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Chair

Mr. Pat Martin

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• (1535)

[English]

The Chair (Mr. Pat Martin (Winnipeg Centre, NDP)): Ladies and gentlemen, I'm going to call our meeting to order.

Welcome to the 28th meeting of the Standing Committee on Government Operations and Estimates. We're very pleased today to welcome a guest from the Canadian Centre of Policy Alternatives, Mr. David Macdonald, who is the senior economist, in consideration of our study regarding the estimates and supply process of Parliament. Normally we invite our guests to give a five- or ten-minute presentation. Then we open it up to five-minute rounds of questioning.

Mr. Macdonald, you have the floor.

Mr. David Macdonald (Senior Economist, Canadian Centre for Policy Alternatives): Thank you very much for the invitation today. I hope I can make a dry topic like estimates somewhat more interesting at three o'clock in the afternoon.

I will make a brief presentation and some recommendations for your consideration. I will open the floor, as you suggest, Mr. Martin.

I recently published a report called "The Cuts Behind the Curtain", presenting scenarios of government cuts and their impact on employment. In that report I made extensive use of government reports, particularly future-oriented government reports and the reports on plans and priorities, the RPPs; future-oriented financial statements; and the main and supplementary estimates. Hopefully, I can provide you with a non-parliamentarian examination of the use of these government documents in ways that I might find them to be more useful.

First of all, let me highlight the highs and lows of government documents and their transparencies and then proceed to the recommendations at the end.

Certainly this isn't the first time I've done budgetary analysis. In particular, right now I'm doing a study looking at spending at the big banks. I found it quite interesting that the Royal Bank of Canada, for instance, which is the largest publicly traded company in Canada, worth about \$80 billion, releases quarterly about 50 pages of detailed financial analysis. This is quarterly. There is no editorialization whatever, just pure financial download. This is what the public sees, not what the board of directors sees, which I'm sure is substantially more.

In terms of expenditures, the Royal Bank of Canada is about half of the size of the largest federal department, which is DND, which

spends about \$20 billion. DND itself produces its reports on plans and priorities, which in some ways are equivalent to this kind of reporting. Each report is about 50 pages, and it does so annually. I would not argue that it actually contains significantly less financial information.

You could even look at, say, the City of Ottawa, the municipality we're in. It has overall expenditures of only \$1 billion, with the federal government spending around \$245 billion. You will find substantially more detail there than you would find throughout federal government documents. Even counsellors at the municipal level are frustrated by their difficulty in penetrating the budget; I can't imagine the difficulty for parliamentarians in trying to understand, with dramatically more funds, what they are spending money on. I encourage parliamentarians to take a look at, for instance, the City of Ottawa budget as an example of how other levels of government do budgeting.

In terms of the highs of government reporting, I think the future-oriented financial statements, which are a recent addition to the batch of future statements, are a huge improvement in terms of projected spending. They are quite new, as I'm sure you know, having been introduced in full in 2011, but there were some previous to that in a pilot program. They provide critical information on how department expenditures break down according to standard objects, those being salaries, contracting, rent, utilities, transfers, and the like. I think that's an important addition, and the government and Treasury Board should be lauded for making that addition.

The recent quarterly financial reports are also an important reporting tool that have been recently put in place. It's actually one of the only places in government reporting where you can see why changes in expenditures have happened—why budgeting versus actual numbers are different—and have those explanations actually reported on a quarterly basis. I certainly applaud the parliamentary budget office for making use of these quarterly reports and trying to provide parliamentarians with a better understanding of what's changing over time in terms of government spending.

The reports on plans and priorities could certainly see a lot of improvement when looking forward. One of their main benefits is that they do look three years down the road, which is often unusual in budgeting. They provide an important glimpse into the future spending plans of departments. They are also essentially the only place where parliamentarians can see what the employment impacts are and how those are changing over time.

Unfortunately, compared to what's available elsewhere, I think there are significant drawbacks to the way the government reports and estimates what it's going to do in the future. The main estimates, the main tool by which parliamentarians approve what's being spent, provide essentially no data on how that money will be spent. DND is a perfect example of this. Again, they are the biggest department.

Last year parliamentarians were asked to vote on essentially \$20 billion in the main estimates—that's 8% of the total output of Canada—with essentially no detail on how that money would break down within the department, except if you wanted to refer to the RPPs. I can understand how parliamentarians would find that incredibly frustrating in trying to figure out how significant amounts of money are being spent.

The RPPs themselves provide more detail into program areas. That's an important point, since those data are missing from the main estimates. Unfortunately, they don't provide the history of employment or the history on spending programs that would make it easier for parliamentarians to see what's been happening over time, particularly at the program activities level.

● (1540)

More importantly, I think the RPPs don't provide a reconciliation between the differences of what was budgeted and what was spent, and why those numbers are different. That's not to say you couldn't put this together. I think you might be able to, using the supplementary estimates and some combination of the departmental quarterly reports, but it would be challenging, and I think parliamentarians deserve to have all that information in one place, reported on an annual basis.

Also, within the RPPs there are no reasons stated for why spending is increasing or decreasing and what is driving that growth, no reasons why the estimates are changing over time. If a department reports it's going to spend \$1 million three years from now, and it spends \$900,000, why is that different and why is it changing? That information is not available in the RPPs.

One other concerning aspect of the RPPs is that it appears some departments are skating through the process. CIDA, for instance, in 2011-12 produced an RPP that they basically phoned in. It provided no future estimates in the 2012-13 and 2013-14 years for employment or for expenditures. CSIS, as well, does not provide RPPs. That may be due to security considerations, but I think DND would be under those same considerations, so it's unclear to me why CSIS should be excluded from this process.

One point that has been raised quite recently by *The Globe and Mail* is the potential for censorship of these documents in terms of excluding major policy changes and their implications from the reports on plans and priorities.

One final point that I think is concerning is that these documents don't necessarily agree. A broad array of documents look at future spending, but they don't necessarily agree, they don't necessarily come from the same place, and they aren't necessarily updated at the same time. While it's certainly true that the main estimates and supplementary estimates represent what the government has agreed to spend and the public accounts represent what the government has

spent, from there it's not entirely clear how those documents relate to one another.

The FTE counts and the RPPs often don't agree with what the Treasury Board said the FTEs actually were that year, and FTE counts are often simply not updated.

There's an interesting point in the appendix of this report. It's a bit technical, but for this committee, I'm sure, it's relatively accessible. It looks at the FTEs probably not being updated in a timely fashion in the reports on plans and priorities.

It is my understanding that there is no necessary connection between a lot of these future-oriented estimates, and there should be, so in that sense it's very difficult to know what the right version is of the future estimates for government departments going forward.

I would like to conclude with three recommendations for the committee's review. I think there are important ways to reform the RPPs to make them much more useful for parliamentarians. I'd argue that both the past and the future expenditures—say, three years into the past and three years into the future—could be included in the RPPs, not only at the overall department level but also at the program level. It would certainly be useful to see what those numbers are on an FTE basis, as well, to see how employment is changing over time.

I think it's important to explain in the RPPs why expenditures have changed, why actuals differ from budgeted, and why expenditures over time, in terms of the projections, differ over time. You can take departments, for instance, and plot what they think is going to happen in three years; if you move one year forward and take that same RPP, they'll have a different estimate for that same year the following year, with no reconciliation as to why those projections are changing over time.

As well, I think the future-oriented financial statements that are currently being published separately from RPPs should be included in RPPs, and they should all agree, because currently it's not necessarily clear that they do.

Finally, I'd advocate for revenue changes being included in the RPPs—that is to say, an analysis of how revenue streams are changing over time and why they're changing. I'd also argue that exemptions to the tax code should be evaluated in the same way programs are evaluated in the RPPs—that is, to determine whether they're delivering what they were supposed to deliver for the money they cost.

Recently *The Globe and Mail* reported that it received information that 2012 RPPs would be censored to exclude the impact of the 2011 strategic and operating review, worth between \$4 billion and \$8 billion. Minister Clement rightly said that he would be “crushed by the irony” if this were his stance, given his other stance on transparency; I certainly take Mr. Clement at his word, but I think this committee needs to take a strong stance against whichever office decided that censoring the RPPs was appropriate. This type of tampering should not be allowed; parliamentarians should get a clear view of what the government is spending.

Finally, I think there should be a lot more transparency on major policy changes. This is certainly something I advocated in terms of the cuts coming up, but it's also something that could be advocated in other major legislative changes—for instance, the government's crime agenda.

• (1545)

The government, I would argue, should report which projects would be impacted by major policy changes and should report the reasoning behind those changes. What are the impacts on other levels of government and the private sector, if any? What are the FTE impacts, the regional impacts? As well, there should be some transparency on the methodology and calculations in a white paper as to why particular numbers come out as they do.

I'd argue that strategic reviews from 2007 to 2010 are an example of poor clarity on a major policy change. The impacts on individual programs, FTE impacts, and regional impacts were simply never published. I'm sure they exist and could be compiled and published, and I argue that they should be. I think this approach would allow everyone to have a debate on the substantive issues, as opposed to guessing at what is happening. For this reason, I encourage this committee to call for full disclosure of the 2007 through 2010 strategic review impacts, the 2010 operational budget freeze impacts, and the 2011 strategic and operating review impacts.

Thank you.

I would be pleased to take your questions.

The Chair: Thank you very much. You certainly packed a lot into ten minutes, Mr. Macdonald.

I wonder if I could ask you to just repeat those last three things. I was trying to quickly write down the things that you said: “full disclosure on strategic review...”

Mr. David Macdonald: That's right.

In “The Cuts Behind the Curtain”, I argue that there have been three waves of cutbacks or evaluations of programs: the 2007 through 2010 strategic review, the 2010 operating budget freeze, and the 2011 strategic and operating review, which is the \$4 billion to \$8 billion that the government is now considering cutting from expenditures.

The Chair: Thank you very much. I just couldn't write it down quite quickly enough.

Very good. I'm sure this will come up in rounds of questioning. Thank you very much.

Mr. Ron Cannan (Kelowna—Lake Country, CPC): I have a point of order, or maybe clarification. How does that relate to the supply process we're discussing today?

The Chair: It's simply part of the testimony that the witness chose to share with us—

Mr. Ron Cannan: Okay, it's irrelevant.

The Chair: To editorialize—

A voice: You can ask him later.

The Chair: I don't think it's up to us to editorialize the merits of the content of the—

Mr. Ron Cannan: We're supposed to be working together in a non-partisan way, and you want to make shots like that? It's not a good start.

The Chair: If you're moving a point of order, I would find it's not a point of order.

Mr. Ron Cannan: We're trying to work together to make it better for all of us around the table, and to start by bringing rhetoric like that doesn't help anything.

The Chair: Go ahead, Mr. McCallum.

Hon. John McCallum (Markham—Unionville, Lib.): I'm a bit confused as to why you regard this as partisan rhetoric. It seemed quite okay to me.

Mr. Ron Cannan: It has nothing to do with the supply process. That why. It's just a clarification.

Go ahead.

Mr. Mike Wallace (Burlington, CPC): Mr. Chair, I think you should take control. We should move to questions.

The Chair: Yes, I think you're right. I think we will just move to questions, but I will say I don't see the comments made as deviating from recommendations to improve the estimates and supply process, Ron. However, you can elaborate on that when you have time for questioning.

Let's go to the first round of questioning.

For the NDP, we have Denis Blanchette. Denis, you have five minutes, please.

[*Translation*]

Mr. Denis Blanchette (Louis-Hébert, NDP): Thank you, Mr. Chair.

Thank you, Mr. Macdonald.

In your presentation, you stated clearly that it was difficult to reconcile what is budgeted, what is spent and the way in which the difference is accounted for. That is clearly of interest to the committee. We want to be able to follow the budgets better, of course.

You gave us some recommendations, but I would like to better understand the link between your recommendations and our difficulty in bringing together the various elements of the budgetary cycle.

• (1550)

[*English*]

Mr. David Macdonald: Thank you for the question.

As I wrote this report and started to see how these different pieces of the future estimates came together, I thought it was important that they be tied together better. In terms of my recommendations, I was looking specifically at some of the future estimates of the government; they don't necessarily impact on the main estimates directly, but I think they could, and they are part of the same process of estimating how the government is spending, where it's spending, and so on.

I hope I'm not missing the point of your question. I would encourage the committee to call for better reporting when it comes to the reports on plans and priorities as well as incorporating other pieces of the puzzle together so that you would have a much more complete view of what's happening, particularly down to the program level in each of the departments.

The main estimates, for instance, are quite generic when it comes to voting on major expenditures of cash for particular departments; if you took some of the program-level information in the RPPs and combined it more directly with the main estimates, you might gain more transparency in terms of how spending is changing at the departmental level over time.

[*Translation*]

Mr. Denis Blanchette: Thank you.

We need more details, sure, but we also have to have the time to look at it all. Would it be desirable in your view for the ideas of accountability and monitoring to be considered and included in program follow-up? Then we, as members of Parliament, could ask for more specific reports in order to find out what is happened from year to year in the past and, as a result, to better evaluate what is coming in the future by using the same frames of reference?

[*English*]

Mr. David Macdonald: One of the important changes that could be included in the main estimates, which is partially included in the RPPs, is much better accounting down to the program level and actual projects and determining how those projects change over time.

For instance, taking a look at HRSDC, how is EI funding changing over time? How is employment in the EI office changing over time? You can certainly get some of that detail in the RPPs, but it's not necessarily included in the main estimates, or you'd have to put it together, in any event. Certainly I think that reports by standard object—that is to say, by salaries and contracting, rent, utilities, and so on—is a useful way of breaking that down.

I think that breaking it down by the actual budget lines within each of the departments is also a useful way of determining what's happening in that department. I think parliamentarians would also find it quite interesting to see how that's changing over time.

It's only once that information starts to be published and you can compare past to future to find out why it's changing that parliamentarians can ask more pertinent questions about government spending and investigate it more correctly, frankly.

The Chair: You have 30 seconds, Denis.

[*Translation*]

Mr. Denis Blanchette: Okay.

Could you tell us how to establish better links between budgets, expenses and the need for accountability?

[*English*]

Mr. David Macdonald: When it comes to the main estimates on the expenditure side, if MPs were given a full list of what that was buying in each department and the historical context of how it's changing—how many people are being employed and why it's changing—this committee and others could ask much more pertinent

questions about departments and hopefully better spend that money in the future.

The Chair: Thank you, Denis. That uses up your time.

Thank you, Mr. Macdonald.

Next is Mike Wallace, for the Conservatives.

Mr. Mike Wallace: Thank you, Mr. Chair, and thank you, Mr. Macdonald, for coming.

I have a couple of questions.

You talked about the RPPs—the reports on planning and priorities—and timing. You do realize that in terms of the main estimates, changes to the budget are not included in the main estimates. You understand that, correct? Any changes that happen from the budgetary activity are not included in the main estimates; do you understand that?

Mr. David Macdonald: That's right. They're included in the supplementary estimates.

Mr. Mike Wallace: Okay. Then the plans and priorities documents come out.

You never mentioned anything about the performance reports, the DPRs. Do you have any comments on them?

•(1555)

Mr. David Macdonald: I didn't look at them extensively—

Mr. Mike Wallace: So you looked at the plans, but you didn't look at the reports.

I don't disagree with you—I think the RPPs could be tightened up quite a bit—but you didn't do a comparison of what the departments report with the actual results they had.

Mr. David Macdonald: I have looked at that aspect in the past, absolutely, but not in this particular report.

Mr. Mike Wallace: On the PPRs, or whatever it is, the planning documents—that's how I'll refer to them, “the planning documents”—you talked about three years in advance and three years in the past.

Mr. David Macdonald: Yes.

Mr. Mike Wallace: In terms of comparison, do you mean estimate against estimate, or estimate against reality in terms of actuals, or...? What do you want to compare in the future?

I can understand three years in the past. That, I think, would delay their coming to us even longer than they already are, but what are you comparing in the future, and have you actually looked at the budget cycle?

I've been an advocate of presenting our budget in the fall and having the main estimates reflect the majority of the changes come April 1. Have you looked at that at all?

Those are two questions.

Mr. David Macdonald: The calendar shift seems like an interesting suggestion. It would certainly be more interesting to see the mains reflect the budgetary changes than to wait throughout the year for the supplementals to update what's actually happening.

The reports on plans and priorities estimate departmental spending and program area spending for the current year and the next two years into the future, as I'm sure you know. However, they often only report the present year, so it's difficult sometimes to get an idea of how program areas, for instance, are changing over time.

In terms of reconciling the RPPs with the main estimates, you have a variety of other issues as well when you start to incorporate the cash versus accrual problem, as I'm sure you know, but I think the RPP documents are some of the more accessible ones in terms of looking at how government spending is changing into the future. They can be quite useful if you want to see what departments are planning to spend two or three years out, not only at the department level but also at the sub-level, so I'd argue that they are a good foundation for reporting on how government expenditures are changing and also on why they're changing over time.

Mr. Mike Wallace: Perhaps you could just add some clarity for me, because I didn't understand. When I look at this, and the estimates say they're going to be spending x dollars, it is a budget, of course, and you don't want to blow your budget or blow your vote or whatever, but there's always going to be a differential, hopefully, between budgeted and actual—

Mr. David Macdonald: Oh, yes.

Mr. Mike Wallace: —and it should be in the negative side, in that sense.

In terms of your discussion of the revenue stream, when I see the number there, I assume the revenues are going to be provided to make that happen, based on that budget. I'm not sure exactly what you want here. Is it that you don't like tax credits, or that you want to see what their effect is? I'm not sure exactly what you're asking for here.

Mr. David Macdonald: Let me be a bit more specific there. In the revenue estimates that come in every year, as you say, there's a fair amount provided in tax credits, so there are, in effect, expenditures in a sense, and there is less revenue in another sense. I think there is room for evaluating tax credits and other exemptions to the tax code to see whether they're providing the benefit they should be providing, in the same way that departments are expected to take programs and try to justify why they exist and why they are providing the benefits they do.

Mr. Mike Wallace: Whether it's a program or a tax credit, it's still a policy decision. One is using the tax code to make change and the other is using a program to make change—positive or negative, depending on your view, of course.

If we did get down lower to program evaluation, you're saying that we should be evaluating, on the transit tax credit, whether it actually generated a number of travellers on the system, or...?

Is it that kind of information?

Mr. David Macdonald: Yes. I think that would be great.

Mr. Mike Wallace: Okay. Thank you very much.

Is that it?

The Chair: You're right on the money there, Mike.

Next, for the NDP, we have Alain Giguère.

Welcome, Alain.

[*Translation*]

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Thank you for being here, Mr. Macdonald.

In recent years, we have seen the emergence of expenditure plans spread over a number of years. Take, for example, the 2008 budget for national defence. It showed \$60 billion in purchases and \$140 billion in maintenance spread over 20 years.

The problem is that, in his interim report, the auditor general told us that, since there were significant overexpenditures on the purchasing side, they were dipping into the maintenance budget. That explains why brand new helicopters were grounded because there were no spare parts.

I can assure you that, when Parliament passed those budgets, we were not buying helicopters so that we could watch them rust on the ground.

Is there a better way, in your view? How can we get a better handle on these expenses?

•(1600)

[*English*]

Mr. David Macdonald: It's definitely challenging once you start getting into capital purchases that are accrued over 10 or 20 years, as you said, in the sense that for most departmental spending, we have an idea three years out, say, and after that, it's my understanding—although I stand to be corrected—that Finance Canada is simply estimating based on some sort of standard growth multipliers. In reality, in terms of government spending, we could only really know probably three years out, so it is certainly challenging on these longer-term capital projects, and also in terms of reconciling cash versus accrual, when parliamentarians vote on these sorts of things.

I think what parliamentarians vote on should be what they get, but then again, there obviously can be changes over time. I don't know that purchase in detail, but there certainly can be challenges in terms of what the estimates are on capital purchases like that.

[*Translation*]

Mr. Alain Giguère: My second question is about another long-term project. It deals with expectations vis-à-vis the Kyoto Protocol.

In October 2011, the Commissioner of the Environment and Sustainable Development apparently produced a report on government expenses totalling \$9.2 billion. An amount of \$2.3 billion was discovered to have nothing at all to do with reducing greenhouse gases. I am beginning to wonder about the relevance and even the structuring of the budgets. Why include items in budgets that have absolutely no business being there? Why do we find expenses that are impossible to attribute to a budget year? Seven departments are involved with the Kyoto Protocol and we have no way of knowing how much each of them spends on that specific item each year. I have tried to find the figures, but I have not been able to. That is why I would like to hear your comments.

[English]

Mr. David Macdonald: I don't know that there's any way I would be able to find them. You're much better placed than I am, given that you have better access to the system of Parliament and the Library of Parliament.

I think that may speak to one of the challenges in not having sufficient detail for the Department of the Environment, for instance, in terms of what they're spending their money on and how that is changing over time. Certainly, if there were a line in the reports on plans and priorities or the main estimates or whatever that said "Expenditures on Kyoto", and if the number should have been \$9 billion over five years and it was \$1 billion over five years, with that kind of detail you could start to ask those questions.

Without that kind of detail, I think it's very difficult for parliamentarians or outside observers to look at these public documents and determine exactly how that money is spent. It is a real challenge for parliamentarians, whether it's on Kyoto or whether it's trying to figure out where government cuts are. It's certainly a challenge.

The Chair: You have about 30 seconds, Alain.

[Translation]

Mr. Alain Giguère: The defence committee, the finance committee and our committee have asked the Department of National Defence to tell us the specifications needed in the new fighter. We wanted to know why it chose the F-35. We have never been able to obtain those documents, although all three committees asked for them with one voice.

As we are discussing reports on plans and priorities, I would like to know if they imply any kind of requirement for transparency on the part of the government.

•(1605)

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): A point of order.

I don't think my honourable colleague's question has anything to do with the study we are conducting at the moment. So our witness is not required to answer.

Mr. Alain Giguère: Can I answer Mr. Gourde?

[English]

The Chair: If I might rule on that, if there is a relevancy issue, perhaps the witness could limit his answer to the context of how a member of Parliament would find that information that Monsieur Giguère used as an example.

Mr. David Macdonald: This may not be as relevant to passing the main estimates, for instance, but I would certainly encourage departments taking major policy steps—such as buying the F-35—to provide updates on how much they think it's going to cost and how much it's going to cost over time. I know the Parliamentary Budget Officer, who is an officer of Parliament, has certainly weighed in on this issue, and I think it's important for government departments themselves to keep up with the current news on the F-35s and update their numbers, or not, but at least lay their methodology out for examination by parliamentarians and outside observers.

The Chair: Thank you. You're well over time.

In terms of avoiding future points of order on this subject, I think the context of this study is really to find ways that members of Parliament can better understand the spending process. Although we're not open for political potshots on specific issues, I'm giving it some latitude as long as we keep it fairly non-partisan. This has been very useful so far, and I appreciate the questions and the answers.

Next is Mr. Jacques Gourde, for the Conservatives. You have five minutes, please.

[Translation]

Mr. Jacques Gourde: Thank you very much, Mr. Chair.

Thanks to the witnesses for being here today.

Mr. Macdonald, how long have you been taking an interest in the government's budgeting process?

[English]

Mr. David Macdonald: In the case of the federal government particularly, it has probably been the last five years or so.

[Translation]

Mr. Jacques Gourde: So you have gone to some trouble and done some study to try and understand the process. Can you give us an example of an aspect that you would like to improve? Can you suggest a way to improve the process to make it more transparent? An economist such as yourself likely grasps things more quickly. Could you provide us with your view on how Canadians can better understand the process? Give us an example.

[English]

Mr. David Macdonald: Let's take the example of the reports on plans and priorities. There is detail down to the program level, which I think is quite positive, but one of the major changes that could be done relatively rapidly is to show why these estimates are changing over time—why "budgeted" differs from "actual" in the RPPs. That alone would be a significant change in what the RPPs are and how they report to Parliament. That could start some sort of better understanding of how these estimates change over time.

For instance, let's say we're trying to figure out why Statistics Canada's FTE count went down or is planning to go down in the next two years. Some might argue that it's due to the budget cuts. In fact, if you dig down deep enough in these documents, I think you'll conclude that much of that cut is actually due to a decline in the number of people required to process the census, which is a planned expenditure and is planned to happen over time.

With better explanations of why these numbers are changing, we can become clearer on what's causing those changes, and hopefully parliamentarians can make better decisions on how that money is spent.

[Translation]

Mr. Jacques Gourde: Do you think the date on which the federal government presents its budget—somewhere around the end of February to March 26—is a problem? Because the government has to incur expenses before the budget is presented and approved. Do you feel that there may be a better date in the year on which the budget could be presented, so the entire budgeting process and the way in which money is spent is simpler to understand?

[English]

Mr. David Macdonald: It would certainly be preferable if the introduction of the main estimates bills—and the RPPs, for that matter—included what had just been passed in the budget. It essentially all happens at exactly the same time, but nothing is connected to anything until halfway through the next year. It would be preferable if there were just a quarterly difference between when the budget is passed and when the actual implications of the budget in terms of the main estimates, the reports on plans and priorities, and the future-oriented financial reports all come out, which is around March. That would certainly make those bills much more relevant to the budget itself.

•(1610)

[Translation]

Mr. Jacques Gourde: Thank you.

[English]

The Chair: You have two minutes, if anybody on your side would like to use them up.

Bernard, did you have a—

Mr. Mike Wallace: Bernard is in the next round. I'll take the last two minutes.

The Chair: Okay, Mike.

You have only a minute and a half now.

Mr. Mike Wallace: I'm from the city council world, so the budgeting system was an eye-opener here. When I got here, there was an over-and-under report, which I was used to at city council, but the over-and-under here was \$25 million, so it was a different set of numbers from what I was used to.

When you say that the planning documents skate by or whatever, is it that they're not standardized enough, or there isn't a set of specifics asked for, or they all look different to you, or...? What did you mean by that?

Mr. David Macdonald: Let me be more specific. I was referring to particular departments. I think there is a fair amount of standardization across the RPPs, for instance, and that's definitely a good thing.

I would point you to the 2011-12 Canadian International Development Agency RPP, which essentially does not make estimates going forward. While every other department in the federal government is required to make these estimates, CIDA has decided, despite the fact it administers \$5 billion in expenditures in overseas development aid every year, that it doesn't need to do that. I think it should be a concern that they're—

Mr. Mike Wallace: Was that the one time, or had you looked at those documents in the past?

Mr. David Macdonald: It was the 2011 report, so I—

Mr. Mike Wallace: You have no idea what happened before that, then.

Mr. David Macdonald: I'm not sure what happened the year before.

Mr. Mike Wallace: All right.

Mr. David Macdonald: I think this committee should require each of these departments to submit those reports on time and that they be full and complete. CIDA is an example of when that hasn't happened, and that's something that could be corrected.

The Chair: That wraps up the time then for that round. Thank you very much.

Next, for the Liberals, we have Mr. John McCallum.

Hon. John McCallum: Thank you, Mr. Chair, and thank you, Mr. Macdonald, for being with us today.

I think that the mandate for this study is quite clear and simple: to help members of Parliament better scrutinize government expenditures, whether they are increases or decreases. It would seem to me logical that we would want more information, and better displayed, rather than less.

You referred to this apparent turnaround in Treasury Board when they first explicitly stated that cuts included in the budget were to be included in the May documents and then countermanded that statement and said cuts were not to be included in those May documents.

I also made the point that when we were in government, we had a similar exercise in 2005, and every single program reduction in every single department was included in the budget, so that would have been even earlier than the May document.

I'm not sure this is within your realm of expertise, but based on what you know about government accounting and the way governments act—I can't imagine that the technology has regressed between 2005 and 2012—could there be some reason that the government is unable to produce this information, or do we conclude that if they don't produce it, it's simply because they don't want to?

Mr. David Macdonald: I certainly don't think that there has been a technological regression. A much smaller level of government is the City of Ottawa; its council is a good example of a government producing budgets with a lot more detail than what we find at the federal level. I think there is plenty of work that can be done in terms of making these documents more transparent.

This was my third recommendation: that when major policy changes are introduced, whether those are cuts or increases in programs, those large amounts in those policy changes should be made public to parliamentarians and to Canadians so that they have a good idea of what's happening.

One of the reasons this “The Cuts Behind the Curtain” document was published in the first place was that those estimates aren't available.

Hon. John McCallum: I might be missing a point, but I would have thought that for a committee doing a study on improving information, these would be more or less motherhood recommendations that you were making. Why would we not want better information in the RPPs for the three previous years and the three future years, including information on employment? I can't see why anybody would object to that.

That was, I believe, your first recommendation, which makes a whole lot of sense to me. Do you think it would be difficult for the government to produce this additional information that you're recommending? Do you think it would require a whole lot more staff in government to do this, or would it be relatively simple? Perhaps you don't know.

• (1615)

Mr. David Macdonald: I'm not an expert on the government accounting systems. Maybe that's part of the problem. Maybe it's all being filed away on paper somewhere. I think what is clear is that this amount of detail, and much more detail, is routinely available for much smaller organizations, whether it's private sector or public sector at other levels of government.

It's not clear to me why it shouldn't or couldn't be made available to parliamentarians. It certainly is my hope that ministers at the top of these departments are seeing much more detail than parliamentarians are seeing. Otherwise, there is a really serious oversight problem in terms of trying to figure out how this money is spent.

Hon. John McCallum: Do I have time for one—

The Chair: You have one and a half minutes.

Hon. John McCallum: Okay. You've briefly mentioned the question of accrual versus cash accounting. We've heard different opinions on that. Do you have a view as to whether the status quo is good, or whether we should try to move everything to accrual? What should we do in order to best understand what's truly going on?

Mr. David Macdonald: I think that the accrual system is the appropriate one at the federal level.

The main estimates are still in cash, and it makes sense that they be in cash in the sense that the government is authorizing a certain amount of money to be spent. I think what is missing from this equation is a reconciliation between the cash and the accrual from the main estimates so that you could see those main estimates on an accrual basis as well as see them on a cash basis. I think that most of the federal government expenditures are not on a capital basis, except at PWGSC or DND—they're heavily involved in capital projects—and a lot of it, even if it's infrastructure, is transferred to the provinces and municipalities. They're the ones who make those investments and therefore accrue it.

In certain departments it would make a much bigger difference than in others, for sure.

Hon. John McCallum: If I understand you correctly, you're basically saying we should keep the estimates status quo—as they are—but provide additional information to reconcile those cash numbers to accrual numbers. Am I right?

Mr. David Macdonald: Yes, that's right.

Hon. John McCallum: Thank you.

The Chair: Your time is up, John. Thank you very much.

For the Conservatives, we have Bernard Trottier.

You have five minutes, Bernard.

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): Thank you, Mr. Chair.

Thank you for coming in today.

We're still in the early stages of this study. Some of us are struggling with just trying to identify what the problem really is. It's always interesting and tempting to jump right into coming up with solutions, but we want to get a better understanding of the problem as part of our solution. Also, we're going to be talking to witnesses from other Westminster parliaments that have struggled with a similar issue. The U.K., Australia, and New Zealand are examples.

I think we're in agreement across all of the House of Commons that we want better accountability and better transparency when it comes to spending. What is the structural impediment that prevents the Government of Canada from providing this information? It's not really for parliamentarians; it's really for the people of Canada. They need to be able to see this to know where their tax dollars are going.

Big organizations such as RBC, as you mentioned, or city governments are able to do this. What is it with the Government of Canada? We had some officials in to give us a briefing a couple of weeks ago. They showed us an estimates book from the 1880s. The estimates looked very similar to what they look like today. What's the problem? Why can't we provide the level of detail that Canadian taxpayers and Canadian stakeholders need to see?

Mr. David Macdonald: I'm not sure I'm equipped to answer the question. It may well be institutional momentum: this is the way the reports have always been done, so this is the way they should be done today. Maybe it's going to require a shakeup from this committee, with the input of experts, saying that this is the format you want these reports to come in and that you want them provided in that format.

There are vast computer systems that track all kinds of expenditures, down to the penny level, for these departments. The question is, what do you want these computer systems to output to be useful for parliamentarians?

I don't know the history of why the estimates are the way they are, but you're certainly right in pointing out that you get much more information in most levels of government and in private industry, even publicly, than parliamentarians or Canadians appear to be getting about the federal government.

Mr. Bernard Trottier: Part of the answer that the officials gave us is that it was a lack of systems and technology. Surely in 2012 we can make some progress in that regard. There didn't seem to be a lack of desire to move to a better future when it came to transparency and accountability.

I want to talk about the process, though. Let's say that someday we do get to a point where we have better transparency and accountability. In a perfect world, you'd have estimates; then at some point there'd be revised estimates, which are expenditures up to a certain amount, which may revise up or down, and then actuals.

There are always some challenges with the lag on the actuals. We've studied this a little bit, but can you think about that cycle, that annual or even multi-year cycle? Is there something that you've identified in your studies that you could change to actually get better alignment between the estimates, the revised estimates, and the actuals? Anybody running an organization has to deal with these kinds of things. Can you comment on that, perhaps in terms of introducing a budget at a different time or compressing the reporting cycle?

• (1620)

Mr. David Macdonald: It's a challenge, I'm sure, for all sorts of organizations and at all levels of government. They'll pass a budget, but those implementations won't happen for a quarter, and so on, so they float it over that quarter and assume that expenditures are going to be the same.

I don't think this is necessarily a challenge of computational need. These estimates could be put out if you wanted, if parliamentarians demanded they be put out in a particular way and held the bureaucracy to the fire. The example of CIDA not putting out all the full numbers for 2011 should not be acceptable, and they should not be allowed to do that. Someone should come down there, slap some wrists, and make sure it's done correctly.

There are always challenges in terms of timing, but it would certainly be helpful if the 2011-2012 RPPs and main estimates were in accordance with the federal budget. Currently they're not; they're a year off, essentially. As well, it would be helpful if there were a reconciliation at the end of every year to explain what was changed over the course of the year and why it was changed.

It seems so simple, and it's regularly available at a given level of government. It's simply not in one place at the federal level.

Mr. Bernard Trotter: Do I still have time, Mr. Chair?

The Chair: You have one minute.

Mr. Bernard Trotter: Ultimately, when you're running an organization or a department, you have to be able to explain variances. You alluded to that in your comment and said that whenever there are variances, some kind of explanation should be mandatory.

Sometimes when it comes to explaining variances, there's some very evasive language. What are some specific things we can do to identify a variance and hold people to account, if there is a significant variance between what they planned to spend and what they did spend?

Mr. David Macdonald: It's difficult to say what process could be employed. First of all, if you don't have the information that variances are happening, there's nothing you can do about it, right? The estimates come in; then you have supplementary estimates, and there's some detail in there and some detail in the quarterly departmental reports, but if you wanted to put an aggregate picture together from purely those reports, I think you would be really challenged to do so. Frankly, it would be very difficult, and parliamentarians shouldn't have to work that hard.

If anything, there are too many reports that all go off in every different direction. They're produced at different times, probably by different portions of the department; they end up providing different

estimates of what's going on, and they don't agree. This is not an argument for less information. I would argue that more of this information should be compiled in one place so that it all agrees and everybody's on the same page, because if page 1 says you spent \$1 billion and page 2 says it was \$100 million, then obviously there's a problem. They would be much more likely to be reconciled if the RPP was beefed up, for instance, and looked forward as well as backward and included everything in one large annual report. I think that would make it a lot easier to do a line analysis of a project if you were interested.

The Chair: Thank you, Bernard. You're well over our time for that.

We have time for at least one round left.

Mr. Mike Wallace: Do you mean one round or one person?

The Chair: I'm sorry; it's one person, and possibly a partial switchover. Let's see where this goes.

Next is Denis Blanchette, for the NDP. You have five minutes.

[*Translation*]

Mr. Denis Blanchette: Thank you, Mr. Chair.

I have been listening to these questions and answers for a while. The questions are about transparency, accountability requirements, reports. But we want a better understanding of the budgeting cycle; we want to see figures and to be able to compare them.

Could you tell us whether, with the benefit of your expertise, by wanting to start with a definition of the way in which budgets are evaluated, we are going about things in the right way? Would it not be preferable to start from the other end, to ask ourselves what we want, which reports we want, and then to see how it all relates? Do you understand what I mean? What is your opinion?

[*English*]

Mr. David Macdonald: I think there are good reports that the government publishes. They are bare bones, to be sure, but they could be the foundation of much better reporting. I'm not sure that we should necessarily throw out the process. I think that the report on plans and priorities, for instance, is a good foundational document that could be built out to become much more than it is.

I would argue more for consolidation of the reports that currently exist to, say, one major annual report, which would be the RPPs, for instance, plus some quarterly reporting that ends up in the annual report, in addition to a beefed-up main estimate document. I think the foundations are in place and it's an issue of defining for the bureaucracy what parliamentarians and Canadians want to see out of these reports and what kind of detail they want to see.

I think there's a discussion that could be had with this committee later on, and I would love to see a draft of what these new documents could and should look like. I think you would get a lot of expert advice if you stipulated the template you want to see and how you want this reporting to happen and then looked for comments on a particular new type of document, such as an expanded RPP or a better main estimates document. I think you would get a lot of very good advice on that.

•(1625)

[Translation]

Mr. Denis Blanchette: Great. Thank you very much.

I would like to get your opinion on what is called open government. We know that someone, somewhere in the public service, has the answer to every question that can be asked. The problem is knowing who that is. Basically, that is the issue.

Would a solution lie in an initiative like open government, where the budget would be systematically published through all its stages of development? Is that an approach that could be considered, do you feel?

[English]

Mr. David Macdonald: I'm not familiar particularly with those initiatives. Given the size of the federal government, I think you're probably right that any question could be answered by someone. Someone has that answer. In the same way that I'm trying to estimate the number of jobs that will be lost, someone knows this answer. I think it's really a question of defining for the bureaucracy what open government means. What does it mean for them to publish? What do you want to see them publish for you as parliamentarians, and for Canadians?

Putting out the question of potential new templates for what type of information should be published—when, how, and so on—could provide a very fruitful process for people like me, such as researchers, interested people in the private sector, and other interest groups.

The Chair: You have 90 seconds, Denis.

[Translation]

Mr. Denis Blanchette: I think that templates and reference frameworks could be helpful in this. If we took that route and made a decision on the best templates and reference frameworks, do you think it would be difficult for an organization as huge as the public service to fall in line with it?

[English]

Mr. David Macdonald: The bare-bones reporting that happens at the federal level is very general, frankly, compared with the wealth of information contained in the SAP servers at DND or Finance Canada. It's a matter of defining what you want; I don't think it's a matter of the data not existing. I don't think parliamentarians should be concerned that data do not exist on expenditures, of all things, or the number of employees.

The data surely exist in an information form on a server somewhere. It's a question of asking for the right requirements and then demanding that they be correctly filled out every year with the kind of scrutiny that the Parliamentary Budget Office has been putting on departments in terms of improved transparency. That's one way that it can be done. Committees like this can also put departments' feet to the fire if they aren't reporting correctly.

The Chair: That's about it for your time, Denis. Thank you.

That just about concludes the time allocated for this section of our meeting.

Go ahead, Mr. Cannan.

Mr. Ron Cannan: Thank you, Mr. Macdonald. I appreciate the opportunity.

We want to have a non-partisan and open discussion on this matter. I spent nine years in local government and I've been here six years, and trying to decipher the books is overwhelming. It's a bit like how you eat an elephant: one bite at a time. We're trying to figure out how we can digest this.

Two-thirds of expenditures are base or statutory allocated. Basically, we never take a look at them. Have you looked at that portion of the expenditures to see how the parliamentarians might be able to hold the government to account more effectively?

•(1630)

Mr. David Macdonald: I wasn't particularly concerned with statutory versus non-statutory; I was interested in expenditures, pure and simple, and how they're changing over time at the departmental level. I think what the final number is, whether it's statutory or not, is what should be important. How that's changing over time is what should be important. The number of people employed to do that and how that's changing over time is what should be important at the end of the day. You're right to point out that there are statutory measures that just get passed, and then the supplementary estimates adjust those as need be.

Perhaps a differentiation with respect to expenditures for a program area, whether statutory or not, is important for parliamentarians voting on it, but I think the overall number is more useful for people like me.

Mr. Ron Cannan: Should we vote on program activities instead of operating and capital expenditures? How do we work on a numbering system?

Mr. David Macdonald: Both can be useful. As with other parts of budgeting, whether it's accrual or cash, I'm not sure that there's necessarily a right answer. Sometimes looking at capital versus operating expenditures instead of looking at program areas can be useful. Looking at standard objects like salaries and benefits and utilities you pay for can be useful as well.

I believe that different ways of breaking down the same number can be extremely useful in trying to tease out what's actually happening. Different approaches can be useful in trying to answer basic questions about how government expenditures are changing over time and whether they're delivering the services they should be.

Mr. Ron Cannan: That's what economists thrive on.

Mr. David Macdonald: That's my answer: more data.

Mr. Ron Cannan: Data, data; give me data.

The Chair: Thank you.

Thank you, Ron. We made good use of one hour.

Thank you, Mr. Macdonald.

I'm going to suspend the meeting for one minute while we change up our witnesses.

We'll also ask Mr. Wallace to assume the chair.

•(1630) _____ (Pause) _____

•(1630)

The Vice-Chair (Mr. Mike Wallace): Hello, Mr. Jordan. Welcome back to that end of the table.

Thank you for coming. You're with the Capital Hill Group. I know you were a member of Parliament for a number of years and were active on the issues that we are dealing with in this discussion on the supply process.

The floor is yours, and we'll go to questions afterwards.

Hon. Joe Jordan (Senior Consultant, The Capital Hill Group): Thank you, Mr. Chair.

I sincerely want to thank the committee for the invitation to participate as a witness in your review of the process for considering estimates and supply.

I guess I'm one of those rare people who actually really likes estimates. I've studied them extensively. The fact that the committee has taken this on.... I think it's a very important subject, and I think there are a lot of good, solid recommendations the committee could propose to try to move us to a better place.

By way of introduction, I was a former member of Parliament. I served as parliamentary secretary to the Prime Minister as well as parliamentary secretary to the President of the Treasury Board, and I was also director of parliamentary affairs at Treasury Board.

I can now confess that it was only in these last two capacities, when I worked with Treasury Board, that I obtained any sort of relevant understanding of what the estimates process was and how it fitted within the larger public sector financial cycle. I wouldn't want to admit publicly that for the first five years of my tenure, I voted in the estimates process without having a clue as to what was going on, but that was in fact the case.

Although the transparent presentation of financial information by government has many uses and many users, I want to focus on the role of the parliamentarian in oversight of government spending.

The supervisory authorities of the Canadian Parliament have evolved over time. They are a combination of practice, precedent, and statutory definition, so we're not really drawing on a single solid foundation; it's the way that these things have evolved. As a result of that, the Government of Canada is legally subservient to the Parliament of Canada because of two fundamental supervisory constraints: the confidence convention and expenditure approvals.

The confidence convention holds the Prime Minister and cabinet responsible, and they must answer to the House as a body for their actions and must enjoy the support and confidence of the majority of the members of the chamber to remain in office.

On expenditure approvals, authorities require the government to make its financial requirements known to Parliament, which must authorize the instruments used to raise the money, which we call ways and means, in the granting of necessary funds, which we refer to as supply. Therefore, there is a legal foundation for this. It isn't something that the government thinks is a good idea; they legally are

bound to undertake certain actions. No tax may be imposed or money spent without the consent of Parliament.

Now, clearly the mechanisms exist, and we can find recent examples of their application. The government of the 39th Parliament fell as a result of a non-confidence vote, and a number of years ago the opposition—John Williams, my good friend—was successful in reducing the estimates by an amount equivalent to what was spent on a poll that was determined to not be in the public interest, so the process works.

I think, however, that any objective analysis would conclude that not only are these situations rare, but their successful application is almost exclusively tied to the government being in a minority situation, so one of the first questions that I think we need to ask ourselves, if we're serious about reviewing the existing process, is just how real the challenge function of the expenditure approval process is as an oversight mechanism for members of Parliament, especially in majority governments. Keeping in mind that testimony is the weakest form of research, I'll offer my own view, which is that I think the existing process is not a very effective one.

Members of Parliament work in a partisan environment. Any process that's thrown into that arena will inevitably align with existing power equations, and the result will never reconcile with the original objectives.

Governments will defend their interests, and majority governments will defend their interests in a manner that sometimes appears to be working at cross-purposes to democratic oversight.

Therefore, my first suggestion would be to shift our thinking on the objective. The estimates and supply process is a terrible, partisan mechanism for trying to embarrass the government, but it could be a very useful mechanism if MPs saw it as a way to improve the effectiveness and efficiency of government operations.

As MPs, you are literally on the front line when it comes to Canadians' view of government services and program delivery. The Standing Orders define any number of tools you can incorporate into your partisan strategies.

I'd suggest that we accept the role government has in setting policy and see the estimates process as a vehicle for MPs to apply both their unique skill sets and their unique perspectives to the oversight of government operations within the policy parameters set by the government of the day—in other words, view the estimates and supply process as a study of “how”, not a study of “why”.

The next challenge I think we face is the sheer scope and scale of the information that's presented in the documents. This was touched on a little bit by the previous witness.

•(1635)

For example, the 2011-12 main estimates total \$261.2 billion in proposed government expenditures. That's presented by each reporting agency in a 473-page document. That works out to \$552 million a page. When we add the public accounts documents and the RPPs and DPRs, sheer volume of information makes this at best a needle-in-a-haystack exercise and at worst an unfathomable intellectual quagmire that is best avoided entirely.

I should add at this point that I'm not being critical of any participant in the process. During my time at Treasury Board I've seen first-hand the extraordinary efforts behind the production of the estimates and the collection and collation of department performance reports and reports on plans and priorities.

On this format issue, I'm not sure how helpful I can be to the committee, but I would suggest we consider a few things.

First, consult the private sector. The presentation and processing of financial information is a critical element, especially in the financial services industry. Money doesn't talk, it swears; the people whose livelihoods depend on understanding numbers have figured this out, and there should be elements that are transferable to the public sector.

Second, examine the opportunities that technology presents to help manage the volume. MPs and Canadians should be able to access online analytical processing tools or data cubes that allow for multi-dimensional extraction and analysis of data to increase understanding of government operations.

Third, look at baselines and benchmarks. To effectively perform their oversight responsibility, MPs need high-level information. This should be augmented with clear, comparable calculations that allow for reliable ratio analysis, both for departments over time and for efficiencies between departments. With limited hours to devote to the study of estimates, it strikes me that any techniques that can highlight exemptions and anomalies would be useful.

Fourth, the current estimates process involves three documents. Departmental performance reports outline the actual spending from the previous year and reconcile it back to the approved authority. Reports on plans and priorities are narratives that outline departments' intentions for at least the next fiscal year. The estimates themselves list the projected spending of each reporting department and identify the specific authorities that need to be approved by Parliament, what we refer to as "votes". Both the DPRs and the RPPs make extensive use of program activity architecture and strategic outcomes, and I agree with the previous witness that those documents present information in a very useful way.

The estimates make use of input costing data and don't really correlate the votes to the strategic outcomes, which really is the only measure of efficiency and effectiveness. When we add to this the lack of synchronization between the timing of the estimates and the timing of the budget, trying to get a handle on the big picture is even more complicated.

The committee might want to liaise with the Public Sector Accounting Board to ensure consistency when considering reporting formats across departments.

If it is true that we measure what we value and we value what we measure, the only conclusion I can reach from the current process is that we value measuring. It's almost as if the process of getting the correct numbers into the proper voted statutory non-budgetary and budgetary categories has become the sole object of the exercise, and everyone assumes some oversight requirement is being met.

Returning to the objective, Canadians want to know what government is doing. They want to know where their money is

being spent and whether or not they're getting value for that money. Anticipating the use of the data might be helpful in presenting it in a form that is much more understandable.

Again, I want to thank the committee for the opportunity and I look forward to the subsequent discussion.

● (1640)

The Vice-Chair (Mr. Mike Wallace): Thank you, Mr. Jordan.

We have a series of questioners. We're starting with the New Democrats. Go ahead, Monsieur Boulérice.

[*Translation*]

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

Thank you for your presentation, Mr. Jordan. It was succinct, but crystal clear.

Like most of my colleagues here, I am concerned at the lack of transparency in the tools with which we are supposed to check on the way in which money is spent. I find the process to be both very long and extremely complex. In a lot of cases, it is spread out over 18 months, which prevents us from comparing the documents that are submitted to us. For example, the upcoming main estimates will have no connection to the budget that will be presented at about the same time. Those two documents were actually not prepared at the same time, by Treasury Board on the one hand or by the Department of Finance on the other.

Do you feel that this problem of timing is a major one in our work? Could we not give some consideration to putting off passing the budget until the fall in order to be more logical and coherent?

[*English*]

Hon. Joe Jordan: It certainly is an issue, I think, because the costing information isn't aligned to the same time period; as I said, it's very easy to miss the big picture for that reason.

First of all, the financial cycle, the time, is mandated through the standing orders, but because of budget secrecy, it wasn't possible for the government to put out the contents of the budget and have that information available at the same time.

I think it's also safe to say that the budget is also a much more political document than the estimates. The estimates are the nuts and bolts of the A-base funding of government, whereas the budget usually announces programs and funding that are much more aligned with the platform of the party.

If you did it in the fall, you could reconcile it and put those numbers in the main estimates, as opposed to what we do now, which is supplementary estimates (A) or supplementary estimates (B), depending on the time. I guess it would be up to the government of the day to decide whether the potential pain is worth the gain for that particular shift. Keep in mind that this has been going on this way for a very long time.

Again, estimates aren't as exciting as they sound, and I congratulate the committee for focusing on this, because nobody ever says in their householder that they're working on the budget. Nobody ever ran on this as part of their platform. However, it is a fundamental piece of how the system is supposed to work. As parliamentarians, regardless of the political party, when you get up in the morning, what do you do? This oversight function is a legislated bit, and I think everybody wants to make sure that the job is done in the best way possible, so I think you need to consider aligning the information so that people get a clearer picture. That's one of the problems: they don't know the full extent of what spending authorities are being sought.

• (1645)

[Translation]

Mr. Alexandre Boulerice: Thank you very much.

Yes, indeed, our supervisory role, our oversight role, is undermined by the process. The process has its defects and just because those defects have existed for ever does not mean that we must not try to fix them. On the contrary. It is not a very satisfactory situation at the moment.

I really liked your suggestion of using new online technology to bring all the data together, such as the public accounts of Canada, the main estimates, the supplementary estimates and previous budgets. In that way, people, meaning Canadians, public servants and ourselves, could do focused research. It would be a lot of work, but people would have to be able to compare documents to each other, which is not always possible at the moment.

[English]

Hon. Joe Jordan: Just to be clear, I wasn't suggesting that we not change just because we've done it that way. In terms of technology, we're not talking about simply putting the blue book online. We're talking about arranging the data in such a way that people can go at it from as many different perspectives as exist.

If you want, talk to some of the leading business software companies about the concept of data cubes and how allowing an unlimited approach to how you can drill down and extract and analyze information is going to allow people to get a clearer picture of what government is up to. It's not because the government is up to bad things and not because the government is trying to hide things. It's a huge, complex machine, and one of the things that MPs have to do is try to make sure that we're getting our money's worth.

It's not a case of pointing fingers; it's how we can get to a better situation.

The Vice-Chair (Mr. Mike Wallace): Thank you for the answer. Thank you for the question.

The next questioner is Mr. Ron Cannan of the Conservative Party.

Mr. Ron Cannan: Thank you, Mr. Chair.

It's a pleasure meeting you, Mr. Jordan. You mentioned John Williams. I know he was passionate about this as well. He spent many hours on the issue about government accountability around the world, doing his patriotic service.

I wanted to follow up on the timing aspect. I don't know if you heard the previous round of discussions. Several of us have come from local government, and a previous witness mentioned that the City of Ottawa has a good model to build on. Have you looked at any other countries to see if something from them might be incorporated? You mentioned software. I think that's using the technologies. Instead of lugging around the big blue books, we have computers and iPads. Why don't we make it more user-friendly in a spreadsheet?

Hon. Joe Jordan: I haven't looked at the way other governments do it, but I'm certainly more familiar with how business collects intelligence, and its use of technology is extensive. Certainly I have to believe that you could just transfer over some of those principles and applications, but again I say it's not simply automating the print-based material; it's allowing Canadians to go online and look at data and be able to come up with extraction analytical tools that can tell them what they want to know, as the other witness was talking about.

How many people work at DND? How much does HRSDC spend on information technology? You can't get that out of the existing documents with a 24-hour day. There just isn't enough time to mine at that level, because it's almost as if you're buried in information. There has to be a way to get around that, and I think you can look to the private sector and other governments to see what approaches they're using.

I don't know if there is a timeline on your study, but take your time. This is worth getting right.

• (1650)

Mr. Ron Cannan: I appreciate that.

I'm just following up on some research that's been done. You said you started in 1997. In 1998 the Standing Committee on Procedure and House Affairs recommended that the standing committee be able to reallocate funds during its consideration of estimates, which would throw everything, royal recommendations and all the present policies....

I have a couple of questions. Do you think the standing committee should be authorized to reallocate funds, and if so, how would this affect the principle of royal recommendation that all funding proposals proceed from the crown? How would it affect the ability of departments to plan their spending?

Hon. Joe Jordan: Now I'm nervous, because I'm trying to remember if I was on that committee or not, because I certainly don't agree with allowing committees.... The current rules are "no, yes, or less": you can reject it outright, you can approve it, or you can reduce it. You can't have parliamentary committees increasing it. I would see nothing good coming from that.

Mr. Ron Cannan: You wouldn't even see reallocation?

Hon. Joe Jordan: I'm not sure how that differs from increasing, if you're talking about this envelope to that envelope. I'm not sure what problem that solves.

One of the things I am a bit concerned about is that I think the system forces the numbers. It's like an egg carton; a lot of effort is in making sure the eggs go in the carton properly, and then people think they have done a great job. As I said, I don't know where that gets us.

Our current system doesn't necessarily allow multi-year allocations and projections. I know why they don't like them; I know finance doesn't like it when current governments commit future governments to expenditures. However, if we can get the bar raised on transparency, the trade-off to the bureaucrat might be a little bit more flexibility on the timeline in terms of multi-year planning. I can't believe, with globalization and technology, that the budgeting process fits nicely in a 12-month cycle. I don't believe that. I think we need to try to come up with ways of providing flexibility, provided the level of transparency is there.

In the current situation, I think we're just overwhelmed with data, and even though somebody could point to every single authority sought and probably find every penny, it takes so long that it just isn't practical.

Mr. Ron Cannan: I have a quick question. About two-thirds of the budget is statutory-allocated, and one-third is.... It's about \$90 billion we deal with. On statutory allocation, is there any way we can more quickly...?

Hon. Joe Jordan: It's an hours in the day issue. You have to go back, I suppose, and figure out exactly when those authorities were granted and ask whether conditions have changed.

You make a very good point. If those things are done automatically every year without any scrutiny, or very little scrutiny—

Mr. Ron Cannan: It's because that's the way we've always done it —

Hon. Joe Jordan: That's the way we've always done it. It goes to the concept of zero-based budgeting. Maybe we need to revisit those things, but let's not kid ourselves about the extent of the work that would involve. I don't mean to scare you off doing it, but it would be a pretty...

Over some of the stuff they have no control. Some of the stuff is purely legislative and the numbers are set, but some of it is variable, and it's treated as if it's not, so it's certainly an issue you might want to look at.

Mr. Ron Cannan: Thanks very much for your wisdom.

The Vice-Chair (Mr. Mike Wallace): Next is Monsieur Blanchette.

[Translation]

Mr. Denis Blanchette: Thank you, Mr. Chair.

Thank you for being here with us, Mr. Jordan.

We are facing quite a huge problem. On the one hand, we say we don't have enough details; on the other, we say that we are up to our ears in information. But what we really want is to have the presentation simplified so that everyone can understand it.

Can you suggest a starting point, a way to get such an enormous task done?

[English]

Hon. Joe Jordan: Well, I think I touched on it a little in the sense that the Treasury Board has done a good job in the last 10 years in trying to make the data more usable in terms of putting in multi-year information. We never even used to have that; you used to have to go and look at previous years.

I think the DPRs and the program architecture and strategic outcomes template they use is actually not a bad way of explaining what they're up to. The piece we don't have is any kind of reconciliation between the numbers—the votes that are sought—and the architecture. Now, you're getting the random musings of a political junkie, but I think we need to look at how the costing and the votes that Parliament approves directly align with the program architecture and outcomes. If a certain department says it's going to do something, then all costs associated with that are grouped in a vote, as opposed to, say, the foreign affairs department, where half of their voted allocation is called “operating expenditures”. Where does that get you? I'm not criticizing them, but you can't extract anything useful from that.

Again I would suggest you consult with people who know more about this than I do, but I think that if you can work backwards from what government's doing and cost it, you're going to have a better idea of what they're spending. You're also going to be able to compare things by asking, based on ratios, why one department can do it for this amount of money, while another department's spending that much more. You'll get some best practices being shared, potentially.

Right now it's very hard to get anything useful out of the mountain of information that's plopped on MPs' desks once a year, or three times a year if you include the supplementary estimates. It is a difficult task.

● (1655)

[Translation]

Mr. Denis Blanchette: Thank you very much.

So there is a whole lot of clearing out to be done. The templates and the reference frameworks need to be standardized so that the data presented can be compared. You also briefly mentioned the idea of open government and the extent to which online tools can provide raw data.

Could you give us some more details about that?

[English]

Hon. Joe Jordan: In terms of process, you probably want to pick small departments and try this approach, as opposed to making a complete change. I think there are certain departments autonomous enough that you could use them as pilots for a couple of different models.

Rather than having data forced into this current template, there could be a website where people could access as much data as the government would be comfortable putting online. There'd be certain reasons that some information wouldn't be there, but I don't think there's any reason that a lot of it can't be there. In fact, I would suggest that I can get better information about the government from Google than I can through the estimates, and I don't think it's because the government's trying to hide anything.

If you put up more information as opposed to less and also provided analytical tools, people could go in and do ratios. They could find out about what kinds of efficiencies we are getting in terms of outcomes versus number of employees, or about expenditures on IT compared from department to department to department. Right now that type of analysis is just so cumbersome that it's not being done.

[Translation]

Mr. Denis Blanchette: First, we are going to need public data to be presented in a more standardized way, department by department. Do you have any suggestions as to how to achieve a result like that?

[English]

Hon. Joe Jordan: I would suggest you've already got it. If you look at them by reporting agency, the department performance reports list the architecture and the strategic outcomes, and it's very good. It falls apart when the costing information doesn't continue consistently with that approach; it is listed in the estimates, and then you have to take a bit from here and a bit from there and speculate about what may or may not be in there.

The votes you're required to make in Parliament correspond to the way information is presented in the estimates. In terms of accounting, is it accurately reflected? Yes, it is, but in terms of your having to make a yes-no decision, it's very difficult to be in a position to make any kind of judgment on whether this is a good use of money. We're so far from that capability that it's no wonder \$262 billion goes through the House in two hours. What else would you do?

The Vice-Chair (Mr. Mike Wallace): Okay, that's all the time. Thank you very much for that answer.

Next is Kelly Block from the Conservatives.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Thank you very much, Mr. Chair. I'd like to welcome Mr. Jordan here.

As you've already mentioned in your opening remarks, this is a huge and complex machine. I am a fairly new member to this committee since this Parliament began. Understanding all of the elements and the number of reports that may be available, as was mentioned by my colleague, is a challenge. There is a lot of information. Knowing where to go to get it and how to make it fit is often an issue.

I want to ask you a bit about the budget. You mentioned three significant reports—the DPRs, the RPPs, and then the estimates. We haven't really talked about the budget itself. Perhaps that itself is a strategic document in that it and previous budgets provide an understanding of the priorities of the government. Where do you see

the budget fitting in, in relation to the three documents you referenced?

• (1700)

Hon. Joe Jordan: I touched on it briefly. I think the estimates, DPRs, and RPPs deal with the nuts-and-bolts funding of the various departments and agencies that make up the operation of the government. The budget is a political document, and I don't mean that in any negative way. It's where the government identifies and funds the priorities over the next year, and, in some cases, over multiple years. That's the government's job. The government proposes, and Parliament disposes. That's the model.

An MP, at a partisan level, may think that's a waste of money, but that's not necessarily my job as an opposition MP: my job is to make sure that the money spent is spent effectively and efficiently. That should not be a threatening conversation for anybody. If anybody can come to the table with ways of saving money or getting more service with the same money or less, that person should be listened to.

In terms of the resources we have in the House of Commons, if you look at the background of the various MPs, we pretty well cover all of the bases. The perspectives we could get if the process allowed for that level of input and discussion would be.... You hear about the issues. If there's a problem with EI processing, you hear about it. If you don't directly, you do in caucus. You're in a unique position to know what is and isn't working. Improving that should be in everybody's interest.

The budget is, by definition, a confidence motion. The opposition MPs can make their own decision on the policy. The real concern is whether the sometimes large expenditures allocated to accomplish certain objectives, and the policies that are put in place, are actually doing that. That's a legitimate discussion.

The government is not going to necessarily entertain criticism of its direction—they're the government—but are we getting value? That's where we need to maintain our focus.

Mrs. Kelly Block: I want to follow up on something you said in terms of flexibility and spending for future years, and how current governments can't tie the hands of future governments in terms of what we may put in place. The reality, as I've understood it, is that we may be seeing expenditures in supplementary estimates that were budgeted from previous years. I don't know whether that is just from a current government or whether it was something previously budgeted and allocated that we will see a year or two down the road.

Would you comment on that?

Hon. Joe Jordan: If it's found its way into the supplementaries, then it must be an adjustment against what they said they were going to do. I'll go back to the point I made earlier and say that the thing that concerns me is that I don't believe this random 12-month period necessarily fits and equips professional managers in the civil service to spend their moneys as efficiently as possible. What you get is this end-of-the-year spending spree. It's a use it or lose it kind of thing.

I understand the principle of not tying future governments and I wouldn't suggest that you do this independently of raising the transparency bar. I think you have to do both. We already do a pretty good job of allowing them to move money around envelopes within a current year. I think everyone would agree that such flexibility is probably needed. I think we need to look a little bit at multi-year too, as long as we don't lose control of the transparency.

• (1705)

The Vice-Chair (Mr. Mike Wallace): Our next questioner is Mr. John McCallum from the Liberal Party.

Hon. John McCallum: Thank you, Mr. Chair, and I welcome to my former colleague.

I think we're working on an implicit assumption that might be wrong, which is that any kind of information you want about spending exists somewhere. I remember that when we were a government, if you asked a simple question, such as how much the federal government spends on IT or how much the federal government spends on communication, often you couldn't get an answer because different departments did different forms of accounting. I think it's more than just figuring out how to put it in usable ways. Often that information doesn't exist.

Maybe things have improved over the last six or seven years. Have they, do you know?

Hon. Joe Jordan: My sense—and, again, I'm an amateur—is that it probably exists, but it doesn't work its way up into the higher levels. As an example, when half of the voted authorities for a department are just simply referred to as “operating”, I've got to believe that if I drill down, I'll find they came up with that number for a reason. I think the data that drive those numbers exist, but the point you make is that in some cases it's apples and oranges: different departments calculate things differently, and you can't simply take the numbers at face value and compare.

I think that's where the Public Service Accounting Board may be very helpful to the committee in terms of explaining how it should be done. If everybody does it the same way, we get around the issue you've identified.

Hon. John McCallum: Yes, I think that would have to be part of the effort.

This question is on a totally different issue. One form of accountability is in trouble when funds are appropriated for X and used for Y. Now we did have that issue with the G-8 legacy infrastructure fund, which was money taken out of the border infrastructure fund. We had similar issues with the green infrastructure fund. I gather such moves are not illegal, but do you know—and perhaps this is too technical—whether there's a way to end that, so that money allocated for X is spent for X, unless the government comes back to Parliament and requests a change?

Hon. Joe Jordan: I think it's a judgment call when you talk about how a government's got its hand on the levers and it is making these sorts of decisions. Speaking about it politically, what's important is that if the government has the authority to reprofile, it also has an obligation to address that change in the supplementary estimates. They have to go back and seek the proper authorities in exchange for the flexibility to allow them to do that.

The Treasury Board vote, the contingency fund, Treasury Board vote 5, is an example. In this case the government had to deal with things in a timely way and didn't necessarily have the capacity to go to Parliament. However, surely major changes in spending that are obviously allowed—because they were—have to be reconciled with a certain degree of respect for Parliament.

Hon. John McCallum: I have a last question, if I have time.

We've had some discussion about changing the time of the budget to the fall. There's, I think, agreement this would be a good thing, in the sense of better aligning the timing of the estimates and the budget, and that strikes me as important. However, it's been like this for a hundred years or more, and that's never happened. I'm sure we're not the first to come up with this argument, so apart from institutional inertia—it'll be a pain one year to make the change, but from then on it will be better—are there any arguments against such a change in the date of the budget?

Hon. Joe Jordan: I'm thinking out loud, as I never really thought about it in that way.

I think it is a bit of institutional inertia. A great deal of private sector organizations structure what they do around the timeline. You're talking about a rather disruptive change to the way we've always done things. I don't see any internal institutional barrier to doing that, but I'm certainly not an expert on it.

You're absolutely right, though: this idea is brought up with exactly the same rationale over and over again, and for whatever reason, it isn't being done.

• (1710)

The Vice-Chair (Mr. Mike Wallace): I'll give you one more minute.

Hon. John McCallum: I think I'm almost out of time. I'll just make two points to conclude.

I certainly agree with you that allowing MPs to add money to estimates is a terrible idea. I think that's what they have in the U.S. I think they call them “riders”. There'd be a feeding frenzy to get money into everyone's riding. I don't think we want to go there.

The last point is I think the U.S. is way ahead of us in terms of having government openness on its websites and being able to drill down. Are you aware of that in the U.S.? Would you agree that they are way ahead of Canada in this respect?

Hon. Joe Jordan: I'm not that familiar with what they do specifically, but I can tell you there are private sector websites. There's one into which you can type the name of any company in Canada, and it will tell you if it's had any money under government contract for the last 10 years. If that information exists in the private sector, why isn't the government incorporating those things into its website too?

I think everyone is ahead of the government, John.

Hon. John McCallum: That includes the U.S. government, which is ahead of the Canadian government.

The Vice-Chair (Mr. Mike Wallace): Thank you very much.

Next is Mr. Bev Shipley from the Conservative party.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you, Mr. Chair.

I'm really new. I'm just filling in.

I have to tell you, Mr. Jordan, that it's refreshing to hear you talk. You're being ordinary. I look at your background and I think it speaks to us about the complexity of what we have.

I think of my colleague across the way and I'm not so sure that I want to have the same accountability that the U.S. has right now. I'm not so sure it's that far ahead by being able to drill down.

I also sat on municipal council for 20 years and was mayor for most of that time. If you just did zero-based funding, it cleared all the rags out. We don't have that opportunity, clearly.

I hope that later, Mr. Chair, you'll give us some written direction regarding how you feel we could best engage some of those. You're not the only one who's talked about learning from the private sector. I said governments will never be a business, but they should be run like one, so I would be interested in having those comments come from you, because I have a lot of respect for what you're saying.

One of the problems, I think, is not only the complexity—you've said it, as have others—but the understandability of what we're trying to do. In writing, it's called "clear language writing". I don't know what you call it in economics, with numbers and that, but I think we need clear language writing to understand this whole process.

In the public accounts committee we had Treasury Board come in just to try to explain the process to everyone. Everybody nodded their heads to say they were quite fine with it, but frankly it's very complex.

I'm wondering if you could help us clarify some of the changes we could bring into effect. I'm wondering, in terms of the control system my colleague across the way talked about, how we can fix.... I just do not understand. I think I understand why—and it's not a good reason—each department has a different way of doing its accounting. There needs to be a centralized way so that they can be accountable. If there isn't, then in fact one is competing against the other and trying to justify it. I think it would be helpful for this committee to have steps to help it realize how it can move in that direction.

Hon. Joe Jordan: I will certainly endeavour to supply the clerk with the names of some private sector firms, based on my experience. I don't want to say them publicly, but I think there are some good ones, and there are some good Canadian companies that have done a lot of work in this area.

In terms of clarity.... I have an MBA. Again, I don't want to embarrass the university that granted it to me, but I think I've got a pretty good understanding of financials. I can read and analyze

accounting statements from the private sector. If you give me a balance sheet and an income statement, I can have a pretty good go at letting you know whether I'd invest in that company or not. Maybe we need to take a look at private sector practices. It doesn't necessarily need to get all that complicated, and I'll go back to the point of maybe starting with some autonomous agencies to try it.

The other thing is that one of the potential strengths of the committee system is that over time you, as committee members, gain a certain level of expertise about the area that you're studying. You have a responsibility to all the other MPs who aren't on this committee to undertake this sort of analysis and then report back. There's stability on a committee, and when you're not dealing with legislation and getting briefings on various aspects of the various departments, such as defence or transport....

I don't want to get into the politics of the Senate, but I find that senators who have been around a long time on the same committee are very effective committee members, and it's because they have the level of knowledge that comes from not having to deal with constituents and getting re-elected and things like that, which take your time away from you. Resources available for MPs is one of the areas that I didn't address but feel strongly about. You're kind of left hanging, or thrown in the deep end of the pool. They drop these books on your desk, and you've either got to tell them you don't know what you're talking about, which is unlikely, or pretend you do, which is a little dangerous, so maybe we need to look at better briefings on how to interpret the documents and read them.

Even so, I think you can only do so much with the way the docs are presented now.

• (1715)

Mr. Bev Shipley: Look at what's happening now to—

The Vice-Chair (Mr. Mike Wallace): You have 30 seconds.

Mr. Bev Shipley: It's just a comment. When they come to do the estimates at some of the committees I've been on, it's an opportunity to get the minister in front of you and hammer him or her on an issue rather than deal with the estimates, and it likely follows through with your comments. That's easier than understanding the estimates, and that's unfortunate.

Thank you, Mr. Chairman.

The Vice-Chair (Mr. Mike Wallace): Thank you, sir.

Hon. Joe Jordan: I have a quick point. If committees would undertake to provide some of their questions in written form ahead of time to officials, you might get better answers than through the ebb and flow of what goes on with everybody being surprised.

The Vice-Chair (Mr. Mike Wallace): Our last questioner is Monsieur Giguère.

[Translation]

Mr. Alain Giguère: Thank you very much.

Mr. Jordan, here is a problem we often come up against: it's when a number of departments are working to achieve an objective of the government. With the Kyoto Protocol, for example, or ordering weapons, or pension schemes, a number of departments are involved. The whole problem stems from the fact that departments have a number of objectives.

Let me give you an example. The Retire Your Ride program, which was intended to get old vehicles off the road, was an Industry Canada program intended to stimulate the automobile industry in Canada. But we found it recycled under the Kyoto Protocol as well. You might legitimately wonder about the environmental impact of the program.

The fact that no single department is steering the boat towards the objective is a major problem that we frequently encounter. Do you think it would be preferable at some stage to move some departments aside and keep just one in charge of the operation?

[English]

Hon. Joe Jordan: In terms of the management of the program, I suppose clarity is always good. To pick up on the point, what I was suggesting is that if we align the votes—the authorities to seek the money—with the outcomes, then it really depends on how you define the outcome.

A program like that is fairly stand-alone. You can say what you intend to do; for instance, you can say you intend to put a specific amount of money on the table to encourage people to take old vehicles off the road for the following reasons. I'm just making this up. Clearly there are environmental issues—older cars pollute more—and buying newer cars stimulates the economy.

Going back to what I said about baselines and benchmarks, you have to have some measurable, independently verifiable objectives to decide whether or not you're accomplishing those goals.

The way the process works now is that you're just asked for the money at the front end. Nobody is really reconciling whether or not it worked. There is so much to do that we never get around to that reconciliation. If the government or the bureaucracy has to outline what they're doing and why they're doing it and how you'll know if they've done it before you say yes or no to giving them the money, that's a step forward.

Anything that can work backwards from those sorts of things is useful. It certainly would be better if they put a price tag and some objectives on that program, rather than just lumping it in to operating costs or however they would do it under the transport estimates or Industry Canada, or whoever is running it.

• (1720)

The Vice-Chair (Mr. Mike Wallace): You have time.

[Translation]

Mr. Alain Giguère: We saw another similar problem in the past with the firearms registry. The implementation costs had gone considerably over budget. The problem came directly from the fact that the Department of Justice was issuing the directives, while Public Works and Government Services was managing it and Public Safety was also involved, if I am not mistaken. Three players, one big mess.

Could you tell us how we can prevent that kind of unfortunate situation?

[English]

Hon. Joe Jordan: If you look at that particular file, I think one of the issues that drove costs was the fact that the government was changing the objectives of the program as they were developing the software. For example, the decision—I'm not necessarily saying it was a bad decision—that we need spousal notification: when you introduce that element 90% through the process and the software developers are told they now need to do this, you close your eyes and open your wallet.

That speaks to the problem. Who was in charge? Who is accountable at the end of the day for what happened?

We don't do that enough. We don't have that level of discussion enough. First, you have a hard time finding out who was in charge. It'd be one of these things. You're right. A lot of departments looked at that process and wondered what they could get out of that. How could they change that so they could get some benefit from that?

I'm not saying this was done with malice on behalf of the departments, but I think there is this notion that the bigger the budget, the more important you are. Those kinds of activities take place in the private sector, they take place in the public sector. I think you're absolutely right.

You have to have a lead on these types of things. They have to assume—they have to not only be accountable, but they have to be responsible and they have to have authority, otherwise you get into huge overspending situations. That's one example. There are many more.

The Vice-Chair (Mr. Mike Wallace): Okay.

Thank you, Mr. Jordan.

On behalf of the committee, I want to thank you for coming today. We had an excellent conversation about the supply process and your knowledge is fantastic.

On our agenda for today, we did have committee business at 5:15. Let me explain. I had a discussion with the chair. We were hoping to have which departments to invite, but the estimates are not being submitted until tomorrow, I believe, in the House of Commons, so we don't know exactly when. Main estimates and supplementary estimates (C) are coming at exactly the same time, so the suggestion was that on Wednesday we have from 3:30 to 5:30 with the Library of Parliament, the Parliamentary Budget Officer.

We thought we would go from 3:30 to 5:00, and then the subcommittee on agenda and procedure would meet for the last half hour. Some of you will have to stay and some of you can go.

Do we have an agreement to that effect? Good; that's what we're doing.

Thank you very much. That's it for today. We're out of here.

Thank you. The meeting is adjourned.

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