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• (1100)

[English]

The Chair (Mr. Kelly McCauley (Edmonton West, CPC)): Good morning, everyone.

I call this meeting to order.

Welcome to meeting number 157 of the House of Commons Standing Committee on Government Operations and Estimates, known to everyone—except for Mr. Matthews, apparently—as the mighty OGGO.

Colleagues, I have just a couple of quick things.

Please give me a break today. My voice is faltering. Cheers all around, I know.

We have the minister for only one hour at the most, and I'm going to keep everyone to the exact five minutes, six minutes and two and a half minutes. Please watch your clocks.

Minister, welcome back. The floor is yours for five minutes, please.

[Translation]

Hon. Anita Anand (President of the Treasury Board): Thank you, Mr. Chair.

Members of the committee, thank you for inviting me to testify before you.

[English]

Before I begin, I'd like to acknowledge that we are gathered on the traditional unceded territory of the Algonquin Anishinabe peoples.

[Translation]

Today I am accompanied by officials from my department. We're here to give you an overview of supplementary estimates (B) 2024-25.

[English]

Canadians rely on us as their elected representatives to ensure that public funds are effectively and efficiently used to deliver important programs, services and supports.

[Translation]

Supplementary estimates (B) present information on the government's additional spending requirements in various priority areas.

Whether it's building more housing, the Canadian Dental Care Plan, Canada's National School Food Program or programs that contribute to the future of young people, the government will always invest in the priorities that matter most to Canadians.

[English]

Specifically, Mr. Chair, the supplementary (B)s seek parliamentary approval of \$21.6 billion in proposed spending across 79 federal organizations.

This includes \$742 million for the CMHC, including funding for the apartment construction loan program, the affordable housing fund and the housing accelerator fund.

These programs, Mr. Chair, help address housing shortages, develop infrastructure and streamline building processes.

[Translation]

Funding is also proposed for the implementation of the first-ever national school food program, which will provide meals for an additional 400,000 children each year, in addition to the meals served through existing school food programs.

[English]

The government continues to support the next generation of our workforce, and these supplementary estimates propose \$12 million for young entrepreneurs and \$15 million to allow Canadian students and teachers to access coding and digital skills training opportunities through our CanCode program.

In addition, the proposed spending includes funding for the Canadian dental care plan, which has already been accessed by 2.7 million Canadians across the country, which Conservatives want to cut.

These supplementary estimates bring a decrease of \$14.9 billion, or 6.2%, from the previous year's estimates at the same point.

In addition, the supplementary estimates include \$3.2 billion in additional statutory budgetary expenditures. Those are approved through legislation other than appropriation acts.

The proposed spending is primarily for the Canada carbon rebate, which will provide \$2.6 billion for small businesses and an additional \$307 million for individuals.

Non-budgetary expenditures reflect planned financial assistance to Ukraine and investment in the World Bank's capacity to help developing countries, and I would really hope that my Conservative colleagues would support these measures as well.

• (1105)

[*Translation*]

Mr. Chair, as you can see, the supplementary estimates target priorities that will deliver results for Canadians and those in need abroad.

[*English*]

As noted, proposed spending is spread across our government.

Among the largest proposed investments by department are \$4.5 billion to the Department of Indigenous Services for supports, including under Jordan's principle; \$3.3 billion to the Department of National Defence to support military procurement; and \$1.7 billion to the Treasury Board of Canada for recently signed public service collective agreements and public service benefits.

Lastly, Mr. Chair, I urge all parliamentarians to support these measures. I urge Conservatives in particular to stop playing partisan games so that MPs can debate important legislation.

[*Translation*]

The officials accompanying me and I are now ready to answer members' questions for an hour.

Thank you very much.

[*English*]

The Chair: Thank you very much.

We'll start with Mrs. Kusie for six minutes, please.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Thank you very much.

Thank you very much, Minister, for returning to this committee.

Your opening is just beyond rich. I'm going to read some facts to you about your government, Minister, that I'm sure you're very well aware of. CEBA reported yesterday that \$3.5 billion in funds were awarded to those who should not have received them. We've had the arrive scam scandal, and a \$9-million NYC condo. This is the most expensive government in the history of Canada. You're coming here and accusing us of playing political games at a time when your government has been completely irresponsible.

As I've said repeatedly in this committee, you are the one, Minister, who holds the purse strings. I'm actually shocked that the Prime Minister gave you another job, considering the responsibility you hold as President of the Treasury Board. Your efforts should be entirely focused here, as President of the Treasury Board, on reducing the deficit. I will also remind you that from April to September of this year, the deficit was already \$8.2 billion higher than it was the year before. The PBO, who we have coming in the following hour, said that you will miss the deficit target by \$6.8 billion.

This is my first question for you: Is this number of \$6.8 billion even accurate? Tell us today, Minister: How bad is the number? Tell Canadians.

Hon. Anita Anand: What I will tell Canadians is that unlike the Conservatives, who vote against supports for Canadians at every step.... Whether it be the national school food program, the dental care program, the Canadian Armed Forces, affordable housing or Jordan's principle, the Conservatives vote against Canadians every single time. I find it strange that you can say you actually do support Canadians and you do care about Canadians when you vote against Canadians at every turn.

The question really is very concerning—

Mrs. Stephanie Kusie: So, like the Prime Minister, Minister, it's clear that you don't know the number.

Hon. Anita Anand: —for all members of the House.

Mrs. Stephanie Kusie: The Prime Minister showed Pierre Poilievre that he didn't know the number last week. Like the Prime Minister, Minister, you don't know the number.

Hon. Anita Anand: That's false. I know the number.

Mrs. Stephanie Kusie: Tell me the number.

Hon. Anita Anand: I know the numbers, and we are definitely engaged—

Mrs. Stephanie Kusie: What's the deficit going to be this year? Tell the number to Canadians, please.

Hon. Anita Anand: We are definitely engaged with all departments in the government, including the Department of Finance, which holds the purse strings in terms of our budgetary commitments. We will be ensuring that the public accounts are delivered by the end of the year, where all of the numbers will be contained.

Mrs. Stephanie Kusie: Minister, you come in here and you talk about all these programs and how you're taking care of Canadians. You can't even take care of the public service. It's evident now. This was quoted in Policy Options this week: "If you lay out the puzzle pieces as we head into the fiscal update, it becomes clear that there is no path forward for this government...that doesn't go through the public service".

You couldn't even keep your promise to them to take care of them or to hold their jobs. Why should Canadians believe you can take responsibility for them when you can't even take responsibility for the public service?

Hon. Anita Anand: Again—

Mrs. Stephanie Kusie: You have stated now that you are going to look beyond attrition to cuts in the public service. We know from your track record and from our work on McKinsey and from the information about Accenture released yesterday by the Auditor General that you won't do it alone. Can you share with Canadians, please, whom you have hired to help you complete the layoffs in the public service?

• (1110)

Hon. Anita Anand: Again, I'm hearing more inaccurate statements by my honourable colleague.

I would first of all like to thank the public servants for their incredibly hard work. I would also like to say that our government will not be adopting DRAP-style measures like previous Conservative governments have done. We are continuing services to Canadians without any impact to delivery—

Mrs. Stephanie Kusie: What are you going to do to save the money, then, Minister? You have this deficit. You haven't met your deficits in recent years. The PBO says that you are overshooting the number that you gave already. You haven't been able to give a number here today. What are you going to do?

Hon. Anita Anand: We will continue to be here for public servants—

Mrs. Stephanie Kusie: When you arrived in this position, not this past summer but the summer before, you were so enthusiastic, so peachy-keen, about all the savings you were going to find. You haven't found these savings, Minister.

Hon. Anita Anand: Again—

Mrs. Stephanie Kusie: In fact, your financial position is worse.

Tell Canadians today: What do you plan to do? You've let down the public servants. Are you going to let down Canadians as well?

Hon. Anita Anand: Mr. Chair, those statements are inaccurate.

On professional services, we have actually saved approximately \$800 million, and we instituted a number of reforms to ensure there is more discipline in the system related to contracting with third parties. I announced those last March. They include an updated manager's guide, a revised directive on conflict of interest, a horizontal audit and the development of a risk and compliance process.

All of those measures, in addition to reducing the government's reliance on third party contractors, must be taken into account. They certainly weren't reflected in the honourable member's questions.

Mrs. Stephanie Kusie: What was reflected was the continued deficit and your letting down Canadians, which increases their taxes. You're talking about all of these programs. You don't seem to understand that these programs cost money—that they add, in fact, to the burden of Canadians. You are not keeping your promise to the public service or to Canadians, as evidenced by the continued deficit, including the one this year. You can't even tell me what it is.

Thank you very much, Mr. Chair.

Hon. Anita Anand: Perhaps the honourable member can explain why she's going to vote against 400,000 children and the national school food program.

The Chair: We will now go to—

Hon. Anita Anand: That's the question.

The Chair: I have the floor here, Minister. I said we'd stick to specific times.

Mr. Jowhari has the floor. I'm sure he can provide an opportunity.

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

Welcome, Minister and officials, to our committee. I promise this is going to be an exciting one.

You mentioned a number of times, in your opening remarks and responses, the national school food program. Minister, thank you for the government's ongoing commitment to supporting families across the country.

Could you share with us some of the important measures that aim to enhance the well-being of families?

Hon. Anita Anand: I was trying to explain to my honourable colleague the importance of a national school food program. I see that she has left the room. Unfortunately, she won't be able to hear the—

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): No, Mr. Chair.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): She's in the back. Can you grow up?

The Chair: Colleagues, the minister has the floor.

Hon. Anita Anand: Excuse me. I was unable to give the answer. That is what I'm trying to say. I wanted to, so I'm very pleased that my honourable colleague asked a question where I can mention the point.

There is, in the supplementary estimates, a national school food program that will feed 400,000 children, if approved.

Mrs. Stephanie Kusie: I have a point of order.

The Chair: I'm sorry. I'm stopping the clock.

Hon. Anita Anand: My honourable colleague and her party are going to vote against it.

The Chair: I'm sorry. I'm stopping the clock for a point of order.

Mrs. Stephanie Kusie: Mr. Chair, we know it's unacceptable to mention the absence of someone from the chamber. I expect the same rule to apply to committee.

I was in the room. The minister should know that I'm always watching her and what she's doing. If she wants to do the same for me, she can certainly feel free to do that. I'm happy if she wants me to wear an air tag.

Thank you very much, Mr. Chair.

The Chair: Thanks.

Please continue, Minister Anand.

Hon. Anita Anand: As I was saying, it's for 400,000 children across the country. That's 4,100 children in Newfoundland and Labrador, 19,000 children in Manitoba and 160,000 children in Ontario. I think it is incumbent upon anyone who purports to care for children and families, and the well-being of communities, to vote in favour of these measures. Conservatives have been against voting for families and getting meals at school. I would argue that is irresponsible, in terms of supporting Canadian families at this very stressful time in their lives.

We have made progress with some of the provinces, but the funding has not been approved yet. It needs to be approved in a timely manner, or the future of the program will be at risk. Kids and families are relying on us to get this done. We need to ensure that everyone in the House of Commons votes in favour of Canadian families and Canadian kids in these supplementary estimates.

• (1115)

Mr. Majid Jowhari: Thank you, Minister.

Another topic of serious concern in my riding of Richmond Hill, in York region and across Canada is car theft.

Although we've seen some decreases in car theft, carjacking is on the rise.

I want to get an understanding from you, Minister, on what specific measures are being implemented to effectively reduce these incidents. Is there any funding in these supplementary estimates to support it, and how important is it for us to support this?

Hon. Anita Anand: It is important. There is approximately \$8 million going to the CBSA and Public Safety to address the recent rise in vehicle thefts across Canada. CBSA is going to utilize immediate funding to focus on addressing the export of stolen vehicles, and these investments will build the foundation of CBSA's export control and the surveillance of stolen vehicles. They are targeted towards stolen vehicle exports, but the surveillance equipment that is being invested in is going to be able to address containers writ large.

The auto theft situation facing Canadians is completely unacceptable. As I said, there is approximately \$8 million in these supplementary estimates to address auto theft, and it would be responsible for everybody in the House to show support for Canadians who have suffered a stolen vehicle from their driveway.

Mr. Majid Jowhari: Thank you, Minister.

Those are, naturally, the two important topics of concern in my riding.

There are two other areas I want to quickly touch on. One is funding for access to information. I understand there's \$3.4 million for strengthening the access to information system as well as about \$3.2 million in funding for the Government of Canada's enterprise cybersecurity strategy. Can you expand on that one? How important is it? How will it help small businesses, and how will it help the government?

Hon. Anita Anand: There is \$3.4 million for strengthening the access to information system, and the funding is essential to maintain and operate the ATIP online portal, to re-establish a dedicated team to undertake the 2025 ATI review and to support the establishment of a systematic approach for the declassification of historical records.

I want to mention that, since 2015, we've taken steps to improve the Access to Information Act, including introducing the most significant reforms in 30 years. The Conservatives, on the other hand, have previously voted against funding for the Office of the Privacy Commissioner, diminishing Canadians' rights to access to information. Again, these supplementary estimates contain \$3.4 million for strengthening transparency and strengthening the access to information system.

Mr. Majid Jowhari: Thank you, Minister. I'm out of time. Another colleague of mine can ask about cybersecurity.

Thank you, Mr. Chair.

The Chair: Thank you very much.

Mrs. Vignola, you have six minutes.

[*Translation*]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you, Mr. Chair.

I would like to thank Ms. Anand, Mr. Matthews, Ms. Cahill and Mr. Brunelle-Côté for being with us today.

My first question concerns Canada Life, more specifically its international subcontractor MSH.

I'll start with that, because I get dozens of emails about MSH. People are having trouble getting reimbursed. The same problem exists at Canada Life. In fact, an employee in my office went through the process for three months before being reimbursed.

We are told that everything is going very well at Canada Life and that this company is even thinking of reducing its workforce because it no longer has many applications.

What explains this discrepancy between the messages I receive and the response Canada Life gives you?

• (1120)

Hon. Anita Anand: Thank you for the question.

The decision to have a contract with MSH is up to Canada Life. We have seen progress with this subcontractor. For example, call wait times in November 2024 for MSH were less than four minutes, and claims turnaround times in November 2024 for MSH were four days for full coverage and eight days for emergency travel.

We will have a lot of work to do in the future. However, we found that Canada Life's subcontractor, MSH, had made progress.

Mrs. Julie Vignola: Would it be appropriate to send you the emails I receive, with all due respect, so that you have another picture of the situation?

Hon. Anita Anand: As I said, we have more work to do, as does Canada Life. However, we have seen progress.

You can certainly send me the emails in question.

Mrs. Julie Vignola: Of the \$1.7 billion that the Treasury Board Secretariat is requesting in its budget estimates, \$24 million would be allocated to professional and special services.

What are these services and what are their objectives?

Hon. Anita Anand: I mentioned a few services in my opening remarks, but I can also give you some details.

For example, \$600 million goes to the Department of National Defence, mainly for engineering services as well as scientific and research services.

Mrs. Julie Vignola: Forgive me for interrupting, Ms. Anand.

I'm referring specifically to the \$24 million that would be earmarked for professional and special services from the Treasury Board Secretariat.

Hon. Anita Anand: We're going to spend this money—if we have the approval of the House—on human resources systems. We need to support services for our public servants and make sure they get paid.

Mrs. Julie Vignola: What I understand is that this \$24 million in professional services will be used to support human resources.

Is that correct?

Mr. Bill Matthews (Secretary of the Treasury Board of Canada, Treasury Board Secretariat): Mr. Chair, let me add a clarification. This is a contract to replace the Phoenix payroll system. As you know, a project that has been underway for over a year now is bringing in professionals from other companies to ensure that the department has the necessary expertise to move the project forward on the new system.

Mrs. Julie Vignola: All right.

So we're asking for \$18 million under vote 1b to fund the Next Generation Human Resources and Pay Initiative. Another \$24 million would also be earmarked to support all of this.

Did I understand correctly?

Ms. Karen Cahill (Assistant Secretary and Chief Financial Officer, Treasury Board Secretariat): In fact, this amount is included in the \$18 million. As the secretary and the president mentioned, there are other professional services that are required, including the online information access system, minor professional services, I would say, and cybersecurity.

• (1125)

Mrs. Julie Vignola: Thank you very much.

The 2023-24 departmental results reports have not yet been tabled.

When will this be done?

Hon. Anita Anand: We will first table the public accounts of Canada in the House by the end of the year. We will then table the departmental results reports.

[*English*]

The Chair: Thank you very much.

I have Ms. Blaney, please, for six minutes.

Ms. Rachel Blaney (North Island—Powell River, NDP): I thank you, Chair, and I thank the minister and her team for being here today.

I also want to give a special thank you to the amazing interpreters who seem to be able to interpret no matter what. Thank you very much for your hard work.

My first question, for the minister through the chair, is about the government's plans to reduce government spending by cutting public services. I'm wondering if there are departments where you're actually seeing any slowdowns. It seems like it's based only on saving money.

From what I've heard, most departments are fairly busy, and I think the general population has some serious concerns about understaffing in some of those realms. When is the government planning to cut jobs, and in what way will you be going through the different departments to make those decisions?

Hon. Anita Anand: I thank the honourable member for the question.

Our public service is composed of extremely hard-working public servants from across the country, who are providing very important services for Canadians at the highest level.

During the pandemic, we hired public servants to deliver emergency supports to Canadians. Now, in the postpandemic period, the Minister of Finance tabled in budget 2024 a plan to rely primarily on natural attrition for a reduction in the size of the public service. There are no DRAP-style public service cuts planned, as we saw in the Harper era.

At the current time, ministers are providing their plans to me and I'm reviewing them, but the decisions relating to refocusing government spending are taken by the ministers of each department.

As I said—

Ms. Rachel Blaney: Thank you, Minister. I don't mean to interrupt you, but I think you answered my question.

In that context, can you explain to me what “stop the clock” is? I’ve heard that a few departments have received that information, and I’m not sure what it means.

I appreciate what you’re saying, in that the ministers will be giving the information based on their department, but what is the timeline for them to give that?

Hon. Anita Anand: As I said, the ministers are providing their feedback now. No decisions have been taken on the budgetary commitments relating to the 5,000 through natural attrition, or the refocusing government spending project overall.

There are positions that we are certainly attuned to, such as automatic or term rollover positions, and I know my deputy minister, the secretary of the Treasury Board, can add something here.

Mr. Bill Matthews: The term “stop the clock” refers to term positions. There is basically a process in place whereby, after one works as a term for a consecutive period of time, after three years, they’re turned automatically into full-time indeterminate employees. However, the employer has the right to stop the clock on that if there are reasons why the automatic rollover would not be, I’ll say, a good decision.

Stopping the clock basically refers to pausing that time period.

Ms. Rachel Blaney: I understand that the departments that have heard about and been notified about this are PSPC, Justice, Canadian Heritage and Transport. That’s the information I’ve received.

Can you explain why those four have received that notification?

Hon. Anita Anand: Actually, I really want to stress that ministers, as a whole, received the notification by letter from me that they should examine their own individual departments in order to meet the refocusing government spending initiative as a whole. Whether it is with regard to the category you mentioned or anything else, no decisions have been taken, and we are still receiving that feedback from ministers.

Again, it is incorrect to say that we are planning full-scale cuts to the public service.

• (1130)

Ms. Rachel Blaney: I’m not implying that. I’m asking for clarity. I didn’t get a response to my question, which was why those four ministries have received the stop-the-clock notification. What I’m hearing from you, I think, is that the ministers get to decide how they’re going to do it, and maybe these four ministers have made that decision.

Mr. Bill Matthews: Mr. Chair, I can give an example of PSPC, which was cited as one of the four, as a very common-sense one. We just talked about the system replacement under way for Phoenix. There are a lot of terms who are working on Phoenix. Given the planned replacement of Phoenix, which may not require the same degree of manual support as Phoenix, it doesn’t make sense to be automatically rolling terms over.

Ms. Rachel Blaney: Okay. That helps me, but what I’m trying to understand is whether it is a decision of the ministers to do that or it is the decision of the minister here with us today. I’m trying to understand how that process works.

Hon. Anita Anand: This is not the President of the Treasury Board deciding what’s going to happen at PSPC, ESDC or any of those things. I will say that the process we are following is slightly different from the first refocusing government spending initiative, in light of what was said in the budget about reducing the size of the public service by approximately 5,000 through natural attrition. That’s our goal.

The Chair: Thank you, Minister. That is our time.

Hon. Anita Anand: That’s our goal.

If you have other questions, we’d be happy to answer them.

The Chair: I’m going back to Mrs. Kusie for five.

Mrs. Stephanie Kusie: Thank you, Chair.

Okay, Minister. As was reported in The Ottawa Citizen yesterday, you have begun a multi-billion-dollar spending review.

Can you please share with the committee the name of the consulting firm that is helping you with this multi-billion-dollar spending review?

Hon. Anita Anand: I have no knowledge of any third party contractor assisting with this process, but I will turn to the officials, in case they have knowledge on—

Mrs. Stephanie Kusie: You should have knowledge of everything, first of all. I’ll start by saying that.

Mr. Matthews, answer briefly, please.

Mr. Bill Matthews: From a TBS perspective, we are organizing and running our GS2, greening government strategy, initiative through the expenditure management sector, and there are no contractors or companies hired.

What we cannot say is whether any department specifically hired a consulting resource to help them develop their own proposals. We would not have a line of sight on that.

Mrs. Stephanie Kusie: Again, you are the Treasury Board and overseer of all departments regarding finances, so I would expect there to be knowledge of that.

Minister, if I were to do an OPQ, Order Paper question, would anything come up on a third party relative to this process, outside of what Mr. Matthews said?

Hon. Anita Anand: Mr. Matthews’ comments are ones that I support.

Mrs. Stephanie Kusie: Okay.

If I were to do an ATIP, I wouldn’t find any information, currently, on a third party consulting firm.

Hon. Anita Anand: You're welcome to file any type of request you want, whether it's an OPQ or an ATIP. I'm telling you what I know in honesty.

Mrs. Stephanie Kusie: I appreciate that.

You are telling me, then, that the Trudeau government is doing all of this on its own right now. It's being completely handled by your Prime Minister and you, the minister for the Treasury Board.

Hon. Anita Anand: I am telling you that the process we are following is this: I have sent a letter to each minister to provide me with details regarding how they're going to meet the targets related to refocused government spending, including reducing the size of the public service by 5,000 through natural attrition. We are receiving those submissions now. We will review them, and we will table results in the main estimates, if all goes well.

Mrs. Stephanie Kusie: Okay, thank you.

This is from a government that the PBO says is \$6.8 billion over the deficit. As far as you know, the Trudeau government, under the Prime Minister's leadership, is managing all of this. God help us all.

• (1135)

Hon. Anita Anand: That's—

Mrs. Stephanie Kusie: Minister, I will go on to my next subject now, which is something that has been very dear to this committee. It is the arrive scam scandal.

You promised this committee several months ago—possibly a year ago now—that you would recoup the \$64 million from the fraudsters and scammers who took money out of the pockets of Canadians. You told this committee and Canadians that you would recoup this money. This, of course, is a scandal under RCMP investigation and the House ordered a review to ensure the return of the money.

My question for you today, on behalf of Canadians, is this: How much of the \$64 million dollars have you recovered, Minister?

Hon. Anita Anand: The RCMP investigation is continuing. I said that, when we receive the report by the RCMP, we will recoup the lost monies of Canadian taxpayers.

Mrs. Stephanie Kusie: Okay. That sounds like zero.

I'm sure you have a process in place that you have started.

What type of confirmations have you received about funds you will recoup, wherein certain vendors have said, "As soon as this process is completed, we will return these funds"? What commitments have you received in terms of funds expected to be returned to you? Give a number, please.

Hon. Anita Anand: Mr. Chair, as I mentioned, the RCMP investigation is ongoing. We have a commitment to recoup taxpayer dollars at every turn. We accepted the recommendations of the Auditor General relating to those issues, and we will continue to ensure we adhere to the recommendations. That's why I implemented reforms in March 2024 with a revised directive on conflict of interest, increased contract—

The Chair: I'm sorry. We're past our time—

Mrs. Stephanie Kusie: Where's the money, Minister?

Hon. Anita Anand: —information, a horizontal audit—

Mrs. Stephanie Kusie: Please get Canadians the money. Thank you.

Hon. Anita Anand: As soon as we have a report from the RCMP, we will move on.

The Chair: I'm sorry. We are past our time, both of you.

We're going to Ms. Atwin.

Mrs. Jenica Atwin (Fredericton, Lib.): Thank you very much, Mr. Chair.

Thank you, Minister and your team of officials, for being with us today.

I'm just going to pick up a bit on what some of my colleagues were asking about with regard to the public service, with a shout-out to the incredible public service workers from New Brunswick.

We have a lot of discussions around whether regional concerns might be taken into consideration. Of course, I'm thinking about Fredericton, as our capital, but I'm also thinking about Caraquet or Charlo.

Do you know if there's any conversation or discussion around considering rural communities and how they might be impacted by cuts in the public service?

Hon. Anita Anand: Again, each minister is responsible for their own portfolio. Those decisions and considerations would be with the minister itself.

I know that Minister Gudie Hutchings is very committed to ensuring there is regional consideration. I will certainly take this comment back to her.

Thank you.

Mrs. Jenica Atwin: Thank you very much.

Another issue that is near and dear to my heart is the non-insured health benefits program. When I was first running for office, there were a lot of issues that people cared deeply about, but it's one issue where my stepfather actually came to me and said, "Can you please fix the non-insured health care benefits program?"

For anyone who's used it, it's very cumbersome. It's been incredibly difficult for many people to navigate. I was really excited to see that Indigenous Services is requesting \$562.5 million for the non-insured health benefits program. Their operating expenditures are \$505.7 million and then there's \$56.8 million for the grants and contributions.

Do you know if this funding will be used to address some of those gaps in benefits or to streamline service delivery as identified in the ongoing joint review of the program?

Hon. Anita Anand: It is certainly something that we are taking a look at. There is funding within the supplementaries for us to do that. Given that we have a number of officials here today, I'm glad they're able to hear your questions so they can take it forward.

Thank you.

Mrs. Jenica Atwin: That's excellent. Thank you very much.

I note as well that a lot of the concerns came to light through the Canada dental care plan, which is fantastic, but it was able to shed light on some of the issues within the non-insured health care benefits program too. I'm so happy to see any improvement there for services for indigenous peoples.

Another critical piece that you mentioned is Jordan's principle. That's also so important to the community members I represent. I'm seeing that Indigenous Services is also requesting \$955.2 million for reforms to the first nations child and family services program. This improves services for children to be cared for in their communities—to respect the communities' jurisdiction—and then also \$725 million for the continued implementation of Jordan's principle.

Can you tell me what the planned reforms are for the first nations child and family services program and what the timeline for their implementation might be?

• (1140)

Hon. Anita Anand: Sure, and then I'll ask Antoine if he has anything to add.

The first nations child and family services, as well as services and support under Jordan's principle, are amounts that are committed given the decisions that have been provided by external adjudicative bodies. We're very much looking to comply with our legal obligations, as well as to support truth and reconciliation with those numbers that you mentioned.

However, Antoine may have something else to add.

Mr. Antoine Brunelle-Côté (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat): No. I think the answer was a good answer. For first nations children, the money will provide access to needed health, social and education products, services and supports. That's what the money is going to be used for.

Mrs. Jenica Atwin: Excellent, and of the requested funding, is there an amount allocated to improving the availability of safe and adequate housing for children on reserve?

Mr. Bill Matthews: Just given the detailed nature of program design, it's actually probably best for us to follow up off-line with the responsible department and maybe come back with information on how they plan to spend the money with those considerations.

Hon. Anita Anand: But the bottom line is, yes, there is.

Mrs. Jenica Atwin: Okay. Thank you very much.

I have about one minute left.

I'm going to turn to my colleagues at Crown-Indigenous Relations, because we're also interested in their supplementary estimates. I see that they're requesting \$532.7 million to settle land-related claims, should agreements be reached.

Do you know what the average length of time to settle a land claim would be? What proportion of this time relates to government approvals?

Hon. Anita Anand: I appreciate the question.

I would say that the bottom line on that one is that it varies. The process of settling land claims can take weeks, months or years, depending on the negotiation, the size of the piece of land that is being negotiated, and historical treaties, as well as discussions about the value of the land.

I know that Minister Anandasangaree has been working extremely hard to try to ensure that these land claim settlements proceed. You would have seen an agreement with the Métis nation of Manitoba recently along those lines.

Thank you.

The Chair: Thank you. That is our time.

We'll now go to our two-and-a-half-minute rounds.

Mrs. Vignola, please go ahead.

[*Translation*]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Ms. Anand, I'm going to go back to the answer you gave earlier regarding the reports on departmental results and the public accounts of Canada.

You say that these documents will be tabled by the end of the year. I assume that means by December 31, that is, nine months after the end of the fiscal year. If I'm not mistaken, the public accounts of Canada and departmental results reports are only tabled when the House has been in session for at least 15 days. However, on December 31, we are not in session.

Do I understand that we'll be receiving the departmental results reports and the public accounts of Canada around January, or even February, almost a year after the close of the last fiscal year?

Is the government open to the idea of modifying this timetable so that parliamentarians from all parties can do their auditing work?

Hon. Anita Anand: As I said, we will file them in accordance with what is provided for in the legislation. We have already discussed these accounts and results with the Department of Finance.

In addition, we have sent our documents to the Auditor General. As soon as she has completed her review, we will proceed with the signatures.

Mr. Bill Matthews: Mr. Chair, I just want to mention two quick points.

I know everyone will be really pleased to receive the reports the minister mentioned.

• (1145)

[English]

However, a member has already mentioned the "Fiscal Monitor" report, which gives ongoing transparent updates on government spending and financial results. I would add GC InfoBase, which is a tool that's transparent and available online that will provide members information throughout the year on departmental spending and performance, if they're interested.

[Translation]

Mrs. Julie Vignola: Thank you very much.

Previously, pilot training was provided by the Royal Canadian Air Force. This training will now be provided by SkyAlyne Canada.

Why did you decide to outsource pilot training and pay an additional \$659 million for it?

[English]

The Chair: I apologize, as there's no time left for an answer. Perhaps you can provide the committee with a written response.

We now have Ms. Blaney.

Go ahead for two and a half minutes, please.

Ms. Rachel Blaney: To come back to the public service jobs, I do just have one more question.

I know that at this point in Canada, people aged 65 and over outnumber those aged 18 and under, and we know this is just going to continue to grow. As we see more people aging in the system, I'm just wondering if there's an assessment happening at every department level about the services they provide to seniors and how those may need to grow and be more accessible for people as they age.

Hon. Anita Anand: It's a really good question, and it's certainly one I have spoken with Minister MacKinnon about in terms of his responsibility for seniors. The digitization of the pay systems, for example, or immigration systems are always taken with a GBA+ analysis in mind. GBA+ refers not only to gender-based analyses but also to other groups in terms of how government services are going to be delivered. So, yes, we do keep the concerns relating to our aging population in mind.

Ms. Rachel Blaney: Thank you. I appreciate that. I would say that a lot of seniors have concerns and they've faced challenges, so I hope there's some point to listening to that.

The next question I have, of course, is about the federal pension plan. I understand that a second audit has been requested of the chief actuary. I'm just wondering if you could share with us what prompted you to ask for this second audit. How are you addressing the issue where we know that the pensions are paid not only by taxpayers, but also by workers? Workers are very concerned that the money they've contributed is going into the coffers of the government and there's no support for them and their contributions. How are those two things being addressed?

Hon. Anita Anand: The opinion you're referring to, I believe, is not the audit; it's a secondary examination through an actuarial valuation simply to address some issues that may not have been taken into account in the audit, but the audit itself on non-permitted sur-

plus and the actuarial reports, which I tabled a couple of weeks ago, stand as true.

The Chair: I apologize again. We are past our time, and we committed to get you out of here on time.

Perhaps you can provide a more fulsome response in writing to us.

We'll now go to Mr. Genuis, and then we'll finish up with Mr. Kusmierczyk.

Mr. Garnett Genuis: Thank you, Chair.

Thank you, Minister.

I was surprised to see the government vote in favour of my motion to ban double-dipping. That was a motion to prevent government employees from doubling as outside contractors. I was pleasantly surprised.

Will the government now implement this motion and finally ban double-dipping?

Hon. Anita Anand: Thank you to my honourable colleague for bringing forward that motion.

As you know, we are continuously looking at how to inject more discipline into the system. That's why I introduced the revised directive on conflict of interest, which directly addresses the point that my honourable colleague is making as well as the horizontal audit and decision-making.

Mr. Garnett Genuis: Minister, I'll just jump in. My question is specific. It's about the motion you voted for in the House of Commons, as did your colleagues. That motion wasn't to reaffirm these various other policies; it was to outright completely ban the practice of double-dipping.

Is it the intention of the government to follow through on the unanimous vote of the House of Commons and to ban outright double-dipping, which I think you'll acknowledge goes further than these existing policies?

Hon. Anita Anand: Again, I thank my honourable colleague for bringing forward the motion and for voting in favour of it.

As I said, we are continually looking at how we can improve the directive on conflict of interest. We've revised it already this year, and we're looking at further ways we can strengthen the conflict of interest policy.

Mr. Garnett Genuis: Can I infer from what you're saying that a decision hasn't been made yet on whether to actually implement this motion? If you're continually looking at it, that sounds like you're saying that you might, but you haven't decided yet.

• (1150)

Hon. Anita Anand: As I said, I'm very committed to ensuring that we have stringent rules in place relating to the directive on conflict of interest. With other ministers, we'll continually look at how that can be strengthened and improved.

Mr. Garnett Genuis: I don't think we got a clear answer. I would think that you could simply affirm that you would implement the motion that you voted in favour of in the House—voted unanimously in favour of. I hope we will still see a ban on double-dipping, but it seems like there's not a clear commitment to do that.

For my next question, the company started by Randy Boissonnault, GHI, has been suspended from getting government contracts. We think it should be banned permanently. Can you update us on why it was suspended and on whether the government is going to ban it completely?

Hon. Anita Anand: This would be a question for Minister Duclos at PSPC rather than me, given that he has purview over government contracting.

I will say that the individual in question has, I understand, agreed to come to committee to answer questions, and I believe that question could be posed to him. In addition—

Mr. Garnett Genuis: Is the individual in question Randy?

Hon. Anita Anand: I believe that the individual will be coming to committee.

In terms of the banning of contracts, which was the heart of your question, I will take that question back to Minister Duclos, but the company—

Mr. Garnett Genuis: I would love to see Randy at committee, by the way.

I have one final question I want to ask in the time we have left. Indigenous leaders have repeatedly told this committee that indigenous identity fraud is rampant in government and that the proportion of real indigenous businesses that get contracts isn't 5%; it's closer to 1%.

How many businesses have been denied contracts or have faced consequences for indigenous identity fraud?

Hon. Anita Anand: I would agree that identity fraud is painful and harmful. In terms of the numbers relating to companies denied contracts because they're not on the list, I don't have that information.

Mr. Bill Matthews: If I could, Mr Chair, I can give—

Mr. Garnett Genuis: I want to clarify that, though. It's not because they're not on the list, but because of indigenous identity fraud. That could be companies that misrepresented themselves in order to get onto the list or that claim to be indigenous businesses when they were not. We have, I think, over 1,000 businesses that have been taken off that list. There may be various reasons, but one of them could be indigenous identity fraud.

How many businesses have faced consequences or have been denied contracts for indigenous identity fraud?

Mr. Bill Matthews: I'll give you a partial answer, Mr. Chair.

ISC, the department responsible for the actual list, does pre-contract audits as well as post-contract audits. The latest information I have is that it has done 14 audits, in terms of pre-award audits. Two have been found non-compliant. There are 16 other post-award audits under way. There are no results yet.

Mr. Garnett Genuis: That's not really an answer about consequences, but two out of 14 companies that were audited were found to be non-compliant. That's not as high a proportion as we're hearing from indigenous leaders, but two out of 14 is still fairly significant.

Have there been any consequences for those two?

The Chair: I'm afraid that is our time.

Mr. Garnett Genuis: Can we get a follow-up in writing? Have there been any consequences for those two?

Frankly, I suspect there haven't been.

Hon. Anita Anand: We'll find out for you.

The Chair: We'll now go to Mr. Kusmierczyk, for five minutes, please.

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): Thank you, Mr. Chair, and thank you so much, Minister, for joining us here once again and for your testimony.

I want to begin by talking about housing. It's a big issue, obviously, in communities, as well as in my community, and really across Canada. We're seeing signs that the programs we've put forward are working. Our community in the town of Tecumseh has availed itself of the housing accelerator fund. There is the apartment construction loan program, and we're reducing the GST off of purpose-built rentals.

You're seeing, for example, in Windsor, university student housing being built at the University of Windsor. There are 400 units being built. You're seeing, for example, the Gateway project, which was a partnership with a private investor. It's a private developer-led project that is creating 99 homes, of which about 30 are affordable in the town of Tecumseh. It's a beautiful building. The Meadowbrook project, is the first public housing project built in Windsor-Essex in the last 30 years. There are about 145 affordable units there.

We're seeing these signs of housing getting built, which is a complete reversal from when the Conservatives were in power. They didn't build a damn thing. Not only that, but they're talking about actually cutting the housing accelerator fund and other such programs. It's even to the point right now where Conservative MPs are forbidden by their leader from talking about the housing accelerator fund. I mean, this is the most important issue right now facing young people in my community and across Canada.

Minister, what do we have inside these supplementary estimates that addresses housing directly?

• (1155)

Hon. Anita Anand: It is concerning that members of that caucus cannot deliver support, such as funding for housing projects in their very own ridings. However, with regard to the numbers, we have \$135.9 million for the Canada housing benefit, \$99.3 million for the affordable housing fund, and \$27.4 million for the co-op housing development program.

You can see how seriously our government takes addressing the affordable housing issue. We would very much like to see all members of the House supporting these initiatives.

Mr. Irek Kusmierczyk: Thank you so much for that response, Minister.

I want to now turn to Ukraine. We had a chance, when you were in Windsor a few months ago, to meet with the Ukrainian community in Windsor-Essex at the Polish hall, if you recall. There are 12,000-plus Ukrainians who call Windsor-Essex home in my community. It's a big community. They've obviously been following the situation in Ukraine very closely. They see the investments we're making in military support, financial support and humanitarian support. We stand shoulder to shoulder with our Ukrainian friends here in Canada and, obviously, in Ukraine and abroad.

I also had a chance to meet with the speaker of the Ukrainian parliament, Ruslan Stefanchuk, just last week. We talked about the importance of continuing to make investments to support Ukraine and stand in solidarity.

Can you speak about some of the investments in these estimates that support Ukraine and also support the Canadian Armed Forces?

Hon. Anita Anand: Certainly. There is \$763 million for military aid to Ukraine; \$659 million for air crew training; \$561 million for the Canadian multi-mission aircraft project; and \$299 million for sustaining the Halifax-class frigates. These are all items that are in our supplementary estimates.

Again, it is surprising that opposition members can't find it within themselves to vote in favour of supports for the Canadian Armed Forces, or for Ukraine that is fighting for democracy within its own borders, as well as in the world at large.

Mr. Irek Kusmierczyk: Thank you, Minister.

I have one final question, actually, for Mr. Matthews.

Peter Julian, from the NDP, stated on Twitter that "Conservative MPs arrived drunk at the House of Commons last...night.... They screamed, disrupted proceedings [so] that parliamentary pages" had to be ushered out of the lobby—

Mr. Garnett Genuis: I have a point of order here.

Chair, this is just obviously BS. The lies Peter Julian tells on Twitter are, frankly, beneath Mr. Kusmierczyk to repeat. If they're not beneath him, they're certainly beneath this committee.

We have a minister of the Crown here for an hour and this is the garbage you come up with.

I expect so much better of you and I thought so much better of you.

The Chair: Thanks, Mr. Genuis.

Finish up, Mr. Kusmierczyk, please.

Mr. Irek Kusmierczyk: I just want to ask, on the topic of pages having to be apparently ushered out of the House of Commons chamber—

Mr. Garnett Genuis: This is not on topic.

Mr. Irek Kusmierczyk: —making sure that we have a safe, responsible workplace is vital—

The Chair: I have to interrupt—

Mr. Garnett Genuis: I heard you were drunk in the House. That's what I heard. I don't know if it's true, but that's what I heard.

The Chair: Colleagues, I have the floor. Please don't make me use what's left of my voice.

That is our time for today.

Unfortunately, you have used up your five minutes, Mr. Kusmierczyk.

Before we dismiss you, we have about 20 seconds, so I'll ask this really quickly: When do we have the departmental results coming out? Do you have an exact date?

Hon. Anita Anand: That was a question that my colleague was asked—

The Chair: I know that, but do we have an exact date?

Hon. Anita Anand: I answered it by saying that once we've tabled the public accounts, we will be tabling the DRRs, possibly on the same day. We're working on that right now.

The Chair: I have just a last question. On the public accounts, last Wednesday at the Senate finance committee, your officials were asked very specifically if the final reports had gone to the Auditor General. They delivered a very misleading response.

Could you respond why they would mislead the Senate finance committee and Canadians on that issue?

• (1200)

Mr. Bill Matthews: Mr. Chair, I feel like I need to answer that the official in question is with us at the table and that later in that meeting, he clarified during testimony that he was not sure if it was the final version.

The Chair: He revised his answer after being confronted by the chair. I'm just trying to figure out why misleading information was given to Senate finance committee and therefore to Canadians.

Mr. Bill Matthews: If I may, Mr. Chair, he provided subsequent clarification at the table and also with follow-up to the committee.

The actual version of the financial statements comes from the receiver general, not his shop, so I think we've clarified that we have the final version with the Auditor General now and are collaborating to finalize those public accounts.

The Chair: Thank you very much.

With that, we are suspending for a few minutes and bringing in our new witnesses.

Hon. Anita Anand: Thank you, Mr. Chair.

The Chair: Minister Anand, Mr. Matthews, Ms. Cahill and Mr. Brunelle-Côté, thank you very much.

You are dismissed.

• (1200)

(Pause)

• (1205)

The Chair: Good afternoon. We are back.

Before we start, colleagues, at the end of today, we have to pass a budget for one of our meetings. It has been distributed. Then we'll have to do a very quick vote on the estimates. I'm hoping that we can agree to lump them all together as one block and pass them today.

I would like to welcome back Mr. Giroux, a great friend and an honorary member of OGGO, and his colleagues, Mr. Creighton and Ms. Giswold.

Welcome back.

Do you have an opening statement, sir? Please go ahead.

Mr. Yves Giroux (Parliamentary Budget Officer, Office of the Parliamentary Budget Officer): I certainly do have an opening statement. I was told I was allowed 30 minutes, but I'll make it shorter than that.

The Chair: That is our time. We will now go to....

[Translation]

Mr. Yves Giroux: All right.

Good morning, Mr. Chair and members of the committee.

I sincerely thank you for inviting us to appear before you today.

We are pleased to be with you to discuss our report on supplementary estimates (B) 2024-25, published on November 20, 2024.

With me today I have our lead analysts on the report, Mark Creighton and Jill Giswold.

The supplementary estimates (B) 2024-25 outline an additional \$24.8 billion in budgetary authorities. Voted authorities, which require approval by Parliament, total \$21.6 billion.

Statutory authorities, which the government already has Parliament's permission to spend, are forecast to increase by a total of \$3.2 billion.

The forecasted increase in statutory authorities is largely driven by the Canada Carbon Rebate, including \$2.6 billion for small businesses and \$307 million for individuals.

Roughly one quarter of proposed budgetary authorities, or \$6.4 billion, is related to 143 Budget 2024 measures. To support parliamentarians in their scrutiny of Budget 2024 implementation, we have updated our tracking tables, which list all budget initiatives with planned spending in fiscal year 2024-25, the planned

spending amounts and the corresponding legislative funding authority.

• (1210)

[English]

Nearly one quarter of proposed spending, or \$5.9 billion, falls under the indigenous portfolio, primarily for indigenous-related programs and claims. A notable amount of planned spending in these supplementary estimates relates to military procurement and support, including support for Ukraine. Planned spending on personnel accounts for approximately \$2.9 billion of proposed authorities, with more than half, or \$1.6 billion, going to the Treasury Board of Canada for negotiated salary adjustments and the public service insurance plans and programs.

Supplementary estimates (B) often follow the tabling of the public accounts; however, the public accounts for the previous fiscal year, 2023-2024, have yet to be released. The delayed publication of the public accounts prevents parliamentarians from having more time to conduct *ex post* financial scrutiny and obtain better information to assess the government's budget plans and estimates, including these supplementary estimates.

Parliamentarians have approximately three weeks from tabling, or one week from today, to approve the government's financial request. Should the supplementary estimates (B) not receive parliamentary approval by that time, departments may be required to cash manage their operations.

Mark, Jill and I would be pleased to respond to any questions you may have regarding our estimates analysis or other PBO work.

Thank you.

The Chair: Thank you, Mr. Giroux.

We'll start with Mr. Morantz.

Welcome back to OGGO, Mr. Morantz. You have six minutes.

Mr. Marty Morantz (Charleswood—St. James—Assiniboia—Headingley, CPC): Thank you, Mr. Chair. It's a pleasure to be here.

Mr. Giroux, I have a few questions for you, but I just want to start with the latest Statistics Canada reporting that, for the last six quarters in a row, GDP per capita has declined in Canada. Would you agree that Canada is in a GDP-per-person recession?

Mr. Yves Giroux: It's true that, when you have GDP-per-capita decreasing, it means that households are not getting richer. In fact, their standard of living is going lower; however, GDP-per-capita recession is not a term that is widely used, so we tend to define a recession by GDP itself, namely, real GDP declining.

Mr. Marty Morantz: It would be fair to say, though, that GDP per capita is receding as opposed to growing—

Mr. Yves Giroux: Yes.

Mr. Marty Morantz: —even though we can't officially call it a recession.

In your report, you estimated that the deficit will actually be just under \$47 billion, roughly \$7 billion higher than the Minister of Finance declared in the budget. We also have, at least, an additional \$6 billion in new expenditures from the GST holiday and the \$250 cheques. The Minister of Finance promised a fiscal anchor that supposed a declining debt-to-GDP ratio. Will she be able to keep that promise?

Mr. Yves Giroux: Well, it's difficult to say for certain. However, the GST holiday that was recently announced is in this fiscal year. The \$250 cheques, if they were approved by Parliament, would probably be in the next fiscal year, so there is a possibility that it will not significantly affect the capacity of the government to meet its fiscal anchor. However, based on our assessment, it is quite possible that the declining debt-to-GDP ratio anchor will be at a high risk this year and, next.... It's also quite a possibility if the increase in the capital gains inclusion rate does not materialize. Then the fiscal anchor of a declining debt-to-GDP ratio would be more than jeopardized: It would be, probably, busted this fiscal year.

Mr. Marty Morantz: Thank you for that.

You have some concerns as to whether or not the fiscal anchor can be met.

Mr. Yves Giroux: I do, especially if the expenditures recently announced do materialize and the capital gains inclusion rate does not materialize. That would mean that some revenues, several billions of dollars that the government was or is banking on this fiscal year, will probably not happen if that legislation is not passed.

• (1215)

Mr. Marty Morantz: Thank you for that.

Regarding your fuel charge report, I know we've talked ad nauseam about the fact that Canadians pay more than they get back. That's been well-established in your reporting over the last number of years, and that's just an indisputable fact. One aspect that I found interesting, though, when I was rereading your report, was that you actually say in the report that people's incomes will be lower as a result of the fuel charge. I don't think that's something that we asked you about before in committee. Are you saying that, as a result of the carbon tax fuel charge, people's incomes in Canada are actually lowered?

Mr. Yves Giroux: Well, in aggregate, yes, because if you impose a fuel charge or a tax on various sectors of the economy, conventional wisdom suggests that the activity in these sectors will be lower—slightly or significantly lower—but it will certainly be affected by a fuel charge or a tax. Both the labour income and the investment income derived from the affected sectors are likely to be

lower—slightly lower in that case—and that's based on modelling from Environment and Climate Change Canada. It's not just our own modelling.

Mr. Marty Morantz: Who would be worst affected? Whose income would be most adversely affected by this policy?

Mr. Yves Giroux: It's those who have investment interests in the sectors that are most heavily affected by a fuel charge, so oil and gas. I think transport is one sector that would be affected, as well as individuals working in these sectors in which profits would be lower and, presumably, economic activity will be negatively affected.

Mr. Marty Morantz: It's not just investment income; it's income from labour as well.

Mr. Yves Giroux: Yes.

Mr. Marty Morantz: Do you have any numbers on how much, on a sector-by-sector basis...or an example of a sector or a few sectors in which incomes were lowered?

Mr. Yves Giroux: I don't have these numbers off the top of my head, but there are numbers that we have provided in our reports, I think—well, in our previous reports. We have some broad sectors that would be affected, and we have quantified the impacts for these broad sectors.

Mr. Marty Morantz: Is that something that could be tabled?

Mr. Yves Giroux: Yes.

Mr. Marty Morantz: I appreciate that.

The \$2.6 billion that's supposed to be going back to small businesses, from the small business rebate in the estimates, that money should have been paid annually over the last seven years, but the reality is that the federal government dragged its feet and is, now, finally getting around to paying it. There are businesses that don't exist anymore, that actually went out of business—people who went bankrupt because they couldn't make ends meet—that this money could have really helped. How can we make those businesses whole? Is it wrong that they are not getting money that they should have been entitled to had their businesses survived?

The Chair: Give a brief answer, please.

Mr. Yves Giroux: I think it will be very difficult to provide that rebate to businesses that no longer exist. That's probably as much as I can say.

The Chair: Thank you very much.

Mr. Sousa, go ahead, please.

You're on mute, sir.

Mr. Charles Sousa (Mississauga—Lakeshore, Lib.): Thank you, Mr. Chair.

Thank you, Mr. Giroux, for being with us again today.

My questions are as follows: What criteria were used to determine the allocation of the \$24.8 billion in spending outlined in the supplementary estimates (B)? How do these priorities align with the government's fiscal objectives?

Mr. Yves Giroux: The question, if I understand it correctly, is about how we determine the criteria to allocate these fundings. Is that what you're referring to?

Mr. Charles Sousa: There are criteria that have been used to determine the allocations of the dollars spent, and I want to know from you how those were assessed and how they meet, then, the priorities of the government's fiscal objectives. You've been following what the government is doing, and now these things have taken place, so I just want your perspective.

Mr. Yves Giroux: It's a government decision to allocate spending in the supplementary estimates or to seek spending in the supplementary estimates. The decision to allocate spending is usually made in the budget by the Minister of Finance and the Prime Minister. Depending on the state of advancements of each proposal, they're either tabled or included in supplementary estimates (A) or (B), and whether they're in supplementary estimates (A) or (B) determines how advanced they are in their development and whether there are enough details for central agencies, notably the Treasury Board Secretariat, to determine whether they can let that go in supplementary estimates (A) or (B).

The categories under which they fall are by their own definition and the very nature of these expenditures. If the Department of Indigenous Services, for example, is seeking money to deliver on programs, it is operational money. On the other hand, if it needs capital spending to build infrastructure, then it goes into capital expenditures, which is a different vote structure under the Treasury Board methodology or terminology.

• (1220)

Mr. Charles Sousa: Thank you for that.

Would you be able to elaborate, then, on the expected impacts of the Canada carbon rebate for small businesses and the individuals on overall carbon emissions? I know the prior question made reference to it, but can you tell me about the impact it would have, consequently, on carbon emissions?

Mr. Yves Giroux: Well, the Canada carbon rebate itself would probably not have a significant impact unless the small businesses and the households receiving the rebate were to use that spending to invest in equipment that emits less or no carbon at all.

When it comes to the fuel charge itself, the impact has been assessed by Environment and Climate Change Canada to be at about 15 megatonnes of reduction of emissions by 2030-31, which was included in our latest report.

Mr. Charles Sousa: Can you tell us more about the military procurement spending outlined in the estimates, and how does the spending align with Canada's defence strategy and, of course, our commitments to NATO?

Mr. Yves Giroux: The spending allocated through the supplementary estimates (B) to DND will contribute to funding the military operations. There is some money there for assistance to Ukraine, but there is also quite a bit of money for support of military operations. I think there is air crew maintenance or training. There is also some operational funding for the Halifax-class frigates. These are all contributing towards reaching or getting closer to our NATO spending target of 2% of GDP, even though Canada is not there yet.

That's probably as much as I can say, not being in the minutiae of DND spending.

Mr. Charles Sousa: Yes, I appreciate that. I mean, the purpose of some of these questions is to reaffirm that the government has made some commitments with respect to its budget. It's a living document, so things change accordingly, and other things are advanced. However, it's always with an alignment to succeed in terms of what the government's priorities have been.

For example, my next question is this: What trends, then, do you anticipate in the future budget proposals by government, particularly regarding spending priorities and fiscal sustainability, which is something that we're all preoccupied with?

Mr. Yves Giroux: When it comes to future spending, I think we'll have to see what the budget tells us—or a fall economic statement, if there is one. However, I expect future supplementary estimates—if there are supplementary estimates (C) this year—and the main estimates to continue to include spending on government priorities, which have been laid out in various documents recently—budgets 2023 and 2024, as well as ministerial and prime ministerial statements.

You're probably much better aware of the details of these priorities than I am. I would expect to continue to see spending in these areas.

Mr. Charles Sousa: Fiscal sustainability to support some of the programs that we're talking about is essential. I know that our overall growth of GDP and our ratings as a country relative to the other G7 countries are still strong. We want to maintain certain measures as we go forward, in order to protect the interests of Canadians and to enable us, certainly, to provide economic growth and revenue increases in our system.

The Chair: I'm afraid that is your time, Mr. Sousa.

Mr. Charles Sousa: Thank you, Mr. Chair.

The Chair: Perhaps the PBO can provide a response in writing.

We'll go to Mrs. Vignola.

[*Translation*]

Mrs. Julie Vignola: Thank you very much, Mr. Chair.

Mr. Giroux, Mr. Creighton and Ms. Giswold, thank you for joining us.

Mr. Giroux, you mentioned that, if the House did not give its approval in time, the departments would have to draw on their own funds to finance their activities.

What are the consequences of this?

• (1225)

Mr. Yves Giroux: In fact, it varies from department to department. In general, departments should be doing what we call risk management and cash management. We're talking about twenty billion dollars out of a budget that exceeds \$500 billion. For some departments, it would be a little more difficult. Indeed, they would have to defer certain expenditures to subsequent years.

That said, this would probably not be the case for all government departments and agencies. For example, the Department of National Defence has a budget in the tens of billions of dollars. In general, some appropriations lapse each year, particularly for capital expenditures in this department.

Often, 14% to 19% of capital budgets go unused from one year to the next. It is therefore quite possible that many, if not the vast majority of departments, reallocate funds from one envelope to another to make ends meet. However, this is not possible for all organizations requesting funds.

Mrs. Julie Vignola: Earlier, I took a quick look at the main budget amounts from 2019 to 2024. I noticed that, when I took office, in 2019, the main budget requested \$355.6 billion. Today, the budget is \$449.2 billion. Even during the pandemic, the amount wasn't as high as it is now.

Does this worry you?

How can we ensure that the debt-to-GDP ratio is not beyond our means?

Mr. Yves Giroux: I'm not really worried about it, because we're talking about government priorities. The government has decided to spend in certain areas. So it's a question of public policy and priorities. Taken in isolation, the level of spending is not necessarily something that can or should cause concern. What can give cause for concern is the nature of the services provided, in relation to the sums allocated. Collectively, are we getting value for money? This is a subjective question, and answers vary depending on who you ask.

The other aspect of your question was about financial viability. Compared to the other G7 countries, Canada is in an enviable position, because its debt-to-GDP ratio is relatively low, especially compared to the United States. On the other hand, the government has set budget targets. In light of what we've seen over the past few months and recent announcements, the government has increased the risk of not meeting its budget targets.

When the government sets itself budget targets and puts itself at risk of missing them because of conscious decisions, and not because of unforeseen external events, that's worrisome.

Mrs. Julie Vignola: Earlier, I asked the minister a question about the departmental results reports and the public accounts of Canada. The Secretary of the Treasury Board said there was a tracking tool. Now, tracking tools are accessible, but they're not necessarily transparent. Adequate follow-up needs to be continuous.

Does it make sense to receive reports on departmental results and the public accounts of Canada almost a year after the accounts have been closed?

Isn't there a way to do things better and faster so that all parties can do their analytical work?

Mr. Yves Giroux: In my opinion, this situation puts you in a very uncomfortable and difficult collective position. The government is asking you to approve funding for almost the entire year, when we still don't know what happened last year.

We have an idea, but we don't have the final deficit figures for fiscal 2023-24, which ended on March 31. It's now December, and we still don't know. We don't have performance indicators for departments and agencies.

However, these organizations are collectively asking you for billions or tens of billions of dollars. In my opinion, this is not really the way to ensure sound management of public funds.

There are some fairly simple ways of resolving this situation. One is to compel the government, by legislation, to table the public accounts of Canada by September 30. The government is perfectly capable of doing this. Provincial governments with fewer resources are capable of doing it, and other jurisdictions are capable of doing it year after year. All it takes is the will to take away the government's discretion to table the public accounts of Canada when it suits them.

• (1230)

Mrs. Julie Vignola: Am I to understand that there is currently no legislation on this subject?

[English]

The Chair: I'm sorry, but that is our time, Ms. Vignola.

Ms. Blaney, go ahead, please.

Ms. Rachel Blaney: Thank you, Chair.

It's very nice to have you back with your amazing team.

I did look at the report, and I saw that you highlighted the notable amount of planned spending in the supplementary estimates relating to military procurement and support, and you mentioned a couple of the aircraft and the joint support shipbuilding.

What I'm curious about is that the AG did her report earlier this week, and she talked about military contractors' responsibility to follow the industrial and technological benefits policy. She talked about how she's seeing them not always being able to demonstrate that they implemented this policy, which states that an equal amount of the contract value must be invested in the Canadian economy. I think she found that, for 10 out of 60 procurements over \$100 million, the policy was either not applied or did not include a full obligation.

In any of the work you're doing, are you looking at this? Can you tell us a little bit more on it if you are?

Mr. Yves Giroux: Yes, that's something we looked at ourselves a few years ago. We looked at how private sector corporations or those that get contracts to deliver on military procurement and military spending in general were fulfilling their obligations when it comes to the benefits for the country.

We found something quite strange. For example, if these corporations invest in research and development, they get multiple credits. Instead of being one-for-one, one dollar of credit per one dollar of expenditure, they can get up to nine times the credit.

You would think that a private sector corporation investing in research and development in the country would try to minimize its own expenditures and invest in R and D to get maximum bang for their buck, but very few do that. They instead go for the one-for-one, and to meet their obligation, they invest in or spend on normal procurement items that are not that structurally beneficial for the Canadian economy. It suggests that the ITB program, as we call it, is not really delivering as much impact as one would expect for the country in terms of research and development.

When corporations get contracts, by and large, they do meet the requirements, but they do it on items that are not as beneficial as they could be.

Ms. Rachel Blaney: Just so that I can wrap my head around this, you talked about how they're not investing in that research and development. We know that in Canada, we tend to not have as many resources to put into that. If we did, of course, it would give us a lot of opportunity economically, so I'm wondering if that is one of the significant gaps. Without that investment, it means that Canada doesn't own as much knowledge as it could own, which could really give it opportunities in this sector.

Mr. Yves Giroux: I think that's the logical assessment.

Another sector where they could invest is post-secondary education—in universities and colleges where they do some research. They're not doing that as much. They tend to go with suppliers to fill their operational need, not items that would have structural benefit for the economy. They go for day-to-day operations.

You're right. It could be seen as a missed opportunity to generate more benefits for the country, but they're not.

• (1235)

Ms. Rachel Blaney: Thank you. That's very helpful.

The next part I want to touch on is this: You talked about the money being requested by Veterans Affairs Canada.

This is always an issue of discussion. What types of expenditures by Veterans Affairs Canada qualify, in your opinion, for the 2% NATO target? That is something that gets brought up all the time. I'm curious about your assessment and what you believe that actually is.

Mr. Yves Giroux: There are some expenditures in Veterans Affairs that qualify, and others that don't.

Mark can probably provide a more detailed answer than me.

Mr. Mark Creighton (Senior Analyst, Office of the Parliamentary Budget Officer): Yes, thank you for your question.

Under the strictest reading of the NATO definition, only military pensions for current or past service members apply.

However, it's not really possible to get the amount reported to NATO without including some benefits. There's no easy, one-to-one mapping between those. There could be some amount going towards NATO in that sum, but it's not possible to know until it's actually published and reported to NATO.

Ms. Rachel Blaney: Okay, thank you. That's always the fun part.

I'm wondering if you could talk about the delay in receiving the public accounts and how that impacts your ability to do the work.

Mr. Yves Giroux: Well, it's something that is very concerning, because it goes against what should be.... I think it's detrimental to your work as legislators. It's also detrimental to our work in helping you make sense of public expenditures. I don't think it's good transparency and accountability practice to have the public accounts so late. We still haven't seen them.

In legislation, the government has to table them by December 31. However, if the House is not sitting, they have to table them within 15 sitting days of Parliament in the next year, which could mean February or even later if there are delays in the House coming back. It could be almost a year after the year has ended.

The Chair: Thank you very much.

Mr. Hallan, welcome back. Go ahead for five minutes, please.

Mr. Jasraj Singh Hallan (Calgary Forest Lawn, CPC): Thanks, Chair.

Mr. Giroux, it's always great to see you.

Recently, the "food professor" highlighted in a report how the carbon tax adds to the overall price of food because it increases costs down the supply chain. This is because there's a cascading effect, as we know. When there's a carbon tax on the farmer, there's a carbon tax on the transporter or trucker, and a carbon tax on the retailer selling the food. At the end of the day, it gets passed down to Canadians, who today are struggling more than ever to afford food, because the cost of food has gone up.

Mr. Giroux, would you agree that the carbon tax has increased the price of food for Canadians?

Mr. Yves Giroux: I think the answer is obviously yes.

If you have a fuel charge or any other type of levy imposed on producers of food or any type of good, you expect some of these costs, if not the totality, to be passed on to consumers.

I can't comment on the study you're talking about, because I haven't seen the methodology, and we have not estimated.

Mr. Jasraj Singh Hallan: Overall, in theory...?

Mr. Yves Giroux: Overall, in theory, it's yes, but the magnitude is up for discussion.

Mr. Jasraj Singh Hallan: Thank you.

Recently, the government introduced a two-month tax trick, where they're pausing the GST and HST on certain items. We know that the GST is already not applied to a lot of groceries.

In your report, as my colleague highlighted, you said that the carbon tax makes prices go up and incomes go down.

Would you agree that, to make things more affordable for Canadians, it's better to take the carbon tax completely off everything for everyone for good, instead of offering a temporary, two-month tax trick?

Mr. Yves Giroux: That's a policy choice by the government. A fuel charge or carbon tax is not just to generate revenues; it also has other objectives in reducing carbon emissions. Whether one is better than the other is really not for me to say. It's up to the government and legislators to determine.

• (1240)

Mr. Jasraj Singh Hallan: But comparatively, would it be more beneficial to have a permanent tax taken off—something like axe the tax and get rid of the carbon tax on food, gas and home heating—or to just have a two-month GST pause when it comes to affordability?

Mr. Yves Giroux: If you're talking about affordability and if the trade-off—“if” the trade-off—is between a two-month tax reduction or a permanent reduction, I think the answer is quite obvious that a permanent reduction would be better to improve affordability.

Mr. Jasraj Singh Hallan: So axing the tax would be better.

You've also highlighted that this government—no surprise—is going to blow through their budget deficit by \$6.6 billion. This temporary GST pause, according to the government, is also going to add another \$1.6 billion to the deficit, at a minimum. What does it say about affordability for Canadians to have the government go even further into their deficit? Will that help Canadians when it comes to affordability or will it make things worse?

Mr. Yves Giroux: Well, it depends on where these additional expenditures are going. If the increase in the deficit is due to higher expenditures, it depends on where they are going. One thing we can say for sure, though, is that when you have a higher deficit, other things being equal, it forces public debt charges to go up. That in good part is why we have seen public debt charges go from around \$20 billion or \$25 billion to \$52 billion this year, expected to rise to \$67 billion by 2029-30.

Mr. Jasraj Singh Hallan: Mr. Giroux, I've been hearing from businesses about this temporary GST pause, this tax trick, about what it's going to cost them. They have to change their POS systems twice, once before the change and once after the change. This is also happening during one of the busiest times of the year, which is Christmas. We're hearing from some stores that it's anywhere from \$1,000 to \$1,500 each. They don't see that there will be a benefit from this, at the end of the day.

Have you done any analysis on the impact to businesses from this pause?

Mr. Yves Giroux: No, we have not done a study or an analysis on that aspect.

The Chair: Thank you very much, gentlemen.

Mr. Bains, we'll go to you next. We haven't tested your mic, but please go ahead. If there are any issues, I'll interrupt and we'll go to Ms. Atwin.

Go ahead for five minutes, Mr. Bains.

Mr. Parm Bains (Steveston—Richmond East, Lib.): Thank you, Mr. Chair.

How is the sound?

The Chair: Keep going, sir. I'll interrupt you if it's not okay.

Mr. Parm Bains: Okay.

Thank you to our officials for joining us today.

First, your report highlights the spending through statutory authorities. What are the implications of statutory versus voted authorities for transparency and accountability in government spending?

Mr. Yves Giroux: Statutory authorities don't need to be voted again; the government already has the authority to proceed with these expenditures. They are therefore included in supplementary estimates (A) to give a more accurate or more complete picture of the additional expenditures that the government plans on initiating. It's an enhanced measure of transparency to include these statutory expenditures in supplementary estimates, as they don't need to be there, per se. They're included to give a better picture, a more accurate picture, to parliamentarians.

Mr. Parm Bains: If the estimates were not yet passed in the House, what would happen?

Mr. Yves Giroux: When it comes to statutory spending, nothing in particular would happen. These expenditures already are allowed under separate pieces of legislation.

When it comes to voted authorities, it would mean that departments and agencies seeking funding in the supplementary estimates (B) would need to cash-manage and reduce spending in other areas, or postpone some expenditures, or use surpluses from other programs to fund what they are seeking funding for in the supplementary estimates (B), or, in some cases, suspend specific types of operations.

I don't have a clear window as to which departments and agencies will be running out of cash before the end of the fiscal year in the absence of the supplementary estimates (B). This is something that the minister, the President of the Treasury Board, and individual ministers would be in a much better position to explain.

• (1245)

Mr. Parm Bains: Have you done an analysis on which programs would be at risk of sunseting should the estimates not get passed?

Mr. Yves Giroux: It's hard to determine with certainty because we don't have access to real-time information on the cash needs of individual departments and agencies, and certainly not at a disaggregated enough level to determine which programs would be at risk.

Generally speaking, departments and agencies lapse money. They're allowed to lapse up to 5% of their operating spending and carry it forward. In most cases, it would mean that the lapse they could carry forward to the next year would be lower. I don't think many, if any, departments and agencies would have to stop operations before the end of the fiscal year, but again, specific ministers would be in a better position to determine whether or not they would run out of cash.

Mr. Parm Bains: This may be my final question. With respect to trends, what do you anticipate in future budget proposals? What trends do you anticipate from the government, particularly regarding spending priorities and fiscal sustainability?

Mr. Yves Giroux: Based on our economic and fiscal outlook in October, we anticipate expenditures to keep growing. We had an estimate for this year of \$543 billion, rising to \$553 billion next year and rising at roughly the same pace to reach \$628 billion in 2029-30. However, that was before the government announcements related to the GST holiday and the \$250 cheques for those making less than \$150,000, which will create a small increase, or a small bump, in expenditures this year and next.

That's what we expect. The debt-to-GDP ratio should be on a downward trend—not necessarily this year or next, but starting in 2026-27 and with a gentle decrease after that.

The Chair: Thank you, gentlemen.

We'll go to Mrs. Vignola for two and a half minutes, please.

[*Translation*]

Mrs. Julie Vignola: Thank you very much, Mr. Chair.

Mr. Giroux, we often talk about the threshold of 2% of GDP when it comes to spending on the military.

From one year to the next, we don't manage to spend all the money that is sent to National Defence, for a multitude of reasons.

When you talk about this threshold of 2% of GDP, are you talking about what appears in the budgets, i.e., what is planned, or what is actually spent?

Mr. Yves Giroux: In general, we talk about what is actually spent, because there could be a large discrepancy. It would be easy to promise spending without actually doing it, which would mean artificially reaching the targets set by the North Atlantic Treaty Organization.

Mrs. Julie Vignola: According to your report, personnel-related expenses account for approximately \$2.9 billion or 11.7% of supplementary estimates (B) budgetary authorizations.

From one year to the next, is the amount allocated for personnel-related spending roughly the same in all budgets, i.e., the main estimates and supplementary estimates?

Does the budget allocated to the public service represent 11.7% of government spending?

Mr. Yves Giroux: Yes, that's pretty much it. However, I say that with reservations. There has been an increase in the size of the public service, but it also corresponds to increased spending in most sectors.

Mrs. Julie Vignola: For 18 years, I was part of the world of education, in Quebec. School boards had to stick to an administrative budget of less than 5% of the total budget. This is also often the case for non-profit organizations.

Is it conceivable for the government of a country, such as Canada, to impose a 5% limit on the public service budget?

What would the consequences be if someone decided that the government budget should be as limited as that for external services?

Mr. Yves Giroux: It's certainly something that's possible. In my experience, it's a consideration that comes up when departments ask Treasury Board and the Department of Finance for funding. I'm talking about the part that concerns administrative costs. That said, it's not a very important consideration.

Imposing a uniform limit would probably have adverse consequences, especially for programs where there is a need for auditing and enforcement. However, it would certainly be possible to impose a limit, allowing some flexibility for cases where more administrative or monitoring and compliance expenses are required.

• (1250)

[English]

The Chair: Thank you very much.

Ms. Blaney, please go ahead.

Ms. Rachel Blaney: Thank you, Chair.

I would like to turn to the resources that we saw under Indigenous and Northern Affairs. I know there continues to be a pretty significant gap for indigenous support, and it's not always delivered as it is announced. I'm wondering if you could talk about the funding gaps you've seen historically and if you feel that these estimates will actually start to address the issues.

I know there is a commitment to reforms to the first nations child and family services program. That has been a very significant gap for a long time, and we know, even though bills have been put forward, that the gap continues to be a challenge. Could you talk a little bit about that?

Again, the money is announced, but do they usually actually deliver the money to the extent they say they will?

Mr. Yves Giroux: I asked Jill, and she said—and I agree—that in the absence of the departmental results report, it's very difficult to answer that question.

In the absence of last year's DRRs, as we call them, one has to rely on the previous year's departmental results report, and we see that these two departments in charge of delivering services and managing relationships with indigenous people don't tend to meet all of their performance indicators. That's happening despite significant increases in funding to both departments, which leads me to believe that while funding is an essential part of delivering on services and addressing the gaps, it doesn't seem to be a sufficient condition because these departments don't meet their self-imposed performance targets.

That's unfortunately as much as I can say in the absence of the departmental results report.

Ms. Rachel Blaney: I appreciate that. I do find it interesting to think that the population who needs the resources because of continuous underfunding since the beginning of Canada sees the money filtered through two departments, and then those outcomes are not met, which is concerning.

One of the issues.... I think my time is up, but can you give me a written response on the non-insured health benefits program? As a person who's dealt a lot with that in my own family, I'm really curious about the timeliness, especially when you compare the dental program for all Canadians and the dental program for first nations, Inuit and Métis. I would like to make sure those are rolled out in the same fashion.

The Chair: Is that a specific enough question for you?

Mr. Yves Giroux: Yes.

The Chair: Perfect. Thanks.

We'll go now to Mr. Lawrence.

Welcome back to OGGO, sir.

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): Thank you very much.

Thank you, Mr. Giroux, for being here, as always.

I want to start by reading a quote of yours back to you just to confirm you still stand by it. It's from BNN Bloomberg:

If it's good news, they can play it up. If it's bad news, they may try to find a more appropriate time where it gathers less attention. It's quite likely that the government will have blown [through] its own self-imposed target of a C\$40 billion deficit.

Are those your words, and do you still stand by them?

Mr. Yves Giroux: If you're saying these are my words, I'll take your word for it. That is certainly something I could have said, maybe in different words, but yes.

Mr. Philip Lawrence: Perfect.

Here we are. We have the public accounts once again. It's like Groundhog Day. Every year, we get together and I ask you this question about why the public accounts being late is important and what type of impact it can have. I know we've already discussed it a little bit. I think my Bloc Québécois colleague asked some great questions, but just so Canadians can hear it once again, by having the public accounts be months and months late, it creates difficulties for your department and, most importantly, it creates difficulties for Canadians trying to analyze the budget going forward.

Could you expand upon that?

• (1255)

Mr. Yves Giroux: Yes. In the absence of public accounts, we don't know and you and the public don't know what the deficit was for the year that ended March 31.

However, you, as parliamentarians, are asked to approve hundreds of billions of dollars of spending to various departments and agencies while not knowing how each and every one of them spent the money that you collectively had approved for them the year before. You don't know how well they did last year, but you're asked to trust that the government will do as good a job as last year even though we don't know how they did this year—but please approve hundreds of billions of dollars of spending—and it makes it a bit more difficult to plan ahead for next year's if we don't know what the deficit was the year before.

Without knowing what happened in the recent past, how are we to forecast the near future?

Mr. Philip Lawrence: Let's talk about what some of those numbers could hold.

You've said in that quote, and then in other places, that the deficit could be much higher than the agreed upon fiscal anchor of \$40 billion—self-imposed, I should say. Is it out of the realm of possibility that the deficit could be above \$45 billion?

Mr. Yves Giroux: Well, in this current year or last...?

Mr. Philip Lawrence: In this current year, yes.

Mr. Yves Giroux: Yes, it's possible. We've seen recent announcements regarding a GST holiday of two months, and that is expected to cost, according to the government, \$1.6 billion if there is no compensation for harmonized provinces. If there is compensation, then the cost would be significantly higher.

Mr. Philip Lawrence: We've also seen—or at least I've heard quite a bit of anecdotal evidence—that folks didn't have a capital gains fire sale. With the deferred announcement of the capital gains, it was projected that something like \$6 billion in revenue would be created.

My anecdotal experience, in talking to accountants and accounting firms, is that it really didn't happen. That \$6 billion didn't materialize. Plus, with other changes or mistakes made along the way, I mean, it could conceivably be as high as \$50 billion.

Mr. Yves Giroux: Well, it's possible. We're in the realm of hypothesizing, not knowing exactly what will happen regarding the capital gains inclusion rate and not knowing what was the deficit last year. Very often, if there is an unpleasant surprise with respect to the deficit, it tends to carry forward, depending on where or what happened exactly.

It is possible, but it's anybody's guess at that point, depending on what happens for the rest of the fiscal year.

Mr. Philip Lawrence: Yes, and it really leaves parliamentarians with one arm tied behind our backs, right, because you highlighted the lack of certainty. We don't know what the deficit is.

In fact, in question period, our leader has repeatedly asked the Prime Minister, who does know—or at least should know—what the deficit was, and we still don't know that. It hinders our ability to have that discussion and to make the policy decisions that we want.

Is that not true as well, Mr. Giroux?

Mr. Yves Giroux: It negatively affects your capacity to make or suggest trade-offs when it comes to spending and revenues, not knowing what happened last year. Yes.

The Chair: Thanks.

It's Ms. Atwin, please.

Mrs. Jenica Atwin: Thank you very much, Mr. Chair.

Thank you, Mr. Giroux and team, for being with us once again here at OGGO.

I'd like to pick up on the line of questioning by my colleague here as well.

If we could narrow down to some specific ways where you can suggest that we could improve the ways that parliamentarians can scrutinize the estimates, or where we could potentially add additional information, where is it feasible and how that might look.

Mr. Yves Giroux: There are a couple of ways that would be doable.

I think first and foremost is having the public accounts tabled earlier in the process, which is doable because, by and large, the Auditor General and the government are able to finalize the books in September. Having a tabling date of the public accounts no later than September 30 is doable. Also, removing the requirement that these be tabled only when Parliament sits would increase the flexibility of the government to table when they are ready. It could happen, for example, following an election, when Parliament is not back and is not sitting, which in and of itself delays the tabling of public accounts even though they would be ready.

Another way would be to have budgets sooner in the budget cycle, so that more elements in the budget would find their way into the main estimates and you collectively would have a clearer picture of funding requests that make sense compared with what in the budget currently, when budgets are in March or April.

These are two relatively easy ways of improving or making your job, which is already quite difficult, slightly less difficult, but the flip side of that is that it would remove some of the flexibility the government enjoys when it comes to budgets and public accounts in terms of their tabling.

• (1300)

Mrs. Jenica Atwin: Are there any suggestions that could help make your life and the work that you have to do a little bit easier?

Mr. Yves Giroux: Yes. Appearing less often at OGGO—

Some hon. members: Oh, oh!

Mr. Yves Giroux: —would be one, but I think that one is off the table.

An hon. member: You just earned yourself another appearance.

Mrs. Jenica Atwin: Thank you.

Mr. Philip Lawrence: On a point of order, I completely disagree with that.

Mrs. Jenica Atwin: Mr. Giroux, through these supplementary estimates, the government is requesting more than \$20 billion in new voted budgetary appropriations. Your report highlights the following:

Including these Supplementary Estimates, the total proposed year-to-date budgetary authorities are \$487.4 billion, which represents a \$5.2 billion (or 1.0 per cent) decrease compared with the Estimates to date for the preceding year.

How does the value of requested amounts this year compare with the supplementary estimates (B) request, especially those of maybe pre-pandemic years?

Ms. Jill Giswold (Senior Analyst, Office of the Parliamentary Budget Officer): Are you looking for the amount in supplementary estimates (B) from year to year?

Mrs. Jenica Atwin: Yes.

Ms. Jill Giswold: In terms of the historical proposed budgetary spending, in supplementary estimates (B) last year, it was \$24.6 billion, which is pretty similar to this year. In the previous year, 2022-23, it was \$25.8 billion, a little bit higher. In 2021-22, it was \$13.4 billion, and 2021 was \$79.2 billion. That was the first year of COVID-19 in which we saw spending for that, which explains the large increase that year. Pre-pandemic, in 2019-20 the supplementary estimates (B) were \$5.6 billion.

Mrs. Jenica Atwin: That's very helpful. Thank you. Concerning that 1% decrease proposed year to date since the previous fiscal year, is that significant? Can you put that into context for us?

Ms. Jill Giswold: I think we expect that to increase as the supplementary estimates (C) come along. At this point, where we're at with supplementary estimates (B) is the total amount of proposed spending in theory that the government would see for the current fiscal year, but we do anticipate supplementary estimates (C), and we anticipate seeing an increase in total proposed spending there.

Mrs. Jenica Atwin: Thank you.

In my dying 45 seconds, I'll return to the really important issue of NATO spending. This is certainly important to CFB Gagetown, the home of the army, which is the community that I represent. Can you just speak briefly about the fiscal implications of Canada's commitment to meeting that NATO target by 2032 to 2033?

Mr. Yves Giroux: Based on GDP forecasts, and because it's as a share of GDP, we have to know what the nominal GDP will look like. Meeting the 2% target in 2032-2033 would mean going from the current estimated \$41 billion in defence spending to about \$82 billion in 2032-2033. That's it. It would be almost doubling expenditures.

The Chair: Thanks, Mrs. Atwin.

Mr. Giroux, I will give you an opportunity to retract your comments about not wanting to appear and a further opportunity to reaffirm your beliefs that OGGO is truly the only committee that matters.

You have the floor for five seconds. Go ahead.

Mr. Yves Giroux: I agree.

Some hon. members: Oh, oh!

The Chair: Christmas is saved.

We will dismiss you, but I'm sure the members would like to chat with you afterwards if you want to hang around for a couple of seconds.

We're going to do a couple of quick votes. First, can I have UC for the budget for this meeting? It's \$1,750.

Some hon. members: Agreed.

The Chair: Thank you.

There was an announcement yesterday by the Speaker that the last supply day, for the December 5, 6, 9 and 10 period will be today. That means that our meeting today is our first and only one that we can have on the supplementary estimates (B) before they have to be reported back to the House, so we will go to a vote on them.

Now I'd like, first of all, UC to combine all of the votes into one block.

Some hon. members: Agreed.

The Chair: That's wonderful. Shall the votes on supplementary estimates (B) pass?

DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES

Vote 1b—Operating expenditures.....\$221,278,895

Vote 5b—Capital expenditures.....\$619,865,441

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

NATIONAL CAPITAL COMMISSION

Vote 1b—Payments to the Commission for operating expenditures.....\$7,293,000

Vote 5b—Payments to the Commission for capital expenditures.....\$35,152,000

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

OFFICE OF THE PUBLIC SECTOR INTEGRITY COMMISSIONER

Vote 1b—Program expenditures.....\$308,929

(Vote 1b agreed to on division)

PRIVY COUNCIL OFFICE

Vote 1b—Program expenditures.....\$9,119,936

(Vote 1b agreed to on division)

PUBLIC SERVICE COMMISSION

Vote 1b—Program expenditures.....\$1,664,904

(Vote 1b agreed to on division)

SHARED SERVICES CANADA

Vote 1b—Operating expenditures.....\$52,596,936

(Vote 1b agreed to on division)

TREASURY BOARD SECRETARIAT

Vote 1b—Program expenditures.....\$38,114,094

Vote 10b—Government-wide Initiatives.....\$2,000,000

Vote 15b—Compensation Adjustments.....\$970,804,972

Vote 20b—Public Service Insurance.....\$643,626,442

(Votes 1b, 10b, 15b and 20b agreed to on division)

The Chair: Shall I report the votes on the supplementary estimates (B) to the House?

Some hon. members: Agreed, on division.

The Chair: That's wonderful.

Thank you very much.

We're adjourned.

Mr. Giroux, Ms. Giswold and Mr. Creighton, thank you very much.

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