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Chair

Mr. Pat Martin

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• (1535)

[English]

The Chair (Mr. Pat Martin (Winnipeg Centre, NDP)): I will call the meeting to order.

Ladies and gentlemen, welcome to the 30th meeting of the Standing Committee on Government Operations and Estimates.

We're pleased today to welcome the Parliamentary Budget Officer and his delegation in dealing with the study of estimates and supply by our committee.

You are very welcome, Mr. Page, and thank you for coming. You have the floor for introductory remarks.

[Translation]

Mr. Kevin Page (Parliamentary Budget Officer, Library of Parliament): Thank you, Mr. Chair and committee members, for the opportunity to appear before you today.

[English]

I applaud all members of the House of Commons Standing Committee on Government Operations and Estimates for undertaking a study on the state of Canada's estimates and supply process.

Let me assure you that you'll have the full support of the Office of the Parliamentary Budget Officer in this important work. The time is right for substantive change. The context for change is both institutional and fiscal.

[Translation]

From an institutional vantage point, I agree with Senator Murray who recently described the estimates and supply process as an "empty ritual".

From a fiscal vantage point, as you know, it is anticipated that the government's 2012 budget plan will call for significant and sustained spending restraint. This is an important time to better engage the watchful eye of the legislature to ensure that spending restraint implementation is carried out by the government and public service in a way that effectively manages fiscal and service-related challenges.

One of the key principles underlying responsible parliamentary government is that the House of Commons holds the "power of the purse". The House must be able to satisfy itself, as the confidence chamber, that all spending and taxation is consistent with legislation, Parliament's intentions, and the principles of parliamentary control. When this is accomplished, Parliament is serving Canadians.

[English]

In my view, this is rarely accomplished. Parliament is at best only giving perfunctory attention to spending. Are members comfortable to vote on some \$104 billion in annual discretionary expenditures, examining \$267 billion in total program spending, with about 90 hours of collective effort among parliamentarians and with some departments and agencies seeing no scrutiny whatsoever, as was the case in 2010-11?

Too often, almost as a matter of convention, Parliament is starved of the information necessary to perform its fiduciary responsibilities. How often does Parliament see real decision-supporting financial analysis prepared by public servants on new legislation or procurement? The answer is almost never. Is it possible to hold the government to account without access to decision-supporting financial analysis?

As the Parliamentary Budget Officer, I was very disappointed, as I am sure many of you were, to learn that departments and agencies have been instructed by the Treasury Board Secretariat not to provide Parliament with information on the government's spending and operating review in the upcoming departmental reports on plans and priorities. This is a 180-degree change in direction from last November. It is a significant development. It undermines Parliament. How can Parliament provide spending authority without details by departments and agencies? Should Parliament ever vote on supply without financial information and analysis?

The time has likely come to ask whether we've designed an estimates and supply process to serve the power-of-the-purse role of the House of Commons, or whether we have allowed it to be reworked over many years so that it primarily serves only the government. What have we done? Have we created a system so complex—with different accounting between budget and estimates, a mixture of information on program activities and outcomes, and a voting system based on inputs like operating and capital—that only a handful of people really know how the whole system hangs together?

Is it not time to say that so much of the information we put in our estimates books represents simulated transparency at best—transparency whose purpose is to obfuscate and confuse, not to support accountability? Have we created a system where the budget is so disconnected with the estimates that officials from the Treasury Board Secretariat, my old department, think it is normal to inform members of Parliament that they will not see the details of the 2012 budget in the 2012 reports on plans and priorities.

[Translation]

Do we want the House of Commons to have the “power of the purse”? If we did, and we thought it was truly important to be respectful to our Westminster roots, our Constitution, and the Financial Administration Act, we would build accountability and the estimates and supply process around this principle.

What happens when we repeat things like the power of the purse belongs to the House of Commons but we behave in a totally different way? Could it be that our respect for our institution is diminished?

Public servants like me are asked to be caretakers of these institutions—their underlying principles and values. We get paid by taxpayers to do this. We do not have the necessary tools to do it well.

● (1540)

[English]

William Ewart Gladstone, a former Chancellor of the Exchequer, a four-time Prime Minister of the United Kingdom, said in 1891:

If the House of Commons by any possibility loses the power of the control of the grants of public money, depend upon it, your very liberty will be worth very little in comparison.

When it comes to principles that underpin institutions, if it was important 100 years ago, it is just as important today. The stakes are high.

I think the system needs to be examined on three levels: process, structure, and support. On process and support, we need to ask ourselves why parliamentarians are not incentivized to scrutinize departmental spending before they give their consent. Why?

Are committees even required to review the estimates? The answer is no, thanks to a long-standing order famously known as the deemed rule. Could there be a more symbolic and symptomatic testament than the deemed rule to the state of dysfunction and disuse of the estimates and supply process?

Is it not a problem that there is no regular review process for the more than \$100 billion of tax expenditure programs, which are very much like other spending programs, but also carried forward each year with scant attention?

Are committees tasked with reviewing estimates able to dissent? The answer again is no. They're unable to increase spending. Minority reports or reductions of estimates are rare.

Are committees encouraged to make substantive recommendations? According to a 1979 ruling by the Speaker of the House of Commons, the estimates and supply process was not the time. When is the time?

Do committees have specialized support to review the estimates? Yes, but the extent of the resources available to you and your colleagues would not likely fill most of the chairs around this table. Surely the time has come to design a process that incents scrutiny before consent and provides members of Parliament with the tools and capacity to recommend improvements in how we spend taxpayer money.

[Translation]

On structure, it makes little sense in a 21st century world for parliamentarians to be voting on inputs like operations and capital, and grants and contributions that cut across a department spending many billions of dollars for a diverse set of program activities. Given the recent experiences with border infrastructure funds and aboriginal housing and education, would it not make more sense to consider program activities (five, 10 or 15 per department) or their associated outputs as more relevant control gates? Why should ministers and their accountability officers be able to move monies from one activity to another without scrutiny or consent? Would voting on program activities not encourage more meaningful scrutiny on service level impacts as we move forward with spending restraint? Would this not help simplify our estimates system, which collects financial and non-financial performance data on program activities?

[English]

Clearly, any changes to our estimates and supply process need to be home-based and homegrown, but can we learn from other responsible parliamentary government systems? I think we can, and I encourage this committee to explore lessons learned in other countries. Sweden, for example, includes performance frameworks for proposed programs in its budget. Committees debate these performance frameworks. New Zealand has a proactive disclosure of decision-supported financial analysis in memorandums to cabinet and votes supply on a program activity basis, as does South Africa. There are academic scholars, such as Professor Joachim Wehner at the London School of Economics and Professor Allen Schick at the University of Maryland, who have travelled the world and studied different budget and appropriation systems and could be of great service to members of this committee, if there was interest.

Finally, I close with the repeat of yet another question. Do you want the power-of-the-purse role to rest with the House of Commons? If so, there is work to do. As George Bernard Shaw said, “Progress is impossible without change...”.

Thank you very much. I would be honoured to address your questions. *Merci beaucoup*.

● (1545)

The Chair: Thank you very much, Mr. Page, for a very thought-provoking report. I know there will be a great deal of interest around the table.

The first round of questioning is for the NDP's Mr. Alexandre Boulerice.

Alexandre, you have five minutes, please.

[Translation]

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

Thank you for your report and for coming here today, Mr. Page. I would like to congratulate you on your good work, which requires a lot of patience.

You have provided us with a very interesting report, though a bit depressing in terms of the quality of the work that we are able to do as parliamentarians. As depressing as all that might be, it is not surprising, given what we have been seeing since we have been in Parliament. The estimates submitted to the legislator seem to be a fait accompli and we don't feel that we will be able to make any significant changes. As our witness Mr. Jordan told us, the parliamentary approval system for the estimates rarely works.

Let me go back in time a little. In December 1998, the Standing Committee on Procedure and House Affairs made a number of recommendations and suggestions. One recommendation was that, when they submit their planning documents every year, departments and organizations inform the committees of all possible directions and of the issues they will be working on, beyond the fiscal year in question. In your opinion, could something be done? Is there something worth implementing?

Mr. Kevin Page: Yes.

I would like to start by thanking you for your support.

You must be referring to the expenditure planning reports of departments and agencies. You are asking me if it is possible to have a different report that looks at all the program activities and their performance. I think that's possible. The reality is that, when representatives of the executive, of the government and of the Treasury Board, review the activities of a department in light of cuts, they are reviewing a document that is very different from the spending report provided by the department or the agency. So it is quite possible because the information and the analyses are there.

Mr. Alexandre Boulerice: Thank you.

The other question I wanted to ask you has to do with what Mr. Macdonald from the Canadian Centre for Policy Alternatives said when he came to see us. In his view, when reports on plans and priorities are submitted, the impact and effects of programs are reviewed, as well as government investments and spending. We try to see if it is efficient, if it works.

But in terms of tax breaks, tax credits and tax cuts for large corporations, there is no follow-up. We are in the dark. We have no idea if things are working. Some people wax lyrical about how wonderful everything is and how they are changing the world. We have our doubts. And there are no tools to help us check what the effects are in actual practice.

Do you think that, in addition to examining the possible effects of expenditures, we should also look at the effects of tax breaks and tax cuts?

Mr. Kevin Page: Absolutely. As I said in my presentation, the government's tax expenditures amount to over \$100 billion every year. Can we change our system of accountability so that each department submits a report with tax expenditures to the committee? That is absolutely feasible.

It is also possible to find information on tax expenditures on the website of the Department of Finance. But that information is in some alternative universe. The information is not included with the work of this committee or Parliament's Standing Committee on Finance.

Mr. Alexandre Boulerice: How much time do I have left?

[English]

The Chair: You have one minute, Alexandre.

[Translation]

Mr. Alexandre Boulerice: Let me tell you about a file I worked on last fall. In the estimates, the amount listed for the border infrastructure fund was \$83 million. We finally realized that some of that amount had been invested in the G8 legacy infrastructure fund.

As parliamentarians, what can we do when an amount is earmarked for something but, at the end of the day, the money goes to something else? How can we do our jobs properly?

• (1550)

Mr. Kevin Page: In my view, it is important for a committee like this to start a discussion on what is the best control gate for parliamentarians. Is it operations, capital, or program activities? I feel it is time to change the control gate for parliamentarians. If your control gate is program activities, for example, Parliament will have more control.

Mr. Alexandre Boulerice: Thank you very much.

[English]

The Chair: Thank you, Alexandre.

Next is Mike Wallace for the Conservatives.

Mr. Mike Wallace (Burlington, CPC): Thank you, Mr. Chair.

I want to thank our guests for coming today.

I was looking forward to the report from the budget officer. As you know, I've been active in the file on estimates since basically I got here.

I do know why they called you, in this magazine *Power and Influence*, a media star, because most of your previous comments were comments, and I was looking for suggestions in terms of what we could do better.

Now, I know that your office put together a system that's available to all members of Parliament in terms of looking at actual spending. Part of my issue here is that we have mains and budgets coming at the same time. A year goes by, and at the end of the fiscal year, six months later, you get the actuals to do the actual comparison.

So the approach that you've developed for members of Parliament to use is that we can look at actuals as they go, as they're reported. What I'm looking for today are what suggestions you have for improvements. Have you looked at anything specific? One item is the tool you've added for members of Parliament to better scrutinize the actual spending that will happen.

You talked about “deemed”. Do you recommend that we get rid of deemed, and how do you recommend doing it? Do you think each committee should do it? Should there be a special committee on estimates only, as we have here, just to look at everybody's estimates?

You allude to what's happening in other states—for example, Australia. You brought it to my attention that they have more of a programmed approach. Do you have actual solutions that you're recommending to this committee to look at? That's why we're having this study. We're having experts like you, who have looked at these issues, to give us suggestions to make improvements.

I do agree with you that it's important for Parliament to be able to scrutinize these things, the actual spending of the \$259 billion, in a more appropriate way. I may not agree with some of the things you've said about what the role of the government is, or the opposition, but this is for us to have a better understanding, when we stand up and vote for it, of what we're voting for.

Based on that, do you have any suggestions for us?

Mr. Kevin Page: Thank you, sir.

I think probably the most important suggestion I could make, that I think would both incentivize parliamentarians to scrutinize and make the work they do have more meaning, would be to change the control gate: move it away from voting on inputs, operating capital, and grants and contributions to a program activity basis.

I can't imagine what it would be like to be a new parliamentarian and get estimates books and public accounts books and budget books thrown in front of you and be asked to vote on an operation that cuts across a whole department when we have departments that spend billions of dollars. I know, having worked on seven different departments—three central agencies, four line departments—that when people talk about, say, the coast guard....

I worked at Fisheries and Oceans. They get the coast guard. They should vote on the coast guard. They should vote on search and rescue, on icebreaking. Those are real to people on both coasts.

I worked at Agriculture Canada. Farm financial programs—those are real to people. They should vote on farm financial programs.

I worked at HRSDC. They should have separate votes on the grants and contributions in that program, whether it's for training or the elderly or whatever.

So the number one recommendation, sir, is to change the control gate. Make it a program activity-based system, just the way it exists in Australia, New Zealand, South Africa, and other countries.

I think it would incentivize people. People would understand it. And then when people are looking at how to monitor whether or not they're doing restraint well, they could look at these activities—these are the control gates—and look at performance relative to those control gates. I think it would just reduce the complexity tremendously.

On process, the “deemed” rule to me is just a symptom of failure. It's like people have thrown up their hands and said, “We can't do this. It's useless. Why am I wasting my time?”

To that, in part I think we have to understand...and I don't even know; I need help to understand why people feel that way. We don't feel that way when we do research here; we released a paper yesterday to parliamentarians and Canadians on a costing of Bill C-10.

We need to look at the process and try to incent people more. I think if they could have an impact, if people sitting on a standing committee, when they bring in a deputy or a minister, could say, “You know, we've looked at this program activity, and this seems like a weak program activity. We know we can improve performance”—and I know you're the type of member who likes to ask those kinds of questions—“so I want to come back and see you next year; I want this improved.”

I think we should have reports coming out of every standing committee around those program activities to try to improve them. The deemed rule should just go. I don't think it's even part of the conversation. To me, it's just a symptom of failure.

On support, you have to ask yourself, do you have access to the people and the resources you need? But again, I don't think it means creating a parallel process around Parliament. The public service has to support everybody around Parliament in a different way.

For instance, yesterday we found ourselves providing a financial analysis, a 90-page paper, peer-reviewed by seven people, on one aspect of Bill C-10. Why can't the public service do that? We had two people working on it. Why can't the public service...? Before, when we used to do that work.... You should get access to that.

In terms of standing committees reviewing the reports, I think these reports on plans and priorities and departmental performances are weak. They're communication vehicles. Nobody uses them. I worked in all three central agencies. They don't go to cabinet.

● (1555)

Mr. Mike Wallace: How would you improve them?

Mr. Kevin Page: Well, I know that members on the executive... and I've been in cabinet rooms. When they sit down and start talking about austerity, and they're looking at strategic operating reviews, they're looking at a very different framework, a program activity framework that's very real, not a communications tool.

Everybody needs to see that information. People would get charged up and incentivized to scrutinize spending. They would understand it. It's very understandable. I just think we've made the system so complicated.

I could go on and on, but certainly, let's change the gate. Let's make it program activity-based. Let's change the process. Let's incentivize people to actually do this. Take away the deemed rule. Let's look at support. Let's try to find a different way, without increasing resources, to support you in a better way.

The Chair: Thank you very much, Mike, and Mr. Page.

Next we have Denis Blanchette for the NDP.

You have five minutes, Denis.

[*Translation*]

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

Thank you for your presentation, which was very informative. By listening to you, I got the feeling that, as parliamentarians, we might be slightly stuck in tradition. It no longer makes sense, it is getting bigger and we are no longer able to follow it properly. Our problem is that we are sort of lost in a sea of numbers and we are no longer able to make sense of those numbers. We have to take a different approach. The organizational culture has to change.

When you started working on a database project, you must have looked at best practices. You mentioned some countries that have best practices. Do you have some examples in mind that show how, in a situation as sticky as ours, the process changed in order to give parliamentarians and the public access to intelligible information?

Mr. Kevin Page: Yes. I worked for the Department of Finance, the Privy Council Office and the Treasury Board Secretariat. So I have seen information like that. When a decision needed to be made, the government, the executive and the cabinet would look over the information. It is really a different type of information. That is what Mr. Khan, who used to work in the private sector, prepares as part of the decision-making process. You analyze the goal. It is like a performance evaluation. It is a financial analysis that makes it possible to examine the various options and calculations. It is also a risk analysis.

In my view, if you are trying to improve Parliament's accounting, that is the type of information you need. It is an analysis. When the government makes decisions, I am pretty sure that it looks at and uses that type of information. So why would the information not be shared?

• (1600)

Mr. Denis Blanchette: The information is there. It is perhaps poorly organized and it is surely not well presented or compiled.

In addition to the suggestion you have made in response to my colleague, could you tell me what would be some winning short-term strategies in order to start making progress and making the estimates more readable for everyone. We talked about changing the structure; we said that the organization and organizational practices are going to change, but that is a long process. Do we need to change the frames of reference and come up with a new way to do the follow-up? Will tracking activities be enough? Where should we

actually start for quick results? I am referring to the so-called quick wins.

Mr. Kevin Page: I heard an expression used by Mr. Kissinger in a geopolitical context. He said that:

[*English*]

not every problem in the world can be solved with a short-term solution.

[*Translation*]

I think it is difficult to find win-win solutions. Yet I don't think that a wide gap between the budget and the estimates is a good idea. That creates a problem right from the start. It is possible to continue to track spending every quarter. Jason Jacques has developed a website—not a lot of money went into it—that makes it possible to examine those types of expenditures. It is a way to help you, but it is not a solution.

You really need two documents that are basically identical: a budget document for the government to explain its policies and to provide economic projections and fiscal forecasts, and a document for departments explaining program activities within the same fiscal framework.

Mr. Denis Blanchette: So you are telling us that, in order to determine the estimates, we should draw on the documents used by the Public Accounts of Canada. Is that right?

Mr. Kevin Page: Yes.

Mr. Denis Blanchette: How much time do I still have, Mr. Chair?

[*English*]

The Chair: Sorry, you have 10 seconds.

Time flies. I know, it's hard.

Very good. Thank you, Denis.

We'll go to Mr. Jacques Gourde, for the Conservatives.

[*Translation*]

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you, Mr. Chair.

I would like to thank the witnesses for joining us today.

This is quite an intricate topic, and so is your presentation. Here is how I see things: we vote on a budget and then we vote on the process, on how the money is spent. We are talking about \$250 billion here. Have you estimated how many hours we would need to get a better idea of all the spending areas we are voting on? That is a huge number of hours. If it takes us 250 days per year to do it, our work as parliamentarians will run into a logistics problem.

What solutions do you suggest so that things are more intelligible for everyone's sake, but also doable in a reasonable time? I don't think we have all the training we need to study budgets that are as intricate as that.

Mr. Kevin Page: I might need more details to get a better sense of your question. However, in my view, we always have to think about the relative order of importance when we are talking about the scope of departmental activities or operations, for example. I feel that it is more important to approach this from a logical perspective in order to determine whether it makes sense. For example, the Department of Fisheries and Oceans has some funding for the Coast Guard, some for buildings and some for scientific activities. In my view, that makes no sense and I don't understand why they are using a system like that.

Mr. Sahir Khan (Assistant Parliamentary Budget Officer, Expenditure and Revenue Analysis, Office of the Parliamentary Budget Officer, Library of Parliament): I would also add that, in order to make the process more effective, it might be a good idea to incorporate the budget bill into the supply bill, as some countries do. The two would be a bit more in sync. That would enable parliamentarians to deal with only one amount and to focus on priority issues, while studying a wide range of issues at the same time: the budget and supply. A number of countries are doing that. We could learn some lessons from them and apply them in Canada. I think that would help us understand the effect of the budget on supply.

• (1605)

Mr. Jacques Gourde: With regard to the process, the budget is usually brought down in the spring. If it were brought down later, say during the second quarter, would that make things easier for parliamentarians? Would it make a big difference?

Mr. Sahir Khan: I think that it is all about synchronization. Yes, we think that it can help parliamentarians to understand the process. It is really a matter of whether they want to see the two things integrated, perhaps by changing the calendar.

Actually, some countries introduce two bills at the same time. So the votes are integrated with the new announcements in the budget. There are a number of examples of that. I will ask Mr. Jacques to speak to examples in other countries.

[English]

Mr. Jason Jacques (Director, Budget, Estimates and Reporting, Office of the Parliamentary Budget Officer, Library of Parliament): The two that come most immediately to mind are the two that Kevin mentioned previously, Australia and New Zealand. In that situation, when you look back through their records on why they actually set up that system, they found, to the point that you raised, that it facilitates members in their short timeframes to actually focus on the incremental issues and the material issues that are flagged in the government's policy document and the budget. It allows them to focus on those aspects within the appropriation bill. So instead of looking at the 95% of things that are routine, you're looking at the 5% of things that are novel and new and potentially the government hasn't tried before, and you can kick the tires and determine whether it makes sense or not.

The other benefit is that in both of those jurisdictions you can look at the individual departments, and there is a certain beauty in being able to look at the individual departments and roll everything up to the budget. When you look at the individual plans by department and you sum everything, it adds up to the budget and you're able to reconcile the numbers perfectly.

As an accountant, I like numbers to balance, but for parliamentarians who might not necessarily have a background in financial issues, there is a certain facility in doing that and knowing that if there is \$5 billion for a certain department, say Public Safety, that same \$5 billion will be showing up within the budget document itself.

The Chair: I'm afraid that is your—

[Translation]

Mr. Jacques Gourde: So, to sum up, could you give the committee an example of what you have observed in other countries, so that we can compare? Perhaps we would understand better. Can you give the committee an example?

[English]

Mr. Jason Jacques: Sure, absolutely.

[Translation]

M. Jacques Gourde: Thank you.

[English]

The Chair: Now it is the Liberals, John McCallum.

You have five minutes, John.

Hon. John McCallum (Markham—Unionville, Lib.): Thank you, Mr. Chair.

Thank you to all the witnesses for being here.

It's my understanding that Treasury Board can re-profile money that is inside a single vote without having to report on this publicly. I think the issue arose in the case of the G-8 legacy fund and also the green infrastructure fund.

Am I correct that they don't have to report this publicly? Should they not have to?

Mr. Kevin Page: This has been our system for a long period of time, that we allow that discretion. To some degree, ministers, and perhaps even deputies working with ministers, need to have some discretion to move moneys around, but then the question really becomes, where do you, as members of Parliament, want to control?

It is not a new thing, and it is the case that people can move moneys within votes without going back to Parliament, but again, I go back. I think the time has come to move that control gate, just from lessons learned in recent years. But these are not even lessons learned, because this happens, just as a rule, all the time, where within a grant and contribution vote—

Hon. John McCallum: The point of parliamentarians approving money, say for border infrastructure, and then the government turning around and using it for G-8 legacy.... It's kind of meaningless if they don't even tell us that the moneys have been changed and are now being used for something totally different.

Mr. Kevin Page: I agree with you one hundred percent, and you can go to other departments as well, such as Aboriginal and Northern Affairs. Multi-billion dollar grants and contribution votes, money gets moved around and no one really knows about it—at best, perhaps months and months later you can get a better sense from the public accounts, the reports on plans and priorities.

No, it doesn't make sense. Again, I think if we voted on an activity basis, they would not be allowed to do that, as opposed to a vote basis.

•(1610)

Hon. John McCallum: Okay.

I have a second question. I think—if I understood you correctly, but please tell me if I didn't—you agree that if the budget were in the fall rather than in the spring, it could be coordinated at the same time as the estimates, so that we would have the estimates, including the budgetary measures, in time for the beginning of the fiscal year. Is that right?

Mr. Kevin Page: That is an option. I think it would be important if we want really consistent estimates documents, and by that I mean those reports one, two and three, and we want the appropriation bills to be consistent with those documents. Then, yes, we need to bring those two together.

I think it's possible, but it would be a huge shock to our public servants to actually run the two processes parallel behind the scenes. I think we use this veil of secrecy perhaps too strongly, saying that we need to keep people out of it. The budget is typically produced by people at the Department of Finance and the Privy Council Office. A lot of the treasury people are a step behind.

It is possible for this to work collaboratively behind the scenes.

Hon. John McCallum: You have said, and others have said to us, that having the budget in the fall would be an improvement. It wouldn't solve everything, but it would be an improvement. I have a specific question and a general question.

If it's an improvement, if there are no down sides to it, why didn't it happen decades ago?

More generally, you have this chart showing a rise in the number of studies on the estimates and a reduction in the time spent on them. What's the main impediment to change? There's a strong case for major change to the system, more like Australia, more like New Zealand, or whatever. Why has that not happened? Is it a political problem? I don't think it's particularly partisan, because it didn't change when Liberals were government and it hasn't changed under the Conservatives.

Is it entrenched interest of Treasury Board or the bureaucracy that just likes everything to be the way it has always been? Are we just wasting our time on this study? What's the main source of lack of change or reform?

Mr. Kevin Page: I think if we're going to change, to some degree the change will have to come from members of Parliament. I think members of Parliament have to decide what they want when they vote, how they want to vote, and the type of information they want.

I think if it isn't demanded by folks like yourself, you're not going to receive it. There won't be a supply. You'll have to instruct public servants to make this change. I think there is a case, and it probably shouldn't be surprising—and this is certainly not a partisan comment—that we probably design the system to support the government of the day or to support, to some degree, even the public servants of the day. Nobody likes coming to this committee.

Voices: Oh, oh!

Mr. Kevin Page: Well, I do.

Nobody really wants to say, okay, decision support information, where the F-35, a crime bill.... I'm not picking on the Conservative side, because I'm sure you can go back a few years and talk about other issues of the day. Here's our decision support analysis. Here's the analysis that we used to make this decision, and here's what we're trying to achieve with it.

Unless members around this table and in the House of Commons say what they want, they will never get it. Obviously, the way power will work is it will work to make sure that we control.

There's a great expression I heard from a German colleague recently. He said, "Kevin, trust is good, but control is better."

Trust is good, and the only way you get trust is by sharing information and having open debates. But if you can control it, you don't even need trust. You don't need to share information. Public servants like myself, who have operated the system for three decades, have manufactured a system so that you never get to see what you really need to see to do your job.

What we tried to do at PBO, and why people actually even came to this organization, was to show you what it might look like. What we released yesterday—and no offence—was actually decision support information after the fact. People behind the scenes get that all the time. This is what's rare. The kinds of projections Dr. Askari does and all the analysis around them...everybody behind the scenes, cabinet ministers, gets that. You don't get that unless you get it from Dr. Askari.

PBO is a bit different that way. We're showing the art of the possible. I know there's friction. I can feel the friction in this room, like the "media star" comments or whatever. There is friction. But it isn't friction. We're just trying to give you stuff that we were giving cabinet ministers in the past. That's the reason why we came. No one's getting rich here.

•(1615)

The Chair: Thank you, Mr. Page.

You're well over your time, but we let it go because it was interesting.

Brian Jean, welcome. You have five minutes.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Thank you, Mr. Chair.

Thank you, Mr. Page.

I just want to read a quote before I start:

It is by the application of the power of the purse that we have moved forward, slowly and prosaically, no doubt, but without any violent overturning, and have grown from being a small island in the Northern seas to be the centre of a world-wide Empire.

That was said 100 years ago by Winston Churchill in the *Liberties of Britain*, so I don't think this is a new question.

I have had an opportunity, quite frankly, to run 10 businesses—manage them, own them, have a \$20 million portfolio. Financial statements are the only way I could run those businesses. I had hundreds of employees.

I am overwhelmed here. I am under budget, trying to run a \$300,000 budget with a constituency like Fort McMurray—Athabasca, where I have huge immigration problems, a tremendous number of issues, and I have to run it all on that basis—all the employees, etc.

It's almost impossible. What you're suggesting along with that, or at least some of the practical suggestions, I just find overwhelming, and I don't know how it can be done with the current economic climate, and certainly not with the budget and what's happening in the world.

I would like to ask you a couple of questions regarding that, though, and I think there are some good suggestions—one in relation to the way we vote—and I think the Auditor General, in essence in a 2003 report, felt that the key to effective review is knowledge of the institution. I don't disagree with you there.

I was wondering about your own department in relation to what you do yourself. I know that recently you've developed computer software. Do you know which computer software system I'm speaking of? What's it called?

Mr. Jason Jacques: It's the integrated monitoring database.

Mr. Brian Jean: I had an opportunity to get the app, and I tried to get on that. I was just wondering how much that cost to develop.

Mr. Kevin Page: It cost \$30,000. We post all our contracts. The same questions should be put to the Treasury Board Secretariat, and I bet you it's—

Mr. Brian Jean: I'm not asking the Treasury Board Secretariat at this stage. I'm just asking you because I'm curious about it.

For requisitioning that \$30,000, did you have to have it passed by Parliament?

Mr. Kevin Page: Passed by Parliament?

Mr. Brian Jean: Did you have to have it passed by Parliament, the \$30,000? Who made that decision to spend it on the software?

Mr. Kevin Page: Well, what we have is a legislative mandate, and....

Mr. Brian Jean: Sorry, I'm just wondering.

Mr. Kevin Page: We have a legislative mandate, sir, to do independent economic analysis, to do analysis on the nation's finances, to make sure you have information. Without that database, you would not, as Mr. Wallace said, even get to track spending on a quarter-to-quarter basis. We like to give it to you on a monthly basis.

Mr. Brian Jean: I'm not disagreeing, Mr. Page. You don't have to raise your voice. It's not necessary here. I'm just asking you if you had to get Parliament to vote on that. Who decided to approve it, and who decided to spend that money? That's what I'm asking.

Who decided? Was it yourself or one of your managers?

Mr. Kevin Page: At that level of detail, sir, I make the decision.

Mr. Brian Jean: Okay.

I think what the situation is here—and the situation was 100 years ago in our parliamentary tradition—is that we have to trust our bureaucrats. I don't disagree with you that we can make improvements upon the system, but I think ultimately we have to trust the people behind us and the people you represent and you yourself. We have to look for that input.

My position is this. There's no physical way that 308 members of Parliament who are tasked with \$300,000 of budgetary money to analyze these documents can do so effectively, and, frankly, in my mind it would be ineffective to try to do so, unless you're going to times by 10 their budgets. That was my main issue in relation to that.

Mr. Kevin Page: Was that a question?

Mr. Brian Jean: No, it was simply rhetoric.

My other question is on the deemed issue. What would you suggest instead of having them deemed? We all know, based on tradition, why they were deemed, because we don't want more elections, and quite frankly, government has to continue to be run. What other solution would you suggest?

Mr. Kevin Page: First, on the deemed rule, deemed to me is just that we throw up our hands and say we can't do this and it's simpler not to even try.

I provided some information in the discourse that's in front of you in terms of whether you really want to sign off on \$260 billion per year with something like 90 hours. A lot of departments are not even looking at their estimates.

To me, deemed—it's a symptom. You have to go back and ask what the cost is.

I think what you're saying, sir, is that you feel overwhelmed. You're overwhelmed by a whole bunch of complicated documents, competing priorities, and an extremely small budget.

Maybe one of the issues, sir, is that we need to rebalance the budget so you have the resources you need to do your job. Yes, it's the power of the purse. I agree with Mr. Churchill: it is important. I think every year there should be people saying we need to look at it; we're not doing our jobs.

• (1620)

Mr. Sahir Khan: When we try to describe in our reports what's available to parliamentarians in the way of information, we try to ask for things already collected in the ordinary course of business. The idea is not to impose a new activity burden or a new cost burden on the government. We can show you all of the fiscal exercises undertaken by the government and the collective information.

Without creating a new cost burden, even from an analytical point of view on your side, if the information can be provided in a manner that looks at inputs, outputs, and outcomes at a program activity level without adding a big infrastructure, it'll likely be more meaningful. We've talked about synchronizing the budget and appropriation bills to make them more accessible to parliamentarians.

Some of the improvements could be quite significant without imposing burdens on legislative staff. We hope that the information is there, that the resource is there, and that we're seeing a glimpse of it through the government's quarterly financial report. You're starting to get more information from departments on a quarterly basis, which enables understanding. So there's a potential to build on that without creating an additional burden. We've spoken to CFOs and they tell us they're collecting that anyway. They're using their internal processes. It's not a huge cost burden to provide this to parliamentarians, and it will make stuff more understandable.

If you're looking at the coast guard, as Mr. Page said, on a program activity basis, it's not about operating vote, capital vote, accrual accounting or cash accounting—it's about saving lives, sovereignty patrols, and those kinds of things. Then you could have a better appreciation for the resources going in, the inputs, the activities they're undertaking, and the results they're getting.

The Chair: Thank you, Mr. Jean.

Thank you, Mr. Khan.

You're well over time there, so now we're going to give Ève Péclet a chance.

[*Translation*]

Ms. Ève Péclet (La Pointe-de-l'Île, NDP): Thank you very much.

I really have to congratulate you for your work. Certainly no one likes to be criticized, especially not members of the government. I fully understand that you may feel some friction. But I feel none at all. I am also very pleased to be able to ask you these questions today.

In your presentation, you mentioned that “departments and agencies have been instructed by the Treasury Board Secretariat not to provide Parliament with information on the government's spending and operating review in the upcoming departmental reports on plans and priorities.” Could you tell me how the government, specifically the Treasury Board Secretariat, justified that decision? Why was it decided and what effect will it have on the work of the members of Parliament who have to study government expenditures?

Mr. Kevin Page: I really do not know the reason for the 180-degree turn in that decision. However, I can imagine that, in a major

austerity program, it is difficult to coordinate an exercise like that in the budget and the reports on plans and priorities at the same time.

Ms. Ève Péclet: Could I ask you a quick technical question? When you mention non-financial performance information, what are you referring to?

Mr. Kevin Page: There are financial data, like the program expenditures. But it is also important for parliamentarians to have access to information on the performance of a program. You want to know if a program works, if the goal of the program can be achieved. That is what is called performance information.

[*English*]

We want to know if the program is working.

[*Translation*]

So it is important for parliamentarians to have access to both kinds of information, that is, the financial information and the non-financial information about a program's value.

Ms. Ève Péclet: You proposed that votes be introduced at the same time as bills, which would make them easy to follow and would prevent the government from incurring substantial cost overruns. You reported on Bill C-10 and indicated that there were going to be huge cost overruns; the provinces are going to pay some and the federal government is going to pay others. As well, with the plan to buy F-35 aircraft, the government is not even able to say exactly what is going on in the negotiations and how much it is all going to cost.

You had one proposal. Do you have others? How can we prevent cost overruns like that? How can we prevent taxpayers' money being spent because, let's say, the government refuses to do any planning before it introduces a bill?

• (1625)

Mr. Kevin Page: In other countries, such as New Zealand, the law enables parliamentarians to access information of that kind proactively. The information exists. People should not have to wonder whether it is possible to get financial information and analysis.

I know that would be a major cultural shift for bureaucrats in Ottawa. The problem is not in preparing the analysis. In general, I feel that analysts do that already. The difficulty lies in sharing the analysis with all parliamentarians. As I said, the goal of our organization is to prepare studies and analyses in a truly transparent way with the resources we have.

[*English*]

The Chair: You have one full minute.

[*Translation*]

Ms. Ève Péclet: Oh, that's great! I am very efficient compared to the government.

We also have to talk about time. I remember clearly sitting on this committee when we were supposed to study the supplementary estimates (B). We had scarcely a week to study all the supplementary estimates. We actually voted on them without having finished the study, because we ran out of time. It should have been postponed. We were kind of presented with a *fait accompli*.

I think the same thing will happen time and time again. We will be given supplementary estimates from a number of departments to study, and we will not have enough time.

What could we do to plan the studies better and to have enough time to conduct them? I am a new member; I was elected on May 2, 2011. I was floored to find out that we did not even have a week to study figures that had probably taken hours and hours to prepare—you mentioned 90 hours.

Mr. Kevin Page: That is a good question. It is actually like students cramming the night before an exam. It is not a good strategy. We need to change the approach.

When the government introduces a bill, it must provide all the information on how it will work and the costs. In my opinion, approving the supplementary estimates (A), (B) or (C) should be the final stage. But it is impossible to do that in a week. If the information were available from the beginning of the process, it would be possible to move forward more quickly.

[*English*]

The Chair: Thank you, Mr. Page.

Thank you, Ève.

For the Conservatives, we have Kelly Block. Five minutes, please, Kelly.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Thank you very much, Mr. Chair. I would like to join my colleagues in welcoming you here today.

I just want to follow up on the comments made by the previous questioner. Just for the record, it's important for us to be clear that this was not the minister who gave the directive to not provide Parliament with information, as is being inferred by the members opposite. You referred to that in your opening comments, but I think they're misrepresenting them.

I do think, though, that your earlier point has been well made, that this system has been in place for a very long time, and perhaps that's why from time to time you have a committee like this one. After they've wrestled with understanding everything involved in the whole estimates process...we need to do a study to try to figure out what is keeping us from being able to do our job well and what needs to change.

I want to refer to a comment that was referred to by my colleague, just in terms of the Auditor General. In 2003 she stated that to facilitate the estimates review it was more productive to concentrate on a particular program or an organization of a relatively small size. In your opening comments, you referred to having some focus on perhaps 5, 10, 15 activities within a department. My question is, if we do that, would not other program activities receive less attention or not be paid any attention to, and how would you see us balancing that?

• (1630)

Mr. Kevin Page: The government organizes information already on a program activity basis, so this information already exists, and this information is provided in a parallel fashion in the way you vote this supply process. It's actually not a new thing.

We're ready to launch this. We've been working on this for some period of time. I was at the Treasury Board Secretariat when we launched this exercise, and we did it because we wanted to have more transparency. We wanted to give government an opportunity to do strategic review, not on a high level basis but on a gritty basis.

If you organize that information differently and you change the control gate—you could argue it could be used in a proper way, not just by members of cabinet but also by deputy ministers in some sense too—and if you don't go to a U.S.-style system where you're dealing with appropriation bills that are this big, so something like 10 or 15 per department, I think it would incentivize people. I think people would just understand it more than voting on a grant and contribution for \$8 billion that exists, say, in Aboriginal and Northern Affairs Canada. If you were voting on aboriginal education, or water, or health issues, or economic development, you would understand that. It would make more sense for people in the ridings, and I don't think it would be overwhelming.

It already exists now. We provide this information, but you just don't vote on it.

You could move that system. Could you actually launch it with one or two departments to test it out? That was the context in which the Auditor General talked about financial reform. Could you try that? It's possible, and if you're interested in doing it, tell us to do it. Tell the bureaucrats to do this and we will do it for you. We could work collaboratively. I'm saying that perhaps not just as the Parliamentary Budget Officer, but as someone who has worked in all these central agencies. We are actually here to work for you. It may not always seem that way, but we are here to do that for you, and if that's what you want, we can do that.

Hon. John McCallum: They don't always seem very grateful.

Mrs. Kelly Block: Just to follow up, you mentioned in response to my colleague's earlier questions the need to change the control gate. I really want to understand. My first thought was whether this was really a question of either/or, or is it both/and? You said we need to move from voting on inputs to program activity-based systems.

Shouldn't we be paying attention to both?

Mr. Kevin Page: Absolutely. I still think the control gate, and you could have some variation around the expenditures on an activity.... I'm not picking on the coast guard—I love the coast guard—but you could look at their operating and their capital vote, say, within search and rescue, or within oil spill response, or within icebreaking, and they could provide that information. They have it already and they could put this in the docket. That is the kind of information you need.

You do need both, but I think the control gate should be the activities.

The Chair: That is five minutes right on, Kelly. Thank you.

Alexandre, for five minutes, please.

[*Translation*]

Mr. Alexandre Boulerice: Thank you, Mr. Chair.

Mr. Page, I could relate when you said that you could scarcely imagine how a new parliamentarian would feel on the day he gets the big blue book containing the main estimates. I can certainly speak to the terror I felt. I was pretty much scared stiff and in a panic when I saw that extremely complicated book.

Then today, I realize that it may have nothing to do with the budget presented in the same time period. This series of budgetary approvals that spirals over 18 months keeps us completely in the dark. It is a complete and utter shambles and we have no way of knowing what stage we are at, what is supposed to have been spent, what has actually been spent and if it is part of this year's budget or last year's. The system is extremely poorly put together.

You say that, for clarity, the estimates should be linked to the budget in a small chart. I feel that really is the basic question at the root of the current problems. I come back to the question of timing and the calendar.

Do you think that bringing down the budget in the fall is a good solution that would bring the two together? What other interesting options could be considered in order to achieve that objective?

• (1635)

Mr. Kevin Page: Mr. McCallum asked the same question. It is not really a solution, but it is an option. But I doubt if it is an option for the deputy minister in the Department of Finance, because he prefers the budget to be in the spring. But in the past, we have had updates that were almost real budgets in themselves.

It is still an option. It is not really a solution. It is possible to arrange the work of the cabinet so that...

[English]

publishes at the same time the main estimates and the budget. It's possible. Other countries do that.

[Translation]

I am sorry.

Mr. Alexandre Boulerice: That's fine. I know that Mr. McCallum asked the same question in English. But it was the same question that I had asked in French about the G8 summit. He wanted it on the record in English, so I am just doing the same thing.

Let me refer back to Joe Jordan, who was here in a previous session. He had some interesting proposals for us. Just now, there was a sudden interest in your purchase of some software, the cost of which seems to me to be very reasonable, and, I assume, completely justified given your work.

Would it be possible to imagine an Internet resource that would let people, meaning parliamentarians, Canadians and civil society groups, to conduct research into government estimates and into budget expenses, and where data could be cross-referenced and compared between financial years? Can we get a system that is really transparent and accessible to Canadians as a whole? Do you think it would be worthwhile to invest in a system like that, and is it possible that it would provide results? We hear a lot of talk about open government. Would that not be a way to make data available? Is it feasible? Is it desirable?

Mr. Kevin Page: I think so. But it is important to start with a vision. Is it possible to create a tool like that, to realign the information about the program activities of all departments with the information on supply matters? Yes, it is possible to make a lot of progress along those lines.

[English]

The Chair: You have 90 seconds, Alexandre.

[Translation]

Mr. Alexandre Boulerice: A little earlier, you made comparisons with other countries. You mentioned Australia and New Zealand. In terms of government practices, transparency and the ability of legislators to verify and keep a good eye on government expenses, of the 24 OECD member countries, do you feel that Canada is ranked as one of the good ones, the very good ones or the mediocre ones?

Mr. Kevin Page: I think it is better to look at the various aspects of our system of budget expenditures and revenues in general. But if you want to know whether Canada deserves an A, a B or a C for its level of transparency and analysis, I would say that the Department of Finance is, in general, doing a good job in terms of transparency and the reconciliation of accounts. Is it possible to improve its performance in that area? Of course it is.

For example, in New Zealand, the deputy minister is responsible for signing off on all estimates. It's not the minister who says he is satisfied, it is the deputy minister, the public servant. So it is possible for Canada to improve in all areas.

[English]

The Chair: Time is up, Alexandre. Thank you.

Ron Cannan, you have five minutes, please.

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Thank you very much.

It's always a pleasure to see you, Mr. Page, and your colleagues.

My colleague, Mr. Jean, mentioned the history of deemed. Is there some genesis, or has it been like that since day one? Or is there some other history that we're not aware of as far as the deemed process is concerned?

Mr. Kevin Page: I'm not a historian—I try to be an economist—but I think it goes as far back as something like 1968, when it was brought in. What would be the context back in the late sixties, and why did they decide that this system had gotten to such a state where if they didn't look at estimates, they would say, let's just approve them? Obviously it was a sad state back then, which I think speaks to Mr. Brian Jean's comments that this is an ongoing process that we need to continue to improve.

• (1640)

Mr. Ron Cannan: You mentioned there could be a more symbolic or symptomatic testament than the deemed rule. What are you recommending? I know at the last committee we talked about this being such a big issue. It's almost like, "How do you eat the elephant? One bite at a time." It's overwhelming for some people, so the easiest thing to do is to say, well, go for it, we trust you.

I really appreciate some of the names of other countries. We're going to study this, and hopefully we can get a video conference to those gentlemen in other countries, to get their expertise. Our goal is to make this much more accountable and open, if not for us, for future generations, as well as parliamentarians.

A colleague who served for seven years, from 1997 to 2004, was at our last committee meeting and he talked about some of the recommendations, but nothing has really been carried through.

What would you say is the starting point in the process? What can we say is a first step to move to a much more easily understood...not only for new members of Parliament but for veterans as well?

Mr. Kevin Page: If we had to start with one thing, I would go to structure more than process. I see deemed as just symptomatic of failure: I can't do this, I give up. If you change the structure and you go to an activity-based...that becomes the control gate. I think you actually bring in a lot of simplification overall. It won't be an easy job, but again, in terms of making that change, it would need to be studied. Other countries are already doing this. You can speak to the Australians. You can speak to New Zealanders. You can speak to South Africa. You could bring in these professors and they would tell you why and what the experience has been in those countries when they made the transition.

I would start there. I would focus less on let's just get rid of the deemed rule. I see that as a symptom, not a cause.

Mr. Ron Cannan: My colleague Mike Wallace has been great on this committee in just trying to sit down and understand the numbering. We both came from local government backgrounds. Even from the private business sector, it's almost, as you said, set up to be so confusing that nobody wants to take.... We're so busy doing all of the other things we do that we don't have time to really look at it in-depth.

Two-thirds of the budget is basically statutorily allocated, so we're looking at about \$90 billion. On the capacity to assess government-wide planned expenditures by program activities of a high level, what do we have in place right now?

Mr. Kevin Page: You have literally thousands of public service employees, where I worked in these departments, who do this type of analysis in the Treasury Board Secretariat, in line departments. You need to get access to that information. That information actually exists right now. We just need to make it available to you. This has been a problem for many years. If you go to the websites now, you don't find that analysis. I don't know if we've stopped producing it or we just decided it's not a good thing to make it available and it creates too many problems. I think you need to get access to that information. Again, that's why we feel like we're actually here. It's to give you access to another data point on projections and analysis around projections. It's another data point around costing. Some of these bigger, high-profile cases are out there.

Mr. Ron Cannan: How many years have you been working in the public service?

Mr. Kevin Page: At this point, sir, I'm in my 31st year.

Mr. Ron Cannan: This has been systemic for a number of years, then.

Mr. Kevin Page: Yes, although I think it's getting worse.

Mr. Ron Cannan: Well, we want to try to make it better now.

Mr. Kevin Page: This is not a partisan comment; this is a public service comment.

Mr. Ron Cannan: Our goal is to try to make it better.

You mentioned a couple of changes with regard to the estimates, the reports on plans and priorities. What would be an appropriate threshold, then, as far as moving towards voting on program activity is concerned?

Mr. Kevin Page: I think it would obviously depend on the department. There's a big difference between, say, National Defence and the Food Inspection Agency in terms of outlays, obviously. The materiality would depend on the department. I don't think you want to be overburdened with hundreds of activities. In the nature of 10 to 15 activities would be very manageable, because deputy ministers, cabinet ministers, ministers of departments manage at that level.

The Chair: Thank you, Ron.

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

The Chair: John McCallum. You have five minutes, John.

Hon. John McCallum: Thank you, Mr. Chair. At this time, I'd like to move the following motion, which reads:

That the Standing Committee on Government Operations and Estimates, as part of the study of the Estimates Process, report the following to the House: That the Committee is deeply concerned by the decision of the Treasury Board to delay the reports on Plans and Priorities until the week of May 7 and to withhold any information about the Strategic and Operating Review from those documents.

I won't speak for very long about this, but I will just speak briefly as to why I'm proposing this. I think this issue goes to the heart of what we are studying, because in what we are studying, we are trying to find ways for parliamentarians to improve their control over public spending. If the government has major cuts but doesn't tell us, then obviously we have no control over what's going on.

I would also point out that some seven years ago the Liberal government did a similar exercise, and all of the detailed cuts were reported in that year's budget. I don't think technology has regressed since 2005.

In response to Kelly Block, I cannot believe for one moment that bureaucrats alone would decide such a major change in how the budget was to be communicated. I think it has to have gone through the minister's office or the Prime Minister's office.

Finally, I would just say to the government side that I don't think it's necessary for you to make your usual move and move in camera.

• (1645)

Mr. Mike Wallace: This is not a future business item.

Hon. John McCallum: This is a motion I'm presenting now.

Mr. Mike Wallace: That's right. That's why we're not going in camera. We're going to defeat it right now.

Hon. John McCallum: Okay. Well, that's what I'm suggesting, because then we can go on with the witnesses, and we don't need to go in camera.

Mr. Mike Wallace: You are the one interrupting the witness, not us.

Hon. John McCallum: I'm asking for it to be a brief interruption so that we don't have to go in camera.

Anyway, that is the end of my comments, Mr. Chair.

The Chair: John, we are interviewing witnesses, and you have a five-minute block of time allocated to the Liberals. You chose to use two minutes of it to table a motion, which the clerk advises me is in order because it's the subject matter being debated. It's unorthodox to use your witness interview time to move a motion, but it is in fact in order. We have stopped the clock now, and I think maybe we should deal with the motion.

Are there any further speakers on the motion?

Mr. Mike Wallace: I think we need to be on the record on this motion.

Thank you, Mr. Chair, and—

The Chair: Do you want a recorded vote? Is that what you're asking?

Mr. Mike Wallace: No. They produce blues of everything that's said here, right? So I want to be on the record, Mr. Chair, that what is proposed by the Liberal member—this has happened in the past when they have inaccurately expressed an opinion—which is the speculation that this came through the Prime Minister's office or the minister's office, is absolutely erroneous. The minister was clear that this was not a directive from the minister. We will not be supporting this motion going forward because it doesn't reflect the truth.

Thank you, Mr. Chair.

The Chair: Go ahead, Mr. Cannan.

Mr. Ron Cannan: Thanks, Mr. Chair. I just want to clarify. Mr. McCallum said that we wouldn't be moving in camera. We don't go in camera when there are motions. We deal with future business in camera. That's when we move in camera. I just wanted to clarify that.

Thank you.

The Chair: I've heard no one ask that we go in camera. We're in public.

Mr. Ron Cannan: Mr. McCallum referred before to going in camera, and I said no, we were dealing with this publicly.

The Chair: Are there any further speakers?

Mr. McCallum. I'm sorry.

Hon. John McCallum: But I've noticed a tendency of this—

The Chair: Excuse me, John. It's actually Alexandre Boulerice next, and then I'll give you an opportunity.

Alexandre.

[*Translation*]

Mr. Alexandre Boulerice: I will make a brief comment that is intended for everyone.

I would never have thought that the review of the process for considering the estimates and supply could generate so much debate, tension and so many sparks, given that we are supposedly all here to try to find better ways of doing things. I find the turn this meeting has taken to be astonishing, but I suggest we move to a vote.

[*English*]

The Chair: I'll let Brian Jean speak first, and then I'll let you wrap up as the final speaker, John. How's that?

Mr. Brian Jean: It's not often that I agree with the NDP, but in this particular case I think he's right, and I'd like to thank Mr. Page. Five minutes with Mr. Page and his staff is something that most parliamentarians dream about asking for and having, and I would suggest that Mr. McCallum could use his five minutes in a better way than he has. We're working on a cooperative approach to try to find some real solutions to what Mr. Page has brought forward, and I find it offensive that he would do this at this time, when we're just three-quarters of the way through a meeting.

The Chair: Mr. McCallum, you were interrupted.

Hon. John McCallum: I find it somewhat amusing that Brian Jean, given the tone of this questioning of the Parliamentary Budget Officer, would offer this strong defence at this time. But I don't want to take any more of the time of our witnesses, so I'll just leave it at that.

• (1650)

The Chair: All right. Do we have the motion at the front of the table? Perhaps you could submit it to the clerk, John, so that we know what we're voting on.

I'll just read the motion, and we'll put it to a vote:

That the Standing Committee on Government Operations and Estimates, as part of the study of the Estimates Process, report the following to the House: That the committee is deeply concerned by the decision of the Treasury Board to delay the reports on Plans and Priorities until the week of May 7 and to withhold any information about the Strategic and Operating Review from those documents.

(Motion negated)

The Chair: Thank you, John. I think that concludes your time, too, in all fairness.

We still have Mr. Bernard Trottier. You have five minutes.

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

Thank you for coming in today.

We are trying, in the spirit of bipartisanship, or tripartisanship, to solve a problem that's been around for a long time. We had officials from Treasury Board show us copies of main estimates from the 1880s, and they don't look a whole lot different from what we see today. I brought a copy of the 2012-13 main estimates, which probably doesn't bear any real resemblance to what will really get spent, because there's a budget coming up that will change what the actual expenditures will be.

We've talked about timing with respect to the budget vis-à-vis the estimates. I'm intrigued by what you said about Australia and New Zealand, with regard to coming up with a budget and estimates at the same time. As someone with a business background, I can tell you that this is how you would try to run a business.

Is there a problem with budget secrecy? It's a long-standing tradition that we don't divulge the budget ahead of time, so that no one gains from it, economically or otherwise. Is there a problem in Canada? I know New Zealand is a much smaller country, and perhaps they're able to keep the more detailed planning process of estimates more confined. What barriers would there be in Canada to doing that, having budgets and estimates coming at the same time?

Maybe you could tell us whether this is something we could do, as opposed to having a fall budget or a time lag between a budget and main estimates.

Mr. Kevin Page: I think it is possible. One option would be to present a budget earlier. That would take the secrecy on budget issues right off the table. The budget decisions would be made. Secrecy seems to be of most concern with taxation matters, which could have an impact on the marketplace and financial decisions. If you had a budget that was three or four months in advance, I think it would eliminate that possibility.

We don't often have many decisions through a budget process that would create a market-mover situation. Is it also an option to just table totally consistent documents? I think so. Can you quarantine decisions about taxation issues? It's probably possible. Having worked in those central agencies, I think it is possible.

Mr. Bernard Trottier: I want to build on something the other members talked about. This isn't the first time this problem has been studied. It was the same committee in 2003 that said, and I quote:

Each year, some 87 departments and other government organizations provide parliamentary committees with separate spending estimates and related reports, and many of these receive no formal attention in committee meetings. And when meetings occur, they are typically dominated by partisan exchanges with ministers that shed minimal light on the estimates. Consideration of the supplementary estimates, which allow departments to obtain additional funding at specified intervals during the year, has been even less satisfactory. With only a few exceptions, committees regularly fail to examine them at all.

Let's have no illusions here. This is a partisan place and people have their partisan underwear on everywhere they go. Is there some way we can improve that situation by restricting our focus to estimates and removing some of that partisanship? Maybe looking at some of these other parliaments could give us some ideas that we could explore in this study.

• (1655)

Mr. Kevin Page: To add a little colour commentary, I would say that it's not only at the political level that there's been a lack of use of these documents. As someone who worked 27 years as a public servant, I can tell you that those documents weren't often used as planning tools, even within the departments. So that's a fundamental problem that needs to be fixed.

Can we make those documents better so that they're more aligned to the votes that parliamentarians are going to have to make? Absolutely. What's stopping us? Actually, I don't think there is anything stopping us. I think if you folks around this table said, "This is the way we want our information: we want it on a program activity basis, we want performance information, and before we vote, we want decision-support information when we're looking at new legislation", you would get what you asked for. We can change the system. I think all you need to do is tell us that, and we can deliver the goods.

Mr. Bernard Trottier: I think I have a couple of minutes still...?

The Chair: No. Actually, you have very little time, but you can have one last question, Bernard.

Mr. Bernard Trottier: Okay. I'll ask a real quick question.

You mentioned "program activity basis", and that's kind of what I see in here right now. Is that the level you're talking about? Or are you talking about something more detailed or less detailed than what we currently have in the estimates when you say that things should be done on a program activity basis?

Mr. Kevin Page: Here's what I'm saying. We have program activity information—the *Chart of Accounts*—and the *Public Accounts* provide program activity information.

I think as parliamentarians you can look at it department by department. Is that the level you want? Or do you want to go a level deeper, a level lower in terms of more granularity, or a level higher?

I think the key issue, again, is that you want that to be a control gate. You want to hold the government to account, effectively, and as well hold bureaucrats to account, to some degree, based on that. I think it's for you to decide on the level.

The level we have now in these documents is relatively aggregated. I think it would be relatively easy to move quickly to a control gate basis without it being too overwhelming, so to speak.

The Chair: Thank you, Mr. Page.

Thank you, Bernard.

That complete two full rounds, but we do have about five minutes left.

Denis Blanchette had a question or two, and Mike has a couple of questions. Could we maybe have two or three minutes each? Then we'll thank Mr. Page at five o'clock.

[Translation]

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

When you answered my colleague's questions about open government, you hinted that, in terms of budgeting, perhaps a more consistent frame of reference is needed for the various departments and organizations. Your comments gave me the impression that things are not being done in exactly the same way in each department and agency and that the lack of consistency would make it difficult to post the data on the web.

Could you give us some more examples of that?

Mr. Kevin Page: That major difference between the financial planning in the budget and the frame of reference each department uses is really a serious problem. The Parliamentary Budget Office asked the people at Treasury Board if, with the expenditure documents, it was possible for us to have information on budget planning and estimates that would be consistent. We were told that it was not possible because those are confidential cabinet documents.

In my opinion, it is very important to you that the two documents be exactly the same. You have to get the frames of reference for each department, not just for one year, but for five years and that they have to be consistent with the financial planning in the budget. That information does not currently exist and I do not believe that it has ever existed.

Mr. Denis Blanchette: Thank you very much.

Do you feel that our current system, with all the various supplementary estimates, is still practical, or do you think that it should be reformed and overhauled?

Mr. Kevin Page: In my opinion, it is like our conversation on “deeming”. The lack of consistency between the main estimates and the budget is a symptom. If we could make things more consistent overall, we would not need the supplementary estimates (A), (B), (C), and so on.

[*English*]

The Chair: That's three minutes, Denis. Thank you very much.

Mike, would you like to take a minute or two?

Mr. Mike Wallace: Yes, just one minute, and Jason or Sahir might want to answer the question.

I want you to give me, if you can—if you can't do it, that's fine—an example for us so we understand the difference between what we have now and what a program-style review would be.

In the mains right now—which our NDP friends brought forward at question period—is the reduction in the department of food inspection. It's a sunset. It was approved, it had so many years, and that program is now sunsetted, so that money is removed from the mains.

It may be added back through a budget process, but because the budget process and the mains are at different times, it's great fodder for them. In actual fact, it may be just because the law that was set out—the program—only had a certain line date and has to be renewed, and it can only be renewed through the budget process. How would that be different and how would that look in what you're suggesting in terms of what happens in Australia or New Zealand?

• (1700)

Mr. Jason Jacques: I think the first major difference would be if the budget is actually coinciding with the main estimates, you wouldn't necessarily see those sunset issues. If a program is being

renewed within the budget, it would necessarily show up within the appropriation bill. You wouldn't necessarily have this potentially misleading indication that somehow there's money being taken out of a department or from a program, because it's actually ongoing. It's simply a timing issue in terms of how it's actually presented.

Mr. Mike Wallace: You have shown me the Australian example. What would it look like in the Australian books?

Mr. Jason Jacques: We could find specific documentation.

Mr. Mike Wallace: Could you do an example for us—not today—and provide it back? Take something like that out of the mains and show us what it would actually look like. I would be appreciative. Thank you very much.

Thank you, Mr. Chair.

The Chair: Thank you, Mike. I think that would be an interesting exercise.

I want to thank you, Mr. Page, for both the tone and content of your presentation today. I think it was very stimulating and very interesting. I find it a little gratifying. I'm not a rookie MP. This is my sixth term, and I can't make hide nor hair or sense out of the estimates. It's incomprehensible gobbledygook, and I'm starting to understand that maybe it's not me. Maybe it was by design that there is a—

Mr. Mike Wallace: No, it's you.

The Chair: Maybe it's partly me, but I think it is a very important exercise, and I actually appreciate the non-partisan nature of the interest here. It is a genuine concern that people should be able to understand the country's accounts, especially if you're going to be asked to vote for or against them. It's a necessary work that this committee is doing.

Thank you very much. Maybe we'll even ask you back again as we move further with this project. Thank you very much for being here, all of you.

We have a bit of a planning meeting now for probably 15 or 20 minutes, so we can suspend and reopen in camera.

This meeting is adjourned, and we will begin a new planning meeting in a few moments.

[*Proceedings continue in camera*]

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