</sup> It is a convention that an individual appointed to the Executive Council who is not an MLA would be expected to seek a seat in the Assembly within a reasonably short period (and resign as a Minister if the individual cannot secure a seat).

## Member of the Legislative Assembly (MLA)

- Under Section 4 of the *House of Assembly Act*, the Assembly comprises 55 MLAs, one of whom is elected from each of the 55 electoral districts into which the province is divided. MLAs are chosen at a general election (at which all the seats are contested at once) or at a by-election (held in a particular electoral district to fill a vacancy that has occurred between general elections).
- As has been stated by many MLAs, there is no job description for being an MLA.<sup>2</sup> There is an obvious role to play in the proceedings of the Assembly. But there is much that MLAs do outside the Assembly that is not covered by their traditional duties as legislators.
- The late Arthur Fordham QC characterized the legislature (and by extension MLAs) as having four functions: law maker, controller of the purse strings of the province, watchdog of the government, and public forum.<sup>3</sup>
  - Law maker: Bills are introduced in the House of Assembly and undergo several stages of debate by MLAs. During proceedings on Bills, MLAs can debate the Bills at Second and Third Reading, can hear from the public when the Bills are referred to the Standing Committee on Law Amendments or the Standing Committee on Private and Local Bills, and can introduce, debate and pass amendments at the Standing Committee stage or during Committee of the Whole House on Bills.
  - Controller of the purse strings of the province: Section 20 of the *Finance Act* provides that “[n]o payment out of the General Revenue Fund may be made except under the authority of an Act of the Legislature.” Each year, the Minister of Finance and Treasury Board makes a speech in the Assembly outlining the state of the province’s finances and the economic policies that the government will pursue during the next fiscal year. The Minister tables the departmental estimates and a series of budget resolutions to be passed by the Assembly. The resolutions are debated in Committee of the Whole House on Supply and the Subcommittee on Supply, which meet concurrently for no more than four hours per day until 40 hours have elapsed. The resolutions of five departments are chosen to be debated in CWH on Supply, while the remaining resolutions are debated in the Subcommittee. The Ministers appear to answer questions and the opposition members ask questions. At the end of the 40 hours, the budget resolutions are voted on and, if carried, reported back to the Assembly. A motion to concur in the budget resolutions is then put to the Assembly, followed by the introduction and passage of an *Appropriations Act* to authorize the spending set out in the budget resolutions.
  - Watchdog of government: MLAs have many tools to hold government to account. At question period, opposition members have a 50-minute period, four times per

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<sup>2</sup> See e.g. Gordon Balser (MLA for Digby-Annapolis, 1998-2003) <<https://www.springtide.ngo/nova-scotia-mla-responsibilities-negotiable/>>; Graham Steele (MLA for Halifax Fairview, 2001-2013) <<https://www.springtide.ngo/advice-politicians-nova-scotia/>>; Lisa Roberts (MLA for Halifax Needham, 2016-2021) <<https://www.springtide.ngo/off-script-how-mlas-experience-their-own-political-parties/>>;

<sup>3</sup> Arthur G.H. Fordham, *The Nova Scotia Legislature: An overview of Its Procedures and Practices* (rev'd July 2006). <[https://nslegislature.ca/sites/default/files/pdfs/proceedings/NS\\_Legislative\\_Procedures.pdf](https://nslegislature.ca/sites/default/files/pdfs/proceedings/NS_Legislative_Procedures.pdf)>



week, to ask questions of the members of the Executive Council on matters pertaining to their responsibilities. MLAs can also file written questions with the Clerk which are sent to a recipient Minister and noted on the Order Paper until the question is answered in writing. There are also several standing committees that meet regularly to inquire into matters relating to various topics and allow MLAs to hear from and question expert witnesses. In particular, the Standing Committee on Public Accounts is authorized to review the public accounts, reports of the Auditor General and any other financial matters respecting the public funds of the province. It plays an important role in holding government to account for how it spends public money.

- Public forum: Legislative proceedings are broadcast and streamed online via Legislative Television and transcribed in *Hansard*, making the proceedings a useful way to publicize matters of interest to MLAs and their constituents. MLAs table petitions of constituents and introduce notices of motion to be debated and perhaps passed by the Assembly. There are Minister's Statements by which government initiatives and policies and other matters of interest are announced, and opportunities for a member of each recognized party to respond. There is also a time during the daily routine to table reports and other papers. Lastly, there is an adjournment debate on Wednesday afternoons and opportunities to propose emergency debates on matters of urgent public importance.
- The work of an MLA at Province House accounts for a small amount of an MLAs time, although it is the most publicly visible. The Assembly usually sits for several weeks in the spring and again for several weeks in the fall. Six of the standing committees meet throughout the year.
- MLAs are each given a budget to run a constituency office. What the MLA does with that is up to the MLA. Most MLAs spend significant time out in their community, attending events and speaking with people. MLAs also tend to do significant amounts of casework—helping constituents with a plethora of issues that may arise. Much of this work involves connecting constituents with provincial government offices and programs and assisting constituents in applying for benefits and negotiating government bureaucracy to solve the constituent's problem.

## **Speaker**

- The Speaker is the presiding officer of the House of Assembly, elected by the MLAs to preside over legislative proceedings.
- In the chamber, the Speaker is responsible for maintaining order and decorum, regulating debate, deciding on questions of order, and ruling on questions of privilege in accordance with the *Rules and Practices of the House of Assembly*.
- The Speaker does not take part in the debates of the Assembly. If a vote in the Assembly results in a tie, the Speaker casts the deciding vote. The Speaker may take part in proceedings of the Committee of the Whole House.

- The Speaker is the guardian of the privileges of the Assembly and protects the rights of the MLAs. Privilege is essential to the functioning of the Assembly, as it protects the Assembly and its MLAs from interference by the executive and judicial branches of government. To fulfill their legislative functions, the Assembly and its MLAs must remain independent.
- The Speaker represents the Assembly and has jurisdiction over all matters concerning Province House. The Speaker plays a role in relation to the Assembly analogous to that of a Minister with Portfolio in relation to the Minister's department.
- The Speaker is *ex officio* Chair of the House of Assembly Management Commission, the body responsible for the stewardship of all public money approved by the Assembly for the use and operation of the Assembly and for all financial and administrative policy affecting the Assembly and its MLAs, offices and staff.

### **Deputy Speaker**

- The Deputy Speaker is either elected by the MLAs or appointed by resolution of the Assembly.
- When the Speaker is absent, the Deputy Speaker takes the chair and performs all the duties of the Speaker. When the Speakership become vacant, the Deputy Speaker exercises the authority of the Speaker until a new Speaker is elected.
- The Deputy Speaker is *ex officio* a member of the House of Assembly Management Commission.
- The Deputy Speaker also serves as Chair of Committees, presiding over all Committees of the Whole House (CWH on Bills and CWH on Supply).
- Where there is more than one Deputy Speaker, the salary provided for the position is divided equally among the Deputy Speakers.

### **Leader of the Opposition**

- The Leader of the Opposition is by custom the leader of the party (styled as the Official Opposition) having the most seats in the House of Assembly that is not the governing party (or a member of a governing coalition).<sup>4</sup>
- The role of the Official Opposition is to hold the government to account. It is often viewed as a government in waiting. To that end, the Leader of the Opposition acts as a counterpart to the Premier.

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<sup>4</sup> Following the 1921 Canadian general election, the Conservatives finished in third place with 49 seats behind the Liberals (118) and the Progressives (58). The Progressives turned down the role of Official Opposition, leaving the 3<sup>rd</sup> place Conservatives assume that role and making Conservative leader Arthur Meighan the Leader of the Opposition. The nearest Nova Scotia as come to this is following the 1999 Nova Scotia general election when the Liberals and NDP finished tied for second place with 11 seats apiece. The Speaker determined that neither party would be given the status of official opposition. This state of affairs continued until the Liberals lost a seat in a by-election, giving the NDP a one-seat advantage over the Liberals and allowing them to be recognized as the Official Opposition.

- The Leader of the Opposition selects a “shadow Cabinet” of critics to mirror the responsibilities of the Ministers. The critics scrutinize the activities and policies of the government and question Ministers during question period.
- In the House, the Leader of the Opposition is entitled to ask the first question during each session of question period and is entitled to two supplementary questions on the Leader’s first question (instead of the usual one supplementary question). The Leader of the Opposition is also the first person to speak once the Address in Reply to the Speech from the Throne has been moved and seconded.

### **Leader of a Recognized Party**

- The leader of a recognized party is defined by clause 2(c) of the *House of Assembly Act* as the leader in the House of a party represented by two or more members, other than the Premier or the Leader of the Opposition, whose party was a registered party in accordance with the *Elections Act* and had candidates standing for election for three quarters of the seats of members in the House and whose party received ten per cent or more of the votes officially recorded in the latest general election of members of the House[.]
- Like the Official Opposition, the role of the recognized parties is to hold the government to account. Similar to the Leader of the Opposition, the leader of a recognized party acts as a counterpart to the Premier.
- The leader of recognized party selects that party’s critics.
- In the House, the leaders of any recognized parties are each entitled to ask a question following that of the Leader of the Opposition during each session of question period, and are each entitled to two supplementary questions on that leader’s first question (instead of the usual one supplementary question). The leader of a recognized party is also the first person following the Leader of the Opposition to speak on the Address in Reply to the Speech from the Throne once it has been moved and seconded.

### **Premier**

- Premier is the title given to the person chosen by the Lieutenant Governor to form the Government. This is usually the leader of the party having the most seats in the House of Assembly.<sup>5</sup> The Premier is sometimes referred to as the First Minister. The word *Premier*

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<sup>5</sup> Following the 1925 Canadian general election, the Liberals finished in second place with 100 seats behind the Conservatives (116) but ahead of the Progressives (22). Liberal leader W.L. Mackenzie King had been Prime Minister since his party won the most seats in the 1921 general election. Rather than resign, King decided to meet Parliament and govern with the support of the Progressive MPs, who held the balance of power. Thus, King was able to remain Prime Minister (for a time) without having won the most seats in the new Parliament. The nearest Nova Scotia has come to this scenario is following the 1998 Nova Scotia general election, when Liberals and NDP tied with 19 seats apiece and the Progressive Conservative won 14 seats. The Premier immediately before the

is a synonym for Prime Minister, used to differentiate provincial first ministers from their federal counterpart, the Prime Minister of Canada.

- In Nova Scotia, the Premier is traditionally appointed as President of the Executive Council.
- The Premier chooses who will serve as members of the Executive Council and the capacity in which they those members will serve. The Premier recommends these appointments to the Lieutenant Governor who then appoints the individuals so recommended. Ministers serve at the Premier's pleasure.
- The resignation (or dismissal) of the Premier brings about the dissolution of Cabinet. The Lieutenant Governor must select a new person to form a government and become the Premier.
- As President of the Executive Council, the Premier presides over Cabinet meetings and has charge of the Executive Council Office (which is constituted as a department under Section 2 of the *Public Service Act*).
- While the title of Premier appears infrequently in legislation, the position is one of great power. The Premier is the head of government and effectively directs the exercise of executive power in the province.

### **Member of Executive Council (Minister)**

- Minister is the title given to a member of the Executive Council.
- Ministers are usually given responsibility for one or more government departments or offices. They may also be assigned responsibility for certain enactments or assigned duties by the Governor in Council.
- Under the enactments for which a Minister is responsible, there will be powers to be exercised and duties to be discharged by the Minister or in the Minister's name by the department staff. This may include the authority to exercise delegated legislative authority by making ministerial regulations. While the day-to-day running of a department or office is in the hands of public servants led by a deputy minister or chief executive officer, the Minister is responsible for the overall direction of the department and for making the key policy and strategic decisions. To that end, a Minister receives expert advice and support from the Minister's department and the department is tasked with implementing the Minister's decisions.
- A Minister is individually accountable to the House of Assembly and politically responsible for all that is done by or in the name of the Minister. A Minister is also responsible for the Minister's department or office generally.
- The Premier and Ministers also act collectively as the Executive Council (Cabinet), making collective decisions about government and issuing legal instruments (Orders in Council) to give effect to its decisions, which may include the exercise of delegated authority to

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general election, Russell MacLellan, remained in power with the NDP serving as the Official Opposition until the government was defeated in the 1999 general election.

make legislation in the form of regulations. Orders in Council are issued by the “Governor in Council”, which means the Lieutenant Governor acting on the advice of the Executive Council.

- Ministers are collectively responsible to the House of Assembly for the decisions made in Cabinet. To give effect to this collective responsibility, certain conventions are followed:
  - Ministers must not reveal the substance of Cabinet deliberations (Cabinet confidentiality);
  - Ministers must publicly support decisions of Cabinet (and vote with the Government in the House) even if they disagree (Cabinet solidarity); and
  - Ministers must maintain the confidence of the majority of the House of Assembly.
- At present, the salary payable to Ministers with Portfolio and the maximum salary payable to Ministers without Portfolio is identical. However, if the Remuneration Panel were to recommend a maximum salary for Ministers without Portfolio different from that recommended for Ministers with Portfolio, the distinction between the two could become more important.

### **Minister with Portfolio**

- Minister with Portfolio is an expression used to describe a member of the Executive Council who is assigned to oversee one or more government departments, along with other duties as prescribed by statute or assigned by the Governor in Council.
- Subsection 6(2) of the *Executive Council Act* provides for the payment to every Minister with Portfolio of an annual salary, stating as follows:

There shall be paid to every other member of the Executive Council having charge of a department or departments in addition to the amounts to which he is entitled under the *House of Assembly Act* an annual salary in the amount determined pursuant to Section 45A of that Act.

- Section 3 of the *Executive Council Act* sets out 33 ministerial offices to which a member of the Executive Council may be assigned; all such offices incorporate the title of “Minister” except the President of the Executive Council, the Deputy President of the Executive Council and the Provincial Secretary. However, not all of these ministerial offices have a corresponding department.
- Section 2 of the *Public Service Act* sets out 19 departments of government. Section 3 of that Act authorizes the Governor in Council to create additional departments, not exceeding two in number. Section 4B authorizes the Governor in Council to create “offices of the public service” to be presided over by a member of Executive Council. The *Public Service Act* also establishes or continues various offices to be presided over by a member of Executive Council and provides for the appointment of a chief executive officer for such office (usually styled as such instead of being styled as a deputy minister).
- There does not appear to be a meaningful distinction between departments of government and offices of the public service. I am unaware of any Orders in Council fixing

the salaries of Ministers who are responsible for offices but not departments, which suggests that offices are being viewed as departments for the purpose of subsections 6(2) and 7(1) of the *Executive Council Act*.

### Minister without Portfolio

- Minister without Portfolio is an expression used to describe member of the Executive Council who does not preside over a department. A Minister without Portfolio may be assigned duties by the Governor in Council.
- Subsection 7(1) of the *Executive Council Act* provides for the payment to every Minister without Portfolio of an annual salary in an amount determined by the Governor in Council, stating as follows:

There shall be paid to every member of the Executive Council not having charge of a department in addition to the amounts which he is paid under the *House of Assembly Act* such annual salary as is determined by the Governor in Council ..., provided that such annual salary determined by the Governor in Council shall not be less than seven thousand five hundred dollars nor more than the amount determined pursuant to Section 45A of that Act[.]

- The amount to be determined by the Remuneration Panel is thus a maximum salary payable, with the Governor in Council having discretion to set a lower amount.
- The last five members of the Executive Council to be styled as Minister without Portfolio are:
  - Wayne Gaudet (Liberal) – June 27, 1996 to November 18, 1996<sup>6</sup>
  - D.L. George Henley (PC) – November 9, 1983 to November 21, 1984<sup>7</sup>
  - Donald MacLeod (PC) – July 6, 1964 to October 28, 1970<sup>8</sup>
  - Alexander “Tando” MacIsaac – September 3, 1968 to October 29, 1968<sup>9</sup>
  - George Burrridge (PC) – October 13, 1960 to June 8, 1967<sup>10</sup>
- It was once common for members of the Executive Council to serve as Minister without Portfolio, especially in the 1800’s and early 1900’s when there were few actual departments of government over which a member of the Executive Council could preside.<sup>11</sup> As the number of departments grew to approach and even exceed the number

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<sup>6</sup> Gaudet resigned as Minister without Portfolio on being elected as Speaker of the House of Assembly. He had been a Minister with Portfolio prior to being appointed a Minister without Portfolio.

<sup>7</sup> Henley did not re-offer in the general election held on November 6, 1984.

<sup>8</sup> MacLeod was defeated in the general election held on October 13, 1970.

<sup>9</sup> MacIsaac passed away while in office as a result of a car accident.

<sup>10</sup> Burrridge did not re-offer in the general election held on May 30, 1967.

<sup>11</sup> At the time of confederation, there were only four Ministers with Portfolio. In 1917—50 years later—that number had shrunk to three: Provincial Secretary, Attorney-General and Commissioner of Public Works and Mines. In 1917, then-Premier George Murray recognized that three Ministers was no longer sufficient to oversee the administration of the apparatus of government. Over the coming years, new departments were created and the existing departments partitioned. See J. Murray Beck, *The Government of Nova Scotia* (Toronto: University of Toronto Press, 1957) at 186-191.

of members of the Executive Council, the office of Minister without Portfolio fell into disuse.

- The salary of the last member of the Executive Council to be styled as a Minister without Portfolio was set by O.I.C. 96-524 as “the same rate as is paid to a Member of the Executive Council having charge of a Department”.
- Other members of the Executive Council who have been styled as something other than a Minister without Portfolio have been treated as a Minister without Portfolio in substance. See e.g. O.I.C. 93-514, which determined pursuant to Section 7 of the *Executive Council Act* that the annual salary of Eleanor Norrie would be the same as is paid to a member of the Executive Council having charge of a department. Norrie held a number of ministerial responsibilities on her appointment to Cabinet, but none of her initial responsibilities included having charge of a department. This necessitated her salary being set as a Minister without Portfolio.
- In other jurisdictions, Ministers may be assigned non-departmental responsibilities only and styled as Associate Ministers or given some other title. These positions are often effectively Ministers without Portfolio for the purpose of their remuneration in accordance with the laws of those other jurisdictions.
- A person may also be appointed a Minister without Portfolio for the purpose of having their voice in Cabinet without the burden of carrying a department. This might be desirable if a member of Executive Council is approaching retirement or battling a long-term illness. It may also be desirable if a member of Executive Council is to have heavy non-departmental duties such as performing the role of Government House Leader. The *Rules and Forms of Procedure* refer to the “Minister leading the House” in some places, which necessitates the House Leader being a member of the Executive Council.

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# **HANSARD**

**NOVA SCOTIA HOUSE OF ASSEMBLY**

## **MLA REMUNERATION PANEL**

**Wednesday, June 29, 2022**

**Via Video Conference**

**Public Consultation**

**Printed and Published by Nova Scotia Hansard Reporting Services**

## **MLA REMUNERATION PANEL**

Ajay Parasram  
Associate Professor, Dalhousie University

Burtley Francis  
Lawyer, Stewart McKelvey

Kyle MacIsaac  
Lawyer and Partner, Mathews Dinsdale & Clark LLP

### **In Attendance:**

Cara Locke  
Assistant Clerk, Office of the Clerk  
Nova Scotia House of Assembly

## **PRESENTERS**

Dr. Lars Osberg,  
Professor - Dalhousie University

Dr. Casey Warman,  
Professor - Dalhousie University

Fred Bergman,  
Senior Policy Analyst - Atlantic Provinces Economic Council

Dr. Patrick de Lamirande,  
Associate Professor - Cape Breton University



**HALIFAX, WEDNESDAY, JUNE 29, 2022**

**MLA REMUNERATION PANEL**

**PUBLIC CONSULTATION**

**1:20 P.M.**

CARA LOCKE: Good afternoon everyone. I believe everyone we are expecting to be present is now present. I am Cara Locke. I am an Assistant Clerk with the Nova Scotia House of Assembly.

I would like to give a warm welcome to our esteemed guests, Dr. Lars Osberg and Dr. Casey Warman, from Dalhousie University's Department of Economics. I want to thank you both very much for your work to prepare for today and for agreeing to generously share your expertise with the Remuneration Panel for the 64<sup>th</sup> General Assembly.

Before we begin, I wanted to note that we do have Hansard transcribing today's presentation. A transcript will form part of the public record for the remuneration review.

I'd like to now invite each of our three panel members to please introduce themselves before we turn it over to the professors to begin.

[The panel members introduced themselves.]

CARA LOCKE: Without further ado, I welcome you now, professors, to please share your expertise with the panel.

DR. LARS OSBERG: Thank you very much. Casey and I have talked a little bit about it but what you are getting isn't the rehearsed version, it's the first night version of our presentation. We coordinated a bit but mostly it's because Casey has done a whole bunch of work on labour markets in Canada. He is going to lead off with the first part of the presentation on recent labour market trends in Canada.

CASEY WARMAN: Thanks for having Lars and I today. In the presentation, we'll just do sort of an overview of the Canadian labour force and give you some idea of what it looked like in the past, what it looks like now and maybe a peek at what it's going to look like at the future.

Then we'll talk about a sort of important issue, inflation, when trying to decide what wages or earnings should be and how they should be adjusted. Finally, Lars will talk about, or focus mostly on, MLA remuneration. We'll look at earning trends, but we'll get other aspects as well.

I am here to give you a general idea of what the economies looked like over the last 20 or 21 years. Here is a figure that shows the unemployment rates, seasonally adjusted for sort of prime-age workers. I put Canada there as well, just to give you a general idea of how Nova Scotia is doing, relative to Canada. You can see the employment rate, which is just the fraction of workers 25 to 59 who are employed, relative to the population in that age range. You can see the increase in Nova Scotia from the early 2000s - from 72.5 per cent up to a little under 80 per cent. Then of course COVID, this large, temporary drop and then sort of bounced back up.

Similar in Canada, the levels have been higher in Canada, for various reasons - industry, age distribution - which aren't controlled for here. In general, you can see we've recovered nicely from the COVID recession.

Another slide for the unemployment rates - again from 2001 to May 2022. Again, you can see Nova Scotia not doing as well, in terms of this measure, relative to the rest of the country, but things looked really bad during COVID. This huge increase, even for prime-age workers, but things have recovered and, actually, pretty well below normal rates of unemployment in Nova Scotia and the rest of the country.

Looking at another measure - these are real GDP per capita, and you can see these are in thousands of dollars for 2022 dollars. You can see GDP per capita has increased sharply in the late 1990s, and then slowly increasing. Again, you can take GDP with a grain of salt. There are good things about it, there's other things it misses out. If populations are growing quickly and it takes longer to drive to work, or there's loss of green space, that'd be a negative. Other positive/negative things that the GDP is not picking up, but you can see this upward trend, a little bit of drop during COVID, but it looks like we're back to the trend from before.

We've also seen a recent surge in population growth in Nova Scotia. As you can see, growing in the 1970s and 1980s, flattening off in the 1990s and 2000s. Then once I got here to Nova Scotia in 2012, you can see the population dropped as soon as I got here. I don't think it's directly related to me coming here. Then recently, see this large surge in population.

Then relative to Canada - I put New Brunswick there just to give an idea of what's happening in a somewhat similar province - you can see the population growth is much higher in the rest of the country relative to Nova Scotia and New Brunswick over this period. The population growth rate, a little bit above 1 per cent most years in the rest of the country, or the country overall, and then pretty much 0 per cent for the 1990s and 2000s in Nova Scotia and New Brunswick, and then a large increase in the last five, 10 years, especially since COVID.

That just gives a general idea. I'll come back to more of the COVID period in a second, but one question is: what is the economy going to look like in the future? It's a hard time to actually predict what's going to happen.

The first thing you should note that Lars and I want to highlight was this mismatch between public expectations and actual policy speed. We've had high inflation; we sort of want inflation back to 2 per cent right away, but the levers that the central bank and government have to do this - it takes a little bit of time. There are always lags for the full effect. So we want these immediate effects, immediate reduction in inflation or, during COVID, immediate increase in employment, but a lot of times we can have lagged effects here.

We also have more uncertainty than normal economic times, and more uncertainty than most recessions. We have these unprecedented shocks, and not just one shock, but several shocks happening at the same time, and some shocks pushing the economy in different directions. Policy-wise, it's hard to react to it.

We also have this continued uncertainty. We could have new COVID variants, or we look like we have new variants, resurgence of previous variants, or new variants. There's always the uncertainty with the Russian invasion of Ukraine. Then there's some talk about are the higher gas prices the new normal, or what are they going to drop down to? Uncertainty there. Are countries going to increase their supply? What's going to happen to demand? Also, it looks like monetary and fiscal policies are going in the opposite direction. We're having monetary policy to try to push the inflation back down currently, but there is sort of inflationary fiscal policy happening.

Then, another thing to keep in the back of our heads in the future is these large deficits that we're incurring, especially during COVID, in increased debts and rising interest rates. Is this sort of a recipe for what we saw in the late '80s and '90s where servicing the debt had a large impact on the economy? Back in the early '90s, over a quarter of every dollar federally that got taken in went to just service the interest on the debt.

Are we moving back in that direction? Hopefully not. We've had really low interest rates recently, and so that sort of allowed us to incur some deficits without much worry, but if interest rates go up or the debt gets too large, this is again policy consideration.

[1:30 p.m.]

This is for Canada. This is going to give you a general idea of what's happened during COVID and after COVID. The graph here's got the unemployment rate, the employment rate, and the labour force participation rate. The employment rates are all in blue, the labour force participation rates are in red, and then the unemployment rate is in green.

The employment rate and labour force participation rates are on the vertical axis here on the left, and for the unemployment rate it's the vertical axis on the right. The thin lines are the 2015 to 2019 averages, just to give you an idea of what the economy looked like before COVID. The thick line is COVID, and then the dots are 2021. Let's just focus on the unemployment rate here. You can see the thick, green line here, this large increase in unemployment starting in March and April, and then decreased fairly quickly - surprising, given how large the initial COVID shock was.

Relative to the thin line, which is the 2015 to 2019 Canadian average, we're still above the average by the end of 2020, but only a couple points above. Then you can see over 2021, by the last quarter, we get back to the 2015 to 2019 average. The same is true of the other indicators, so the employment rate is the same thing. We get back pretty quickly to the 2015 to 2019 averages, and the same with the labour force participation rate. So the economy did bounce back really quickly from COVID.

Here is the same figure for Nova Scotia and Canada - and these aren't age-adjusted, these are 15-plus. That's going to affect the scale here for Nova Scotia because the province is a bit older, but the general patterns are identical for Nova Scotia and Canada. I focus here on the unemployment rates. I personally prefer the employment rate over the unemployment rate as potentially a better measure of capturing what's happening in the economy. Again, you can see the thin line is the 2015 to 2019 value, the thick line is 2020, the dots are 2021. I also added May here, which are the triangles or squares or whatever you want to call them - rectangles.

You can see the employment rate massively dropped in Nova Scotia in March/April. Same thing in the rest of Canada, similar patterns. Over the next several months, you see Nova Scotia, we got back right to the thin, red line, which is the 2015 to 2019 average. By November, pretty close to that, you can see the dots again are 2021, and we're a little bit below it but pretty close. Then 2022, the green squares - we're a little bit above that line.

So in Nova Scotia, even though the levels are different, the patterns are similar to Canada in terms of our recovery from COVID. We recovered surprisingly quickly, and looks like we're doing a bit better than we were before COVID in terms of employment rates.

These are job postings from a database, Burning Glass Technology, that I believe were scraped from the internet. It's from an economics paper here or a paper in [Inaudible]. One here would be equal to the February 2020 value. Values below would be lower ratio of postings, and values above are higher ratio postings. You can see with the Atlantic Provinces, this large drop in job postings when COVID started. We're at 0.4 of the posting since February, but again, quick recovery.

For a while there we're way above job postings, way above 1. Some differences across provinces, but pretty similar. In this paper, we're trying to look at whether there was an impact based on openings and closings. It's had a little impact, but not too much.

This table here is just going to show you the proportion of the economy each industry makes up. In the last quarter of 2019 - the last quarter before COVID - and then 2021, two years later. Most of the industries are pretty much back to the same proportion they were prior to COVID. We're not seeing a huge shift in terms of which industries the Canadian economy composes. This is for Canada as a whole. I could do it also for Nova Scotia. I didn't get a chance to do that yet, but it wouldn't be hard to do.

Almost all of the industries looked pretty much the same before, except that, not surprisingly, accommodation and food services are a much smaller fraction than they were before. But overall, the economy looks like it did before COVID in terms of industry distributions.

Next, looking at inflation. There are a lot of causes of inflation right now. Some of the sources that economists have highlighted - if there are any disagreements between economists of what fraction of inflation are caused by each of these - until we get better data, and even then, it's going to be hard to tease out what the main effects are. But of course, with COVID the supply chain was disrupted. Then you get some excess demand for goods and services building up with people saving and then wanting to spend it after COVID, then also a period of very low interest rates.

We saw housing go up. The incentive to save dropped as well, with low interest rates, so consumption demand also impacted there. Of course, the Russian invasion of Ukraine - we already saw oil prices going up before, but this put further pressure on oil prices and a direct impact on food prices, so stuff like wheat production decreasing and then fertilizer costs.

There was also a delayed response by the Bank of Canada in terms of raising the interest rate. Once they started raising it, there are large lags in terms of when some of the sectors are actually impacted by the rising interest rates.

As well, government spending didn't decrease as much as one might expect it to if you wanted to fight inflation. Some economists are arguing that they're adding fuel to an overheated economy or overheated demand, and then also we have very hot labour markets.

The employment population ratio is very high, low unemployment, which puts pressure on wages, and we already had pressure on wages because of inflation. That means wage demands are influenced by current inflation, although it still looks like these wage increases won't be enough to match inflation, so in most industries, we could see real wages decline.

Here's inflation from 2002 to May 2022. This is month to month from January 1, 2021, to January 1, 2022 - increases of prices. You can see that the series actually matches pretty closely. We put Canada, Nova Scotia, and Halifax here. I thought probably Halifax - most of the population lives there, so it's probably a good comparison. Then Nova Scotia as well, for a full picture of the province, and then Canada as comparison. You can see here that the patterns are very similar. You can see some periods where - in the early 2000s, Nova Scotia and Halifax were higher than Canada, and other periods where Canada's been higher, and then recently Halifax and Nova Scotia are a bit higher.

Focusing in, sort of zooming in, on 2018 to 2022, you see inflation before was around the 2-per-cent mark and we had near zero inflation or negative or deflation during COVID, with a large drop in demand and large, unprecedented increases in inflation - so inflation like 7 per cent here. So a little over 7 per cent right now. If things grow at 7 per cent, that means they double every 10 years - or 72 divided by 7.2 - it would double every 10 years, so the rule of 70. Prices would double every 10 years if we had inflation still at 7 per cent.

How quickly inflation is going to go down again is very hard to predict. We have international forces. We have lags between when monetary policy impacts a large part of the economy. There have been changes you can see in the last couple of months, changes when people think we're going to hit 2 per cent. Some people are saying before the end of the year. It has shifted now. I've heard estimates like 3.5 per cent by next year, again some band of when we're going to hit the 2 per cent level again but it's not going to be immediate. It's going to take some time to go back to 2 per cent.

We did see a large increase in the overnight rate recently. We saw an unprecedented drop when COVID started in the overnight rates and saw an increase here and we're going to see another increase on July 13 - another 0.75 per cent increase. Again, there are estimates that it could be over 3 per cent in terms of the overnight rate, so it should cool off inflation. But again, because of international forces, it won't be perfect and won't be immediate.

Here's another figure that shows real wages. These are weekly earnings for Nova Scotia from 2021 to April 2022. The red line here just shows when COVID hit. You can see real wages are going up in Nova Scotia and this large increase when COVID hit - this is more selection, actually. Low-paid workers were more likely to get laid off.

LARS OSBERG: Casey, that's kind of an important point. The thing about COVID is it's a bit like, what happens to average height if you shoot all the short guys? The thing



about COVID is that low-wage workers got laid off so average wages went up because they weren't in the average any more.

We normally think of an average wage as going up as being kind of a good thing, but COVID turned a whole bunch of statistics right on their head.

CASEY WARMAN: Yes, it's incredible - this figure actually shows that. This figure looks at median hourly earnings. This is for all of Canada, not Nova Scotia. I think it's this huge spike in median hourly earnings. Just as Lars is saying - so what we did in this figure was give every worker who got laid off zero earnings, to sort of treat them like they are below the median. It doesn't matter if they are \$1.00 below the median or \$20 below the median - it's not going to affect the median. When you give all the workers zero earnings and recalculate this, you can see this large decrease down to \$23.

Basically, if we kept everybody in the labour market who was there before, we would have this decrease in earnings. This disappears by mid 2021, but the exact point Lars is saying is this increase in earnings is not a good thing in this case. It's just that lower-earning workers were laid off during COVID.

This scale here is in real weekly earnings using May 2022 dollars. One thing I want to point out here is, we are back to this trend. If you apply a trend line and got rid of the COVID part, we'd be pretty much back to trend now. So COVID wasn't great - you've got a lot of low-wage workers being laid off, high-wage workers kept their jobs. We're pretty much back to average wages as where we were before.

The next question is: What should the remuneration be for MLAs? There are a lot of other considerations beside this, but type of work done, hours worked. You could look at comparable occupations - look at hours worked for that.

Another way would be to look at pays that other legislatures set. So Lars' idea here of looking at whose wages do MLAs - does the government set. Look at people on social assistance. Here's a figure of social assistance in Halifax. This is just base MLA pay, which was frozen. We should have done one showing what the potential increase would have been too but [Inaudible].

Here, this is showing the ratio of what these four different groups receive relative to an MLA, for their base pay. The base pay I think is \$89,000 or \$90,000. Single employable MLA's base pay is 12 times that. Single deemed disabled, it's around nine times that. Single parent, one child, a little under six. A couple with two children is around four times that, and because the MLA pay was frozen, you can see this decline over time since they're not earmarked to inflation, whereas social assistance to some level was.

Lars is going to talk about this more now.

[1:45 p.m.]

LARS OSBERG: My understanding of the panel is that it's being charged not with setting the level of MLA remuneration, but in worrying about how to update it over time. My understanding is that it's not about whether MLAs are now getting a fair wage relative to lawyers or teachers or anybody else in society, but about comparing - given that MLA salaries have been frozen for a number of years - but about thinking about what's a fair way to adjust MLA remuneration over time.

Members of a legislative assembly are in a rare position in society in that they can set their own rate of pay unilaterally. Most other people in employment situations have to negotiate their pay with their employer. It's not a unilateral decision, so when we see what happens to other people in the labour market, we don't really know whose idea of fairness that might satisfy.

The legislative assembly is in a position where it also sets the pay of other people. There's an old concept in economics called revealed preference. It basically revolves around the idea: don't watch what I say, watch what I do. If you want to figure out what people think of as fair, then watch what they do about fairness, not about what they say about fairness. One way of thinking about updating over time is to ask the question whether the actual behaviour of the Members of the Legislative Assembly maybe reveals their underlying values about what they really think is fair as a way of updating over time.

In some cases, it's not like you get to update over time just unilaterally. A lot of the public sector is covered by collective bargaining agreements, so that's never a unilateral decision by government. There's a question of relative bargaining power between government and union. Different public sectors workers have different market options, and there's some necessity to meet the market. At any point in time, governments face unions over the bargaining table, and unions may be more or less militant, perhaps, because they're discontented with their wages or their working conditions, or the way they've been treated in the past, or whatever. In any case, for most of the public sector, it's a collective bargaining situation.

If you look at social assistance rates, that's kind of a more revealing example, I think, of what legislators probably implicitly think is fair because it's kind of a pure observation. The people on social assistance have no bargaining power. Their rates of - it's not pay, but their living standards depend on a unilateral decision of the government and the legislation.

If we look at social assistance in Nova Scotia, particularly in Halifax in the sweep of time, the graphic on the right really reproduces the numbers that are on the left. The numbers on the left are probably way too small for anybody to read without a magnifying glass.

The basic story in social assistance in Nova Scotia, as in much of the country, is that back in the late 1980s, early 1990s, social assistance was much more generous than it is now. It was cut dramatically in the mid-1990s, and has continued to go down for some groups. A single parent and child continued to go down for many years, but kind of stabilized at levels below what it is now in the early 2000s. That all represents a really dramatic decline from where social assistance rates were back in the early 90s and late 1980s. That's not because Nova Scotia got poorer in any sense. Nova Scotia got a lot richer.

Casey showed you some statistics on GDP per capita average output in Nova Scotia over the same timespan, which showed a march upward. As Nova Scotian society as a whole got significantly richer over the period from 1989 to the 2000s, social assistance rates, the standard of living of the most unfortunate of our population - they were cut pretty dramatically.

If we go to the next slide, those numbers came from something called the Maytree Foundation which is the successor to the National Council of Welfare - that's why the numbers go back so far in time. They present comparable numbers for basically all of the provinces going back to the early 1990s and late 1980s. They do it for a couple of ideal types: recipients who are a couple and two children, recipients who are a recipient family which is a single parent with one child, an unattached individual who has a disability, and an unattached individual who is considered employable.

This table comes from their 2020 report, which is the most recent. What you can perhaps see is that in the case of these different types of social assistance clients, for families with children - so the single parent/one child family or the couple with two children family - they get significant federal benefits through the tax transfer system. The Canada Child Benefit has made a major difference in child poverty in recent years. So their relative real income has improved a fair bit in recent years, but that's largely being driven by federal dollars, not by provincial dollars. The people whose standard of living the Nova Scotia Legislature has really direct control over are the unattached singles, those with a disability, or those who are considered employable.

In 2020, that \$7,000 basic social assistance level, with a little bit of federal money and provincial tax credits gets it up to almost \$8,000. In the case of a person on disability, \$11,000 is what they get. That's more generous.

There are many shades of opinion on social assistance clients out there. Maybe some people think that if you're employable, you can't possibly be deserving. Maybe there's some idea that we shouldn't be keeping these people off the streets or whatever. For people with disabilities, that's a significantly harder argument to make. For somebody with disabilities, there isn't a work incentive argument for keeping social assistance rates. It's really a pure revelation of revealed preference for fair updating.

If we go back to 2000 and compare the rate of increase in social assistance clients in Nova Scotia for single disabled and the rate of price inflation - the first column is the annual income increase, the second column is the price level increase, and the third column is the difference. You'll see that there's quite a large number of negatives going down that third column. In many years, social assistance rates have been lagging the increase in the Consumer Price Index, except for 2020 and 2021 - because there was a significant increase in Nova Scotia in the last couple of years.

Figures up to 2020 come from Maytree. The 2021 numbers come from some calculations by Vince Calderhead, who made a presentation to the Legislature a few months ago. The long and the short of it is that if we ask, what do MLAs really think would be fair as a way of updating from year to year the wages or the incomes or the standard of living of people over whom they have really complete control, that would be both themselves and social assistance clients.

Some people say, do unto others as you would do unto yourself, or do unto yourself as you would do unto others. Can't quite remember those biblical phrases, but they have some idea that you should treat other people the way that you would like to be treated yourself. That has been true in the last couple of years in Nova Scotia, 2020-21. The most recent budget, no increase at all, but that's not in these figures just yet.

I think that if we are going to think about how to update legislators' salaries to compensate for the freezing of salaries from 2013 to 2021, we could update by the Consumer Price Index, or we could think about tying legislative salaries to the social assistance level for disabled people. Many people can disagree about whether the ratio at any point in time is fair or not, but the question we're considering is how much do we change it over time, to take account of inflation that has already happened?

Casey and I didn't put in any big whack of graphs, figures or tables about the future because we don't know that yet. The numbers that we have are the numbers for stuff that has already happened. As Casey was saying, we're in a period right now of really dramatic uncertainty about the future macroeconomic trends.

COVID was an event - well, the Bank of England, the English statisticians, came out with a comparison of changes in GDP over the entire range of time for which they have statistics, which goes back to 1709. The decline in GDP in England in 2020 under COVID was the biggest one-year drop in 300-plus years of data observed.

The enormity of the shock is really hard to overstate. At one point, the Bank of Canada, which normally gives a forecast every three months of where the economy is going, in that crucial period they just stopped forecasting completely because there was too much uncertainty. A lot of that uncertainty remains. We've seen the economy come back in terms of GDP, we've seen the economy come back in terms of employment. That's not the case necessarily in other countries.

[2:00 p.m.]

What it will mean for inflation going forward and what it will mean for real incomes going forward is still very uncertain. But if we look at what we've observed up to now, if we look at the past, we can see that currently real wages are lagging inflation. We're in a high inflation period quite suddenly and the question now is: What is fair going forward? I think we should think about what is a fair comparator for MLAs' salaries. That's about it. I believe that gives us a lot of time for discussion. Anything to say?

AJAY PARASRAM: Thank you very much for that presentation. It was wide-ranging, informative. It gave us a very long-term, historical look, which really fills in a lot of what I was trying to wrap my head around. I appreciate that, as well as the kind of innovative and I think very fair, equitable way of thinking about how we should conceptualize this work - really at this point just to appreciate the work.

I guess part of the work that we are considering as a panel is also literally the dollar amount, to some extent. That is part of what we are having to do here. If I could inquire a little bit on the broader kind of principles of labour equity, based on what you've been seeing - I mean, I agree with the normative principle that there's a logic to looking at social assistance based on the fact that this is where legislatures have total control, as you explained. But in terms of looking at other similar industries, do you have a sense of, comparatively speaking, where other people in the economy are in the last couple of years?

LARS OSBERG: I think there are two levels, or really three levels to it. One is who - what other occupations you would compare to. What's a job like an MLA? Second is - if we're thinking of a fair pay for MLAs - whether we think these other occupations are being paid fairly. We have seen a trend to greater inequality in the labour market. It's most especially true at the very top end. It's much less true in the upper-middle-class kind of occupations, but it's still there.

Thinking in terms of political acceptability or social acceptability - even if we could find an occupation that compares, is that occupation's wages fair? That's a separate sort of issue.

Then the third consideration is a market thing, if you will. If we tie MLA pay to a particular level, are we going to affect adversely the supply of people who want to become MLAs? I personally think that you don't want to have a legislature that has pay rates that are so low that the only people you can attract are either crooks who are going to make money out of being MLAs or rich types who don't need money or stupid types who have got really low alternative wages. You don't want the Legislature to be populated by any of those three categories of people. You want people who are public spirited but who also have reasonable alternatives in the labour market. You don't want to get too far out of whack with "comparable occupations."

That's a long answer to a short question.

AJAY PARASRAM: No, I appreciate that. It's very helpful. I don't know if my colleagues have some further questions.

BURTLEY FRANCIS: Just a couple of questions. Thanks very much to you both for your presentations. I think, Casey, in your presentation you were referencing some debate in the community on when the inflation might be returning to levels around 2 per cent. I just wanted to clarify, was that period by the end of the year that you're talking about, the 2 to 3.5 per cent? Or was that a longer period? I just want to make sure.

CASEY WARMAN: It looks like longer. If you asked four months ago, people would have said by the end of the year. I heard people four months ago saying by the end of the year. Now I'm hearing people say it's more the end of next year - more sort of the beginning of next year would be more like 3-ish per cent, but it can change quickly. Inflation's higher than people were anticipating a few months ago. It hasn't really dropped as quickly as people were thinking.

Even month to month you're getting variation in people's predictions of how long this is going to take. The windows are six months' difference kind of thing, but it's still - yes, you're still getting variation month to month, even at this point.

LARS OSBERG: The main policy lever that has been pulled in recent years is interest rate policy. If you think about what's happening in inflation right now, you've got oil prices going on, you've got a commodity price of markets going up, you've got supply chain disruptions in China. Interest rates don't affect any of that stuff. Interest rates can only affect the domestically produced and exchanged goods - things like restaurant meals, for example. It's a limited set of goods that can be affected.

If you think about what's driving those sorts of prices now, look around the Halifax skyline. You see an awful lot of building cranes going on. The firms using those are hiring workers, they're buying material. That's aggregate demand in the economy right now. If there's too much of it, it's going to be driving up prices for domestically produced goods, which are only part of the total.

The building cranes that you're seeing right now are working on projects whose financing was arranged months ago, and they're still going to be trucking on until those projects are finished. If you raise interest rates today - and they've really gone up very rapidly in the last little bit - what you're going to be affecting are the building projects that would have happened six months from now. There are big lags in those sorts of projects, and the sectors that are sensitive to interest rates are big ticket sectors for which you have to borrow money like housing, and automobiles and consumer durables to a lesser extent.

When there are these big lags in what an interest rate increase can do, the real danger is that when you sock it to interest rates as fast and as hard as they have been doing, what you precipitate is a crash - not in the projects that are already underway or happening, but in the projects that would have happened six months or nine months from now. That's when you really get what you're calling a hard landing.

That's kind of my worry, actually. We've had a very sharp and sudden increase in interest rates and that will kick through to the real economy, but it can't possibly do it immediately. It's going to have big lags.

CASEY WARMAN: If international oil prices go over \$110, say, that's one percentage point to inflation. So unless Canada's going to produce more oil, it's an actual thing we cannot directly affect. A lot of the external forces are affecting. Again, domestic federal spending has gone up too, which sort of acts in the opposite direction of the interest rate going up.

The other issue too is that the Bank of Canada's trying to be very transparent about attacking inflation. If they're not transparent and if inflation starts taking off and all of a sudden it gets pushed into wages, wages start going up, and then you've got this sort of cycle of more inflation. Everyone's adjusting their wages for current inflation. If they think the inflation's going to be permanent, that could have another effect on inflation. There's that worry as well.

LARS OSBERG: And this is where you do get into different shadings of opinion among economists. I mean, I'm actually the only one on this panel who is old enough to actually remember the 1970s. It was a different world back in the 1970s. That was a world where unions were quite powerful. They were a much larger percentage of the private sector workforce, so they were paid attention to both politically and economically. The big worry then was cost-push inflation. The unions would bargain for higher wages and then that would have to get built into price inflation, but that's not really the labour market that we see around us today.

There's always a tendency to fight the last war and to think about inflation in the 2020s in the same framework as the last big bout of inflation, which was in the 1970s. Another big difference between now and the 1970s is that we had much more of a national economy back in the 1970s. We didn't have global value chains anything like we do today, so an awful lot more of our inflation was domestically created and therefore subject to domestic demand through interest rates or fiscal policy.

I'm just not as worried about wage demands pushing up inflation, because for most workers, what does it mean to say you demand more wages? Go into the boss's office and say, I demand a higher wage? They say, well, that's nice. You're not actually going to get a higher wage.

BURTLEY FRANCIS: Thank you for your insights on that. I know that we're a little bit late, so we're trying to make sure that we have time for all of the presentations that we have scheduled for today. Kyle, I don't know if you have any other questions, but just wanted to make sure that we're mindful of the timing that we have.

KYLE MACISAAC: I just want to extend my thanks to both of you. The question that you asked was one that I would like to have directed to the professor, so thank you for doing that. Thanks once again, both of you. This is very informative, and I am certainly very grateful for your expertise.

LARS OSBERG: Will you have a report?

AJAY PARASRAM: Yes, we will.

LARS OSBERG: Can you send us a copy?

AJAY PARASRAM: Absolutely.

CARA LOCKE: I will admit our next presenter and give him the same welcome. Good afternoon, Fred.

FRED BERGMAN: Good afternoon. Can you guys hear me okay and see me okay?

CARA LOCKE: I can hear you, yes. I'm Cara Locke. We've been emailing. I'm an assistant clerk at the House of Assembly. I want to give you a warm welcome today and thank you very much for your patience. It's a pleasure to introduce you. I understand you're a senior policy analyst with the Atlantic Provinces Economic Council. I want to thank you very much for your work to prepare this presentation today, and for generously sharing your insight with the remuneration panel for the 64<sup>th</sup> General Assembly.

I just want to begin as noted that we do have Hansard transcribing your presentation today, and that will form part of the public record for the remuneration review. Without further ado, I will invite our three panel members to introduce themselves to you, and then we can take it away.

[The panel members introduced themselves.]

FRED BERGMAN: Burtley, could I just ask what firm are you with, or are you independent working on your own?

BURTLEY FRANCIS: I'm with Stewart McKelvey.

FRED BERGMAN: Do you guys want to share the screen so I can bring up my presentation? Is that fine to do now, Cara?



CARA LOCKE: Yes, please go ahead and share your screen, thank you.

FRED BERGMAN: Good afternoon. Thank you for the opportunity to present today to the House of Assembly Remuneration Panel on the Nova Scotia Economy and Labour Market. You may have already done this, but I have to do it just to make sure it's covered off. I would like to begin by acknowledging that the land on which we gather is the traditional unceded territory of the Mi'kmaw peoples. After all, I do head up APEC's Indigenous Research so it's important that I make sure I make that statement.

Today's presentation outline includes recent economic and labour market trends in the Nova Scotia Economic and Labour Market Forecast. That first item on the agenda will cover off the first two bullets that I was requested to look at, which was trends from 2013 to the present, versus recent economic trends.

Let's talk about some of the recent economic and labour market trends. Continued population growth should support further economic growth, but clouds of uncertainty are gathering on the outlook horizon. Nova Scotia's population increased at an annualized rate of 1.8 per cent in the first quarter of this year and 2.2 per cent over the same quarter the prior year. That's stronger than normal population growth in Nova Scotia, so it's continuing to rise.

The federal government boosted Nova Scotia's combined allocations recently under the Provincial Nominee Program and Atlantic Immigration Program this year by over 40 per cent, so we haven't even seen that bump yet. However, higher inflation supply chain disruptions, the Ukrainian conflict, and rising interest rates could stall the economic recovery. Since March 29th of this year - that's three months ago today - the S&P/TSX Composite Index has declined by about 13 per cent. I've been monitoring closely over the last week, and at one point it was down 15 per cent, but in general, it's trending down.

The risk of recession is starting to creep into discussions by monetary policy authorities both here in Canada, at the Bank of Canada, and in the U.S. at the U.S. Federal Reserve.

How much is population growth contributing to the positive economic momentum over the last five years in Nova Scotia? Well, population growth contributed to the economic recovery in 2021 with higher net interprovincial migration. I think it was almost 12,000 last year.

In the 12 months to July of last year, Nova Scotia population increased by about 1 per cent in 2021. Net interprovincial migration has been improving for the last five years but was boosted by COVID, so even when we had the surge in Syrian refugees four or five years ago, that's when it started to increase, and it has been tracking upwards ever since then. Obviously, the Atlantic Immigration Pilot Program has contributed to that as well. Now it's not a pilot obviously this year, it's a full-blown program.

Nova Scotia in-migration from other provinces over the last year was the highest since 1990 while out-migration to other parts of Canada declined. It is worth noting that the primary age group leading the way for net interprovincial migration is the 20- to 29-year-old demographic that you can see there on the right in the table - a group of young workers that we have typically lost to the rest of the country, i.e., people going out to Alberta or Ontario, for example.

By contrast, immigration fell sharply due to limited means of processing capacity and restrictions on international travel. That's obviously at the height of the pandemic but you've probably already heard recently that there are long lineups not just at airports but at passport offices as well, to get a passport to even be able to travel now that the pandemic restrictions have been eased.

However, up to April of this year, Nova Scotia immigration was almost 4,200. If that pace is maintained throughout the year, immigration could reach almost 12,600 this year - and that would obviously be a new record. There is upside risk, due to the influx of Ukrainian refugees. The last I heard there were about 500 so far who had come to the province since the conflict.

The number of new immigrants is up about 2.3 times over the 2019 level in the first four months of this year, versus the same period in 2019. We expect that this recovery in immigration will continue. A growing population means more jobs, incomes, spending and household investment.

Nova Scotia employment in 2022 has rebounded and surpassed pre-pandemic levels. So far, in 2022 employment has expanded about 3.6 per cent in the first five months of this year. That includes a 4.4 per cent increase in full-time employment during this period and that's good news because full-time employment obviously tends to have better pay and higher benefits.

The Nova Scotia unemployment rate was about 6.7 per cent last month. We tend to focus on the seasonally adjusted data, just to be clear. While the pandemic resulted in a decline in employment and higher unemployment, the labour market has fully rebounded, as you can see in this chart. The real issue now is trying to find workers to fill jobs as the economy recovers, so it's trying to address job vacancies.

Over 35 per cent of Nova Scotia businesses expect they'll face a labour shortage or have difficulty recruiting skilled labour over the next three months, according to Statistics Canada's latest Canadian survey of business conditions from the second quarter of this year. While overall employment has recovered from the pandemic, how is employment doing by industry? Are we seeing the same picture?

The economic recovery in the employment picture remains uneven, as some industries are doing well while others continue to struggle. According to CFIB's latest

small business recovery dashboard, it shows about 59 per cent of Nova Scotia businesses are making less than normal sales in the middle of this month. I think that data was released on June 15<sup>th</sup> - so they're not back to normal sales. The other 41 per cent are, but 59 per cent are not. This implies that a lot of smaller retail and wholesale businesses are not able to get employment back up to where they were pre-COVID as well. This may explain why wholesale and retail trade employment is also down and not back to pre-pandemic levels.

The other thing that's impacting wholesale and trade in particular are the supply chain disruptions. Those supply chain disruptions are stalling some of our major projects in the region, and this includes housing projects as well. This would mean a delayed or stalled project would not need as many people, or not even be hiring, so employment's not rebounding.

When you look at the latest data for Nova Scotia food and drinking places, which in simple terms means restaurants and bars, sales for those types of establishments are up about 2.6 per cent in the first four months of this year compared to the same period in 2019, so pre-pandemic. However, inflation between those two periods - the first four months of this year versus the first four months of 2019 - is up about 10 per cent over this period, which means restaurants and bars have actually lost ground in real terms.

Likewise, room nights sold in Nova Scotia in the first quarter of this year are 11 per cent lower versus the same period in 2019 - so versus the first quarter of 2019. This suggests that tourism has not fully rebounded, which is why hotel and restaurant employment have stalled - that's accommodations and food services in that table on the right in the slide. During the pandemic, many workers left the hospitality industry for more stable jobs in other industries. They've yet to return to the hospitality industry, and it's unlikely they will.

The value of Nova Scotia manufacturing shipments is up almost 17 per cent in the first four months of this year versus the same period in 2019. While on the surface that looks great, Canada's industrial product price index rose about 26 per cent, so that's equivalent to a manufacturing CPI rate. That implies that real manufacturing volumes have actually declined. This outcome is in sync with the province's sluggish growth in exports over the last three years when you compare annual exports in 2019 to annual exports in 2021. You're only seeing a few percentage points in growth.

With an aging population and a rebounding economy, will population growth help to offset labour shortages? In other words, will we have enough people to fill those jobs as the economy recovers?

Job vacancies have risen during the early part of the economic recovery, but some industries are more impacted than others, as you can see on the right. Stronger population growth appears to be reducing job vacancies now, helping to limit labour shortages. You see over the first quarter of this year, there was a slight starting of easing in job vacancies.

Labour shortages should ease further as domestic demand slows due to rising interest rates. Higher interest rates are going to cool domestic demand and the economy in general.

[2:30 p.m.]

However, the unemployment rate could bottom out and start to creep up. At some point, we're going to start to see unemployment rates tracking higher this year in Nova Scotia. The risk of stagflation has been elevated in the media, but today's version pales in comparison to the early 1980s, which I'll talk about later in the presentation today.

Nova Scotia's job vacancy rate was 4.8 per cent in the last quarter of last year, but it has dipped to 4.4 per cent in the first quarter this year. That's early indication that stronger population growth is actually helping to address some of our labour shortages.

Food and accommodation - or restaurants and hotels - had a 10.1 per cent job vacancy rate in the last quarter of last year, but that's declined to 8.9 per cent in the first quarter of this year. Likewise, professional services had a job vacancy rate of 6.7 per cent in the last quarter of last year, and that's declined to about 5.1 per cent in the first quarter of this year.

The other industry I just want to briefly mention is construction. Construction had a 6.4 per cent job vacancy rate in the last quarter of last year, but it has declined to 6.1 per cent here in Nova Scotia in the first quarter of this year. So we are seeing some reductions in labour shortages, mainly as a result of population growth.

So, are labour shortages and inflation impacting wages in the province? Nova Scotia wages rose 4.9 per cent in the first four months of this year over the prior year. While this is well below the rate of inflation, wages were up actually 7.8 per cent in the month of April over the same month the prior year. Nova Scotia was the only province in Canada where average weekly wage growth actually exceeded inflation in the month of April this year. However, Nova Scotian inflation has averaged 6.7 per cent in the first five months of this year. Overall, we are seeing real declines in incomes so far, but wages are starting to creep up to join the inflation spiral.

Not all collective agreements include a Cost-of-Living Adjustment clause, but more unions are likely to press for COLA clauses during collective bargaining negotiations. Luckily for us, we don't have the degree of the unionization that we did back in the 1970s, otherwise we'd see that wage price spiral much quicker as a result of the higher inflation we're seeing today. That would be especially true if there were more COLA clauses in collective agreements.

However, wages are trending upward again in 2022, and we see they were starting to trend up - actually, they trended down last year, but they are trending up so far this year. That can contribute to that upward wage price spiral, so it becomes circular and self

fulfilling. Allnovascotia.com reported on June 9<sup>th</sup> that the Nova Scotia Government Employees Union has reached a 6.6 per cent wage settlement over the next three years, which includes a 1.5 per cent increase in the first two years, a 3 per cent wage increase in the third year, and a 0.5 per cent wage increase in the fourth year.

How much have population gains boosted the housing market, since we know population's growing? Despite rising housing starts, there are concerns residential construction is not keeping pace with population growth. In the first five months of this year, Nova Scotia home prices are up almost one quarter over the same period in the prior year. I think actual home sales of existing homes - that's used housing - is down about 21 per cent over the same period compared to the prior year.

In fiscal year 2021-22, the Province invested almost \$35 million to support more than 1,100 new affordable housing units in the province. Housing starts in the first five months of 2022 are up about 1.4 per cent over the prior year, which is pretty modest growth, yet still positive. However, there was over a one-third increase in the month of May alone, and, of course, now we're full blown into construction season.

Nova Scotia's population, as I said earlier, rose about 2.2 per cent in the first quarter of this year compared to the same period the prior year. So, obviously, with more people, you're going to need more housing. That's pretty well a given. However, faster population growth and rising interest rates signal that we may have a housing shortage on our hands.

The construction industry is also facing labour shortages, as you saw on an earlier slide, and higher inflation as well for their business input costs. They're also facing higher wages like many industries, as well as supply chain disruptions in terms of getting building materials and supplies. So will home builders be able to keep up with the housing demand in the current environment?

In addition, with a rent cap in effect until December 31<sup>st</sup> of next year, 2023, it will limit annual rent increases to 2 per cent over the next two years. This could deter interest in building apartments and condos when combined with other issues noted previously. They're getting squeezed on the supply side and the cost of doing business side, but they're also potentially getting squeezed on their ability to generate revenues from being landlords and the like due to the rent cap. But the rent cap is necessary due to high inflation, to be clear - households.

What risks do monetary policy pose to the fiscal outlook? We're now heading into the second part of today's presentation on the Nova Scotia Economic and Labour Market Forecast. Nova Scotia considers its forecast to be about over \$500 million this fiscal year, or about 1 per cent of gross domestic product for the province in nominal terms.

Net debt is projected to reach about \$18.4 billion this fiscal year, and the net-debt-to-GDP ratio is predicted to reach 40 per cent by the end of the median term fiscal

projection, or fiscal plan. In other words, by 2025-26 we're looking at a net debt being equivalent to 40 per cent of nominal gross domestic product.

APEC's *Looking Ahead* series highlights the long-term impact of an aging population on fiscal sustainability. We predict that the deficit-to-GDP ratio will reach about 4.5 per cent of GDP by 2040, while the net debt-to-GDP ratio will reach about 52 per cent by 2040.

In this year's capital budget, the Province increased it to \$1.6 billion, which will help stimulate the economic recovery, but it will also add to net debt. Higher interest rates will add to debt-servicing costs for the Province as new debt is issued or existing debt is rolled over. Higher interest rates will cool the economy, slowing the pace of tax-revenue growth. Higher inflation is already putting pressure on governments to offset the rising cost of living, as even Nova Scotia has brought in measures to combat higher fuel costs and higher rent and so on, obviously.

Higher inflation also impacts the cost of the provincial government's supply chain, whether it's for wages or non-wage costs, suggesting that program expenses are also on the rise. Higher unemployment will also put upward pressure on the costs of social programs like welfare or social assistance. These fiscal pressures signal that deficits could be higher than expected over the medium-term, especially over the next year or two.

What do APEC's long-term demographic projections tell us about the outlook for the economy and the labour market going forward? This is, once again, from our *Looking Ahead* series, this particular slide.

A further aspect of this demographic transition is a changing age structure in our province. The number of youth is down about 40 per cent since 1980, but it will decline at a slower rate going forward, assuming we have a stable birthrate and stable net in-migration. Obviously in recent years, net in-migration has actually been trending up.

The number of seniors has doubled since 1990. That's people aged 65-plus. Seniors were 19 per cent of our total population in 2015. By 2040, we predict that they will reach 27 per cent of our total population - over one quarter. The ratio of youth to seniors was 3.2 youth for every 1 senior in 1980. By 2040, we expect to have only 2 youth for every 3 seniors in the province. This means we will continue to face labour challenges going forward.

We will need more immigration, higher labour force participation of underrepresented groups, including women, Indigenous people, BIPOC and other visible minorities, disabled persons, and older workers. We will need more investment in skills development and capital, including automation to help boost productivity as well, or face slower economic growth because we don't have enough people, and we didn't invest in capital, innovation and automation to offset having fewer people. That's what we're

looking at if we don't make those investments and we don't attract more immigrants and so on.

So what does the short-term economic outlook for Nova Scotia look like? Most economic forecasts are projecting a soft landing for the economy. Most economic forecasts are predicting a soft landing. This slide is based on six economic forecasts from six of our major banks in Canada. But stock markets are in rapid descent and the global economic uncertainty suggests we fasten our seatbelts and be prepared for more economic turbulence.

Global uncertainty is tied to supply chain disruptions, including efforts to get to zero COVID in China, the Ukrainian conflict, higher commodity prices, and global monetary policy measures to address global inflation. It's not unique to Canada.

Nova Scotian real economic activity is forecast to increase by 2.4 per cent this year due to a modest slowdown in employment growth, retail spending, and housing activity, partially due to higher interest rates. Capital spending in Nova Scotia - and this is for the private and public sectors - is forecast to reach \$4.8 billion this year, a record for the province. These gains in capital investment are being led by the housing market, electricity projects, and health care redevelopment by the Province.

So far in 2022, employment has expanded by about 3.6 per cent in the first five months of this year. As noted earlier, Nova Scotia wages rose 4.9 per cent in the first four months of this year, but this growth is well below the rate of inflation, adding support that domestic demand will slide downward along with real incomes. If we have less real incomes, we can't buy as much or we have to make spending decisions on what we can buy versus what we can't.

Likewise, retail sales volumes in Nova Scotia are declining as inflation is outpacing nominal growth in retail sales. In the first four months of this year, nominal retail sales increased by 4.4 per cent but general inflation increased by 6.1 per cent. This once again suggests that retail sales volumes in real terms actually have declined.

As mentioned before, Nova Scotia housing starts in the first five month of this year rose 1.4 per cent versus the prior year, while home prices are up 24 per cent over the same period. Make no mistake, the Bank of Canada's raising of interest rates is trying to cool that housing market.

Higher allocations for the Nova Scotia Nominee Program and Atlantic immigration programs, along with more Ukrainian refugees, should boost population growth and provide a cushion for a soft economic landing. That's an upside we have over the next six months or so - for that remainder of the year. The population is expanding, so hopefully that will keep us here in Nova Scotia from going into a recession.

Are we on the cusp of stagflation, or is that just media hype? Stagflation is a combination of higher unemployment and higher inflation, along with less demand - so slower economic output growth as well.

APEC estimates that higher inflation could add, on average, \$1,600 to household budgets in the Atlantic region this year. This would squeeze spending choices, especially for those on low or fixed incomes. This does not include the added household costs of higher debt servicing costs due to higher interest rates to combat inflation, including interest on your home, your car loan, your credit cards or your lines of credit.

Stagflation in the 1980s saw Canadian inflation peak at 12.5 per cent in 1981 and the Canadian unemployment rate reached 12 per cent in 1983. We are not close to 1980s stagflation, as estimated by the misery index. The misery index is the sum of the inflation rate and the unemployment rate. In 2021, the misery index was one-half of what it was in 1982 in Canada. That's why I say that today's version of stagflation is one-half of what it was, at least last year, versus in 1982 - so we're nowhere near it at this point.

However, inflation has spiked in Canada, reaching 7.7 per cent in May, the fastest yearly pace in almost four decades. In other words, since January 1983, which is over 39 years ago, or obviously close to that. In Nova Scotia, the annual inflation rate was 8.8 per cent in May. Energy prices have jumped 47 per cent with Nova Scotians spending a higher share on gasoline and home heating fuel.

Beyond rising energy prices which feed into transportation costs throughout the economy, there are several factors contributing to higher prices, including supply chain pressures and the conflict in Ukraine's impact on commodity prices, including on energy, mineral, wheat and fertilizer. How quickly supply chain shortages and the conflict will be resolved remains to be seen.

The Bank of Canada survey shows consumers and businesses expect inflation to be over 3 per cent next year - so not just high inflation this year, but high inflation next year also. If higher expectation for inflation feeds into further wage increases, the current blip in inflation could prove to be more persistent than currently forecast.

I know that in recent days, some are even predicting that in the July rate setting date for the overnight rate, the Bank of Canada could now even raise interest rates by as much as 100 basis points because the previous expectation was 75 basis points. So we're looking at higher interest rates over the remainder of the year and further increases.

Thank you. APEC will now entertain questions from the remuneration panel.

BURTLEY FRANCIS: Thank you very much for that presentation. It's a lot of very useful information. I really appreciate you addressing the questions that we put forward directly.



[2:45 p.m.]

I did have one question that came from this last line, and I just want to make sure I'm clear. Is what you were hearing and from the information that you've assembled, that the period for high inflation could be between 12 and 18 months? Or are we looking at a different period?

FRED BERGMAN: Typically, what happens, Burtley, is when the Bank of Canada increases interest rates, it doesn't automatically lead to a decrease in inflation. It takes time to have economic effects on consumer and business decision making. You may still buy that house or that car or appliance that you're buying on credit or you need a mortgage or a car loan for. So it might not cool it right away. There's a real lag. That lag is typically 18 months to two years, actually.

What they do every time they increase the rates is watch for any signals that the economy's starting to cool, because they don't want to cool the economy too much. They don't want to overshoot and actually cause a recession, which we are always at risk of that. Typically, most of the forecasters now are expecting rates will at least get to 2.75 per cent by the end of this year; the overnight rate could even get to more than 3 per cent.

Some are even expecting by early next year you could see them go above what they call their neutral rate, and their neutral rate is 3 per cent. They might even have to go higher to cool inflation, but once again, there's that risk that they could create a recession, and they're doing this in increments. They do not do it all at once. This is why they don't go automatically to 3 per cent or 3.5 per cent, because that alone could send too strong of a signal and drive us into a recession. They do it piecemeal, but it's a balancing act. I sympathize with the challenge they have facing them.

A lot of the banks - not all of them, but pretty well all of them - expect at least a 75-basis point increase in July, and some are even saying 100-basis points. Then you're looking to at least a couple more increases on their rates and dates later this year. Those increases might not be as much. They might be only 50 basis points or even 25 basis points. Right now, we're at 1.5 per cent overnight rate. Obviously, if they go 100 basis points next month, that's going to get us to 2.5 per cent in a hurry. Obviously, you only need 50 basis points more by the end of the year to get to 3 per cent.

I think it's almost a given we're definitely going to see us get to the neutral rate by the end of the year. There's a really good change of that now, and like most forecasters, you're looking at potentially higher rates next year.

To see inflation actually start to drop, Burtley - to directly answer your question - you're not looking to see inflation dip below 3 per cent, even until some time next year. That could even be late next year. I know this projection here - if you look closely at that chart, it actually has it getting to 2 per cent by the end of next year.

To be honest with you, when that next MPR comes out during the rate setting - that next monetary policy report - rest assured, that red line in the projection which comes from the Bank of Canada is going to move upward because inflation's been tracking higher than they expected. I wish them the best of luck with getting to 2 per cent by the end of next year. I'll be happy if they get to 3 per cent.

BURTLEY FRANCIS: Thanks, that does answer my question. I guess the second question that I had relates to an earlier slide where you were talking about the provincial deficit over the next few years.

Thank you for incorporating the budget this year, which I think is really helpful. Again, I just want to make sure I'm understanding the graph correctly - that in the next fiscal year, there's a projection of a slight surplus still?

FRED BERGMAN: That's actually for last fiscal year. Last fiscal year is still technically a forecast until they release the public accounts. I'm [Inaudible] Department of Finance and Treasury Board, and I know they've really improved in recent years. I think they're now sometimes even able to release the public accounts for last fiscal year in July. That's the earliest I've ever seen it. Typically, it now comes out by August in Nova Scotia, so until it's audited by the Office of the Auditor General and it's final, it is technically a projection.

The last official forecast, which would have been embedded in the budget for last fiscal year, was still predicting a surplus, but it is not an actual until it's audited by the Auditor General. That first uptick where the surplus is - that's not this fiscal year. That's last fiscal year, just to be 100 per cent clear.

BURTLEY FRANCIS: Okay, that's great, and that did go to my question. So then following that, the deficits that seem to be reducing at a certain rate - is that based on things being as they are now, and the assumption that interest rates will be able to adjust for the impact from the inflation rates that are abnormally high?

FRED BERGMAN: They would have factored in some of that information at budget time, but they would have a cut-off date so it would obviously be roughly upwards of a month before the actual budget is tabled. I am involved in the challenge and review session, but I can't say much on that because I signed a confidentiality disclosure thing so I'm not going to say anything beyond that on how long before their projection is actually set in stone.

I can tell you that they would not have factored all of this in. And who would have factored in fully the impact of the conflict in Ukraine? That started up in late February. To what degree that was already in their projection - I doubt it. It was probably cut off at that point, but that's a question better to pose to the Department of Finance and Treasury Board. I should not speak on their behalf. I haven't worked with them in 13 years. Even when I

did, I was bound by an oath of secrecy, so I know nothing. I only know what people tell me.

BURTLEY FRANCIS: I completely understand and appreciate that obligation on your part, so I thank you for that.

FRED BERGMAN: I do respect that and still honour that to this day, even though they don't pay my cheque anymore.

I guess what I'm trying to say is that when you look at the election platform for the current government, they have a huge commitment on home care, health care and some other things that really drove up the deficit. That's why you had a big increase in their first-year deficit. That was to be expected. Even last Fall before the budget, we kind of knew this was coming. We used their official forecast, but behind the scenes we knew we were looking at larger deficits.

Once they kind of do that spending, then we can start to kind of get back to more normal deficits. A lot of it depends on what was going to be the pace of the economic recovery. Nobody expected that the pace of recovery - prior to the inflation heading into the Ukrainian conflict - would have been that strong. We didn't see the numbers on that until April or May this year when the Estimates for last year's economic growth from Statistics Canada came out at about 5.8 per cent real GDP growth - which would have been on Slide No. 14. I'll just go to that quickly.

That strong growth in 2021, that's the bounce-back. That bounce-back was even quicker than expected. We were expecting that we'd get that bounce-back. It may take a couple of years or so. As you get economic growth, you are going to whittle down that deficit because tax revenues are going to grow, as long as you can kind of limit spending to, say, 2 per cent of growth a year or so. Even if they allowed for slightly higher inflation and spending, because of higher inflation, once again you could still kind of whittle away at that over time, as long as you have economic growth to do that.

Clearly, that huge bump in the deficit is going to take a while to erase and get back to balance. That is not out of the norm with most other provinces, with some exceptions. I know that Alberta recently reported that it has a huge surplus now, because of higher energy prices and obviously higher oil and gas royalties.

BURTLEY FRANCIS: Thank you. I appreciate the time and recognize that I want to make sure that my colleagues have a chance to ask questions as well. My last one is really for your opinion. Based on the presentation that you have today and the information you provided, what's your opinion on the state of the economy? Are you concerned greatly or do you think that this is a manageable place that we're in?

FRED BERGMAN: I have concerns. This is off the record so - oh no, it is on the record, so I have to watch what I say because it is on Hansard. APEC is not predicting a recession at this point.

I think in our outlook last Fall - and I'm going to go back to that economic forecast, so just bear with me. On this chart we're showing 0.4 per cent economic growth for 2022. That's based on the six charter banks mentioned there in the source at the bottom of the chart. Our forecast last Fall was 3.5 per cent. So because of higher inflation and the Ukrainian conflict and ongoing supply chain disruptions that have not faded yet, and other factors, we kind of went with their projection from the consensus instead of our own, just to kind of build in that, yes, there's now more risk because of higher interest rates cooling the economy.

At the same time, I'm a bit of an optimist because that stronger population growth, i.e., the 2.2 per cent in the first quarter of this year over the first quarter of last year - that alone suggests we're going to get 2.2 per cent real growth this year, because people are measured in real terms, they're not measured in monetary terms. So economic measures like employment or population are very good guides for at least some of real economic growth.

As I said on an earlier slide, employment in Nova Scotia in the first five months of this year is actually up 3.6 per cent, so it's actually tracking bang on with our forecast last year - hint, hint, wink, wink.

We know there's downside risks, but I am more bullish. I'm known as the cheerleader at APEC. I know that stronger population growth has potential to kind of keep us from going into recession and, as I said earlier, provide a cushion for hopefully a soft landing.

It remains to be seen if there's going to be a soft landing for Canada. The last time I heard those words, back in the early 1990s when I was in the provincial government, we did not have a soft landing, we did go into recession. Every time I hear the words "soft landing," I must confess that I do chuckle. I have not lost my sense of humour with age.

BURTLEY FRANCIS: Thank you for your insight and for sharing that with us.

AJAY PARASRAM: I don't have any further questions. I think the line of questioning and the clarity of the presentation was just right for me so thank you very much.

FRED BERGMAN: You're welcome, Ajay. At any time, through Cara, you could always share questions after the fact. I'll be careful with what I write because I know it goes into the Hansard record, even in an email. We can address those after the fact as well, so I offer that up.

AJAY PARASRAM: Thank you.

KYLE MACISAAC: Same here, thank you so much. I don't have any questions, but your presentation, as well as the follow-up from my colleague, were very informative. Thank you very much for sharing your expertise and your perspective.

FRED BERGMAN: Let's hope we all avoid a recession. Part of my role as an economist as well is not to kind of beat the recession drum. Because if we all start being too negative as economists, we can change opinions and impact the consumer and business sentiment. I have to keep in mind that I have a role to play there as well.

CARA LOCKE: Thank you very much.

FRED BERGMAN: You're welcome, Cara. I'm going to sign off. I'm guessing you have more presentations. Thank you very much for your time today. Have a great Summer, everyone.

CARA LOCKE: You too, as well.

Our final presentation of the afternoon - our guest is with us in the waiting room, but I realize that it is 2:57 p.m. If everyone wants a quick breather, I'll be back at 2:59 p.m.

[2:57 p.m. The committee recessed.]

[3:01 p.m. The committee reconvened.]

CARA LOCKE: Good afternoon, professor. I'm Cara Locke. We have been corresponding by email. I am an assistant clerk with the Nova Scotia House of Assembly. A warm welcome to you from Halifax.

Thank you very much for your work to prepare for today and for kindly sharing your expertise with the remuneration panel. We are especially grateful to have expert perspective from Cape Breton. I understand you are with the university's Department of Financial and Information Management.

PATRICK DE LAMIRANDE: Yes.

CARA LOCKE: Before we begin, I wanted to mention that Hansard is transcribing today's presentation, and the transcript will form part of the public record for the remuneration review.

I would like to invite each of our three panel members to introduce themselves and then we'll let you take away your presentation.

[The panel members introduced themselves.]

PATRICK DE LAMIRANDE: Thank you for giving me this opportunity to share my expertise - you know professors like to do it. We like to pretend that we are smarter than other people, but very often that's not the case.

I've been asked to present some coverage about the economic situation in Nova Scotia and talk about the labour market, and this is what I will do. If I can, I will share my screen, so give me a second.

Before we start, what I plan to do is just a brief review of the economic changes since 2013. My understanding is that this was the last time you went through a review so we get to review the process so I will discuss it. We'll talk about the current condition of Nova Scotia's economy, and I will briefly talk about what I think will happen in the next two or three years and a bit beyond. I hope you will let me talk about it a bit more.

Yes, you can ask any questions any time, so don't be afraid of stopping me for questions for clarification. If you think that your question will lead to a deeper discussion, maybe you can wait until the end but for clarification, don't be afraid to stop me. I am used to it, so no worries. And yes, all professional opinions shared in this presentation are just my own.

Before we start, I don't know your knowledge of economics, so since I will discuss a few concepts. I just want to make sure that we are on the same page on those concepts. Today I will talk about the gross domestic product, which is pretty much the value of what a region produces. In general, it's for a year, but we can talk about the quarter or monthly. We'll talk about it and inflation. What we have in mind - everyone has his own view about inflation, but how we define it in economics is just the general change in prices.

We'll look at different products and we'll look at the effect of prices on the value of the basket, and we keep track of the value of this basket. This is what we call the Consumer Price Index. This is the most important index we follow for inflation.

I will talk also about the unemployment rate, so again, I'm pretty sure you're quite aware of that. This is the total unemployed divided by the labour force. The labour force is the people who are actively looking for a job or working at this moment. The participation rate - this is something that I will focus a lot on when we talk about the labour market, which is the share of the labour force over the population over the age of 15.

I will follow those variables, but again, if you have questions about that, you can stop me. Again, I went very quickly. Just keep in mind I spent a few weeks talking about that in my classes. I know it was a very quick introduction.

Let's talk about what happened since 2013-2020. I can't talk about 2013-2022 without talking about what happened just a bit before. We had in 2008-2009 a recession - what we call the Great Recession. Canada was affected, but not very much. Actually, we were quite safe. We were quite protected by this Great Recession in 2008 and 2009. It was just a period of economic growth since then. I will show you a graph in a few seconds about that, but pretty much all countries around the world just went through a steady period of expansion.

We had a small slowdown recession in 2015. It was mainly caused by the drop in oil prices. We can move deeper in that discussion. Nova Scotia was affected a bit by that because of natural gas, but we quickly recovered from that, and everything was going quite well during that 10-year period. But by the end of 2019, we see some signs of struggle coming. The economy was slowing down. We had some pressure on the labour market at that time, and we saw some signs of inflation already at that point.

What all of us - we had the pandemic in 2020 that started. We had the Great Lockdown in 2020. We'll see it in the data in a few minutes, but we recovered very quickly from that. In 2020, we have the problem of inflation. I will go back to that in a few minutes.

This is the graph I was talking about, about the steady growth since 2010 to 2019. Keep in mind that a growth rate of more than 3 per cent is very good. In today's reality, for an economy like Canada, the United States, and the OECD countries, more than 3 per cent is quite good. We had this situation in 2015. I just told you it was mainly because of the price of oil. Since the richest province in Canada depends so much on oil, that caused a small bump during that year.

Technically, it wasn't a recession because there's a technical definition for that. We had a slowdown in 2015, but if you look in blue, it was pretty much constant. If we just average it, it was pretty much relative to the other countries.

A period of growth - it was true for Canada, and it was true for Nova Scotia as well. Then the pandemic hit and what we saw was a huge decrease in the GDP. When we had the Great Lockdown starting in March, April, May - that affected the economy very quickly, very badly. A huge increase in unemployment at that time, for sure. A lot of firms shut down, at least temporarily, and that created a big decrease in the GDP.

The thing is, the definition of a recession is two quarters in a row of decreasing GDP. Depending on the measure, we didn't have a recession in Canada at that time. It was just one quarter and we recovered very quickly from there.

At the same time, what we see during the pandemic is transformation in the labour markets. It's not surprising that we see more demand in the arts sectors. We needed more people to work in those sectors. We also saw a huge decline in some service sectors -

restaurants and tourism - during that period of time. We are catching up right now, but we're not there yet.

This situation is amplified by the shortage of low-skilled workers. This problem was there before the pandemic, but it was made worse during this situation. It is kind of bizarre talking about that, because I'm saying that we were going through a slowdown of the economy, so huge unemployment. At the same time, we needed low-skilled workers in some industries.

The fact is that the labour market is not one labour market. It's many different labour markets, and people cannot move very easily from one sector to another one. We saw it in the sector when they needed people to go and help with administering the vaccines. It took time to train the people to be able to move through all the vaccines.

So what do we see? A shortage of low-skilled in some industries, and we still see it as many companies and many firms have difficulty going back to full production because they're lacking workers. We see it all across Canada. It's not just here or in big cities - it's pretty much everywhere. Restaurants were definitely hit very badly by that.

But at the same time, yes, we had a very quick recovery. If we look at the GDP - and we'll do it in two minutes - the real GDP is pretty much back to the pre-pandemic level. Unemployment is historically low. When we look at the data again, you will see that unemployment is very low. Inflation is quite high right now. It's not a real surprise.

Here is the revenue for Canada. What you can see here is the third quarter of 2021, and here's the first quarter of 2022. We're pretty much back to the path we were following since 2013. If we eliminate this big drought here, again, we're pretty much back to where we were - the same path. The recovery is pretty much all done. We still have to adjust because the pandemic brings some changes in the economy, and we have to deal with them. But in terms of prediction, we're pretty much back to where we were before the pandemic.

If we look at the unemployment rate, it's pretty much the same thing. In blue here we have Canada, and in orange here we have Nova Scotia. What we see is that it was declining since 2013. The unemployment rate was declining in Canada as well.

We'll look at the data right now. The last data I had is in May 2022. It's very much at the lowest point we've had in the history of Canada and Nova Scotia. Again, when we look at those data, we can believe that the economy's doing very well. The unemployment rate is very low in Canada and in Nova Scotia. The GDP is pretty much back to the same growth level that we had before the pandemic, quite good. However, the inflation is sky rocketing.

Here I put the target of 2 per cent which is a target identified by the Bank of Canada. The Bank of Canada tried to keep inflation around 2 per cent, and we can see that, yes, the



Bank of Canada was very good to do it. But when we look at what is happening with the pandemic, not surprisingly, the prices didn't increase very much, but for the last year, what we see is a huge increase in the inflation.

[3:15 p.m.]

Is inflation bad? Yes. Unexpected inflation is bad. If we anticipate an increase in the price and it is happening, [Inaudible] able to adjust so there is no big impact, but this inflation here is unexpected. This level of inflation is unexpected and that creates some problems in the economy, for sure.

Just a bit about inflation. Inflation has increased the price of goods and services. The current inflation in the rest of the world is caused by what? It's a supply shortage due to the pandemic. There's no big surprise. We saw some signs of inflation, of pressure on the prices a bit before the pandemic, but the pandemic hit us very badly. We had an immense shift from some good to the other ones, but it takes time to catch up. For example, the demand for medical supplies increased during the pandemic, but it takes time to adjust so the price of those products increases very much.

We see some challenges with food production. We have global warming is hitting us - all of us. The war in Ukraine also creates some pressure on food, so the price of food increases. The price of electronics increases, the price of gas increases at the same time, and then everything follows after that.

Inflation is a temporary problem. Why is it temporary? Because we can adjust. As an economy, we will adjust. We will be able to put in place the policies. We'll be able to renegotiate our salaries, we'll see the price of other goods to adjust. So it's just a temporary problem. Even if I say that, it's still a problem because in the short-term, it creates some problems, so we have to deal with it.

The Bank of Canada and central banks around the world are raising their interest rates to slow consumption investments, and then this will slow, at least, or stop the inflation or this level of inflation. So what we can pretty much be sure of is that inflation will still be a problem for the next year. It will take time for the Bank of Canada and other banks to control inflation. From our point of view, it will take a bit more than that.

For me, from our point of view, it will take pretty much 18 months to see a kind of return to normal. The current situation is not caused by monetary policies, it's very caused by structural problems, and solving those structural problems will take time. It is not something that will just be adjusted in a year or so. Maybe it will take a bit more time to do. I expect a return to kind of normal in 18 months [Inaudible].

Now let's focus a bit more about Nova Scotia. The change in Nova Scotia is pretty much related to what we're seeing in the rest of Canada. Unemployment is very low. The

GDP is growing at the same rate per capita. There are still some large gaps remaining with the rest of Canada. We have to keep in mind that Nova Scotia is competing with P.E.I. to be the poorest province in Canada. When we look at the GDP per capita, we're not doing very well. I will show you some numbers about that. A large gap remains for the rest of Canada.

The good side is the pandemic has a very mild effect in Nova Scotia. The main reason is that we're quite isolated. The policies put in place by the government at that time were quite good to protect us from the pandemic, so at the end it didn't have a lot of impact on our economy. Inflation remains an important problem. You had the cost of food and the awesome prices, but there are some differences between Canada and Nova Scotia.

Nova Scotia's population had been decreasing since the 1970s. There is a small bump since 2016, but the population is not growing very quickly. Is it a problem? Yes, you will see that this will be a problem because the kind of growth we'll see in the population is not - I'll be careful with my quotation - it's not the "good kind of population" in terms of for the economy. This is because of the aging population problem that we have in Nova Scotia.

We'll be back to the population in two seconds. Let's talk about the GDP per capita. Here is the difference between Canada and Nova Scotia. What we see here is the growth. There are fluctuations in it. We're not very far from what we see in the rest of Canada in terms of per capita, but look at the difference in the level. Much too much: a quarter of a difference, 25 per cent difference between Canada and Nova Scotia. It's huge. When we look at the data, we're not catching up. We're still behind. We were behind and we're still behind. There is no sign of catching up. For me, that's something that we must be aware of.

Depending on which year, sometimes P.E.I. is poorer than Nova Scotia per capita. Sometimes it's Nova Scotia, but actually being second-last or the last is not very great anyway, when we talk about GDP per capita.

This is the situation of the population. Here we have Canada and here we have Nova Scotia. First thing that I want you to look at, because it's easy to look at, is the average age. We move in 2011 in Canada from 40.1 to 41.9. Look now in Nova Scotia. The increase is a little bit higher, but we're older on average in Nova Scotia. When we think that pretty much two years is not a lot, it's huge. In a few minutes I will show you the distribution of age in the population. You'll see where the problem with this.

Look also here, the situation. Canada pretty much - we see here the big changes, which is the number of people between 15 and 64. Those people are the people on the labour market right now. When we look at Nova Scotia, no big difference in terms of this population, but the difference is here. We have way more old people. I will be careful with my wording. The challenge with the aging population is they don't work so they don't

contribute to the public finance, to the market, to the economy, by producing some valuable stuff. At the same time, they have health issues and then we have to take care of those people way more - and this is costly to the system. So having more older people can put some pressure on the public finance of Nova Scotia, and that's a great challenge for the future.

Here is the difference of the age distribution between Canada and Nova Scotia. What we see - this part right here and the difference here - those people are the people who work harder. Blue is for Canada, so here we have more people between the ages of 25 to 55. This is the age group of the people who have the most impact on the economy in terms of economic contribution. When we look here - those people are the retired people. They don't contribute anymore to the economy directly, in terms of production. They're retired. Those people will create way more pressure on the economy.

If you look also, this cohort is the baby boomers. The cohort of the baby boomers is way more important in Nova Scotia than in the rest of Canada. This will continue to put pressures on the economy in the future.

I was talking about Nova Scotia, but actually we have two areas in Nova Scotia. We have to talk about the difference between Halifax and the rest of Nova Scotia, because when we look at Halifax, actually Halifax is doing very well. Very promising, going in the right direction. The rest of the province, not so much. Let me take two minutes to present you some data about the differences between the two realities.

Here, the same graph of the unemployment rate. But now the difference is that I put Halifax in grey, and the rest of Nova Scotia is in yellow. So before we add the blue line, which is Canada, and the orange, which is Nova Scotia, what do we see? The rest of Nova Scotia has a higher unemployment rate - way higher than the province's average. When we look at Nova Scotia, it's pretty much at par with the rest of Canada. Nova Scotia is doing okay on average, but it's Halifax doing very well and the rest of the province, not so much.

So what do we see here? Do we see some convergence? Not clear. The gap is closing a bit, but not much. I will explain to you why we see it in a few seconds.

Here is the age distribution again, but for Halifax and the rest of Nova Scotia. Now you see the difference is huge between the rest of Nova Scotia and Halifax. If you see the people right here in this area, those people are those who are working, or skilled workers. They know way more about the new technology, so they're more inclined to produce wealth in the future. In terms of the distribution, they are in Halifax. They're not in the rest of the province.

I do posit that in the rest of the province we have the older population - the people who will be very costly in the future. We'll have to create some special housing and other housing for those people. We'll have to have more health expenses. We'll have to build

maybe more hospitals. But at the same time, we don't have this infrastructure in place yet. For me, that's a huge problem, an economic problem. That will become a huge economic problem in the future.

[3:30 p.m.]

Here are some statistics about the labour market. Here are the two variables I presented at the beginning, the unemployment rate for Canada, Nova Scotia, Halifax, and the rest of Nova Scotia. First of all, let's take a look at those data here. Canada, you see very good right now. When we look at the data for the province, very low versus the historical value. Halifax is doing very well.

Just to give you some knowledge about economics, when I was a young economist doing my undergrad, we thought that a seven per cent unemployment rate was good. Now we're at 4.7. It's great. It's fantastic. When we look at the rest of Nova Scotia, it's 8.7, which is quite low if you look at the data from the previous, but the problem is we cannot just look at the data alone. We have to look at the participation rate at the same time, because again, the unemployment rate gives you the number of people who have no job among those who want to have a job.

There are many people who don't want to have a job in the rest of Nova Scotia. This is where the participation rate is important, because it tells us how many - the percentage of the population interested in getting a job. They have a job or are looking for a job. When we look at the data, it's way down versus the rest of the province, or the rest of Nova Scotia. That's a big issue.

If we look at the data, we find that the number of jobs available has pretty much not changed since 2013 in the rest of Nova Scotia. What the difference is between this rate and this rate is that people are retiring. The number of jobs has not changed since 2013 in the rest of the province. At the end, is it going well? Halifax is doing great, the rest of the province, not that clear. Not much.

For the next two or three years, what do I think will happen? Inflation will gradually return to normal, more or less 2 per cent. Nova Scotia could be in a recession by the end of the year because the Bank of Canada is fighting very hard to control inflation. This could trigger inflation not just in Nova Scotia, but in all of Canada. Personally, I don't see it. The growth will slow down, the economy can shrink a bit - not really shrink but grow at a very low rate, but going into a recession, I'll be surprised. It could happen, but I would not bet my house on that. I don't see it. The province's economy will continue to grow, but at a lower rate.

The unemployment rate will remain low. This will not change, even if we go into a recession. That could be very interesting, because even if we go into a recession, the unemployment rate will not increase very much. The reason is because we have a problem

of skilled workers. If we go into a recession, a part of it will be because we're not able to find people, to find workers. That's become a break. That's become a constraint now on the economy.

The baby boomers are retiring and there aren't enough workers to replace them. That's a huge problem, and the current immigration levels are not sufficient to serve as a solution. The way we're doing it right now, that's not enough. The next two or three years, the economy will be going quite great, but in the long term, we'll be in big trouble.

If we want to look at the future, because of the aging population, that'll create a real problem for the economy and the future of Nova Scotia as well, and this will have a lot of impact on Nova Scotia's public finances. You have fewer workers, so less revenue for the government. We have to spend more in the health sector, and we have difficulties to hire skilled workers. We're in competition with the rest of the world, with the rest of Canada, to attract skilled workers, brain health specialists, doctors, and this will not change. This will just put pressures on prices and on expenditures up, and that will hit very badly the public funds in Nova Scotia.

This is pretty much it. I don't know if you have any questions or if I went too fast, or if I was coherent enough. Now it's your turn.

KYLE MACISAAC: Patrick, I just wanted to say thank you. I don't have any questions. I think that was very informative, and I really appreciate you coming here and sharing your expertise and your perspective, so thank you very much on behalf of myself. I know my colleagues, I expect, will share that sentiment, so thank you very much.

AJAY PARASRAM: Just to echo some of that. I wasn't anticipating such a long-term outlook. I find that really helpful in terms of trying to understand where we are right now and this sort of longer-range economic situation.

Maybe if I could just ask one quick question. So there's a risk that we might be in a recession or maybe just barely in a recession. But just to make sure I understood you correctly, in all likelihood, you think we'll come out of that within a relatively short amount of time, a couple of years, yes?

PATRICK DE LAMIRANDE: The thing is because of the nature of the province and the economy that we have here - we rely on tourism and natural resources - we will not see a lot of fluctuation in those aspects, so we will not grow very quickly. When there's a boom or we're in an expansion phase, we don't grow very much, but the good side is when we're in a recession, we don't go down that much either.

If we have a recession, I think it will just be a technical recession. Because, yes, the technical term for recession is when we have two quarters [Inaudible] of negative growth.

It could happen, but it will not be at minus 1 per cent. It will be at 0.1 per cent, or something like that. It will be technically a recession, or it will be around 0.2 per cent.

I'll be surprised. Honest, I'll be very surprised if we go in the negative over the next two years. Again, something could happen. We cannot predict another pandemic. Hopefully it will not happen, but, yes, if it continues in the same way, the growth will be [Inaudible]. Maybe not, but we're doing quite well for the next two or three years. I would be surprised if something bad happened.

AJAY PARASRAM: Thank you very much for that.

PATRICK DE LAMIRANDE: Just a quick note to finish. You heard about the demand for [Inaudible] to decommission it and to join another region. We will see a lot of small towns trying to merge with other municipalities. This is a problem that's come from the aging population, and what I was talking about, jobs and people moving. This is a consequence of that.

BURTLEY FRANCIS: Thank you very much for your presentation, Patrick. My one question for you is: When you were talking about inflation being temporary, but it being driven by - not by monetary policies, but by structural problems. Could you just expand on that and give examples of the structural problems that you're referring to are?

PATRICK DE LAMIRANDE: Among different aspects, one is all the trade wars with - not wars, but difficulties, I would say, with China. China is now [Inaudible] badly by the coronavirus. They're shutting down. There're difficulties to get chips for computers. It is one reason why we see difficulties to find new cars right now - because we don't have the chips to put in the computers on those cars. This is something that is happening in China because of the coronavirus, but it's also because we are in a difficult relationship with China. The price is rising also over there.

The conflict in Ukraine is putting some pressures on the price of natural gas even here, and the price of oil as well. Even if Canada doesn't buy any Russian oil, it's a global market, we know that, so we are also impacted because of those.

The reality is, yes, the lack of those skilled workers. There's some pressure now. We have to pay more. If you want to pay someone the minimum wage, you will have difficulty finding people. Again, that's just one observation, but last week I was in Quebec. I stopped at two Tim Hortons after two o'clock, and they were closed because they didn't have enough people to fill the afternoon shifts.

That's the reality right now. If they want to find people, they will have to increase salaries, and this is happening right now. The price of goods will be pushed up because of the lack of workers.

Mainly, the main problem that we see right now - the situation in Ukraine is just one of the causes of the increase in the price of food. The global market is very integrated. What is produced is shipped directly to other places in the world, and if there is some disruption in the system, everyone will suffer from there. This is what's happening in some parts of the world because of global warming. There are floods coming up, there's some drought happening, and this has created some pressure on the price of food everywhere. That's a consequence.

What do I see and why the problem will be solved? Again, the war in Ukraine will have to stop eventually. China will try to control more of the coronavirus over there, so production will be back to normal. Also, consumers will adjust. You want some goods - we're crazy about the price of wood. I don't think you'd try to renovate your house, but the price of wood went crazy lately. Why? Because people weren't able to travel, so what did they do? They invested in their house and spent a lot of money on that. But suppliers didn't have the time to adjust and produce more wood to answer that demand.

We see some shock that was created by the supply side. Consumers changed their behaviour - because of the coronavirus for sure as well - and it creates some pressure at different places for different reasons, but eventually everything will come down. The price of wood has started to decrease already. The price of housing is hitting a ceiling pretty much, depending on where we are, and the price starts to decrease in some parts of Canada. So we can expect the price to come down.

I don't know if that answers your question.

BURTLEY FRANCIS: It did, very directly. Thank you very much.

PATRICK DE LAMIRANDE: I don't think you have any topics that I haven't covered that you were interested to know a bit more about or . . .

BURTLEY FRANCIS: No, everything that you provided today between your presentation and answering our questions was very comprehensive. We really appreciate that, Patrick, so thanks for your time today.

PATRICK DE LAMIRANDE: My pleasure.

CARA LOCKE: Thank you very much.

I believe that concludes today's expert consultation. As soon as the transcripts are ready, I will circulate them, and we'll speak shortly.

[The meeting adjourned at 3:45 p.m.]

# Nova Scotia Economy and Labour Market

House of Assembly Remuneration Panel

June 29, 2022

**Fred Bergman**

Senior Policy Analyst, APEC

[fred.bergman@apec-econ.ca](mailto:fred.bergman@apec-econ.ca)



# Presentation Outline

**Recent economic and labour market trends**

**Nova Scotia economic and labour market forecast**

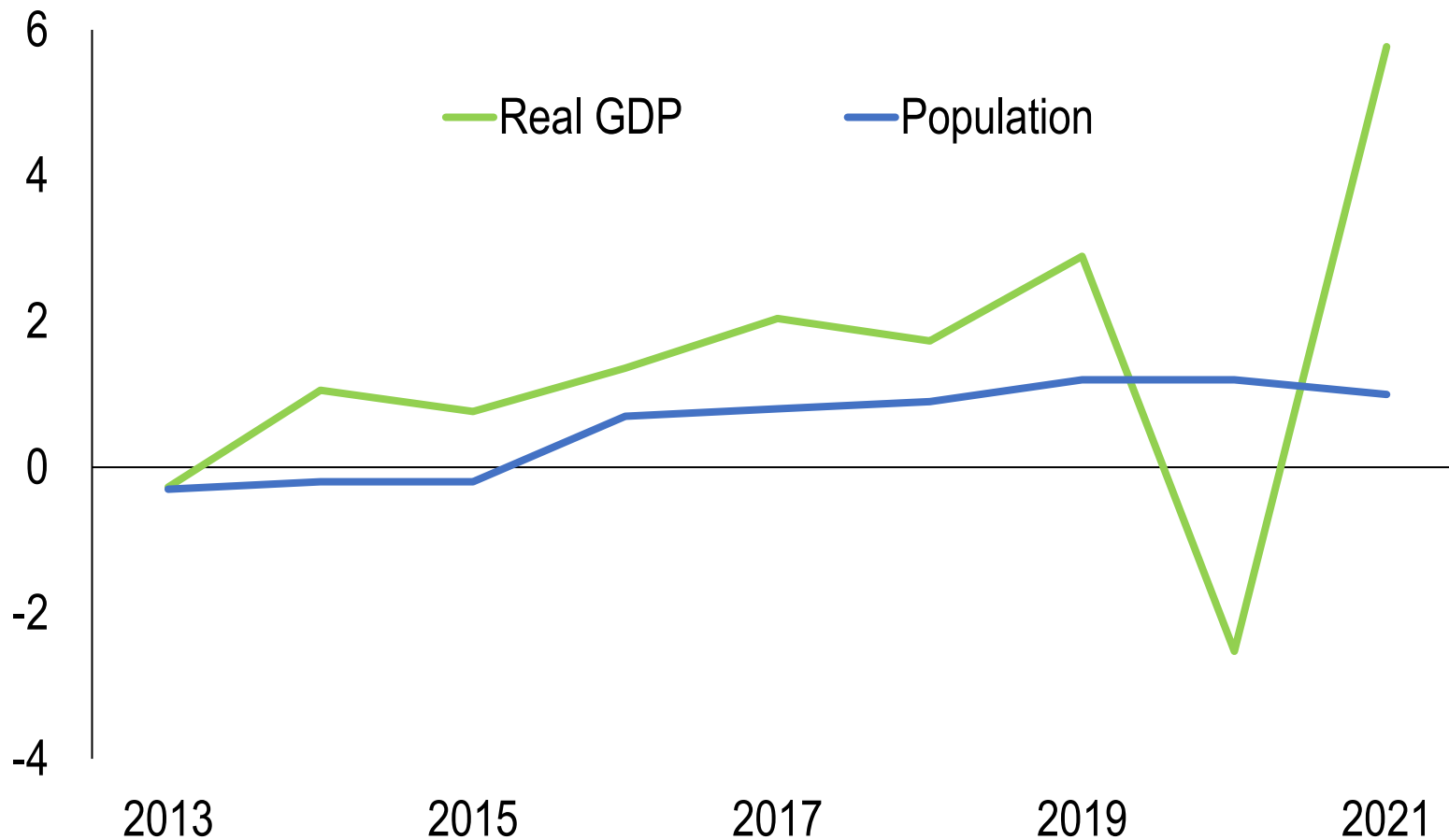
# Presentation Outline

**Recent economic and labour market trends**

Nova Scotia economic and labour market forecast

# Nova Scotia Real GDP Growth Rebounded Quickly Post-COVID

Annual real GDP and population growth, Nova Scotia (%)



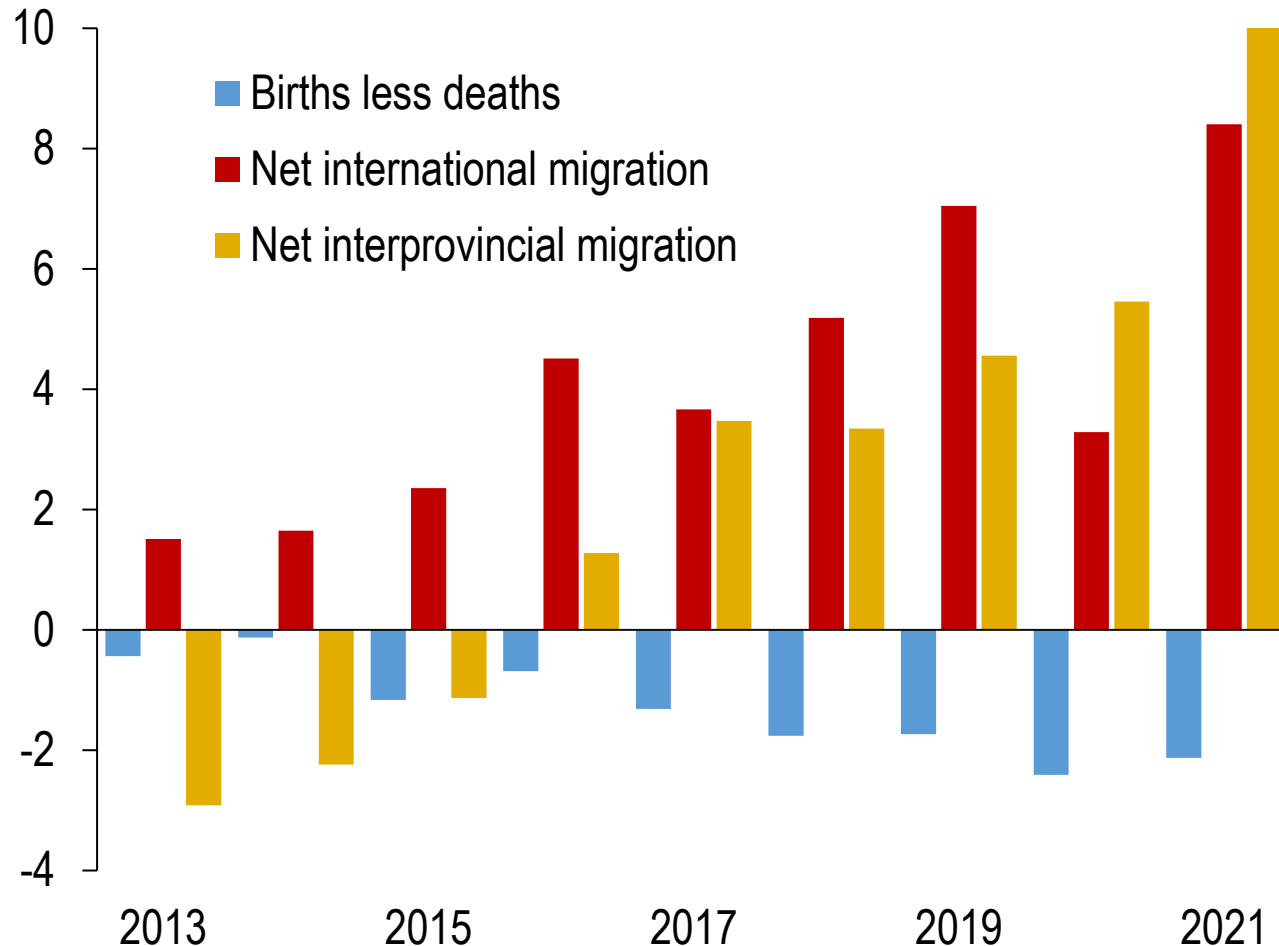
Nova Scotia real economic output increased at a compound average annual growth rate of 1.6% between 2013 and 2021.

Until the pandemic hit, Nova Scotia real GDP growth was starting to trend upwards because of faster population growth over the last five years.

# Immigration Should Recover in 2022

## But Can the Province Sustain Its Pull from the Rest of Canada?

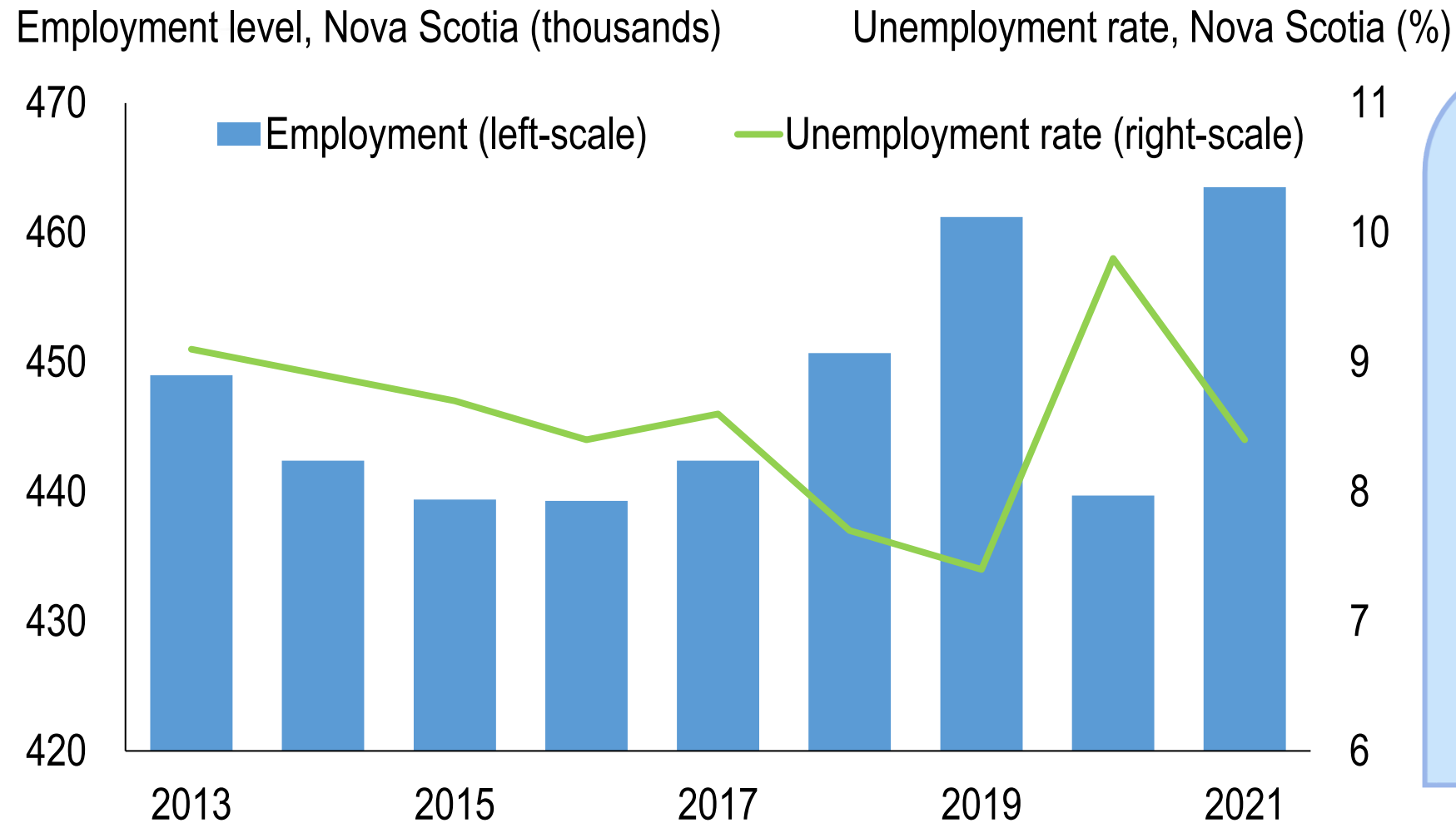
Components of population change, Nova Scotia (000s of persons)



### Share of net interprovincial migration, Nova Scotia

Age group (years)	2017-2020	2020-2021
20-29	16%	29%
30-39	15%	16%
40-49	11%	10%
50-59	18%	13%

# Employment Improving and Unemployment Rate is Declining

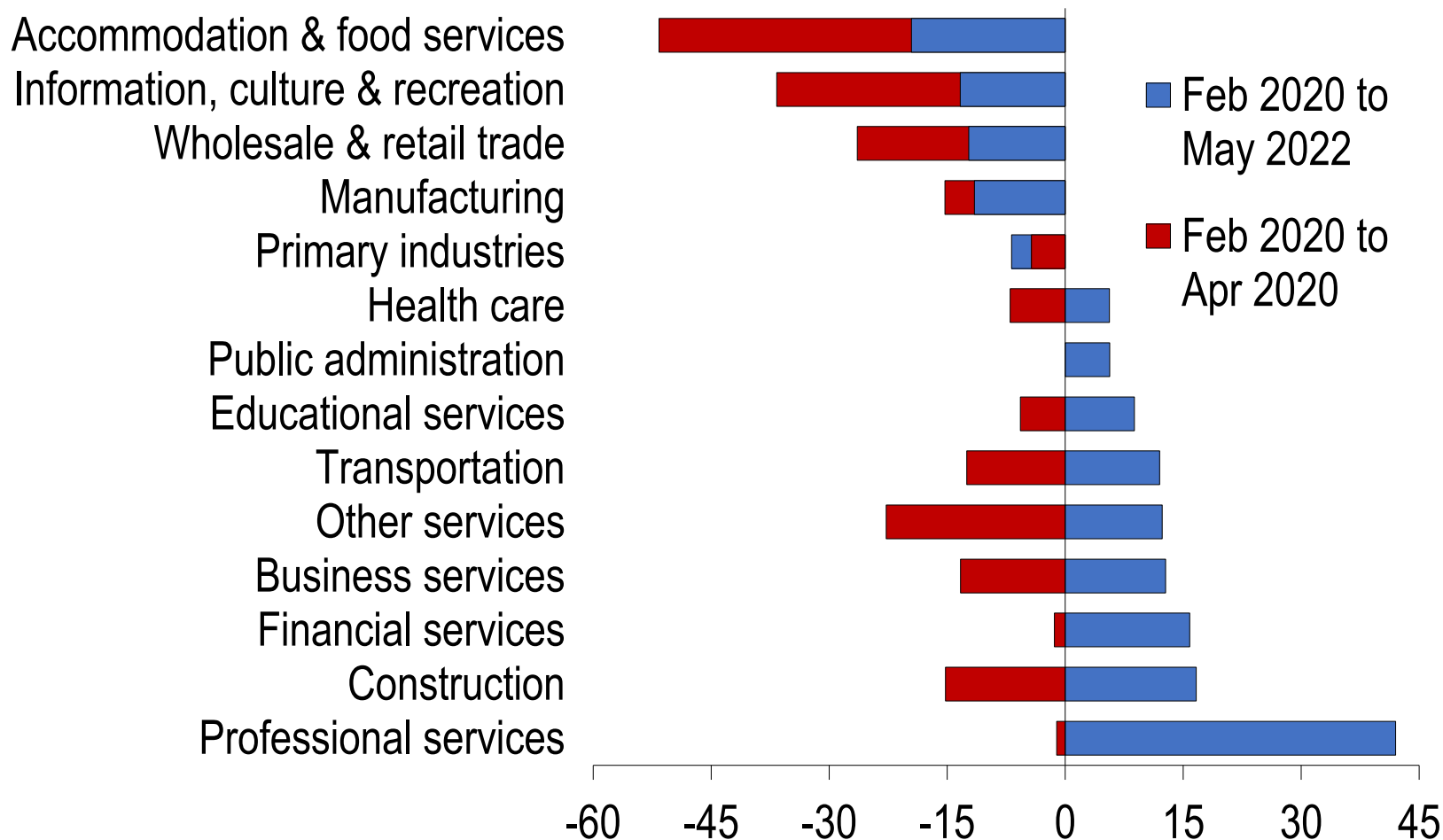


Post-pandemic employment growth has returned, driven by population gains in recent years.

An ageing population is causing the available workforce to shrink and putting downward pressure on the unemployment rate.

# Recovery Remains Very Uneven Across Industries

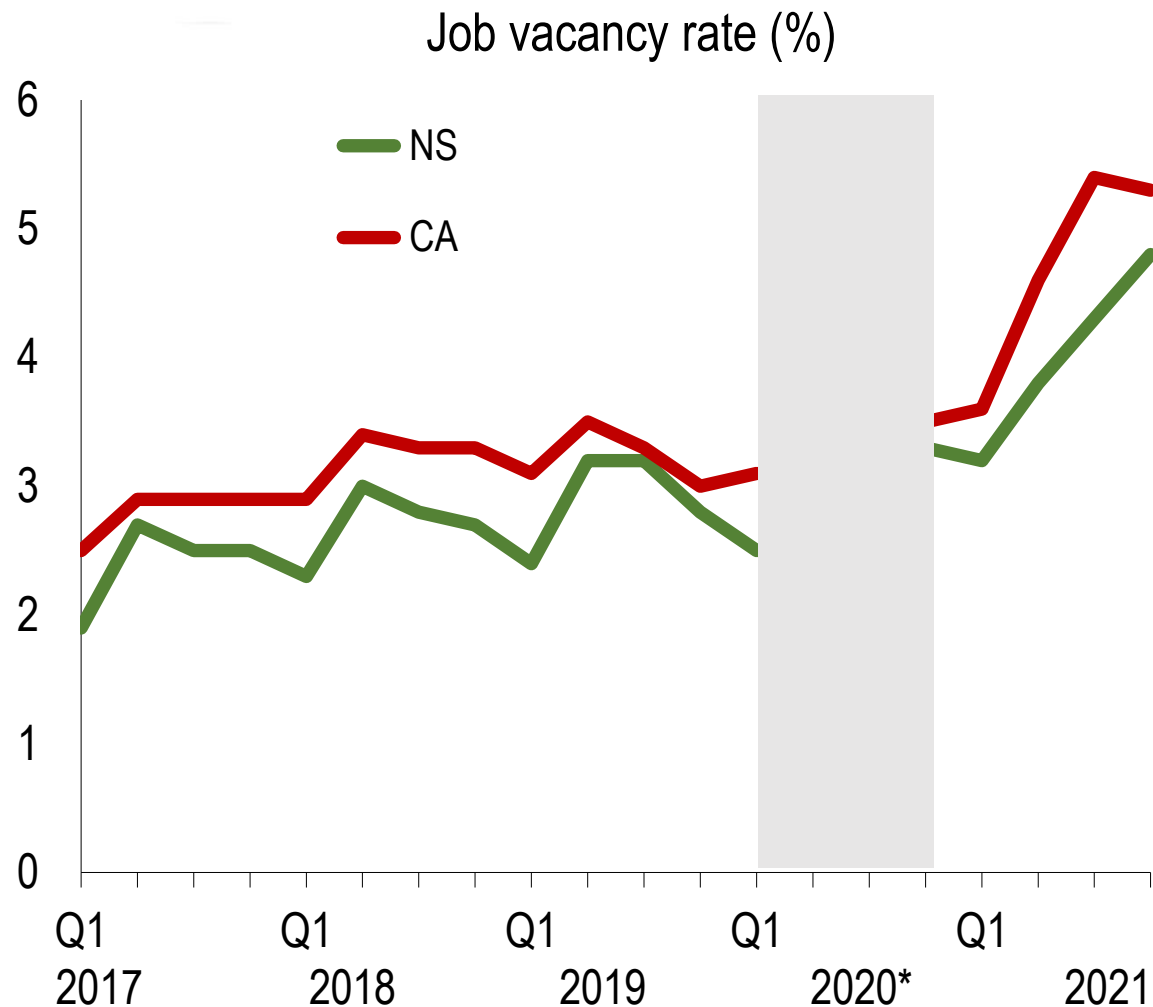
Change in employment, Nova Scotia (seasonally adjusted, %)



## Largest current job losses in Nova Scotia (# of jobs)

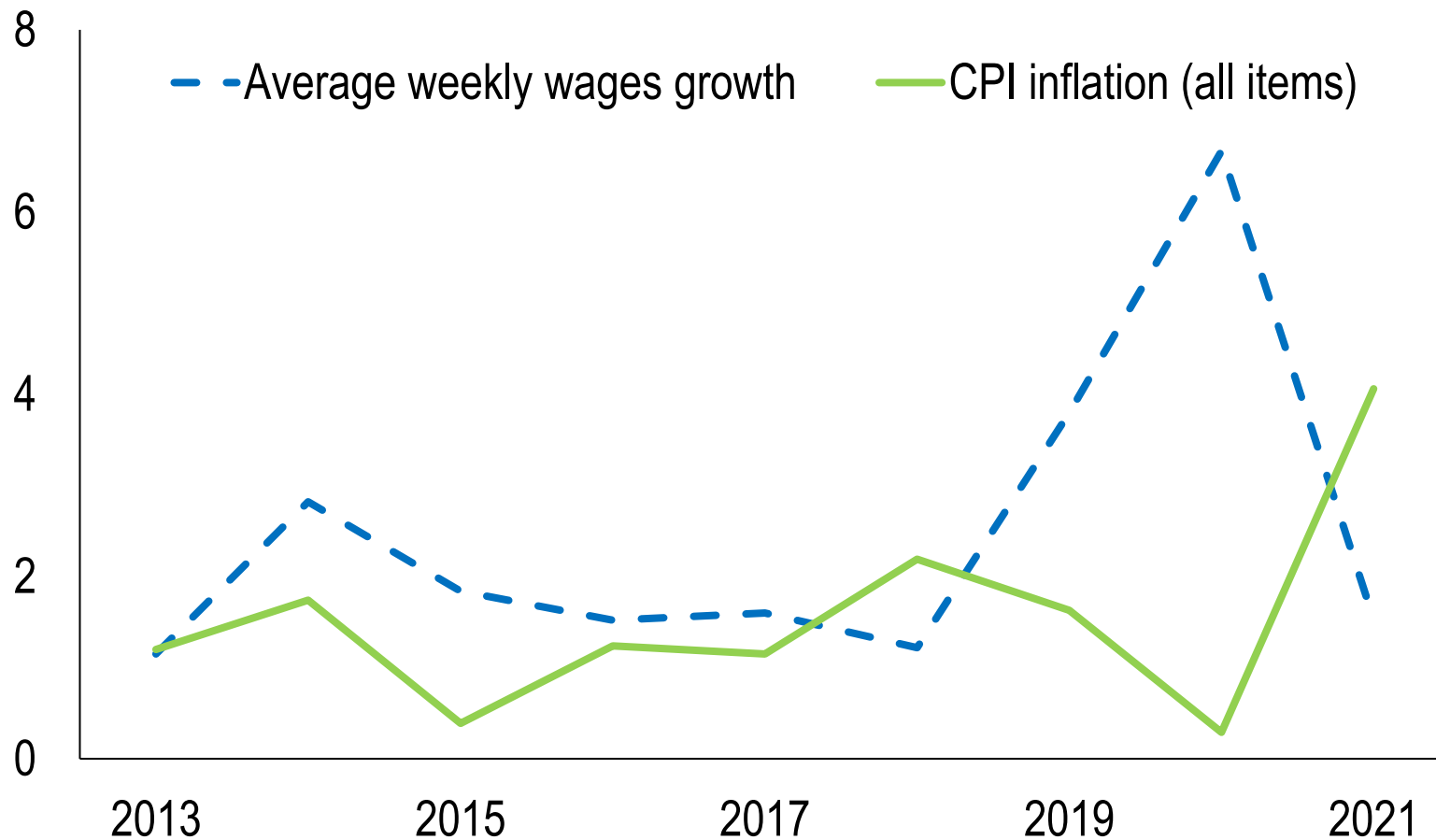
1. Wholesale & retail trade 9,800
2. Accommodation & food 7,300
3. Manufacturing 4,000
4. Information & culture 2,400
5. Primary industries 1,100

# Output is Being Constrained by Labour Shortages



# Average Weekly Wages Were Outpacing Inflation Up to 2020

Average weekly wages growth and CPI inflation, Nova Scotia (%)



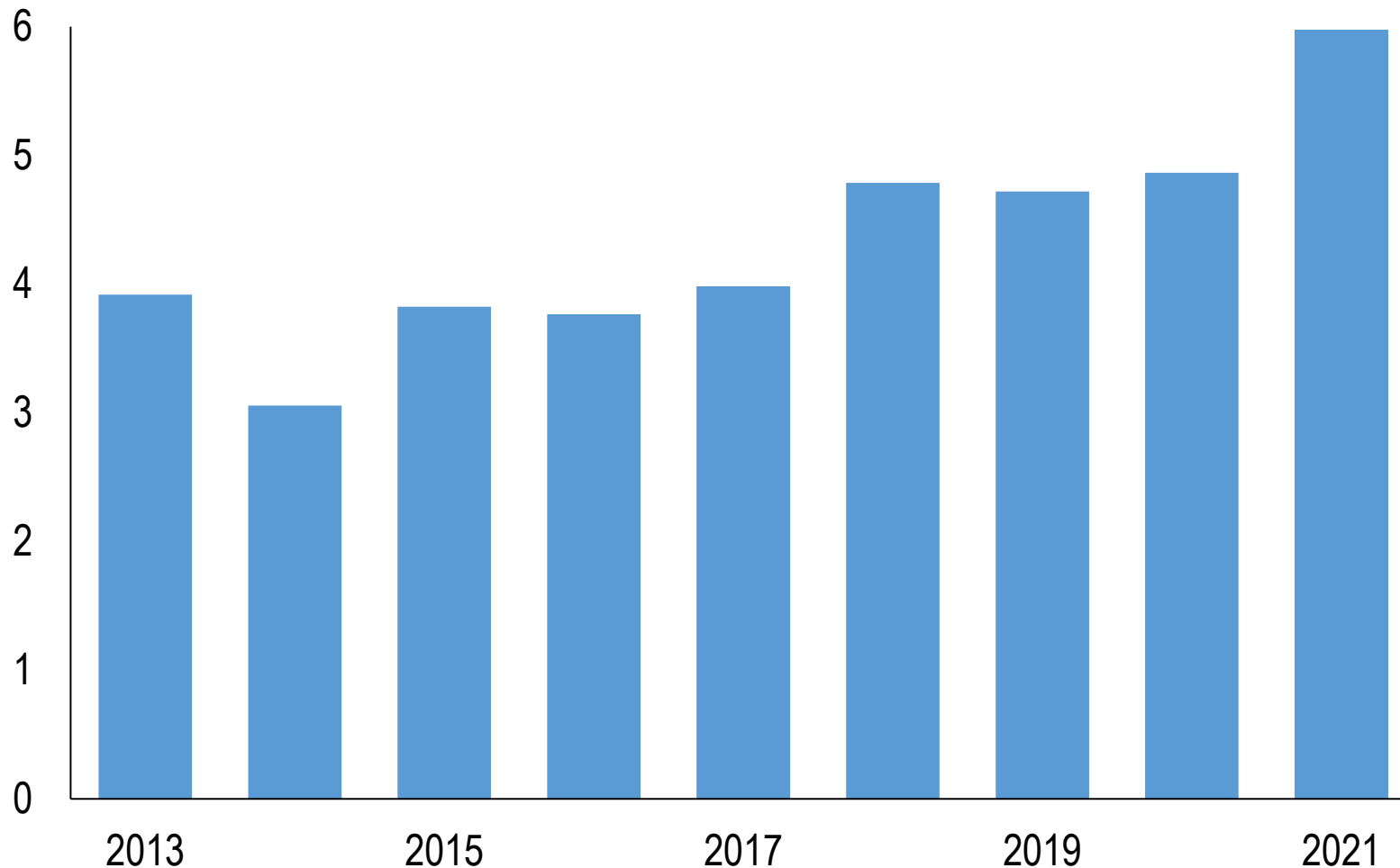
Pandemic hero pay and a reduction in low-wage jobs during COVID contributed to higher growth in average weekly wages in 2020.

On average, earnings growth outpaced inflation by 1 percentage point over the last decade, but some of this real growth is due to a one-time hero pay bump.



# Nova Scotia Housing Starts Rising Along With Population

Housing starts, all areas, Nova Scotia (thousands)



Housing starts have increased at a compound average annual growth rate of 5.4% since 2013.

Access to affordable housing is important if the population continues to expand, since the apartment vacancy rate was 1.2% in 2021.

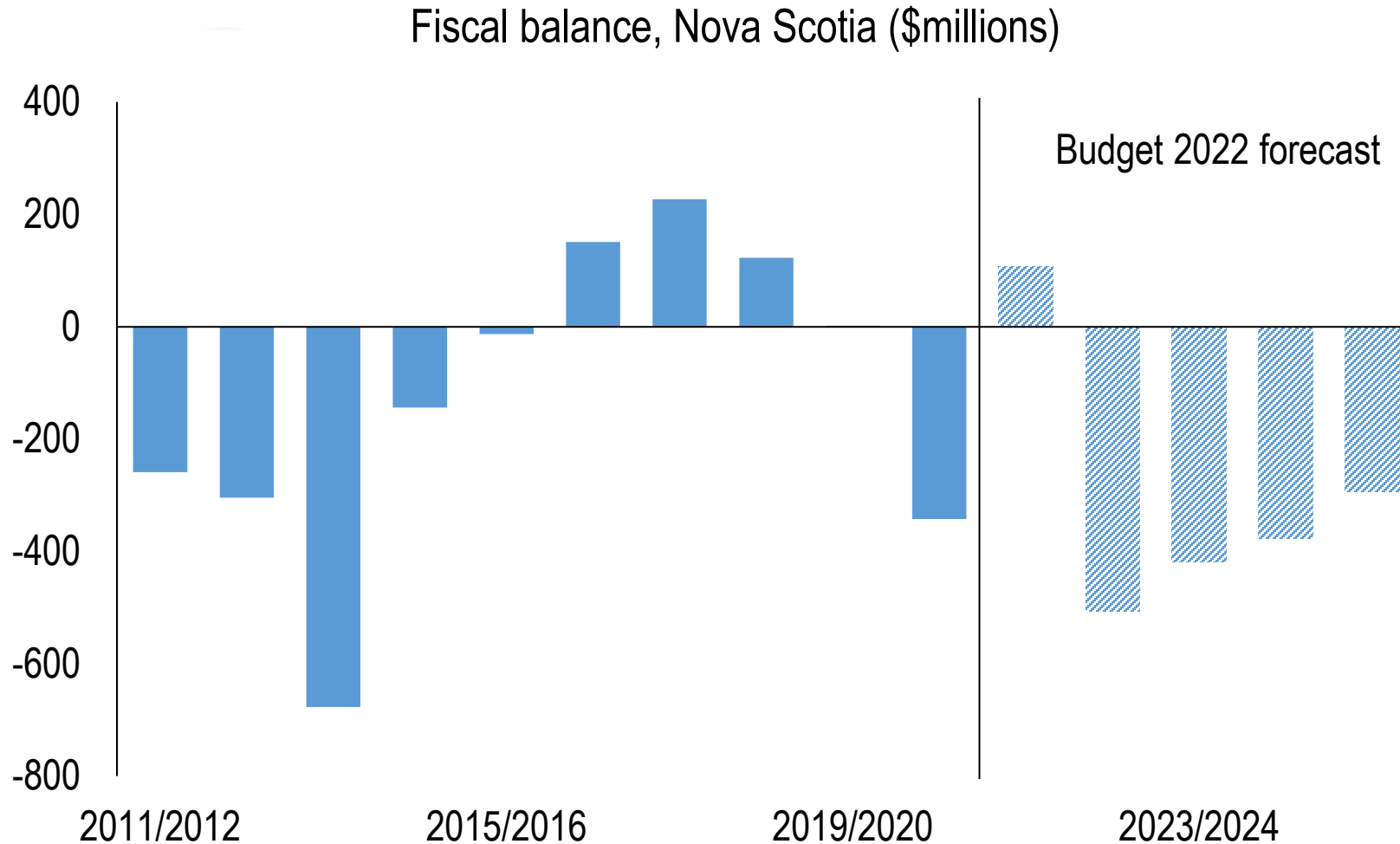
Existing home prices in Nova Scotia have risen by 65% since 2013.

# Presentation Outline

Recent economic and labour market trends

**Nova Scotia economic and labour market forecast**

# The Medium-Term Fiscal Outlook Projects Large Deficits



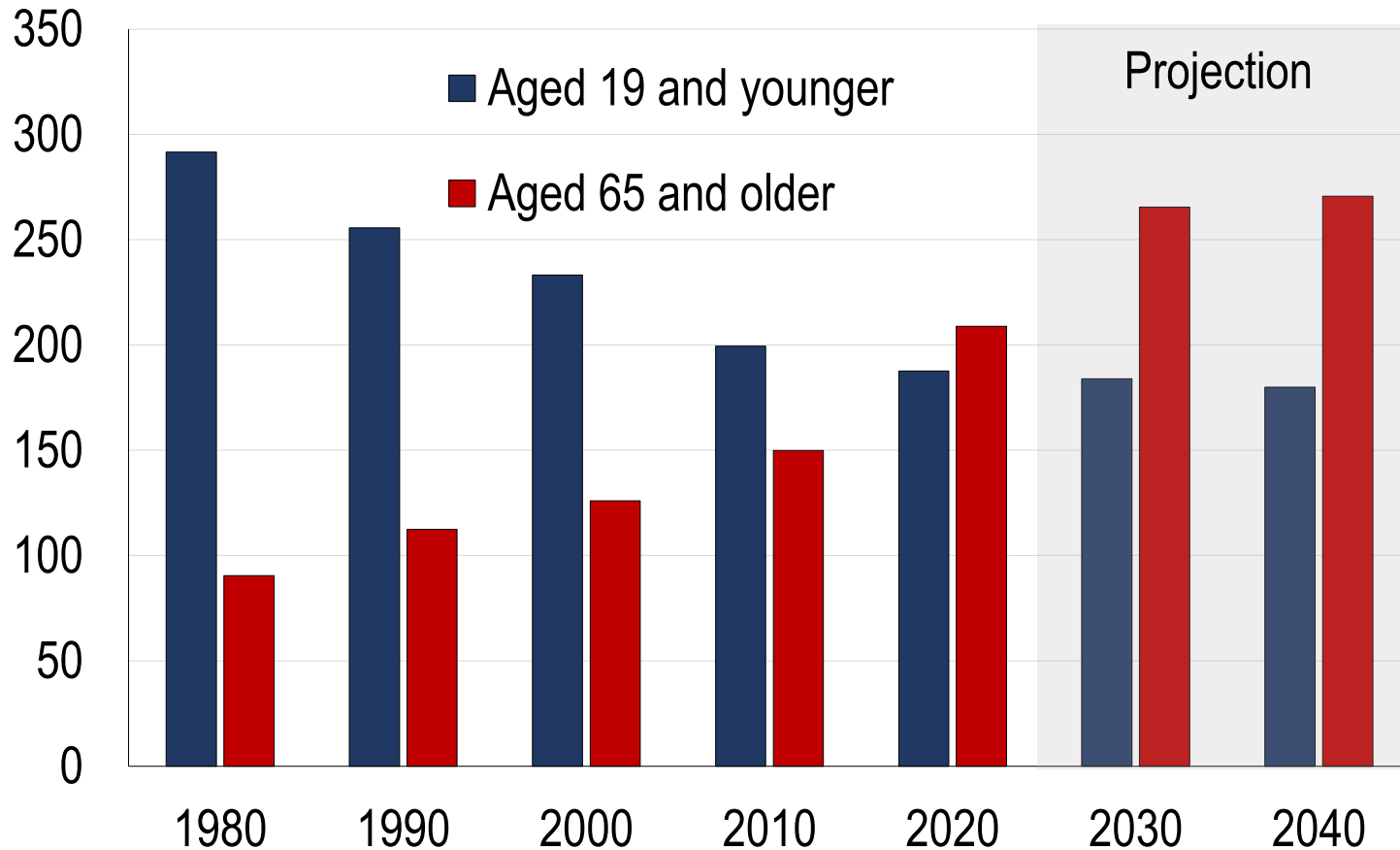
Budget 2022 includes \$506 million deficit.

The net debt-to-GDP ratio is projected to reach 40% by 2025/2026.

APEC's [20-year projections](#) point to growing deficits without policy changes.

# Nova Scotia's Aging Population Trend Will Continue

Population by age group, Nova Scotia ('000 persons)



## Youth (0-19 yrs) to seniors (65+) ratio:

1980 3.2:1

2000 1.8:1

2020 0.9:1

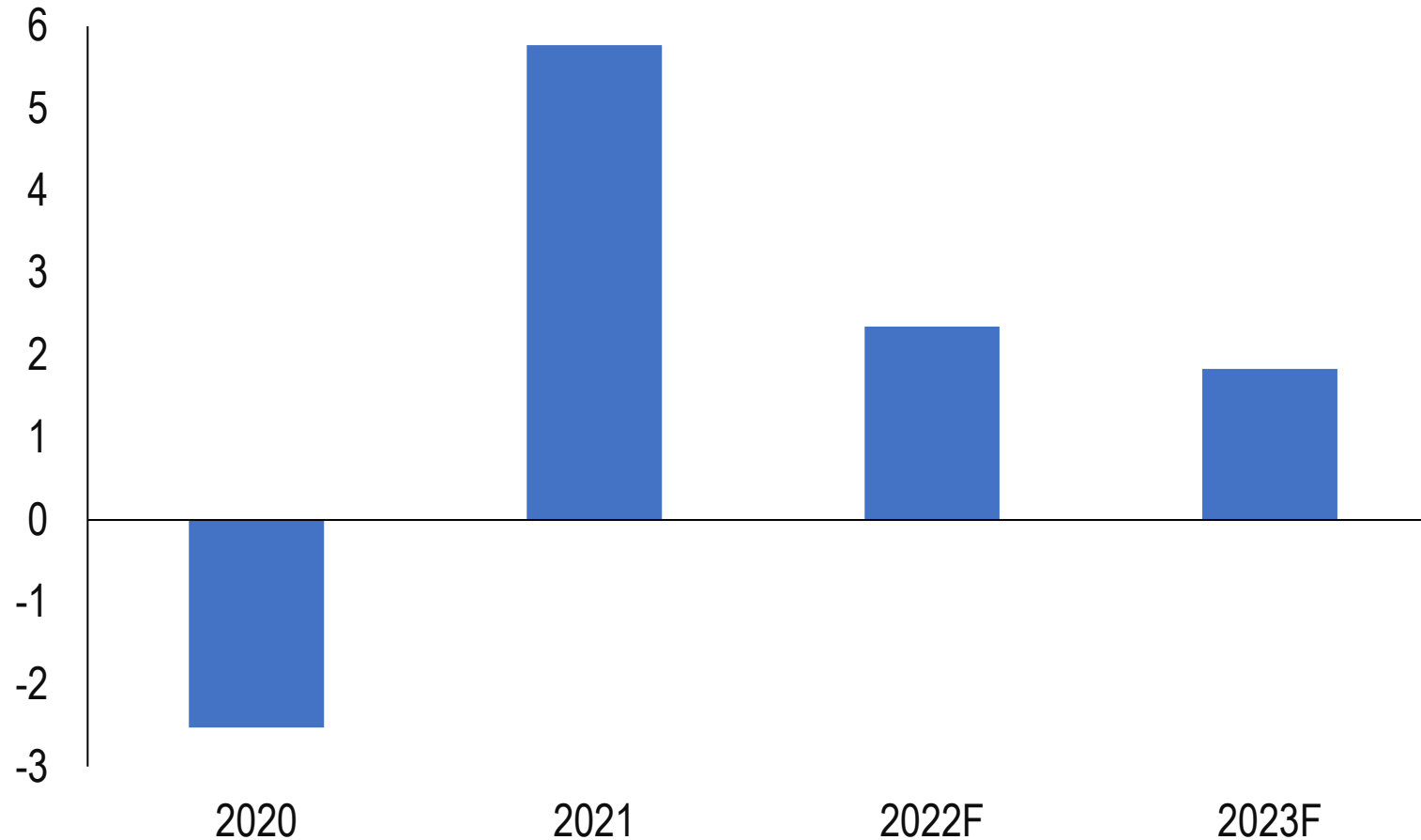
2040 2:3

Number of seniors nearly doubled 1990 to 2020 to > 208 thousand

We project a further increase of 30% by 2040, reaching 27% of population.

# Soft Landing for Nova Scotia Real GDP Growth

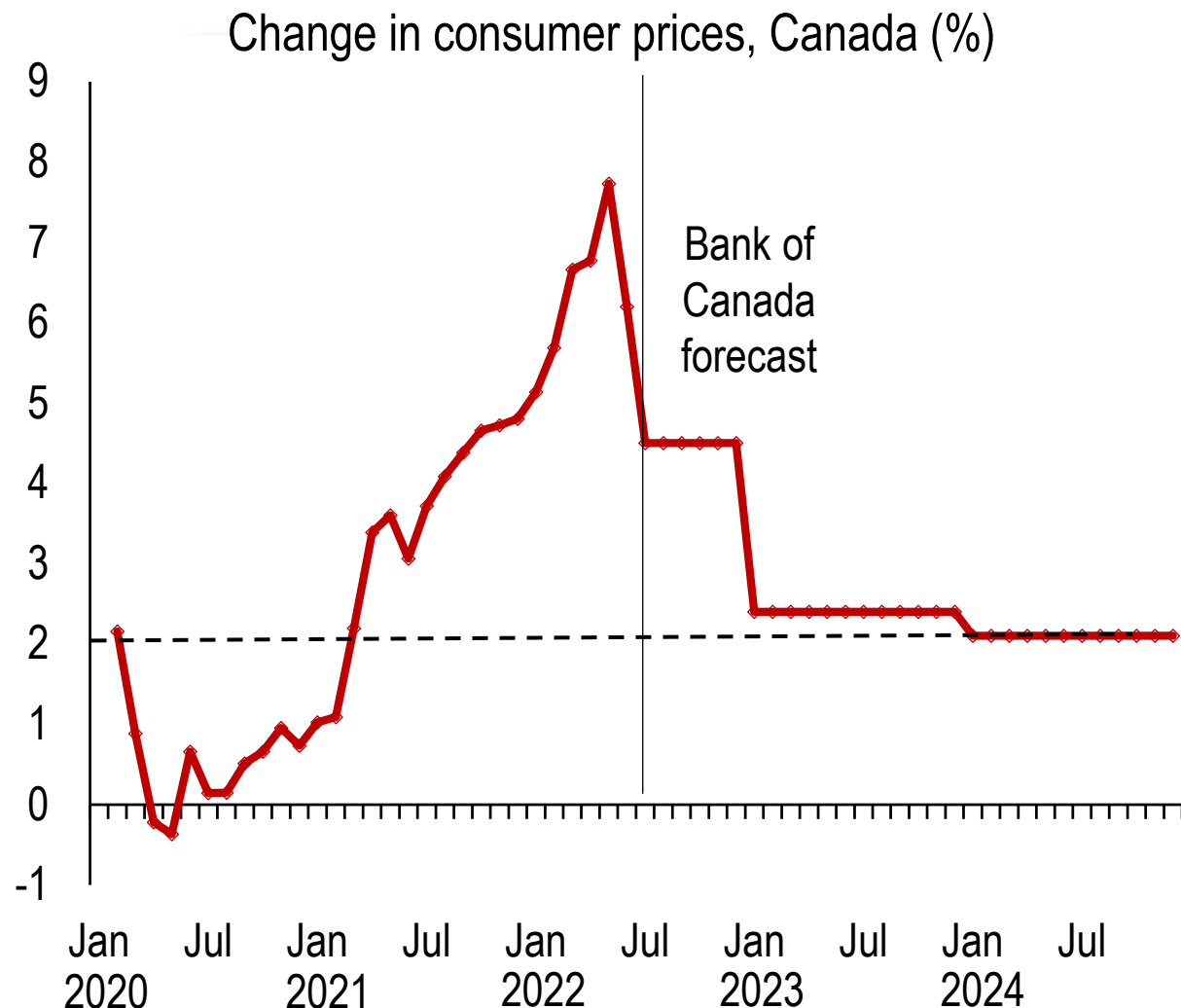
Real GDP growth\* (%)



Nova Scotia real GDP is forecast to grow 2.4% in 2022, following a strong rebound of 5.8% in 2021.

The average consensus forecast for 2023 is 1.8% real growth, based upon a more recent economic outlook from six of Canada's major banks.

# Inflation Has Spiked With Uncertainty About How Quickly It Will Return to 2%



**Energy prices were 47% higher in May 2022**

## Components of Nova Scotia's Annual Inflation Rate May 2022

	Inflation rate (%)	Spending share (%)
Transportation	17.8	19
Shelter	10.8	26
Food	8.9	16
Total CPI	8.8	100

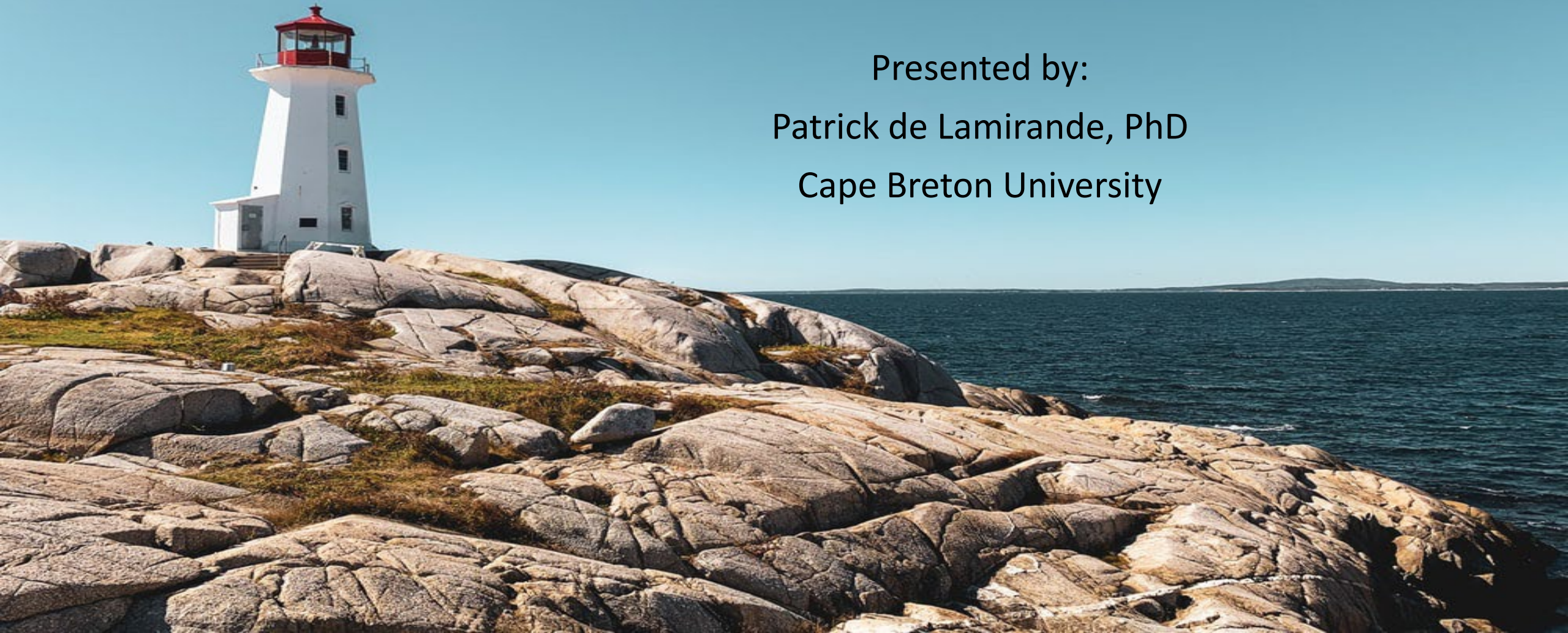


# Nova Scotia's economic transformations since 2013

Presented by:

Patrick de Lamirande, PhD

Cape Breton University





# Presentation overview

- This presentation has three parts:
  - *Brief overview of the global economic changes since 2013*
  - *The current condition of Nova Scotia's economy*
  - *My forecast for Nova Scotia's economy for the next 2-3 years... and beyond*
- Please note : You may ask questions throughout the presentation. There will also be a question period at the end of the presentation.
- All professional opinions shared in this presentation are my own.



# Some macroeconomic variables

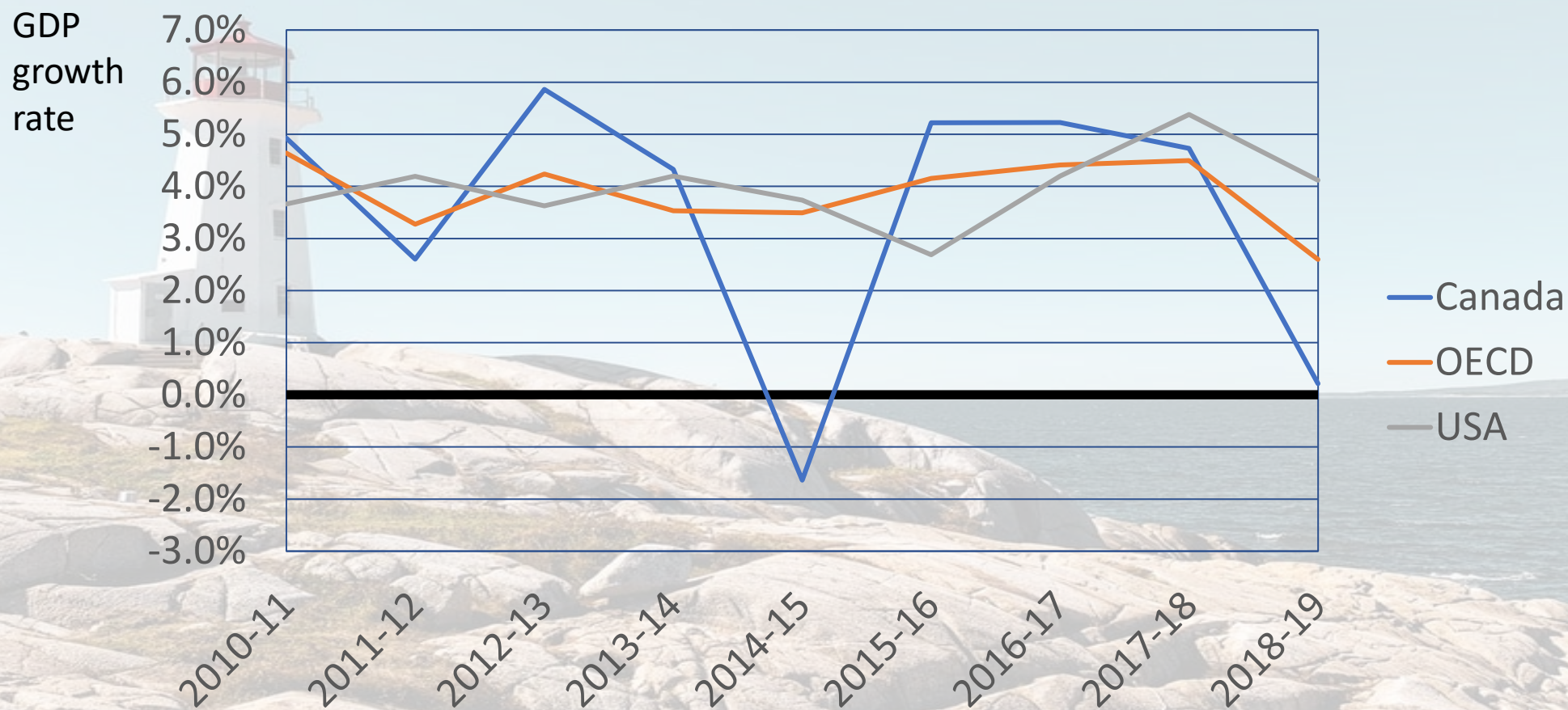
- Gross domestic product (GDP)
  - Value of the production of a region
- Inflation
  - Change in prices (Consumer price index)
- Unemployment rate
  - Total unemployed / labour force
- Participation rate
  - Labour force / population over age 15

# Global Economic Changes (2013 – 2022)

- Great Recession (2008-09)
  - Canada was affected but not as much as other countries (US most affected)
- Period of steady expansion (2010-19)
  - Longest period of economic growth
  - Canada : slowdown/recession in 2015:
    - Drop in oil prices
    - Quick recover
  - Sign of weakened world economy (end of 2019)
- Pandemic (2020-22)
  - Great lockdown in 2020
  - Recovery in 2021
  - Inflation/and possible recession in 2022



# Economic growth (2010-19)

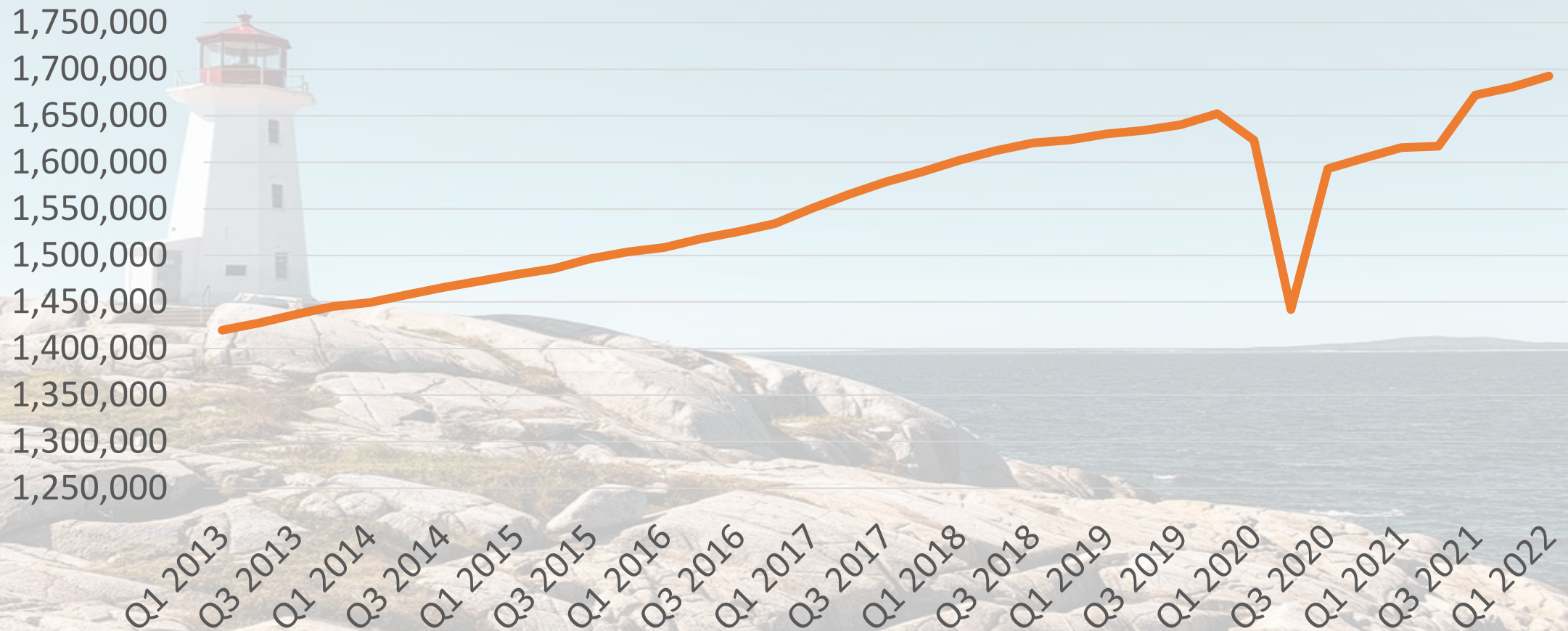


# Pandemic (2020-22)

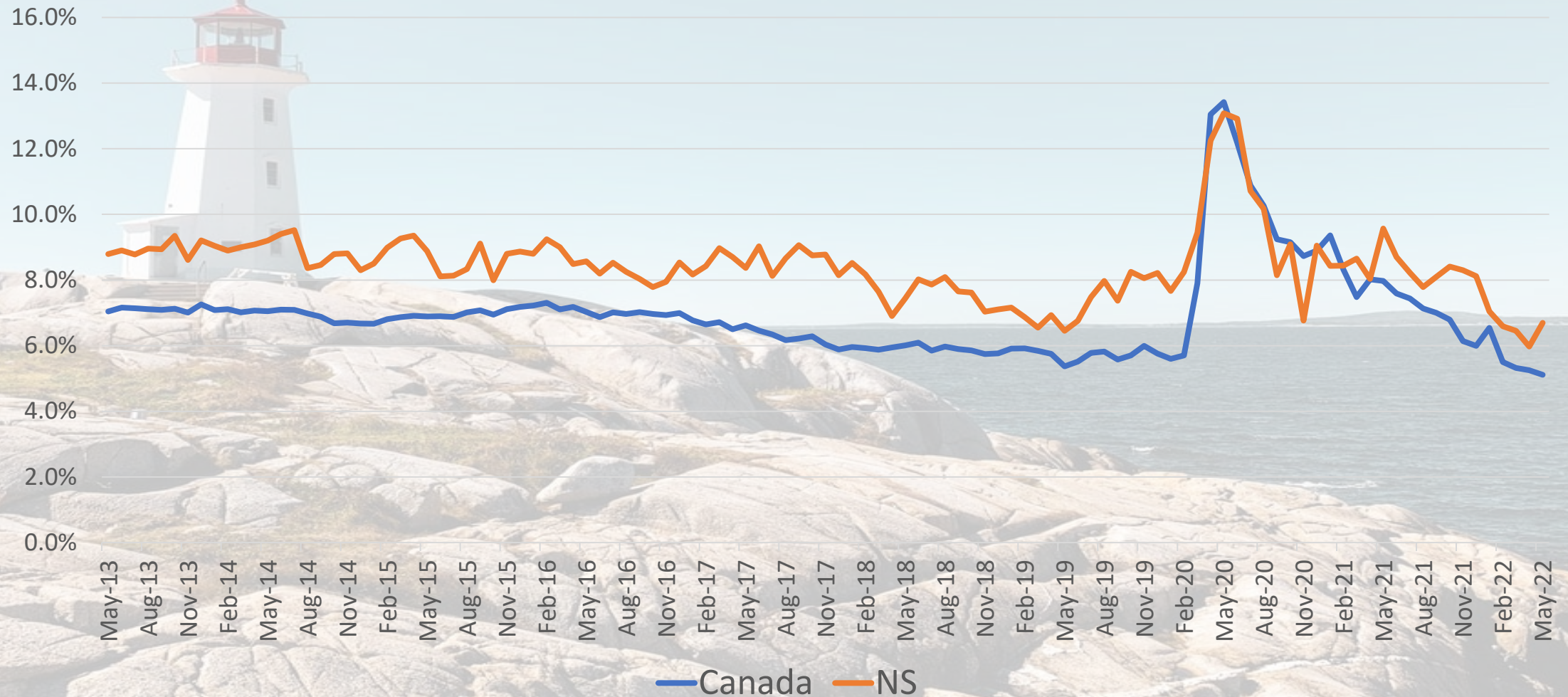
- Great lockdown (2020)
  - Huge decrease in GDP for a quarter
  - Huge increase in unemployment
- Many transformations in labour markets
  - More demand in health sectors
  - Huge decline in some service sectors (restaurants, tourism)
  - Amplified shortage of low-skill workers in some industries
- Very quick recovery
  - Real GDP back to pre-pandemic level
  - Unemployment historic low
  - BUT!!! inflation is high



# Canada Real GDP

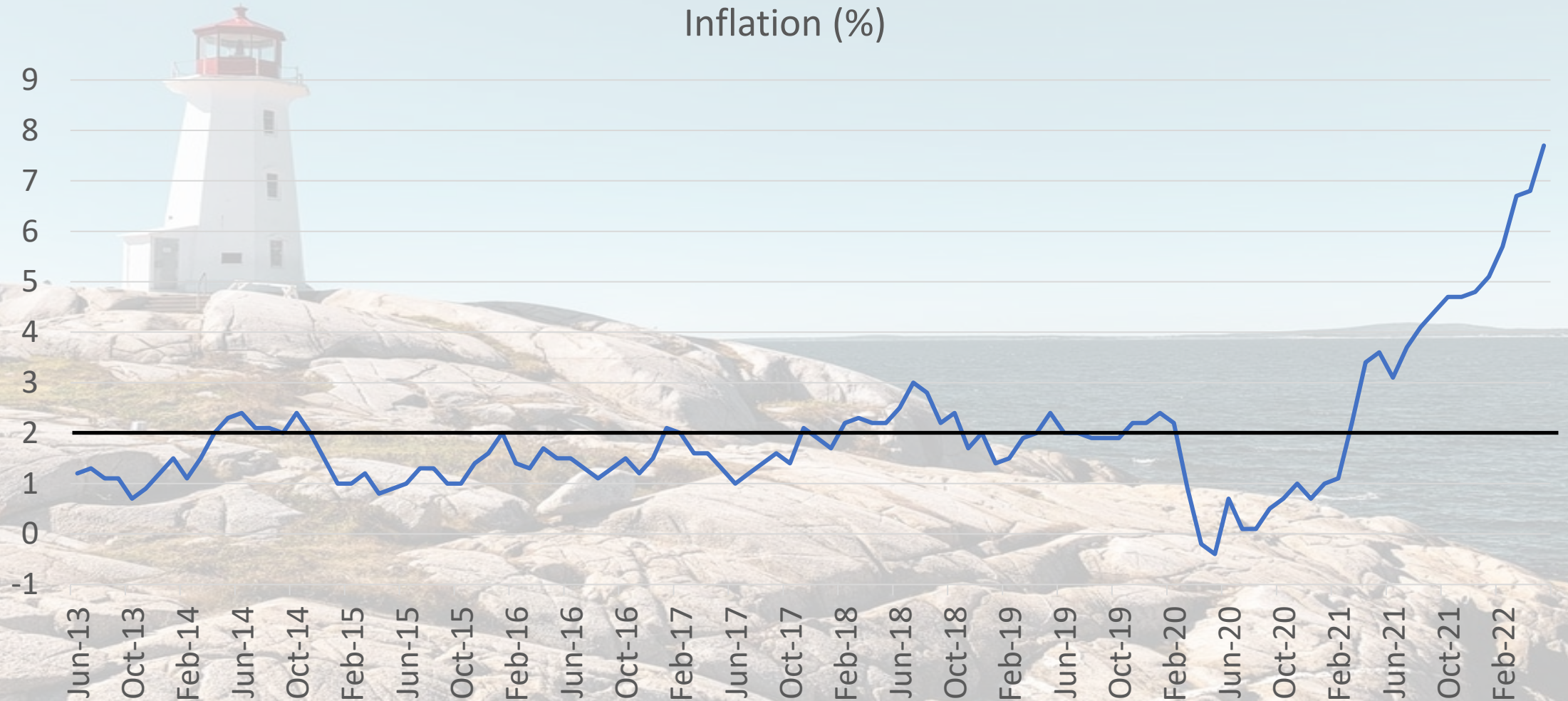


# Unemployment rate





# Inflation in Canada (CPI)



# About the inflation

- Inflation is the increase in prices of goods and services.
- Current inflation in Canada and in the rest of the world is caused by:
  - Supply shortage due to the pandemic
  - Demand shifted from some good to others (and supply could not catch up fast enough)
  - Challenges with food production (droughts, ...)
- While inflation is a temporary problem, it still creates challenges to individuals, firms and governments
- The Bank of Canada and central banks around the world are raising the interest rate to slow consumption and investments
- Inflation will still be a problem for the next year
  - I project that inflation will be back to “normal” in 18 months



# Nova Scotia since 2013

- Changes to Nova Scotia's economy are similar to other Canadian provinces
  - Unemployment is at a historic low (as shown earlier)
  - GDP
    - Growing at the same rate
    - Per capita: large gap remains
    - Pandemic has had milder effects in Nova Scotia
  - Inflation remains an important problem
    - Cost of food and other essentials
    - Housing prices
- But there are some differences...
  - Nova Scotia's population has been decreasing since the 70s, but there has been an increase since 2016
  - The province's aging population

# GDP per capita

- Nova Scotia remains behind other provinces in terms of GDP per capita

		2013	2014	2015	2016	2017	2018	2019	2020
Canada	Value	53,295	54,277	54,228	54,154	55,135	55,872	56,110	52,564
	Growth rate	2.3%	2.9%	0.7%	1.0%	3.0%	2.8%	1.9%	-5.2%
Nova Scotia	Value	40,201	40,673	41,034	41,407	41,845	42,260	42,979	41,412
	Growth rate	-0.3%	1.0%	0.7%	1.6%	1.8%	1.9%	3.0%	-2.5%

- Nova Scotia is not catching up with the rest of the country
- Currently competing with PEI for the title of the poorest province in Canada

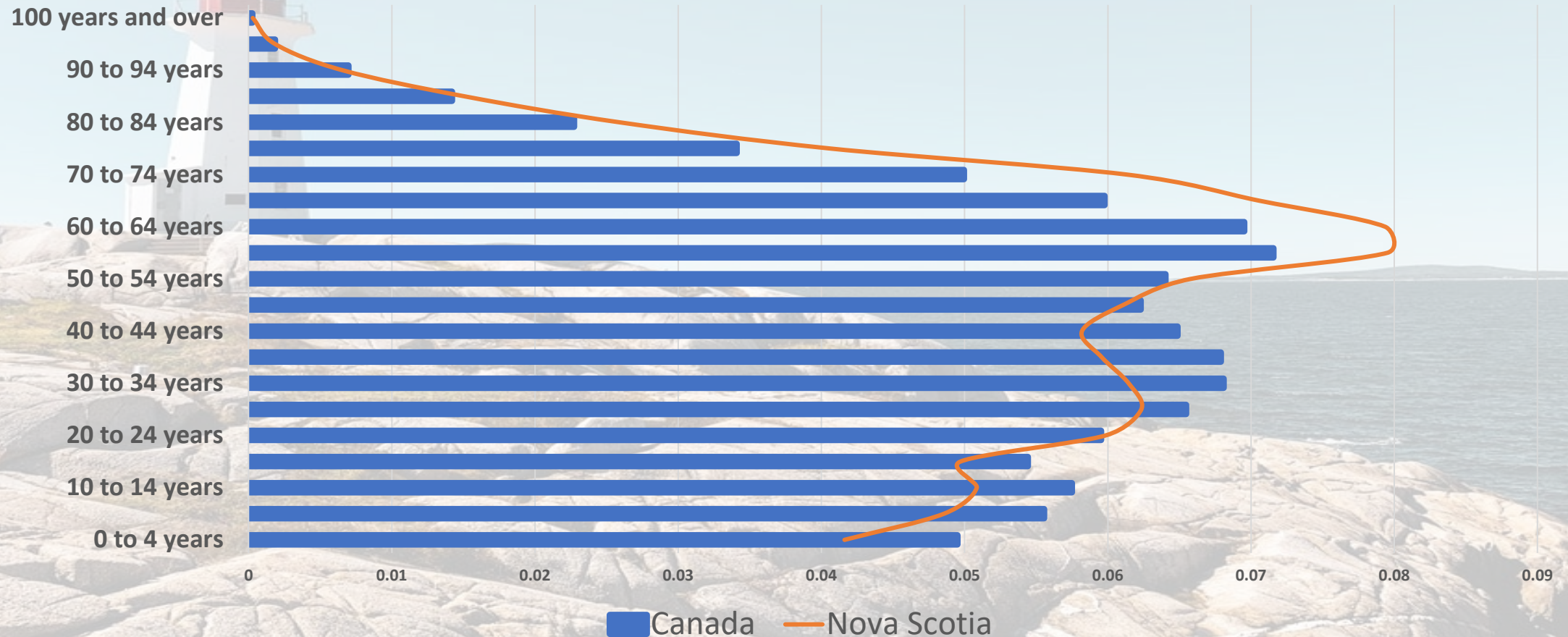


# Population 2011-2021

		Population			Population (%)		
Broad age groups		2011	2016	2021	2021	2021	2021
Canada	Total - Age	33,476,685	35,151,725	36,991,980	100%	100%	100%
	0 to 14 years	5,607,345	5,839,570	6,012,795	17%	17%	16%
	15 to 64 years	22,924,285	23,376,525	23,957,760	68%	67%	65%
	65 years and over	4,945,055	5,935,630	7,021,430	15%	17%	19%
	Average age	40.1	41.0	41.9			
Nova Scotia	Total - Age	921,730	923,595	969,380	100%	100%	100%
	0 to 14 years	138,215	133,830	136,710	15%	14%	14%
	15 to 64 years	630,140	605,950	617,345	68%	66%	64%
	65 years and over	153,370	183,820	215,325	17%	20%	22%
	Average age	42.0	43.5	44.2			

# Age Distribution

Age distribution Canada and Nova Scotia



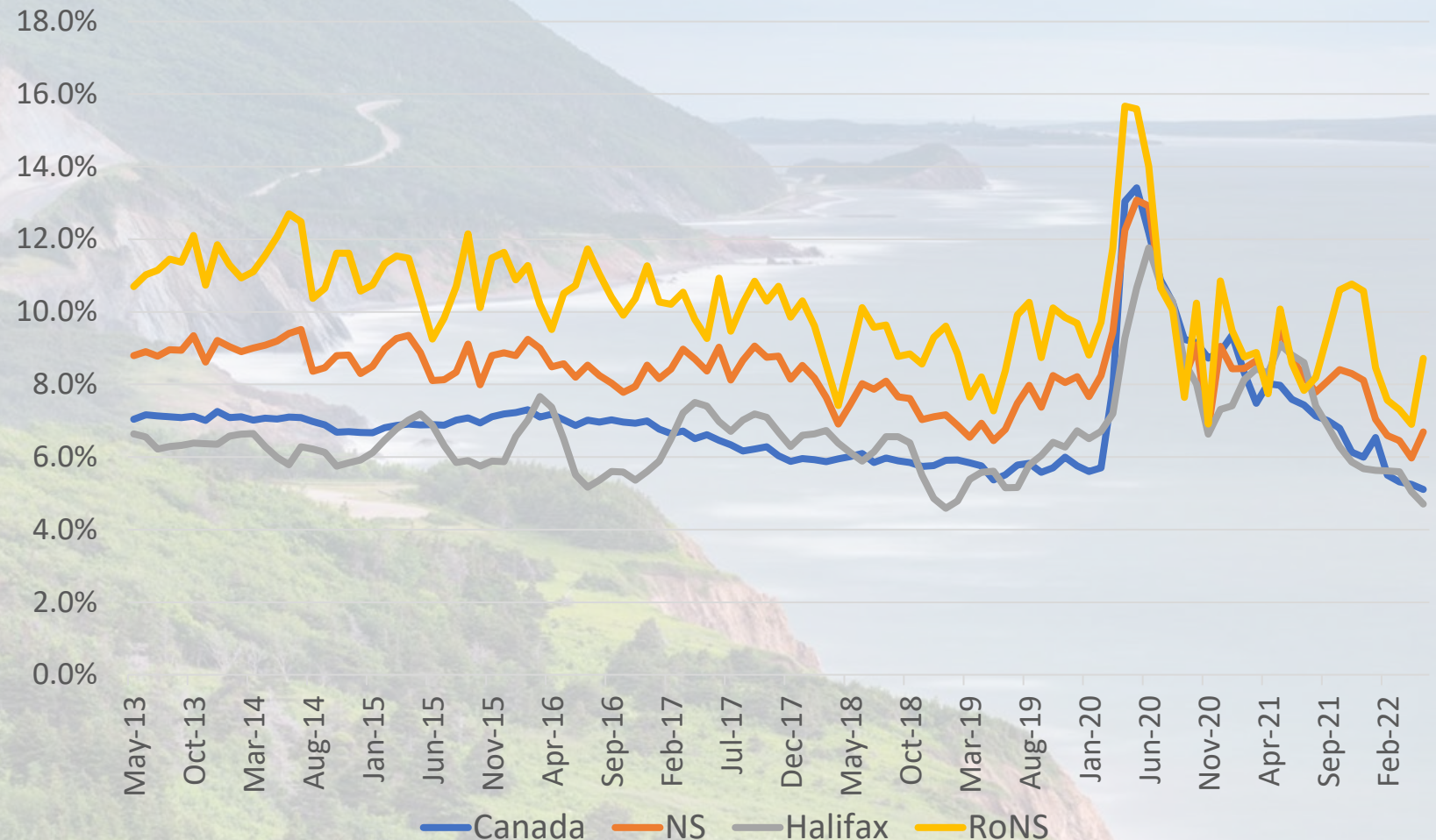
# Halifax and the Rest of Nova Scotia (RoNS)

- Based on results shown previously...
  - The province as a whole has completely recovered from the pandemic
  - Employment seems good, very good actually
  - Inflation is a problem but only for the next year or so
  - Population is (slowly) increasing
- If those results seem great, they don't give a clear picture of the reality
- In fact, there are two realities in Nova Scotia
  - Halifax is doing very well
  - The rest of the province... not so much



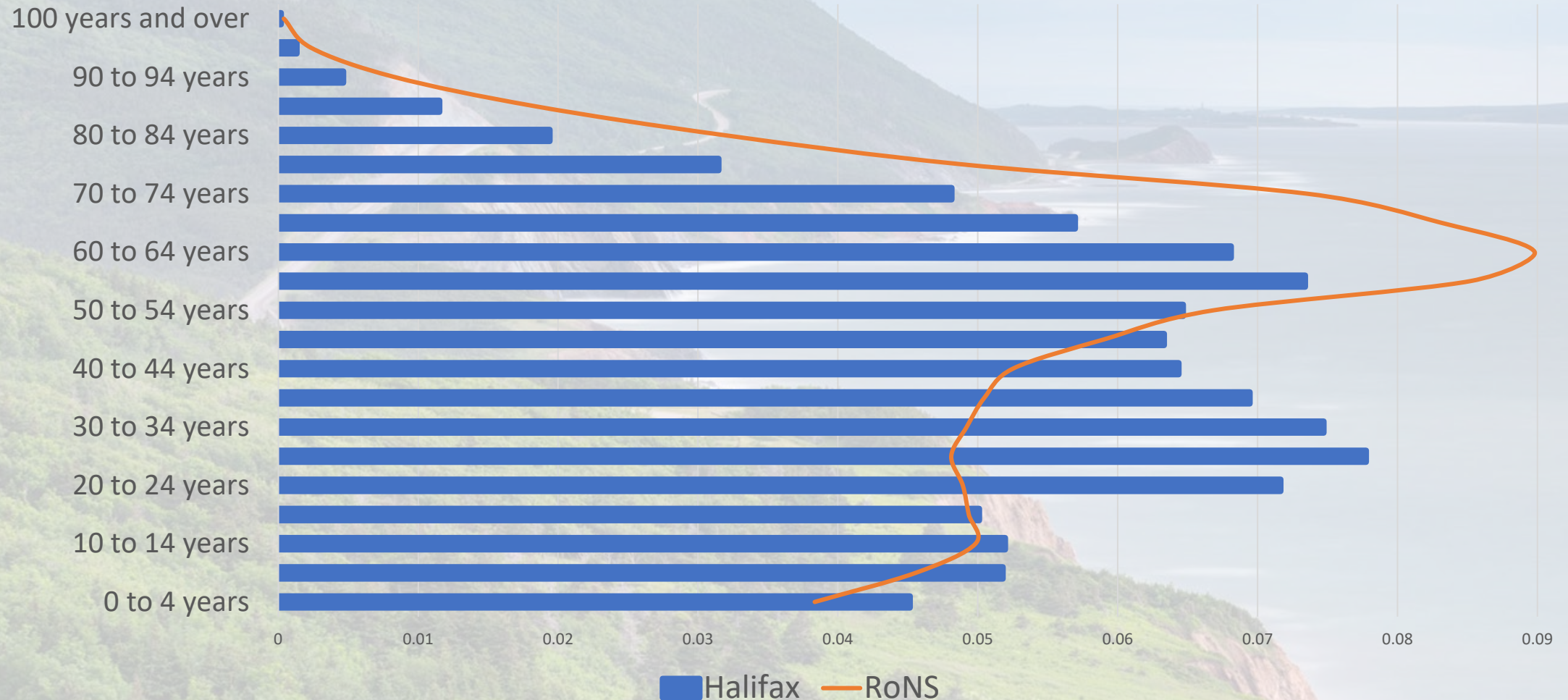
# Unemployment

- The unemployment rate in Halifax is very similar to Canada's
- The unemployment rate in RoNS, is fluctuating more and is higher
- The difference is decreasing but...





# Age Distribution (Halifax vs RoNS)





# Labour Market

Labour force characteristics											
		May-13	May-14	May-15	May-16	May-17	May-18	May-19	May-20	May-21	May-22
Unemployment rate	Canada	7.0%	7.1%	6.9%	7.0%	6.6%	6.0%	5.4%	13.0%	8.0%	5.1%
	NS	8.8%	9.2%	8.9%	8.6%	8.4%	7.4%	6.5%	12.2%	9.6%	6.7%
	Halifax	6.6%	6.0%	7.2%	6.5%	7.4%	6.1%	5.6%	9.3%	9.1%	4.7%
	RoNS	10.7%	12.1%	10.4%	10.5%	9.3%	8.7%	7.3%	15.7%	10.1%	8.7%
Participation rate	Canada	66.4%	65.8%	65.8%	65.5%	65.7%	65.2%	65.6%	59.9%	64.6%	65.3%
	NS	63.6%	62.4%	62.1%	61.3%	61.3%	60.9%	61.7%	55.0%	60.0%	61.4%
	Halifax	69.3%	68.1%	67.6%	67.7%	66.8%	67.6%	67.3%	64.5%	68.3%	66.4%
	RoNS	59.2%	58.0%	57.9%	56.4%	57.0%	55.6%	57.0%	47.0%	52.9%	57.0%



# The Economic Future of Nova Scotia

- For the next 2-3 years, I anticipate
  - Inflation will gradually return to normal (more or less 2%)
  - Nova Scotia could be in recession by the end of the year
    - I don't expect a strong or a long recession (actually, I would bet on no recession in NS)
    - The province's economy will continue to grow, but at a lower rate
  - The unemployment rate will remain low
    - Labour markets are now a major challenge for Nova Scotia
      - Lack of skilled workers
      - Baby boomers are retiring and there are not enough workers to replace them
      - Current Immigration level are not sufficient to serve as a solution
- At the current rate, the aging population will have an important negative impact on Nova Scotia's public finances.
  - Less workers
  - Health sectors more in demand
  - Difficulties hiring skilled workers (health, education, trades, ...)



A wide-angle landscape photograph of a coastal region. In the foreground and middle ground, a steep, forested hillside slopes down towards the sea. A light-colored, unpaved road winds along the edge of the cliff, disappearing into the distance. The coastline is rugged, with rocky outcrops and small coves. The ocean is a deep blue-grey color, with white foam from breaking waves visible along the shore. In the far distance, a small island or headland is visible on the horizon. The sky is filled with soft, grey clouds, suggesting an overcast day. The overall mood is serene and majestic.

Thank you!

7

## MLA Pensions

### Newfoundland and Labrador

#### Interpretation

##### 2. (1) In this Act

(v) "vested member" means a member

- (i) who has served as a member of the House of Assembly for at least 2 general assemblies, and
- (ii) has served as a member of the House of Assembly for not less than 5 years; and
- (w) "year" means a calendar year but, for the purpose of the application of this Act to a member elected for the first time after the 45th General Assembly, "year" means a period of 12 consecutive months.

#### Contributions

7. (1) An MHA and a minister who elects to participate in the Plans shall contribute to the fund established under the *Pensions Funding Act* at a rate of 9% of his or her MHA salary and ministers salary.

(2) Contributions that exceed the maximum allowed under the *Income Tax Act* (Canada ) shall be paid to the Supplementary Plan Account referred to in Part IV.

(3) A member who first served as an MHA or minister before or during the 43rd General Assembly shall not make contributions

- (a) in respect of his or her MHA salary, after 17 years of MHA service; and
- (b) in respect of his or her ministers salary, after 17 years of ministers service.

(4) A member who first served as an MHA or minister after the 43rd General Assembly shall not make contributions

- (a) in respect of his or her MHA salary, after 20 years of MHA service; and
- (b) in respect of his or her ministers salary, after 20 years of ministers service.

(5) The government of the province shall pay out of the Consolidated Revenue Fund and pay into the fund established under the *Pensions Funding Act* amounts set by the Minister of Finance in a directive that, in addition to members' contributions under subsection (1), are

- (a) based on the recommendations of the Plans' actuary, required to meet the cost of benefits accruing under Part III ; and
- (b) permitted under the *Income Tax Act* (Canada ).

#### Entitlement

10. (1) A vested member who is no longer an MHA or a minister may, on application, receive a registered allowance if the member

- (a) has paid the contributions for service required under this Act; and

(b) has

(i) at least 30 years of pensionable service, or

(ii) reached 60 years of age.

(2) A registered allowance shall be paid periodically in equal amounts and shall stop at the end of the month in which the death of the member occurs.

(3) A member's entitlement to receive a registered allowance shall be suspended while he or she is an MHA or minister.

### **Calculation of registered allowance**

**11.** (1) The annual amount of the registered allowance paid to a member elected for the first time before or during the 43rd General Assembly shall be calculated by adding the following amounts:

(a) for each year of MHA service for a maximum period of 17 years, 2% of his or her base MHA salary;

(b) for each year of ministers service for a maximum period of 17 years, 2% of his or her base ministers salary; and

(c) for each year of other service, 2% of the sum of his or her base MHA salary and his or her base ministers salary.

(2) The annual amount of the registered allowance paid to a member elected for the first time after the 43rd General Assembly and before November 30, 2015 shall be calculated by adding the following amounts:

(a) for each year of MHA service for a maximum period of 20 years, 2% of his or her base MHA salary;

(b) for each year of ministers service for a maximum period of 20 years, 2% of his or her base ministers salary; and

(c) for each year of other service, 2% of the sum of his or her base MHA salary and his or her base ministers salary.

(3) The annual amount of the registered allowance paid to a member elected for the first time on or after November 30, 2015 shall be calculated by adding the following amounts:

(a) for each year of MHA service for a maximum period of 20 years, 2% of his or her base MHA salary;

(b) for each year of ministers service for a maximum period of 20 years, 2% of his or her base ministers salary; and

(c) for each year of service purchased by a member under section 31, 2% of his or her base MHA salary.

(4) Notwithstanding paragraph (2)(c), for the purpose of calculating the amount of the registered allowance paid to a member elected for the first time after the 45th General Assembly, his or her base ministers salary shall not be included.

(5) Notwithstanding subsections (1) and (2), for the years between January 1, 1998 and December 31, 2004, the annual amount of the registered allowance payable to a member shall be calculated under subsection (1) or (2), as applicable, and reduced by the result of the following calculation:



$$\frac{\text{the member's average YMPE} \times 0.006}{12} \times \frac{\text{the member's months of MHA service}}{12}$$

(6) A reduction under subsection (5) shall occur on the first day of the month in which the member reaches the age of 65 years.

(7) A registered allowance shall not exceed the maximum allowable benefit as determined under the *Income Tax Act* (Canada ).

### Calculation of supplementary allowance

**20.** (1) The annual amount of the supplementary allowance paid to a member who first served as an MHA or minister before or during the 43rd General Assembly shall be calculated by adding the following amounts:

- (a) for each of the first 10 years of MHA service, 5% of his or her base MHA salary;
- (b) for each of the next 5 years of MHA service, 4% of his or her base MHA salary;
- (c) for each of the next 2 years of MHA service, 2.5% of his or her base MHA salary;
- (d) for each of the first 10 years of ministers service, 5% of his or her base ministers salary;
- (e) for each of the next 5 years of ministers service, 4% of his or her base ministers salary;
- (f) for each of the next 2 years of ministers service, 2.5% of his or her base ministers salary; and
- (g) for each year of other service, 2% of the sum of his or her base MHA salary and base ministers salary.

(2) The annual amount of the supplementary allowance paid to a member who first served as an MHA or minister after the 43rd General Assembly shall be calculated by adding the following amounts:

- (a) for each of the first 10 years of MHA service, 5% of his or her base MHA salary;
- (b) for each of the next 10 years of MHA service, 2.5% of his or her base MHA salary;
- (c) for each of the first 10 years of ministers service, 5% of his or her base ministers salary;
- (d) for each of the next 10 years of ministers service, 2.5% of his or her base ministers salary; and
- (e) for each year of other service, 2% of the sum of his or her base MHA salary and base ministers salary.

(2.1) Notwithstanding subsection (2), the annual amount of the supplementary allowance paid to a member elected for the first time after December 31, 2009 and before November 30, 2015 shall be calculated by adding the following amounts:

- (a) for each year of MHA service for a maximum period of 20 years, 3.5% of his or her base MHA salary;
- (b) for each year of ministers service for a maximum period of 20 years, 3.5% of his or her base ministers salary; and
- (c) for each year of other service, 2% of his or her base MHA salary.

(2.2) Notwithstanding subsection (2), the annual amount of the supplementary allowance paid to a member elected for the first time on or after November 30, 2015 shall be calculated by adding the following amounts:

- (a) for each year of MHA service for a maximum period of 20 years, 2.5% of his or her base MHA salary;
- (b) for each year of ministers service for a maximum period of 20 years, 2.5% of his or her base ministers salary; and
- (c) for each year of service purchased by a member under section 31, 2% of his or her base MHA salary.

(2.3) For the purpose of subsection 19(2.2), the retiring allowance awarded under subsection (2.1) shall be reduced by 6% for each year that the members age is less than the age of 55 years.

(3) Notwithstanding paragraph (2)(e), for the purpose of calculating the amount of the supplementary allowance paid to a member elected for the first time after the 45th General Assembly, his or her base ministers salary shall not be included.

(4) For the purposes of this section a member's years of service as a Member of Parliament or a minister in the House of Commons credited under section 32 shall be considered to be years of MHA service.

(5) The annual amount shall be reduced by the result of the following calculation:

$$\begin{array}{ccc} \text{the member's average} & & \text{the member's months of} \\ \text{YMPE} \times 0.006 & \times & \text{MHA service and other} \\ & & \text{service after March 31, 1967} \\ & & 12 \end{array}$$

(6) Notwithstanding subsection (5), the reduction under that subsection shall not apply to MHA service for the years between January 1, 1998 and December 31, 2004 .

(7) The reduction under subsection (5) shall occur on the first of the month following the month in which the member reaches the age of 65 years.

### **Prince Edward Island**

1) Public Sector Pension Plan: <https://www.peipspp.ca/active-members/basics-of-plan-membership>

2) supplementary Pension Plan for Members of the Legislative Assembly of PEI:  
<https://www.assembly.pe.ca/sites/www.assembly.pe.ca/files/IAC%20Reports%201994-2004/2021%20Indemnities%20and%20Allowances%20Commission%20Annual%20Report-tabled.pdf>

Until last year PEI MLA pension was made of two parts: basic plan (registered) and supplementary plan (unregistered). Last year the Indemnities and Allowances Commission recommended that the basic portion of the MLA pension plan be transferred to the Public Sector Pension Plan (PSPP) to save on administrative costs and maintain the plan's viability in the long term. [Legislation was passed in fall 2021](#) to achieve this and beginning with the 2022 pension year, the current registered portion of the MLA pension plan follows the same eligibility, contribution and payout as the PSPP. The first link takes you to the basic plan info for the PSPP.

The unregistered supplementary pension is still around and the text was updated to allow for the basic portion being rolled into the PSPP, and to ensure the pension benefit to MLAs wasn't materially changed as a result. The second link above is to the IAC report from last year, which has the supp plan text included in whole as an appendix to the report. It outlines eligibility, contributions, and payouts for MLAs."

## New Brunswick

### Members' Pension Act

#### Contribution of members to the Members' Pension Account

5(1)A member shall contribute to the Members' Pension Account an amount equal to the lesser of

(a) the amount of the annual maximum deductible contributions to a registered pension plan, as that amount is established under the Income Tax Act (Canada), and

(b) 9% of the member's indemnity, and if the member is a minister, 9% of the minister's salary.

5(1.1)Subject to subsection (3), a member shall continue to contribute to the Members' Pension Account in accordance with subsection (1) even if the member has reached the total of the amount of the annual pension and the amount of the supplementary allowance or the reduced supplementary allowance established under section 10.1.

5(1.2)Subject to subsection (3), a minister shall continue to contribute to the Members' Pension Account in accordance with subsection (1) even if the minister has reached the total of the amount of the minister's pension and the amount of the supplementary allowance or the reduced supplementary allowance established under section 11.1.

5(2)A member who receives only a portion of an indemnity under the Legislative Assembly Act shall be deemed, for the purposes of this Act, to have received the entire indemnity for the session to which the indemnity relates, and shall contribute under subsection (1) the amount the member would be required to contribute if he or she had received the entire indemnity.

5(2.1)For the purposes of subsection (2), the period of time for which the portion of the indemnity was paid must be a qualifying period in accordance with paragraph 8507(3)(a) of the Income Tax Regulations under the Income Tax Act (Canada).

5(3)Despite subsection (1), a member shall not continue to contribute to the Members' Pension Account or acquire pensionable service after the last day of the year in which the member attains the age prescribed in subparagraph 8502(e)(i) of the Income Tax Regulations under the Income Tax Act (Canada), and any benefit to which the member is entitled under this Part shall commence to be paid not later than that date.

#### Annual pension

10(1)A member who has to his or her credit eight or more sessions of pensionable service and ceases to be a member is entitled, upon attaining sixty years of age or at such later time at which the member ceases to be a member, to an annual pension in the amount determined under subsection (2).



10(2)The amount of the annual pension payable to a person under subsection (1) shall be determined by multiplying two per cent of the average indemnity received by the person as a member, during or in respect of the three successive sessions during or for which his or her indemnity was the highest, by the number of sessions of pensionable service to his or her credit as a member.

10(3)Despite subsection (1), a member who has to his or her credit eight or more sessions of pensionable service and who ceased to be a member before April 1, 2008, is entitled, before attaining sixty years of age, to an annual pension in the amount determined under subsection (4), if he or she elects to receive an annual pension in that amount.

10(3.1)Despite subsection (1), a member who has to his or her credit eight or more sessions of pensionable service and who ceases to be a member on or after April 1, 2008, is entitled, on or after attaining fifty-five years of age and before attaining sixty years of age, to an annual pension in the amount determined under subsection (4), if he or she elects to receive an annual pension in that amount.

10(4)The amount of the annual pension payable to a person under subsection (3) or (3.1) shall be the amount that would be payable under subsection (1) if the annual pension had not commenced until the person had attained sixty years of age, reduced by five-twelfths of one per cent for each month by which the commencement date of the annual pension precedes the person's sixtieth birthday.

...

#### Minister's pension

11(1)In this section

"average salary" means the average annual salary received by a minister during the three successive years during which his or her salary was highest, or, in the case of a minister having fewer than three years of pensionable service as a minister, the average annual salary received by him or her as a minister.(traitement moyen)

11(2)A person who is receiving or is entitled to receive an annual pension under subsection 10(1) and has to his or her credit at least six months of pensionable service as a minister is entitled, in addition to the annual pension, to a minister's pension in the amount determined under subsection (3).

11(3)The amount of the minister's pension payable to a person under subsection (2) shall be determined by multiplying two per cent of the person's average salary as a minister by the number of years of pensionable service to his or her credit as a minister.

11(4)Despite subsection (2), a person who elects, in accordance with subsection 10(3) or (3.1), to receive an annual pension under subsection 10(3) or (3.1) and who has to his or her credit at least six months of pensionable service as a minister shall be deemed to have elected to receive, in addition to the annual pension, a minister's pension in the amount determined under subsection (5).

11(5)The amount of the minister's pension payable to a person under subsection (4) shall be the amount that would be payable under subsection (2) if the minister's pension had not commenced until the person had attained sixty years of age, reduced by five-twelfths of one per cent for each month by which the commencement date of the minister's pension precedes the person's sixtieth birthday.

11(6)A minister's pension under subsection (4) is payable in lieu of a minister's pension under subsection (2) and a person deemed to have elected to receive a minister's pension under subsection (4) is not entitled to a minister's pension under subsection (2) upon attaining sixty years of age or at any later time.

### **Saskatchewan**

In 2002, Saskatchewan MLAs joined the Public Employees Pension Plan (PEPP): <https://pepp.peba.ca/>

PEPP is created under *The Public Employees Pension Plan Act*:  
<https://publications.saskatchewan.ca/#/products/783>

*The Members of the Legislative Assembly Benefits Act*  
<https://publications.saskatchewan.ca/#/products/625>

### **Membership**

10(1) The Lieutenant Governor in Council may, by regulation, designate:

- (a) employers as participating employers; and
- (b) employees or categories of employees of a participating employer that are entitled to be members of the plan.

(2) The following persons are members of the plan:

- (a) any persons who have an amount standing to their credit in the fund;
- (b) any persons who are entitled to be members of the plan pursuant to clause (1)(b) and:
  - (i) are permanent employees of the participating employer; or
  - (ii) are non-permanent employees of the participating employer and elect to participate in the plan.

### **Members' contributions generally**

11(1) A member who is employed by a participating employer shall contribute to the plan in accordance with this section.

(2) A member's employer shall reserve the member's contributions, including voluntary contributions pursuant to section 12, from the member's salary.

(3) A member shall contribute an amount equal to:

- (a) the amount specified in an agreement that provides for the amount of contributions, where the member is employed pursuant to such an agreement;
- or
- (b) 5% of the member's salary.

### **Payment on retirement**

20(1) Subject to subsections (2) to (6), a member who ceases to be employed by a participating employer and applies to the board is entitled to retire and receive a prescribed pension benefit provided by the amount standing to the credit of the member.

(2) A member may retire:

- (a) on or after attaining the age of 50 years;

(b) Repealed. 2004, c.24, s.15.

(c) on a date that is recommended to the minister by the participating employer who employs the member and that is fixed by an order of the Lieutenant Governor in Council.

(3) Repealed. 2007, c.39, s.7.

(4) If a member has not retired before the date on which, pursuant to the Income Tax Act (Canada), retirement benefits must commence to be paid to the member, the board shall:

(a) transfer the amount standing to the credit of the member to the annuity fund to provide the member with a prescribed guaranteed life annuity; or

(b) provide the member, from the amount standing to the credit of the member, with a prescribed pension benefit in accordance with subsection (4.1).

(4.1) Subject to subsection (4.2) and any prescribed terms or conditions, if a member described in subsection (4) has not made an election with respect to a pension benefit and cannot be located by the board, the board may elect on behalf of the member for the member to receive a prescribed pension benefit in lieu of a prescribed guaranteed life annuity if, having regard to the information in the records of the board, the board considers it in the best interest of the member.

(4.2) Before making an election on behalf of a member pursuant to subsection (4.1), the board must take reasonable steps to locate the member and, if it appears from the records of the board that the member has a spouse, the spouse of the member.

(5) Subject to subsection (6), a member who has a spouse is required to receive a pension benefit that provides for a prescribed pension benefit that is not less than 60% of the pension benefit to which the member would have been entitled to be paid to the spouse after the member's death, unless the spouse provides a written waiver of the benefit in a form acceptable to the board.

(6) For the purposes of subsection (4.1), if it appears from the records of the board that the member has a spouse and the spouse cannot be located after reasonable steps have been taken to locate the spouse, the spouse is deemed to consent to the provision of a prescribed pension benefit to the member.

## **Manitoba**

### **Participation in the plan**

**22(1)** The following persons may elect to become members of the plan:

(a) a person who is an MLA when the plan is registered;

(b) a person who becomes an MLA after the plan is registered;

(c) a person who

(i) was an MLA on May 2, 2003, and has not since been re-elected or has ceased to be an MLA before the deadline for electing to become a member under clause (a); and

(ii) wishes to purchase a period of pensionable service in respect of his or her membership in the Assembly after April 25, 1995.

### **Member contributions**

**25(1)** An active member must contribute to the plan the following percentage of the salary earned by him or her on or after the date as of which he or she became a member:

- (a) 7% for pay periods ending before January 1, 2018;
- (b) 7.5% for pay periods ending in 2018; (c) 8% for pay periods ending in 2019;
- (d) 8.5% for pay periods ending in 2020;
- (e) 9% for pay periods ending after December 31, 2020.

### **Calculation of pension**

**31(1)** Except as otherwise provided in this Part, a member is entitled to a monthly pension, from the day that he or she is eligible to begin receiving the pension until the end of the month in which he or she dies, as determined by the following formula:

Monthly pension =  $0.02 \times S \times Y/12$

In this formula:

S is the average of the five best annual salaries received by the member during the years for which he or she accrued pensionable service or, if he or she has less than five years of pensionable service, the average of the annual salaries for his or her years of pensionable service;

Y is the lesser of

- (i) 35, and
- (ii) the total number of years of pensionable service.

There is a comprehensive description of the pension plan in the Legislative Assembly Pension Plan annual reports (available [here](#)). For example, see page 17 of the [2020 Annual Report](#)."

### **Entitlement to pension**

#### **71(1)**

A person

(a) who

- (i) on the day before election day of the first general election following dissolution of the Assembly of the 35th Legislature, has served as a member in not less than three Legislatures or for not less than eight years, and
- (ii) has contributed under this Part in respect of indemnities paid to him or her in respect of all his or her service before that election day in not less than three Legislatures or in not less than eight years; or

(b) who

- (i) is a member on dissolution of the Assembly of the 35th Legislature and has served as a member in not less than three Legislatures or in not less than eight years, including service after dissolution of the Assembly of that Legislature, and
- (ii) has contributed under this Part in respect of indemnities paid to him or her in respect of all his or her service before election day of the first general election following dissolution of the Assembly of that Legislature;

is entitled to receive a pension under this Part when he or she

- (c) has reached the age when the total of his or her age and years of service as a member, including service after election day of the first general election following dissolution of the Assembly of the 35th Legislature, equals or exceeds 55 years; and
- (d) has ceased to be a member.

### **Nova Scotia**

#### **Entitlement to allowance**

(3B) An allowance shall be paid in accordance with this Act to or in respect of a person who is a member on the first day of November, 2013, or becomes a member subsequent to that date, who has made payments into the General Revenue Fund of the Province pursuant to Section 6, 8, 9 or 10, who has served as a member for at least two years and who

- (a) has ceased to be a member and has attained either
  - (i) the age of sixty years, or
  - (ii) the age of fifty-five years and the aggregate of the person's age in years and years of service is equal to at least eighty;
- (b) has ceased to be a member and is totally and permanently disabled; or
- (c) has died.

#### **Payment by member**

6 (1) Effective the first day of January, 1969, all members except a member excluded by order of the Governor in Council shall by reservation from their annual indemnities pay into the General Revenue Fund of the Province eight per cent of all amounts that are payable to them as annual indemnities.

(2) Effective the first day of January, 1982, each member, except a member excluded by order of the Governor in Council, shall by reservation from the member's annual allowance for expenses pay into the General Revenue Fund of the Province eight per cent of all amounts that are payable to the member as an annual allowance for expenses.

(3) Any person who on the first day of January, 1987, is a member may at any time within two years subsequent to the first day of January, 1987, or such longer periods as may be approved by the Minister of Finance and Treasury Board, pay into the General Revenue Fund of the Province an amount equal to eight per cent of the aggregate of all annual allowances for expenses paid to the member during the period from the first day of January, 1969, to the thirty-first day of December, 1981, together with interest thereon at such rate as is determined by the Governor in Council from the date of payment of the several allowances to the date of payment into the General Revenue Fund of the Province and in respect of such person who has made such contribution, subsection (2) of Section 12 shall be read, for the purpose of all payment of allowances subsequent to the later of the first day of January, 1987, or

such date as the person elects to make such contribution, as if the date of the thirty-first day of December, 1981 is the thirty-first day of December, 1968.

NOTE - The report dated November 24, 1989, made by the Nova Scotia Commission of Inquiry on Remuneration of Elected Provincial Officials has, pursuant to Section 55 of the House of Assembly Act, the same force and effect as if enacted by the Legislature and is in substitution for the provisions of the Members' Retiring Allowances Act and provides in part as follows:

MRA R 89 - 2 As of January 1, 1990, there no longer be a time limitation within which payments may be made by a Member, former Member, a spouse, children or dependents of a former Member in respect of R-4 of the Report dated December 1, 1986, [subsection 6(3) of the Act] made by the R.S., c. 282 members' retiring allowances 7 APRIL 22, 2022 Nova Scotia Commission of Inquiry on Remuneration of Elected Provincial Officials.

Subsection 5(2) of Chapter 29 of the Acts of 1993 provides as follows:

(2) For greater certainty, recommendation MRA R 89-2 of the report dated the twenty-fourth day of November, 1989, made by the Nova Scotia Commission of Inquiry on Remuneration of Elected Officials pursuant to Section 45 of the House of Assembly Act is amended in accordance with subsection (1).

(4) Any person who was a member prior to the first day of January, 1969, but who did not make contributions to the General Revenue Fund of the Province pursuant to this Act may

(a) if he was a member on the first day of January, 1969, at any time within two years subsequent to that day; or

(b) if he was not a member on the first day of January, 1969, but subsequently becomes a member, at any time within two years of his election as a member, pay into the General Revenue Fund an amount equal to eight per cent of the aggregate of all annual indemnities paid to him prior to the first day of January, 1969, together with interest thereon at such rate as is determined by the Governor in Council from the date of payment of the several indemnities to the date of payment into the General Revenue Fund and shall thereupon be credited with the service prior to the first day of January, 1969. R.S., c. 282, s. 6; 1993, c. 29, s. 5; 2010, c. 2, s. 121; 2014, c. 34, s. 32; revision corrected.

NOTE - The report dated November 24, 1989, made by the Nova Scotia Commission of Inquiry on Remuneration of Elected Provincial Officials has, pursuant to Section 55 of the House of Assembly Act, the same force and effect as if enacted by the Legislature and is in substitution for the provisions of the Members' Retiring Allowances Act and provides in part as follows:

MRA R 89 - 9 Contribution payments required to be made into the Consolidated Fund [General Revenue Fund] pursuant to Sections 5, 6, and 6A [6, 8 and 9] of the Act for future service on or after January 1, 1990 shall be increased to the rate of ten percent (10%)

#### **Duration and amount of allowance**

12 (1) The annual allowance payable to a person who has served as a member shall be paid to the person for life and is one fiftieth of the product of

(a) the average annual indemnity earned in the three years during which the person's annual indemnity was the highest; and

- (b) the number of years of the person's service, but in no case shall the annual allowance exceed seventy per cent of the person's average annual indemnity earned in the three years during which the person's annual indemnity was the highest.
- (2) Notwithstanding subsection (1), an additional annual allowance is payable for life to a person to whom an annual allowance is payable pursuant to subsection (1) and the additional annual allowance shall be one fiftieth of the total obtained by multiplying the average annual allowance for expenses
  - (a) during the last three years of service; or
  - (b) where the number of years of service after the thirty-first day of December, 1981, is less than three years, during the actual years of service after that date, by the number of years of service after the thirty-first day of December, 1981, but in no case shall the additional annual allowance exceed seventy-five per cent of the average annual allowance for expenses during the last three years of service.
- (3) When a person to whom Section 8 or 9 applies becomes eligible to receive an allowance as a member under Section 11, he shall be paid, in addition to his member's allowance, a further allowance calculated in accordance with the following provisions:
  - (a) where the period of service in one or more of the positions mentioned in Section 8 exceeds three years, the average annual salary earned in the three years at the highest rate of remuneration shall be used for purposes of calculating the further allowance;
  - (b) where the period of service mentioned in clause (a) is less than three years, the average annual salary for the actual years of service shall be used for purposes of calculating the further allowance;
  - (c) the further allowance shall be two per cent of the average annual salary calculated pursuant to clause (a) or (b) multiplied by the number of years of service after the first day of January, 1954, to a total maximum of seventy per cent of the average annual salary calculated pursuant to clause (a) or (b), in one or more of the positions mentioned in Section 8.

NOTE - The report dated November 24, 1989, made by the Nova Scotia Commission of Inquiry on Remuneration of Elected Provincial Officials has, pursuant to Section 55 of the House of Assembly Act, the same force and effect as if enacted by the Legislature and is in substitution for the provisions of the Members' Retiring Allowances Act and provides in part as follows: MRA R 89 - 6 For purposes of determining the amount of any allowances paid pursuant to the Act on or after January 1, 1990, the amount of the deferred retiring allowance, including portions of the allowance provided pursuant to Sub-section [8(2) [12(3)]] of the Act, to which any Member or former Member was entitled during and including January 1, 1976 to December 31, 1986, or any part thereof, be determined as if Schedule "B" of Order in Council no. 75-342 applied to it. See also notes following subsections 8(2) and 9(2).

- (3A) Notwithstanding subsections (1) to (3), the aggregate of the allowances payable to a person pursuant to those subsections shall not exceed the defined benefit limit, pursuant to the Income Tax Act (Canada), for the year the allowances to that person commence multiplied by the person's years of service.
- (4) An allowance under this Act or any predecessor to this Act being paid to a member or to a surviving spouse or dependant of a member on the thirty-first day of December, 2010, inclusive of any cost of living adjustments made by that date, shall be adjusted annually, commencing the first day of January,

2011, in the same manner and by the same percentage as are superannuation allowances payable under the Public Service Superannuation Act.

(5) An allowance under this Act or any predecessor to this Act that commences to be paid to a member or to a surviving spouse or dependant of a member after the thirty-first day of December, 2010, shall be adjusted annually in the same manner and by the same percentage as are superannuation allowances under the Public Service Superannuation Act that commence to be paid after the thirty-first day of December, 2010

(6) Sections 69 to 72 and 74 of the Public Service Superannuation Act apply mutatis mutandis to subsections (4) and (5).

(7) From and after the first day of January, 2011, no allowance under this Act shall commence or continue to be credited with any cost of living adjustment during the period prior to which the allowance commences to be paid.

(8) Any allowance under this Act or any predecessor to this Act being paid on the thirty-first day of December, 2010, or that commences to be paid after the thirty-first day of December, 2010, shall be adjusted for cost of living in accordance only with subsections (4) to (6) and, notwithstanding any prior enactment or regulation, or any contract, agreement, order or representation relating to, fixing or in any manner referencing a cost of living adjustment applicable to any allowance under this Act or any predecessor to this Act, the amount of any such cost of living adjustment shall be determined solely in accordance with subsections (4) to (6), and no person shall have or maintain any cause of action or claim against the Province, the Minister or any other person arising from or in relation to any such prior enactment, regulation, contract, agreement, order or representation.

See also:

[MLA Member Guide - 01-April-2022.pdf \(novascotiapension.ca\)](#)



8



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **SUPPORT FOR MEMBERS OF PARLIAMENT WITH YOUNG CHILDREN**

**Report of the Standing Committee on Procedure  
and House Affairs**

**The Honourable Larry Bagnell, Chair**

**NOVEMBER 2017  
42<sup>nd</sup> PARLIAMENT, 1<sup>st</sup> SESSION**

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# SUPPORT FOR MEMBERS OF PARLIAMENT WITH YOUNG CHILDREN

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## THE STANDING COMMITTEE ON PROCEDURE AND HOUSE AFFAIRS

has the honour to present its

### FORTY-EIGHTH REPORT

Pursuant to its mandate under Standing Orders 108(3)(a)(i) and (iii), the Standing Committee on Procedure and House Affairs (“the Committee”) held two meetings to discuss the services and facilities made available to members of Parliament with young children.

These meetings resulted in a number of recommendations that the Committee considers worthwhile to implement in order to enhance the services, facilities and supports provided specifically to members of Parliament who are pregnant and/or raising young children. The Committee wishes to thank Mr. Daniel G. Paquette, Chief Financial Officer (CFO), House of Commons and Mr. Pierre Parent, Chief Human Resources Officer (CHRO), House of Commons, for their important assistance during this study.

The purpose of this report is similar in intent and spirit to that of the Committee’s Eleventh Report from the 42<sup>nd</sup> Parliament, 1<sup>st</sup> Session, entitled an *Interim Report on Moving Toward a Modern, Efficient, Inclusive and Family-Friendly Parliament*:<sup>1</sup> to improve the work-life balance for members all while taking into consideration the impact of changes on members’ constituents.

For each recommendation made by the Committee in this report, a topic is provided along with the entity or entities considered by the Committee to be principally responsible for implementing the recommendation. The Committee is pleased to report as follows:

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1 House of Commons, Standing Committee on Procedure and House Affairs, [Interim Report on Moving Toward a Modern, Efficient, Inclusive and Family-Friendly Parliament](#), Eleventh Report, 1<sup>st</sup> Session, 42<sup>nd</sup> Parliament, June 2016.





## 1. Travel Points System I

### Responsible entity: The House of Commons Board of Internal Economy

According to the *Canadian Aviation Regulations*, no single adult passenger is permitted to be responsible for more than one child under the age of two aboard a Canadian aircraft.<sup>2</sup> In cases where an individual adult seeks to travel by Canadian aircraft with two or more children under the age of two, an additional adult passenger must accompany each child.

Under the House of Commons Travel Points System, the reimbursed air travel between Ottawa and a member's constituency can be used by the member or the member can allocate all or some to a single "designated traveller." The Board of Internal Economy prescribes rules as to who may be selected as a designated traveller. In order for a member to travel by air with two of his or her own children who are under the age of two, using the Travel Points System, the member's designated traveller would need to always be available to accompany the member and dependent children between Ottawa and the member's constituency. For this reason, the Committee has learned that the current air travel service arrangement for members with two children under the age of two can cause undue difficulties.

Members have and will continue to experience unforeseen circumstances, both physical and mental, which can, without the necessary resources and administrative support, impede them from carrying out their parliamentary functions. As another example, the Committee heard of the challenges imposed on a member in the period following her having given birth by Caesarean section, especially in travelling to and from Ottawa and her riding.

The Committee has learned from House of Commons officials of certain recent initiatives taken by the Board of Internal Economy to ensure that members receive adequate and proper resources and support. Among them, the Board has empowered the House of Commons CHRO to make appropriate accommodations for members with needs that are related to carrying out their parliamentary functions, yet not foreseen by the codified rules and regulations circumscribing the use of members' resources and premises. Where deemed required, a publicly disclosed fund can be accessed by the CHRO for the purposes of supporting such members.

Decisions regarding special accommodations made by the CHRO are taken on a case-by-case basis, with the CHRO applying three guiding principles as parameters: flexibility,

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2 Government of Canada, "[Taking Children on a Plane.](#)"

compassion, and reasonableness. For example, but not limited to, flexibility for designated travellers travelling with one or more children under the age of two and complications resulting from Caesarean section births.

The Committee considers this initiative to be an important step towards ensuring members with unforeseen needs are fully supported in fulfilling their duties as parliamentary representatives. The Committee is confident that the CHRO will employ rigour and sound judgement in carrying out this function.

However, the Committee notes that the ability for members to access special assistance from the House is not widely known among the membership of the House. Therefore, the Committee encourages the House of Commons Administration to communicate this program to members in as wide and thorough a manner as possible.

## **2. Travel Points System II**

### **Responsible entity: House of Commons Administration**

In its Eleventh Report, the Committee stated that an unintended consequence of having greater disclosure and accountability on the part of members with regard to their use of the Travel Points System was that the family members of members of Parliament felt reluctant, if not discouraged, from using travel points to accompany their spouse or parent on trips to Ottawa.<sup>3</sup>

In response to a recommendation made by the Committee in that report, the Committee was told by House officials that the House of Commons Administration is examining the feasibility of implementing a change to the Travel Points System, whereby a member's dependent children can take fully disclosed regular air travel trips to visit or accompany a parent to Ottawa, but not draw from the member's travel points.

The Committee supports this initiative as one that will improve the work-life balance of members, and as a result, improve the performance of members in carrying out their parliamentary functions. Upon the implementation of this improvement, it is the Committee's view that the House of Commons Administration ought to communicate this program to members in as wide and thorough a manner as possible.

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3 [Interim Report on Moving Toward a Modern, Efficient, Inclusive and Family-Friendly Parliament](#), June 2016.



### 3. Pregnancy, Parental Leave and Absences from Parliament

#### Responsible entity: The minister responsible for the *Parliament of Canada Act*<sup>4</sup>

As detailed in the “Work-life balance” section of the Committee’s Eleventh Report, the employment of members of Parliament in tenure of office is not included in insurable employment.<sup>5</sup> As such, members do not pay into the federal Employment Insurance program and are consequently excluded from receiving any of the benefits of that program.

Further, a deduction from the annual sessional allowance for members of Parliament resulting from absences is set out in section 57(1) of the *Parliament of Canada Act*. A member who is absent from the Chamber for more than 21 sitting days per session will see his or her pay cut by \$120 a day.

Under the *Parliament of Canada Act*, absences by parliamentarians for the reason of attending to public or official business, or due to illness, do not count towards the 21 sitting day limit per session. Further, service in the armed forces by parliamentarians is not counted towards total absences. However, there is no mention of pregnancy or parental leave as a reason for being absent.

It is the Committee’s view that a member should not be penalized monetarily for his or her absence from Parliament due to pregnancy and/or parental leave. Therefore, the Committee recommends

**That the minister responsible for the *Parliament of Canada Act* consider introducing legislation to amend section 57(3) of the *Parliament of Canada Act* to add that pregnancy and parental leave be reckoned as a day of attendance of the member during a parliamentary session for the purposes of tabulating deductions for non-attendance from the sessional allowance of a member.**

Furthermore, following changes to the legislation, it is the Committee’s intention to seek the guidance of the House of Commons Administration for the purposes of implementing new rules, terms and conditions and/or modifying the current rules, terms and conditions that apply to members who are pregnant or on parental leave.

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4 [\*Parliament of Canada Act\*](#), R.S.C., 1985, c. P-1. According to the Justice Laws Website, “[Table of Public Statutes and Responsible Ministers](#)”, the minister responsible for the *Parliament of Canada Act* is “the Minister of State and Leader of the Government in the House of Commons (SI/2002-39).”

5 This information was provided by the House of Commons Pay and Benefits.

## 4. Non-members on the Floor of the Chamber during a Sitting

### Responsible Entity: The House of Commons

In many Westminster parliaments, by tradition, only parliamentarians or parliamentary officers are permitted on the floor of the Chamber. The practice of ensuring non-members do not enter the Chamber has been raised as an issue for members who are parents of young children.

The exclusion of non-members on the floor during a sitting also exists in Canada's House of Commons. Under Standing Order 14, a member can take notice of the presence of non-members, referred to as "strangers" in Westminster parliamentary lexicon, and seek a decision ordering that strangers withdraw.

On a number of occasions in the past, the Speaker of Canada's House of Commons has turned a blind eye to members who brought their infants into the Chamber during a sitting. In a ruling on February 16, 2012, the Speaker clarified the Chair's approach to handling instances of infants accompanying members into the Chamber during a sitting. The Speaker stated that infants in the House were permitted provided disruption and disturbance did not occur, and the work of the House proceeded uninterrupted.<sup>6</sup>

The Committee takes note that in November 2015, Australia's House of Representatives Standing Committee on Procedure undertook a study on "the provisions for nursing mothers in the House of Representatives."<sup>7</sup> The report recommended that an amendment be made to Standing Order 257 regarding the admission of senators and visitors to the Chamber, the galleries and the Federation Chamber. The amendment proposed in the reports reads:

(d) A visitor does not include an infant being cared for by a member.

The report was tabled in December 2015 and adopted by the House of Representatives.

It is the Committee's view that the current practice in Canada's House of Commons of permitting infants accompanied by a member to be present in the Chamber during a sitting be formalized. The Committee therefore recommends

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6 House of Commons, *Debates*, 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, February 16, 2012.

7 Australia, House of Representatives, Standing Committee on Procedure, *Provisions for a more family-friendly Chamber*, Parliamentary paper: 452/2015, November 2015.





**That the Standing Orders be amended by replacing Standing Order 14 with the following:**

**14. (1) If any Member takes notice that strangers are present, the Speaker or the Chair (as the case may be) may put the question “That strangers be ordered to withdraw”, without permitting any debate or amendment; provided that the Speaker or the Chair may order the withdrawal of strangers.**

**(2) A stranger does not include an infant being cared for by a Member.**

**That the Clerk of the House be authorized to make any required editorial and consequential alterations to the Standing Orders, provided that the Clerk of the House inform the Committee, in writing, of any editorial and consequential alterations they make.**

## **5. Child Care Services and Related Miscellaneous Improvements**

### **Responsible entity: Board of Internal Economy**

The work of a member of Parliament while in Ottawa generally entails long and frequently unpredictable hours. In the Committee’s view, the services and facilities on the parliamentary precinct that support members in their parliamentary functions ought to be provided in ways that supports a members’ work-life balance and information about these services ought to be readily available.

As well, for security reasons, there ought to be a way to identify members’ children who still have difficulty expressing themselves. The Committee also sees merit in preventing situations where children find themselves unable to access their parent’s office, provided such access has been authorized by the member.

With this in mind, the Committee makes the following recommendations:

**That the Board of Internal Economy consider updating the manual entitled *Members’ Allowances and Services* to include all relevant and appropriate information regarding the short-term child care service available to members of Parliament, with whom the House already has a contract;**

**That the Board of Internal Economy begin discussions with the Children on the Hill Daycare Centre to see whether they are able to offer flexible hours and accept newborns;**

**That the Board of Internal Economy continue to provide a family room consisting of a dedicated, enclosed and appropriately furnished area that is for the use of members with infants, that such a facility, located in near proximity to the Chamber, be provided in the renovated West Block, and that such a facility, located in near proximity to the Chamber, be provided for in the Centre Block following its eventual renovation;**

**That, as part of the Centre Block renovation, the Board of Internal Economy consider the establishment of a secure play area reserved for use by children of parliamentarians and parliamentary staff in close proximity to the House of Commons Chamber. As a potential location, the Committee suggests that the feasibility of the court yard located in Centre Block behind the opposition lobby be examined for such use during the course of the renovations to Centre Block; and**

**That the Board of Internal Economy consider issuing parliamentary security cards to members' children, upon the request of a member, following all standard security verifications for such issuance.**

## **Request for Government Response**

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos 75, 76, 77 and 80](#)) is tabled.

Respectfully submitted,

Hon. Larry Bagnell  
Chair



## SUPPLEMENTARY OPINIONS OF THE OFFICIAL OPPOSITION

Conservatives believe Parliament should be representative of diverse demographics and no demographic group should be discouraged from serving in elected office.

We agree with the sensible and practical recommendations in the report which are in the best interest of the Canadian taxpayer.

That said, there are some overarching considerations which must be put on the record so that their implications are fully considered.

### ***Hard-earned Canadian tax dollars must be used prudently***

Parliamentarians must always be conscious that every idea involving some form of expenditure which gets proposed means the expenditure of someone else's money.

Our concern for the proper use of Canadians' hard-earned tax dollars is why **the Official Opposition recommends that, if the Board of Internal Economy takes up consideration of the recommendations in this report, the Board must do so in a cost-neutral manner.**

In other words, any new operating expenses should be funded from internal cost savings in other areas of House of Commons Administration expenditures and/or a fee-recovery basis, rather than asking for Canadians to open up their wallets yet again.

### ***Parliamentarians' first and foremost concern should be their constituents' needs***

The Committee had the benefit of hearing from several witnesses during our 2016 study.

Some of these witnesses commented that, in their jurisdictions, concerns about setting up more favourable arrangements for politicians relative to the public have been front of mind.

Mr. François Arsenault, Director of Parliamentary Proceedings at the National Assembly of Quebec, told us in respect of discussions about a child care facility for the Assembly, "members did not want to open such an exclusive service while not all Quebecers have access...."<sup>1</sup>

Meanwhile, Mr. David Natzler, Clerk of the United Kingdom House of Commons, put his finger on the issue:

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<sup>1</sup> Evidence, May 5, 2016 (1205)

... although I'm keen that we should be family friendly and enable members of all sorts to operate fully as members, I have to be aware the public are watching and will ask, "Why should members get something that I can't get in my working life?"<sup>2</sup>

The proposed amendment to the *Parliament of Canada Act* would result in 100% income protection for Members of Parliament on leave.

In pondering this legislative proposal, it is critical for us to bear in mind that those of our constituents who do not have benefit plans rely upon Employment Insurance benefits covering just 55% of their income, up to a maximum of \$543 per week.

Even those who enjoy robust benefits plans, such as federal public servants, see about 92% income protection.

**The Official Opposition recommends that constituents' needs are put first and foremost, and that consideration be given to ensuring that politicians are not being put into a better position than their constituents.**

### ***The Standing Orders do not need to be amended***

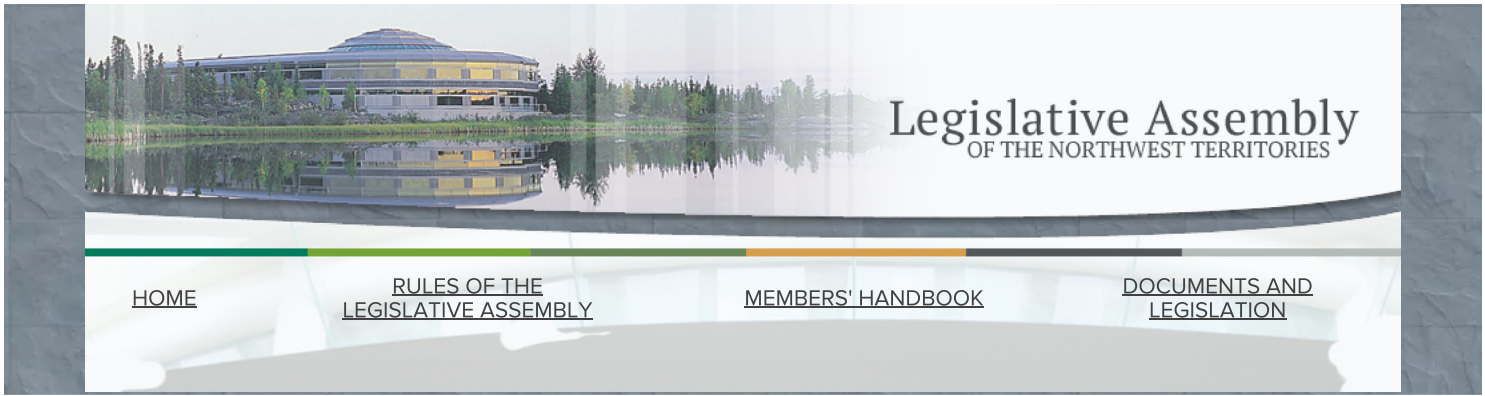
Finally, the Committee's report does not make any case for why Standing Order 14 needs to be amended. Likewise, it does not make any argument for why the existing approach is not serving the House well.

It should be recalled that the 2012 Speaker's ruling which spelt out the current approach to infants in the Chamber arose not because of the presence of a child in the House during a vote—but, rather, because of the conduct of Members on seeing a child in the Chamber.

**The Official Opposition disagrees with the recommendation to amend Standing Order 14.** We believe that the existing approach, which requires judgment and self-regulation—both on the part of the parent looking after his or her child, and all of the other Members in refraining from raising points of order—has been working.

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<sup>2</sup> *Evidence*, May 17, 2016 (1305)



<b>MEMBERS' HANDBOOK</b>
<b>ALLOWANCES, ENTITLEMENTS AND SERVICES</b>
ALLOWANCES
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74. Commuting Distance
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# Members' Handbook

## ALLOWANCES, ENTITLEMENTS AND SERVICES

### ALLOWANCES

#### 73. PLACE OF RESIDENCE

It is required that a place of ordinary residence be established for all Members. A Member must live in the community in which they regularly or customarily engage in the normal routine of life. This includes attending a Session of the Legislative Assembly, a meeting of one of its Committee members, a meeting of the Executive Council, a committee of the Executive Council member, or of the Financial Management Board, on constituency business in another Member's constituency, on business related to the Member's Ministerial or Executive Council business, or any other "Business as a Member" as defined in Section 22 of the *Legislative Assembly Act*.

As a general guideline, and to assist Legislative Assembly staff in assessment of expenses, a Member should spend a minimum of fifty percent of their time in their home community, whether in the community or elsewhere for the reasons set out in the paragraph above.

In determining a Member's place of residence, the following factors will be taken into account:

- the place where the Member lived in the year prior to their election;
- the amount of time the Member spends in the community when not attending a Session of the Legislative Assembly;
- the usual residence of the Member's spouse and/or dependent children;
- the community where the Member's spouse is employed;
- the community where the Member's dependent children are enrolled in school;
- the location of an owned residence or a residence rented for one or more years;
- location of the Member's personal possessions (clothing, furniture, pets);
- location of the Member's active business;
- the Member's personal mailing address;
- the Member's participation and involvement in church, community, recreational or cultural activities;
- the Member's address as indicated on various official documents including, but not limited to, tax filings, property tax assessment, utility bills (e.g. telephone, power, water, fuel, cable, internet service), vehicle, boat or snowmobile registration, driver's licence or health card, voters' list and bank statements; and
- letters and affidavits of persons residing in the community that are able to confirm the Member's residence for the past year.

Each Member, who does not ordinarily reside in the Capital, must swear a statutory approved by the Board of Management, before the Law Clerk, indicating the place ordinarily resides when they are not attending Sessions of the Legislative Assembly, Committees, meetings of the Executive Council, its committees, or the Financial Management Committee. The statutory declaration shall include the Member's place of ordinary residence, or business related to the Member's Ministerial or Executive Council responsibilities, or "Member" as defined in Section 22 of the *Legislative Assembly and Executive Council Act*.

Members are required to swear a Statutory Declaration of Residence within 60 days of becoming a Member. If a Member fails to swear a statutory declaration within 60 days of being sworn in, they shall be deemed to reside in Yellowknife effective the date of their swearing-in. The statutory declaration shall establish the Member's place of ordinary and usual residence and their eligibility to receive an Accommodation Allowance to establish a temporary residence in the capital, and other monetary allowances. Members who knowingly file a false statutory declaration expose themselves to the disciplinary powers of the Legislative Assembly, a potential complaint to the Integrity Commissioner, or a conviction. The statutory declaration must include the community, civic address or location of the Member's place of ordinary residence. A mailing address is not acceptable. A Member may have a secondary residence in the capital, as provided for in section 16.1 of the *Legislative Assembly Act*. In order to be eligible to do this they must have ordinarily resided outside the capital prior to election or establishment of a secondary residence. A Member eligible to establish a residence in the capital must swear a statutory declaration that provides information about their principal residence and secondary residence. In that case, the secondary residence shall be the Member's ordinary residence. Members should consult with the Clerk about whether they may or may not be eligible to receive if they decide to establish a secondary residence in the capital.

A statutory declaration must be accompanied by documentation that supports the places of residence.

Examples of acceptable supporting documentation include:

- copy of certificate of title for a home owned by the Member or a Residential Leasehold Agreement for an apartment rented by the Member for at least one year prior to the Member's election;
- copy of community authority tax assessment for owned home;
- copy of telephone, internet, power, water, cable/satellite television, fuel, proper records of utility usage, or other evidence of residence for the previous year;
- copy of income tax filing for the previous year;
- copy of vehicle, boat or snowmobile registration;
- copy of driver's license, health care registration or other federal or territorial identification;
- copy of Canadian Passport with "Bearer's Permanent Residence" section completed;
- bank statements;
- documents confirming employment in place of residence prior to election including a record of employment, pay cheque or letter from employer; or
- letters or affidavits from persons who reside in the Member's place of residence or who have known the Member's residence in that community for the year preceding the Member's election.

The statutory declaration form will authorize the Legislative Assembly to verify the information provided in the Member's statutory declaration, if necessary.

After administering an oath and witnessing and signing a Member's Statutory Declaration of Residence, the Law Clerk shall, without delay, forward the original statutory declaration to the Clerk of the Legislative Assembly. The Clerk's Office will work with the Member to collect all documentation supporting the Member's Statutory Declaration of Residence.

The Speaker shall, as soon as possible, table the original statutory declaration in the House of Assembly. The Clerk shall maintain a record that will include a copy of all sworn statutory declarations, the documentation supporting the declarations, the date that the statutory declaration was sworn, the date it was tabled, and the date it was received by the Clerk's Office.

Clerk and the date it was tabled in the Legislative Assembly.

The Statutory Declarations of Residence sworn by each Member will be subject to a risk assessment by the Clerk's Office. The risk assessment form will evaluate each Member's statutory declaration against the following four criteria:

- location and duration of owned or rented accommodation in community of residence
- documentation provided by the Member in support of statutory declaration of residence
- size of the family unit residing with the Member at the sworn place of residence
- verifiable community activity in sworn place of residence during the previous year

Based upon a Member's overall score on each of these four criteria, Members will be assigned a rating category by the Clerk of the Legislative Assembly.

Members with a "high" rating will be allowed to access all benefits and allowances to which they are entitled, and will be re-evaluated annually thereafter to establish continued eligibility.

Members with a "medium" rating will be allowed to access benefits and allowances to which they are entitled, but will be re-evaluated on a quarterly basis to establish continued eligibility for those benefits.

Members with a "low" rating will be allowed to access benefits and allowances to which they are entitled, but will be re-evaluated on a monthly basis to establish continued eligibility for those benefits. Any Member may appeal the Clerk's rating to the Board of Management for review. Members in the "low" rating category to provide information and supporting documentation for their appeal provided to the Clerk's Office within 30 days from the beginning of each month. Members in the "medium" and "high" rating categories must provide information and supporting documentation for their appeal within 60 days of the re-assessment date. Members may request more time from the Clerk to provide their residency information and documentation.

Failure to provide the Clerk with information and supporting documentation to carry out the risk assessment set out above will result in the Member being deemed to reside in Yellowknife for the purpose of the allowances and benefits to which the Member is entitled. This determination will be based on the last submission of supporting documentation and the Clerk shall, without delay, suspend overpayments during that period from the Member's future indemnities and reimbursements. If the Member subsequently provides the Clerk with the required supporting documentation, the Clerk shall reimburse the Member for any recoveries made.

Every six months the Clerk will review the residency assessments of Members in a "low" rating category to determine the risk factors associated with the Member's residency declaration. The Clerk may recommend to the Board of Management to move the Member to a higher rating category or to undertake a higher level residency risk assessment, up to and including an evaluation of the Member's time when not on business as a Member.

A Member who moves from the place indicated on their sworn Statutory Declaration of Residence must swear a new statutory declaration before the Law Clerk without delay and provide supporting documentation for evaluation by the Clerk of the Legislative Assembly.

If, at any time, the Clerk of the Legislative Assembly is of the view that the supporting documentation is inconsistent with, or does not support a Member's sworn Statutory Declaration of Residence, the Clerk shall, without delay, prepare a report to the Board of Management laying out his or her concerns. The report shall include the most recent evaluation of the Member's Statutory Declaration of Residence and the supporting documentation provided to the Clerk to that point. The Clerk will provide a copy of the report in advance of the meeting of the Board at which the report will be considered.



After considering the report and hearing from the Member, the Board of Management may: accept the Member's Statutory Declaration of Residence and deem them to be a resident of Yukon for the purpose of calculating the allowances and benefits to which the Member is entitled; accept the Member's Statutory Declaration of Residence; accept the Members' Statutory Declaration of Residence; require the Member to provide supporting documentation by a specified time; make a complaint to the RCMP; or, refer the matter to the RCMP for investigation. The Speaker may also refer a Member's Statutory Declaration of Residence to the Integrity Commissioner for opinion at any time should they deem such a referral appropriate.

As set out in the *Indemnities, Allowances and Expense Regulations*, the Speaker is required to make available to the Legislative Assembly all statutory declarations sworn by Members at the earliest possible opportunity. All Statutory Declarations of Residence tabled by the Speaker will be included in a printed report and posted in an accessible place on the Legislative Assembly's web site without delay.

#### **74. COMMUTING DISTANCE**

A Member lives within commuting distance of a place if a Member's ordinary place of residence is less than 80 kilometers away from that place and it is possible to travel from the Member's ordinary place of residence to that place by road. For further clarity, a Member's ordinary place of residence is that place indicated on their sworn Statutory Declaration of Residence.

#### **75. NORTHERN ALLOWANCE**

Every Member of the Legislative Assembly is eligible for a Northern Allowance, pursuant to the *Legislative Assembly and Executive Council Act*. This allowance is based on the Member's ordinary place of residence as indicated on their Statutory Declaration of Residence. The amount of the allowance is determined by Article 41 of the Collective Agreement between the Government of the Northwest Territories and the Union of Northern Workers. The allowance is included in the Member's bi-weekly pay.

Until such time as a Member has sworn a Statutory Declaration of Residence, in accordance with this Handbook, all Members will be paid the Northern Allowance based upon the Member's ordinary place of residence. Once a Statutory Declaration of Residence has been sworn, in accordance with Section 73 of the *Legislative Assembly and Executive Council Act*, a Member will be paid the Northern Allowance, retroactively to polling day, and based on their community of residence.

#### **76. CHILDCARE TRAVEL ALLOWANCE**

A Member will be reimbursed for eligible extraordinary childcare expenses when:

- A Member's child, or children is reasonably required to travel with the Member performing constituency or Legislative Assembly business;
- A Member is required to travel from the Member's ordinary place of residence to the Member's place of office; or
- A Member is required to attend constituency or Legislative Assembly business outside of regular business hours and incurs extraordinary childcare expenses that the Member would not otherwise incur.

'Child of the Member' means a child, or children under the age of eighteen years or a dependent child of a parent or stands in the place of a parent, including a child placed in a foster home.

Extraordinary childcare expenses are defined as those expenses related to childcare for a Member's child beyond expenses normally incurred for the care of a child of the Member.

If a Member wishes to be reimbursed for eligible childcare expenses, the Member must submit an application to the Clerk of the Legislative Assembly, including:

- The name and age of each child for which the Member intends to seek reimbursement;
- Documentation establishing that each child is a child of the Member; and
- Any other information the Clerk determines to be necessary to evaluate the application.

Upon receipt of the application, the Clerk may, in respect of each child to which the

- Approve the application. If the Clerk approves the application, the Clerk may in approval respecting the type and amount of expenses to be eligible for reimbursement.
- Reject the application. If the Clerk rejects the application, the Clerk shall provide reasons as to why the application was rejected. A decision of the Clerk to reject appealed to the Board of Management.

Members who incur expenses in respect of a child of the Member for whom an application by the Clerk will be reimbursed for actual expenses upon submission of receipts. A must include:

- A copy of the application approved by the Clerk;
- The dates of all expenses claimed;
- A description of the duties of office that necessitated the incurrence of the expenses;
- Receipts evidencing payment of the expenses; and
- Any other information the Clerk may require.

Eligible expenses are defined as, but not limited to the following:

- Travel costs for a child, or children
- Additional accommodation costs for a child, or children
- Additional meal and incidental costs for a child, or children
- Daycare or Afterschool fees
- Caregiver fees

Reimbursement of childcare expenses is a non-taxable/accountable benefit to Members within commuting distance of the capital, and a taxable/accountable benefit for Members outside the capital.

## **77. ALLOWANCE FOR EXPENSES**

Every Member of the Legislative Assembly is eligible to receive an annual gross allowance for expenses on a bi-weekly basis. As a taxable, non-accountable allowance no proof of payment and taxes are collected when the allowance is paid to Members.

The Allowance for Expenses is intended to cover the following expenses while Members are in the community of ordinary residence and while discharging their duties as a Member.

- Meal expenses
- Local ground transportation expenses
- Hospitality expenses including meals, transportation, whether within or outside the community of ordinary residence

Hospitality, as defined in the Financial Administration Manual, is food, entertainment provided to the recipient at no cost or less than full cost, including, but not limited to, sports and performance events.

With the exception of those instances specifically referenced in this Handbook, claim for meals and similar hospitality will not be reimbursed.

The Allowance for Expenses will be automatically adjusted each year by the percentage change in the Consumer Price Index between the previous calendar year and the current calendar year.

## **78. ENTERTAINMENT ALLOWANCE**

The Speaker and Ministers are eligible to receive an annual \$1,500 allowance for discretionary entertainment expenses. This allowance is taxable and non-accountable and is paid in advance in

Arrangements can be made through Members' and Precinct Services to have these to a Member's bank account. Eligibility for this allowance ceases when the Speaker office, as per sections 45 and 69 of the *LAEC Act*.

## **79. TRANSITION ALLOWANCE**

Members of the Legislative Assembly are entitled to a Transition Allowance when they leave the Legislative Assembly or when the Assembly they are serving in is dissolved or re-elected and the Member does not become a Member of the subsequent Legislative Assembly.

For a Member who is not a Speaker or a Minister, the transition allowance is equal to the annual indemnity for each consecutive year of service but cannot exceed the annual basic indemnity at the time of eligibility. This allowance will be calculated pro rata for any period of service less than a year.

For a Member who is a former Speaker or Minister, the Transition Allowance is equal to the annual indemnity at the time of eligibility.

In all cases the limit of the transition allowance is cumulative and may not be exceeded if a Member has previously received a transitional allowance and subsequently, after a break in service, again becomes a Member of the Legislative Assembly. The length of time to which the transition allowance relates is determined by the *Assembly and Executive Council Act* as the transition period (Section 83(1)) and certain activities of former Members during this period. For further information, Members should refer to the *Conflict of Interest, Legislative Assembly and Executive Council Act* and to Section 83(1) of the *Conflict of Interest Act*.

A Member entitled to a Transition Allowance has the option of receiving one lump sum payment upon entitlement, two payments within one year of leaving office, or allowing the payment to be spread over the number of months equal to the Member's years of service. For example, if a Member has served for 10 years, the Member may elect to receive the allowance over eight months. In the case of a Minister the payment may be spread out over 12 months. The Member is not entitled to other allowances and benefits normally available to Members during this period.

## **80. RETRAINING ASSISTANCE PROGRAM FOR NON-RETURNING MEMBERS**

The Retraining Assistance Program for Non-Returning Members provides assistance to help Members transition from public to private life. To be eligible for this benefit, a former Member must have completed at least one complete term and have left office either through retirement or defeat. A former Member is eligible for up to \$1,000 in program funding for each year of service, up to a maximum of \$12,000.

The former Member must apply to access the program within one year of leaving office. If the application is approved, the former Member can access the funding over a two year period commencing on the application date. The retraining assistance program may be accessed only once in the lifetime of a Member.

If a former Member's conduct is such that it brings discredit to their office or to the program, the benefit from this policy shall accrue to the former Member.

The program funding is to be used to reimburse or pay for the following:

- consulting services for starting a new business;
- financial, employment, or retirement counseling and planning;
- courses and training directly related to future employment; and
- return travel costs from a former Member's home community to the point of the program.

The purchase of assets or services, or payment of legal and registration fees for business expenses are not eligible expenses under this program.

Former Members will be responsible for submitting a program profile to the Board approval, prior to the commencement of the program and release of funding. The include the cost of consulting, or counseling and planning services, educational col fees, information on the assistance or support to be provided to the former membe The Legislative Assembly will pay the service provider directly, or reimburse the forr submission of receipts.

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