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Chair

The Honourable Wayne Easter

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• (1530)

[English]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): For the record, we're dealing with the order of reference now—rather than the pre-study—of Tuesday, May 9, 2017, Bill C-44, an act to implement certain provisions of the budget tabled in Parliament on March 22, 2017 and other measures.

This afternoon we're fortunate to have, from the Institute of Fiscal Studies and Democracy, Kevin Page, who is the president and chief executive officer, and Mr. Khan, who is the executive vice-president. He will be a little late getting here, as I believe he's before the Senate committee at the moment.

I might mention as well that there may be a vote. I think it's scheduled for some time around 4:15, so that will disrupt the hearing for a little while and we may have to suspend.

Mr. Reid.

Mr. Scott Reid (Lanark—Frontenac—Kingston, CPC): On a point of order, I was just thinking that suspending.... Perhaps what we could do is agree in advance by unanimous consent that we could use some of the time before that vote. It's typically a 30-minute bell, but we could use, say, 20 of those minutes to continue our proceedings, sir.

The Chair: We normally do in this committee, Scott. We'll go to probably within five minutes of the vote. We usually do, as we're just next door.

Mr. Scott Reid: Thank you.

The Chair: Usually we get agreement, but we're a pretty agreeable committee here, except when it comes to voting on issues.

Thank you, all.

Mr. Page, the floor is yours. I understand you have a presentation, and then we'll go to questions.

Mr. Kevin Page (President and Chief Executive Officer, Institute of Fiscal Studies and Democracy): Thank you, Mr. Chair. It's nice to hear that the finance committee is an agreeable committee.

Thank you, Chair, Vice-Chairs, members of the House of Commons Standing Committee on Finance. It is an honour to be with you today.

[Translation]

I will be making brief remarks on Bill C-44, particularly on the position of the parliamentary budget officer.

[English]

These remarks reflect analysis publicly released by the Institute of Fiscal Studies and Democracy, or IFSD, at the University of Ottawa. They include both favourable and unfavourable observations. The bottom line is that amendments are necessary. I am heartened to hear that the government is open to changes.

My perspective is premised on the basic need for senators and members of Parliament to have financial analysis when they vote on spending and tax legislation. Given the uncertainty around projections and cost analysis, we want additional data backed by analysis for parliamentarians. Canada's Parliament needs a strong and independent budget office.

[Translation]

I congratulate the Government of Canada for having introduced a bill that will strengthen the Parliamentary Budget Office.

[English]

From this vantage point, a number of proposed changes are favourable. The position will be an officer of Parliament. Parliament will have a role in the selection of the officer. The officer can now be dismissed for cause, as opposed to working at the pleasure of the Prime Minister.

The mandate is being expanded to help political parties cost election platforms. Political parties struggle to find technical expertise to help them cost initiatives in their election platforms. Who better to do this in a non-partisan way than the PBO? It will not be easy to set up the protocols with the public service on information sharing, and with parties on the release and use of PBO analysis, but the benefits of a good process should be significant for parties and voters. This is a complicated endeavour that merits the careful consideration of parliamentarians.

When I took the position as parliamentary budget officer, few people with the requisite experience and skills wanted to be the PBO. During my mandate, there was confusion and tension around responsibilities and accountabilities. The officer position was situated in the Library of Parliament, so there were administrative accountabilities to the chief librarian and mandate accountabilities to Parliament.

• (1535)

[Translation]

The amendments proposed by the government will ensure the accountability of the parliamentary budget officer to Parliament, and may also encourage more people to apply for that position.

[English]

I have some less favourable—even unfavourable—observations related to the proposed legislation. I argue that it is essential that four provisions of the proposed legislation be amended to better serve parliamentarians. They deal with purpose, mandate, independence, and access to information.

[Translation]

Without these amendments, the Parliamentary Budget Office could be weakened and less independent than it is currently.

[English]

With regard to purpose, the purpose of the PBO must align directly with the core mandate of Parliament. According to Robert Marleau and Camille Monpetit, two Canadian experts on parliamentary procedure, the direct control of national finance is the “great task of modern parliamentary government”. The House of Commons is given the power of the purse, and the PBO plays an indispensable role by providing decision support in the form of economic and fiscal analysis to improve the quality of debate and outcomes for Canadians. The legislation should reflect this type of language. It should be strengthened with this purpose at its core.

The mandate in the proposed legislation is less clear and more restrictive than in the current legislation. It should be clarified. Do senators and MPs want independent economic and fiscal forecasts and related analysis? Do MPs want help with costing and scrutiny of spending and tax legislation? What the PBO will do to serve Parliament should be spelled out in the law very clearly.

For instance, the proposed legislation would no longer allow individual MPs to request costing analysis of government bills or procurement. Their requests would be limited to support on private members' bills. During my time as the PBO—the parliamentary budget officer—we received important requests from MPs to cost wars, fighter planes, and crime bills, among many other things. There is no good reason to restrict this important function of the parliamentary budget officer.

With respect to independence, independence for the parliamentary budget office means being free from political and bureaucratic influence in its work and reporting. An independent parliamentary budget officer should determine the work plan and undertake analysis within the mandate he or she deems important, in the same way that the Auditor General must undertake work in the audit of the public accounts. There should be no requirement to have work plans approved by Speakers of the Senate and/or the House of Commons. This does not exist for the Auditor General.

Given the frequency and volatility of economic information, it is also essential that the parliamentary budget officer publicly release timely reports, even if this means doing so when Parliament is not sitting. The proposed legislation would restrict reporting to only when Parliament is sitting.

With respect to access to information, in my experience, governments and the public service do not like to provide information that will be used to strengthen accountability. You must ask yourselves whether you want to strengthen the information provisions of the parliamentary budget officer. What if the government and public service refuse to provide essential information that the budget officer requires to serve you in your capacity to undertake financial due diligence? Should there be sanctions? Should the PBO have recourse to a federal court?

In closing, I want to make a plea for this Parliament to see the strengthening of the parliamentary budget officer and office as a beginning and not an end. Our estimates system is badly broken.

• (1540)

[Translation]

There is too little analysis on the thousands of dollars of expenditures approved through laws and appropriations. Our financial system needs a better alignment between expenses and the budget.

[English]

We need better control gates for accountability of spending and performance.

It is a privilege to be here and a privilege to take your questions. Thank you very much.

The Chair: Thank you, Mr. Page.

We'll turn to five-minute questioning, because we'll be operating on limited time.

Mr. Ouellette is first up.

[Translation]

Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.): Thank you, Mr. Page, for being here.

[English]

I want to talk about accountability for a little bit. Under the Westminster model, accountability is very important. I believe the parliamentary budget office should be a tool not only of Parliament and in consequence of parliamentarians, but also in consequence, following that, of Canadians.

You just said that what the PBO will do to serve Parliament should be spelled out in law. How can you be accountable in any proposed legislation to actual parliamentarians? How do you, then, actually respond to the needs of parliamentarians? That's my most important category—not to government but to parliamentarians. How can you respond to what I ask of you and the work that I need to see happen so that I can hold the government to account?

I don't believe the PBO is here to replace parliamentarians in their role. You're here to assist me so that I can hold—or the opposition, in this case, can hold—government to account.

Mr. Kevin Page: An excellent question. I think you're absolutely right. The parliamentary budget officer has no accountability, per se, to Canadians. That accountability of holding the executive to account rests solely with individual MPs, and this committee plays a very important role. How they operate, how the requests are provided to the parliamentary budget office, how they are prioritized... Are they prioritized on materiality? Are they prioritized on risk?

Really, it's how that function is played out. A lot of this operating model exists outside legislation, but I think the mandate plays a very critical role. What is the scope of duties that the parliamentary budget officer and office will provide to you? Again, it should be clearly laid out in terms of those specific products. I think, as well, the individual relationships to committees should be spelled out in legislation, and the role of the parliamentary budget officer to individual MPs, as well.

Mr. Robert-Falcon Ouellette: You also said an independent parliamentary budget officer should determine their work plan and undertake analysis within the mandate he or she deems important. How can you be accountable if already the basis point is what you deem to be important? I guess my question is, what would you actually like to see, or what changes would you make to the legislation so that you can actually be accountable to parliamentarians and empower the individual MPs to hold the government to account?

Mr. Kevin Page: Obviously, a parliamentary budget officer, the Auditor General, any officer of Parliament, is going to prepare a work plan. It will be forward-looking, and as the sessions progress, initiatives will be brought forward. The parliamentary budget officer will make decisions, just like the Auditor General makes decisions on what to audit this year, next year, and in future years. It's a decision. I think you want the parliamentary budget officer to be a regular feature here. I was a regular feature at this committee, the Senate committee, public accounts, and the operations and estimates committee. We will bring the work here. The parliamentary budget office will bring the work here. I think you want to make sure that you have that opportunity to talk. Is this work authoritative? Is it high-quality work? You make the decision whether you use the work or not. In the same way, we ask the Auditor General, and we hold the Office of the Auditor General accountable over the quality of their work. We would do the same.

I think one feature that is not in the legislation that does exist in other legislations is a review function of the parliamentary budget officer and office. I was asked to review the Office for Budget Responsibility in the U.K. It is actually built into legislation. Having something like a five-year process where we build into the review, or maybe seven years in the case of the change in the tenure of this office, would be a good addition, as well.

Again, the work that was done during my tenure, and the work done by Mr. Fréchette, the current parliamentary budget officer, all that work, is made available to Canadians. There is complete transparency.

• (1545)

The Chair: Mr. Liepert.

Mr. Ron Liepert (Calgary Signal Hill, CPC): I have a bit of a different view from my colleague across the way. I'd like your opinion on whether you feel the parliamentary budget office works on behalf of us, as members of Parliament, or on behalf of Canadian taxpayers.

Mr. Kevin Page: That was a question we debated significantly in the early months. I think, ultimately, Parliament works for Canadians. When we actually do our work, and the way we release the work, we want to feel that we're also working for Canadians, but we work through you.

Mr. Ron Liepert: Yes, but we have seen, in many cases, where Parliament doesn't actually work on behalf of Canadians, and I think that's why we have roles like yours, like the Auditor General, and others, that are independent. Whoever the government is, and however they choose to work with opposition and other members of Parliament, you're that independent....

That leads me to another question. I'd like your view on this. You're here as part of this legislation. Do you feel you should be here testifying as part of the consideration of the budget implementation act, or do you feel that with your experiences as a parliamentary budget officer, you should be here maybe testifying before a special committee to look at the role of the parliamentary budget officer, and not get buried within the implementation act?

Mr. Kevin Page: We have this discussion around whether this is an omnibus bill, whether there are parts here that don't flow directly from the budget, that don't have policy cover from the budget. Would there be a better, longer, more fulsome discussion so all political parties would be more comfortable with the legislation if we pulled the section out that deals with the parliamentary budget office? I think that's a fair question. I would be supportive of that if people around this table thought, yes, we would benefit from a fuller conversation.

Going back to your earlier question, sir, independence does not mean that the parliamentary budget officer or office usurps the role of parliamentarians. It works through parliamentarians.

Mr. Ron Liepert: I understand that.

If we were to propose that we look at this in a separate committee, I'd be interested to know from your experience whom we could call as witnesses who would have a good sense of what the parliamentary budget office could do differently, how we could strengthen it—those sorts of things. I know you work with the civil service, but in your time, what other entities would you find yourself working with that were helpful in coming up with your reports?

Mr. Kevin Page: There has been a significant development in the international community around building legislative budget offices or international independent fiscal institutions. The OECD has led the way. The report we provided to you talks about principles for establishing these types of offices.

They would include having some witnesses who could speak from the OECD experience. Almost every country in the OECD now has one of these offices. They could provide, I think, a very useful service to this committee or another committee. The International Monetary Fund has been very supportive of the development of these independent fiscal institutions. They have done macro-type analyses on the benefits of these things. They can share their work. The World Bank is actively playing in amongst a number of communities: African communities, Caribbean communities, and southeast Asian communities. I'm part of that development.

If there were a willingness to reach out to the international communities, I'm sure they would love to be here.

Mr. Ron Liepert: Good. Thank you.

The Chair: Thank you, Mr. Liepert and Mr. Page.

Mr. Boulерice.

[*Translation*]

Mr. Alexandre Boulерice (Rosemont—La Petite-Patrie, NDP): Thank you very much, Mr. Chair.

First of all, I want to say that it seems very unfortunate that we have to study changes to the mandate of the parliamentary budget officer in the context of a bill on the implementation of the budget. Aside from the word “budget”, there is no relationship between the two.

That said, I want to thank you, Mr. Page, for all the work you did in the past as parliamentary budget officer. I think your work was greatly appreciated by all Canadian citizens.

There are some unprecedented changes being proposed by the current government. Among others is the fact that the parliamentary budget officer will be required to submit an annual plan. I understand that it is normal to plan and forecast one's work and research. However, do you think that this plan may restrict the ability of the parliamentary budget officer to launch investigations that might come up during the year, investigations that had not been planned initially?

• (1550)

[*English*]

Mr. Kevin Page: It's an excellent question.

First of all, I think it's just a good practice. I would expect that an independent officer of Parliament would be preparing work plans. As I've noted, I don't think these things should be approved by the Speakers. I could easily envision cases, even in the current environment, in which the PBO may decide to do investigations on sensitive files leading up to an election. I could see that a Speaker—certainly the Speaker of the House is a political person—might decide that this should not be part of the work plan and would not approve it.

I am also quite aware that some of my colleagues in the Department of Finance don't like the fact that the parliamentary budget officer produces independent economic and fiscal projections, and they could put pressure on the Speakers to take this out of the work plan. You could already see in the language of the legislation that there seems to be a willingness not to want the

parliamentary budget officer to do proactive work. I think you want a parliamentary budget officer to do this type of work, not wait for MPs to say, “We need to look at this” in order to provide this analysis to MPs and to Canadians.

I think, then, it would be potentially very restrictive, if the Speaker were responsible for signing off.

[*Translation*]

Mr. Alexandre Boulерice: Thank you very much for your answer. I see that you fear the politicization of the work of the parliamentary budget officer because of the changes the government wants to make.

I will ask a hypothetical question. It's as though we were facing a black hole, and I'd like to know your opinion.

If the parliamentary budget officer has to submit his annual plan to the Speaker of the House of Commons and to the Speaker of the Senate, what will happen, in your opinion, if they refuse it?

[*English*]

Mr. Kevin Page: What would happen if the Speaker said no to a work plan, to the parliamentary budget officer's taking an initiative? I could answer what I would do. I'm not sure I could answer what the future parliamentary budget officer would do. It would create a lot of tension, create some controversy, and I think there would be unnecessary.... Quite frankly, I'm not even sure the current Speaker would want to be the proverbial meat in the middle of the sandwich.

[*Translation*]

Mr. Alexandre Boulерice: What do you think of the fact that we are eliminating the possibility for parliamentarians—and curtailing their right—to ask questions of the parliamentary budget officer, unless they are related to a motion or a bill a member has personally tabled or is about to table?

This places enormous restrictions on the scope of the relationship between parliamentarians and the Parliamentary Budget Office, does it not?

[*English*]

Mr. Kevin Page: I agree.

As I said in my opening remarks, it would be an enormous restriction on the mandate. I look back at the five years that I was the parliamentary budget officer and the work the office did, and some of our biggest files, on fighter planes, costing ships, crime bills, and costing the Afghanistan war—these initiatives all came to us from individual MPs. I think breaking that connection would be a mistake.

The Chair: Thank you both.

[*Translation*]

Mr. Alexandre Boulерice: Thank you.

[*English*]

The Chair: We have about three minutes.

Mr. Fergus, go ahead.

[*Translation*]

Mr. Greg Fergus (Hull—Aylmer, Lib.): Thank you, Mr. Chair.

Mr. Page, I would first of all like to thank you for testifying before our committee. I must admit to you, as well as to all of my colleagues, that for over 30 years I have been extremely interested in all matters that concern the Parliament.

I congratulate you on the work you have done, and I also commend the former government, which created the Parliamentary Budget Office. It was very important that that be done. It is an incredible tool.

As the first director of the office, you really created something with the tools you were given. I know that the government of the time was not always happy about it. However, as a Canadian citizen, I believe that the work you did was very important, and that this is being continued by your successor.

My question concerns the relationship between the parliamentary budget officer and parliamentarians. According to what I read in the papers, when a parliamentarian asks the office to focus on a given topic, you feel it important that the results of that work be made public 24 hours, or one business day, after the information was given to the member.

What recourse do I have as a member if I want to control that information? It could be because I do not want it to be published because it is not timely, and I might prefer that the results be released later. In such a case, rather than submitting my request to the PBO, should I submit it instead to the Parliamentary Library?

You have the floor.

• (1555)

[English]

Mr. Kevin Page: That's another great question.

It's very important that the parliamentary budget officer and office have a strong relationship with individual MPs, and should spend as much time as possible understanding their needs and the kinds of questions they have.

The practice we put in play early in my first mandate was that when we sat down with an individual MP, there would be a discussion on the nature of the work. We found that often in this work, we couldn't answer all the questions that individual MPs had. Our tool box is limited to a finite set of tools: economic, fiscal, and costing tools.

We would make it pretty clear that in some cases when we take on a project, potentially costing a war, which was the very first project that Mr. Dewar asked us to do, we would spend two to three months costing that war. For example, what is the cost of having the soldiers in Afghanistan, the cost of capital, the depreciation of capital, the disability and death costs, and developmental costs? We would work with peer reviewers in different parts of the world, Canada included.

Again, if it came to the point where we came out with a report and the individual MP said thank you very much, but don't release it, I think it would undermine the independence of the office. It would be very disruptive to the kind of work we do. I think you want the parliamentary budget officer and office to be as independent as possible. Transparency is one of those fundamental principles that the OECD highlights in the release of its documents.

It's very important that we also have a strong research service in the Library of Parliament that provides the day-to-day briefings and confidential services. I think you need both.

The Chair: With that, we will have to suspend.

Can you stay, Mr. Page, for probably 10 to 15 more minutes? We'll try to go with 45 minutes with yourself and 45 minutes with the current parliamentary budget officer.

We'll suspend until after the vote.

• (1555)

_____ (Pause) _____

• (1615)

The Vice-Chair (Mr. Ron Liepert): Folks, please grab your seats, and we'll try to resume because we may have another break here very shortly.

I'd just like to draw to your attention that Mr. Khan has now arrived. Is there anything you would like to say, or are you just here to supplement Mr. Page?

Mr. Sahir Khan (Executive Vice-President, Institute of Fiscal Studies and Democracy): Thank you. Yes, I am here to support Mr. Page, and I apologize—I was at the Senate national finance committee at the same time.

The Vice-Chair (Mr. Ron Liepert): No, we certainly understand that, but you have nothing that you want to raise at the outset?

Mr. Sahir Khan: No, thank you.

The Vice-Chair (Mr. Ron Liepert): Then we're going to continue the line of questioning.

Mr. Fergus, the chair said you were done.

Mr. Greg Fergus: I had three minutes and I had two more.

The Vice-Chair (Mr. Ron Liepert): He said you used four.

Mr. Greg Fergus: I recall him saying three minutes, and there were two minutes left, but I could be wrong.

The Vice-Chair (Mr. Ron Liepert): Okay. I'll give you about a minute. How's that?

Mr. Greg Fergus: Mr. Chair, I'm always in your good, capable hands. Thank you.

Mr. Page, thank you once again.

The other question that I have is in terms of the work plans. I clearly understand the criticism as to why you would not want the work plans to have to be submitted to the Speakers. I could see how that could leave the position open to any type of unfortunate political control.

Is there a way we can ensure that, not you, not the current PBO but perhaps some future PBO does not end up just ragging the puck and doing things that are not relevant to Canadians? How do we ensure that the work plans are going to be working towards questions that are relevant and of importance to Canadians, and can help parliamentarians in doing their work in evaluating what the real costs of our doing business are?

• (1620)

Mr. Kevin Page: Again, that's another excellent question. It's very important that the legislation be as clear as possible on what you want the parliamentary budget officer to do, so if you want to see economic and fiscal projections two times a year, and if you want to see fiscal sustainability analysis—

Mr. Greg Fergus: While you're answering that question, does the legislation do that now?

Mr. Kevin Page: Unfortunately, to get right to your answer, no, it does not spell it out that clearly right now. In other legislations that have survived, for example, the Congressional Budget Office in the United States, there is that level of specificity.

Having a really clear mandate is very important. There is absolutely a good practice. With respect to the work plan, it should be submitted to the Speakers, to various committees, but again, there's the question of approval. Do you want the control of the work plan to rest with the Speakers? I don't think you do. You're saying no. I would agree.

Mr. Sahir Khan: Mr. Fergus, I also want to add that the OECD lays out a number of principles Mr. Page may have brought up about how independent fiscal institutions should operate. They put a premium on the value of leadership.

You asked about the risks. I think parliamentarians lower the risk when they pick a qualified person with the expertise and a reputation that is at stake. If the right choice is made in the leadership of the parliamentary budget office, parliamentarians then assume less risk of someone doing work that isn't responsive and relevant to the work of parliamentarians and Canadians.

Mr. Greg Fergus: Thank you very much.

The Vice-Chair (Mr. Ron Liepert): All right, Mr. Albas.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Thank you, Mr. Chair.

I want to thank Mr. Khan and Mr. Page for their presence here today, for stimulating minds on both sides of the Rideau Canal. That's very important with the Institute of Fiscal Studies and Democracy.

Mr. Page, in your remarks to my colleague Mr. Liepert earlier, you said there are different people we could bring in. We are talking about the parliamentary budget office, not the government budget office. This is an omnibus bill, so there are lots of measures in it. With very little consultation—I would say no consultation that I'm aware of—the government has suddenly added a sprinkling of different measures.

There has been very little explanation. Now that there is some resistance, even from the parliamentary budget office itself, saying that the proposed amendments may not be in the office's best interests nor in those of Parliament, would an alternative process be better? Would it be better for us to actually cut this out of the bill and perhaps have a joint session of the committees of both Houses, or have a special committee of both Houses?

This involves Parliament. This is an institution that would become an office of Parliament, sir. Do you think that the two hours of examination here and the debate you've heard thus far on this bill are

really going to do this institution and this future officer of Parliament position justice?

Mr. Kevin Page: No, sir, I'll be direct. I don't think a couple of hours would do the legislation justice. I think, as we discussed here today, there's a need for amendments. There's stuff that we haven't even talked about yet, like the process for costing opposition party manifestos or party platforms. But to get back to your point, a full discussion that brought in colleagues from the Netherlands or Australia where they actually do this could bring about refinements perhaps to the legislation. It could confirm to your minds what the operating model would be. I think you need more than a few hours. If the committee thought that this was a good idea to pull it apart so that all MPs could benefit better from the parliamentary budget officer, I'd be very supportive of that.

But again, that's your decision, not mine.

Mr. Dan Albas: For any officer of Parliament, for example, the Auditor General, have you heard of any kinds of work plans that need to be approved by the Speakers in both houses? Have you heard of that?

Mr. Kevin Page: No. It's not in the legislation. The Auditor General does not require the Speakers to approve their work plans, though again, the Office of the Auditor General provides work plans on what they feel based on their lens, usually risk material—and their forecast projections for when they will complete reports over a four year cycle.

• (1625)

Mr. Dan Albas: Okay.

This is not being asked of any of the other officers of Parliament you know of, even the office of the environment commissioner?

Mr. Kevin Page: Again, the idea of producing a work plan is a great idea. It should be produced. Do you want the Speakers to have a final say or control over what's in that work plan or not? That's the point of contention for me. I don't think we do.

Mr. Dan Albas: Do you think the government has done a proper job or do you think that this is literally.... By the minister even saying he is open to amendments, I think means that he knows that his own office or his own department did not do the proper work of consulting and have to make changes in light of it. Would you agree with that?

Mr. Kevin Page: Yes, but again to be honest, I compliment the government on saying that they are open to amendments. I'm somebody who's been in the financial community since around 1980 and it's rare to see governments open to amendments on budget implementation bills. So that by itself I find is a positive. Would more consultation help bring consensus around this committee on what kind of parliamentary budget officer you want now and in the future? I think it will.

Mr. Dan Albas: Just to get this on the record, Mr. Chair, we're in favour of seeing this become a full office of Parliament. However, given the process that we have and given the large amount of amendments that are going to be necessary, we do think it would be in the best interests of everyone to pull back to form a special committee or to perhaps have a joint session of two different committees of both houses and then introduce it as a first reading so that the committee can actually get into making amendments as are necessary before we have second reading.

The reason, Mr. Chair, on that point though is that we want to see the institution become a full office, but we also want to make sure there's proper independence and that we've had the discussion with the international community, we've had the discussion with all parliamentarians, before moving forward.

The Vice-Chair (Mr. Ron Liepert): Okay. You are on the record.

Ms. O'Connell.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Thank you, Mr. Chair.

Thank you, Mr. Page, for staying. I appreciate your comments in regard to our government's commitment and acknowledgement of amendments.

I certainly see that my role as a committee member here today is to listen to testimony and consider whether or not we need to put forward amendments, so that's where I'm basing my questions here today.

You mentioned in your own opening statement, and just now you also acknowledged, the fact that there are other things we need to talk about in this proposed legislation, so I'm going to talk about something that you touched on but we haven't talked about yet. That's the access to information and the recourse for that.

You mentioned very briefly about the opportunity for the PBO to go to a federal court. If this were to be something to be included, how do you see that process? Have you envisioned a process or do you think the PBO should go straight to a federal court if they feel they haven't received the proper information?

Mr. Kevin Page: No. I don't think the PBO should go directly to a federal court if it doesn't get the information. In my experience as the parliamentary budget officer, we ran into significant problems getting information from public servants that was very important to bring forth to members of a committee like this.

There is a process. There was notification. The practice that we had in place and that is still in place is that when we needed information to serve you, we would write a letter and explain that this is a request from an MP. We would send that letter to the accountability office of the department. We would get a response back. Often we got a response back saying, we're not going to give you that information.

In one case, following budget 2012, basically the whole government said they were not going to give us their fiscal plans for budget 2012, the departmental spending plans. After many multiple requests, and after going to the committee as well raising this—and members of the government of the day were saying, you're exceeding your mandate—we went to the Federal Court for a

reference opinion. In the current legislation, however, if you pull up Federal Court you'll see that this privilege would be taken away from the parliamentary budget officer even as a last resort.

You want to get a process here that, with a series of escalating steps of notification, of involvement of MPs, eventually maybe even potentially going to the Federal Court...

You could even consider sanctions. If the accountability officer is saying, "We're not going to give you this information", and you cannot do your job, and your job is absolutely vital to this country, potentially I could see a sanction on an accountability officer—a deduction of pay, a removal from the job—because it's fundamentally important that you get this information.

• (1630)

Ms. Jennifer O'Connell: Thank you. I appreciate that explanation.

In addition to that, frankly there may even be a necessity, in some cases, whether it's on an issue of cabinet confidentially or of national security. At least having the rationale as to why that information isn't going to be released is, I would think, important.

That somewhat leads into my next question, in regard to some language or concerns about information the PBO might receive in the course of doing its work—information they have received, not their full report—and whether they can release that information or not.

Is this an area of concern for you? Is it an area in which you feel amendments are needed, or are you comfortable with the language?

Mr. Kevin Page: It goes back to what Mr. Khan said. If you have an experienced budgetary official leading the office, they would be quite familiar with the rules and restrictions around personal information, around solicitor-client information, around cabinet confidence, or access to information. I certainly, and Mr. Khan as well, spent many years in the Privy Council Office dealing with these sorts of issues.

We haven't had a problem like that, but there could even be, in the context of a fuller discussion around what should be made available to the parliamentary budget officer.... We never asked to see specific details of cabinet types of documents or Treasury Board documents from officials on various costing. I don't actually think we need to see those, but it's possible that individual MPs here think, "We want a parliamentary budget officer to see this type of information." A committee like this could delve into that issue.

Perhaps Mr. Khan wants to add to this.

Mr. Sahir Khan: Just to echo Mr. Page's comments, we received information in some cases that was classified, from a security point of view. We knew how to handle it, and we're fortunate to say that in our five years we didn't have a leak of such information.

It is about establishing appropriate protocols. I don't think in our time in the parliamentary budget office we were ever asking for information that was classified. There might be a debate as to whether something is a cabinet confidence, and there are protocols for that. You could ask the clerk to certify that something is a cabinet confidence. There are, then, ways to escalate.

To reflect back upon your question concerning the Federal Court, hopefully it never comes to it, but if there is recourse, the incentives for actors within the system are likely to be a little more positive towards sharing of information than if everyone knows that at the end of the day there is no recourse for the PBO. That may be one way to look at this issue of Federal Court recourse, that it's hopefully rare. If you get to that point, you're dealing with a pretty serious issue, and I imagine that by then parliamentarians are probably quite exercised about it anyway.

Ms. Jennifer O'Connell: Thank you.

The Vice-Chair (Mr. Ron Liepert): I'm going to have to stop you there and go to Mr. Deltell.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you, Chair.

Mr. Page, Mr. Khan, welcome to the House of Commons committee.

[Translation]

Mr. Page, it is a great pleasure and an honour for me to be able to speak to you directly.

You performed your duties at the office of the PBO with honour and dignity, and we all acknowledge that.

My question is very simple. What problems did you face that needed to be resolved by a change in procedure at the Parliamentary Budget Office?

[English]

Mr. Kevin Page: We want members of Parliament to be very comfortable, with the kind of parliamentary budget office they want. I think the more you can go through, on a clause-by-clause basis, the questions of whether this legislation captures the purpose, whether it's the precise mandate that you want, whether these are the kinds of reports you want to see every year from the parliamentary budget officer, what the relationships with committees and individual MPs are, what the qualifications of the individual PBO are.... The more you can get comfortable with that...because this legislation, once it's done, could last decades before it needs to be changed, as we've seen in other countries. Getting as comfortable as possible in understanding the modus operandi of this office would be the best use of this committee.

Mr. Gérard Deltell: Tabling your work plan for a full year at the offices of the Speaker of the House and the Speaker of the Senate was not a thing meant to steer or to change, was it?

Mr. Kevin Page: There are some very specific amendments that we propose. The current parliamentary budget officer has a very similar set of amendments. That is clearly one, around work plans and the Speakers.

As a parliamentary budget officer, I struggle with the legislation right from reading the purpose. Right from the very get-go, it's the

platitudes around its being good for transparency, good for accountability. Actually, you cannot do your financial due diligence job without a parliamentary budget office. You need to see this information, you need to have costings, and you should have second data points. This goes right to the very purpose. This is fundamental to what you do as individual MPs. I would go beyond that. I think there is an opportunity to make significant amendments to the legislation.

• (1635)

Mr. Gérard Deltell: What kinds of significant amendments?

Mr. Kevin Page: I would clearly lay out the purpose. I would more clearly specify the mandate. I would be very particular on the qualifications of the budget officer that you want.

On the information provisions, we just heard questions. You need to get to the point that you know right now how you will handle those situations when the government of the day, perhaps a year or two before an election, says they're not giving you the information. I would work through these various types of scenarios.

I would build in an external review function for this office, so that after five or seven years you can have an external review of the office to assess whether it's performing its function and living up to your needs.

These are specific things. We've drafted language around the budget implementation act. The current parliamentary budget officer has done the same. We have, then, a good starting point.

Mr. Gérard Deltell: But is there a need for a provision for a work plan to be adopted or vetoed by the Speaker of the Senate?

Mr. Kevin Page: Absolutely not, sir. There is a need to have a work plan and a need to have an annual report; however, I think it would politicize the office, if the Speaker of the day—particularly of the House of Commons, who is an elected member appointed to that position and under a lot of pressure—said, I wouldn't want the parliamentary budget officer of the day doing this sort of work. It would not be advantageous. I think you take away the independence of the office.

Mr. Gérard Deltell: Why did you point out specifically the Speaker of the House of Commons because they are elected? Do you think the Speaker of the Senate, who is appointed directly by one person in Canada, which is the Prime Minister of Canada, has more authority than the Speaker of the House of Commons?

Mr. Kevin Page: No. I should have mentioned both, sir. Your point is well taken.

In my own experience, within the first few months, after we released the first few reports I was getting letters from both Speakers, who were really concerned about our operating model. Eventually, at the end of my tenure, we went into Federal Court on opposite sides on this. We were literally getting this reference opinion with the Speakers on the other side of the fence arguing that we shouldn't be seeking this type of opinion from the Federal Court. Again, then, it risks politicizing the office.

The Vice-Chair (Mr. Ron Liepert): Okay.

Did you want to take a few more seconds?

[Translation]

Mr. Gérard Deltell: I simply want to say a word in French to conclude.

Mr. Page, thank you very very much for the services you provided to Canada. As you know quite well, the party I represent sometimes had an opinion that differed from the content of your reports, but that is how democracy works. You were there to present your vision, and then the political debate took place. We are very proud to have worked with you.

We are especially proud of the services you provided to Canada.
[English]

The Vice-Chair (Mr. Ron Liepert): We'll go to Mr. Grewal.

Mr. Raj Grewal (Brampton East, Lib.): Thank you, sir.

Thank you, Mr. Page and Mr. Khan, for being here today.

Mr. Page, I'm going to go back to the original question. In your opinion, is the mandate of the PBO to work for parliamentarians and Parliament, or is it for Canadians?

Mr. Kevin Page: It works for parliamentarians. When we were drafting reports, however, we wanted to write them in such a way that all Canadians could read the reports. Effectively, then, you're working for both, and you do not want to work in a partisan way, so in that sense you feel that you're working for what is best for the country.

Mr. Sahir Khan: We did a great deal of consultation in the initial period in the PBO, and we heard from a number of parliamentarians that it's very important to reach Canadians. Financial and economic language is not the language of politics, necessarily, so there was a very important educational opportunity to ensure that our work was accessible, that we were explaining it to people. A number of MPs from all parties said, if our constituents can appreciate and understand the material, it will reflect back to us, and then we can use it and start to get a filter for what's important to us.

We learned over time that parliamentarians are very close to their constituents and that it's important that we consider that they both matter.

• (1640)

Mr. Raj Grewal: I wouldn't disagree with you at all. Democracy functions best when parliamentarians are the voice of the people.

I want to know about the costing of political parties' platforms. It's a great tool to give Canadians an independent verification of what a party is campaigning on. A party can't just say, we're going to give everybody \$100 a day and also balance the books. I think it's extremely important. Other countries, Australia and the Netherlands, already have this in place.

You mentioned, Mr. Page, when the question was asked by my colleague, that it would be very labour-intensive. In what way do you see the PBO as being able to carry out this function? There has to be a certain framework, such as that the platform is submitted to the PBO x number of days before a writ period, to ensure that they all come out on the same day. It wouldn't be that party A submitted theirs and it was released, and then party B's was submitted, and party C's was released two days before the campaign. The costing, in

my humble opinion, would have to be done before the writ period so that it doesn't impact the decisions or isn't like the October surprise in a Canadian election.

Mr. Kevin Page: Yes, sir, I wouldn't imagine that the parliamentary budget officer or office is going to do much sleeping before the election writ is dropped. You would need to have a process that had all of what you described. In addition, you would have to have relationships with all the key departments so that you had access to data and models.

Also, you'd have to expect that the parliamentary budget officer and officials in the parliamentary budget office would be spending time with the political parties understanding the proposals. Often these proposals would not be defined in such a way that you could do a real analysis.

There would have to be stipulations around when you release these reports and how the analysis is presented, before they use the stamp of the parliamentary budget office.

Mr. Sahir Khan: Look at the Australian model. The PBO does a great deal of confidential work for political parties during the year. By the time you get to a writ period, they actually have a kind of costing book that has been done confidentially for MPs. That's a particular way to do this work. It's one modality.

It also runs in conflict, however, with what the OECD guidelines are for independent fiscal institutions, to which Canada is a signatory. These say that work should not be confidential, that it should be released simultaneously to all parties. As Mr. Page has said, the modalities matter, and this committee probably has a stake in how that new obligation of the PBO is actually discharged.

I'll also add that there's always an element of risk. Some of the major costing reports we did for parliamentarians, such as that on the F-35 fighter jet, take months to undertake, and that's if you get the data. In that case we didn't have it, so it took a little longer but we still did it. The issue is that it may not always dovetail with electoral processes.

The Vice-Chair (Mr. Ron Liepert): Mr. Grewal, I have to end it there and thank Mr. Page and Mr. Khan.

I ask committee members to please stay in your seats. We're going to have a presentation by the parliamentary budget officer first, and then we'll break for the vote.

Thank you again, gentlemen. If I could have the group come up as quickly as they can, we'll do the presentation before we break.

Mr. Fréchette, I'm not going to do the introductions. If you want to introduce your team, please go ahead. We have about six minutes for the presentation. If we don't finish, we'll have to come back, but I leave it up to you.

• (1645)

Mr. Jean-Denis Fréchette (Parliamentary Budget Officer, Library of Parliament): Thank you. I'll go quickly to my remarks.

[Translation]

Mr. Chair, vice-chairs and members of the committee, thank you for this opportunity to address the changes to the PBO's mandate and operations, as set out in Bill C-44.

You have in your hands a discussion paper that outlines the major implications these changes could have on the PBO's effectiveness and ability to provide services to members of the Senate and House of Commons.

[English]

There is a paradox in the drafting of this bill. In the introduction, the new mandate is well written and respects the spirit of the PBO's role, as evidenced in proposed section 79.01:

Sections 79.1 to 79.5 provide for an independent and non-partisan Parliamentary Budget Officer to support Parliament by providing analysis, including analysis of macro-economic and fiscal policy, for the purposes of raising the quality of parliamentary debate and promoting greater budget transparency and accountability.

The paradox comes later when the bill imposes restrictions on this independence, in addition to undermining the PBO's ability to effectively and efficiently respond to Parliament's requests. The most restrictive restrictions include, first, the degree of control that the Speakers of the Senate and the House of Commons will be expected to exercise over the office of the PBO's activities; second, the limits of the PBO's ability to initiate reports and members' abilities to request cost estimates of certain proposals; third, the risks flowing from the PBO's involvement in preparing cost estimates of election proposals; and finally, the restrictions on the PBO's access to and—this is important—disclosure of information, and the lack of an effective remedy for refusals to provide access to information.

I see no problem in submitting a work plan to the Speakers. However, the PBO would become the only officer of Parliament to require the approval of both Speakers for his or her annual work plan. It seems clear to me that this will place considerable pressure on the two Speakers in regard to their neutrality, particularly during an election year and especially in the absence of a joint committee that has yet to be created.

Furthermore, if one adds to that obligation that the direction and control of the office of the PBO and its officers is vested in the Speakers, it is easy to see how time-consuming it could become for them and their own administration. That is why I'm fairly confident that this aspect of the bill will be reviewed and revised by the government.

[Translation]

The current wording of paragraph 79.2(1)(f), which deals with the freedom of any member of the Senate or House of Commons to request an estimate of the financial cost of any proposal, can be interpreted in more than one way and should be clarified.

Lastly, with respect to access to information, the absence of any mention of a remedy in the event of a refusal suggests that it will be up to the two Speakers to intervene in the event that a department or agency refuses to provide information requested by the PBO, or refuses that information be released by the PBO. This too could exert additional pressure on the two Speakers, and create a challenge for

their staff, which will have to manage these matters of parliamentary privilege.

Thank you, Mr. Chair.

[English]

The Vice-Chair (Mr. Ron Liepert): Thank you for your remarks.

We have only five minutes, so I think we will now break. I would ask committee members to please get back here as quickly as you can after the vote.

● (1645)

_____ (Pause) _____

● (1705)

The Chair: We'll reconvene.

Welcome again, and thanks for staying, folks.

We'll go with five-minute rounds, starting with Mr. Sorbara.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Mr. Chair, and thank you for your patience, gentlemen. It is very much appreciated.

First, I have just a general comment. As a new MP—I guess I've been here about 18 months—the PBO to me is an indispensable tool in what I do as a parliamentarian. I know it was set up under a prior government and then rather—I'm going to use my own words—had its wings clipped a few times and has been restrained. We've now come out with some new legislation that I think improves it. Our House leader has stated in the House that amendments are welcome, and so forth.

For me, the PBO is something I utilize frequently. I look forward to your reports and read them. They allow me to do my job in a more effective manner, absolutely. Thank you for that and for your service.

My question relates to the proposed legislation, concerning making the PBO an independent officer of Parliament. How important is that component?

Mr. Jean-Denis Fréchette: How important is it? It's very important. As a function that provides services to parliamentarians, it is important for the capacity of an independent officer of Parliament to provide transparency, to be honest and open in providing information to parliamentarians on a non-partisan basis, and also to have a positive relationship with the public service. I think the culture of the public service will have to undergo some evolution in terms of accepting what the parliamentary budget officer is doing for the parliamentarians, hence the importance of independence.

Mr. Francesco Sorbara: Okay.

I've read the report that was issued on May 3, 2017, on the reforms of the office of the parliamentary budget officer put out by your office, which listed some concerns about the legislation. I want to ask you to elaborate on concern number two: limits to the PBO's ability to initiate reports and members' ability to request cost estimates of certain proposals.

Can you elaborate a little more what your views on that concern are?

• (1710)

Mr. Mostafa Askari (Assistant Parliamentary Budget Officer, Office of the Parliamentary Budget Officer, Library of Parliament): There are different parts to that part of the legislation. The first part of the mandate is very prescriptive, in the sense that it stipulates that the PBO can provide assessment of very specific government documents, and there are four mentioned in the legislation. That, to us, is very restrictive, because during the year, outside of the budget cycle, the government may actually table other documents on other programs that they may decide to propose. That part of the legislation essentially prevents the PBO from providing a fiscal or economic assessment of those documents.

The other part of this mandate relates to the rights of members of Parliament and senators to request the PBO to do studies. The language that is in the bill right now in fact restricts any request by members of Parliament to ask the PBO to do costing of government programs, because in the way this is worded right now, it's only on the issues that the members are considering to propose rather than the proposals that are made by the government. That, then, is also restrictive.

Mr. Francesco Sorbara: On that point, then, we introduced, for example, the groundbreaking and transformational Canada child benefit. The PBO did an analysis of the cost of it. We've indexed the program, which is great, and it's going to reduce poverty by about 40% for children, which is also an historic measure for us. With the existing bill, to get the cost assessment of it would require that a member of Parliament request it, if the legislation stays as proposed; whereas now you can just go out and do it because it is a government piece of legislation.

Mr. Mostafa Askari: No. In fact under the proposed legislation a member of Parliament cannot ask us to do that costing. The committee can, but not a member of Parliament or a senator. We won't be able to do that costing on our own, because the only way we could do it is if it were part of our work plan, which means that you would have to anticipate what the government was going to propose, which is again impossible.

Mr. Francesco Sorbara: Thank you, Mr. Chair.

The Chair: Thank you Mr. Sorbara.

We go to Mr. Albas for a five-minute round.

Mr. Dan Albas: Thank you Mr. Chair. I'd like to thank all our witnesses today for the work they do for Canadians, particularly for parliamentarians. On that note, I would like to ask a few questions.

First of all, do you feel that two hours of study of this portion of the bill is appropriate for the level of what we're doing here?

Mr. Jean-Denis Fréchette: You are the legislators. It's not up to me to decide whether it's appropriate.

If the bill were easy.... As I said in my opening remarks, there are some paradoxes in the bill. It seems to be written in two different ways: in one way to provide independence, and in the other way with a lot of restrictions. I cannot say two hours, four hours, or whatever would suffice. I'm just saying that there is something that has to be fixed in the bill to provide real independence to the PBO.

Mr. Dan Albas: Were you consulted on the nature of the changes presented in Bill C-44 before they were tabled?

Mr. Jean-Denis Fréchette: No. We were consulted in early 2016. We were asked to provide some kind of draft legislation—our own vision—which we released in mid-summer because the document was leaked. Since then, we have had no contact with anyone on the legislation.

Mr. Dan Albas: Sir, you've done a great service, as your predecessor has done, to establish an institution that has built a reputation in this place. People take it seriously. The members around this table and I would say in both Houses take it seriously, so I ask you this question with the utmost sincerity.

Do you feel that the process that has been undertaken here—no consultation with other political parties, massive changes, some of which we may be in agreement with, but for many of which there are questions about the motives of the government...? This is a parliamentary budget office, not a government budget office. That being said, if the government makes unilateral changes....

We've heard from them that they're open to amendments. I've seen budget implementation acts come to this committee before, and amendments put forward in all respects to do good things for Canadians that have been washed and pushed aside in this place. Do you fear that a process that is basically implemented by one political party, the government, will put a strain on other political parties' perception of the independence of your office?

• (1715)

Mr. Jean-Denis Fréchette: If it stays as it's written, clearly there will be restrictions or perceptions that the independence is not always there. This committee mentioned it with my predecessor earlier. Given that the approval process provides these kinds of restrictions and limits the independence, there will of course be some perception that the freedom to operate the office may not be there, as the control and direction of the office and its officers may not be. There's a clause that says it's going to be vested with the Speakers.

I would say that, yes, there's a risk that the perception will be that all the work may not be totally independent.

Mr. Dan Albas: If we only have an opportunity to have a small discussion here and then in the House of Commons before it moves on to the other place. I'm afraid we are going to end up with something that will not serve Canadians and will probably not be revisited.

Your predecessor spoke about the need to have a review. I imagine even your team would say that sometimes having a review of the reviewers can be a good thing. I'll put it in different terms. Do you believe that an alternative process whereby parliamentarians can sit back and look at the history of your institution, but also look at the future of its becoming an office of Parliament, and then make sure that you're truly independent...? Do you think there could be a better process than the one we are currently in?

Mr. Jean-Denis Fréchette: As I said—I will repeat myself—it's your privilege as legislators to decide that; it's not in my hands. I'm here to discuss what the restrictions may involve and what the limitations will be with this bill, but you are the legislators. I'm not—

Mr. Dan Albas: Okay. I understand your point.

I'm going to switch gears briefly, if I have time, in relation to Mr. Grewal's comments earlier about the costing of political parties. Has there been any discussion as to what that really means? Are we going to be asking for the Marxist-Leninist Party, the Libertarian Party, to all submit? Are there going to be some narrow criteria whereby it's only on fiscal policy, or will you be asked to do more than that?

Lastly, one point is that you're going to be asked to submit documents that will be the subject of elections when Parliament is dissolved. Do you feel that this puts your office and your office's reputation at risk for possible politicization, when you have documents and work when this place is closed and an election is on? Do you feel that could put at risk the way your office is seen by the public?

Mr. Jean-Denis Fréchette: I will just make a clarification about what you said.

The way it's written, it's not about the costing of platforms; it's about the costing of proposals. Basically, to answer your question, the PBO becomes.... The Liberal Party during the last election said that the idea they proposed was to ask the PBO to do platform costing, not proposal costing. Now the legislation talks only about proposals. That means that the PBO becomes some kind of policy agent developing policies—a policy development person. This puts even more risk on the reputation of the PBO. That's why we mention in our document that costing proposals is one thing; costing platforms is a totally different thing.

Mr. Dan Albas: I think that to go through that we would need more time and a better process.

The Chair: Thank you both. That was outlined in your paper as well, I believe, J-D.

Mr. Boulerice.

[*Translation*]

Mr. Alexandre Boulerice: Thank you very much, Mr. Chair.

First of all, I want to emphasize that the fact that changes to the Parliamentary Budget Office are included in a budget implementation act seems problematic to me, even if the word “budget” is used in both cases. These changes should have been presented in a separate bill.

Mr. Fréchette, Mr. Askari and Mr. Mahabir, thank you for being here with us today. If I may, I would like to continue in the same vein as my Conservative colleague.

I find it quite interesting that the Liberal government is asking you to study the costs of proposals made by political parties during electoral campaigns. I'm sure we all agree that this is starting to be a bit delicate. It may seem interesting to the public that we are asking political parties for accounts—the journalists will love it—but how are you going to be able to evaluate those proposals?

I am preaching for my own bailiwick here. We want to make changes to the voting system in order to move to a proportional system. How can you evaluate the cost of that proposal?

• (1720)

Mr. Jean-Denis Fréchette: With difficulty.

Mr. Alexandre Boulerice: With difficulty!

Mr. Jean-Denis Fréchette: With the help of the Chief Electoral Officer, perhaps...

Mr. Alexandre Boulerice: Perhaps.

Mr. Jean-Denis Fréchette: ... who is quite scared that this type of request might be made during an electoral campaign, I can confirm that.

What you said is quite correct. It is all the more correct in that, if you read the text, you will have seen that it is rather tortuous and extremely convoluted. Any political party or representative of a party may make demands up to the last day before the vote. All of this would begin 120 days before the date of the election. Afterwards, when the report is provided confidentially to the different political parties, they may make it public, but they will have to let the PBO know in writing that they have made it public. I may know that they have released it, through Facebook, Twitter or elsewhere, but if they do not let me know in writing, I will not be able to release the results. As you can see, there may be room for a certain amount of gameplay in that regard.

You are quite correct. There is a risk that the PBO may be put in a position where he almost becomes a political agent.

Mr. Alexandre Boulerice: You will be asked to submit an annual work plan, which will be subject to the approval of the Speaker of the House and of the Senate.

First, do you think that this annual work plan will be a straitjacket that will prevent you from taking initiatives in the following year? Current events are always full of new information. Second, according to your interpretation, what will happen if one of the two Speakers rejects your work plan? That is not yet clear to us.

Mr. Jean-Denis Fréchette: It is not clear to me either. The legislative provision is not clear on that point, nor on the time the two Speakers may take to table the report and provide their go-ahead.

Take the example of the Parliamentary Protective Service. You know that it reports to the two Speakers and that decisions are quite difficult to make because they involve both Speakers. The legislative provision is not clear on that. There is no set time for the approval. The Speakers may also consult the joint committee, which does not exist yet. That committee will not have much experience. There is a Library of Parliament joint committee that has not yet been set up since the election.

Will the same thing happen with the proposed joint committee which does not exist yet? I don't know. All of this has to be specified, as I said in my presentation. The presentation was long, but the text or the paragraph is very long and very complicated, and it does not provide many details on the process as such.

Mr. Alexandre Boulerice: Could this annual work plan to be submitted to the approval of the Speakers restrict your ability to conduct studies or investigations on new facts that might come up?

Mr. Jean-Denis Fréchette: That is what we believe, because we have no details allowing us to know...

For instance, currently there is flooding everywhere; someone might ask us to update the report we prepared in 2016 on flooding and other natural disasters. I am not sure that we could do that, because in the month of January or April, we would not have predicted that there would be flooding at this time of year.

[English]

The Chair: Thanks to both of you.

We'll turn now to Ms. O'Connell.

Ms. Jennifer O'Connell: Thank you, Mr. Chair.

Thanks to all of you for being here today.

In the four areas of concern that you talk about specifically, in regard to the concerns around the PBO's ability to initiate reports and members' ability to request cost estimates of certain proposals, do you feel that the current system works well? Is that what you would anticipate, or is there a different proposal or a different idea that you think would work well?

• (1725)

Mr. Jean-Denis Fréchette: I will ask Mostafa to comment, but my first comment is that certainly the current approach that we have provides more flexibility for parliamentarians.

On this one right now, where you're talking about proposed paragraph 79.2(1)(f), it's not only that, but as you know, in the office there are five or six of us, and even we don't totally agree on the extent to where that clause could be.... The problem with that—and I think the Leader of the Government in the House of Commons made a comment about it—is that there's no reference to any matter over which Parliament has jurisdiction. This means that you can ask for any kind of request that has no relationship to Parliament. This will allow you to do it if you have a proposal that you consider making somewhere.

I don't know if Mostafa wants to add something.

Mr. Mostafa Askari: I think the issue is that currently, yes, we do have a lot of flexibility in terms of initiating reports that we believe would be useful for parliamentarians and senators. We have done that over the past nine years, and we believe that they have been received well by the members and by senators. There could be more details, probably, in terms of the mandate and how it should operate, but in terms of flexibility, certainly the current mandate that we are working under is actually quite flexible, and we are quite happy with that.

Ms. Jennifer O'Connell: Thank you.

Following up on that, I've heard loud and clear the concerns around a work plan requiring approval from the Speakers of both Houses, but I get the sense that a work plan is quite normal and would be acceptable. That might also provide, on the transparency and accountability piece.... Obviously if your work plan has to

deviate, and you've used examples in terms of things that nobody could have predicted....

However, from the parliamentary side, my colleague asked questions in the first round in regard to understanding whether or not parliamentarians' requests were actually being addressed. One could somewhat gauge where the work plan was and where it went, so is that something you're still comfortable with? As I said, I've heard your concerns about the approval process, but still, having that work plan so that everybody can see what you generally plan on working on and then, if that deviates, the rationale why....

Mr. Jean-Denis Fréchette: First, it's a great comment that you're making there, because when we do our own work plan.... We do have a work plan. We have an annual work plan, as you know, because we contribute to this committee on a regular basis twice a year and even more so in other circumstances.

We take that into consideration. We take into consideration how much time and resources we should dedicate to the Senate committees, because we also do some work there, and for individual requests from parliamentarians, both for senators and for members of the House of Commons. Implicitly, we try to develop a work plan that is a balanced work plan. We will continue doing it, and even if we have comments from other people, which we do.... I mean, we listen to people. In the fall, we did Nanos survey groups on Parliament in order to know exactly this. We did surveys with all stakeholders: parliamentarians, staffers, other independent agents of Parliament, and higher public servants.

We learned from these lessons and we applied some of them. For example, the public service said that we don't announce in advance what we do and so on. Now, since January of this year, all our reports are announced on our site three months in advance. Everybody knows that, in the next three months, at a tentative date, these reports will be published and public.

We do listen to parliamentarians. This is our job. We listen to all of them. We listen to the public service as well.

As long as you have a balanced work plan.... As I said, I have no problem with tabling a work plan and having a discussion with the Speakers of both chambers. On the approval, I would prefer not, because that creates a real big restriction, and even more so, I may add, during election time. Can you imagine the two Speakers in the year of an election with a PBO work plan that they will have to approve? I will tell you that in that year 50% of the resources will be dedicated to costing platforms, and I'm not sure the Senate Speaker will be really.... I don't know what the word is, but he will look at it and say, "That's a lot of time that you've spent on the other side."

• (1730)

Ms. Jennifer O'Connell: Thank you very much.

The Chair: Thanks to both of you.

I'll turn to Mr. Deltell next.

What I'm hearing is that a work plan should be provided for information, but that it should not be subject to approval by the Speakers. That's what you're saying, correct?

Mr. Jean-Denis Fréchette: That's correct.

The Chair: Thank you.

In case we do have to run, I want to note that in the copies of the PBO's remarks that members have, you will find a sheet in the centre of them that shouldn't be there. It happened to be picked up on a photocopier. Just to explain it, it says, "Extraction of all the tweets from the Tweet Manual - Chamber account". That did not come from the PBO.

Voices: Oh, oh!

The Chair: It relates to a matter that is being discussed on new communications for committees, within, I guess, the House offices.

Anyway, just so you know, that's not from the PBO. It's just about trial tweets on another operation that's going on.

Mr. Deltell.

[*Translation*]

Mr. Gérard Deltell: Thank you, Mr. Chair.

Mr. Fréchette, Mr. Mahabir and Mr. Askari, I'm very happy to see you again, and you are always welcome at this committee.

What the government is proposing is completely unacceptable, to put it mildly.

We cannot attack a neutral and objective institution like the Parliamentary Budget Office by slipping a few clauses into an omnibus bill that will fundamentally change the way that institution works.

If the government is serious in wanting to refresh the mandate and the functioning of the Parliamentary Budget Office, it must set this bill aside and present a separate bill; we could see where that takes us. But on the face of it, this does not make sense.

I am basing my remarks on the qualifiers and verbs used a few minutes ago by the current parliamentary budget officer in reply to the questions put to him by my colleague from Rosemont—La Petite-Patrie.

He said that it was tortuous, convoluted and risky, that it put him in the position of a political agent, and that it is not clear.

I have never heard such comments from a neutral and objective officer with regard to a bill, or rather with regard to clauses that have been surreptitiously slipped into a bill of over 308 pages. As we said, this is an omnibus bill.

And yet during the electoral campaign, the author of this document was pleased to assert that there would be no more omnibus bills. It is unfortunate to see as prestigious and honourable a man as the member for Toronto-Centre stoop to such tactics.

That said, Mr. Fréchette, in various interviews you mentioned that having to submit your work plan to a person appointed by the Prime Minister of Canada, that is to say the Speaker of the Senate, and to the Speaker of the House of Commons, was an issue.

In your opinion, how does this jeopardize your freedom of action, since a person appointed by the Prime Minister will have the right to veto your work?

Mr. Jean-Denis Fréchette: First of all, it is important to remember that both Speakers are technically neutral, as you know.

The difference is that one of them is elected by his peers, by you, the members, whereas the other is appointed by the Prime Minister's Office.

That said, when I made my remarks, I said that giving them this type of mission to accomplish represented a challenge to their neutrality.

Please understand that I am not blaming them; it is not a criticism.

Fundamentally, I think that in the bill the two Speakers seem to be treated as though they were ministers. As you know, a minister's job is to judge, filter and establish the work plan of a department.

I find it unfortunate that the bill targets the two Speakers as though they were ministers who could fulfil this task, when that is not their role. Their role is to be neutral and to manage the House, the Senate and the House of Commons. Here they are being asked to meet an enormous challenge, and that challenge is also one for their administration. That was the gist of my comments.

Is the risk greater for one Speaker than for the other? I won't hazard an opinion on that. What I am saying is that their administrative structures are not identical.

• (1735)

Mr. Gérard Deltell: I will admit that personally, I was not closed to the idea that you examine the promises or the financial framework of the political parties. We would all be able to refer to the same person for all of the financial platforms.

To help my thinking along, I talked things over with colleagues. The exchange you had with my colleague from Rosemont—La Petite-Patrie shows me to what extent this proposal is grotesque and dangerous, even for your own independence, since you must be shielded from any political intervention.

Since I have been a professional politician for close to nine years now, I can tell you one thing: during an election we are anything but objective. I often remember with pleasure — and I even congratulate myself — some of the formidable, if not epic, debates I had with the member for Rosemont—La Petite-Patrie.

Once we are elected, our tone gets quieter, which is not a bad thing. I'm sure that the volume will be turned up again in two and a half years, and that is part of our DNA in this profession.

My question is the following: what do you think of the fact that a political party can ask for such a thing?

Mr. Jean-Denis Fréchette: I will answer you in another way. Mr. Page spoke about this a little earlier.

Throughout the world, there are only two other Parliamentary Budget Offices that do this type of thing. Only one such director, in Australia, has a true legislative mandate. The one in the Netherlands has been doing this work for several years, but does not have a legislative mandate. That is a very poor example. There are approximately 12 political parties in the Netherlands. You will understand that it becomes a rather less than fluid melting pot.

Among his responsibilities, the Australian parliamentary budget officer calculates the financial frameworks of the electoral platforms. He presents his report 30 days after the election. Everything he does before the election and during the electoral period is kept confidential. Thirty days after the election, he submits his report on all of the financial frameworks of all of the political parties represented in the House who asked him to do so.

In 2016, he responded to some 2,000 requests for evaluations of political party proposals. In order to do this he recruited 50 permanent employees from the Treasury and Finance Department of Australia.

If the public service wants to give me 50 additional employees, it will be my pleasure to perform this type of calculation on a permanent basis.

[English]

The Chair: Thank you both.

We can take three more questioners at about four minutes each and then we'll call it a day.

Mr. Fergus, Mr. Liepert, and Mr. Ouellette.

[Translation]

Mr. Greg Fergus: Thank you very much, Mr. Chair.

Thank you very much, Mr. Fréchette. It is a pleasure to have you here. I have admired your work for a long time.

If I understand your point of view correctly, you are not in favour of evaluating the proposals made by political parties during electoral campaigns. Are you in favour, like another witness who appeared today, of evaluating the electoral platforms of political parties and their related costs?

Mr. Jean-Denis Fréchette: If the process were less closely related to the development and choice of policies, I might be more open to the idea. However, as you know—the last election ended not that long ago—ideas are raised on a regular basis, daily, which explains why it would be difficult to calculate the cost of these electoral platforms. Doing it at the very end, as per the Australian model, is something else altogether, although in that case confidentiality must also be taken into account.

You have in hand a survey we published. We asked the Nanos firm to hold discussion groups. The invitations were anonymous. I was not present. Nanos handled that responsibility. No political group, neither public servants, members of Parliament, senators or their representatives thought it advisable that we take part in the development of policy. I am basing my opinion largely on that, given that this survey group provided results.

That being said, I am at the mercy of a legislative provision. I would be happy to become an independent officer of Parliament; that would be desirable. The report has to be drawn up in the beginning, as I said. If we have to do that, we will do it. We'll see. In his wisdom, my colleague Mr. Askari suggested that we see what happens during one electoral cycle, and if everything goes wrong, we could do something more specific.

Be that as it may, the risk will be there from the outset.

• (1740)

Mr. Greg Fergus: I see.

Let's imagine, according to another scenario, that during an election year, the government of the day presents its budget and immediately calls an election. I suppose the evaluation of the financial framework of the federal budget would be a part of your normal responsibilities.

When would it be appropriate to publish the results of that evaluation?

Mr. Jean-Denis Fréchette: At the last election, we were asked to provide a report containing our projections on economic growth, unemployment and interests rates, for instance, so that all of the political parties could use it. We published that document and provided it two months before the elections.

Mr. Greg Fergus: You are talking about the beginning of the last election?

Mr. Jean-Denis Fréchette: Yes, it was just at the beginning of the electoral campaign. Several political parties used that document. In some cases people who worked for them used it to do their own calculations. It was rather good, since everyone was working on the same basis and the same calculations. It wasn't necessarily possible to cheat. If the figures deviated somewhat afterwards, it was not our fault. We provided a baseline that everyone could use. I think that is not a bad idea.

[English]

The Chair: Thank you, both.

Mr. Liepert, go ahead.

Mr. Ron Liepert: I have a couple of questions for clarification.

I want to get back to the costing of elections. We all agree that costing of election proposals is impossible. If the government were to amend it and go back to what it said in the election campaign—to cost platform announcements, or platforms, I believe—is that even something your office can do? I just want to get clarity on this.

Mr. Mostafa Askari: I believe that would be more feasible for the PBO, if it were platforms and not proposals.

I can tell you with a lot of certainty, based on working with the PBO for nine years, that if the legislation stays the way it is drafted right now for platform costing, it would be operationally impossible for the PBO to do a good job, with the quality that would be expected of the PBO. It just opens the door to all kinds of requests, and that would be impossible.

Mr. Ron Liepert: There is no question about the proposals.

Mr. Mostafa Askari: Yes.

Mr. Ron Liepert: But it seems to me that even platforms.... The time you're working within is just.... I don't understand how it could even be done.

Mr. Mostafa Askari: Again, under certain conditions, it would be possible. If we receive the platforms, let's say, two months before the election—

Mr. Ron Liepert: Look, that is—

Mr. Mostafa Askari: That might be an issue, a challenge for the parties that are involved, but if we had access to information, then it would be feasible to consider that it would be possible to do. But in the current form, it is absolutely not.

Mr. Ron Liepert: Okay.

You were here when I asked Mr. Page this. I'd just like to know who you feel you work for, parliamentarians or Canadian taxpayers?

Mr. Mostafa Askari: Again, I think my response would not be that different from what Mr. Page said. I think certainly, under the legislation, we are here to serve parliamentarians. But again, parliamentarians also serve people, so indirectly, we are serving the public. When we release a report, the report goes to everybody. That's for the benefit of the parliamentarians certainly, as well as of others who are interested in that kind of analysis and work, and that would serve the whole public.

• (1745)

Mr. Ron Liepert: But it seems to me that if we move to a system in which you have to have your work plans approved and you are able to follow up on requests from members of Parliament—things that don't happen today—you are then much more working at the will of the parliamentarians. I see that many of the reports you put out today are reports that you initiate, and you don't have to ask us before doing them. I think you're doing them on behalf of Canadians. It would seem to me that many of these proposals would move the PBO from its independent role working on behalf of Canadians to being almost the servants of parliamentarians.

Mr. Mostafa Askari: You are absolutely right. I think there are two issues with that proposal. One is that the legislation says, even before we put together a work plan, that we have to consult the Speakers. So just imagine that we have to consult the Speakers about what kind of work plan we want to have and then draft that and put it in front of them for them to approve it. You're absolutely right—it would be up to them to decide what kind of work we can do, and that certainly affects the independence of the office.

Mr. Ron Liepert: Can I ask you one quick question? I don't believe it's part of the proposal, but the external review process was mentioned here. What are your thoughts on that?

Mr. Mostafa Askari: I think it would be a great idea to have an external review. I think it should have been part of the original legislation that the PBO would be subject to review after three years or five years, or whatever the decision is. It's quite normal now for other budget officers around the world to have that kind of review process.

The Chair: For our last question, Mr. Ouellette, you have four minutes.

Mr. Robert-Falcon Ouellette: Thank you very much.

I'd just like to go over the part about things during an election as well. In the technical briefing that I attended, it was discussed that in fact you can request help from departments in order to do the costing. They can provide assistance. There's also confidentiality. You “shall not disclose to a minister any information related to a request for an estimate under subsection (3).” So in fact, there's protection to ensure that the opposition or government side can protect the information that it's requesting.

One of the questions I had related to that, just to get clarification, was about the idea of a proposal versus a platform. For instance, sometimes someone makes a proposal and we want to find out how much it is actually going to cost. This is great. We all have ideas, but if we discover all of a sudden that the idea is not cost-effective or it's very expensive, perhaps we're going to decide at that point not to move forward with it, perhaps we don't want to be debating a policy proposal during an election. I think there's a certain distinction to be made between a platform and having that flexibility regarding what people are asking for.

I also think though—and this is just my opinion—that in the long term, there's going to be an increase or a desire for.... For instance, journalists are going to ask the parties whether they had things costed out by the PBO. Over time, there's going to be almost a requirement that every time a political party shows up with a proposal during an election, it's going to need to have that cost analysis. I'm also certain that the ministers.... Because civil servants won't be serving the government at that time since there's an election on, they will hopefully be serving you and making sure you can get the information you need.

That's just my comment after reading the legislation.

I'd just like to go back to Mr. Liepert's commentary. It's not just parliamentarians; I think there's actually the cabinet. There are parliamentarians, which cabinet is also a part of, and then the people. I think it's incumbent upon parliamentarians to hold cabinet and government to account. I was just wondering how we all also hold the PBO to account for decisions that are made. How in the legislation or in the proposed legislation would you propose that we could hold you to account to ensure that you're doing the work of individual parliamentarians—not government but parliamentarians themselves?

Mr. Jean-Denis Fréchette: It's through the Speakers. That's why the Speakers now have this control and direction over the PBO. They will hold the PBO to account. They will become—

Mr. Robert-Falcon Ouellette: They're selected by the majority, but how do you ensure that you actually represent everyone?

• (1750)

Mr. Jean-Denis Fréchette: There is also the not yet existing joint committee. Keep in mind that the legislation refers continually to that joint committee.

Finally, the other accounting is that we have to provide an annual report, as other agents of Parliament do, to the two Speakers at the end of the fiscal year. This is the other accountability that will be in place, too, so all parliamentarians can look at the PBO's work and see how it operated last year, and so on.

One thing that is really interesting is Mr. Liepert's question on whether this officer of Parliament, the PBO, will become—will, maybe, would—an independent agent of Parliament under the Parliament of Canada Act. The PBO would not have its own legislation like the OAG, the Information Commissioner, and so on. It would be similar to what you have on the House of Commons side, which is the Ethics Commissioner, who is also under the Parliament of Canada Act. The relationship is always with Parliament. It's under the Parliament of Canada Act, and then, on

behalf of parliamentarians, through the reports. We do serve other stakeholders—the public and so on—but this is a distinction that is very important to make compared with other officers of Parliament.

The Chair: Thank you. We'll have to stop the questioning there.

I thank you for your presentations and for your open and fairly direct answers.

We will reconvene tomorrow. The meeting is adjourned.

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