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• (1530)

[English]

The Chair (Hon. Karina Gould (Burlington, Lib.)): Good afternoon. I call this meeting to order.

Welcome to meeting number 30 of the House of Commons Standing Committee on Finance. Pursuant to Standing Order 111.1(1) and the motion adopted by the committee on Monday, March 9, the committee has commenced consideration of the certificate of nomination of Annette Ryan to the position of Parliamentary Budget Officer, referred to the committee on Monday, March 9.

I would like to welcome our witness, Ms. Annette Ryan, deputy director of partnership, policy and analysis at FINTRAC, who has been nominated by the government to be the next Parliamentary Budget Officer.

I would now like to give you the floor for your opening remarks, for five minutes. Please go ahead, Ms. Ryan.

Annette Ryan (Deputy Director, Partnership, Policy and Analysis, FINTRAC, As an Individual): Thank you very much, Madam Chair.

[Translation]

Dear vice-chairs and honourable members of the committee, thank you as well for inviting me today to talk about my candidacy for the position of Parliamentary Budget Officer of Canada.

[English]

I will open by honouring the past leaders—in particular Senator Hugh Segal and the Honourable Paul Dewar—who advocated diligently for many years to create the independent parliamentary budget office. Their goal was to deepen the transparency and accountability of Canadian governments to Parliament and Canadians. Informed parliamentary scrutiny is foundational to delivering real results for Canadians and core to the health of our democracy.

[Translation]

I also want to begin by saying that I have the deepest respect for all my predecessors who built the Office of the Parliamentary Budget Officer, or PBO.

As widely reported, the office was recently recognized by the Organization for Economic Co-operation and Development, or OECD, as the best in the world and a highly effective source of independent and credible advice.

The same OECD report provided balanced recommendations to inform its next steps.

[English]

I agree with the OECD recommendations and commit to deepening and strengthening PBO attention to the sustainability of the government's overall fiscal track. I will also extend PBO attention to how government budget proposals are executed as they flow through to main and supplementary estimates and into public accounts. This is core to parliamentary business, and it is also core to the practical question of what return Canadians get on the investment of taxes raised from them and in their name.

First, let me introduce myself. My name is Annette Ryan, and I am a proud Atlantic Canadian. I was raised on a family farm in Newfoundland and then in Prince Edward Island. I served as a page in the House of Commons. That was during the original Canada-U.S. free trade debates in 1988. I'm 55—you don't need to do the math. I earned a mathematics degree from Acadia University in Nova Scotia and a master's of economics from Oxford University, which I attended on a Rhodes scholarship.

I started my professional career at the Institute for Fiscal Studies in London, U.K., where I learned to analyze complex datasets to inform pressing economic and fiscal questions: productivity, innovation, wages and employment. I then made a specific decision in 1996 to return to Canada, to my local community and family, in order to work at the Prince Edward Island provincial treasury, where I managed all aspects of transfer payments and income taxes. While I am an “anywhere person” by training, I am a “somewhere person” by choice.

• (1535)

[Translation]

Rather than giving you my professional credentials or describing the projects I've managed over the past three decades, I will talk about my experience working with the ministers I have supported.

[English]

At the provincial level, I supported Minister Cheverie in the Liberal government of Catherine Callbeck, and Minister Mella in the Conservative government of Pat Binns.

At the federal level, I have supported Prime Minister Chrétien, Prime Minister Martin, Prime Minister Harper, Minister Baird, Minister Toews, Minister Clement, Minister Paradis, Minister Kenney, Minister Poilievre, Minister Mihychuk, Minister Hajdu, Minister Duclos, Minister Morneau and Minister Freeland.

[Translation]

I also provided support to Minister LeBlanc, and I'm currently providing support to Minister Champagne.

I am here today to seek your approval for a term as PBO in order to put my expertise at your service.

[English]

If confirmed as your PBO, I intend to provide you with high-quality, independent and relevant analysis so that you can hold the Prime Minister and his ministers and senior officials to account on questions like this: Can we afford these budget proposals? Are plans robust to higher oil prices, higher interest rates or recession? Who is responsible for executing on commitments?

[Translation]

What will be the growth rate of these investments?

Before concluding, I'd like to briefly come back to the issue of the office's independence, an element fundamental to its credibility.

[English]

While the Parliament of Canada Act currently allows a second term for the Parliamentary Budget Officer, I commit today to being a one-term PBO.

I believe that there are certain accountability roles in the senior public service that should not be eligible for reappointment, in the interest of maintaining integrity and independence 100% beyond reproach, and I believe that the Parliamentary Budget Officer is such a role.

[Translation]

To protect the independence of the Office of the Parliamentary Budget Officer, I will refuse a second term.

[English]

I want your trust, and I want the trust of Canadians. I want the government to have a clear timeline to appoint my successor. You have my word that I will serve you to the very best of my ability without seeking favour or influence.

[Translation]

Thank you. I look forward to your questions.

[English]

The Chair: Thank you very much, Ms. Ryan.

We will begin now with six minutes for Mr. Hallan.

Jasraj Hallan (Calgary East, CPC): Thank you, Chair.

I want to start today by thanking Jason Jacques for his service as PBO. He upheld the integrity and independence of the office he held as the PBO. He did a tremendous job holding the government to account and providing vital information to parliamentarians. We

are disappointed that he was not nominated as the permanent PBO, as we outlined in the Conservatives' letter to the Prime Minister.

Ms. Ryan, thank you for being here. Given the PBO's mandate in the Parliament of Canada Act, including the statement of independence on the PBO website, will you commit to being impartial and transparent if you are the PBO?

Annette Ryan: I absolutely commit to being independent, transparent and impartial.

Jasraj Hallan: Thank you.

The PBO works for Parliament, not the Prime Minister or any government. Do you commit to maintaining full independence from the executive branch and work for parliamentarians representing Canadians?

Annette Ryan: I do indeed.

Jasraj Hallan: Thank you.

As it's been reported, you were at Oxford at the same time as Prime Minister Mark Carney. Given your past relationship, how can Canadians be assured you will uphold the impartiality and independence of the PBO office if you become permanent?

Annette Ryan: Thank you for that question right off the top.

I've seen the discussion of my past acquaintanceship with the Prime Minister. I took a two-year Master of Economics program at Oxford University. The Prime Minister was already there. He was in the year previous to mine. As Canadians, we knew each other in the program, but we had different social circles and so on.

I saw him again in a professional capacity when I was chief economist at what was then Industry Canada and he was Governor of the Bank of Canada. I supported a committee at the time of roughly 20 deputy ministers, who would meet on a regular basis to discuss economic matters. During that time, I would discuss agenda questions and topics that the deputies might pose to him in those meetings. I typically dealt with his office rather than the governor himself, so I would say that it was really where our professional paths crossed.

I would also add, just for your comfort, that even though we had positive and professional engagements any time we met, I did not have any contact with him after he left to become Governor of the Bank of England.

• (1540)

Jasraj Hallan: Thank you, Ms. Ryan, for clearing that up.

Will you commit to never censoring or watering down a report at the request of the government, bureaucracy or the Prime Minister's Office?

Annette Ryan: I am very comfortable making that commitment.

Jasraj Hallan: Thank you. The reason for these questions is obviously that, as you said, they've been reported. They've been out there in the news, and there's also the track record of this government.

As an example, Mr. Jacques called out the government on the fiscal situation framing as standing "at the precipice" and "looking over the cliff". He raised concerns about the government's debt-to-GDP ratio deficits and the housing targets. In return, he was not reappointed. We've seen this pattern from the Liberal government before for people who speak out against them. They get dismissed. We saw a clear example with former minister Jody Wilson-Raybould, when she spoke against power.

If you get put in a situation such as that, where you're being pressured by the government to be quiet, will you still speak out?

Annette Ryan: I am seeking the role of Parliamentary Budget Officer, which is independent of the government and has as its core mandate to serve parliamentarians. I would see you collectively as my boss.

I think the key of that role is to provide you with exactly that pointy analysis. I look forward to building relationships and listening to you, as to your priorities, and figuring out the best way to support you with not just crunchy analytical papers but also that sense of what the key issues are in terms of fiscal sustainability and the execution of budget commitments. It's why I'm here.

I think we're very aligned, and I look forward to operating just the way you described.

Jasraj Hallan: I appreciate the answer. Given the track record of this government, I just wanted to see where you would be at if you were put in a position where you had to speak out against power. We've seen what happens with the Liberal government when that happens; that person is dismissed.

Do you have some steps you would take if you were asked to be quiet without being at risk of a reprimand?

Annette Ryan: Again, inasmuch as I see the role as serving Parliament, it is not the role of the government to provide reprimand. To the extent that they can have differing views about the nature of my analysis, I very much welcome that. That is very much the tradition I came up in.

I believe in building out the analysis of the PBO with full transparency to support exactly that discussion.

The Chair: You have 20 seconds.

Jasraj Hallan: I'll save my other questions for the next round.

Thank you.

The Chair: Great. Thank you very much, Mr. Hallan.

[*Translation*]

Mr. Leitão, you have the floor for six minutes.

Carlos Leitão (Marc-Aurèle-Fortin, Lib.): Thank you very much, Madam Chair.

Good afternoon, Ms. Ryan. Thank you for joining us and taking part in this process.

We recognize the value of the role the Office of the Parliamentary Budget Officer plays. As you said, it's an independent body that reports to Parliament, not to any particular minister. We're well aware of that. We're also well aware of how useful such a body is.

You talked about your experience and expertise in this area. You also referred to the recent OECD reports. Can you tell us a bit more about that?

For example, how will you ensure what's in a budget is implemented? I'm talking about the implementation of recommendations contained in a budget. I think it's very important those types of recommendations be implemented. Can you talk about how you view that part of your role?

• (1545)

Annette Ryan: Thank you very much for the question.

I've worked for three central agencies here in Ottawa, as well as for the Prince Edward Island counterpart to the Department of Finance. I'm very familiar with the budget and estimates processes. I understand the difference between what's in the budget and what's allowed in the estimates.

I'll go back to your question about how to track the promises in the budget documents from budget day through to the end of fiscal, as well as in subsequent fiscal years. I would consider asking departments about the critical path or their implementation plan for major projects or ongoing programs, both before and at the beginning of the estimates process, to give everyone an update on how things are progressing and whether deadlines and expectations are being met.

Carlos Leitão: Does that mean Treasury Board would be monitored a little more closely?

Annette Ryan: I think it's necessary for this kind of analysis.

As I said, I've worked at the Treasury Board Secretariat managing the expenditure research team. At that time, I built a database system to follow the money, from the budget to the voted budgetary authorities and public accounts. I think it's possible to increase this sort of accounting by keeping an eye on projects.

Carlos Leitão: Okay, thank you very much.

Let's move on to another topic, one quite popular these days. Canada isn't the only country facing this situation. Not only is the world constantly evolving, it's also constantly changing. The traditional order is no longer. You said you were there when the free trade agreement negotiations began. Before, everyone understood the rules governing the international order. Now, there is a great deal of uncertainty. Obviously, that has an impact on a government's economic forecasts and, therefore, on a budget's evolution as revenues and expenditures change.

How do you see your role as Parliamentary Budget Officer in this new environment of great uncertainty and wide variations like never before? Do you see your role as not only analyzing the situation, but perhaps making recommendations to the government? Given the current context, including the war in the Middle East, rising energy prices and a possible global recession, do you see your role as also advising the government?

The Chair: A very brief answer, please.

Carlos Leitão: We can also come back to it later.

Annette Ryan: If Parliament wants me to follow these issues and advise them, that's what I'll do.

As you said in the beginning of your turn, analyzing budgets and programs leads to these kinds of solutions. If grants and contributions aren't generating a return—

• (1550)

The Chair: Thank you, Ms. Ryan. You may have an opportunity to complete your answer in another round.

Carlos Leitão: Thank you.

The Chair: Thank you, Mr. Leitão.

Mr. Garon, you have the floor for six minutes.

Jean-Denis Garon (Mirabel, BQ): Thank you, Madam Chair.

First off, Ms. Ryan, thank you for joining us today.

I'd also like to take a few seconds to thank the outgoing Parliamentary Budget Officer, Mr. Jacques, and his entire team. We often forget the Parliamentary Budget Officer is supported by a gigantic team. Actually, it's a small team, too small a team, but it's made up of very competent people. I'd like to take a second to thank them and to tell them how grateful we are for their work.

As you know, we've asked many questions about the appointment process. That's on the record. The Conservatives asked questions, as did we. We asked that Mr. Jacques be reappointed. Just to be clear, this had nothing to do with the quality of your candidacy, your résumé and your experience. I think that needs to be said. Looking at your résumé, there's no doubt you're highly qualified for the position. So is Mr. Jacques.

As you know, the Prime Minister himself appointed Mr. Jacques. He thought he was very competent, that he was the right person for the job. However, a few weeks later, here in committee, the Minister of Finance and National Revenue began undermining his credibility. In fact, he refused to say if he thought he was qualified for the job. We were told to invite Kevin Page to testify with him. Was that because the Parliamentary Budget Officer's word had apparently no value?

How do we know that two weeks after your nomination the Prime Minister will still find you competent?

Annette Ryan: I'll start by reasserting my utmost respect for Jason Jacques, Yves Giroux and Kevin Page, who built the office.

Regarding independent analysis, and especially if government rejects the bureau's advice and analysis if they don't align with its own, my office would rely largely on transparency to solve these issues. Thanks to decades of work, I have a huge network of economists both in Canada and abroad. I look forward to presenting them with the office's forecasts and analysis to foster a good public debate in the event there's a divergence of analysis. This would be done to support you and keep these issues on the front burner.

Jean-Denis Garon: Thank you very much, Ms. Ryan.

You said something I found very interesting. You said you'd be a one-term Parliamentary Budget Officer, that you would not be seeking a second term. That got me thinking.

You've spent a lot of time within the machinery of government, under many governments and different political parties. Your skills, loyalty and integrity were never questioned.

As the Parliamentary Budget Officer, you may be called upon to criticize government policies. Will you commit not to work for the federal government after your term?

Annette Ryan: I've never given that question any thought.

Jean-Denis Garon: That's a fundamental question.

Annette Ryan: I can reflect on this and get back to you.

Jean-Denis Garon: You can indeed provide us with a written answer later. I think it's a yes or no answer. I don't think there's a right or wrong answer.

Annette Ryan: No.

Jean-Denis Garon: However, since you broached the subject, I think it's relevant.

We've read the OECD report on the institution that is the Office of the Parliamentary Budget Officer. The office's work was recognized, although the OECD criticized the fact that the position was vacant, undermining the office's integrity.

Why do you think a government would want to replace the Parliamentary Budget Officer, in this case Mr. Jacques, if he did such a great job? When someone does a good job, you tend to keep them. Isn't that how it works in the public service?

Annette Ryan: I think that's a question you should ask the government.

I participated in a public competition based on merit. I can speak to my own application, but—

• (1555)

Jean-Denis Garon: I understand. I won't embarrass you anymore with my question.

The last few parliamentary budget officers were in the media a lot, acted as communicators and interacted a great deal with the public. There was Mr. Fréchette and Mr. Page. The last two parliamentary budget officers acted as communicators to explain to the public the issues related to certain government policies.

How do you see your role, your relationship with the general public?

Annette Ryan: That's a great question.

My priority is being in Parliament, but I think it's also important that the public understands the analysis. I don't see an issue with that role. I look forward to defending our analysis before Parliament and, if needed, in the media.

Jean-Denis Garon: I'll ask you one last quick question, since I have only 25 seconds left.

While talking about the economy during question period today, the Minister of Transport said we were heading towards an economic apocalypse. What do you make of that kind of language?

Annette Ryan: I'll do my best to avoid using adjectives. I'll leave that to you. Instead, I'll provide you with analysis, scenarios and the state of the situation so that you can make your own judgment on the various circumstances.

Jean-Denis Garon: Thank you.

The Chair: Thank you, Mr. Garon.

Mr. Lefebvre, you have the floor for five minutes.

Eric Lefebvre (Richmond—Arthabaska, CPC): Thank you, Madam Chair.

Ms. Ryan, thank you for joining us this afternoon.

I too would like to start by saying a few words about Mr. Jason Jacques, who has done a tremendous job over the last year or months as the Parliamentary Budget Officer.

The Parliamentary Budget Officer is defined as someone who's neutral, non-partisan and independent. Moreover, the PBO must help senators and MPs in their work. Over the last few months, Mr. Jacques did a fantastic job to deliver on this with great skill.

To follow up on what my colleague just said, whether it's someone in the private sector or, for example, MP political staffers, when you have someone competent who meets the expected criteria, you keep them. Therefore, you'll understand, Madam Chair, that I was a bit surprised when the government decided not to re-

new Mr. Jason Jacques for another term. Maybe it's because he showed some courage—

The Chair: Mr. Lefebvre, your time should be used to ask the witness questions, not to discuss other topics. According to the Standing Orders, it's normal to—

Eric Lefebvre: I'm getting to it, Madam Chair.

The Chair: Then let's get on with it, please.

Eric Lefebvre: Mr. Jacques showed courage by speaking out against a certain management style regarding budget targets that had been dropped.

Are you going to show the same courage when, for example, the government removes the fiscal anchors considered catastrophic for the country's public finances? Will you also have the courage to speak up?

Annette Ryan: There are a couple of parts to your question.

First of all, I want to say that I have the utmost respect for Jason Jacques. As I said in my opening remarks, I fully intend to continue analyzing the financial situation and fiscal framework. Actually, I will add types of analysis to follow up on other kinds of fiscal anchors, such as the debt-to-income ratio. There are many ways to look at where we are regarding debt, deficits and so on. I have the courage to continue this work.

As for the government's decision to choose me, again, I think you should ask the government.

Eric Lefebvre: At the outset, you said you wanted to earn the elected officials' trust, and I thank you very much for that. That's what you said in your opening remarks. That said, you have a special relationship with Prime Minister Carney, since you attended Oxford University together.

How can you reassure Canadians you will remain neutral in your various interventions with the government?

• (1600)

Annette Ryan: The best way to answer that is to remind everyone that I've spent 30 years providing service to the Canadian government: 15 years under a Conservative government, and 15 years under a Liberal government.

I know a lot of people on both sides of the House, and I've stayed neutral for those 30 years. I can provide you with more details on that. I don't know how to convince you other than by doing the job with the integrity you're looking for while remaining neutral.

Eric Lefebvre: I'll ask you a question to learn more about partisan neutrality and independence.

Earlier, you talked about setting a timeline to appoint your successor, because you said you were going to be a one-term PBO. Thank you for wanting to set up this timeline.

Would you agree the government made a mistake by not setting a timeline for succession planning to avoid being without the Parliamentary Budget Officer for a period of time?

The Chair: A very brief answer, please.

Annette Ryan: I applied in December 2025. The question of the time gap is for the government to answer.

The Chair: Thank you, Mr. Lefebvre.

[*English*]

We'll continue now with Mr. MacDonald for five minutes.

Kent MacDonald (Cardigan, Lib.): Thank you, Madam Chair.

Thank you, Ms. Ryan.

Ms. Ryan, over the past number of months here at committee, we've been discussing a lot of budget-related items: fiscal sustainability, affordability for Canadians, financial sector resilience and, just in general, the policy support in the government's programs. Obviously, these discussions have underscored the importance of credible and non-partisan economic analysis to guide us in our decision-making.

Given your extensive background—the over 30 years, as you laid out, in advising governments—how do you feel that your approach as the parliamentary budget officer can be objective and evidence-based and can enable Parliament to make key decisions?

Annette Ryan: Thank you. I think I'll answer this question in going back in time a bit.

I started with the Prince Edward Island provincial treasury in 1996, which was essentially the last time Canada hit a fiscal wall. At the time, Canada was paying roughly 35¢ of every revenue dollar in debt charges, and it was threatening our credit rating. The government of the day, the Chrétien government, introduced sweeping changes to transfers to provinces and territories.

I spent roughly the first 10 years of my career rebuilding that fiscal architecture, if you will, of transfers to provinces and territories. Fiscal sustainability is not a partisan issue. Nobody's agenda gets carried if you hit the fiscal wall. I don't actually see measures that support fiscal sustainability as being partisan in any way. I think that's an anchor for me on the personal level.

I will just point quickly, to not chew into your time, to my role in the 2008-09 global recession. I was at Industry Canada at the time. I was director general of strategic policy, where I was stickhandling some 23 projects to report back in terms of implementation. It was because we had the fiscal room at the time that Canada was able to come out of that recession more cleanly and clearly than other countries.

I think that from any number of parts of my career, I can assure you that I stand for fiscal sustainability and execution, implementation and quality of analysis to support decision-making.

• (1605)

Kent MacDonald: Thank you.

Most recently you've been working for FINTRAC. That's another topic that we discuss quite extensively here at committee.

We know that FINTRAC has been tracking and reporting and that we're having increasing fraud in all types of activities around the world. Can you elaborate on how those experiences will help you in your PBO role, or if there's an overlapping connection that's going to help you out?

Annette Ryan: For sure, and I think the common thread all the way through is the question of following the money. For the last six and a half years at FINTRAC, I've led the research group, international work, policy work and so on towards that question: How do you follow the money of bad folks doing bad things?

Really, that's been essentially the common denominator throughout my career: following the money, from Ottawa across the provinces, from the budget to the estimates process, through productivity issues and support to business and the employment insurance program. It's all a question of what money is flowing to what end, and what are the decision points and turning points that decision-makers need to be aware of.

I kind of see it all as one piece. I'm happy to follow up, if that wasn't where you were going with that.

Kent MacDonald: I just wanted to see what the overlap would have been in that role and in now entering this role.

The other question I would have for you today is in terms of the changing economic landscape that we're going through right now, with the war in Iran and the trade war with the U.S. It's a very—

The Chair: I'm sorry, Mr. MacDonald. That's your time. You can ask again when you have time in the next round.

Kent MacDonald: Thank you.

[*Translation*]

The Chair: Mr. Garon, you have the floor for two and a half minutes.

Jean-Denis Garon: Thank you, Madam Chair.

Ms. Ryan, I want to address one aspect that I consider quite important.

I know that, at this point in your career, you still have a number of years to work with competence and integrity. However, we looked at the situation of all the former parliamentary budget officers, including Mr. Fréchette, Mr. Page and Mr. Giroux. Mr. Jacques is likely to remain in the federal machine. I believe that this was the original agreement. However, none of the others returned to the federal machine after their term. On reflection, perhaps you don't want a second term. You don't want to owe anyone anything, in a sense, for your appointment. However, if you return to the federal machine after having strongly criticized it, things could turn out badly for you.

I myself tabled Bill C-290 regarding whistle-blowers. We heard testimonies. We know that, in many ways, this machine isn't easy on people who step outside the fold a bit.

I want to know whether you think that we could strengthen the independence of the parliamentary budget officer. At the time of their appointment, we could first require that they serve only one term. Above all, we could require that they remain outside the federal machine for a certain period after their term.

Annette Ryan: Good question.

Jean-Denis Garon: That's why I asked it.

Annette Ryan: Clearly.

In all honesty, I didn't give this any thought before coming here today. I'm the type of person who prefers to think before speaking.

Jean-Denis Garon: You did give some thought to what you would do afterwards. You thought about this enough to bring it up in your opening remarks.

Annette Ryan: Certainly. I was thinking of certain circumstances. For example, after some time, there might be an inquiry into fiscal federalism. Given my expertise in this area, would I want to put my skills to work for the government? Perhaps. Am I saying here today that it will never be—

Jean-Denis Garon: I understand. I'll wrap this up quickly, since I have 20 seconds left.

You work for Minister Champagne. You could be the parliamentary budget officer in three weeks. Would you feel comfortable criticizing a policy that you worked on last month?

Annette Ryan: Absolutely.

Jean-Denis Garon: Thank you.

The Chair: Thank you, Mr. Garon.

[English]

We will now continue with Ms. Cobena for five minutes.

Sandra Cobena (Newmarket—Aurora, CPC): Thank you, Madam Chair.

Ms. Ryan, I like one of the comments that you made at the beginning, in which you said that it is your intention to make an analysis that is well understood by the public. I particularly paid attention to that because, of course, we are in a scenario where you have two different accounting practices being used by the government.

We have budget 2025, which was presented using a completely new set of definitions for operating expenses, definitions that have

not been used anywhere else. The previous parliamentary budget officer, as I'm sure you know, called them “overly expansive” and called for an “independent expert body” to police the numbers because of the magnitude of operating expenses that were being shifted from operating to capital—about \$94 billion.

Now we have the main estimates submitted to Parliament, and those use a different set of definitions. Nobody has the time to reconcile. The only way to do reconciliation is manually, and it's complicated.

Do you, then, believe that it is acceptable for a country to use two different sets of books, the one that Canadians pay attention to for the headlines and one for Parliament?

• (1610)

Annette Ryan: The way I view the government's statement about its plans for an operating budget balance—whereas running a capital budget deficit is something that it would be more comfortable with for a period of time—is as more of a political statement by the government. In my view, it's a statement about the direction of how it plans to manage the overall fiscal framework going forward.

In my reading of the budget and everything that you just described, I don't see that changing the accounting of the federal government in any way. In particular, it doesn't change the fact that a dollar borrowed has to be paid back and has to be paid back with interest. To the extent that the generally accepted accounting principles are going to continue to apply, the PBO is absolutely within its mandate to support parliamentarians with the elaboration of a number of different parliamentary fiscal anchors, if you will.

Yes, let's continue to look at debt to GDP. Let's look at deficits as a share of GDP. Let's look at the measure of how much in revenue is going to debt charges in any given year.

That aspect of having a number of different measures and looking at a number of different scenarios, I think, will give a lot more clarity to Parliament as the government steers through its plans to rebuild infrastructure, defence and so on. Does it remain affordable under different scenarios, as we've heard earlier: war, interest rates, inflation, oil prices? Let's work it through and see where it takes us. If it's going in the wrong direction, then let me help you put those constraints around the government.

Sandra Cobena: In your words, the budget is more of a political statement or a political paper. You have a government that ran on a slogan of “spend less and invest more”, but then, when Canadians were not looking, it changed definitions to reallocate \$94 billion from expenses to investments.

Would you agree that it was just for political reasons, then? There's no real benefit to the country in doing that, especially when you end up with two different accounting principles being used.

Annette Ryan: To be clear, I don't think political statements are necessarily bad things. I don't think the statement that the government is going to, from an accounting, algebraic or mathematical sense, follow how it's going to pull back in operating spending to make space for greater capital spending is consistent with spending less to invest more. It's simply bringing greater clarity to what they mean by that, so I—

The Chair: That's time for this round.

Thank you, Ms. Ryan.

Thank you, Ms. Cobena.

We will continue now with Mr. Sawatzky for five minutes.

Jake Sawatzky (New Westminster—Burnaby—Maillardville, Lib.): Thank you, Chair.

Thank you, Ms. Ryan, for coming here today.

I'd also like to take a moment to thank interim PBO Mr. Jacques for his work.

Maybe you could elaborate a bit on your experience in public service. How do you think your government-wide experience will contribute to fulfilling your role as PBO?

• (1615)

Annette Ryan: I would very much like to help Parliament hold the government's feet to the fire to make sure that the announcements it makes in its budgets are affordable and will be executed.

I would offer that my three decades of public service have prepared me very well for this. I've worked in all three central agencies, I've done economic policy at Industry Canada, social policy at ESDC, national security policy and banking policy. I have written many of the binders that ministers and deputies show up with at committees. I know the questions that they prefer you ask them, and I know the questions that they prefer you not ask them.

I would like to build out the role of PBO to make sure that you have before you the options to ask a wider set of questions of the government, to make sure that things are moving on the right track. That's how I think my experience can be put to the use of Parliament.

Jake Sawatzky: Thank you very much.

I'm looking through some of your past experience. I see here you were a founding board member of the P.E.I. Alliance for Mental Well-Being. This is an area that I think is quite important. Could you speak a bit to your work as a founding board member?

Annette Ryan: For sure. This one's personal.

During the pandemic, my nephew was killed by an impaired driver. As part of honouring his legacy, I was in touch with different folks in the province, and I also knew the premier at the time, and looking at the strains that are on communities right now—urban, rural, what have you—in terms of mental health and addictions and so on, they show the strains in communities right now.

The *raison d'être* for this group was to try to get supports to individuals, families and communities before their mental health or addictions pressures got them into the red zone. That was my reason for joining that group.

I cleared it with all of our relevant values and ethics people to make sure there was no conflict of interest before doing that on a volunteer basis.

We organized an inaugural national summit on alcohol use that I think was fundamental in tabling some new issues and helping to think about whether we are on the right track with that.

Jake Sawatzky: Thank you very much for sharing. That's a very impactful story, and I'm very happy to hear that it made an impact.

Coming to another one of your experiences here, as associate assistant deputy minister for financial policy at Finance Canada, could you speak to what some of your day-to-day work in that role was, as well as how that might give you some experience as the PBO?

Annette Ryan: Certainly.

In that role, which I held for about two and a half years, I supported the government with advice on different matters relevant to financial sector policy. During those times, I led in terms of cybersecurity issues for the financial sector, including some of the earliest serious cyber-incidents at BMO, Simplii and Desjardins. I also led on anti-money laundering policy, which I then followed into FINTRAC on an operational basis with my current role. I worked on the negotiation of the CUSMA chapter related to financial sector policy.

I think that the aspect of understanding the financial sector well in terms of how regulation affects its ability to lend to businesses and consumers in a much more up-close way is also something I would take into the role of Parliamentary Budget Officer.

• (1620)

The Chair: Thank you, Ms. Ryan and Mr. Sawatzky.

We will continue now with Mr. Kelly for five minutes.

Pat Kelly (Calgary Crowfoot, CPC): You were questioned earlier about the role of the PBO in communicating budget items. Your predecessor used some very strong, forceful language—not profane, in that sense—to discuss and to communicate the state of Canada's public finances.

It appears to many that this was a contributing factor to his not being here at the table and your being here as an alternative nominee. How do you feel about the need to be clear? Sometimes clarity and honesty require strong, forceful language.

I would like you to maybe expand on that, if you can, about the way your office communicates the challenges that Canada faces with its finances.

Annette Ryan: I think there is a way to communicate the gravity of a circumstance with the analysis. In the 1990s, when Canada was coming up toward that fiscal cliff, there were escalating dynamics that saw those debt charges ramping up. One can do the math, put the numbers before parliamentarians and paint the picture of a worsening fiscal situation, particularly if it differs from the way the government is presenting a fiscal situation, that will absolutely be clear and the implications of that situation will be clear.

As I said earlier, I think it's up to parliamentarians to apply the stark language. I would also say that Jason Jacques led the adoption of a communications policy within the PBO, as was recommended by the OECD report that people like to reference, to say that neutrality of language is important for the role.

Pat Kelly: You've mentioned the fiscal situation in the 1990s a couple of times now. Mr. Jacques talked about that, too. In September, at the beginning of his appointment as interim PBO, he said, "Now, with the federal debt-to-GDP ratio forecast to increase, if we don't change things, we're going to end up there again." In talking about the 1990s, he said we were "going to end up there again" if things don't change.

Do you agree with Mr. Jacques that the current finances of the country are unsustainable and are leading us to the same situation as in the 1990s if things don't change?

Annette Ryan: I think Jason himself provided a different view of his remarks in December 2025, when he said that the language was not appropriate and that in fact the fiscal track was sustainable. There are different ways he could have looked at what track he was looking at and—

Pat Kelly: I have only a minute left. I really wanted your view.

His point was that the debt-to-GDP ratio is rising. Do you think that a rising debt-to-GDP ratio is sustainable?

Annette Ryan: A rising debt-to-GDP ratio is of concern.

The level of that debt-to-GDP ratio also has to be considered to decide whether it's sustainable or not. Not just Jason himself, but other voices like the IMF and the Canadian Taxpayers Federation, have said that the current debt tracks are sustainable. I look forward to seeing the models of the PBO that would contribute to a view that they are unsustainable, but I don't think even the PBO is there at this point in time.

Pat Kelly: In his testimony, Mr. Jacques was pretty clear.

If we have time, let's talk about lapsed funding. You talked about executable policy. When funds lapse, that's non-execution. Do you have any views on that?

• (1625)

Annette Ryan: Absolutely, I do.

The Chair: You don't have time to share them at the moment. Maybe someone else will ask you about it, and you'll have an opportunity.

Thank you, Mr. Kelly.

We go now to Mr. Turnbull for five minutes, please.

Ryan Turnbull (Whitby, Lib.): Thanks, Madam Chair.

Thanks, Ms. Ryan, for being here today.

I note that the process that brought you to us today was quite broad and competitive, so congratulations on being here and making it this far. It's great to have you before committee to talk about your experience.

Before I turn it over, I want to say that I will share my time with my colleague, Steeve Lavoie.

I wanted to correct the record on something that I've heard from opposition members numerous times. There is precedent for an interim PBO. We thank Jason Jacques for serving in that capacity. I know that he's spent 16 years in the PBO, done remarkable work and continued to do that in the role of interim PBO.

In 2013, from March to September, there was an interim PBO when Kevin Page stepped down under Prime Minister Harper, which was roughly a six-month time period. Interim PBOs are not unheard of. There is a limit to the time period. We thank Jason Jacques for having done the role in the interim while the process was under way to search out and find the next permanent PBO.

I'll hand it over to Mr. Lavoie to ask some questions.

[*Translation*]

Steeve Lavoie (Beauport—Limoilou, Lib.): Thank you, my esteemed colleague.

Thank you, Madam Chair.

Thank you, Ms. Ryan, for joining us today.

I would like to follow up on a question asked earlier by my colleague, Mr. Leitão, regarding uncertainty.

I worked in the banking industry for 20 years. I've spoken with former colleagues. They're currently tearing their hair out. As you know, predictability for banks stems from the sustainability of businesses over the long term. I'm also a member of the Standing Committee on International Trade. All the witnesses say that they have never seen so much unpredictability on a global scale.

You have over 30 years of experience. We have a special situation, given the unpredictability and uncertainty of the markets. How will you incorporate this into your analyses? We know that, in the past 30 years, it may not have been as necessary to include as many variables. Of course, there are always variables and we need to anticipate them. However, we can agree that there will be many more.

How will you incorporate all this uncertainty into your analyses and recommendations?

Annette Ryan: I'll start with a brief anecdote from the start of my career. I was working on forecasts for equalization payments. I worked quite hard on my forecasts and I gave them to the provincial minister. In the legislature, he said that he knew only that these figures would prove inaccurate. I think that we need to keep in mind that this type of uncertainty is part of the nature of forecasting.

I think that the analysis of budget scenarios has a great deal of merit. It helps us determine the path to follow and to see the possible impact of this type of fiscal framework over a given period. This approach helps us to see whether our decisions will remain viable.

Steeve Lavoie: Can you briefly outline your five priorities upon arrival?

We often talk about the first 90 days of a new job, but I won't ask for all the details. However, for the benefit of the average person, can you quickly identify your five priorities upon arrival?

Annette Ryan: My two priorities are to analyze the sustainability of the fiscal framework and to look at the government's ability to deliver on its commitments for programs and projects, especially the major projects announced in the last budget or scheduled for the upcoming budget.

Steeve Lavoie: What's your timeline for these two priorities?

Annette Ryan: I think that we can start to look at these issues. However, the work of supporting Parliament is an ongoing process.

• (1630)

Steeve Lavoie: How much time do I have left, Madam Chair?

The Chair: You have 20 seconds left.

Steeve Lavoie: In 20 seconds, can you tell the people of my constituency, Beauport—Limoilou, why independence matters so much in your role?

Annette Ryan: The Office of the Parliamentary Budget Officer has 40 employees, whereas there are 369,000 federal public servants, so—

The Chair: Thank you, Ms. Ryan. We need to stop here.

I'll now give the floor to Mr. Garon for two and a half minutes.

Jean-Denis Garon: Thank you, Madam Chair.

I'll continue along the same lines as my colleague, Mr. Lavoie, for the benefit of the people of both Mirabel and Beauport—Limoilou.

The Office of the Parliamentary Budget Officer has about 40 employees. The teams won't change much. When a new parliamentary budget officer arrives, there may be a change in the work methods or in the selection of mandates, for example. Of course, we know that the Office of the Parliamentary Budget Officer works a great deal with us, the opposition members, given that we have fewer resources than the government. I think that you know this.

Compared to our previous situation when Mr. Jacques was in office, what will change in our relationship with the Office of the Parliamentary Budget Officer or in the selection of mandates? What will change with you? What new things can we expect?

Annette Ryan: I want to proceed gradually. I want to see the models that the office has built. I want to see the priorities that it established by listening to parliamentarians. As a result, I don't think that you'll see any major changes immediately. By the fall, I want to have made my mark on the role, particularly with regard to the two priorities that I just discussed with Mr. Lavoie.

Jean-Denis Garon: Obviously, Mr. Jacques is continuing to work in the Office of the Parliamentary Budget Officer. He'll be working with you. How do you see his role? How will you work with him? Have you started thinking about this?

Annette Ryan: I've known Mr. Jacques for over 20 years. I've also known other senior officials in the Office of the Parliamentary Budget Officer for 30 years. I think that my task is to continue to show the respect and collegiality already established as professionals in the same line of work.

Jean-Denis Garon: However, does the fact that Mr. Jacques held this position, albeit on an interim basis, give him special expertise or a special role?

I'm curious to know how things work when you arrive under these circumstances. How do you see this?

Annette Ryan: I listened to Mr. Jacques's remarks to the Standing Committee on Government Operations and Estimates and to other committees. He openly expressed a willingness to work with the next "*directeur parlementaire du budget*". I hope that this will be the case, even though it will be a "*directrice parlementaire du budget*". I think that it will be a matter of taking the same approach that you take when you start in any role and—

The Chair: Thank you, Ms. Ryan. Mr. Garon's time is now up.

[English]

We are going to continue now with Mr. Hallan for five minutes.

Jasraj Hallan: Ms. Ryan, at the time of the budget 2025 report, the PBO raised concerns about the government's abandoning of fiscal anchors, such as the declining debt-to-GDP ratio. As an economist yourself, do you share those concerns that the absence of fiscal anchors increases fiscal risk?

Annette Ryan: I do share the concern that it's utterly important to keep eyes on fiscal sustainability, debt levels and deficit levels.

I think that what Jason surfaced was a concern that the levels of that deficit track were taking a marked step up from what they had previously been. I think that the discussion since that time has reached something of a consensus—it's not everybody—that this track is sustainable. I think there remains a concern that if we were to see future jumps up, future stepwise increases in those debt and deficit levels—

Jasraj Hallan: With all due respect, Ms. Ryan, they jump up every single time under this government. The amount of spending... Currently, the government is adding another \$60 billion to that. In other words, it is going to jump up.

Again, my question was about the fiscal anchors being abandoned. Is that not a risk, financially, for the country?

• (1635)

Annette Ryan: I agree that it is a risk.

I would also go back to my earlier remarks. I said that the parliamentary budget office has a clear role in the accountability of the government, tracking the implications of those spending increases through time, continuing to hold their feet to the fire, asking, "What is happening in terms of debt to GDP?" and so on.

Jasraj Hallan: I appreciate that, because that's exactly what's happening, as it always does. The increase in the deficit, even after that budget was tabled, is now about \$60 billion more.

The PBO also reported that any increased spending, with the lack of fiscal anchors that we're seeing, leaves little to no room to respond to economic shocks.

We all know what's going on around the world. Would you share those same concerns?

Annette Ryan: I share the view that it's important to leave fiscal room to deal with shocks. I think there remains room in the current track to deal with shocks. I also think it's not a contradiction to say that it's important to keep eyes on that track in order to make sure this buffer remains.

Jasraj Hallan: Right now, the deficit from that budget is about \$78 billion. As we know, it was double what Justin Trudeau's economic update was, at the time. The government is notorious, as we know, for adding more spending every year, which likely means deficits will be higher than projected. That's just a track record. At the time, the PBO projected deficits around, as I said, \$60 billion over the next five years. With what we're going through right now, which seems like economic stagnation and weak productivity, would you characterize the \$60-billion-plus deficit as fiscally responsible?

Annette Ryan: I think it is sustainable and that—

Jasraj Hallan: Is it fiscally responsible, though?

Annette Ryan: I think that—

Jasraj Hallan: I mean, we can all sustain a certain amount of money. However, is it responsible?

Annette Ryan: There is room for that track to be responsible, so—

Jasraj Hallan: What would you consider to be responsible spending?

Annette Ryan: The criteria that give a view that it's a responsible track are things like Canada maintaining its AAA bond rating, right now. The debt-to-GDP ratio that Canada has, while it may increase from its GDP of 42% and change, is on track to go down to 39% in the medium term. Also, there is the view of the IMF, which recently reviewed Canada and said that there remains fiscal room.

For a number of reasons, briefly, I think there remains room to deal with different shocks. It's worth testing how much room there is, and the PBO can absolutely conduct that type of scenario analysis, such as, "At what point will we get into deeper trouble?"

The Chair: Thank you, Ms. Ryan.

We will continue now with Mr. Leitão.

[Translation]

Carlos Leitão: Thank you, Madam Chair.

We're back for a second round of questions. Thank you, Ms. Ryan.

I share your opinion on the sustainability of Canada's public finances at this time. It seems that we always need to look at these issues in light of the current circumstances. Right now, we're experiencing a situation where we feel quite unsettled by the events unfolding around us. We can't separate these two elements.

Perhaps you'll be a bit surprised by where I want to go with this. Well, you can comment on that, but you may be surprised by where I want to go with this.

Canada is a federation and a highly decentralized one. I'm hardly exaggerating when I say that maybe five people in Canada really understand the mechanisms of federal transfers to the provinces. You're one of those five people. I'm simply telling you that federal transfers, especially equalization payments, involve a fairly complex system.

In your opinion, is your role not only to analyze budgets and study the long-term sustainability of public finances, but also to provide information to parliamentarians and the public on this complex system? This system may seem difficult to understand. However, it's ultimately key to ensuring that our federation runs smoothly. Do you see the role that the Office of the Parliamentary Budget Officer can play in these discussions, which I believe are coming up fairly shortly?

• (1640)

Annette Ryan: I agree that complexity is everywhere now and that it's a challenge for parliamentarians to frame debates on matters of importance to Canadians.

Fiscal federalism is one element that shows this type of complexity. I think that the role of the Parliamentary Budget Officer and the Office of the Parliamentary Budget Officer is to look at complex areas in order to find decision points and risk points, and then report back to parliamentarians, setting aside the complexity aspect.

In other ways, I believe that the complexity of the government is hindering the delivery of the previously discussed programs and projects. I think that, given this type of complexity, parliamentarians must be in a good position to ask ministers and public servants the right questions so that they take into account the complexities and risks identified. It isn't just about communication points or risk communication. Let's put it that way.

Carlos Leitão: Of course, Canada still has a AAA credit rating. I think that it's well deserved. That said, we need to look at Canada as a whole. The financial position of different provinces also indirectly affects the financial stability of the country as a whole. That's why the transfer system plays such an important role.

As parliamentarians, we must also be able to understand the different jurisdictions. The provinces are responsible for delivering some things, while only the federal government is responsible for delivering others. Canada is complicated, but it works. I think that it actually works well. However, we must always remain aware of the risks at play and above all of the need for dialogue among the different governments.

It seems that, given your experience in the federal and provincial public service, you understand these issues quite well. I think that this would provide a fresh perspective to the Office of the Parliamentary Budget Officer—

The Chair: Thank you, Mr. Leitão. Your time is up.

I'll now give the floor to Mr. Lefebvre for five minutes.

Eric Lefebvre: Thank you, Madam Chair.

Ms. Ryan, when answering questions from my English-speaking colleagues earlier, you spoke about a \$78-billion deficit. Do you think that a \$78-billion deficit is responsible?

Annette Ryan: Yes.

Eric Lefebvre: Sorry, I didn't quite hear your response.

Annette Ryan: I would say that I don't see the difference between “reasonable” and “sustainable”.

Eric Lefebvre: So you don't see the difference between “reasonable” and “sustainable”. For you, it's all the same.

Annette Ryan: I think that the sustainability issue gives parliamentarians the opportunity to discuss the right level of taxation based on expenditures. I think that this is a reasonable issue for parliamentarians. As I said earlier, sustainability isn't a partisan issue. Provided that we stay on the path to sustainability, there's room for reasonable debate among parliamentarians.

• (1645)

Eric Lefebvre: What do you think of a balanced budget?

Annette Ryan: What do you mean by this question?

Eric Lefebvre: I mean that a government must introduce a balanced budget.

Annette Ryan: I think that a government has some leeway when it comes to presenting its finances and telling parliamentarians and Canadians where it wants to go and what it intends to do with their money.

The current government stated where it wants to go. In its own words, it wants to “spend less to invest more”. I think that there's room to do this for a certain period. This was established by a number of votes, including Mr. Jacques' vote. In that sense, I think that it's a reasonable question for parliamentarians—

Eric Lefebvre: Ms. Ryan, I'll stop you there.

I'll quote a former Quebec finance minister, whom I greatly respect. Sorry, Mr. Leitão. He said that balancing the budget wasn't an obligation, but an obsession.

I would like you to share your thoughts on this quote, which states that balancing the budget must be an obligation, an obsession. Do you agree with that?

Annette Ryan: No. I don't think that it should be an obsession.

Eric Lefebvre: In reality, the deficit has grown from \$700 billion 10 years ago to \$1,350 billion. We're using the credit card of our children, our grandchildren and our great-grandchildren. You're comfortable with that.

Annette Ryan: As I said before, the sustainability issue encompasses different measures. I think that it's better to leave lower debts and deficits to future generations. The government's position is to invest in order to improve the economy, jobs and people's incomes. With all due respect, I think that you must decide whether you consider this the right way to go.

Eric Lefebvre: I'm going to ask my question again, because I didn't word it correctly. The debt has risen from \$700 billion 10 years ago to \$1,350 billion, and you're comfortable with that.

Annette Ryan: To the extent that the current fiscal framework presents a debt-to-income ratio of 11 cents on the dollar, which is going to increase to 13 cents on the dollar, I think I can still support that.

Eric Lefebvre: What about increasing the debt load by continuing to increase the size of government, as is the case? Do you agree with that as well?

Annette Ryan: That's not the same thing as what you asked me. If the plan continues to grow in the way Mr. Kelly described, I think that's different. That should be looked at to make sure it doesn't happen.

The Chair: Thank you, Ms. Ryan.

Thank you, Mr. Lefebvre.

[English]

It seems that there is general agreement among the parties that we will have one more round from the Liberals and one more round from the Bloc, so I will turn it over to Mr. MacDonald for five minutes, please.

Kent MacDonald: Thank you, Madam Chair.

Ms. Ryan, we were getting to your answer on a question from quite a few minutes ago now. We were talking about Parliament's understanding of fiscal issues and the economic landscape that we're under right now. I referenced the Iran war, oil prices and the trade wars with the U.S.

What role do you feel the PBO will play in advising parliamentarians of probable policy changes we're going to have to make more quickly than we ever have before? Do you have any advice on that?

• (1650)

Annette Ryan: There will be many questions that are truly within the realm of parliamentarians to decide. Some of those can be informed by economic or budgetary analysis, and others cannot.

If you take the case of the Iran war, let's go back to the start of the parliamentary budget office in 2008, when one of the questions of the day was whether the government should insert itself into the conflict in Afghanistan. At the time, the government was saying that the cost of that would be in the order of \$8 billion or \$9 billion, and the Parliamentary Budget Officer of the day, Kevin Page, said it was up to Parliament to decide whether to engage our military in this conflict. He said that, respectfully, our analysis was that the cost would be much more like \$19 billion or \$20 billion dollars.

That is a good example of the type of question where elements of a decision like that, the diplomatic or military considerations, are not appropriate for a PBO to weigh in on. However, if there are big questions where there should be attention paid to whether the government's estimates are correct, or whether there would be unintended consequences or whether there are risks that the government either hasn't foreseen or hasn't been transparent about, the PBO can absolutely be a support to parliamentarians for those types of ques-

tions that are going to come with the very uncertain and volatile world that faces Canada.

Kent MacDonald: I have another line of questions. I've been intrigued by the way parliamentary budget officers have become a household name in the past two decades. That probably wasn't the case or the intention starting out. The role of the Parliamentary Budget Officer is to be impartial and to make analyses of government decisions to help Canadians overall and parliamentarians understand our fiscal position.

Would you like to comment on that? Will everyone know who Ms. Ryan is in seven years? In my opinion, we shouldn't know who Ms. Ryan is. We should know what her analysis is. We should be able to read the analysis, and that should be the message that's left with us. I'd just like your opinion on that.

Annette Ryan: The legislation of the Parliament of Canada Act is clear that the role of the PBO is "to support...the quality of parliamentary debate", for example by providing macroeconomic or budgetary forecasts. I see the PBO as supporting parliamentarians. The Parliamentary Budget Officer should not lead the debate but rather support the debate.

I will step forward and explain analysis. I will ask the tough questions. I will do the pointy homework to support those debates. I don't have a view of where I should be on people's radar. I'm happy to step forward and explain things if they need explaining; I'm also happy to let the work speak for itself. That's how I would approach your question.

Kent MacDonald: Will an average Canadian understand your analysis?

Annette Ryan: That's the goal that I've had for my whole career.

The Chair: Thank you, Mr. MacDonald.

[Translation]

To conclude, Mr. Garon, you have the floor for two and a half minutes.

Jean-Denis Garon: Thank you, Madam Chair.

Ms. Ryan, you were introduced as one of the five people with the best knowledge of the transfer system. I have no doubt about that. I think you have that expertise, which means that you also have some knowledge of the public finances of the provinces and their fiscal situation.

Would you consider Quebec's fiscal path to be sustainable today?

Annette Ryan: I haven't looked at Quebec's fiscal framework recently.

Jean-Denis Garon: So you're not one of the five people who know Quebec the best—

• (1655)

Annette Ryan: I'll look into it.

Jean-Denis Garon: That's fine, duly noted.

In recent years, the government has increasingly used federal spending power and interfering in areas of jurisdiction in which it has no power to legislate, according to section 92 of the Constitution.

What do you think of the use of federal spending power? You touched on fiscal federalism earlier. What are your thoughts on that? Do you think that's a desirable power? Do you think there should be a framework for that?

Annette Ryan: Your question is similar to what was discussed earlier with Mr. MacDonald, as to which part of a debate about entering into a war is an economic or budgetary issue rather than a parliamentary one.

Jean-Denis Garon: Okay.

Let's go back to your comments on Afghanistan. The federal government can decide to use its spending power unchecked and interfere in provincial jurisdictions, even if it can't legislate. You see your role as that of an observer. If you are asked how much something costs, if you are asked to assess the costs, you will do that, but you will never pass judgment on that power or on the federal government's powers per se.

Did I understand correctly how you see your mandate?

Annette Ryan: I think it will require discussions with you and your counterparts to clarify the matters on which the Office of the Parliamentary Budget Officer could enlighten you. I think it's clear, the issue of jurisdiction and—

Jean-Denis Garon: For example, would you be open to expressing reservations about the fact that a government can sometimes exceed its own jurisdiction? Could you express some reservations about that? Is that how you see your mandate? That is included in the legislation that sets out your mandate, or your future mandate, if you become the Parliamentary Budget Officer.

The Chair: Give a very brief answer, please, because we have 10 seconds left.

Annette Ryan: I am comfortable working with you to clarify what analyses you would like to have.

The Chair: Thank you very much.

[*English*]

I understand that we have an agreement to conclude this conversation that we're having with Ms. Ryan. I just want to confirm that.

Unless there are any objections, we will end the rounds of questioning there.

That's an okay. Thank you.

On behalf of the committee, Ms. Ryan, I would like to thank you very much for your time today and for answering all of these questions.

Before we conclude the meeting, however, there are three budgets that have been sent around. The first is the budget for the household debt study in Canada. The second is for the study for the Canada pension plan investments in Canada. The third is for today's meeting.

Unless there are any objections, can I...?

There is an objection.

[*Translation*]

Mr. Garon, you have the floor.

Jean-Denis Garon: Since we still have five minutes left and the Conservatives like to work, I thought I would ask a question.

I'm curious about something. Obviously, we support budgets, and that's fine, but I'm curious to know whether those budgets are spent in general and whether we can have updates on the actual amounts spent. I saw an amount of \$36,000 for a study. I would just like to know if there is any follow-up on that and how it is done.

I'm just curious, actually.

The Chair: Yes, we could certainly give you that information.

As I understand it, we may be asking for higher amounts for those budgets to make sure we have the flexibility needed, but we're not using the entire amounts.

Absolutely, we can send that information to committee members.

Jean-Denis Garon: Thank you.

The Chair: You're welcome.

Do we have unanimous consent to adopt the proposed budgets?

Some hon. members: Agreed.

The Chair: Great, thank you.

If there are no objections, we will conclude today's meeting.

Thank you.

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