



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **Standing Committee on Government Operations and Estimates**

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OGGO • NUMBER 121 • 1st SESSION • 42nd PARLIAMENT

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**EVIDENCE**

**Thursday, March 1, 2018**

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**Chair**

**Mr. Tom Lukiwski**



# Standing Committee on Government Operations and Estimates

Thursday, March 1, 2018

• (1100)

[English]

**The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)):** Colleagues, it being 11 a.m., I think we'll begin.

Today, we will be discussing supplementary estimates (C) and interim estimates.

We have two panels before us today. The first panel, which we have seated at the far end of this table, is from the Privy Council Office. We have Mr. Matthew Shea, Madam Jarvis, and Madam Godin.

Mr. Shea, I understand you have an opening statement. You know the procedures we follow around here, so please begin. If you can keep it to 10 minutes or less, we would appreciate it.

[Translation]

**Mr. Matthew Shea (Chief Financial Officer and Assistant Deputy Minister, Corporate Services, Privy Council Office):** Good morning, Mr. Chair and members of the committee.

Thank you for inviting the Privy Council Office, PCO, to review our 2017-18 Supplementary Estimates (C) and our 2018-19 Interim Estimates.

My name is Matthew Shea, and I have been the new Chief Financial Officer of PCO since December 2017.

[English]

I'm accompanied today by Ms. Marian Campbell Jarvis, assistant secretary to the cabinet for social development policy, and Ms. Sylvie Godin, executive director of finance in the planning directorate of the corporate services branch at PCO.

As you know, the mandate of PCO is to serve Canada and Canadians by providing professional, non-partisan advice and support to the Prime Minister and ministers within his portfolio and to provide effective operation of cabinet.

PCO supports the development of Government of Canada policy, legislative, and government administration agendas, coordinates responses to issues facing the government and the country, and supports the effective operation of the cabinet.

PCO is led by the Clerk of the Privy Council, who acts as the secretary to the cabinet and the head of the public service.

PCO has three main roles.

[Translation]

First, we provide non-partisan advice to the Prime Minister, portfolio ministers, cabinet and cabinet committees on matters of national and international importance.

[English]

This includes providing advice and support on the full spectrum of policy, legislative, and government administration issues faced by the government.

Second, PCO is the secretariat to the Cabinet in all of its committees except the Treasury Board, which is supported by the Treasury Board Secretariat.

[Translation]

And third, PCO fosters a high-performing and accountable public service.

[English]

I would also add that, like the Department of Finance and TBS, PCO is a central agency, and as such exercises a leadership role across government departments and agencies to provide advice to the Prime Minister and cabinet and to ensure coherence and coordination of policy development and delivery.

Now I will begin by providing you with an overview of PCO's 2017-18 authorities to date, and will continue with some remarks about the 2017-18 supplementary estimates (C).

In addition to the \$144.9 million received via the main estimates for 2017-18, PCO sought an additional \$34.4 million in 2017-18 supplementary estimates (A) for the operations of the National Inquiry into Missing and Murdered Indigenous Women and Girls and was given access to a carry-forward of \$5.3 million, as well as collective bargaining funding of \$2.3 million, to bring our total authorities to \$186.9 million.

PCO also sought an additional \$34.3 million in 2017-18 supplementary Estimates (B), bringing the total 2017-18 authorities to \$221.2 million. The additional resources were used to

[Translation]

continue one of our Budget 2016-17 initiatives, which is the information management and information technology project, that consists of the replacement and upgrade of the current IT infrastructure, the modernization of PCO systems, the introduction of new information sharing, business intelligence and reporting solutions, and transitioning its top secret Canadian network.

[English]

Also, we got money to lead the establishment of NSICOP and its secretariat. PCO received funds to cover costs for NSICOP's accommodation, security, IT, and salary until NSICOP received its own appropriation in December 2017.

We also received funding to fund a study led by OECD to assess the current state of innovation in the public sector and propose areas of action to reinforce capacity to innovate and thereby deliver better outcomes for citizens and government. We're now seeking an additional \$1.6 million in supplementary estimates (C), bringing the total authorities to \$222.8 million for the year.

The additional resources will be used as follows: \$1.4 million for the implementation of the centre for expertise for the Impact Canada initiative within PCO to lead and provide support to partner departments in the use of challenges and other outcomes-based funding approaches to improve results for citizens.

• (1105)

This funding has been earmarked for the establishment of the Impact Canada centre of expertise, which will work with departments and agencies to design high-impact, outcomes-based initiatives; measure impact; and share what works.

Under this approach, the Government of Canada will open up the problem-solving process to innovators who can bring fresh perspectives and new ideas, through the use of prizes and challenges, and will pay for success instruments, such as social impact bonds, behavioural insights, and impact-measurement methodologies.

Work under the Impact Canada initiative is already under way. Infrastructure Canada launched the Smart Cities Challenge in November 2017, and communities across Canada are currently developing proposals to win some of the \$75 million in prize funding available.

Other key areas of focus for future outcomes-based initiatives are being developed by Natural Resources Canada around clean technology.

We are also requesting \$1 million for the establishment of a lesbian, gay, bisexual, transgender, queer, and two-spirited—LGBTQ2—secretariat within PCO to support the work of the special adviser on LGBTQ2 issues and the development and coordination of the government's LGBTQ2 agenda.

[Translation]

A priority for the Government of Canada is to strengthen diversity and inclusion to ensure all Canadians have the opportunity for full economic and social participation in society. This includes the promotion of equality for LGBTQ2 Canadians, protection of their rights, and responses to discrimination against them, both historical and current.

[English]

To this end, the Prime Minister appointed Mr. Randy Boissonnault as the special adviser on LGBTQ2 issues, the first such role. And the LGBTQ2 secretariat, the government's first team fully dedicated to LGBTQ2 issues, supports his mandate.

On November 28, 2017, the Prime Minister issued an apology to LGBTQ2 Canadians, which made clear to everyone that discrimination against them was wrong then and is wrong now, and that the Government of Canada will not let it happen again.

However, there is much work left to do to give LGBTQ2 Canadians the true meaning of equality embodied in the apology, the Human Rights Act, and the charter.

[Translation]

An amount of \$800,000 will be used to create a secretariat within PCO to support the Working Group of Ministers on the Review of Laws and Policies Related to Indigenous Peoples.

[English]

The Government of Canada is committed to a renewed nation-to-nation, Inuit-to-crown, and government-to-government relationship with first nations, Inuit, and Métis people, based on the recognition of rights, respect, co-operation, and partnership.

On February 22, 2017, the Prime Minister announced the establishment of a working group of ministers responsible for reviewing relevant federal policies, laws, and operational practices to help further a nation-to-nation relationship with indigenous peoples.

One year into its mandate, the working group has engaged with a number of national and regional indigenous leaders and experts, and has sent letters to over 600 indigenous groups and organizations, in order to identify priority laws, policies, and operational practices for the review. The working group will continue to engage indigenous leaders, youth, and experts based on these priorities as it assesses and recommends changes to laws and policies that will meet Canada's commitments to advance reconciliation.

This new funding is partially offset by a transfer of \$2.1 million to NSICOP. As previously indicated, PCO has received funding in the supplementary estimates (B) for the establishment of NSICOP. As at December 13, 2017, when NSICOP received its own appropriation, PCO had expended \$200,000 of the \$2.3 million received, resulting in an unspent balance of \$2.1 million being transferred to NSICOP to be used for their appropriations.

This comprises the major needs and initiatives to be funded through PCO's proposed supplementary estimates (C).

The 2018-19 interim estimates were tabled the same day as the supplementary estimates (C).

PCO is requesting \$37.6 million in their 2018-19 interim estimates, which represents one-third of the 2018-19 main estimates' program expenditures of \$150.3 million. This funding will support PCO financial requirements for the first three months of the 2018-19 fiscal year.

•(1110)

[Translation]

Mr. Chair, members of the committee, thank you for the opportunity to provide you with this context.

[English]

We would be pleased to answer your questions.

**The Chair:** Thank you, Mr. Shea.

We'll start with our usual seven-minute round, and we'll start with Majid Jowhari, for seven minutes, please.

**Mr. Majid Jowhari (Richmond Hill, Lib.):** Thank you, Mr. Chair, and welcome.

I'd like to start by asking Mr. Shea about the estimate of \$1.8 million under vote 1c.

I understand this fund is allocated to establish two secretariats: one, as you stated, for the LGBTQ2—I would like to add a plus to it—as well as the other one as it relates to a secretariat for indigenous people.

I have a couple of questions on that one. Number one, is this a one-time expenditure, or...? I was trying to follow the train of thought of the \$2.1 million, and then the \$37.6 million, and then the \$150 million. Could you tell me whether it's a one-time expenditure or not, number one?

Number two, is there any portion that's going to one secretariat or the other?

Let's start with those two questions. I have another one that may or may not get answered as we go along.

**Mr. Matthew Shea:** I know I mentioned a lot of numbers in my opening remarks.

The \$1.8 million you referenced is for the current fiscal year; it is part of the budget 2017 announcement of \$3.6 million over three years for the establishment of the LGBTQ2 secretariat and \$3.1 million over three years for the establishment of the review of laws and policies for indigenous people. All that is to say this is the first year of those three years of funding, so it's not one-time funding. It will continue.

The breakdown for LGBTQ2 is about \$974,000, and it's a little over \$838,000 for the review of laws and policies, and that gives you the total of \$1.8 million.

**Mr. Majid Jowhari:** Okay. Can you expand on the scope of the work for the second secretariat, as I call it, the review of laws and policies related to indigenous people? Specifically, that secretariat is set to be able to facilitate what, or review what laws?

**Mrs. Marian Campbell Jarvis (Assistant Secretary to the Cabinet, Social Development Policy, Privy Council Office):** The review of laws secretariat has a broad mandate to look at all laws, policies, and operational guidelines in the Government of Canada, and how they correspond with the United Nations declaration for indigenous people, as well as principles for the government's relationship with indigenous people, and the Constitution's section 35.

To do that scope of work, there are a few phases. The initial phase was engagement, and now we're moving into looking at some of the laws and policies that are under way in the government.

**Mr. Majid Jowhari:** Great. As part of that engagement, what other government departments are being considered in setting up this secretariat and reaching out to make sure it has an opportunity to cover all aspects, rather than just one specific one?

**Mrs. Marian Campbell Jarvis:** Mr. Chair, the review of laws secretariat has a broad, Government of Canada-wide mandate. The laws that are being looked at include engagement with the Department of Justice and their expertise in how legislation is drafted. One major piece of legislation that was brought forward recently was the environmental assessment and regulatory review, which involved engagement with Environment and Climate Change Canada as well as Natural Resources Canada.

There's a commitment and recommendation from the Truth and Reconciliation Commission to look at indigenous languages, so the Department of Canadian Heritage has been involved in that. Really it is quite government-wide, touching the mandates of most government departments.

•(1115)

**Mr. Majid Jowhari:** So the scope is broad, and the scope is encompassing, which is great.

Now I go back to Mr. Shea with this question. Do you have enough funds, and do you have enough resources to be able to make sure that this secretariat is properly set up and is going to be able to address the scope of work that needs to be done?

**Mr. Matthew Shea:** When we do Treasury Board submissions, we estimate the cost we need, and we do a thorough costing. To the best of our ability, we make sure that there are enough funds available.

The funding that we've requested though supplementary estimates (C) we believe is enough funding to properly fund what my colleague has explained.

**Mr. Majid Jowhari:** Let's go to the \$1.4 million under 1(c) for implementation of the Impact Canada Initiative to solve some of Canada's big challenges. I notice you touched on a couple of them, smart cities and the other one around green tech within Natural Resources. I know the secretariat is about to get set up.

Can you give us an idea of what these big challenges are, and again I'm going to ask the same question. Do you believe the \$1.4 million is enough for you to be able to set it up and also staff it properly to deal with this in partnership?

**Mr. Matthew Shea:** We have already started work on setting up that secretariat. That secretariat is staffed right now. We're already doing work with a number of departments.

It's important to remember that the PCO's role in this as the centre of expertise is providing that expertise to other departments. Each government department will go out, if they want to do one of these, and they'll use our terms and conditions, as we call them, that were established for use by other government departments, but in the end, they'll seek their own funds.

Looking at the NRCan model, they have their own funds to launch their own initiative under this. We, as a department, have enough money requested through supplementary estimates (C) to fund the secretariat, and it would be up to departments to allocate funding to do programming under this.

**Mr. Majid Jowhari:** Can you give me an example of your specific role when it came to smart cities, or that secretariat role when it came to the smart city program?

**Mr. Matthew Shea:** The centre of expertise would work with the department and would come up with ideas at the program creation stage to look at innovative ways we could do this and ways we can incentivize outcomes.

Really, this is about moving from processes and outcomes to really trying to find out the impacts that we're trying to get and paying for results in the end. We look at these innovative approaches in that secretariat working with that department, but ultimately that department implements it.

**Mr. Majid Jowhari:** But you also—

**The Chair:** Thank you very much.

**Mr. Majid Jowhari:** Thank you, sir.

**The Chair:** Thank you very much.

Mr. McCauley, you have seven minutes, please.

**Mr. Kelly McCauley (Edmonton West, CPC):** Good morning. Welcome.

I'll go right to the changes to these estimates, structural changes and changes to voted authorities. There's a line at the very bottom, "Privy Council Office is amending Vote 1 for authority to spend revenues received from the provision of intelligence analyst training." What is that, exactly, please?

**Mr. Matthew Shea:** Within our intelligence branch, we have a training program that's used by other government departments, and we cost recover. They pay a cost for using the training, and we recover that.

**Mr. Kelly McCauley:** It's purely a cost recovery.

**Mr. Matthew Shea:** It's a cost recovery from departments. We get the funding, and we centrally do the training for the other departments. We get revenue from them. This is in keeping with what a number of departments do that provide services to other government departments.

**Mr. Kelly McCauley:** Okay, that's fair.

I brought this up last year when PCO was in estimates. I want to go back, quote July 16 for the Prime Minister about tasking the PCO with solving Phoenix. It's something I've engaged in personally and tasked the Clerk of the Privy Council to oversee.

I am just wondering what the PCO's role in Phoenix was. What have they accomplished, or have they just kind of passed it off?

**Mr. Matthew Shea:** Mr. Chair—

**Mr. Kelly McCauley:** If that's outside your thing, if you want to move on, that's fine, if you don't have an answer.

**Mr. Matthew Shea:** I feel comfortable answering part of the question.

**Mr. Kelly McCauley:** Perfect, let's go.

**Mr. Matthew Shea:** The Government of Canada is committing to do what it takes to ensure employees—

**Mr. Kelly McCauley:** I know. Please answer the question, though. What is PCO doing specifically? What have they done? We've seen the problems getting worse. I don't want the talking points, I'm sorry.

**Mr. Matthew Shea:** PCO has two roles. There's public service leadership and then we ourselves are a department.

From a public service leadership perspective, there's a number of DM-level committees that exist.

• (1120)

**Mr. Kelly McCauley:** I personally tasked the Clerk of the Privy Council to oversee. What has PCO been doing?

**Mr. Matthew Shea:** There's a DM-level committee, which meets on pay issues, that is chaired by the deputy clerk of the Privy Council. That is one of the pieces that has been done.

In addition, in the fall, the Clerk of the Privy Council wrote all deputies and asked them to articulate exactly what they were doing to support employees when it came to pay and send that back to the PCO.

The PCO posted all of that to our website as a way to highlight some of the best practices around having a pay liaison unit making sure—

**Mr. Kelly McCauley:** You've heard the Auditor General's report on the Phoenix issue, about how Public Service, Treasury Board, and everyone ignored the problem for quite a while before tackling it. This comes out from a year and a half ago.

Do you believe PCO was part of the group ignoring the issue that the AG has mentioned so critically, or have you been pressing, as the Prime Minister stated a year and a half ago, to get a plan together? Clearly there wasn't a plan. Clearly it was ignored. I'd like to know PCO's role.

**Mr. Matthew Shea:** Mr. Chair, repeating a little bit of what I said, PCO's role in this is to provide public sector leadership for all departments. Also to provide advice to the Prime Minister.

However, PSPC has leadership when it comes to the actual Phoenix system as well as delivering pay services to departments. Treasury Board Secretariat has leadership when it comes to—

**Mr. Kelly McCauley:** Is the Prime Minister personally tasking PCO with it meant nothing. As you said, PSPC is responsible.

**Mr. Matthew Shea:** Mr. Chair—

**Mr. Kelly McCauley:** What I'm getting is...if you weren't involved in it, I just want an answer. It came up last year. The Prime Minister personally said that PCO would be responsible, would oversee it. We have the AG report—this was a year and half ago—saying there was no plan done. It was only tackled piecemeal.

What was PCO's role? Were they just helping facilitate the piecemeal part, or were they pushing for a plan to tackle it?

**Mr. Matthew Shea:** In PCO's role, PCO has provided advice to the Prime Minister and to cabinet. There's a cabinet minister level committee that meets on pay. There's a deputy minister level meeting that meets on pay.

**Mr. Kelly McCauley:** What advice did you provide them on Phoenix?

**Mr. Matthew Shea:** It would not be appropriate for me to comment on advice provided to the Prime Minister. I will say as CFO I would not have been involved in that level of advice.

**Mr. Kelly McCauley:** Okay.

Fair enough.

Let's move on.

I want to talk about the Impact Canada Initiative. You said it's underway.

Who's to deciding these? What metrics are you using before money is rolled out? How are you deciding if it's successful or not successful?

**Mr. Matthew Shea:** So Impact Canada Initiative, we have a secretariat. The ultimate programs are under each individual department. So using some of the clean tech as an example, that's NRCan that would be....

**Mr. Kelly McCauley:** But you're funding \$1.4 million, are you just...?

**Mr. Matthew Shea:** The \$1.4 million is to provide a secretariat role whereby we provide advice to the departments. The results and delivery unit focuses on outcomes and measuring outcomes. They have the mandate tracker—

**Mr. Kelly McCauley:** That's within the departments themselves and not through PCO, or...?

**Mr. Matthew Shea:** The results and delivery unit is another secretariat within PCO that works hand in hand with the Impact Canada initiative.

**Mr. Kelly McCauley:** Okay.

How were they deciding then what metrics to use, what was successful and what's just picking winners and losers?

**Mr. Matthew Shea:** Individual departments are responsible for selecting the metrics they use. We aggregate them and transparent....

**Mr. Kelly McCauley:** I'll just move on.

The \$974,000 for the LGBTQ2+, give us a breakdown on how that is getting spent. It's \$974,000 this year and it will probably be similar, you said for a three year program, for next year and the year after.

What's the breakdown for staffing, travel, etc.?

**Mr. Matthew Shea:** I can't speak to spending but I can speak to the budget that's allocated.

**Mr. Kelly McCauley:** Maybe you could provide to the committee the spending breakdown that I've asked at a later time?

**Mr. Matthew Shea:** Okay.

I'll turn it to my colleague who I think can answer part of that.

**Mrs. Marian Campbell Jarvis:** Mr. Chair, I can answer that question.

To date, the secretariat has spent \$593,000. Of that \$444,000 is salary and \$149,000 of that is non-salary.

**Mr. Kelly McCauley:** What's budgeted then \$974,000 what's the breakdown of the budget then? Obviously you've spent \$550,000 of it. What's the annual budget then broken down between salary, travel, hospitality etc.?

• (1125)

**Mrs. Marian Campbell Jarvis:** How that is broken out is the \$974,000 to date which would be at the end of January, 2019 that is the break down where \$444,000 is for salary, and \$149,000 in non-salary spent to date, thus far. There are still a few months remaining in the fiscal year.

**The Chair:** Thank you very much.

**Mrs. Marian Campbell Jarvis:** I'm sorry?

**Mr. Kelly McCauley:** Do you think it would be similar ratio going forward do you think?

**The Chair:** Mr. Blaikie, seven minutes please.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Thank you very much.

I guess my first question is just to understand a little better the vision and the mandate for the LGBTQ2 Secretariat is and how it's meant to work with other departments to try and ensure that LGBTQ2 issues are represented within the work of other departments.

It kind of says that it's suppose to support the Prime Minister's special advisor on LGBTQ2 issues. How does that work? Does the direction for the secretariat come just from the special advisor or...? What's the kind of meat of their work if will?

**Mrs. Marian Campbell Jarvis:** Mr. Chair, to date the secretariat does have the principal role of supporting the special adviser. It also has the mandate to integrate further in an intersectional thinking way, complementing gender-based analysis, for example, and our approach in federal government.

In the beginning, one of the main priorities for the secretariat was to advance the apology, which the Prime Minister delivered in the House of Commons on November 27. It was also involved in the settlement of a legal case. Those two moved forward.

**Mr. Daniel Blaikie:** In the design phase of the secretariat, was there ever talk about what the benefit would be? I'm trying to understand what exactly the role of a secretariat is with a special adviser as opposed to having a secretary of state or a minister of state with a ministry of state. Were other models considered? What's the benefit of using a secretariat as opposed to other ways of trying to advance LGBTQ2 issues within government?

**Mrs. Marian Campbell Jarvis:** All machinery considerations, Mr. Chair, are the Prime Minister's prerogative. It is up to the Prime Minister to decide the type of machinery or arrangement that he or she would like to put in place to support priorities. In this case, the Prime Minister provided a mandate to MP Randy Boissonnault to be the special adviser on issues, and he has a mandate to engage and advance thinking in this area.

**Mr. Daniel Blaikie:** I do appreciate that it's ultimately the prerogative of the Prime Minister to decide. I guess I'm just wondering if there was consideration given to other administrative models. If so, if you're doing a cost-benefit analysis of different models, what would the advantage of a secretariat over those other models have been?

**Mrs. Marian Campbell Jarvis:** Mr. Chair, while that sounds like a reasonable question, that really would be advice to the Prime Minister, and it's his prerogative. It wouldn't be appropriate for me to speak to that.

**Mr. Daniel Blaikie:** All right, fair enough. Thank you very much.

**The Chair:** We'll now go to Madam Ratansi for seven minutes please.

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Thank you very much for being here.

I'm just trying to get a grip on the role that the PCO plays in different areas, and to provide non-partisan public service support to the prime minister and the cabinet in the decision-making structures.

When the decision to purchase Phoenix was made, were you engaged with it? When the previous government purchased Phoenix, were you engaged in that decision-making process?

**Mr. Matthew Shea:** I was not at PCO at the time and so I can't comment on the exact process, but if there are new funding requests, generally they would have to go through cabinet for cabinet approval. A memorandum to cabinet would have gone through, and PCO would have provided advice at that time.

**Ms. Yasmin Ratansi:** The PCO would have provided advice, but we can't ask you what advice they provided because that's cabinet confidentiality.

**Mr. Matthew Shea:** Right.

**Ms. Yasmin Ratansi:** Fair enough.

When a department comes to ask for money—for example, in a case like PSPC, which was going to change the payroll system and fire 700 employees—who does the due diligence? Who determines the mandate, timelines, deliverables, and some of the risks involved in it?

• (1130)

**Mr. Matthew Shea:** An MC is ultimately written by an individual department and outlines the rationale behind it, the different options that exist, the risks associated with that, and ultimately provides a recommendation. All three of the central agencies—Treasury Board, PCO, and the Department of Finance—play a role in that process to challenge costs, challenge assumptions, and ask the tough questions around fiscal responsibility and whatnot, so all of those central agencies would have been involved in analyzing the business case and asking those questions, and PCO would make a recommendation to cabinet as to what our opinion is as a department. Ultimately, cabinet makes that decision.

**Ms. Yasmin Ratansi:** Would the committee be able to access the decisions or the due diligence that was done in the previous era when Phoenix was implemented?

**Mr. Matthew Shea:** Certain information has been released through access to information from various departments on Phoenix

as a project. As my colleague mentioned earlier, cabinet confidences and advice to cabinet and the Prime Minister are confidential and therefore would not have been released.

**Ms. Yasmin Ratansi:** Fair enough.

My second question is regarding the working group of ministers. Is there a role that you play in the process?

The reason I ask is that we've had some hiccups with the National Inquiry into Missing and Murdered Indigenous Women and Girls, and you had asked for money. I was wondering whether, (a), if PCO has any role as an oversight agency, because you're independent and non-partisan; and (b), how will this working group move and what are the results that are expected from it?

**Mrs. Marian Campbell Jarvis:** Mr. Chair, can I respond to that question.

The Working Group of Ministers on the Review of Laws and Policies Related to Indigenous Peoples is quite separate from the inquiry and—

**Ms. Yasmin Ratansi:** I know. I'm just making a comparison because I didn't want to get into anything else, but you can answer the national inquiry issue.

**Mrs. Marian Campbell Jarvis:** Yes, so the national inquiry is independent from government. The Privy Council Office has provided administrative support as it does for all types of inquiries on external bodies, for example, setting up contracting and that type of thing, but the inquiry is run by the inquiry.

**Ms. Yasmin Ratansi:** Then who's responsible for the reporting? If they haven't used government funds properly, who's responsible for the governance structure? How does PCO give money and not have an oversight role?

**Mr. Matthew Shea:** I will somewhat tackle that.

The inquiry is fully independent. Under the Inquiries Act it gets administrative support from PCO, so my team provides administrative support, whether that's financial, IT, accommodations, HR, but at arm's length. What I mean by that is we don't decide, is this a good expenditure or a bad expenditure. We decide, is this a loss or expenditure.

**Ms. Yasmin Ratansi:** Then you don't get involved in the operational side?

**Mr. Matthew Shea:** Absolutely not.

**The Chair:** You've got two minutes.

**Ms. Yasmin Ratansi:** Good, good, thank you.

Explain to me about this working group. Are you playing any role in that working group, or are you giving any advice? Are there some challenges that you think are being faced currently, or they will face next?

**Mrs. Marian Campbell Jarvis:** The role of the working group of ministers, Mr. Chair, as I mentioned earlier, is quite a broad mandate. It is looking at government policies and laws and operational procedures in the context of advancing reconciliation and the United Nations Declaration on the Rights of Indigenous Peoples, for example. There isn't a relationship with the missing and murdered indigenous women and girls inquiry, although of course in stakeholder engagement some of the groups and representatives that the working group has met with have also probably had discussions with the inquiry, but that would be the extent of it.

**Ms. Yasmin Ratansi:** No, my question, the national inquiry is now answered. You answered that question, but I was more interested in this working group of ministers, what is the role you are playing to support them? Are there any challenges that you perceive?

**Mrs. Marian Campbell Jarvis:** The role, Mr. Chair, that the Privy Council Office plays in supporting the working group is to support the committee of ministers. That really is organizing the engagement sessions. It's providing briefs and analysis supporting the committee functioning in a secretarial way, probably very similar to the role the clerk of this committee is playing, as well as the analysts.

• (1135)

**The Chair:** Thank you very much.

We'll now go to a series of five-minute interventions, starting with Mr. McCauley.

**Mr. Kelly McCauley:** Welcome back.

A couple of MPs are under third-party investigations on harassment charges. Is that money coming out of PCO?

**Mr. Matthew Shea:** No, it is not.

**Mr. Kelly McCauley:** Which department is it coming out of?

**Mr. Matthew Shea:** It's not being paid for by the government, however, an investigation into a member of cabinet, for example, could rightfully be charged to the public purse—

**Mr. Kelly McCauley:** [*Inaudible*] being paid from outside of government?

**Mr. Matthew Shea:** Outside of government.

**Mr. Kelly McCauley:** Oh, wow, that's interesting.

In the interim estimates, there's \$37.5 million, and one of the items is the PM's residence, obviously at Harrington Lake. Can you give me what the costs are of maintaining 24 Sussex Drive as it sits empty, and what the costs are on maintaining Harrington Lake? I know it was in the estimates last year, and I think in the supplementary estimates (B) it was half a million for chimney work and window work. I'm wondering how much of that \$37.5 million is for the two residences?

**Mr. Matthew Shea:** That question would be best posed to the NCC, as that would not fall under our mandate or vote—

**Mr. Kelly McCauley:** It's in your interim estimates, so...

**Mr. Matthew Shea:** Our vote definition mentions the residence. We pay certain costs for the first family. Certain costs are reimbursed, and that's all that this covers. We're not part of the renovations to 24 Sussex, as an example.

**Mr. Kelly McCauley:** Of the \$37.5 million, how much is for the PM's residence?

**Ms. Sylvie Godin (Executive Director, Finance, Planning and Administration Directorate, Privy Council Office):** *Bonjour.*

It's an authority that PCO has. It's under PMO's budget and it's not information that is disclosed. We disclosed the expense, but the budget is part of the overall budget of PCO.

**Mr. Kelly McCauley:** It shows program expenditures including the operations of his residence. You don't disclose that?

Okay, I will move on.

Concerning the infamous India trip, can you tell us how much that cost? What was the entire cost for staff, family, and everything?

**Mr. Matthew Shea:** Mr. Chair, as you likely know, it is Global Affairs Canada that handles the expenses related to international trips and not the Privy Council Office. Global Affairs Canada publicly discloses those costs through their regular process. At this point I would not have—

**Mr. Kelly McCauley:** Is that including for family and personal staff who went along?

**Mr. Matthew Shea:** That is correct.

**Mr. Kelly McCauley:** How do you interact with the National Capital Commission on needed renovations for, say, Harrington Lake? Do they decide? Do you have input on it?

**Mr. Matthew Shea:** Our department works with the NCC if there are specific issues, but when it comes to the overall renovation, we have no part in that.

**Mr. Kelly McCauley:** Okay, that's fair enough.

**Mr. Matthew Shea:** If I may just say, if we needed secure communications, for example, we would work with them to make sure that we can access and put in the proper equipment in working with them.

**Mr. Kelly McCauley:** On the two working groups that Ms. Ratansi, Mr. Jowhari, and I mentioned earlier—correct me if I'm wrong—you mentioned \$974,000 for the LGBTQ2+, and we've spent \$500,000 of it so far. The next \$400,000 or \$600,000, the rest of the year's budget will be spent in the same kind of percentage as you mentioned between staff, travel, and hospitality. Do you foresee that?

How much is budgeted for next year? How much do you expect next year, and what will be the breakdown of those costs do you expect?

**Mrs. Marian Campbell Jarvis:** Those numbers are still being planned, Mr. Chair, so I wouldn't have an answer at this time.

**Mr. Kelly McCauley:** How did you come up with the total then if you haven't got it planned?

**Mr. Matthew Shea:** Mr. Chair, if I could intervene on that particular question, we do have a budget for the overall—

**Mr. Kelly McCauley:** How do you come up with a budget if you don't have a plan and don't know what the costs are going to be?

**Mr. Matthew Shea:** The secretariat exists and will exist for multiple years, so as we outlined, we do know that we'll have about five and a half full-time equivalent employees, and so—

**Mr. Kelly McCauley:** That wasn't so hard to answer.

• (1140)

**Mr. Matthew Shea:** —on that \$974,000 that we mentioned from a budget perspective, about \$600,000 of that is salary and the remainder is for a mix of non-salary costs.

**Mr. Kelly McCauley:** All right. What are the non-salary costs? Give us an idea.

**Mr. Matthew Shea:** Travel would be a portion of that, and this is where it's estimates versus what ends up happening.

**Mr. Kelly McCauley:** Yes, that's fair. Obviously, you have some kind of an idea to come up with this number.

**Mr. Matthew Shea:** Absolutely. There are interpretation and translation services that we require when we do some of these, and facilitation services that we may need, depending on the type of event.

**Mr. Kelly McCauley:** Do you think, going forward, it will stay the same kind of ratio between travel and—

**The Chair:** I'm afraid I'm going to have to cut it off there, Mr. McCauley, but you will have another opportunity in just a few moments.

We'll go to Madam Mendès, please, for five minutes.

**Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.):** Thank you very much, Mr. Chair. Thank you all for being here.

I would like for the record to say something, please: we do not have a first family in Canada. We have a Prime Minister's family.

I'm sorry, but this really gets to me.

Okay, I'll move on to the serious things. If I understand correctly, it's a sort of centre of expertise that you provide at PCO for Impact Canada. Is that what you're providing the government?

**Mr. Matthew Shea:** That's correct. Yes, it's a centre for expertise.

**Mrs. Alexandra Mendès:** So you will reach out to experts and to consultants on different issues, depending on the department. Is that...?

**Mr. Matthew Shea:** We will if it's appropriate, but it's also a matter of building expertise at PCO that can benefit the rest of the government.

**Mrs. Alexandra Mendès:** Do you mean researchers, for example?

**Mr. Matthew Shea:** I can't tell you the exact mix of FTEs they have, but I know they have a mix of different types of FTEs that are really aimed at providing that policy advice on new and innovative approaches to achieve outcomes.

**Mrs. Alexandra Mendès:** Okay, for my personal education, I would really like to understand what this Impact Canada means. I get the general high-level objective of it, but in terms of what PCO is doing, I'd like to understand in a much more concrete way what your office is providing to the departments in terms of the medium and long-terms objectives of Impact Canada.

**Mr. Matthew Shea:** It's looking at what are the different ways we can achieve objectives through innovative approaches that may not have been used in any government or may not have been used in the Government of Canada before. The advantage of having that in a centralized place—

**Mrs. Alexandra Mendès:** Yes.

**Mr. Matthew Shea:** —is as you can appreciate each department may use it here or there. We centrally benefit from all that experience, keep that corporate memory, and can share it with other departments.

**Mrs. Alexandra Mendès:** That's ?

**Mr. Matthew Shea:** It's in its infancy right now so we only have a couple on the go, but as that grows that expertise becomes that much more valuable.

**Mrs. Alexandra Mendès:** I'm trying to maybe make links here that don't exist, but would that eventually have some capability with agile Canada or the agile government objectives of creating that institutional memory so that we don't repeat the mistakes of the past, Phoenix being the larger one but not the only one.

Is this something that would eventually be part of the impact Canada initiative, or not at all and this is strictly on innovation?

**Mr. Matthew Shea:** Mr. Chair, I don't know the answer to that question. I can say that corporate memory is important for learning from each one of these new innovative approaches. As you can appreciate, when you experiment, there will be learnings from that.

**Mrs. Alexandra Mendès:** Yes.

**Mr. Matthew Shea:** So that will be centrally kept and shared with other departments so we can benefit from those learnings.

**Mrs. Alexandra Mendès:** I don't see the equivalence between smart cities, for example, and Phoenix. There's no equivalent there because it's not the same thing, but Smart Cities is going to give us some sort of knowledge of what cities can do to improve services to citizens. Would also Phoenix if we go to an Agile government perspective would it be possible to keep that corporate memory to learn from that? I'm really trying to make links here that are perhaps a bit above what your scope is.

In terms of the money we're investing in creating this centralized functions, which I think is very necessary, how would that benefit governance in the future? That ultimately would be my question.

**Mr. Matthew Shea:** I think the secretariat is more of a program design. It's not so much about keeping a central memory of something like Phoenix or one of those. I don't want to speak for another department. However, there have been studies commissioned as I believe has been reported in the media on Phoenix that help encapsulate those lessons learned for future projects ?

**Mrs. Alexandra Mendès:** And Shared Services and all the other ones that may have failed meanwhile.

Thank you very much.

The last one I wanted to address was the natural resources department, as you mentioned, on the impact Canada initiative again. Have they started using your secretariat for studies on innovative technologies? Has it been part of their process at Natural Resources Canada, because you mentioned that ?

• (1145)

**Mr. Matthew Shea:** Natural Resources Canada is working very closely with our team on clean tech work.

**Mrs. Alexandra Mendès:** Okay.

**Mr. Matthew Shea:** Ultimately any questions about what they are actually going to do and how that unfolds is up to NRCan.

**Mrs. Alexandra Mendès:** It comes to them.

**Mr. Matthew Shea:** However, I can tell you that we're working closely with them. I know we're working with a number of other departments that are getting close to being able to put something forth, but that one is public knowledge, so I can mention it.

**The Chair:** Thank you very much.

We have Mr. Kelly for five minutes, please.

**Mr. Pat Kelly (Calgary Rocky Ridge, CPC):** Thank you, Mr. Chair.

I'm going to continue where my colleague left off on the India trip.

Does the Prime Minister's office not have a tour team?

**Mr. Matthew Shea:** Mr. Chair, there's a tour team from PCO, if that's what you're referring to—

**Mr. Pat Kelly:** Yes.

**Mr. Matthew Shea:** —which falls under my area, and they are going with the Prime Minister for logistical support, secure communication, audio and video support, and that type of thing. However, they are not there to provide advice on protocol or anything like that.

**Mr. Pat Kelly:** Okay, but the question was actually about cost. You deferred the question to Global Affairs.

**Mr. Matthew Shea:** Mr. Chair, when my team travels with the Prime Minister abroad, the costs related to them are charged to Global Affairs and disclosed by Global Affairs.

**Mr. Pat Kelly:** Okay.

**Mr. Matthew Shea:** All costs are captured in one way.

**Mr. Pat Kelly:** Okay.

I think what I'm going to do then, Mr. Chair, is move the motion that I put on notice on February 5:

That the Committee invite the Minister of Public Safety and Emergency Preparedness to provide an update on the progress made by the Working Group of Ministers on Achieving Steady State for the Pay System, and that the meeting be held no later than March 29, 2018.

This issue has been going on and on. Canadians in the public service deserve results and deserve the restoration of their pay and the ability to receive accurate pay information. I move that we call the minister for that purpose no later than the 29th.

**The Chair:** For the benefit of the committee, that motion has been received and is in order.

Mr. Kelly, you've moved the motion and you're first up if you wish to speak to it.

**Mr. Pat Kelly:** I would like to.

**The Chair:** We'll assemble a speaking list if others want to chime in. Can you indicate to the chair who would like to speak to it?

Madam Ratansi, Mr. Blaikie—

**Mr. Pat Kelly:** We've repeatedly heard the talking points from various ministers and officials who continue to say that this is their top priority, that they are leaving no stone unturned, which was the latest comment. I know what she meant, but given how little progress has been made on this, one wonders whether they are literally looking under stones for a solution. This goes on and on. There is nothing concrete that we can see that has resulted in thousands of public servants having restoration of their pay and benefits.

We know that this is a problem that snowballs. It continues to expand exponentially because of the government's inability to get on top of it and correct the problems. Many Canadians, certainly on the opposition side, and the many public servants, don't understand and can't understand why adequate resources weren't applied to solve this problem when it first arose. The warning signs were there. The government ignored them. Standing up in the House day after day and saying that they feel for those affected and they are going to do what it takes to get it done....

Now is the time for results, Mr. Chair. I think it's time that we had the minister come before this committee and give us—not just a 30-second talking-point answer in question period—a detailed explanation and accountability for this problem, and get this problem solved.

• (1150)

**The Chair:** Thank you, Mr. Kelly.

Madame Ratansi.

**Ms. Yasmin Ratansi:** Mr. Chair, thank you very much.

As the subcommittee, we probably have the minister coming before us for supplementary estimates, so I would call the vote on this motion.

**The Chair:** I'm sorry, could you repeat that, please?

**Ms. Yasmin Ratansi:** I said that since the subcommittee had discussed it and I believe the minister is coming for supplementary estimates, I do not see any further discussion and I'd like to call the vote.

**The Chair:** To do that, Madame Ratansi, it would have to be a motion in proper order, and just calling for a vote is not.

**Ms. Yasmin Ratansi:** Okay, I'll call that the debate be now adjourned.

**The Chair:** That comes with a vote that occurs immediately.

**Mr. Pat Kelly:** Can we record it?

**The Chair:** Certainly.

(Motion agreed to: yeas 6; nays 3)

**The Chair:** Mr. Kelly, you have, by my estimation, probably less than 30 seconds left in your five-minute allocation.

We will now move on to Monsieur Ayoub, for five minutes, please.

[Translation]

**Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.):** Thank you, Mr. Chair.

I will take advantage of the Privy Council Office officials being here to get into the details of the Impact Canada Initiative. The initiative is said to have two aspects.

The first aspect has to do with clean technologies. \$75 million will be invested over the first two years to reduce the reliance on diesel in rural communities. I would first like to quickly discuss what is currently being done, as far as the plan for the first two years goes.

I would also like to know how far along the planning is when it comes to the \$300 million spread out over 11 years planned in the smart cities challenge. What kind of participation is there in the competition that was launched for Canada's communities and municipalities?

[English]

**Mr. Matthew Shea:** Mr. Chair, as I mentioned at the outset, the Impact Canada initiative is a secretariat that supports the various departments. Individual departments are responsible for the ultimate objectives of the program, the spending, and any of those types of questions. The questions that have been posed by the member are not questions that I could answer as a PCO official. They're better placed with the individual departments, be that NRCan or Infrastructure Canada.

[Translation]

**Mr. Ramez Ayoub:** Okay.

An additional \$1.4 million has been requested.

How are requests related to the Impact Canada Initiative analyzed and accepted? Is that more within your purview?

[English]

**Mr. Matthew Shea:** Mr. Chair, if I can just clarify the question.

The question is around what is the \$1.4 million that we're asking for specifically for?

[Translation]

**Mr. Ramez Ayoub:** That is basically what I'm asking.

I am trying to get information. According to my understanding, I cannot ask you for any details on the two aspects of the Impact Canada Initiative.

[English]

**Mr. Matthew Shea:** Yes.

[Translation]

**Mr. Ramez Ayoub:** However, what is that amount of \$1.4 million adding? To what degree are you suggesting or recommending that amount?

[English]

**Mr. Matthew Shea:** Mr. Chair, I'll just quickly mention again, it's a whole of government approach. We're playing a secretariat role.

The funding that we're requesting is a combination of FTEs and non-salary similar to the question asked earlier. I can tell you that a large portion of it is for seven FTEs. So, of that \$1.4 million about \$800,000—a little less than that—relates to salaries of employees. The remaining part is a combination of funding for that non-salary type operating which could be.... For example, there's a website that we're going to maintain and it's going to share information. It's going to be a tool for departments to use. That's a major cost. Depending on where they go, it could be used for professional services. It could be used for a variety of different functions, but the lion's share is salary related for these experts that we're bringing together to provide advice to various departments.

• (1155)

[Translation]

**Mr. Ramez Ayoub:** Okay. Thank you.

I don't have enough time left to ask any other questions.

[English]

**The Chair:** Thank you very much.

Mr. Blaikie, you have three minutes for a final intervention.

**Mr. Daniel Blaikie:** Thank you very much, Mr. Chair.

Just before I ask a question of the witnesses, I just wanted to seek clarification on something. We just dealt with a motion that would have called the Minister for Public Safety and Emergency Preparedness to committee and before moving to turn to debate, Ms. Ratansi said that we didn't need this motion because the Minister was already confirmed to come to committee for estimates.

Is it the case that Minister for Public Safety and Emergency Preparedness is a confirmed guest of the committee for the main estimates?

**The Chair:** No. Minister Qualtrough has suggested she is available for the meeting on the 20th of March.

**Mr. Daniel Blaikie:** So, it's not the Minister that was mentioned in the motion that's confirmed to come.

**The Chair:** The minister, I think who Mr. Kelly was referencing, would be Minister Goodale.

**Mr. Daniel Blaikie:** Okay.

I just think it's important to note that the committee may have been misled on that point and adjourned the debate under false pretences, but I just wanted to get that clarification from you, Mr. Chair.

**The Chair:** For the record, Mr. Blaikie, any time a motion is presented in proper order...and when the motion was made that the debate be now adjourned, it was in order and is non-debatable, and it has to be voted on immediately.

**Mr. Daniel Blaikie:** Yes, I'm not questioning your procedural integrity, Mr. Chair.

**The Chair:** Thank you for that.

**Mr. Daniel Blaikie:** I just wanted to be clear on whether we could expect Minister Goodale at committee or not.

One of the questions around Phoenix.... We spoke earlier about the Prime Minister having given PCO a particular role in trying to solve the problems of Phoenix. In the budget recently, about \$16 million was designated to start finding new solutions or a new payroll system for government to eventually get away from Phoenix.

My understanding is that Treasury Board was named as the lead in doing so. Going forward, what would be the role of PCO? Has anyone talked to PCO about what the role would be? Do you expect that PCO will be involved at all, providing advice or otherwise, in searching for a new payroll system for government? Are the actors who were involved up to now in Phoenix being removed from the process for finding a new system?

**Mr. Matthew Shea:** The \$16 million—

**The Chair:** Unfortunately, Mr. Shea, we only have time for a very brief answer—about a 30-second answer, if you can do that, sir.

**Mr. Matthew Shea:** I'll focus on the first part of your question if I may. Similar to any major project, Treasury Board would use the funding that they've been given. I believe it's \$16 million if I'm not mistaken to look at those different options. Once they come up with an option they want to propose, it would go to cabinet because they would have to seek funding, they'd have to figure out the plan, the timetables and all of that.

At that point, absolutely, we would have a key role in providing advice to cabinet and the Prime Minister as would Department of Finance, as would Treasury Board Secretariat just like any other memorandum to cabinet. Absolutely between the DM committees, ADM committees and whatnot, there is active engagement amongst all the central agencies and departments on this.

**The Chair:** Thank you very much.

To our witnesses, thank you for your appearance here today.

We will suspend for just a few moments while we get the table prepared for our next panel.

• (1155) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1200)

**The Chair:** Colleagues, we will reconvene.

Now I'd like to welcome Jean-Denis Fréchette and the panel representing the Office of the Parliamentary Budget Officer. Thank you very much again, sir. It's good to see you once more, two days in a row.

Sir, could you please introduce your colleagues who are with you today, and after the brief introductions perhaps you could go into your opening statement.

**Mr. Jean-Denis Fréchette (Parliamentary Budget Officer, Office of the Parliamentary Budget Officer):** Thank you, Mr. Chair. I would like to introduce Mostafa Askari, who is the deputy PBO. It's also his birthday today, so that's why he wanted to appear with you.

**Voices:** Hear, hear!

**Mr. Jean-Denis Fréchette:** Jason Jacques is the senior director of costing. You will hear a lot about costing in the future. He is also the

PBO's CFO. He's wearing many hats, so that's one of them. Sloane Mask is deputy CFO.

Those are my two frugal CFOs. I have to be careful when I speak about money.

[*Translation*]

Thank you, Mr. Chair, for the invitation. I also want to thank the vice-chair, as well as the members.

We are happy to present the Supplementary Estimates (C) 2017-18, and the Main Estimates, 2018-19—at least the interim parts—of the Office of the Parliamentary Budget Officer.

As you know, amendments to the Parliament of Canada Act last year resulted in the position of Parliamentary Budget Officer being recognized as an independent officer of Parliament. The order in council of September 21, 2017, established its status as such and confirmed that its legislative mandate would be expanded to include the costing of party election platforms.

September 21 was also the date that marked the separation of the PBO and the Library of Parliament, which meant that the PBO had to quickly establish its own administrative processes and internal controls.

[*English*]

As you are aware, the order in council also added your committee to the list of the already three standing committees mentioned in the legislation. Therefore, this committee is now in good company with the FINA committee, the public accounts, and the national finance in the Senate.

Every separation involves a certain level of risk and uncertainty that can affect ongoing operations. Given that new requirements were also introduced at the same time to produce analyses as part of its services to parliamentary committees, senators, and MPs, and that the new requirements included additional administrative responsibilities resulting from the new legislation, such as annual reports on activities, work plans, submitting reports to both Speakers when we produce our own self-initiated reports, it was strategically imperative to act quickly and decisively to maintain services to parliamentarians without interruption throughout the transition.

Given the situation, a decision was made to negotiate with the Library of Parliament administration to have it provide administrative services in the short and medium term. This decision was based on the following criteria. Services at competitive costs compared with other organizations; the political neutrality of the Library of Parliament; and the experience it has acquired since 2005 in providing similar administrative services to another independent officer of Parliament, the office of the Conflict of Interest and Ethics Commissioner, and its predecessor.

The added benefit of having a team of Library managers already familiar with the needs of the office of the PBO ensured that all PBO analysts and managers could continue their analysis activities during the transition. The flexibility to revisit the administrative agreements with the Library after the 2019 election was also an important criteria.

And personally, for me it was very important to maintain the option to remain a part of the House of Commons IT environment for protection of data, not only while Parliament is sitting, but also during election periods when political parties may decide to submit their campaign proposals on a confidential basis to have their financial costs evaluated.

• (1205)

[Translation]

To ensure a smooth transition, an amount of \$731,000 was submitted to, and was approved by, the speakers of the Senate and the House of Commons as part of the supplementary estimates (C). A business case explaining the basis for the budget requests was provided to the speakers, and also to members of the committee.

In the table you were given, the amount of \$731,000 was broken down as follows: \$39,600 is set aside for additional analytical capacity; \$432,213 for goods and services expenditures associated with the new independence requirements, such as licenses and contracts for IT, financial and compensation services; \$218,839 will go to transition staff; finally, \$40,575 will go to changes to the employee benefit plan.

[English]

I would like now to ask my colleague, Jason, just to walk you through the interim budget, and after that we will be open for questions.

**Mr. Jason Jacques (Chief Financial Officer and Senior Director, Costing and Budgetary Analysis, Office of the Parliamentary Budget Officer):** Thanks, Jean-Denis.

Looking at the coming fiscal year, the 2018-19 interim estimates identify a funding request of \$2.9 million for our office, which is the initial proposed allocation out of a total budgetary request that you're going to be seeing in the main estimates of about \$7.6 million for the coming fiscal year.

I would note that a significant amount of this funding relates to transition expenses that are non-recurring. These arise from the need to fit up new space to accommodate a growing staff; establishing new policies and agreements to govern the office, that are consistent with our new legislation; and paying for the implementation of a new enterprise resource planning system, which we hope is implemented more smoothly than Phoenix.

**Some hon. members:** Oh, oh!

**Mr. Jason Jacques:** As mentioned in Jean-Denis' presentation—

**Mr. Kelly McCauley:** The landing of the Hindenburg went more smoothly than Phoenix.

**Mr. Jason Jacques:** The other thing I'll mention is that on our website our office has published a detailed business case that we submitted to the speakers of the House of Commons and the Senate last year.

The analysis underpinning this business case is based upon the experiences of other independent fiscal institutions and the best practices identified by the OECD and IMF. I will say that we thought it was important to actually put the entire business case on the website, recognizing that as committee members you actually are

still waiting for the detailed departmental plans to be tabled by various government departments and agencies. You're actually placed in a slightly awkward situation where you need to vote on supplementary estimates (C) and consider the interim estimates, all without those detailed plans for the coming fiscal year. Under Jean-Denis' guidance we actually decided to go one step further and table and share all that information from parliamentarians so they would be in a better decision to actually make those decisions.

The business case itself proposes a three-year plan that sees our office growing to about 41 staff, compared to the 20 that we had at this time last year, with an ongoing budget of about \$7 million per year. I'd underline that this is about 10% lower than what we're proposing for the coming fiscal year, again, related to the non-recurring costs. Most of this additional funding would directly augment our ability to prepare research and analysis for parliamentarians. It would be going directly to the services that parliamentarians, generally speaking, seem to be happy with and have been demanding more of.

Most importantly, circling back to a point that Jean-Denis made earlier, we're confident that our budgetary proposal will allow us to fulfill Parliament's desire for transparent, timely, and relevant economic and financial analysis. Probably more important is the electoral platform costing which is a tall order for our office right now especially when looking around the world and recognizing that there is only one other OECD jurisdiction that actually undertakes this work. To that end as well, I'll also mention that our electoral platform strategy costing document has also been posted to our website and is available for all parliamentarians to take a look at. We're very keen to receive any feedback or suggestions you might have with respect to our initial proposal and our outline.

Thank you.

• (1210)

**The Chair:** Thank you very much.

We'll now go into our seven-minute rounds of interventions.

Before I do so, however, colleagues, with your approval I'd like to suggest we make this a slightly truncated version because I would like to, if possible, get the approval and go through the votes and the motions on the supplementary estimates since we're going on to a two-week break. If we can get approval today, I will be able to table the report tomorrow.

With that in mind, Mr. Drouin, you have seven minutes, please.

**Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.):** Thank you, Mr. Chair.

[Translation]

Mr. Fréchette, thank you for being here today.

I have a few questions about the business plan you are implementing.

Why are you increasing your office's staff from 20 to 40 people? Is that enough to meet your new obligations?

**Mr. Jean-Denis Fréchette:** Thank you for your question.

We could always say that it is never enough, but the business plan we put forward is essentially a justification. The future is full of unknowns, as Jason and I mentioned. For example, your committee is now one of four committees that, under the law, can require us to fulfill their requests for economic and financial analyses. In the legislation, the word “shall” is used, which can be read as “must”.

All the other committees can ask the PBO—once again, the word “shall” is used—to analyze cost proposals related to private members' bills, government bills or committee motions, for example, and the PBO must do so. The example I have often given is that of the Standing Committee on Health that proposed a motion, a year ago, to have the PBO conduct an analysis of the pharmacare program.

The law now requires us to answer all those questions, but we don't know what the extent of committees' requests for that type of analysis will be. We were careful in developing our request. We think that, at first, the committees will not be as active as we expect, since this is new. In addition, we are nearing the election period. During the presentation, I used the word “frugal”, but I should have perhaps used the word “reasonable”.

I will talk about two other criteria. We also used examples of offices of parliamentary budget officers in other countries similar to ours that provide services similar to a Parliament of about 300 members, in addition to 105 senators. We found that we were following the standard.

Those are the main reasons. That said, the unknown is still election platform costing. We have no idea how active political parties will be 120 days before the next election and will ask us to estimate the cost of their election proposals. This is a bit of a shot in the dark, but, as I mentioned—and we said so in our business plan—we are certain enough that we will be able to respond to the requests over the next few months.

• (1215)

**Mr. Francis Drouin:** As for calculating the financial cost of election platform measures, during the 120 days leading up to an election, a political party could, in theory, wait until the last minute to disclose its promises. We also know how that works in practice. Sometimes, the entire election platform is ready 15 days before the vote, but for the purposes of communication strategies, only one commitment is announced per day.

How do you plan to carry out that analysis? I assume you will have to work quickly.

**Mr. Jean-Denis Fréchette:** Yes, and that is the beauty of having a somewhat smaller organization, which is also more flexible with fewer management systems operating in parallel. We are already preparing to develop cost models for defence. We already have a macroeconomic model in place. As of this summer, we will be using an approach to prepare ourselves mentally, as this will be a first experience for us, as well. So that is the beauty of a small flexible organization that can respond quickly.

We have two groups, some 30 analysts and two or three other people who will essentially be focusing on cost analysis during the election period. Will we succeed? My colleague Mr. Jacques—he also acts as the principal of the cost estimate and budget analysis

team—and myself realize that it will be demanding, but we think we will manage it.

That said, Australia is the only other country with a PBO that does that type of calculation. You are completely right, as he received requests up until the last day before the election, and that is exactly what our legislation says. Political parties can submit requests for cost analysis until the day before the election.

**Mr. Francis Drouin:** I don't know whether I have understood you, Mr. Jacques. You said you hoped the transition will be managed better than the one for the pay system. Is that right?

You are not implementing another pay system because internal services will be shared with the library. Is that correct?

**Mr. Jason Jacques:** Yes, that's correct.

**Mr. Jean-Denis Fréchette:** The choice was made because of what is happening. The library is already using the library and Phoenix compensation systems. It seems to be working relatively well. So we have decided to keep the compensation system. We have signed a service agreement with the library as far as compensation goes.

We have decided to develop our own capacity in human resources internally, essentially because we will have an intensive recruitment period over the next few months.

**Mr. Francis Drouin:** Okay.

So we can say that you are not losing your independence because you are sharing internal services with the Library of Parliament, which is also independent.

**Mr. Jean-Denis Fréchette:** Exactly.

That's what I mentioned in my criteria. The library already provides services to the Ethics Commissioner. It has provided those services for many years. Since 2005, the Library of Parliament has been providing IT, compensation and human resources services to the Ethics Commissioner. The commissioner decided, a few years ago, to use various other solutions available to him.

We had another constraint. As I said, we examined the costs provided by other groups, such as the Senate. We studied the possibility of the Senate providing us with an IT service comparable to the one provided by the library through the House of Commons. So I told myself that, if I asked the Senate to do this, it would be perceived as a decision to deal with the Senate rather than with the House of Commons. By staying with the library, we are remaining neutral.

**Mr. Francis Drouin:** Thank you very much.

[*English*]

**The Chair:** Thank you very much.

Mr. McCauley, go ahead for seven minutes.

• (1220)

**Mr. Kelly McCauley:** I'll go back to the line of questioning of Mr. Drouin.

You're going to face some interesting challenges at election time.

In your 2016-2017 report on the activities of the office of the PBO, you state how in real dollars your budget has actually decreased about 13% since 2009, and you only have about half the staffing compared to that under international norms. In fact, your budget is considerably lower than that for just the Province of Ontario. I know you've presented a plan, and I want to congratulate and commend you on proactively posting your plan online. It's a great example for the other departments. Going forward, can you walk us through what you're budgeting for next year, what you're looking for? Do you have a sense of a commitment from the government that we're going to provide these much-needed funds so you can perform all of this valuable work for Canadians, Canadian taxpayers, and members of Parliament?

**Mr. Jean-Denis Fréchette:** The upcoming year of 2018-19 and the following one of 2019-20 are not typical years, because 2019-20 will, as you know, be an election year. Ongoing after the election, we plan to have a \$6.5 million budget excluding EBP, the employee benefits plan. It's voted, and it's going to be \$6.5 million ongoing after the election.

In 2018-19 the total will be \$6.9 million voted. The following year we will go a little bit higher because it is an election year. I can give you details about that. In the election year we plan for about \$500,000 in additional costs.

**Mr. Kelly McCauley:** Is that going to be enough?

**Mr. Jean-Denis Fréchette:** For the election? We believe it will be. That includes, of course, additional capacity for translation, editing, and so on, and also access to information because it's going to be imperative to have quick access to information that year.

On that basis, we are signing some MOUs with Statistics Canada to have a privileged, quick, and efficient access to the data during that period.

Basically the budget for the next three years will go up until the election year, and after that \$6.5 million. And probably it will have to be reviewed depending on whether over that period the committees are really demanding in terms of requests of costing their own proposals, and not only the parties but the costing of MPMBs or proposals that standing committees may develop themselves.

**Mr. Kelly McCauley:** If you get to the \$6.5 million, where will that bring you staffing-wise compared to other international standards or Ontario?

**Mr. Jean-Denis Fréchette:** After an election year?

**Mr. Kelly McCauley:** Will it bring us in line?

**Mr. Jean-Denis Fréchette:** After an election year, \$6.5 million will bring us to 41 full FTEs, 30 analysts, plus three people dedicated to help them in terms of web publishing and infographs and so on. After that, the PBO and deputy PBO. The difference, the six other people, will be for the administration, HR and communications.

Communications is a challenge. Now, as I mentioned in my presentation, we do have to table with the Speakers every time we publish our report, a self-initiated report. We have to table it with the speakers. We have to table our reports with the committees if the

committee is a sponsor or the requester of a report. We have to develop some kind of capacity there.

**Mr. Kelly McCauley:** Right. Do you think it will bring you in line with your international cohorts then or close to?

**Mr. Jean-Denis Fréchette:** I will ask Jason.

Just before that, I'll note the example of the Australian PBO. Before the election in 2016 in Australia, the Australian PBO had about 25 to 30 people. The advantage he has over there is that during the election he can ask for having deemed employees from the Department of Treasury and Finance. He got 50 new deemed employees during the election of 2016.

**Mr. Kelly McCauley:** Wow.

**Mr. Jean-Denis Fréchette:** He managed to keep 30 of them.

Jason.

**Mr. Kelly McCauley:** Actually, I'm going to move on because I'm almost out of time in this round, but maybe we will get back to you.

In that same report, and we've had this discussion about the shipbuilding contract, you talked about access to information, the difficulty of getting information from the government—by that I don't mean the Liberal Government, etc., but the government—and DND not providing information that I think you stated you believe is required.

Are you still having these troubles getting information under access to information or other items from DND or other departments that are hindering your ability to work on behalf of Parliament and taxpayers?

● (1225)

**Mr. Jean-Denis Fréchette:** Jason, do you want to talk about it? It's your favourite topic.

**Mr. Kelly McCauley:** I will read our quote: "The PBO remains concerned that departments continue to refuse access to information for reasons not grounded in the Parliament of Canada Act", which, to me, is quite frightening and shocking that bureaucrats are interfering with the work of Parliament and an officer of Parliament.

**Mr. Jason Jacques:** I think the safe thing to say is since we've published that report, there has really been no material change with respect to the rapprochement we have with the public service around information access.

**Mr. Kelly McCauley:** Would you share with us who is the worst?

**Mr. Jason Jacques:** Well...

**Mr. Kelly McCauley:** Or where is the most difficulty? Where is the most important that we need to get through on? It's frightening as hell that we're spending \$65 billion on Irving, and you have to go the U.S. to get cost comparisons to work out the cost for our ships for building. It's disgraceful.

**Mr. Jason Jacques:** For us, there remain the perennial challenges of working with National Defence. As well, there are ongoing challenges working with other central agencies around various types of budgetary requests as well.

As Jean-Denis has mentioned, it's a recurring theme in our office that we are trying to negotiate memorandums of understanding with various government departments and agencies. That said, we've been trying to do it for the past four and a half years with flowers and chocolates, and it's not really making a significant difference overall in the operations of the office.

**Mr. Kelly McCauley:** I think it's perhaps time to move to baseball bats and other items away from flowers and chocolates. These are bureaucrats interfering with the work of Parliament.

**The Chair:** Thank you very much.

Mr. Blaikie, seven minutes please.

**Mr. Daniel Blaikie:** Thank you very much.

I guess somewhat on that theme, I'm curious when it comes to election platform costing and there's a time limited window. In the new legislation, are you granted any extra authority to be able to try and get information out of departments in a timely manner? I'm thinking in this case of the ongoing challenge that you face getting information about the tax gap and information...not personal information, but just the aggregated information on how much money is leaving Canada annually because of tax havens, and I understand that we haven't reached that number, but that that could be a very important number in an election platform document because it would obviously have a significant impact on government revenue if you're able to do something on that file.

**Mr. Jean-Denis Fréchette:** Thank you for the question. It's an excellent question because in the legislation, when Parliament is dissolved, so they're in the writ period, even before that. The legislation is clear. The PBO can ask the minister to direct his deputy minister of any departments or agencies to support the PBO in the costing of electoral platforms under a confidential basis, of course. We don't know how this will work. It's still to be seen because a minister directing a deputy minister is one thing, the deputy minister can say no, we cannot provide the information for whatever reasons. The typical reasons that we have is that the cabinet confidence is the one that we receive on a weekly basis.

I already began some discussion with the speakers on that because in the Parliament of Canada Act, the new legislation, there is now a parliamentary remedy. Before that, under the Library of Parliament, there was no real parliamentary remedy because we were under the Library. Now as an independent agent of Parliament, a parliamentary remedy is that if a department says "no" on a repetitive basis, we can complain to the two speakers and say, "sir, we will not be able to provide the services to members of your respective chambers. Do you want to do something?" So this is not a baseball bat, it's not a Louisville slugger yet. It's the one with Maple, that's the best one.

It's certainly a stick that is there now in the legislation. We haven't used it yet. National Defence, they are getting a little bit under my skin right now. You know what happened with CRA. CRA was a six year battle that began with my predecessor Mr. Page. I continued it during five years. And at one point in January, I came to an ultimatum. During that meeting when they asked for nine month's extension, I looked at them and said, "no". And it was clear. I said, "this is it. It's over. I will never send you another request again". And they read between lines. Since then, they've agreed to provide the information. But it has been a long battle.

DND. We are in discussions with DND for the upcoming elections and for not only the election, on an ongoing basis they should provide the information. It's going to be me or my successor. Eventually we'll have to go into that kind of battle. But National Defence, it's a cultural problem within the department.

• (1230)

**Mr. Daniel Blaikie:** I'm wondering a little about the provisions for the ministerial directive at election time, to cooperate or not. In the legislation, is it a yes/no directive, or can they say yes generally, but when it comes to that issue, no?

Is that directive published, or is the legislation such that it is either a yes or a no and we can assume that if it's a yes, then it's a full cooperation mandate that will then be defined by the departmental officials, but the involvement of the minister ceases? Does the legislation speak to that?

**Mr. Jean-Denis Fréchette:** Everything has to be confidential because it's during the election. We did a tour of all political parties. We met all of them, the leaders and the chiefs of staff, with our guidelines on how we will operate during the electoral period, and one thing that we heard very often...we mentioned that possibility of adding access, or asking the departments to provide some information, and I would say that many political parties told us, "We trust the PBO, we don't trust you asking the departments."

So we don't know exactly. We had discussions within the office, and I'm looking at Mostafa, and we said we don't have the choice to ask the department. He's right. We're going to have to ask the departments. Controlling the confidentiality and all that will be very difficult. If I go to Health Canada and tell them I need some data on pharmacare, it has to be confidential. Everybody will know who are the parties asking for pharmacare.

**Mr. Daniel Blaikie:** I wanted to come back to one comment you made earlier, and this is just partly me trying to understand parliamentary procedure as well, but when you talk about the costing of private members bills, typically if a private members bill explicitly calls for expenditure, it's not permitted because you need a royal recommendation.

Am I right? Has that always been part of your mandate, if you're asked, or is this an expansion of your mandate to do costing on PMBs?

**Mr. Jason Jacques:** I think it has always been implicitly part of our mandate, since the office was set up and running in 2008.

In 2011 the House of Commons finance committee passed a motion at that point actually directing the parliamentary budget officer to prepare a cost estimate of any piece of private members business within 45 days of it showing up on the order paper.

**Mr. Daniel Blaikie:** Okay, and so, if the opinion of the PBO is that there are cost implications, that doesn't mean then that the PMB would be automatically ruled out of order because it would require royal recommendation. How does the PBO saying something is going to cost some money interact with the requirement for a royal recommendation?

**The Chair:** A very brief answer, if you could, Mr. Jacques.

**Mr. Jason Jacques:** Typically, the two processes have been separate, and the bill can go forward for second reading before an observation or a decision is required for the speaker regarding whether it requires a royal recommendation. The PBO cost estimate is usually tabled and published on the website in advance of that.

**Mr. Daniel Blaikie:** Thank you.

**The Chair:** Thank you very much.

Mr Peterson, seven minutes, please.

[*Translation*]

**Mr. Kyle Peterson (Newmarket—Aurora, Lib.):** Thank you, Mr. Chair.

Welcome, everyone, and thank you for joining us this afternoon.

Happy birthday, Mr. Askari.

[*English*]

Thank you for spending your birthday with us. I'm sure this is probably one of your most thrilling birthdays.

[*Translation*]

I would like to ask you a few questions.

[*English*]

I want to talk first of all about the independent senators. You say they have resulted in more cost to your office. Why would that be so? Why would the independence of the senators make a difference in the amount of work you would have to do?

**Mr. Jean-Denis Fréchette:** Not the independent senators, the independent members. You mean in terms of the senators themselves?

**Mr. Kyle Peterson:** Yes.

**Mr. Jean-Denis Fréchette:** It's probably because they have less research capacity. A good example is that we are contributing a lot on infrastructure for the Senate side right now—

• (1235)

**Mr. Kyle Peterson:** Okay.

**Mr. Jean-Denis Fréchette:** —for the other side. The reason is that the national finance Senate committee decided to monitor the infrastructure closely. We do a lot of work. We monitor the infrastructure. We have appeared very regularly. We are invited on a regular basis to help them control...because they have difficulties in understanding where the money goes and flows, in terms of the infrastructure.

It's the same thing with the budget. Jason, my colleague, was there yesterday on supplementary estimates (C) to explain the report that we published on Monday, because the senators had many questions about DND and infrastructure precisely.

For now, the senators are getting more organized. They are getting more interested in some of these businesses. They're really digging deep in terms of some of these issues, so they are becoming important clients.

**Mr. Kyle Peterson:** I take it that any of them is allowed to reach out to you with requests for whatever they see fit?

**Mr. Jean-Denis Fréchette:** All members of Parliament, from the House of Commons or the Senate, individually can ask us questions about the costing or the estimates. Basically those are the questions they have. The four committees that I mentioned initially, including yours now, in addition to costing a proposal and estimates, can ask any question on the national economy and finance.

**Mr. Kyle Peterson:** Okay, thank you for that.

The business case that's referred to here. When was this business case developed? Recently, I gather.

**Mr. Jason Jacques:** It was. The business case was developed over the course of the summer once C-44 had received royal assent. We finalized it at that point.

**Mr. Kyle Peterson:** Okay.

These figures are also current, and you would have made any adjustments if they were necessary by now.

**Mr. Jason Jacques:** Yes, very much so.

**Mr. Kyle Peterson:** Thank you for that.

You would basically see the jump from \$3.7 million in 2017-18 to \$7 million in 2018-19 stay steady at sort of the \$7 million in 2019-20 and then drops to \$6.5 million.

The inference I'm drawing from this, and correct me if I'm wrong, is that there's basically a five...half a million dollars. Will that be the cost of the election platform analysis that might be done? Is that why there's that little drop after the election year?

**Mr. Jean-Denis Fréchette:** We have \$500,000 for the election platforms in terms of support and analysis, and also in terms of what we will need. It's going to be very intense. People already know that. There will be no vacation during summer 2019.

**Mr. Kyle Peterson:** We all know that around this table, too.

**Mr. Jean-Denis Fréchette:** We won't be at barbecues.

**Mrs. Alexandra Mendès:** We'll have tons of those.

**Mr. Jean-Denis Fréchette:** We have a reserve of \$500,000 that we plan. Again, this is something new for everybody so we don't know if we will need it. But it's a one shot deal in 2019-20 and the speakers agreed and understood. The two speakers, because we submitted our request to the two speakers, said yes. Nobody really knows if it will be high or low.

**Mr. Kyle Peterson:** Right. You have no benchmark to use it against. This is the first time.

On to a more general question on that. Do you think the platform costing is an appropriate role for a parliamentary officer to undertake?

**Mr. Jean-Denis Fréchette:** Mostafa? Let's start with the optimist and then go to the realistic views on this. We have different views, but Mostafa will talk about it.

**Mr. Mostafa Askari (Deputy Parliamentary Budget Officer, Office of the Parliamentary Budget Officer):** From the beginning, when this idea came up, we had some concerns. The main concern is really the independence and the impartiality of the office that we are a bit worried about because we are being involved in an election process.

There are people who think that having independent costing of the election platform is a good idea. Whether it should be with the PBO or another organization, that's a different question. It's part of our mandate now, so we have to deal with it.

We are getting ready for it. We're trying all kinds of things. We're actually doing a pilot right now trying to do all the independent costing of all the budget measures that were announced this past Tuesday over a short period of time, just to test and see how we can do this, see the gaps, and based on those we can actually improve our processes and how we do things.

**Mr. Kyle Peterson:** It would be fraught with challenges I think, as Mr. Drouin mentioned. Some party might come out with a platform item every day or every week for the campaign. Will the analysis be done as they came out? I mean, you would want to look at some of them at the macro level and wait for all the announcements to get a full analysis of it, wouldn't you? Or would you have to do each one as they become requested to be studied?

• (1240)

**Mr. Mostafa Askari:** Well, that's one of the reasons we provided that guideline for parties to look at, and requested they give us some comments on it. Certainly there are limits on what we can do, and how fast we can do those things during the election period. There will be cases where we have to refuse to do it, and the legislation gives us that option but we have to provide a reason for that.

**Mr. Kyle Peterson:** Right.

**Mr. Mostafa Askari:** For example, if a party comes the last day before the election, we obviously won't be able to do it.

**Mr. Kyle Peterson:** Yes.

**Mr. Mostafa Askari:** Not only do we have to have the time to do the analysis, we have to get it translated, and have the option to have the time to release it publicly. So, you can't really do it within two or three days before the election.

**Mr. Kyle Peterson:** Thank you.

**The Chair:** Colleagues, we'll now go to two five-minute interventions starting with Mr. McCauley.

**Mr. Kelly McCauley:** Have you asked the Minister of Defence to intervene regarding DND's refusal to provide needed information to you?

**Mr. Jean-Denis Fréchette:** Many different attempts were made in past years with National Defence. Last year, with the previous deputy minister, we had an agreement to meet on a regular basis every two weeks, officials to officials, to clarify it.

One problem with DND is that sometimes we go there and they have the information in front of them; then, the week after, when we make—because we have to follow the process of sending a letter to the minister....

Your question was that now, with the new legislation, all the requests have to be addressed directly to the minister. We know the information is there. We address the information request to the minister, and they probably have the time to think about it and so on, and then information is no longer available or will not be provided.

We tried that. This year we are trying again with the new deputy minister, whom I met recently. We need to have this kind of gentlemen's agreement to have a frank, open discussion, saying, "If you cannot provide the information now, we will deal with it later."

**Mr. Kelly McCauley:** Okay.

**Mr. Jean-Denis Fréchette:** For now this is where we are.

**Mr. Kelly McCauley:** All right.

Your report on the supplementary estimates (C), you mentioned that despite a year after the budget, they managed just 75% of the estimates for the budget. In one of your previous reports you mentioned the problem is the sclerotic administrative pace of the government.

Have you seen improvements in the government's ability to get items in the budget into the estimates? They're going to have a break this year because the budget is a whole month earlier. Do you see any changes under...?

**Mr. Jean-Denis Fréchette:** I will ask Jason. It's his word, oeuvre found its way into the report, this sclerotic word.

Jason, you can....

**Mr. Jason Jacques:** Yes.

As you point out, we did see that only roughly 75% of the measures identified in Budget 2017 has shown up in the supplementary estimates, thus far this fiscal year. The government itself, Mr. Brison, was before this committee about two weeks ago. He identified his aspirational goal of ensuring that—

**Mr. Kelly McCauley:** He committed to 100%.

**Mr. Jason Jacques:** That means that on April 16, the target for the government is to have every measure—by last count, over 160 measures—from Budget 2018 showing up within the main estimates.

I can say that over the past few years, the "roughly 75%" is more or less par for the course. It's pretty much what you would expect to see.

In defence of the government—not that I'm paid to do that, but I like to present a balanced approach—

**Mr. Kelly McCauley:** It's our goal, all of us is for the transparency and the better accountability.

**Mr. Jason Jacques:** You see that 95% of the dollars of Budget 2017 have shown up in the supplementary estimates. It's simply that a significant number of individual measures and smaller items haven't actually shown up in the supplementary estimates, up to this point.

In lieu of using the word sclerotic again, I think I would describe it, as we did yesterday at the Senate national finance committee, as being very much a work in progress. If there's anything, it is, going back to the comments the President of the Treasury Board made, that in many ways it's important to focus on that one pillar, but there are also three other pillars with respect to his initiatives and pushing forward on that front.

•(1245)

**Mr. Kelly McCauley:** We mentioned that. We mentioned to Treasury Board that three of the four seem to be pushed to the sidelines. There are, then, other things to work on.

You obviously have had a chance to look at the budget. I want to ask your opinion. Going forward, I think it's \$174 billion that we're going to spend over the next six years on interest payments. I think the government set it at 2.5%. I'm wondering whether you have confidence in the government's projection of what the interest is going to be. I read one of your reports on student loan write-offs, expecting a much higher interest rate for student loan write-offs in your projection than what the government is putting in for their expected interest payments on the debt.

**The Chair:** Make a very short answer, if you could.

**Mr. Jason Jacques:** The very short answer is, stay tuned until the end of April, when we come out with our own independent economic and fiscal outlook. One of the reasons the office was established in 2008 and going back to Bill C-2 in 2006 was for parliamentarians to have an independent perspective on the state of the Canadian economy and the nation's finances. That's why twice a year we produce that report.

We'll have an interest rate forecast as well as our budgetary balance projections at that time.

**The Chair:** Thank you very much.

**Mr. Kelly McCauley:** For a birthday gift, do you want to tell us?

**Some hon. members:** Oh, oh!

[Translation]

**The Chair:** Mr. Ayoub, go ahead for five minutes.

**Mr. Ramez Ayoub:** Thank you, Mr. Chair.

It is always interesting to talk about elections and Bill C-44.

What challenges need to be addressed? Obviously, we have still not gone through an election year, as you mentioned already. What do you think the challenges we must address are? What can you already suggest as a movement or improvement to be made, so that, in 2019, we don't end up in a funnel, as has been the case in the past? What are the gaps? A piece of legislation is never perfect. It can always be improved, even if it is very recent.

I would like you to provide us with more details on this.

**Mr. Jean-Denis Fréchette:** Thank you for your question.

I talked a bit about preparation. We are already trying to see how quickly we could assess some of the costs presented to us. For example, budgetary measures will be used as the first step to check how we are operating. We could see how we can proceed within the office.

Access to information will be our second challenge, and I would say that I am increasingly seeing it as such. I mentioned that I was very happy and that it was very important for me that we remain within the House of Commons computer service parameter, which is very well protected. You will understand that, in the middle of an election period, there is the whole issue of fake news, real news and information manipulation.

We will have to protect political parties' confidential documents that have not yet been publicly submitted. I assume that parties will probably want to give them to us, so that we can make the announcements. I want that information to be extremely well protected. That is why we also met with people from the Communications Security Establishment, CSE, to see what they thought about this. They told us that it was an excellent idea to remain within the House of Commons computer parameter, with the Library of Parliament. They are overseeing that information themselves. That is one of the challenges we are facing.

We talk very regularly about another challenge within the office. You mentioned the legislation. It will be improved, but there is an issue in the legislation. In fact, when a political party asks the Office of the Parliamentary Budget Officer to assess the costs of a proposal, we will carry out that assessment confidentially, and that is a model we have not used so far. Our analyses are always open and transparent. We will now have to operate confidentially and give a political party's authorized representative the cost of their election proposal. Then I will have to wait for a written notice to be able to make the report public, as stipulated in the legislation.

**Mr. Ramez Ayoub:** You're talking about a notice from the requester.

**Mr. Jean-Denis Fréchette:** Yes, it would be a written notice from the requester.

You have participated in election campaigns and know very well how it works.

**Mr. Ramez Ayoub:** If the analysis is positive, you will have the written notice. If it is less positive, you may not get it right away.

**Mr. Jean-Denis Fréchette:** You have put your finger on it. In its publication, a party may say, for example, that the PBO assessed their measure at \$1 billion, that the party is happy and that the situation is good for all Canadians. However, I won't be able to make that information public on my side.

**Mr. Ramez Ayoub:** There is an interaction, a possibility to interfere, between you and Elections Canada, but you surely don't want to do that or to get involved in the political side of things.

How are you and Elections Canada dealing with this legislation?

•(1250)

**Mr. Jean-Denis Fréchette:** We have met twice since the legislation was adopted.

The Elections Canada representatives said they understood very well that we were in a situation that is sometimes unsustainable, especially if the information we are revealing starts to be manipulated. They said they cannot do anything about that. One of my concerns is that we will provide a service for political parties that will not have to pay for that service during an election period.

The interpretation of the Canada Elections Act is that, if something is in the act, it is authorized and there is no problem. However, they do see a problem, which is that we would start to influence the course of the election if we intervene. For example, in the case of the \$1 billion I mentioned, a political party could say that, no, the PBO rather said that it would cost \$500 million, and that it's not true—I am looking at a worst case scenario. The office will then have to intervene. At Elections Canada, they are aware of the possibility of me having to intervene during the election campaign.

**Mr. Ramez Ayoub:** Could you intervene at any point during the campaign?

**Mr. Jean-Denis Fréchette:** We could do it at any point, once we see that the news or the interpretation of our documents will be more or less distorted.

**Mr. Ramez Ayoub:** Thank you.

[English]

**The Chair:** Thank you very much.

Colleagues, we'll suspend here. I want to thank all of our witnesses for appearing here today.

On a personal note, I would like to thank you because as parliamentarians, we're very accustomed unfortunately to a lot of time spent dealing with government departments and officials and hearing nothing but talking points and obfuscations.

It is very refreshing to hear the openness and candour that you have exhibited in some of your answers to our questions here today. I thank you very much for that on behalf of all of our colleagues.

Colleagues, we will suspend for a couple moments, and then we will get back to the table and deal with the votes for supplementary estimates.

• (1250) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1250)

**The Chair:** Colleagues, if I could get all members back to the table please. We have a couple more minutes to go.

**The Chair:** Thank you, colleagues. This shouldn't take too long.

Do I have the unanimous consent of the committee to call all of the votes of supplementary estimates (C) 2017-18 together?

**Some hon. members:** Agreed.

**The Chair:** Shall votes 1c, 5c, and L7c under the Department of Public Works and Government Services; shall vote 3c under the Office of the Parliamentary Budget Officer; shall vote 1c under Privy Council Office; shall votes 1c and 5c under Shared Services Canada; and shall votes 1c, 15c, 20c, and 30c under Treasury Board Secretariat carry?

DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES

Vote 1c—Operating expenditures.....\$159,985,195

Vote 5c—Capital expenditures.....\$28,756,764

Vote L7c—Imprest funds, accountable advances, and recoverable advances.....\$14,000,000

(Votes 1c, 5c, and L7c agreed to on division)

OFFICE OF THE PARLIAMENTARY BUDGET OFFICER

Vote 3c—Program expenditures.....\$690,652

(Vote 3c agreed to on division)

PRIVY COUNCIL OFFICE

Vote 1c—Program expenditures.....\$3,247,797

(Vote 1c agreed to on division)

SHARED SERVICES CANADA

Vote 1c—Operating expenditures.....\$20,455,242

Vote 5c—Capital expenditures.....\$150,000

(Votes 1c and 5c agreed to on division)

TREASURY BOARD SECRETARIAT

Vote 1c—Program expenditures.....\$10,430,068

Vote 15c—Compensation adjustments.....\$36,120,434

Vote 20c—Public service insurance.....\$622,900,000

Vote 30c—Paylist requirements.....\$250,000,000

(Votes 1c, 15c, 20c, and 30c agreed to on division)

**The Chair:** Shall the chair report the supplementary estimates (C) 2017-18 to the House?

**Some hon. members:** Agreed.

**The Chair:** Do I have the unanimous consent of the committee to call all of the votes of the interim estimates 2018-19 together?

**Some hon. members:** Agreed.

**The Chair:** Shall vote 1 under Canada Post Corporation; shall vote 1 under Canada School of Public Service; shall vote 1 under Canadian Intergovernmental Conference Secretariat; shall vote 1 under Canadian Transportation Accident Investigation and Safety Board; shall votes 1 and 5 under Department of Public Works and Government Services; shall vote 1 under Office of the Governor General's Secretary; shall vote 1 under Office of the Parliamentary Budget Officer; shall vote 1 under Office of the Public Sector Integrity Commissioner; shall vote 1 under Privy Council Office; shall vote 1 under Public Service Commission; shall vote 1 under Senate; shall votes 1 and 5 under Shared Services Canada; and shall votes 1, 5, 10, 20, 25, 30, and 35 under Treasury Board Secretariat carry?

CANADA POST CORPORATION

Vote 1—Payments to the corporation for special purposes.....\$5,552,500

(Vote 1 agreed to on division)

CANADA SCHOOL OF PUBLIC SERVICE

Vote 1—Program expenditures.....\$16,097,941

(Vote 1 agreed to on division)

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Vote 1—Program expenditures.....\$1,396,306

(Vote 1 agreed to on division)

CANADIAN TRANSPORTATION ACCIDENT INVESTIGATION AND SAFETY BOARD

Vote 1—Program expenditures.....\$6,740,401

(Vote 1 agreed to on division)

DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES

Vote 1—Operating expenditures.....\$646,567,281

Vote 5—Capital expenditures.....\$295,256,393

(Votes 1 and 5 agreed to on division)

OFFICE OF THE GOVERNOR GENERAL'S SECRETARY

Vote 1—Program expenditures.....\$4,996,577

(Vote 1 agreed to on division)

OFFICE OF THE PARLIAMENTARY BUDGET OFFICER

Vote 1—Program expenditures.....\$2,909,820

(Vote 1 agreed to on division)

OFFICE OF THE PUBLIC SECTOR INTEGRITY COMMISSIONER

Vote 1—Program expenditures and contributions.....\$1,252,472

(Vote 1 agreed to on division)

PRIVY COUNCIL OFFICE

Vote 1—Program expenditures.....\$37,571,013

(Vote 1 agreed to on division)

PUBLIC SERVICE COMMISSION

Vote 1—Program expenditures.....\$24,786,900

(Vote 1 agreed to on division)

SENATE

Vote 1—Program expenditures and contributions.....\$18,537,806

(Vote 1 agreed to on division)

SHARED SERVICES CANADA

Vote 1—Operating expenditures.....\$413, 909, 505

Vote 5—Capital expenditures.....\$75,026,057

(Votes 1 and 5 agreed to on division)

TREASURY BOARD SECRETARIAT

Vote 1—Program expenditures.....\$77,768,597

Vote 5—Government contingencies.....\$687,500,000

Vote 10—Government-wide initiatives.....\$798,250

Vote 20—Public service insurance.....\$599,726,349

Vote 25—Operating budget carry forward.....\$400,000,000

Vote 30—Paylist requirements.....\$150,000,000

Vote 35—Capital budget carry forward.....\$150,000,000

(Votes 1, 5, 10, 20, 25, 30, and 35 agreed to on division)

**The Chair:** Shall the chair report the interim estimates 2018-19 to the House?

**Some hon. members:** Agreed.

**The Chair:** Thank you very much, colleagues. I appreciate this. These will be reported tomorrow.

● (1255)

**Mrs. Alexandra Mendès:** Are we adjourned?

**The Chair:** We are adjourned.







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