

**JUDICIAL COMPENSATION AND BENEFITS COMMISSION**

**REPLY SUBMISSIONS**

**of the**

**CANADIAN SUPERIOR COURTS JUDGES ASSOCIATION**

**and the**

**CANADIAN JUDICIAL COUNCIL**

L. Yves Fortier, C.C., Q.C.  
Pierre Bienvenu  
**Ogilvy Renault, S.E.N.C.**  
1981 McGill College Avenue  
Suite 1100  
Montréal, Quebec H3A 3C1

January 23, 2004

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	JUDICIAL SALARIES .....	1
	A. STATUTORY FACTORS.....	1
	1. The economic conditions in Canada and the financial position of the federal Government .....	1
	2. The need to attract outstanding candidates to the judiciary.....	3
	3. Other objective criteria .....	4
	B. THE COMPARATORS.....	5
	1. Remuneration of the most senior level of deputy ministers within the Government.....	5
	2. Incomes of lawyers in the private practice of law in Canada .....	11
	3. Reply to the submissions of the Minister of Justice of Alberta and the Government of the Northwest Territories on Judicial Salaries.....	11
	4. Annual Increments.....	13
	C. POSITION OF THE ASSOCIATION AND COUNCIL ON THE SUBMISSIONS OF OTHER PARTIES .....	13
	1. Senior Northern Judges.....	13
	2. Others.....	13
III.	DIVISION OF JUDICIAL ANNUITY FOLLOWING CONJUGAL BREAKDOWN .....	14
IV.	CONCLUSION.....	16

## **I. INTRODUCTION**

1. The following submissions are in reply to the Submission filed on behalf of the Government of Canada on December 15, 2003. The Canadian Superior Courts Judges Association (the “**Association**”) and the Canadian Judicial Council (the “**Council**”) reply to the two principal issues raised in the Government’s Submission, namely: judicial salaries and the division of judicial annuities upon conjugal breakdown. The submissions made by certain other parties in relation to judicial salaries are also addressed herein.

## **II. JUDICIAL SALARIES**

### **A. STATUTORY FACTORS**

2. The statutory factors to be considered by the Commission in its inquiry upon the adequacy of judicial salaries are set out in subsection 26(1.1) of the *Judges Act*. While these factors are not in dispute, the Association and Council make the following observations in respect of the facts and arguments that the Government has marshalled under some of them.

#### **1. The economic conditions in Canada and the financial position of the federal Government**

3. The first statutory factor to be considered is “the prevailing economic conditions in Canada, including the cost of living, and the overall economic and current financial position of the federal government”.

4. It is not disputed that the Canadian economy remains strong, and that continued economic growth is anticipated. According to the evidence submitted by the Government, private-sector economists are forecasting average real economic growth slightly above 3 per cent per year over the next four years (2004-08), about the same pace as that recorded, on average, in the previous four years (2000-03).<sup>1</sup>

---

<sup>1</sup> *Submission of the Government of Canada*, Appendix 5 at 2.

5. Nor is it disputed that even after adjusting for measures announced since the February 2003 budget, some of which have recently been called into question, private-sector economists cited by the Government of Canada in its most recent *Economic and Fiscal Update* anticipate budget surpluses over the next five years going from \$3.0 billion in 2004-05 to \$9.5 billion in 2008-09.<sup>2</sup>

6. The Government's Submission makes a distinction between fiscal surpluses and "planning surpluses",<sup>3</sup> and the argument is advanced that since no planning surplus is predicted until 2008-09, "any increase in judicial compensation in excess of the rate of inflation would be one of many claims on Government which could not be accommodated without offsetting actions elsewhere."<sup>4</sup>

7. The Association and Council submit that the distinction between fiscal and planning surpluses is somewhat specious for the purpose of assessing the current financial position of the federal Government within the context of an inquiry into judicial salaries.

8. The Government defines planning surplus as "the amount available to fund any and all *new* government priorities and *unexpected* liabilities, based on current information."<sup>5</sup> An increase in judicial salaries in excess of the rate of inflation cannot be considered as an amount that would come out of the planning surplus as defined by the Government since it would neither constitute a "new" government priority nor would it be an "unexpected" liability. Adequate judicial compensation is a constitutional obligation and it must therefore be both an ongoing priority and an expected liability.

9. Moreover, it is noted that the calculation of whether the Government predicts a "planning surplus" comes *after* subtracting from projected surpluses two "allocation[s]

---

<sup>2</sup> *Submission of the Government of Canada, Appendix 4 (Overview)* at 5.

<sup>3</sup> *Submission of the Government of Canada* at para. 19.

<sup>4</sup> *Ibid.* at para. 20.

<sup>5</sup> *Ibid.* at para. 19 [emphasis added].

for prudence”.<sup>6</sup> First, a Contingency Reserve in the amount of \$2.3 billion in 2003-04 and \$3.0 billion *per year* between 2004-05 and 2008-09 inclusive; second, an additional “allocation for economic prudence”, which stands at \$1.0 billion in 2006-07, \$3.0 billion in 2007-08, and \$4.0 billion in 2008-09. In other words, in each of the next four years the Government has budgeted a buffer equal to, or greater than, the average private-sector projected surplus.

10. While it is of course open to the Government to label as “planning surplus” the amount remaining after subtracting from its projected fiscal surpluses two allocations for prudence, the Association and Council submit that it cannot be contended, in the face of these projections, that “there is a fiscal constraint.”<sup>7</sup>

## 2. The need to attract outstanding candidates to the judiciary

11. Nothing in the submission of the Government under this heading calls into question the self-evident proposition that net income differentials between the incomes of potential candidates and judicial salaries are among the factors that encourage or discourage applications for appointment from outstanding candidates. Yet the Government seeks to undermine the value of this comparator.

12. After reviewing the provenance and demographics of judicial appointees – which are not said to have changed significantly over the past four years – the Government contends that “it is very difficult to find appropriate comparisons between judicial remuneration and earnings in the private sector”.<sup>8</sup> The Government goes on to state that it is “of little assistance to compare judicial salaries with the higher percentiles of earnings in the legal profession.”<sup>9</sup>

---

<sup>6</sup> *Ibid.*, Appendix 4 thereto at 95.

<sup>7</sup> *Submission of the Government of Canada* at para. 22.

<sup>8</sup> *Ibid.* at para. 30.

<sup>9</sup> *Ibid.* at para. 31.

13. Before the Drouin Commission, the Government's consultants expressed reservations about a comparison with a midpoint at the 83<sup>rd</sup> percentile, as suggested by the judges, and directed the Commission instead to a comparison at the 75<sup>th</sup> percentile. The Commission's experts agreed and that is the percentile that was adopted by the Drouin Commission.<sup>10</sup> The Government offers no reasons to question the validity of this approach.

14. The Government states that the "proposition that high levels of salary are necessary to attract outstanding candidates is itself far from self-evident."<sup>11</sup> Since the Government fails to indicate what it means by "high levels of salary" or how these relate to the "adequacy" requirement set forth in the *Judges Act*, such a statement is distinctly unhelpful. However, to the extent that the statement seeks to question the impact of judicial salary levels on recruitment, it is inconsistent with the very assumption of the criterion set forth in s. 26 (1.1)(c).

15. As mentioned in the original submissions of the Association and Council, the incomes of private practitioners have long been considered by all judicial compensation commissions as an important comparator in the setting of judicial salaries. It is a cause for concern for the Association and Council that the Government should now seek to undermine the value of this comparator, and the manner in which it has been applied in the past, most recently by the Drouin Commission.

### 3. Other objective criteria

16. It is under this statutory rubric that the Government addresses what it calls the "historical challenge" of finding appropriate comparators for the determination of adequate judicial salaries.<sup>12</sup> Specifically, the Government contends that the remuneration of the most senior deputy ministers in the federal government, until recently the DM-3s,

---

<sup>10</sup> *Drouin Report* (2000) at 40.

<sup>11</sup> *Submission of the Government of Canada* at para. 30.

<sup>12</sup> *Ibid.* at para. 32.

is a “relatively poor comparator for the purpose of establishing the adequacy of judicial salaries.”<sup>13</sup> The Association and Council now address this argument.

## **B. THE COMPARATORS**

### **1. Remuneration of the most senior level of deputy ministers within the Government**

17. The Association and Council oppose the Government’s attempt to do away with the midpoint of the remuneration paid to the most senior level of deputy ministers within the federal Government as a comparator for the establishment of adequate judicial salaries. This position runs counter to the recommendations of past compensation commissions — including the carefully reasoned findings of the Drouin Commission — and the reasons offered by the Government to do so have no merit whatsoever.

18. As noted in the original submissions of the Association and Council, it is at the urging of the federal Government that the “1975 equivalency” standard was replaced with the objective of maintaining “a rough equivalence to the DM-3 midpoint”.<sup>14</sup>

19. It is also emphasized that if the long-accepted principle of rough equivalence with the midpoint of the remuneration of DM-3s is abandoned or undermined, the whole process of establishing judicial compensation risks being mired in arbitrariness and subject to the vagaries of politicized decision-making. This is precisely what the Supreme Court of Canada has identified, warned against, and sought to resolve in the *PEI Reference Case*.<sup>15</sup>

20. Before addressing the Government’s arguments, it is worth recalling, as the Drouin Commission pointed out, that in light of the special legal position of judges in the

---

<sup>13</sup> *Ibid.* at para. 35.

<sup>14</sup> *Submissions of the Canadian Superior Courts Judges Association and the Canadian Judicial Council* at para. 57.

<sup>15</sup> *Reference Re Provincial Court Judges*, [1997] 3 S.C.R. 3 at para. 140 [hereinafter *PEI Reference Case*].

Canadian constitutional order, “no suggested comparator to the Judiciary is truly apt.”<sup>16</sup> Thus, it is unhelpful for the Government to repeatedly refer to distinctions that are immutable, and indeed desirable to preserve judicial independence, in order to question the usefulness of long-accepted comparators.

21. The Government argues that, unlike judges, DM-3s are appointed at pleasure and do not have security of tenure.<sup>17</sup> While this may be so in theory, it can hardly be contended that the employment of senior federal civil servants is precarious. Upon receipt of the Government’s Submission, the undersigned counsel sought from the Government information about the number of deputy ministers who have been dismissed without cause, laid off or forced into early retirement in the past 25 years as compared to the total population of deputy ministers at any given time.<sup>18</sup> The Government has replied that the requested information is unavailable and, in any event, confidential.<sup>19</sup> Whatever the exact number, it is notorious that senior federal public servants enjoy security of employment that is unparalleled in the private sector.

22. When it proceeds to compare judges’ salaries with those of senior public servants, the Government points out that judges’ salaries are automatically indexed while those of deputy ministers are not.<sup>20</sup> Moreover, the Government emphasizes that a portion of the remuneration of deputy ministers is dependent on the achievement of specific commitments, is paid in a lump sum and is at risk.<sup>21</sup>

23. Since 1998, the midpoint of the DM-3s’ *base salary*, that is, without including the at-risk portion of their remuneration, has *always* been greater than judicial salaries, and it

---

<sup>16</sup> *Drouin Report* (2000) at 22.

<sup>17</sup> *Submission of the Government of Canada* at para. 36.

<sup>18</sup> See Appendix A hereto.

<sup>19</sup> See Appendix B hereto.

<sup>20</sup> *Submission of the Government of Canada* at para. 37.

<sup>21</sup> *Ibid.*



continues to be so today. When the average of the at-risk awards paid to DM-3s is added to the midpoint of their base salary, one observes that since 1998, the midpoint of the remuneration of DM-3s is significantly higher than judicial salaries. Therefore, it has been of no consequence that the salaries of senior deputy ministers are not automatically indexed.<sup>22</sup>

24. It is stated in the Government's Submission that "judicial salaries have in fact maintained a rough equivalence to the DM-3 midpoint." However, this statement is based on a comparison of judicial salaries with the *base salary* of DM-3s, taking no account of the at-risk component of the remuneration of DM-3s. This is so, in particular, in Appendix 11 to the Submission of the Government entitled "Trends in Judge and DM-3 Salaries 1998-99 through 2003-04". Whether the at-risk component of the remuneration of DM-3s should be taken into account in the comparison is a question that was debated before, and resolved by the Drouin Commission.

25. The Government argued before the Drouin Commission that "if the DM-3 comparator was to be used by the Commission, [...] regard should be had to the midpoint of the base salary level [...], without any regard to at-risk awards."<sup>23</sup> Having considered this submission, the Drouin Commission expressly rejected it.<sup>24</sup> The Government offers no reason why this issue should be revisited, and it manifestly should not. It stands to reason that if any comparison is to be made between the compensation of two groups, the total remuneration received by each group must be taken into account. Otherwise, one engages in "apples and oranges" comparisons that are not only unhelpful but also likely to undermine the judges' and the public's confidence in the integrity of the quadrennial commission process.

---

<sup>22</sup> For a comparison of judicial salaries with the salary levels of DM-3s, *excluding* at-risk pay, from 1980 to 2000, see *Drouin Report* (2000) at 30, Table 2.3.

<sup>23</sup> *Drouin Report* (2000) at 26.

<sup>24</sup> *Ibid.*

26. At-risk payments have always been considered and were indeed conceived to form an integral part of the compensation of deputy ministers. The first report of the Advisory Committee on Senior Level Retention and Compensation, dated January 1998, in proposing an at-risk component, stated that this amount “is integral to the total package” and “an integral part of total compensation.”<sup>25</sup>

27. It must also be noted that the at-risk component of the remuneration of deputy ministers has steadily increased in importance over the years, as illustrated in the table below.

<b>Trends in the At-Risk Component of the Remuneration of DM-3s<sup>26</sup></b>		
	<b>Maximum at-risk</b>	<b>Overall average actually awarded</b>
1995-96	10%	3.2%
1996-97	10%	3.54%
1997-98	7.5%	4.5%
1998-99	10%	8.19%
1999-2000	10%	7.8%
2000-01	20%	17.6%
2001-02	20%	14.2%
2002-03	20%	15.4%

28. From 3.2% in 1995-96, the overall at-risk pay of DM-3s as a percentage of salary has risen to 15.4% in 2002-03, the last year for which this information is available. As for DM-4s who, until recently, formed part of the DM-3 category, they are entitled to an at-risk award of up to a maximum of 25% of their salary.

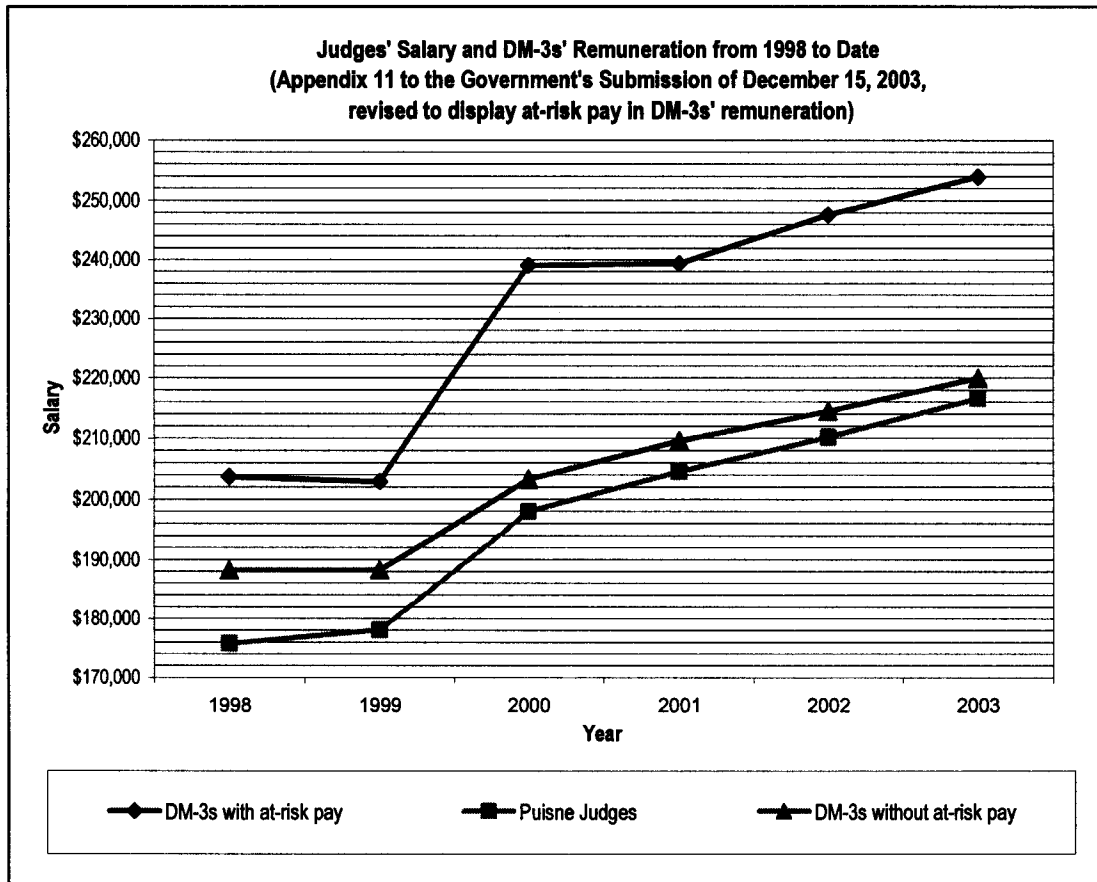
29. When the average at-risk awards paid to DM-3s are taken into account, it is apparent that DM-3s have enjoyed a significantly greater net increase in their remuneration since 1998 (24.6%) than have the judges (21.6%),<sup>27</sup> contrary to the picture

<sup>25</sup> Appendix C hereto: *Strong Report* (only relevant portions reproduced) at 20 & 23.

<sup>26</sup> See Appendix D hereto, and Appendix A to the original *Submissions of the Canadian Superior Courts Judges Association and the Canadian Judicial Council*.

<sup>27</sup> See Appendix E hereto: *Judges' Salary and DM-3s' Remuneration from 1998 to Date*.

presented by the Government in its Appendix 11. The following is a revised version of the graph included in the Government's Appendix 11, which displays, in addition to the information displayed by the Government, the gap between judicial salaries and the total remuneration of DM-3s.



30. Far from there being a rough equivalence between judges' salaries and the remuneration of DM-3s, a persistent gap has set in since 1998-99. It is incumbent on this Commission to bridge this gap by recommending an appropriate increase in the salary of puisne judges.

31. The Government moves from a discussion of the DM-3 comparator to overall compensation trends in the federal public sector.<sup>28</sup> No justification for this watered-down comparator is provided other than a cursory mention that these overall trends provide an “indicator of the financial capacity and priorities of the Government.”<sup>29</sup>

32. Save as they may indirectly shed light on the criterion set out in s. 26 (1.1)(a) of the *Judges Act*, overall compensation trends in the federal public sector are not relevant to the determination of adequate judicial salaries or consideration of the appropriate federal public-sector comparator. A conflation of criteria only risks creating confusion in the analysis.

33. Based on its view that increases of judicial salaries “should continue to be consistent with overall compensation trends in the federal public sector, including DM-3s”,<sup>30</sup> the Government proposes an increase of the salary of puisne judges of 4.48% in the first year, inclusive of indexation under the industrial aggregate. This proposal is unacceptable. It would result in judicial salaries for the year 2004-05 being well below the midpoint of the remuneration of DM-3s during the year 2003-04. Moreover, it can be expected that DM-3s will enjoy a further salary increase as of April 1, 2004, and that their remuneration in 2004-05 will be above the judicial salary sought by the Association and Council in their original submissions.

34. It is a cause for serious concern on the part of the Association and Council that the Government of Canada appears willing not only to call into question such a long-standing comparator as the midpoint of the most senior level of deputy ministers, but also to “re-litigate” issues such as the taking into consideration of at-risk pay in comparing judicial salaries with the remuneration of the DM-3s, an issue that was fully debated before, and resolved by the Drouin Commission. While each Quadrennial Commission, including this Commission, should conduct its own inquiry and not seek to bind future

---

<sup>28</sup> *Submission of the Government of Canada* at para. 39.

<sup>29</sup> *Ibid.*

<sup>30</sup> *Ibid.* at para. 40.

Commissions, it remains that the judicial compensation process established by s. 26 of the *Judges Act* is not a series of *ad hoc* inquiries undertaken in a vacuum, every four years. Rather, it is a continuing, constitutionally imposed process, activated at regular intervals, each Commission being the heir of previous Commissions and therefore needing to take account of their heritage.

## 2. Incomes of lawyers in the private practice of law in Canada

35. On January 20, 2004, the Commission was advised by the undersigned counsel that the judiciary and the Government had encountered difficulties in obtaining data from the Canada Customs and Revenue Agency and that the report and related submissions that the Association and Council intended to file concerning the incomes of Canadian lawyers would not be available by the filing date of the present submissions. On January 21, 2004, the Commission granted the principal parties an extension, to January 30, 2004, for the filing of their submissions on this subject.

## 3. Reply to the submissions of the Minister of Justice of Alberta and the Government of the Northwest Territories on Judicial Salaries

36. The Minister of Justice of Alberta has made a submission opposing an increase in the salaries of federally appointed judges.<sup>31</sup> The Minister argues that the comparison with DM-3s is inappropriate since deputy ministers are responsible for the “management of large departments with thousands of staff as well as having direct input into policy and law that effects [*sic*] all Canadians.”<sup>32</sup>

37. With respect, the argument and the distinction made in its support are equally unconvincing. Judges are also involved in the development of law that affects all Canadians, in the spheres of both private and public law. While judges do not have to manage scores of people, they do have to make portentous decisions affecting the liberty

---

<sup>31</sup> *Letter of Hon. Dave Hancock, Q.C.* (15 December 2003).

<sup>32</sup> *Ibid.* at 2.

and patrimony of individuals and corporations, as well as the actions of government, a burden that deputy ministers do not have to bear.

38. More fundamentally, however, the rationale for comparing judicial salaries with the remuneration of the most senior public servants is not that the functions of the two groups are comparable. Rather, it is that both groups are composed of individuals of the same calibre, engaged in public service at the highest level of responsibility.

39. The Minister of Justice of Alberta also asks this Commission to take into account the fact that provincially appointed judges cite federal salary levels as a benchmark when making submissions in their own salary-determination process. The Government of the Northwest Territories has also presented submissions to this Commission expressing concern at the impact that the federal judicial salary level may have on the compensation levels of judges appointed by the provinces and territories.

40. The fact that federal judicial salaries may be offered as a benchmark to other judicial compensation commissions is not a statutory criterion under the *Judges Act*, nor is it something that this Commission should consider. The determination of adequate salaries for federally appointed judges ought not to be influenced by the responsibilities, prerogatives, and constraints of governments in other jurisdictions. The Association and Council submit that it is for the various provincial judicial commissions to recommend adequate salary levels for provincially appointed judges, on the basis of the criteria set forth in the applicable legislation.

41. More fundamentally, the Minister's submissions, in both substance and tone, hark back to an era when the judicial salary-determination process was politicized. By simply stating that judges are earning enough already, that their salary and benefits requests are "inordinately high", and that no comparison should be made with senior deputy ministers, the Minister in effect proposes an approach to the establishment of judicial salaries bereft of any objective measure. When there is no comparative objective measure in the determination of the adequacy of judicial compensation, the process descends into the political fray, with the constitutional and judicial casualties that have been noted by past judicial compensation commissions and commented upon in the *PEI Reference Case*.

#### 4. Annual Increments

42. Both the federal judiciary and the Government support the mechanism of annual increments, over and above statutory indexing, that was recommended by the Drouin Commission and accepted by the Government. While the data does not support the Government's contention that the \$2,000 increments recommended by the Drouin Commission have been "effective in maintaining the rough equivalency between judicial and DM-3 salaries during the period between Quadrennial Commissions,"<sup>33</sup> the mechanism should remain in place. For rough equivalence to be maintained, the salary level at the *beginning* of the quadrennial cycle must be roughly equivalent and an appropriate amount of annual increments must be set so as to preserve rough equivalence for the next four years.

#### C. POSITION OF THE ASSOCIATION AND COUNCIL ON THE SUBMISSIONS OF OTHER PARTIES

##### 1. Senior Northern Judges

43. The Association and Council support the position taken by the Senior Northern Judges (Justice J.E. Richard of the Northwest Territories in his name and on behalf of Justice B.A. Browne of Nunavut, and Justice R.S. Veale of Yukon Territory) that the salary attached to the position of senior judge ought to be the same as the salary attached to the position of Chief Justice of the other superior trial courts in Canada.

##### 2. Others

44. The Association and Council take no position on the recommendations sought by the following parties:

- Madam Justice Alice Desjardins;
- The judges on whose behalf was presented the Submission for a Salary Differential for Judges of Courts of Appeal in Canada;
- Mr. Justice John deP. Wright;

---

<sup>33</sup> *Submission of the Government of Canada* at para. 42.

- The Hon. Lawrence A. Poitras, C.M., Q.C.

### III. DIVISION OF JUDICIAL ANNUITY FOLLOWING CONJUGAL BREAKDOWN

45. The Government and federal judiciary agree that the current judicial annuity regime should be modified to provide for the division of judicial annuity following conjugal breakdown.<sup>34</sup>

46. The Government has included as part of its submission a report from Mr. David Crane of HayGroup Consultants. On the basis of this report, the Government expresses the view that the mechanisms and procedures that operate under the *Pension Benefits Division Act* (“PBDA”) could also be applied to the division of the judicial annuity<sup>35</sup> and, accordingly, the Government “proposes that the scope of the PBDA be extended to include the *Judges Act* as generally outlined above, with the necessary consequential amendments to the *Judges Act* and its regulations.”<sup>36</sup>

47. The Association and Council indicated in their main submissions that they would review the report, a copy of which had only been provided to their counsel on December 11, 2003, and provide the Government and Commission with their comments in due course. The judiciary has since submitted the HayGroup report to Mr. Thomas A. Weddell, FCIA, FSA, of Eckler Partners Ltd. for his review and comments. Mr. Weddell is familiar with the judicial annuity regime of the *Judges Act*, having assisted the Association and Council in preparing their submissions to the Drouin Commission.

48. Based on his review of the HayGroup report, Mr. Weddell advised that the inclusion of the judicial annuity program in the PBDA would be inappropriate, in his view, somewhat like trying to fit a square peg in a round hole. According to this expert,

---

<sup>34</sup> See *Submissions of the Canadian Superior Courts Judges Association and the Canadian Judicial Council* at paras. 25-26; *Submission of the Government of Canada* at para. 49.

<sup>35</sup> *Submission of the Government of Canada* at para. 51.

<sup>36</sup> *Ibid.* at para. 54.



“the method suggested by the HayGroup Report and referred to in the Government’s Brief is inappropriate and could result in disproportionate allocations to former spouses.”<sup>37</sup>

49. In his report, Mr. Weddell offers examples of where the HayGroup approach would result in an unfair disadvantage to the judge and others which would produce results likely unfair to the judge’s former spouse. In all of these cases, it is feared that such inequities would increase the likelihood of disputes over other items in the distribution of family assets.

50. The conclusion of Mr. Weddell’s preliminary review of the HayGroup report reads as follows:

The judicial annuity program is far too different from the typical pension scheme to be easily bent into the PBDA mould. The revisions to the Judges’ Act and the mechanisms for splitting the annuity require much more discussion in order to develop a system which is fair and reasonable with respect to the judges and the former spouses, and which results in cost neutrality to the government with respect to the annuity program.

The discussions regarding the changes to the PBDA and Regulations should include a number of calculations on hypothetical divisions dealing with the amounts of reduction in the ultimate judicial annuity based on various retirement/termination age scenarios and so on. It would be foolish to proceed without some sample figures which would demonstrate the impact on the division of the annuity on the ultimate judicial pension.<sup>38</sup>

51. In such circumstances, the Association and Council submit that the Government and the federal judiciary should be given an opportunity to consider the HayGroup report in light of the comments made by Eckler Partners Ltd.

---

<sup>37</sup> Appendix F hereto: *Report of Eckler Partners Ltd.* (16 January 2004) at 1.

<sup>38</sup> *Ibid.* at 6-7.

52. The HayGroup report itself notes that “further advice should be sought from those most familiar with the text and administration” of the PBDA.<sup>39</sup> Also, in relation to the possible conversion of the judicial annuity into a registered pension plan, the HayGroup acknowledges that “[t]his action would have various consequences and involve extensive revision to the Act [*Judges Act*]. Investigation of this alternative falls outside the scope of this analysis.”<sup>40</sup>

53. In sum, the Association and Council are concerned that the report relied upon by the Government does not exhaustively address the issue, and more particularly, that linking the *Judges Act* with the PBDA may have unintended consequences that would compromise the judiciary’s status as a constitutionally protected group.

54. For all these reasons, the Association and Council submit that the Commission should note the principal parties’ agreement on the need to provide for the division of judicial annuity upon conjugal breakdown, and recommend that this be achieved by appropriate amendments to the *Judges Act*.

55. While the Commission should also recommend that the Government consult the judiciary and ensure that the judges have a meaningful input as to the means to effect such division, it is submitted that the Commission need not go further and issue a recommendation as to those means.

#### IV. CONCLUSION

56. The judicial compensation commission process established following the *PEI Reference Case* rests on a delicate equilibrium between certain restrictions imposed on the judiciary and the guarantee of a de-politicized process of salary determination. Judges are constitutionally prohibited from negotiating their salaries, resorting to other measures in order to improve their employment conditions, or from supplementing their

---

<sup>39</sup> *Submission of the Government of Canada*, Appendix 13 at 20.

<sup>40</sup> *Ibid.* at 17.

income by taking other employment. In return, the *Judges Act* guarantees a process for the determination of judicial salaries which is to be anchored by objective criteria.

57. The Government argues that DM-3s are not an appropriate comparator, that it is very difficult to find appropriate comparisons between judicial remuneration and earnings in the private sector, that “high” levels of salary are not necessary to attract outstanding candidates, and that it is of little assistance to compare judicial salaries with the higher percentiles of earnings in the legal profession.

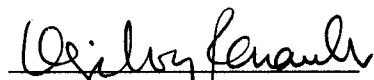
58. These submissions manifest a preoccupying inclination toward the removal of objective comparators, benchmarks, and measures that have withstood the test of time and received the imprimatur of past commissions. It is submitted that in proposing to do away with these objective references, the Government is paving the way to a return to the discredited days of a politicized process for the determination of judicial salaries.

59. Another disturbing implication of the Government’s submissions is that these recognized comparators can be challenged every four years and that issues that have been fully argued and resolved can be reopened and re-litigated. The Association and Council fundamentally disagree with this approach, which undermines a process that is manifestly supposed to build on the wisdom accumulated by past commissions.

60. The Government has not succeeded in justifying the gap that persists between the midpoint of the remuneration of DM-3s and judicial salaries, and the Commission should make a salary recommendation that bridges this gap.

The whole respectfully submitted.

Montréal, January 23, 2004.



L. Yves Fortier, C.C., Q.C.

Pierre Bienvenu

**Ogilvy Renault, S.E.N.C.**

1981 McGill College Avenue, Suite 1100

Montréal, Quebec H3A 3C1