



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

45th PARLIAMENT, 1st SESSION

---

# Standing Committee on Government Operations and Estimates

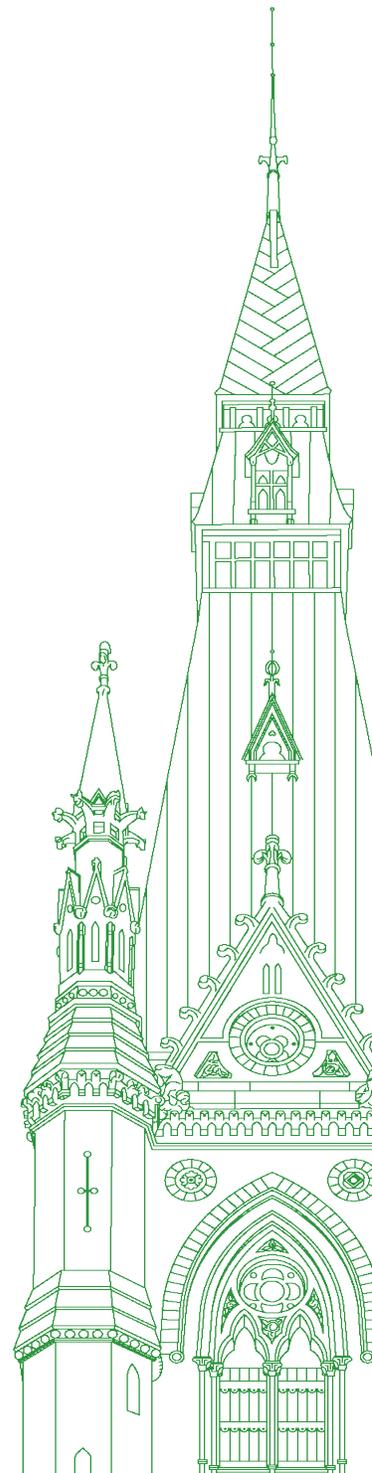
EVIDENCE

**NUMBER 016**

Thursday, November 20, 2025

---

Chair: Kelly McCauley





# Standing Committee on Government Operations and Estimates

Thursday, November 20, 2025

• (1105)

[*English*]

**The Chair (Kelly McCauley (Edmonton West, CPC)):** Welcome to meeting 16 of the House of Commons Standing Committee on Government Operations and Estimates, known, of course, as the mighty OGGO.

First of all, thank you to everyone for accommodating another committee timeline for witnesses. We've switched with them, so thanks to everyone for your flexibility.

We want to wish a very happy birthday to our vice-chair Ms. Khalid, whose birthday is today.

**Some hon. members:** Hear, hear!

**The Chair:** We will not subject our witnesses to our singing, but perhaps after.

Pursuant to Standing Order 108(3)(c), the committee is holding a briefing session with the Parliamentary Budget Officer on his analysis of budget 2025.

We'll start with a five-minute opening statement.

Mr. Jacques, welcome back, as always, to you and your team. The floor is yours.

**Jason Jacques (Interim Parliamentary Budget Officer, Office of the Parliamentary Budget Officer):** Thank you, Mr. Chair and distinguished members of the committee, for the invitation to appear before you today to discuss our report regarding budget 2025.

[*Translation*]

I am joined by my colleagues Mark Mahabir, Kristina Grinshpoon, Diarra Sourang and Caroline Nicol, the technical experts that led our work on analyzing budget 2025. They will be in a better position to answer your questions.

At this point, witnesses typically read speaking points that repeat text from a report that you have already read. Instead of that and given this committee's role as the House committee responsible for reviewing our estimates, I would like to provide a brief administrative update before turning to your questions.

[*English*]

First, our strategic reorientation continues. We are focusing more on serving our parliamentary clients and less on media engagement.

Since the beginning of September, we have held more meetings with parliamentarians and their staff than we would typically hold

over the course of an entire year. This increase in outreach has been offset by declining a substantial number of media requests for on-the-record interviews. This is part of our effort to prioritize our mandate of supporting Parliament and ensuring that people focus on the technical content of our work.

Second, our plan for a 5% reduction in the office's budget has been finalized and will be submitted to the Speakers of the House and Senate in the coming days. Our CFO is now developing a medium-term plan to reduce overhead expenses while maintaining the quality of service to Parliament. I expect to have an update for the committee early in the new year.

Finally, the OECD legislative review of our office began this week. I want to thank all parliamentarians who shared their time with the review team. We expect a report with recommendations to be published in the coming months. The results of this review are expected to guide further reforms to the office that will ensure it continues to be one of the top independent fiscal institutions in the OECD.

As always, our office remains committed to its core mandate: providing independent and non-partisan analysis to support Parliament in its scrutiny of public finances and the economy.

[*Translation*]

Consistent with this legislated mandate, my office prepared an independent analysis of budget 2025, which was published last Friday. Our report highlights key issues, including the government's adoption of a new budgeting framework that separates operating expenses from capital investments and the introduction of new fiscal anchors.

With that, Mr. Chair, we look forward to answering your questions on the budget issues note and continuing to support the committee in its important work.

[*English*]

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

We'll start this six-minute round with Mr. Lawrence.

Mr. Lawrence, welcome back to OGGO.

**Philip Lawrence (Northumberland—Clarke, CPC):** Thank you. It's a pleasure to be here.

Thank you, Mr. Jacques, for being here. Thank you for your courage, your non-partisan nature and your willingness to speak truth to power. The Canadian people truly owe you a debt of gratitude, so thank you very much for that.

I want to take you back, Mr. Jacques, to the election where Prime Minister Carney had two primary commitments or promises to the Canadian people. He promised, first, that the operational budget would be balanced and, second, that the deficit-to-GDP ratio would be declining.

In your report, you had the ability to review the budget and you had some pretty clear commentary on that. I want to give you the opportunity to make your comments and put them on the record.

In the Parliamentary Budget Officer's opinion, will the government deliver on its promise to balance the operational budget?

**Jason Jacques:** Thank you for the question.

During the election campaign, at that point, the Liberal Party of Canada platform included a very important and long-standing key fiscal anchor that has existed for the Government of Canada for about the past 30 years: a declining debt-to-GDP ratio.

Turning to your question with respect to the operational budget and the probability of the government achieving its new fiscal anchors, based upon the analysis we've conducted, there is a low probability of respecting the fiscal anchors the government has set out for itself.

• (1110)

**Philip Lawrence:** I believe you put the chance at less than 50%—if that's not incorrect—in your report. That's in addition to moving items—you've had considerable commentary on this—that would be traditionally, or at least in the U.K. system, classified as operational over to the capital side to enable a greater chance of achieving this balance.

I'll move on.

I agree with you that they have cast aside the fiscal anchor of debt-to-GDP ratio. That seems to have been forgotten from six or eight months ago.

If we go to their metrics and just play on their field, as it were, and go to the deficit-to-GDP ratio, they have also committed to having a declining balance, which is a much easier mark to hit, in my opinion, than the debt-to-GDP ratio.

What do you believe the chances are that they'll deliver on this second fiscal anchor?

**Jason Jacques:** Kristina, do you want to respond to that one?

**Kristina Grinshpoon (Director, Fiscal Analysis, Office of the Parliamentary Budget Officer):** Sure.

For the deficit-to-GDP ratio, we've estimated it to be around 7.5% that they will achieve this target. In our assessment of this anchor specifically, the condition is that the deficits will be declining every single year over the projection horizon.

**Philip Lawrence:** To be clear, as you correctly point out, Mr. Jacques, there were actually three fiscal anchors that Prime Minister Carney promised to deliver on for Canadians. One was the debt-to-GDP ratio, one was the deficit-to-GDP ratio and the other was balancing the operational budget. It's very unlikely that he will achieve any, if all of them. Is that correct?

**Jason Jacques:** That's correct.

I only raised the debt-to-GDP anchor because, as part of the premise to your question, you mentioned the election campaign. You mentioned the fiscal anchors that the Liberal Party of Canada campaigned on.

I know that potentially, for some, there's a bit of a lack of clarity regarding the changes that have occurred to those fiscal anchors since the election campaign, in particular leading up to the Prime Minister's comments in the House of Commons in the third week of September, where he indicated that the debt-to-GDP anchor was still one of the fiscal anchors of the Government of Canada. As we and others learned with budget 2025, the government decided to cut that anchor.

**Philip Lawrence:** Numbers are important, but sometimes.... I'm a little bit of a math guy myself. Not as much as you, Mr. Jacques, but I do like numbers.

For many folks, it's important to put numbers in context. I was trying to think of an analogy for the likelihood of Prime Minister Carney delivering on his election promise, specifically on the declining deficit-to-GDP ratio.

I looked up the odds of the Toronto Maple Leafs winning the Stanley Cup. The cellar-dwelling Maple Leafs team has a 7% chance. Over the next two years, it's 12%, which means the Toronto Maple Leafs have a much greater likelihood of winning the Stanley Cup than Mark Carney does on delivering his promise. Is that correct?

**Jason Jacques:** I don't follow hockey.

**Philip Lawrence:** If you accept the odds of 12%, then it's much more likely that the Toronto Maple Leafs will win the Stanley Cup than Mark Carney will deliver on his election promise. Is that not correct?

**Jason Jacques:** If you say so.

**Philip Lawrence:** Thank you very much.

Now I want to get to a bit more serious—

**The Chair:** You have no more than 20 seconds.

**Philip Lawrence:** I'll save the rest of it for my next round.

Thank you very much, Mr. Jacques.

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

I apologize to Leafs fans everywhere.

We have Mr. Gasparro, please, for six minutes.

**Vince Gasparro (Eglinton—Lawrence, Lib.):** Mr. Jacques, it's good to see you again.

Do you agree directionally with our government's plan?

**Jason Jacques:** Given that the mandate provided to the Parliamentary Budget Office is simply to undertake technical analysis, it's not our place to agree or disagree with an economic or fiscal policy of the government.

**Vince Gasparro:** Well, I'm glad you said that, because maybe we can drill down a bit there. In the report you tabled, you said:

Given the proximity of the baseline federal debt-to-GDP ratio in 2055-56 to its initial level in 2024-25, our framework would suggest that there is a modest negative fiscal gap. That is, based on Finance Canada projections, current fiscal policy in Budget 2025 would be deemed sustainable over the long term.

We're investing more in infrastructure that has productivity benefits over the long term for our economy. You've provided testimony here before that suggests our government's plan to invest in infrastructure and long-term productive assets will help alleviate some of the concerns that currently exist within the economy.

Do you believe capital spending—investing in hard assets that generate revenue and increase productivity—is where the government should be focused? Should the government be focused more broadly on capital spending?

• (1115)

**Jason Jacques:** It's not our place to offer recommendations to the government with respect to their fiscal and economic policy.

I would repeat what I said at previous committees, which is that I think broadly speaking, most mainstream economists would recommend investments in the economy to increase its overall productive capacity and, in turn, increase the growth potential of the Canadian economy, which in turn increases the potential for improvements in the quality of life for the population. That is not to say whether I endorse the government's fiscal and economic policy or not. That's more of a theoretical geeky response to a very specific question about a specific document.

**Vince Gasparro:** Well, we do geeky well here, so welcome.

**Voices:** Oh, oh!

**Vince Gasparro:** Actually, I'm getting to know you as well, Chair, and I can confirm that.

The IMF recently stated that Canada has meaningful fiscal capacity and remains a reliable and credible place to invest. How does your office incorporate the international assessment into your analysis, or does it at all?

**Jason Jacques:** I would say we do. It's part of the many indicators we incorporate as part of our macroeconomic outlook. The international environment is a key aspect of that. Something we have raised in the past, and certainly I've raised—and I'm aware of the statement—is that the IMF did not put a specific numerical value to the additional capacity that they believe the federal government could use as part of those investments.

Something that I and the office have highlighted is the point about transparency. Going back to the discussion around fiscal anchors, it's not our place to judge which fiscal anchors the Government of Canada wants to use. It is our place, consistent with the mandate of the office, to highlight when the fiscal anchors are changing in a way in which there isn't a lot of discussion happen-

ing, and potentially some people are unaware of why they're changing.

I certainly take your point and the IMF's point that there might be additional debt that Canada could take on to make those investments. In the same way, there's been no discussion with respect to how much debt that would potentially be.

**Vince Gasparro:** Sir, in your tabled report, you say the debt-to-GDP ratio is “sustainable over the long term”. What I'm trying to square is your answer to my colleague a few moments ago, what the IMF is saying and what's tabled in your report, because there seems to be some dislocation there.

I'm just trying to understand this. Do you believe that over the long term, Canada's debt-to-GDP ratio is sustainable, yes or no?

**Jason Jacques:** Based on Finance Canada's numbers, yes.

• (1120)

**Vince Gasparro:** Thank you.

**The Chair:** You have seven seconds.

**Vince Gasparro:** I'll save it for the next round.

**The Chair:** Ms. Gaudreau, go ahead, please, for six minutes.

[*Translation*]

**Marie-Hélène Gaudreau (Laurentides—Labelle, BQ):** Thank you, Mr. Chair.

I'd like to thank the witnesses for joining us. The information they're sharing with us is very valuable.

Since I have six minutes, I'll start with the basics. I'm a business woman, not an accountant. Can someone explain to me what an investment really is?

**Caroline Nicol (Advisor-Analyst, Office of the Parliamentary Budget Officer):** I can answer that.

The conventional approach would be to use Canada's system of national accounts, the same one used to calculate GDP, for example. According to that system, an investment is a transaction that increases Canada's assets and capital stock. It could be investments in infrastructure to build something, or in the development of intellectual property products.

**Marie-Hélène Gaudreau:** That's a purchase, not a loan, meaning the government then owns the result. Is that correct?

**Caroline Nicol:** It's asset accumulation.

**Marie-Hélène Gaudreau:** Okay.

We often hear the government say it used Quebec as an inspiration. We know how the Quebec infrastructure plan works. If the government invests \$10 billion to build a bridge or a school, then it owns the resulting infrastructure.

Based on the information you have, can you explain what constitutes an investment in the budget?

**Caroline Nicol:** One of the things we say in our report is that, in the budgeting framework introduced in the budget, we can make a direct link between investments and capital accumulation in some categories. In other categories, the link is not as direct. It's a little more—

**Marie-Hélène Gaudreau:** It's hidden. Is that right? It's not clear.

Let's say the government wants to invest in the FIFA World Cup. What part of that would be considered built capital? It's not in the budget. Am I understanding this correctly?

**Caroline Nicol:** Based on the approach introduced in the budget, for certain measures in some categories, it's more difficult to make a link between the government's expenses and transactions, and how they impact the assets.

**Marie-Hélène Gaudreau:** I'm really worried.

We hear the government is going to make a lot of investments in defence through the new Defence Investment Agency. The government will own what it invests in. Do you know exactly how much will be allocated for these investments? We're dealing with other countries, and we're trying to measure our national defence needs. Do we know exactly how much will be invested in goods that the government will then own?

**Caroline Nicol:** You mean only for defence?

**Marie-Hélène Gaudreau:** Yes.

[*English*]

**Mark Mahabir (Director General, Costing and Budgetary, and General Counsel, Office of the Parliamentary Budget Officer):** There's \$82 billion in the budget. We have submitted information requests to DND to determine the reconciliation with the data we have in our office under previous expenditures made by the government. We're not sure on the amount in the budget that is incremental to previous expenditures.

[*Translation*]

**Marie-Hélène Gaudreau:** Okay. We don't know how much.

Is it guaranteed the contracts will be awarded to Canadian businesses? We're talking about investing in assets, not having Korea build the equipment for us. I don't see that in the budget.

Does this budget give us the real value of an investment? Do you have any information on that?

**Caroline Nicol:** To answer your question, I would use table 3 of the budget 2025 report published last Friday.

In that table, you'll find a comparison based on the government's definition of total capital investments for the 2025 budget, and the definition we prefer to use. We can see that, based on the government's definition, there's an increase in total capital investments for the 2025 budget. However, based on our definition, in the last line of the table, capital investments vary between \$30 billion and \$40 billion a year.

• (1125)

**Marie-Hélène Gaudreau:** Given that credit rating agencies can't even differentiate between capital investments and loans, how do you think they'll react when they see those numbers?

**Jason Jacques:** It's important to remember that all the other data are still available. The federal government decided to add measures and introduce new fiscal anchors, but all previous fiscal anchors and data related to the debt, the GDP and the deficit are still available. That's reassuring for us. Not everybody agrees on the quality and importance of the new measures introduced in the budget. That said, if someone doesn't want to use them, they can always use the previous data.

**Marie-Hélène Gaudreau:** My time is up, but I'll have many more questions to ask later.

[*English*]

**The Chair:** Thanks.

Go ahead, Ms. Block.

**Kelly Block (Carlton Trail—Eagle Creek, CPC):** Thank you very much, Chair.

Welcome, Mr. Jacques, and welcome to all your staff who support you in the very important work that is done through your office.

Fitch Ratings wrote a scathing report on the budget just 48 hours after it was tabled, and I want to quote from that report:

...the Canadian government has a track record of upward deficit revisions, with subsequent budget updates consistently worse than prior projections. Given that these rules are non-binding and prior versions have been ignored, federal finances run a high risk of further deterioration.

What do you make of this statement?

**Jason Jacques:** I would again go back to the answers we've provided to the questions from your colleague on the probability of achieving the fiscal anchors that have been identified by the government, which, within our report, we identify as being relatively low.

I would also circle back to a point I provided in an answer to a question that was not asked from the other side of the table with respect to the fiscal anchors and the transparency around the fiscal anchors. Different people might have different opinions with respect to the financial management of the government, how that financial management should occur, what the fiscal anchors should be and how or whether they should be changing over time.

The most important aspect, certainly from our perspective, is transparency: having an honest and open conversation among parliamentarians, the public and ratings agencies regarding why things are changing and what the justification is for that. Then people can make their own decisions.

**Kelly Block:** I know we've already discussed your findings regarding the 7.5% chance that their new fiscal anchor will be respected. I believe that finding was very similar to what Fitch commented on.

Should parliamentarians, and indeed all Canadians, be concerned with the government's ability to meet their own set goals?

**Jason Jacques:** The government certainly has the ability to achieve their goals. I would quote the Prime Minister and say that it is a very ambitious budget with very ambitious goals, and certainly we are paying attention to those goals and the progress that's being made, both on spending and on the results side. Parliamentarians should be doing this. I would encourage parliamentarians to be doing the same.

• (1130)

**Kelly Block:** Thank you. That's a great segue into the next question I have, and I appreciate the comments you've made regarding the transparency and non-partisanship that you function under as the Parliamentary Budget Officer.

Section 79.4 of the Parliament of Canada Act allows the PBO free and timely access to any information under the control of a department or parent Crown. Can you tell us about the risks and precedents the government is creating by not handing over documents when requested by your office?

**Mark Mahabir:** Under the Parliament of Canada Act, as you mentioned, we are able to compel departments and Crown corporations to provide us information in a timely and free manner.

We did submit an information request to five departments related to information provided in the budget, and they indicated they could not provide us the information. After that, we notified both the Speaker of the House and the Speaker of the Senate that the information was not provided, and the letter was tabled in both chambers of Parliament.

Right now, we're in limbo on the remedy, because there is no remedy mentioned in the Parliament of Canada Act in instances where the department or Crown corporation does not provide information to our office.

**Kelly Block:** That is deeply concerning not only to parliamentarians but I'm sure to all Canadians, who have come to understand the very important role your office plays in providing Canadians with impartial advice on and a review of what the government is proposing through its budget and through the various policies it introduces.

Thank you.

**The Chair:** Thanks.

Ms. Rochefort, go ahead, please.

[*Translation*]

**Pauline Rochefort (Nipissing—Timiskaming, Lib.):** Thank you, Mr. Chair.

[*English*]

Thank you, Mr. Jacques. It is a pleasure to see you again.

I want to come back to the question asked by my colleague Mr. Lawrence about context, because I find it difficult to critique a budget, in a sense, without taking the context into account. I'd like to come back to that and understand it.

Did you really not consider the broader global context, such as the postpandemic world we live in now, with the recovery challenges we face, the impact of U.S. tariff uncertainty, the high global interest rates, the supply chain instability that continues to affect the world, the major geopolitical tensions, such as those in Ukraine and Russia, and the modernization of NATO that's required, all of which affect revenues, costs and economic planning? If I understand you correctly, you're saying that none of that information is taken into account when you provide a budget analysis.

**Jason Jacques:** I apologize—

**Pauline Rochefort:** Maybe I misunderstood, so I would appreciate—

**Jason Jacques:** As I mentioned to another committee, I am acclimating to my new role as spokesperson for the office, and potentially, in the response to the earlier question, I wasn't as clear as I should have been. It's the opposite: We take all of that into account.

**Pauline Rochefort:** That would mean that you take into account the need for us to make historic investments to strengthen our supply chains; to expand domestic manufacturing, industrial competitiveness and clean technology; and to unleash our natural resources and critical mineral potential to secure our long-term economic growth. You would take all of that into account as well.

**Jason Jacques:** We take into account all of the numbers, so the global economic context, the Canadian economic context and the current fiscal context for the Government of Canada. We take all of that data into account; that's correct.

**Pauline Rochefort:** I just want to go back a bit. I'm glad that today you're saying you're not making comments for the media and that basically this is a discussion for parliamentarians, because when you came before us last time, there was a lot afterwards in the press, and former parliamentary budget officers were quoted. I think it was Kevin Page and Yves Giroux. I was thinking about that, and basically they've come through the same organization, which emphasizes fiscal sustainability, but also places strong weight on the broader economic context that you just described.

I was looking at their comments, and they spoke about postrecession shocks, global instability, interest rate cycles and so on. This led me to question why they came to slightly different viewpoints in their post-budget comments. Nonetheless, there was sufficient information to understand what might be emerging.

How could their comments have been different from yours, Mr. Jacques, in that respect?

• (1135)

**Jason Jacques:** I can't say. I'm not Yves Giroux, nor am I Kevin Page.

**Pauline Rochefort:** You did not follow the press and see the comments that—

**Jason Jacques:** You'd have to invite them to the committee to ask them how they reached the conclusions they did.

**Pauline Rochefort:** Thank you very much.

My third question is maybe slightly different. I understand that a letter was circulated to all of the departments, because under the comprehensive expenditure review, you needed information to do an analysis. You asked for information by November 19. Is that correct? Was that the date?

From what I understand, a response was provided that explained the departments could only begin reviewing the decisions of the comprehensive expenditure review once the budget was adopted, which was this past Monday, and they therefore did not have finalized information to meet the deadline that you requested of November 19. Basically, as I look at some of the concerns you've expressed...they're not complete because they don't have full information.

I wonder how those concerns can be expressed. You were asking the departments to provide speculative or incomplete information. That is my question.

**Jason Jacques:** What we were asking for—similar to the budget, which is forecast information—was the forecast information prepared by departments as part of the \$60 billion in cuts and 40,000 layoffs that were forecasted in the budget. It's all the same forecast information.

From our perspective, because the 60 billion dollars' worth of cuts are directly related to balancing the operating budget, which is one of the government's fiscal anchors, it was pertinent and valuable for parliamentarians to have that as they voted on the budget. Ultimately, it proved not to be the case, which is why we referred the matter to the Speaker so parliamentarians could ultimately make a decision regarding what information they should have as part of their budgetary deliberations.

**The Chair:** Thanks. We are past time.

We'll go to Ms. Gaudreau, please, for two and a half minutes.

[*Translation*]

**Marie-Hélène Gaudreau:** Thank you very much, Mr. Chair.

Mr. Jacques, I'd like to continue the discussion we started during my last round.

When the government loans money to build some infrastructure, it's not an investment. It's loaning money to stimulate the economy, right?

**Jason Jacques:** That's correct.

**Marie-Hélène Gaudreau:** That means it owns the infrastructure.

**Jason Jacques:** There's a difference to be made.

You're talking about the funding source. However, there's also how the federal government, or a business, invests and uses the money. There's a difference between the two.

**Marie-Hélène Gaudreau:** Why isn't the budget clear on that? I understand you're not the one making the decision, but it's obviously not clear.

The issue is this. When the government says, in the budget, that it will increase military salaries, it's an investment. Then, when the government loans money, but doesn't own what the money is being used for, it's an investment. What are we building? Is it written in

the contracts that the investments will stimulate the economy, and that things won't be built abroad?

**Jason Jacques:** You raise a good point.

From an accounting standpoint, the budget includes tables on cash flow and investment amounts. As you pointed out, though, the word "investment" is overused.

I prefer to focus more on the numbers than the words. As you can imagine, there are communications people who try to insert specific terms, like "investment", in the budget, but numbers don't lie.

**Marie-Hélène Gaudreau:** Have you asked for those numbers?

• (1140)

**Jason Jacques:** Yes. We've asked the Department of Finance for more details.

**Marie-Hélène Gaudreau:** Have you received them?

**Jason Jacques:** Not yet.

**Marie-Hélène Gaudreau:** When will you get them?

**Jason Jacques:** My colleague tells me we received them this morning.

**Marie-Hélène Gaudreau:** Mr. Chair, let's take a break, look at the numbers and come back.

**Voices:** Oh, oh!

**Marie-Hélène Gaudreau:** Seriously, Mr. Jacques, you received them this morning?

**Jason Jacques:** Yes. My colleague is reliable.

**Marie-Hélène Gaudreau:** Okay. We look forward to seeing those numbers. I don't need to be an accountant to understand that when the government loans money, it doesn't own what the money is used for.

Thank you very much.

[*English*]

**The Chair:** Thanks.

Ms. Jansen, go ahead, please.

**Tamara Jansen (Cloverdale—Langley City, CPC):** Thank you.

Pretty much every Canadian knows that if the CRA audits you and asks for your receipts, you hand them over—no excuses. Your job, essentially, as I understand it, is as an auditor as well. You audit the government. Is that correct?

**Jason Jacques:** Not quite.

**Tamara Jansen:** Could we say it's somewhat similar?

**Jason Jacques:** I would say it's very different.

**Tamara Jansen:** Okay.

**Jason Jacques:** I'd say that in the case of the Auditor General, it's primarily backward-looking. They do ask for your receipts and they do go through things in detail. We're forward-looking, so it does end up....

When you come to the bank and you're asking for a loan or you're asking an investor to give you some money, the receipts don't exist. At the same time, the person from whom you're asking the money is expecting to see a business plan.

**Tamara Jansen:** I understand that you've asked the government for these documents on the \$60 billion in austerity, cuts and layoffs that are going to happen, and they haven't given you those. We were forced to vote without that information, unfortunately.

Is there any way you can hold the government accountable for not doing their duty?

**Jason Jacques:** I would say certainly not. As an agent of Parliament, I work for parliamentarians. I work for you. It's not the role of the Parliamentary Budget Officer or our office to hold the government accountable. That's why, as soon as there was a conflict or disagreement with the federal public service, we raised the issue immediately with parliamentarians and referred the matter to the Speakers so that parliamentarians could come to, hopefully, a relatively quick decision regarding whether they actually wanted this information that already exists as part of their decision-making process.

We're a non-partisan organization. It's not our role. We're not here to critique any government policy or what the government gets up to.

**Tamara Jansen:** Let me switch topics a bit.

Brookfield, where the Prime Minister was for years and still is a shareholder, has been flagged repeatedly as one of the most aggressive tax-dodgers in Canada. From an auditor's perspective, then, or an accountant's—I don't know exactly what you want to call yourself—what are your thoughts on the fact that yesterday the Clerk of the Privy Council, who's responsible for administering the ethics screen of the Prime Minister, admitted that he doesn't actually know what's in Mr. Carney's portfolio?

**Vince Gasparro:** I'm sorry. On a point of order, what does this have to do with anything the witness is able to provide testimony on?

**The Chair:** Thanks for your point of order.

We generally do allow a very wide breadth for discussion, but I would ask that you get back to the PBO on the budget.

**Tamara Jansen:** Okay.

Well, let's continue talking about the way Brookfield worked. It seems like if you worked in an environment like that where you're doing the tax-dodging and you learned how to use shell companies and offshore accounts to get around taxes—

**Vince Gasparro:** I'm sorry. On a point of order, Chair, you made a ruling. The honourable member basically said “okay” and is now ignoring—

**The Chair:** What's your point of order, please, Mr. Gasparro?

**Vince Gasparro:** The point of order is that she ignored your ruling.

**Tamara Jansen:** No, it's very much part of my question.

**The Chair:** Okay. Can you bring it back to how it relates to the PBO and the budget?

**Tamara Jansen:** Sure.

When you're working in that kind of environment, would you say the Liberal budget's renaming of costs and investments—the idea of the shell game—is a similar way of avoiding clarity and transparency through creative accounting?

**Jason Jacques:** I would say that regardless of the opinion that any one person might hold on the new approach or the new metrics that have been presented by the government on the operating and capital budgets, all the old metrics still exist. The ones that we know and love are still there. That should provide reassurance to everyone. Ultimately, if parliamentarians find that the new metrics for the operating and capital budgets are not particularly useful, I'm certain they can provide that feedback to the government. I'm certain they would take it into account.

● (1145)

**Tamara Jansen:** If someone in the private sector would shift their categories like this, would the CRA consider that fraudulent or perfectly fine?

**Jason Jacques:** I can't speak for the CRA. I would say, based upon my knowledge of publicly traded companies and publicly listed companies, that you are required to publish set metrics, as part of your quarterly and annual financial reporting, that meet certain definitions. At the same time, you are also eligible to present different categories and different data.

That said, what you do publish—that's well defined—has to be consistent. The government continues to do that.

**The Chair:** Thanks very much.

We'll go to Mr. Bardeesy.

Welcome to OGGO. The floor is yours for five minutes, please.

**Karim Bardeesy (Taiaiko'n—Parkdale—High Park, Lib.):** Thank you, Chair.

Thanks to the PBO team for the important work you do for all parliamentarians.

I just want to follow up on the conversation around capital and operating budgets and capital treatment. What other jurisdictions, to your knowledge, also separate out operating and capital budgets?

**Jason Jacques:** Many if not most jurisdictions do it. Virtually all provincial governments and the territories do it. It's a fairly common practice overall.

**Karim Bardeesy:** Would it be fair to say that the federal government, in adopting this practice, would be joining a set of administrations, a set of governments, that represent a large number of Canadians?

**Jason Jacques:** That would be fair to say.

**Karim Bardeesy:** I noted in your commentary some concern around definitional issues, and it's come up here a bit today. I want to dig a bit more into that discussion.

Can you share with us what kind of process you expect to unroll as this capital framework is being developed and what you see as your role in that?

**Jason Jacques:** We haven't been apprised of the process the government plans to use with respect to rolling it out. We've seen the information in the budget and read what's there, but nothing more than that.

**Karim Bardeesy:** Typically, this would involve the treatment of figures that would be represented in the public accounts, which would also be a matter of interest to the Auditor General, presumably.

**Jason Jacques:** Presumably. Again, we haven't been consulted on what the government intends to do and how it plans to roll this out.

I would note that the Liberal Party of Canada platform did indicate that the Office of the Parliamentary Budget Officer would have a role and that additional resources would be provided, which seem to be absent from budget 2025, but I guess we'll see where things go.

**Karim Bardeesy:** In your assessment in your brief in response to looking at the budget, I noted that you expressed some views that maybe what was considered a capital investment might be more expansive than what would be recommended by others. I want to understand that.

In your view, is the budget projection, which projects a balance of the operating budget in 2028-29, achievable under the projections the government makes about its capital budget?

**Jason Jacques:** Under the definition used by the government around capital, yes, it's achievable.

**Karim Bardeesy:** Therefore, whether that 2028-29 objective is attained is in large respect a product of the definitional issues that have to get resolved.

**Jason Jacques:** I would say not exclusively. There are certainly definitional issues. Going back to observations made by your colleague earlier, it is a very complex economic and fiscal environment. Some of those factors are under the government's control, and some of them aren't under the government's control, but the real economy has a very direct influence on the government's ability to achieve its fiscal anchors in addition to technical accounting definitions.

**Karim Bardeesy:** In my remaining time, I want to get into the revenue side. Maybe in the next round I can come back to this.

In your view, are the revenue projections, the revenue forecasts and the GDP forecasts the federal government uses from a variety of sources, including you, prudent?

**Jason Jacques:** I don't know. Can you define the word "prudent" for me?

**Karim Bardeesy:** The revenue forecasts are a product of GDP forecasts, from which a range is chosen, and then there's a set of calculations and presumptions based on what the GDP forecast determines for revenue.

Do you have any concerns with the way the federal government collects the GDP forecasts of the different actors?

• (1150)

**Jason Jacques:** On our end, it's a very good practice. The government's long-standing effort over the past 30 years to undertake a

survey of the 14 pre-eminent forecasters across the country in terms of their GDP outlook, as well as other financial metrics, is a very good practice.

**Karim Bardeesy:** I'll come back next round to the rest of that. Thank you.

**The Chair:** Thank you, sir.

We'll go to Mr. Lawrence.

**Philip Lawrence:** Thank you very much.

I want to talk a bit about externalities and their potential impact.

You said in the highlights in your report that there's limited fiscal room for the government to reduce revenues or increase programs. Am I to take that to mean the amount of spending undertaken by this budget has limited the government's ability to react to externalities?

**Jason Jacques:** When we said that, it was based upon the government's definition and the widely used definition of fiscal sustainability. That definition, as I mentioned earlier, is a stable or declining debt-to-GDP ratio. Based upon the numbers the government has in budget 2025, over the longer term, not in the medium term, the government has published a forecast that indicates the debt-to-GDP ratio is effectively flat, declining a bit over that period of time. That's on the question of sustainability.

Your question gets into new territory, which is interesting, but I just want to draw a distinction—because it seems to be where the government is going and where the IMF has gone—with respect to fiscal space. Previously, the government's fiscal management in dealing with shocks was to say that economic shocks would happen, as they're potentially outside the control of the government, and that there would be additional room to deal with that because there had been a declining debt-to-GDP ratio over the preceding seven, eight or nine years. That is no longer the case. Instead, the government's argument seems to be—and it's still not clear because there hasn't been a parliamentary discussion around it—that when the next economic shock comes, the federal government will take on additional debt and will potentially stabilize that debt at a new and higher level.

You can still be sustainable at a higher level of debt across the economy. At the same time, consistent with IMF research, the more debt you have and the more debt you're carrying, the greater the risk to the economy, to your financial management and to your ability to manage it and borrow debt at the rates you want the next time there is a shock.

**Philip Lawrence:** Thank you very much for that very articulate answer.

Carrying forward from what you're saying, would it be fair to characterize your comments as saying that this budget has put us at greater risk should an economic shock happen?

**Jason Jacques:** We haven't evaluated the risk. It's a good question. With a motion from the committee, we'd be happy to go back to look at that.

Circling back to the issue of transparency, it's a very good question, and I will carve time out of my day to watch OGGO. It's a very good question to put to finance officials regarding the previous approach, which was a declining debt-to-GDP ratio and having the additional space to deal with economic shocks that hit the economy.

The new approach seems to be that, because we have lower debt levels in comparison to the G7, the next time there's a shock, we'll simply increase the levels of debt, confirming that's the case, if that's the case, and also confirming—again, I'm a numbers guy—how much debt they're willing to actually spend.

**Philip Lawrence:** You raised this, so I want to bring this up. Sometimes the Liberals and other folks will talk about Canada's position vis-à-vis net debt, but when you look at the total gross debt, which includes subnational debt, Canada's position is actually fairly weak. We're one of the laggards in the G7, and we're certainly below half in the OECD.

I know this isn't directly in your mandate, and if you can't answer this question, I understand. Don't you think that in your forecast and in the parliamentary discussion, we should also be looking at the total gross debt, which is well over 100%?

• (1155)

**Jason Jacques:** Depending on the question that you're asking, the indicator will vary. I think parliamentarians should be looking at a range of indicators, not only debt but also revenues, spending, productivity—which a key one—age demographics, engagement of the eligible labour force in the economy and per capita GDP. Those are just some that come off the top of my head.

It is a much broader discussion that I think is part of my mandate, so I will opine upon it. Over the past two and a half months, I have not seen a discussion happening on Parliament Hill around those broader indicators.

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

**Philip Lawrence:** Thank you.

**The Chair:** Go ahead, Ms. Khalid.

**Iqra Khalid (Mississauga—Erin Mills, Lib.):** Thank you very much, Chair.

Thank you to the witnesses for being here today.

I believe there have been discussions around some of the indicators you've spoken about, whether they're investments in NATO, in defence or in building housing.

In your report, you say that Canada's fiscal path is sustainable, but just as we've heard today, a lot of your public messaging has focused on the risks, the warnings and the concept of a fiscal cliff. Can you reconcile the two? On the one side, we are saying that it's sustainable. On the other side, we're talking about this concept of a fiscal cliff. Can you explain that for us please?

**Jason Jacques:** The comments I made the last time I was here before committee were focused on the government's definition of fiscal sustainability. As I mentioned previously, the government's definition of fiscal sustainability is a declining debt-to-GDP ratio. I can quote from previous Government of Canada documents with respect to the importance of a declining debt-to-GDP ratio as an in-

dicator of fiscal sustainability for the government and an important piece of data in securing Canada's AAA credit rating.

That's the overall context within which we published our economic and fiscal outlook in September. The numbers we published in September did not include the close to \$100 billion a year in incremental spending that the Liberal Party of Canada campaigned on and that the government had announced in various speeches but for which there was insufficient detail. As everyone will recall, the medium-term debt-to-GDP ratio forecast that we published indicated that over the next five years, the debt-to-GDP ratio, based upon our calculations, would be increasing.

By the government's own definition, the increasing debt-to-GDP ratio would mean—using the government's own words—that things were unsustainable. We raised concerns with respect to fiscal sustainability. Those concerns were based on our forecast and the lack of inclusion of the \$100 billion in spending that had been indicated but for which there were insufficient details.

Fast-forward to the budget. In the budget, over the medium term, the government itself has a medium-term forecast that indicates the debt-to-GDP ratio is increasing. Over the next 25 years, the line is flat and going down a bit. There is a bit of fiscal space, so it is fiscally sustainable over that period of time. The debt-to-GDP ratio I go back to, over the next five years, is increasing.

Since September, there has been additional clarity, in particular with respect to defence. One of the key pledges of the government, of course, is increasing NATO defence spending from 2% to 5%. The government has indicated in the budget that approximately 1.5% is going to come from existing spending. It's not going to be net new spending necessarily. It's going to be dual-purpose spending. That does reduce some of the fiscal stress overall.

In addition to that, looking back at the Liberal Party of Canada platform, there are several sizable measures in the platform that have yet to appear in government policy. In particular, there were tax credits with respect to multi-unit residential buildings for developers. That also provides additional fiscal room.

In short, the context and the numbers have changed. Certainly, that obliges us to change our overall assessment. I can assure you that as we go forward and as we have additional numbers, our assessment might change in the future, as it would, because, going back to a point made by your colleague, it is a very dynamic global environment and a dynamic domestic environment as well.

• (1200)

**Iqra Khalid:** Do I have—

**The Chair:** You have 10 seconds.

**Iqra Khalid:** Okay, I won't even try. Thank you.

**The Chair:** For your birthday, we were going to give you an extra few seconds. Maybe we can in the next round.

Ms. Gaudreau, go ahead, please.

[*Translation*]

**Marie-Hélène Gaudreau:** Thank you very much, Mr. Chair.

Mr. Jacques, could you give us a specific example of an investment made by the federal government?

**Jason Jacques:** It could be an investment in a building.

**Marie-Hélène Gaudreau:** Okay.

What percentage of the budget is considered an investment in the production of goods?

**Jason Jacques:** Based on the accounting sector's definition and Canada's system of national accounts definition, for a building, it would be 100%.

**Marie-Hélène Gaudreau:** I wasn't clear. Let me start again.

In terms of infrastructure, of investment in assets, how much does the government invest, percentage-wise? Is it 2% or 98%?

**Jason Jacques:** Each year, \$500 billion is invested in the Canadian economy as a whole. Of that, 20% comes from the various levels of government. I'm sorry—

**Marie-Hélène Gaudreau:** Correct me if I'm wrong, but salaries, loans and tax credits are not investments, so we need to remove them from the equation. Buying buildings and military equipment, that is an investment. What percentage do these types of investments represent? Is it 2% or 5%?

**Diarra Sourang (Director, Economic Analysis, Office of the Parliamentary Budget Officer):** The government's investments represent approximately 4% of the GDP.

**Marie-Hélène Gaudreau:** Okay. I'm going to stop my line of questioning right here, because I've just figured out that the investments the government is talking about—and it's very creative—are expenses that generate economic benefits.

What I'm looking for as parliamentarian is the 4% of real investments. We can calculate the rest later. I worry the credit rating agencies are going to ask us for that information.

I have one more question. Did you receive any information from the government regarding that new unit of measure? Has the government explained to you the reason why it's using this measure and how to use it? Just a yes or no answer.

[*English*]

**The Chair:** Give a brief answer, please.

[*Translation*]

**Jason Jacques:** No, not yet.

**Marie-Hélène Gaudreau:** Okay, thank you.

[*English*]

**The Chair:** Ms. Jansen is next, and then it's back to Mr. Gasparro.

**Tamara Jansen:** The \$1-trillion investment plan we've heard about in the budget talks about how it's going to create \$1 trillion in investment. How much of that \$1 trillion is actual government money?

**Diarra Sourang:** If we look at the table presented in the budget, approximately \$35 billion is directly attributable to budget 2025, but you have to keep in mind that it follows the government's definition of a capital investment.

**Tamara Jansen:** Roughly how much of that \$1 trillion is actually government money?

**Diarra Sourang:** Just to provide a bit more context about the \$1 trillion, the idea is for the government to invest in capital, and the plan is to eventually generate \$1 trillion of total investment from both the government and the private sector.

**Tamara Jansen:** How much of it is expected from the private sector?

**Diarra Sourang:** We do not have that information at the moment.

**Tamara Jansen:** Okay.

Has the government provided you with a concrete list of any investors or any commitments of any kind from the private sector?

• (1205)

**Diarra Sourang:** No, but one thing you have to keep in mind with that \$1-trillion investment is that it doesn't distinguish between what is already taken into account in the current economic environment as well as the private sector—

**Tamara Jansen:** There are no details is what you're saying.

**Diarra Sourang:** We do not have the details.

**Tamara Jansen:** In Langley, we have, as an example, a transformational cultural investment that I think they've announced at least three times. They're going to give, I think, \$25 million. I have to double-check that, but it's toward a Langley performing arts centre, because we want more places where our kids can have their graduation ceremonies and so on.

I think the current cost estimate to build it is about—maybe not quite—\$100 million. That means \$75 million of it has to come from taxpayers. If you extrapolate from that, is that how all of the investments are going to work? Is there going to be a small portion from the government and the rest has to come from either taxpayers, like municipal taxpayers, or private investors?

**Diarra Sourang:** I do not have that information.

**Tamara Jansen:** Then I'm going to ask this question, and maybe I can ask it of Mr. Jacques. Is it realistic to assume, knowing that in the last 10 years \$200 billion in private investment has exited the country, that simply having the government put in 25% of an investment is going to be enough to bring investors back? Is that what we're saying with this budget?

**Jason Jacques:** I don't know what the government is saying with the budget. The support from the government is obviously one factor. It's an important factor. It's not the only factor. Other parts of the budget certainly focus on regulatory reform and making things easier for investors.

I think we'll be in a better position to comment on how effective the additional money might be once we have more details regarding how much it is and whether, to your point, it is matching, and once we have additional clarity regarding what is assumed already within the budget.

**Tamara Jansen:** I think I have time for one more question.

**The Chair:** You have one minute and 20 seconds.

**Tamara Jansen:** I know that when we hired accountants for our company, it was one of the most important jobs, because we felt that if we didn't understand the numbers, if we didn't know where the numbers were, we could easily lose money and have no clue. That was really important to us, so when we put out a call for an accountant, we were looking for someone who had professional skepticism. They weren't going to come in as a cheerleader and say, "Rah, rah, rah; you guys are doing great." They looked at the numbers and said, "By the way, this is going offside."

When I saw the government put out a call for someone who had tact and discretion, I thought that was fascinating, because it sounds like they want to make sure that somebody is going to keep things on the down-low. Are you concerned that this is the personality trait they're looking for?

**Jason Jacques:** No, and I'll go back to the opening statement.

We've had more meetings with parliamentarians over the past two.... We're clocking in at probably close to 100 at this point. Most of the meetings are in private with their staff, and none of that information is divulged to other parliamentarians. That's important. You need someone who can be discreet and not share that information.

In terms of tact, I also think it's very important. I've worked on the Hill for 17 years. You get to meet people from Langley, Toronto and everywhere in between. You're also going out to Newfoundland and see different cultural backgrounds and a lot of beautiful linguistic duality. It requires tact to deal with people from all those different backgrounds and meet them where they are, especially recognizing that parliamentarians are the client.

It's not a problem. You need to make sure that you're dealing with them in a tactful manner, regardless of the differences in the perception of what tact actually looks like.

**Tamara Jansen:** Thank you very much. I've really appreciated your discretion, tact and skepticism.

**The Chair:** Thank you, Ms. Jansen. We're past our time.

Mr. Gasparro, go ahead, please, for five minutes.

**Vince Gasparro:** Thank you.

Kevin Page has said your office may be applying more conservative growth assumptions than, say, other institutions or previous PBOs. Can you walk us through why you chose the assumptions you did for this year and provide some context to the assumptions that were used, please?

• (1210)

**Jason Jacques:** I haven't seen Kevin Page's comments. Can you provide me with a bit more context with respect to Kevin's critique? I didn't have a chance to read his analysis.

**Vince Gasparro:** He talked about some of the assumptions that were used in the analysis. Maybe I can provide a written question if you want to see his quote, because I don't want to bastardize it. He was pretty direct that some of the assumptions your office used were overly conservative.

I can probably provide that in a written question, if you prefer.

**Jason Jacques:** Sure, that would be great.

I haven't seen Kevin publish any analysis in a very long time, so I would like to read his analysis and go through his spreadsheets before I offer any comments on his views and the views of parliamentarians with respect to the forecast we produce and the assumptions we use.

I pay very close attention to looking at our GDP forecasts and the aggregate forecasts. I see we're pretty much right in the middle right now. We receive a monthly publication from Consensus Economics. It takes into account the numbers the Government of Canada is using in budget 2025. It takes into account the updated IMF and OECD forecasts.

Before I say that I think Mr. Page is incorrect.... I would like to see his analysis before I reach that conclusion. If you can provide it in writing, alongside the analysis that he's generated to support it, I'd be happy to provide an analysis back to the committee.

**Vince Gasparro:** For sure.

Maybe we can go at it a different way, then. Did you change the assumptions you used for your analysis for this year from previous years? Has your office changed or altered the assumptions that were used in previous analyses by the PBO, from previous budgets to this one?

**Jason Jacques:** I would say the fundamental assumptions are unchanged, as is the case with a very rapidly evolving economic situation. The assumptions will always change.

I would go back to the last time we were here. We answered questions with respect to tariffs in particular. Looking at the assumptions we make with respect to the current tariff regime between Canada and the U.S. and the countervailing tariffs in Canada, and the assumptions with respect to a successful renegotiation of the existing agreement between Canada and the U.S., those assumptions continue to evolve. They continue to evolve, as they should, based upon updated data.

Going back to the response to a question asked by one of your colleagues, when the facts and the numbers change, obviously you need to incorporate that in the forecast.

**Vince Gasparro:** I'm glad you talked about assumptions evolving and the global macroeconomic environment evolving and changing. As you have presented here before, a focus on productive assets and capital assets hedges against a lot of the macroeconomic issues our country is facing.

I want to try to put that into a historical context. In a long-ago life, I worked for former prime minister Paul Martin. As finance minister, Paul Martin was dealing with a very serious economic situation back in the mid-1990s. Could you put into context the debt servicing costs that we are currently dealing with today versus what we were dealing with in the mid-1990s?

**Jason Jacques:** We're lower.

**Vince Gasparro:** Pardon? Can you say that again?

**Jason Jacques:** Lower.

**Vince Gasparro:** We're lower. Thank you.

**The Chair:** We are out of time, but I was going allow a bit of time for an answer.

**Vince Gasparro:** One-word answers are fine.

Thank you.

**The Chair:** Thanks.

We'll now go to Mr. Lawrence, please, and then Ms. Rochefort.

**Philip Lawrence:** Thank you.

Mr. Jacques, the theme of my questions this round will be transparency. I want to start out with the division between the operating budget and the capital budget. Of course, there's been much discussion of this.

In your report, you state, "PBO maintains its view that the Government's definition of capital investments is overly expansive." You state that there's a total of \$217 billion over 2024 to 2029, an increase of almost 30%, or \$94 billion, and that the government has overstated the capital budget by almost \$100 billion and understated the operational budget by the same amount.

Would you say the government is out of step with countries such as the United Kingdom and other OECD countries in the way they separate out the capital budget from the operating budget?

• (1215)

**Jason Jacques:** They have a different definition. While other countries and provinces separate and present data around operating and capital budgets, the Government of Canada has a very different definition.

**Philip Lawrence:** Would that different definition make doing a comparison with other countries, while not impossible, perhaps more difficult?

**Jason Jacques:** It could. Something I mentioned to the committee previously is that there are other datasets collected by the Government of Canada. Most notably, there's the system of national accounts and the GDP accounts collected by StatsCan, which have another definition of capital and operating that's commonly used around the world. Of course, those definitions roll up and are set by the United Nations.

There are also public service accounting board standards or public sector accounting board standards, which in turn have their own definition of operating and capital. Those are generally linked to international financial reporting standards. That would allow you to look at federal government spending on operating capital and compare it across other jurisdictions on a more comparable basis.

In terms of the new definition set by the government, you would need some time to reset it in such a way, or recalculate it in such a way, that you could easily compare it.

**Philip Lawrence:** Thank you, Mr. Jacques.

The "overly expansive", in your words, definition of capital investments in the budget would have the effect of making it easier for the government to achieve a balanced operational budget, would it not?

**Jason Jacques:** That's correct.

**Philip Lawrence:** I realize that you're not an auditor, but to the extent that it affects the PBO, we've seen a trend in recent years of the government failing to deliver either the budget or the public accounts in a timely way or, as you've recently mentioned, failing to share information with your office.

To the extent that it impacts the PBO, can you talk about the government's failure to deliver a budget or the public accounts on a timely basis or to share information with your office?

**Jason Jacques:** For me, the emphasis is less on our ability to do our job and more on the ability of parliamentarians to do their job. In particular, as everyone around this table is painfully aware, many votes happen in Parliament around money—appropriation bills, budget votes, a confidence vote earlier this week and ways and means motions—for which you need data, and financial data should be made available.

The Government of Canada does a fairly good job at generating substantial amounts of financial information. A point that we've made in the past is the government doesn't always provide that data in a timely way that is digestible by parliamentarians, and that undermines the ability of parliamentarians to vote on things in an informed way.

Very recently, the week of the budget had potentially a very poignant observation: We had the budget being tabled, we had the public accounts being tabled, we had supplementary estimates (B) being tabled and we had the departmental results reports being tabled. In English prose, it was well over 10,000 pages' worth of documentation. I don't know the number in French prose, but it's likely higher. Within a very short period of time, the deluge of information—very pertinent information for parliamentarians to make decisions—was not helpful to support the processes that occur on the Hill for the people who are democratically elected and expected to make the best decisions on behalf of their constituents.

• (1220)

**Philip Lawrence:** Thank you, Mr. Jacques. I appreciate your candour.

**The Chair:** Thanks.

Ms. Rochefort, go ahead, please.

**Pauline Rochefort:** Thank you.

I would like to follow up on my colleague Mr. Bardeesy's line of questioning, because if I understood your response, Mr. Jacques, the new budgeting framework separating operating and capital expenditures is, in a sense, a practice utilized by many municipal governments, by provincial governments, I think you said, and by the private sector. I think you spoke about public companies more so than the private sector, so it is a current business practice in the mainstream economy.

**Jason Jacques:** That's correct.

**Pauline Rochefort:** In this situation with the government, is it proposed to be used for both budgeting and reporting purposes?

**Jason Jacques:** That's my understanding based upon the information presented in the budget.

**Pauline Rochefort:** Would that be in line with how private companies, the public sector or other governments also do it?

**Jason Jacques:** That's my understanding.

**Pauline Rochefort:** In a sense, then, it does bring more transparency to the process.

Overall, would it be your sense that it brings in a greater degree of transparency? It's a matter of definition, I think, is what you're suggesting. Is that correct?

**Jason Jacques:** That's correct.

I would further say that if the government had come up with a new mechanism for internal decision-making around tagging things as operating and capital and then refused to publish that information and share it with Parliament, that would have been a significant gap in transparency, and it's not. They have a new decision-making framework internally around operating and capital, and they are sharing that information with parliamentarians and presenting it, so it is a complement.

**Pauline Rochefort:** Can I move to public accounts timing? You noted that we should change the deadline from December 31 to September 30, advancing it, if that's correct. You indicated that this would improve transparency. You just noted that you get many documents at the same time, and it could be 10,000 pages. I'm not sure what the particular number was. Is there a risk, however, of trading off accuracy?

As much as we try to push the public service and the government machine to provide information, is there a risk in doing so? Just as we were asking for information by November 19 when they weren't in a position to provide that information, is there a risk, when we push and insist on having things as quickly as we can, of trading off the accuracy of information?

**Jason Jacques:** I would go back to a quote from a former comptroller general who appeared before this committee, I believe, two or three years ago. He indicated that, from his perspective, an earlier target was certainly reasonable. I believe he was focused on October 15, which was a recommendation from this committee based upon the discussions they had with the former comptroller general.

Certainly, from our perspective, it's a very valid point that you raise in terms of the reasonableness of moving it earlier. At the same time, if the data is audited, complete in both official languages and could be shared with Parliament earlier, rather than providing additional discretion to the public service regarding when the information is ultimately released, then publishing or setting an earlier publication date, from our perspective, serves parliamentarians better.

**Pauline Rochefort:** Can you repeat the date you mentioned? I just want to remember it.

**Jason Jacques:** It was the former comptroller general of Canada. It was a recommendation from the government operations committee that mentioned October 15, from his perspective, was a reasonable timeline.

**Pauline Rochefort:** Okay.

**Jason Jacques:** We focused on September 30 based upon international guidance. Although it might be a stretch target, we have the utmost confidence that the public service is well situated to achieve the additional two weeks.

**Pauline Rochefort:** Is there an overall commitment by the government? Is there a formal date? Is October 15 the formal commitment date from the government? Do you know?

**Jason Jacques:** I don't believe there is. Sadly, the former comptroller general is now retired.

**Pauline Rochefort:** Thank you for specifying that date. I think this year they were tabled officially on November 7, so it was over two weeks off.

Thank you so much for responding.

**The Chair:** Great. Thanks very much.

Colleagues, we're running ahead of time, shockingly. After this round, we'll have one more round. We'll get to three interventions, so there will be two Bloc spots. We're going to combine them right now into one five-minute block, and then we will skip them the next time around.

It will be Ms. Gaudreau. Then we'll have Ms. Block, and then we'll go back to Mr. Bardeesy. Then we'll start the next round. I'll just need to find out who's going for the Liberals and the Conservatives.

Go ahead, Madame Gaudreau.

• (1225)

[Translation]

**Marie-Hélène Gaudreau:** Thank you very much, Mr. Chair.

I am speechless, Ms. Nicol. People watching this meeting are probably thinking that there's no more transparency. My first question was on capital investment. That represents about 4% of the GDP. You must have done this, but if we calculate things without knowing the definition of this unit of measure, and that information is apparently coming, what would the results be if the investments and expenses had been presented separately as credits or loans?

**Caroline Nicol:** In our report, we compared the government's definition to a definition that is closer to the one used in the U.K., which is considered as a standard by other countries, and we found a difference of about 30% between the two.

**Marie-Hélène Gaudreau:** Okay.

We are lucky enough at the Bloc Québécois to have economists in our membership, and I'd like to thank my colleague from Mirabel who did some calculations using previous budgets and the previous matrix. I'm not sure if you've done this, but using the previous definition, between 2015 and 2024, in billions of dollars, we're not just talking about a balanced budget, but a surplus of at least 30%. Did you come to the same conclusion?

**Caroline Nicol:** We did two calculations for our report. First, we looked at the capital investments' value based on each definition. Second, we did a comparison based on what the situation looked like before the introduction of new measures in the 2024 fall economic statement. We came to the conclusion that, without the definitions adopted in the last year, based on its own definition, the government would be in a surplus situation for part of the planning horizon.

**Marie-Hélène Gaudreau:** Okay.

I gather that, not only did you receive the information quite late, but you weren't given a fully informed explanation and there weren't any consultations.

In Laurentides—Labelle, on August 28, we received a great deal of information from people expressing their needs. However, we didn't study it. I actually think that the Standing Committee on Finance cancelled pre-budget meetings, which I find unbelievable.

You then told us that a budget really needed to be tabled and that you were waiting for it, since we already had your figures. It was then announced that the budget would be tabled on November 4. That really didn't give you much time. I'm stunned to hear people say that we work transparently and that we know where we're going. We had been waiting for a budget for a long time. Now I'm afraid that people aren't well informed.

So, I hope and insist that you come prepared with everything that you need to do your job and answer our questions properly. Unfortunately, I can't ask you any questions about the document that arrived earlier today. However, I hope that you can provide answers to the Standing Committee on Finance.

Time is running out. I would like to discuss the medium-term effects. It's one thing to talk about drawing inspiration from the approach taken by Australia and other countries, but how to go about doing so is another matter entirely. Ultimately, the rating agencies give Canada a credit rating. Do our model and our figures for them have a positive or negative impact? They will want to know what really constitutes an expenditure and what really constitutes an investment.

**Jason Jacques:** I think that the agencies are in a better position to answer that question.

• (1230)

**Marie-Hélène Gaudreau:** Okay. So, you don't think that an agency could say that it needs details and that this will affect its rating for us.

**Jason Jacques:** As I said, the Government of Canada decided to provide more details on operating expenditures and investments, in addition to the usual data set. These external agencies have more time than parliamentarians to assess these things. The circumstances here are somewhat different. You need to make decisions quickly, particularly when you must fulfill your obligation to vote on the budget, as you did a few days ago. That's why transparency becomes a key factor. The members of Parliament and the senators must have time to absorb all the data presented in the budget so that they can make an informed decision.

**Marie-Hélène Gaudreau:** Thank you.

[English]

**The Chair:** Thanks very much.

We'll go to Ms. Block—a different block—and then over to Mr. Bardeesy.

**Voices:** Oh, oh!

**The Chair:** You have five minutes, please, Ms. Block.

**Kelly Block:** Thanks very much, Chair. That was always a joke when I was first elected, and it's coming back to haunt me.

Mr. Jacques, I appreciate your pragmatic perspective on the need for the PBO to exercise discretion in all its dealings, in its role of serving parliamentarians and in serving us well. I also appreciate your earlier comments today when you spoke to the independent and non-partisan role of your office.

I'm recalling that in your first appearance at our committee, you testified to the alarming reality that anyone could have been appointed to the interim position. You had just been appointed and you provided us with that testimony. You provided us with something to think about when it came to the fact that there was a lack of requirements, including the need for the individual to be a Canadian citizen or have management experience, or even a requirement that they be bilingual.

That is not something we've lost sight of. I believe that a PBO needs to be appointed to a full-time position who is vetted by parliamentarians and who can be free to do the non-partisan work of bringing transparency and accountability to the government's finances.

For this reason, I would like to move the motion that I put on notice. I know the matter is at hand right now. If I could, I would like to read the motion into the record.

**The Chair:** Is this the one that was sent out this morning?

**Kelly Block:** Yes.

**The Chair:** Go ahead, please.

**Kelly Block:**

That the Standing Committee on Government Operations and Estimates recommend that the Prime Minister's Office and Privy Council Office submit to the committee a shortlist of candidates for the permanent Parliamentary Budget Officer position; that the committee conduct interviews with the shortlisted candidates as part of the consultation process specified in the Parliament of Canada Act; that, unless otherwise decided by unanimous consent of the House of Commons, an appointment to the position of Parliamentary Budget Officer be made only if the nominee has been selected by the unanimous agreement of the Standing Committee on Government Operations and Estimates, which includes members from each recognized party in the House; and that the House be so informed by way of a report from this committee.

Thank you.

**The Chair:** Thank you.

Do you wish to speak to this?

I'll start a speaking list. I have Ms. Gaudreau and then Ms. Khalid.

**Iqra Khalid:** I'm just wondering if we could quickly caucus among ourselves for two minutes.

[Translation]

**Marie-Hélène Gaudreau:** Mr. Chair, I would really like to take two minutes to read and absorb the text of this motion.

After that, I'll be first on the list. I believe that I'll have an amendment to move.

[English]

**The Chair:** Sure. The motion was sent out this morning, but I understand that people require a few more minutes. Why don't we suspend for two or three minutes?

Actually, colleagues, we have finished our full rounds, except for one last spot for Mr. Bardeesy. Are we fine with releasing our witnesses, or would we like to keep them around on the off chance we can get Mr. Bardeesy in for five minutes?

• (1235)

**Iqra Khalid:** If we're able to dispose of this motion in an efficient manner, then perhaps our witnesses can stay.

**The Chair:** Why don't we invite them to stay to have some OGGO coffee and OGGO cookies at the back? Maybe we can resolve this quickly.

We're suspended.

• (1235)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1241)

**The Chair:** We are back.

We have the speaking list. We have Ms. Gaudreau and then Ms. Khalid.

[Translation]

**Marie-Hélène Gaudreau:** Thank you, Mr. Chair.

Thank you for the time that you have given us to prepare for true transparency and democracy. I wholeheartedly welcome my colleague's motion. The selection of a Parliamentary Budget Officer really must remain impartial. This means that we mustn't appoint a person—with all due respect to Mr. Jacques, even though he has 18 years of experience—without following a proper and legitimate process as parliamentarians.

Mrs. Block's motion is quite appropriate. If the Parliamentary Budget Officer is selected, they will be chosen from among other potential candidates. I would also like to move a subamendment to ensure that we follow a comprehensive process. I just sent it to you by email. You should have received it. The subamendment is written in French. I move:

That the motion be amended by adding before the words "That the committee recommend" the following: "That, pursuant to Standing Order 108(3)(c), the committee mandate its Subcommittee on Agenda and Procedure to consider nominations for the position of Parliamentary Budget Officer; that the committee's routine motions apply to the subcommittee;"; by deleting the words "That the committee recommend", by replacing the words "submit to the committee" with the words "submit to the subcommittee", by adding after the words "short-list of candidates" the following: " , no later than 14 days after the adoption of this motion.", by replacing the words "that the committee conduct" with the words "that the subcommittee deliberate in camera and review the nominations and, if necessary, conduct", and by replacing the words "unanimous agreement of the committee" with the words "unanimous agreement of the subcommittee".

[English]

**The Chair:** Do you wish to speak to your amendment?

[Translation]

**Marie-Hélène Gaudreau:** It's quite clear. It's important to follow the usual rules of the House. That's why Standing Order 108(1) was added. The substance of the motion is highly relevant. The additions follow our verification to ensure compliance and legitimacy and to make sure that this isn't done in front of the general public either.

I'm waiting for your questions and comments.

• (1245)

[English]

**The Chair:** I'll start a speaking list.

Ms. Khalid, go ahead on the amendment.

**Iqra Khalid:** I'm sorry, Chair. I didn't want to interrupt Ms. Gaudreau, but I wanted to ask if you had ruled on admissibility—whether the main motion is in order or not.

**The Chair:** I believe it is.

**Iqra Khalid:** Can we ask the analysts, then? From my understanding—

**The Chair:** It's not the analysts. It's the chair who rules, and I believe it is admissible as a matter-at-hand issue.

**Iqra Khalid:** If I may, when a motion directly contradicts a parliamentary act—

**The Chair:** I'm going to interrupt you. I don't believe it contradicts a parliamentary act. You're welcome to challenge the chair, but I believe it is—

**Iqra Khalid:** In that case, I challenge your ruling, Chair.

**The Chair:** We'll go to a vote on it. This is on the original motion.

[Translation]

**Marie-Hélène Gaudreau:** Mr. Chair, please don't proceed to the vote just yet.

[English]

**The Chair:** It is a bit late to be doing this at this point.

[Translation]

**Marie-Hélène Gaudreau:** I need a good interpretation, and I didn't get one.

[English]

**The Chair:** I'm sorry. Hold on for one moment.

[Translation]

**Marie-Hélène Gaudreau:** My microphone is on, so I can't hear it. I'm sure that you can't hear it either. I would like you to repeat the last four sentences so that I know what we're voting on.

[English]

**The Chair:** I notice that sometimes the volume turns itself off after we suspend. That only happens intermittently, it seems.

We're discussing your amendment right now. Ms. Khalid was asking about whether the original motion was in order, although we are late in ruling on that. I'm happy to address it. I believe it is a matter-at-hand motion being put forward, but I believe the motion is in order.

Ms. Khalid is challenging the ruling that the motion is in order. We're now going to vote on the challenge to my decision that it is in order.

**Kelly Block:** Are we voting to sustain the chair?

**Philip Lawrence:** If we want to sustain, we vote yes. Is that correct?

**The Chair:** Yes.

**The Chair:** We'll now go to the clerk, who will do a vote. Then we will return to the amendment.

(Ruling of the chair sustained: yeas 4; nays 4)

**The Chair:** I vote in favour of myself.

**The Clerk of the Committee (Marc-Olivier Girard):** When it's equal for this question, your ruling is automatically sustained.

**The Chair:** I know. I'm just teasing.

We're now on the amendment that Ms. Gaudreau brought forward. We'll start a speaking list for the amendment.

We'll have Ms. Khalid and then Ms. Rochefort.

Go ahead on the amendment.

**Iqra Khalid:** On the amendment, I'm just wondering if the text of it has been circulated to my email.

**The Chair:** It has.

**Iqra Khalid:** In that case, while I read it, I'll pass it back to you.

**The Chair:** Let me interrupt quickly. I've mentioned this before. I mentioned it in the last Parliament and I mentioned it earlier today. I have a speaking list. I will advise who's speaking and who's next. I'm not going to treat you like children and remind you that you have to put your hands up to speak. If you don't put yourself on the list, as it's your responsibility, we will consider the debate finished.

I will note who's speaking and who is speaking next each time. I'll give you that much.

Go ahead, Ms. Rochefort.

**Pauline Rochefort:** Mr. Chair, I would also love to see the complete amendment.

• (1250)

**The Chair:** It's been emailed.

**Pauline Rochefort:** Okay. I haven't been able to see it yet.

Nonetheless, I'd like to come back to the fact that there is a process that's part of the Parliament of Canada Act. I would simply like to read it. It says this:

The Governor in Council shall, by commission under the Great Seal, appoint a Parliamentary Budget Officer after consultation with the following persons and after approval of the appointment by resolution of the Senate and House of Commons:

(a) the Leader of the Government in the Senate or Government Representative in the Senate, the Leader of the Opposition in the Senate and the Leader or Facilitator of every other recognized party or parliamentary group in the Senate; and

(b) the leader of every recognized party in the House of Commons.

There is participation by all of the parties in the nomination process. Then it talks about the experience and the expertise:

The Parliamentary Budget Officer shall have demonstrated experience and expertise in federal or provincial budgeting.

I think that's what Madame Gaudreau was referring to.

It mentions the following:

The Parliamentary Budget Officer holds office during good behaviour for a term of seven years but may be removed for cause by the Governor in Council on address of the Senate and House of Commons.

It also speaks about reappointment:

The Parliamentary Budget Officer may be reappointed for one or more terms of up to seven years each. However, the Parliamentary Budget Officer shall serve no more than 14 years in office in total.

Then it specifies the following:

In the event of the absence or incapacity of the Parliamentary Budget Officer, or if that office is vacant, the Governor in Council may appoint any person to hold that office in the interim for a term not exceeding six months, and that person shall, while holding office, be paid the remuneration and expenses that may be fixed by the Governor in Council.

It then states the following:

The Parliamentary Budget Officer shall be paid the remuneration and expenses fixed by the Governor in Council.

Mr. Chair, I was just wondering how we reconcile the fact that we have the Parliament of Canada Act for this appointment with the fact that we are moving a motion—an amended motion in addition to that—that is not in keeping with the currently approved Parliament of Canada Act.

Would you be able to explain to me why—

**The Chair:** I'm not part of the debate. This is the debate on the amendment. I've ruled, and it has been upheld by the committee.

We're debating the amendment, and I would ask that you get to the amendment, or we'll move on to Mr. Bardeesy, who's next on the list.

**Pauline Rochefort:** This is just proof that there was—

**The Chair:** That's fine, but you're not debating me, Ms. Rochefort. You're not—

**Iqra Khalid:** I'm sorry, but I have a—

**The Chair:** Excuse me, Ms. Khalid.

**Iqra Khalid:** —point of clarification, Chair.

**The Chair:** Let me finish my conversation.

**Iqra Khalid:** Please go ahead.

**The Chair:** We are debating the amendment to the original motion. You're welcome to continue debating the amendment and to get back to the topic of the amendment, but this is the debate at hand. If you're done your intervention, we can go to Mr. Bardeesy, but this is not a Q and A session between the two of us.

Ms. Khalid challenged my ruling. It was upheld by the committee, so now we're back to the amendment.

**Pauline Rochefort:** I'm simply asking how I can be debating an amended motion that is not in keeping with the current act of the government.

**The Chair:** If you're done debating the amendment, we will go on to Mr. Bardeesy.

Ms. Khalid, do you have a point of order?

**Iqra Khalid:** No, you can just add me to the list, Chair.

**The Chair:** Okay.

I think we're going on to Mr. Bardeesy now.

**Pauline Rochefort:** Thank you.

**Karim Bardeesy:** Thank you, Mr. Chair.

**The Chair:** I'm going to be very clear. It's on the amendment. We're not going to read from the Parliament of Canada Act anymore. We want to stick to the amendment at hand.

I saw a lot of hands about to come up with yells of relevance, previously, and I saw you were patient, but let's get to the amendment please.

Thanks, sir.

[*Translation*]

**Karim Bardeesy:** Thank you, Mr. Chair.

I appreciate the amendment moved by my colleague, Ms. Gaudreau. I think that I understand the meaning of the amendment. However, if I'm mistaken and I start to discuss the main motion, I apologize.

In my opinion, the amendment is good. It delves deeply into the processes of offices and cabinets in a way that I haven't seen yet as a member of Parliament. I've been here for only six months. There are specific opinions regarding the process referred to in the main motion.

• (1255)

[*English*]

**The Chair:** Mr. Bardeesy, I need to interrupt you for one moment. It's evident that we're not going to get back to your last intervention, so I'm going to excuse our witnesses.

Thank you, as always, for being with us today. We sincerely appreciate it. Hopefully, we'll see you back for the supplementary estimates (B), if we can get them in before we rise for Christmas.

Mr. Bardeesy, I apologize. We'll go back to you, sir.

**Karim Bardeesy:** Thank you, Mr. Chair.

[*Translation*]

As I said, the amendment assigns specific roles to the cabinet, the Privy Council Office and the committee. I'm concerned about this. It's an unnecessary clarification. My colleague, Ms. Rochefort, read the relevant sections of the Parliament of Canada Act. I noticed, for example, that this amendment doesn't include a role for the Senate, even though we have a bicameral system in which the Senate plays a significant role. It's in the act, yet the amendment doesn't include it. We need to correct this error in the original motion and add a role for the Senate.

Second, I'm new to the committee. I know that other committees are interested in the appointment to this position. I don't know whether the other committees have their own opinions or whether they want to get involved in the appointment process, the terms of which are specified in the motion. The members and the committee are being asked to review the nominations. However, as I said, two other committees are interested in this appointment. Mr. Jacques and some of his colleagues appeared before the Standing Committee on Industry and Technology, of which I'm a member. That's another point that I wanted to make.

Third, I want to point out that, through her amendment, Ms. Gaudreau wants to proceed in camera. I know that some processes are intentional when it comes to the choice of a nomination for an officer of Parliament. I would like to know whether her proposal in this amendment applies to other processes involving the other officers of Parliament.

I understand Ms. Gaudreau's amendment. However, I wanted to bring up these three points as part of the discussion.

[*English*]

**The Chair:** Ms. Gaudreau is up next, and then it's Mr. Gasparro.

[*Translation*]

**Marie-Hélène Gaudreau:** I was waiting to receive questions. It's fascinating.

Mr. Chair, we aren't here to change the internal economy, not at all. We're here to avoid a lack of transparency and impartiality. So this motion is an improvement.

If you have the same interpretation, the words “unless otherwise decided by unanimous consent of the House of Commons” mean that the ultimate process involves us making recommendations and them doing whatever they want with them. However, you and I will have gone through a legitimate staffing process—you have all done this in your lives—in order to tell the House of Commons: “Here is the person who can provide the services that you need.” This is where the legislation comes in. Instead of rushing things or talking about an interim appointment ending in March, I think that a unanimous vote will show you, the government in particular, that we don't want privileges, secrecy and a lack of clarity.

You may want to vote against it. However, this is an opportunity to say that we're improving a process. We aren't changing the rules of internal economy in any way. On the contrary, they can say that they don't accept our candidate recommendation. We aren't changing the seven-year term or anything else either. So it can only be a good thing.

I also understand that, when you do such an impartial job—he isn't with us—it's so important to know that you weren't chosen on the fly, but through a legitimate staffing process. That's why I think that we must adopt this today.

• (1300)

[*English*]

**The Chair:** Thanks.

I have Mr. Gasparro and then Ms. Khalid.

**Vince Gasparro:** Going back to some of the comments that were made, they were thoughtful, which we always expect from you, of course. There is already consultation built into the act.

Do you mind if I see that for a second?

**Tamara Jansen:** No, we're not going to read any more.

**Vince Gasparro:** Don't worry; I'm not going to reread it. Clearly you didn't read it the first time, so why read it again?

**The Chair:** I'm sorry, but let me interrupt here.

Mr. Gasparro has the floor. We don't want comments from the other side, but the comments that others came back with were also not appreciated. Let's just stick to our points.

**Vince Gasparro:** There are already consultations built into the Parliament of Canada Act. It talks about that; it's very clear. I won't read it again, but it mentions the Leader of the Opposition and mentions the Senate. That is already built into the act, which supersedes us. That's point one.

I've talked about this before at this committee. What precedent does this set for not only our government but also future governments? Are we going to open up a Pandora's box where, maybe, future governments will have to deal with all sorts of other committees that say they need to give their two cents on some appointment, or maybe even on this very appointment?

If we're trying to streamline how government works, I think we can all agree that we are trying to move more quickly around this place. I've only been here six months, like my colleagues. I'm seeing the process of how things work here and how slow it is, and I'm sure some of you pulled out your hair when you first got here as well. We're all trying to move more quickly, and this motion actually does the opposite.

I would encourage a slight change to this so we look towards the impact we'd have, and the precedent we are setting, by considering this motion.

**The Chair:** Great. We'll go to Ms. Khalid and then Ms. Block.

I'm going to ask everyone to please stick to the amendment. Try not to interrupt. A lot of what we seem to be discussing is about the original motion.

• (1305)

**Iqra Khalid:** Thank you, Chair.

Just before I begin my remarks, how long do we have this room for today?

**The Chair:** We have it until 2 p.m.

**Iqra Khalid:** That's wonderful.

**Voices:** Oh, oh!

**Iqra Khalid:** I have a flight to catch. I'd like to be home with my family, but I'm more than happy to talk about this really important amendment.

Mr. Chair, to clarify, I know you said the amendment and the main motion are two separate things, but I think ultimately they're talking about the same thing in that they're trying to create a procedure. As Madame Gaudreau has argued, this procedure is to increase transparency, perhaps, in the House.

I want to echo, first off, a couple of the comments that have been made by my colleagues. I tried to seek clarification from you and the Table, but alas, it was considered part of the debate.

I want to know—and I will be looking into this on my own time—how section 79.1 of the act works with this motion. When we're talking specifically about creating a procedure for how the selection of a public officer is made, we want to analyze the motion to see not only what the long-term implications of it would be, but also how it would impact other standing committees.

I'll give an example. I know the appointment of a Supreme Court justice has a component for Parliament where parliamentarians on the justice committees of both Parliament and the Senate have the ability to question the nominee by the Governor in Council. A whole process has been established.

As we talk about creating this process of having a subcommittee, at the subcommittee, as the amendment outlines, basically there would need to be unanimous consent for a name to be put forward. What happens then? I'm speculating and contemplating the implications of this amendment and of the motion. What happens if the government says, "Thank you very much, but, no, we're not moving forward with your recommendation"? What happens at that point? This is not contemplated in this motion at all. Also, I'm not sure if we have the power to make those kinds of amendments.

I 100% agree with the role of this committee to provide oversight, to provide transparency and to make sure the PBO is responsible to Parliament and not to government, as Mr. Jacques made very clear today. I want to analyze a bit the intersection between what the Parliament of Canada Act currently says about the appointment of a PBO and what we are suggesting through the amendment and the main motion at this committee. Is it going to be a complementary piece or a replacement piece? How does the law interact with that? I'm not sure if any of our folks want to help answer some of these legal questions, but I believe the motion and the amendment are a bit rushed, because we're not fully contemplating the outcomes of the motion at all.

I really appreciate that Ms. Gaudreau has gone on to say that the subcommittee of this committee would be the body that would conduct interviews with the candidates and then would meet in camera and review applications, with the shortlisted candidates provided within two weeks by the Prime Minister's Office as part of the consultation process.

I think there's a lot going on here. Who proposes these names? Is it open for applications, or are members going to come forward and say, "These are the people we want to interview"? Is there an application process, or is there a recommendation process where, say, opposition leaders propose names or our party whips propose names? I think there's a lot of vagueness and unnecessary specificity as well, in that it doesn't quite correlate with the act and the intention of the act in section 79.1.

• (1310)

Instead of jumping into this and making a decision today, I would like to take some time to really analyze what the full implications are, not just for parliamentary procedure but also for outcomes and for the precedents we would be setting for other committees and for the other processes that are contemplated in the act and in other pieces of legislation and regulations within Parliament. It's a long shot, but I will try it.

It is my birthday, but—

**Tamara Jansen:** On a point of order, I'm just wondering if we are talking about the amendment.

**Iqra Khalid:** Yes, we're talking about—

**The Chair:** I'm sorry—

**Iqra Khalid:** I'm sorry. Please go ahead, Mr. Chair.

**The Chair:** I'll rule on the point of order.

You haven't been referencing the amendment at all. I think we should dispose of the amendment first before we get to the original motion. I ask that you stick specifically to the amendment. I know we always allow a lot of space to discuss things, but you haven't addressed the issues of the amendment as such. I'd ask you to bring us back to it.

**Iqra Khalid:** Absolutely.

**The Chair:** I'll allow you to continue your thought. We cut you off. It is your birthday, so go ahead.

**Iqra Khalid:** Do you know what? Maybe I'll finish the other thought before I come to that one.

That's exactly the point I was trying to make, Mr. Chair. The amendment and the main motion are both trying to—

**The Chair:** Sorry, I'm going to interrupt. We are debating the amendment.

**Iqra Khalid:** Let me, then, go word by word through what the amendment is proposing to change in the main motion. I think in what Mr. Clerk sent, the stuff highlighted in blue is what is contemplated to be amended. Is that right? Okay.

The amendment proposes that the subcommittee of OGGO, the mighty OGGO, meet in camera to review applications, if necessary, and it sets a timeline for the Prime Minister's Office. The point I'm trying to make, if I can only talk about these amendments, is that I can't talk about these amendments without contemplating exactly what they are trying to do to the main motion. Ultimately, they're trying to create a process by which a PBO is selected—

**Tamara Jansen:** Mr. Chair, on a point of order, we're trying to work with the amendment. Then we can go back and she can make those points when we're back to the main motion. Is that correct?

**The Chair:** I'll let you continue, but please, let's stick to—

**Iqra Khalid:** Mr. Chair, that's exactly the point I'm trying to make.

**The Chair:** Please allow me to finish. We always allow wide breadth, but please, let's get to the amendment—not necessarily how the amendment and the motion go together, but the amendment.

Go ahead, please.

**Iqra Khalid:** Mr. Chair, I don't think these amendments fully contemplate or achieve what Ms. Gaudreau is trying to achieve in creating the more specific rules that are being proposed here today, so I don't think this is accurate. These amendments are not achieving the results that are being contemplated by this committee and by these amendments.

I will again say that I would like a little more time to analyze these amendments, how they play with the main motion and how all of that interacts with the Parliament of Canada Act.

Now I will go back to the other point I was about to make. I know that I'm always a glutton for punishment. I love this committee, but it is my birthday, and I hope that if I move a motion to adjourn, we can adjourn today and come back to this motion with a little more information.

At this point, Mr. Chair, I move to adjourn this meeting.

• (1315)

**The Chair:** We'll go over to the clerk for the vote.

(Motion negatived: nays 5; yeas 4 [*See Minutes of Proceedings*])

**The Chair:** I have Ms. Block and then Mr. Gourde.

Go ahead, please, Ms. Block.

**Kelly Block:** Thank you very much, Chair.

Speaking to the subamendment put forward by Ms. Gaudreau, as the mover of this motion, I see it as a friendly amendment. I understand the reasons she wants to have the subcommittee undertake the consultation process, which we understand is part of the process outlined in the Parliament of Canada Act.

We're simply asking to be a part of that process, recognizing that perhaps it would be a bit more streamlined and important to do that work in camera with a smaller group of people who represent all parties on this committee.

**The Chair:** Thank you.

Now we have Mr. Gourde, and then it's Ms. Gaudreau.

[*Translation*]

**Jacques Gourde (Lévis—Lotbinière, CPC):** Thank you, Mr. Chair.

I'm pleased to be joining the Standing Committee on Government Operations and Estimates today.

The subamendment warrants our full attention. It would give all parties a say in the upcoming appointment of the Parliamentary Budget Officer. If it were up to me, we wouldn't be in this mess. The interim Parliamentary Budget Officer is excellent. He's doing a good job and he deserves to hold this position. I'm not sure why the government didn't simply appoint him. He's already in the office and he knows all the inner workings. I think that his days are numbered, which is unfortunate. We'll be losing a great deal of expertise.

That said, we should allow this committee to have a shortlist. We aren't going to give names. Ms. Gaudreau could tell us whether we have a list of six candidates. That way, the committee members could review the candidates' résumés, analyze their skills and then interview them. This is done in other places. Contrary to what I heard in this committee, it wouldn't set a precedent. For some appointments, parliamentarians help to at least cut down the number of candidates, for example from six to three. Ideally, they would end up with a single candidate. At the very least, it's possible to cut down the number from six to three. This would help weed out the weaker candidates.

It's symbolic to allow all the parties to choose an impartial parliamentary officer. It's an impartial position and the officer really must remain impartial. When the government appoints the officer, this impartiality isn't guaranteed. Unfortunately, the appointments aren't always impartial. It's less risky in some areas, but the Parliamentary Budget Officer must be impartial and competent. That's non-negotiable. The officer analyzes our country's future through budgets, so the officer must give an opinion from outside the parliamentary bubble. Admittedly, we're highly partisan. However, when the Parliamentary Budget Officer issues a warning, we must pay attention and take it seriously. If the appointment is partisan, the Parliamentary Budget Officer may look the other way throughout the term and fail to point out the issues with a future budget. Canadians wouldn't have transparency, even though it's important.

If my colleagues want to reappoint the interim officer, we would agree. He's doing a good job. He has proven his impartiality beyond any doubt. He has really proven that he deserves this position. He was practically owed this position because he already worked in the office. He was probably second on the list. He has done all the work to deserve the position. The government knows why it sidelined him, but we don't, although we would have liked to know. If the government chooses to change officers, we'll participate in the appointment of the next officer. I would even say that the current officer, although he has been sidelined for the time being, should be a candidate on the future list, because he deserves the position. I hope that the government has understood my message.

Many things that we're currently doing could be avoided. However, if we need to find an impartial Parliamentary Budget Officer, we must do so properly. We need to find someone who is truly impartial. We aren't doing this for ourselves. We're doing this for our children and grandchildren. I have seven, soon to be eight, and I would like them to be able to understand the situation. It takes only a few years of looking the other way to let bad budgets slip through. Even abroad, rating agencies are starting to look at Canada

and to ask questions. I, too, am asking questions. We aren't seeing the return to a balanced budget. Warning lights are currently flashing.

● (1320)

We can't close our eyes and say that everything is hunky-dory. Unfortunately, finance doesn't work that way. No Canadian can manage their personal budget the way that the government manages its budget. Some people will say that it isn't the same thing. That said, someone always pays the price in the end, and that someone is the taxpayer, who will pay dearly.

In April, my future grandchild will be born with a \$35,000 debt on behalf of the federal government. From his first breath, he will have a \$35,000 debt, so if he cries, he will at least have a good reason to do so.

I don't know whether my Liberal colleagues care, but I certainly do. So make sure that you have a good appointment process and a good Parliamentary Budget Officer who remains impartial.

[English]

**The Chair:** Thanks.

We'll go to Ms. Gaudreau, and then that's the end of our speaking list.

Go ahead, Ms. Gaudreau.

[Translation]

**Marie-Hélène Gaudreau:** I would just like to add something before we proceed to the vote. Some people may not have been here.

None other than Jason Jacques himself said that he wanted an impartial process. He wants his name on the ballot, and if he continues, he continues. However, he will be chosen from among others. I just wanted to say that, because it doesn't come out of a Cracker Jack box.

[English]

**The Chair:** Thanks very much.

I will note that it is very similar to the system the Liberals, the NDP and the PCs use in Ontario.

We'll call the vote, then, as I have no one else on the speaking list. This is on the amendment.

We have a tie. I'll vote in favour of the amendment.

(Amendment agreed to: yeas 5; nays 4)

**The Chair:** We're back to the original motion. I'll start a speaking list.

Go ahead, Ms. Block.

● (1325)

**Kelly Block:** Thank you, Chair.

There are a couple of things I want to point out about the motion. Perhaps some of the things I'm going to point out will be a response to some of the concerns that were raised.

If you read the motion, we are recommending “that the Prime Minister's Office and Privy Council Office submit to the committee a shortlist of candidates”. That's where the list would come from—the Prime Minister's Office and Privy Council Office. We are calling for being part of a consultation process that is already specified in the Parliament of Canada Act. Those are two things that I think need to be brought forward. We simply want to be a part of that consultation process.

As the chair pointed out, this is a process to gain consensus from all parties, and it is in keeping with best practices given that the Province of Ontario has adopted it. I would simply say this. What we have asked is for deliberations and the choice that may come out of any deliberations—it has to be a unanimous choice—to be reported by way of a report to the House.

Thanks.

**The Chair:** Great.

**Pauline Rochefort:** I have a point of order.

**The Chair:** Sure.

**Pauline Rochefort:** I simply want to indicate that we had not completed our questioning of our guests today when we moved this particular motion. There was an agenda that wasn't respected. We moved forward with a motion. I would simply raise this with the chair and the vice-chair for further discussion, because I think that was a—

**The Chair:** That's not a point of order, but thanks very much.

If no one else is on the speaking list, Mr. Clerk, we'll call the vote.

**The Clerk:** The vote is four-four.

**The Chair:** I vote yes. As such, it passes.

(Motion as amended agreed to: yeas 5; nays 4 [*See Minutes of Proceedings*])

**The Chair:** With that, unless there's anything else, we'll wish Ms. Khalid a happy birthday and hope she gets to the airport and to her family in time to celebrate.

We are adjourned.

---





Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :  
<https://www.noscommunes.ca>