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—
Co-Chairs

Mr. Blaine Calkins

The Honourable Marilyn Trenholme Counsell

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• (1205)

[English]

The Joint Co-Chair (Mr. Blaine Calkins (Wetaskiwin, CPC)): Good afternoon, ladies and gentlemen, members of the committee. It's great to be here with my co-chair, Senator Trenholme Counsell. I would like to take the opportunity to speak briefly, and then I'll pass it over to my co-chair.

It's a pleasure for me to welcome back Mr. Young to this committee. It's also a privilege and a pleasure to welcome Kevin Page, who is our new appointee as the parliamentary budget officer. I want to warmly welcome you to this very important and excellent committee. I know that members will be looking forward to your comments.

It's been a while since the Accountability Act was passed. It created the capacity of the parliamentary budget officer to assist parliamentarians with their work in forecasting and various other items, which I'm sure you'll address. It has taken a while, but I'm very confident that an excellent choice has been made. I certainly welcome you and look forward to your comments.

Madam Co-Chair.

[Translation]

The Joint Co-Chair (Senator for New Brunswick Marilyn Trenholme Counsell): Thank you, Mr. Chairman.

Welcome everyone. At the time, I would also like to welcome the members of the committee and wish them the best of luck in tackling the challenges they agreed to take on after last week's meeting. I am very confident that they will be successful in this endeavour.

[English]

Welcome. It's going to be very special to hear from you.

Of course, Mr. Young, it's always good to have you at our committee.

I'm wondering if Mr. Young wishes to introduce Mr. Page. It would be appropriate.

[Translation]

Welcome, Mr. Dryden.

[English]

The Joint Co-Chair (Mr. Blaine Calkins): If it's the pleasure of the committee, we thought it would be appropriate for Mr. Young to introduce Mr. Page. We will have about 10 to 15 minutes for opening remarks, and then we will open the discussion to questions from the

members of the committee. We will certainly take down the lists and proceed in a very non-partisan way. If members of the committee have a question, please indicate that to one of the clerks here, and we will go back and forth from House members to Senate members until the questions are complete.

We will have to stop this meeting after an hour and a half due to various time constraints and commitments that others have. I encourage folks to be brief so we can get through all of the questions.

Without further ado, please begin, Mr. Young.

Mr. William R. Young (Parliamentary Librarian, Library of Parliament): Thank you.

Madam Chair, Mr. Chair, members of the joint committee, good afternoon.

First of all, I'd like to thank you for taking me up on the suggestion I made when I was here last, because it is appropriate and fitting that members of this committee are the first to officially meet with the new parliamentary budget officer.

When Parliament legislated these new functions, it created an officer of the Library of Parliament, a position that would operate within the library's established mandate and ethos of providing authoritative, reliable, and above all, non-partisan and independent knowledge and information to parliamentarians.

• (1210)

[Translation]

When we last met, I shared my view that this committee could play a valuable role as a management board for the Library of Parliament. I know that we will benefit greatly from your insights as we begin implementing new services through the Parliamentary Budget Officer.

[English]

In fact, I would suggest establishing a focus group under the auspices of this committee to offer ongoing advice and help us ensure that Parliament is provided with the support and information it needs to sustain an appropriate scrutiny of the executive.

[Translation]

An ongoing, informal dialogue with members will help us deal with the questions that will certainly arise as statutory provisions are interpreted and given life through the delivery of this new service.

[English]

What are the specific needs and requirements of parliamentarians? How should priorities be set in the face of competing demands? Who is better to answer these questions than the parliamentarians who are the clients of these services?

By way of getting our dialogue started, I'm very pleased to introduce to you Kevin Page, the man who took on the challenge of being Canada's first parliamentary budget officer. This is Kevin's unveiling, but he objected to coming covered in a sheet and having me take it off.

Kevin started working with us just after Easter. For those of you who may not have seen his curriculum vitae, copies are available.

[Translation]

Kevin is one a very few individuals with experience working on relevant fiscal forecasting policy and expenditure portfolios within all three central economic agencies. This broad perspective will be of tremendous value to parliamentarians.

[English]

As you're going to find out, Kevin is a people person with a good sense of humour and a great reputation. And for your information, he's also a hockey fanatic and a hockey player. Most recently he took a puck to the head, so he needs to learn to duck both literally and figuratively.

His phone's already ringing off the hook with calls from skilled people across Ottawa who want to come to work with him. For me, this is great news for Parliament. It's a huge opportunity for us to build on the library's research capacity and add value to the services we already provide to parliamentarians.

Just before I ask Kevin to take over, I'm going to change the subject briefly.

I'd like you all to know about the event that's going to be hosted by John Steffler, the parliamentary poet laureate, next Tuesday. In recognition of National Poetry Month, John has organized a panel discussion entitled The Merits of Tradition and Innovation in the Arts, or Arguments for Cultural Continuity and Cultural Change. He's bringing in five prominent poets from across Canada in the afternoon, and there will be a poetry reading in the evening.

I'd like to thank the members of the committee for the ongoing support they've provided to the poet, and particularly Senator Trenholme Counsell, who's had a special interest and has been looking forward to an event like this.

Thank you again for your invitation to appear today.

Kevin.

•(1215)

The Joint Co-Chair (Mr. Blaine Calkins): Mr. Page, please.

[Translation]

Mr. Kevin Page (Parliamentary Budget Officer, Library of Parliament): Madam Chair, Mr. Chair and members of the Joint Committee, thank you for giving me the opportunity to speak to you today. I would also like to thank the Parliamentary Librarian, Mr.

William Young, for all his efforts to increase the capacity of the Library of Parliament to serve Parliament.

I would also like to thank Mr. Allan Darling, a retired senior public servant, who has worked diligently with the Parliamentary Librarian to make this day a reality.

[English]

In my opening remarks I would like to take the opportunity to tell you a little bit about myself and how I approach the work of the parliamentary budget officer.

I have four messages. One, it is an honour and a privilege to serve Parliament. Two, we have an important and timely opportunity. Three, the building process will take time. And four, today marks an important step in the consultation process.

[Translation]

I am honoured to be Canada's first Parliamentary Budget Officer and to be an independent officer with the Library of Parliament, an institution with a long and prestigious history in Canada.

The Library of Parliament has a tradition of providing objective, non-partisan analysis and advice to Parliament. A well-known professor at the University of Ottawa, Sharon Sutherland, has recently described the level of service provided by the Library as a gold standard reputation.

[English]

I am very fortunate to be building capacity from the current strength of the Library of Parliament.

[Translation]

It is important that the members of the Joint Committee be comfortable with me as their Parliamentary Budget Officer. Trust must be accompanied by professional, unbiased and competent advice for me to be an effective servant of Parliament.

[English]

Now I'd like to add a few words, a little bit about my history, who I am. I was born in Thunder Bay in 1957. My love for my country was instilled by my grandparents, who were immigrants from Poland and the Ukraine.

My parents emphasized a number of values when raising their children: respect and compassion for others, hard work, and prudence when it comes to money. It's the latter I'm hoping will show over the next few years.

I share the values of my parents. I've been happily married for 26 years and am the father of three children. While I love Ottawa and remain a fan of the Senators, even after last night, I'm also very proud to be from Thunder Bay, a city with important history and one that has produced many public servants, including the late Chief Justice Bora Laskin, who went to my high school, and Derek Burney, who also went to my high school, a former Canadian ambassador to the United States.

I'm sorry, I had to do a little bragging.

As the Parliamentary Librarian has noted, I have spent more than 25 years in the federal public service. Many of these years were spent in central agencies in which I had the opportunity to work with others in the provision of advice related to economic, fiscal, and expenditure management issues. This is my first opportunity to work as an independent officer of the Library of Parliament, and I'm a little bit intimidated. I have lots to learn about how Parliament works, and I'm looking forward to serving and working with you in this new capacity.

[*Translation*]

I believe we have an important and timely opportunity with the creation of the role of Parliamentary Budget Officer. The importance stems from Parliament's "power of the purse", which is a fundamental feature of democracy.

• (1220)

[*English*]

The mandate of the parliamentary budget officer is outlined in the Accountability Act, and it is now part of the Parliament of Canada Act. It has three components: one, objective analysis to the Senate and the House of Commons about trends in the economy, the state of the nation's finances, and the estimates of government; two, related research when requested by a committee of the Senate or the House of Commons, including the Standing Committee on National Finance in the Senate, the Standing Committee on Finance in the House of Commons, and the House of Commons Standing Committee on Public Accounts; and three, estimating the financial costs of proposals introduced by a member of either House other than a minister of the crown or by a committee.

[*Translation*]

The mandate includes one important provision which gives the Parliamentary Budget Office the power to access at convenient times any financial or economic data in the possession of the department that are required for the performance of his or her mandate. This will help stretch the budget of the Officer and the analytical capacity of the supporting team.

[*English*]

The genesis and momentum for the creation of the parliamentary budget officer role reflects a number of important concerns expressed by parliamentarians over the past decade: one, concerns that the size of fiscal forecasting errors were hindering public and parliamentary debate on budgetary choices and were damaging the credibility of the Department of Finance; two, concerns that more was required to strengthen accountability and effective scrutiny by Parliament of government spending and future spending plans; and three, concerns that private members' bills needed to be costed earlier in the legislative process and better integrated into the budget-making process.

With due regard to these concerns, I believe the launch of the parliamentary budget officer position comes at an opportune time.

One, the economic and fiscal situation of Canada is relatively strong as measured by many macroeconomic indicators: sustained and continuous economic growth, low inflation, low interest rates, low unemployment rates, projected fiscal balance, and a much improved debt-to-GDP ratio. It can be argued that it is better to

launch this role in a period of relative economic strength rather than weakness.

Two, we are in a Parliament with a minority government. Political scientists such as Professor Peter Russell have noted that this situation encourages debate about budgetary choices, and negotiation and compromise on legislation.

As we look ahead, we can envisage many important and interesting debates. These include the current debates about the impact of a weaker U.S. economy on Canada's economy and fiscal situation, and the adjustment pressures in manufacturing related to a high dollar and high input prices.

[*Translation*]

They also include important longer term debates about raising the standard of living in Canada, ensuring balanced income growth, addressing issues related to aging demographics, realigning fiscal resources to new priorities in a balanced budget framework and ensuring environmentally sustainable economic growth.

[*English*]

Building the capacity to support the mandate of the parliamentary budget officer will take time. With the 2008 budget and the 2008-09 estimates now before standing committees, the next key milestone in a normal budgetary cycle for the parliamentary budget officer will be the 2008 economic and fiscal update in the autumn and the 2009 pre-budget consultations.

[*Translation*]

One can envisage a number of overlapping phases of development in the building process: firstly, a consultation phase with parliamentarians on priorities and potential outcomes, as well as consultations with departments and agencies on the way we will exchange information; secondly, a team building phase in which the office will be staffed within the Library of Parliament to serve parliamentarians; and thirdly, an implementation phase in which products and services are provided to parliamentarians.

• (1225)

[English]

While it is early days, work is under way to establish secondments from the public service for two experienced and high-performing individuals to serve in management positions: one, a director of economic and fiscal analysis, to serve parliamentarians with analysis and advice on economic and fiscal trends and their potential implications; and two, a director of expenditure and revenue analysis, to serve parliamentarians on financial costing, strategic support on the estimates, and assessment of budgetary systems.

[Translation]

In the context of establishing the role of the Parliamentary Budget Officer, a number of concerns have been raised publicly, including concerns about the independence of the advice, the size of the budget for the position and about whether or not the Officer will provide his own forecasts.

[English]

In this regard I wish to note that the parliamentary budget officer will maintain the tradition of the Library of Parliament in the provision of independent, non-partisan advice.

I will utilize all the resources provided to it in the most effective manner possible, and that includes leveraging current resources in the library, in federal departments and agencies through the provision of information, and to external stakeholders interested in serving Canadians. I will work with the Department of Finance and private sector forecasters to ensure that there is satisfactory comprehension and oversight by parliamentarians on the economic and fiscal outlook, the related risks, and the implications for fiscal planning and budgetary choices.

As I close, I want to thank you for giving me this important opportunity to open the dialogue on the implementation of the role of parliamentary budget officer. As I noted earlier, Parliament's power of the purse is a fundamental feature of democracy. It will be an honour and a privilege to support your efforts to ensure that the revenue and spending measures that are authorized by Parliament are fiscally sound, that they meet the needs of Canadians with available resources, and that they are implemented effectively and efficiently.

I am looking forward to hearing the views of honourable senators and members of the House of Commons on their expectations for the office and how it can best support their activities.

Thank you, very much.

[Translation]

The Joint Co-Chair (Senator Marilyn Trenholme Counsell): Thank you, Mr. Page.

We will now go to committee members for questions and comments.

[English]

Who would like to begin?

The Joint Co-Chair (Mr. Blaine Calkins): I have a list here, Madam Joint Chair. We're starting with Mr. Byrne. I think we have

five or six minutes. I have a very short question list, so if folks here have a question, please let us know.

Mr. Byrne.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Thank you, Mr. Chair. If I don't use my full allotment, please feel free to share it with other colleagues.

I do want to say a very special welcome again to Mr. Young, our Parliamentary Librarian, but as well to you, Mr. Page. Welcome. We wish you all the very best. We mean that sincerely as a committee and as parliamentarians.

You join a very distinguished group of people. Every parliamentarian is very keenly aware of the Library of Parliament's incredible expertise, the independence and the professionalism that each and every member of the library puts into his or her duties and services to Parliament and Canadians. I think you'll fit in very well.

I am very sorry about your hit on the head with the puck, but I think with a few knocks on the head you'd fit right in around this crowd.

I want to say we all feel this is a very important job that you're about to perform. Given your tremendous experience within government, do you feel that you have the ability, the powers, to actually be able to seek out and to identify the information within the confines of government departments, all the information that you require to be able to fulfill your mandate as you've outlined in your introductory remarks, but as well within the Parliament of Canada Act?

Do you have the subpoena power, as it were—to describe it somewhat—to be able to flesh out the facts?

• (1230)

Mr. Kevin Page: Thank you very much, Mr. Byrne. I want to assure members that while I was hit in the head with the puck, I think I've more or less fully recovered and I probably feel better than one of the Senators' defencemen, who took a puck in the head last night.

I am very proud actually, as I said in my remarks, to be part of the tradition of the Library of Parliament. I think it makes infinite sense that we locate there. There are lots of resources within the Library of Parliament that can be used and are already performing a lot of the functions related to costing in supporting economic and finance committees in general.

There is a provision in the act of Parliament that was part of the Accountability Act, as I've noted, that will allow me in my office to go to departments to seek the information that we require to support work related to the key aspects of the mandate on trends in the economy, the federal finances part and particularly the costing part, where we will need substantive amounts of information.

I am hoping that through my experience in working in the public service in a number of different departments, the three central agencies and a number of line departments as well, I've built the kinds of relationships I need to facilitate the flow of that information, to help fulfill the function of the job.

Hon. Gerry Byrne: Will you commit to the committee, and to parliamentarians generally, that if ever you encounter a circumstance where you feel somewhat thwarted, or access to information given to you has in your opinion not been thorough or complete, you will report that in the context of the report that you make to parliamentarians on either individual acts or bills, economic updates, or in the context of that on which you are reporting? Will you include as part of your report comments on whether or not you receive fair and open access on a timely basis to all pertinent information, and if not, you will duly report that?

Mr. Kevin Page: Sir, I will commit to reporting if I do run into problems in terms of getting the necessary information to carry out the mandate.

I would like to add, in this context, that in the past few weeks, as parliamentary budget officer, I have received a number of calls and even letters from senior public officials in the various departments stating they want to work with this office. It's early, but I'm very pleased to see the support I've received from departments and agencies so far.

Hon. Gerry Byrne: I think we're all very encouraged to hear that, because one of the key businesses we all conduct is private member's business. And as parliamentarians, we're at the discretion of the departments as to when they decide or when they issue opinions on a costing of the consequences of a private member's bill in terms of the overall fiscal framework. We are all held hostage to the opinion of government departments.

We're depending on you and your office to ensure integrity, balance, fairness, and legitimacy in what those costings are. I'll just leave that as a comment and simply say there are many economists in this world, and I think if you ask 100 economists for an opinion, you'll find 100 different answers.

But you will have access to information that other private sector forecasters will not have. Not only do you have inside government experience, but you now have the authority and the mandate as an independent parliamentary employee within the Library of Parliament, and we really have high hopes and expectations for the job you'll do.

Thank you, Chair.

The Joint Co-Chair (Mr. Blaine Calkins): Thank you, Mr. Byrne.

Madam Joint Chair, if you would like....

The Joint Co-Chair (Senator Marilyn Trenholme Counsell): Mr. Goldring.

Mr. Peter Goldring (Edmonton East, CPC): Thank you, Madam Chair.

Welcome again, Mr. Young. And welcome, too, to Mr. Page.

I'm interested in knowing a little bit more about this costing of the bills and things, because it seems to be contentious on both sides. I think we really want to have a fair and reasonable assessment.

One issue came up recently, and I think it was the Kelowna issue with Mr. Martin's private member's bill. There seemed to be some suggestion that a huge amount of money was involved. So it is very important to have this brought up, so we can at least be looking at the figures of a well-thought-out and well-researched costing of some of these bills and motions.

I'm wondering whether you will be looking at things nationally, like the impact of biofuels on food pricing. There seems to be a debate as to whether food pricing and food shortages are affected in this country and worldwide by the increased use of food and grain in the production of biofuels. That seems to be a concern, and that type of issue needs to be better researched here in Canada. As well, we're looking at the impacts recently of the food shortages in Haiti and whether those shortages are being impacted by this.

Those are the things on the bills and motions and other secondary issues we approach, not on the basis of a bill or a motion, but we do have them in our other committees, such as foreign affairs, etc.

● (1235)

Mr. Kevin Page: Thank you very much. Those are excellent questions.

On the first question on the costing of bills, which is one of the three key pillars of the mandate, first, here is just a point. Some costing does take place now within the Library of Parliament. I'm sure perhaps a number of you have actually used the services of the Library of Parliament to do costing. I think this could turn out, perhaps, to be one of the most important functions: that we build in strength and capacity within the parliamentary budget officer role.

It's important, whether it's the Kelowna accord or some of the other issues that we read about in the newspapers now, that these things do receive a good costing and that there is transparency on these issues and perhaps a good dialogue, both between members here who are interested in private member's bills and, as well, even in the Department of Finance. We come to some agreement as to what the actual costing is, or we understand where the areas of difference are.

I'm certainly prepared to work to provide that kind of bridge and provide independent analysis on costing. I think the model we need to work to is that once we prepare those kinds of reports and provide the background analysis, we make that information as transparent and as available to people as possible. I think that will really build a lot of trust and maybe deal with some of the down-the-road kinds of questions that follow up with some of these bills, as well.

Just maybe as a word of caution, some of this effort on costing does take time. Certainly something as big as the Kelowna accord, which I think may have been costed by the previous government, is obviously a pretty substantive effort, and there'll be issues around cost.

We'll have to build. I think this is one of the things Mr. Young talked about: building the relationship with you folks, trying to discuss, again, the business model, the business plan, how we set priorities, even some of the service levels with respect to the amount of time that's going to be required to do appropriate costing, and then make those reports available.

Sir, I think your point about food prices is an excellent one. It's been much publicized in various magazines in recent times. While inflation right now is running below 2% on a year-over-year basis, food prices are running much higher. It's having a big impact on lower-income people. I think that is a major concern. So I think that would be an excellent area of research. We should be prepared, as an example, to look at stuff like that.

Mr. Peter Goldring: How would I ask for that? How would a person ask for it to be done, officially? How is it done? What's the procedure?

Mr. William R. Young: It would be the same way as you submit requests currently. You would just call and submit the request and probably discuss it with Kevin or one of his senior people, and it would go into the system. It's not a separate operation; we're going to try to serve you in the same way as we've served you in the past.

Mr. Peter Goldring: Very good. Thank you.

The Joint Co-Chair (Mr. Blaine Calkins): Thank you, Mr. Goldring.

We are moving to Mr. Malhi, please.

Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.): First I would like to thank Mr. William Young, and I congratulate you, Mr. Page, on your appointment as the first parliamentary budget officer.

As the first parliamentary budget officer, how can you provide a more strategic approach with respect to budgetary analysis and information for parliamentarians? How do you see this strategic approach taking place, and when?

• (1240)

Mr. Kevin Page: Thank you, sir, for the question.

Having worked on the other side of the fence—and as I said, this is a new opportunity for me down here to serve Parliament—I'm quite familiar with how much time and effort and energy goes into producing budgets. The economics analysis underscores the preparation of those budgets.

I think I can provide, working with a team that needs to be developed, a good explanation of what's behind some of those economic forecasts, what some of the trends are that are really going to make a difference in terms of the economy over the next few years, and what some of the risks might be in terms of that context.

I can't guarantee you, sir, that I'll have a better crystal ball than the 20 private sector forecasters Finance is using right now, but I'll give you a good explanation or commit to giving you a good explanation of what some of those factors are that will drive the forecast.

In terms of when we'll be able to prepare that information, sir, there's an office that needs to be built. It doesn't exist right now. You are looking at the office of the parliamentary budget officer right

now. I'm pretty much it, with my assistant, Patricia Brown, sitting along the side.

We plan to staff up. We'll build a team upwards of 15 people with lots of experience in doing economic analysis and fiscal forecasting. So we hope to be in a much better position to answer some of the questions that were posed here today, like those on food prices and the impact on inflation. It probably will take literally a number of months, but as I said, we're in the position of hiring some management positions now.

In a sense, in terms of operations, we're probably looking more towards the fall as being a realistic date in terms of having sufficient capacity. It won't be full capacity. It'll be more an early fall kind of timeframe.

I think what's important for me is to use this type of opportunity to meet with you outside these sorts of rooms to get a sense of what your priorities are, how we can establish that working relationship, and work through some of the business plan and models. I'd do some of the human resources kind of planning in the background over the next few months.

Hon. Gurbax Malhi: Thank you.

[*Translation*]

The Joint Co-Chair (Senator Marilyn Trenholme Counsell): Thank you.

Ms. Savoie.

Ms. Denise Savoie (Victoria, NDP): As someone elected to the House in the last elections, I have had a number of opportunities to be disappointed. I have been a witness to extremely partisan debates in the House of Commons.

However, I have never been disappointed with the services provided by the Library of Parliament and I want to take this opportunity to congratulate you, Mr. Young.

[*English*]

Let me turn to a specific question. I don't want to complicate your job even more from the beginning. My questions also are about costing for questions that may come up through private members' bills. I've certainly appreciated the independent, non-partisan analysis that we have, but I guess I'm wondering, when there's an analysis of costs, it's always necessarily, just by the nature of your job or the nature of accounting, towards the monetary. The question was raised around, for example, the whole issue of food for fuel. How realistic would it be to look at something like triple-bottom-line accounting?

I've been reading lately that something like 250 global companies have adopted this form of reporting of impacts when the social and the environmental have real economic impacts. I know, for example, on an issue that I've been closely involved in—early learning and child care, on which I introduced a bill in the House—that the social impacts we face in Canada as a result of not having these are also economic. But I'm wondering if there's ever been a consideration of having that kind of triple-bottom-line performance analysis or analysis of impacts of particular bills or laws?

Mr. Kevin Page: I think that's an excellent question. Having worked in a budgetary capacity, some of us who are closer to putting the balance sheets together tend to look at things purely in simple monetary terms, as you talked about, and try to assess them in terms of what they mean, how much fiscal flexibility we have, where the budget surplus is going to be. But you're quite right to point out that there are important economic impacts to a lot of the measures that are put forward, and often that sort of analysis that's sometimes done in the background doesn't come forward, particularly, in budgetary documents.

I think in the discussions around how we increase the standard of living for Canadians, how we make sure that Canadians' income growth is balanced in our country, we need to look at the opportunity costs as well, and from more of a broader cost and benefit perspective.

So I think in our analysis we will try to look at it from a point of view that will contribute to the policy discussion, which is, I think, the point you're trying to get at, and it will go beyond just the straight pecuniary costs to look at something much broader.

• (1245)

The Joint Co-Chair (Mr. Blaine Calkins): Thank you, Ms. Savoie.

Monsieur Plamondon s'il vous plaît.

[Translation]

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Thank you, Mr. Chairman.

I too would like to congratulate you, Mr. Page, on your appointment to this position.

I would also like to welcome Mr. Young to this meeting.

When Mr. Young last met with the committee on February 13, he stated that the Parliamentary Budget Officer should be not providing forecasts as an alternative to the ones drawn up by the Department of Finance.

I am somewhat concerned by these comments. Your position has been created and if, in turn, you hire 15 people to help you, that represents a major expenditure. If the forecasts that you provide closely resemble the ones I received in the past from the Library, then the position will over time become more of an honorary, rather than an actual working position.

Ideally, when the position was created, what I wanted to see was someone who could provide federal budget forecasts in tandem with the Minister of Finance. After two or three years, if you are correct and the finance minister is always wrong, then I could use the Library as an exceptional reference source in terms of convincing my party either to approve a particular expenditure or convincing it that we cannot afford something as a result of the Library's forecasts.

If you cannot provide these forecasts, then I will have to rely on the minister's forecasts. The fact of the matter is that in the last 10 years, not one minister, regardless of his political affiliation, has been able to provide accurate forecasts for the coming fiscal year. Sometimes, the forecasts are off by \$11 or \$12 billion.

I would expect to incumbent of this position to be competing in some way with the Minister of Finance for the honour of providing accurate forecasts. We rely on private sector experts, but they do not have access to all of the data that you will have access to by virtue of your authority and your position.

So, I was just wondering about that. I do not expect to get an answer or a clear commitment from you today, but this is what I was hoping to get from your appointment

[English]

Mr. Kevin Page: I think the question of how we will operate in terms of providing the appropriate oversight on fiscal forecasts will need some discussion with members of Parliament. There are different options in terms of how we can carry out this role. Our starting point in this conversation needs to be how to elevate the debate from a fiscal planning perspective and how to better understand the factors that go behind some of the forecasts, so that we realize that, from a fiscal planning perspective, there are many different possible outcomes.

As we look forward in terms of the economic and fiscal outlook from this point on, we're moving slowly into a different period of time than we've probably experienced in the last 10 years. We've been very fortunate. We've had a great record, and I've noted that in my remarks. We've been able to reduce our debt in absolute terms. Our debt-to-GDP ratio has fallen dramatically. But as we look forward at our fiscal situation, particularly with what's going on in the United States right now, with a lot of weakness, even the projected surpluses now are actually fairly small. I think we're probably facing some different challenges.

As we look forward in terms of what is the best way and how the parliamentary budget officer can best serve members here in terms of better understanding those forecasts, we can look at different options. One option may be independent forecasts. Another option may be, given that the Department of Finance itself is actually using private sector forecasts, to better explain what the range of forecasts is amongst the private sector forecasters and show basically, if we take the low end of some of those forecasts—and again, some of those forecasts have been revised down now by many economic outfits—what that might mean in terms of fiscal outcomes for the future, what that means for fiscal planning in terms of budgetary choices coming up in the next budget, and what some of the risks are.

I think there is a range of options between independent forecasts and providing better analysis around the risks, what they mean in terms of fiscal planning, and what they mean in terms of budgetary choices. I think it's one that I'd really like to work on with members of Parliament over the next number of months to see how we can best serve. We can look at those different options. It may be something that evolves over time.

• (1250)

The Joint Co-Chair (Mr. Blaine Calkins): Thank you very much, Mr. Plamondon.

Something in the testimony you've just given, Mr. Page, has prompted me, and I hope the committee will grant me an opportunity to ask you a quick question.

I'm a computer programmer, as part of my background, and I built software for business applications. I have to ask what resources you have available to perform "what if" analyses, budgetary forecasting, as far as modelling software and those kinds of resources are concerned, so that a parliamentarian could submit to you several scenarios and you would be able to come back with projections based on those "what if" scenarios?

Do you have that capability?

Mr. Kevin Page: Thank you for the question.

The budget we're working with, in absolute dollar terms, is about \$1.8 million this year, rising to about \$2.7 million next year. From that allocation, a certain amount will be dedicated toward salaries for personnel to provide expertise, and a certain amount will be used for procurement of services.

One of the things we are interested in—and we've started work on this—is seeking access to various private sector models so we can do the kinds of alternative economic forecasts you talked about to look at different economic simulations and what they might mean for different fiscal outcomes. We will be exploring opportunities, at least in the short term, to procure those services from some private sector forecasts, the same ones the Department of Finance are using now when they put together their average private sector forecast.

The Joint Co-Chair (Senator Marilyn Trenholme Counsell): Thank you very much, Mr. Page.

Our next questioner is Dr. Carolyn Bennett.

Hon. Carolyn Bennett (St. Paul's, Lib.): Thank you very much, and welcome. Your reputation precedes you. Everybody seems to love you, so this is very good.

I have two questions. One is around the costing, and one is on reporting.

On costing, we'll start with the easy one around private members' business. Would your office give an independent opinion as to whether this bill should have a royal recommendation?

Secondly, with committee reports, sometimes those exciting officials in Finance have managed to come up with estimates of the report cost, and they provide sufficient sticker shock to the minister that the recommendation, or response to the report, ends up being denied. I guess the disability tax credit report from our disability committee was one of those. Finance decided that if they did what the committee had asked, 10 million Canadians would qualify for it, which was completely wrong. I would like to know that you would be able to help us with problems like that and where on earth they got those numbers.

The second question is on the reporting. I wonder if you would be able to participate with members of Parliament in terms of advice, from Treasury Board to whatever, to make reporting as user-friendly as possible to parliamentarians, but also in how to annualize the performance report with the estimates back to the performance report.

I think Mr. Young will remember this. As chair of the disability committee, to be able to explain to officials that they said that last year.... With the lack of institutional memory that we have in

parliamentary committees, where the membership turns over too often, it's really important that the researchers are able to provide that kind of information.

But I also want to know whether you will be able to look internationally, to other sources of reporting that have been viewed to be more user-friendly to parliamentarians and whether that could be part of a process we engage upon with Treasury Board, and with Auditor General reports, all of those sorts of things?

• (1255)

Mr. William R. Young: With regard to the royal recommendation, that's a procedural issue, and those decisions would be dealt with within that context.

That costing could be done, but the parliamentary budget officer wouldn't have any authority or mandate to deal with the royal recommendation. That would fall within the procedural rules of both Houses, but particularly the House.

Hon. Carolyn Bennett: Whether it's a money bill or not, is there an independent research component that comes before procedure makes that decision?

Mr. William R. Young: We'll find out how it works.

Kevin may want to talk more about that.

Mr. Kevin Page: Depending on the situation, early on in the process this could be quite beneficial. If we were able to provide some intelligence on whether or not there were significant financial costs to the crown, that might be instrumental in making the decision on whether or not a proclamation was required or how it would be treated. That could be valued-added as we build the capacity down the road to provide that early signal too.

On your point about committee reports and the feedback you may get from the House, I hope the role of the parliamentary budget officer, as per the good work that's done in the Library of Parliament, will be to try to work toward solutions on things—whether it's helping disabled people and people of lower income, trying to make education more available, or what have you—so members get better information on what some of the different options and cost impacts might be. It's to actually try to be helpful in moving that discussion along, because what underscores the initiative is a well-intended way to try to help Canadians.

As far as reporting on the estimates goes, or financial reporting more generally, looking at international best practices would probably be one of the easiest ways we, as a parliamentary budget office with limited resources, could provide analyses to you on best practices in how appropriation-style information is put in front of parliamentarians on systems.

I talked about the two management positions earlier, and the function of the one on expenditure and revenue analysis would be to look at budgetary systems. So we would certainly be prepared to look at issues of estimates.

In that regard, there have been some improvements by the government and by previous governments to bring more transparency. They've changed their planning and reporting systems, and they have management accountability frameworks. Some of this information is not very well incorporated into our reports on plans and priorities and our departmental performance reports. If we can be helpful in that regard, we will certainly try to do so.

The Joint Co-Chair (Mr. Blaine Calkins): Thank you, Dr. Bennett.

Monsieur Asselin s'il vous plaît.

[Translation]

Mr. Gérard Asselin (Manicouagan, BQ): Thank you, Mr. Chairman. First off, I want to welcome Mr. Young and congratulate Mr. Page on his recent appointment.

My first question is for Mr. Young. I hope that the recommendation and appointment of Mr. Page were the end result of an open process undertaken by a selection committee following very strict criteria. It was clear exactly why kind of budget officer the Librarian required. The duties and responsibilities of the work team were already well known.

Did the fact that it was decided in advance to give the appointee a five-year mandate deter certain officials or persons who may have been interested in the position? The incumbent began serving his term about two weeks ago, on March 25, 2008. Did the fact that the incumbent would serve only a five-year term deter certain public servants from applying for the position?

•(1300)

Mr. William R. Young: The process of hiring a parliamentary budget officer began in December 2006, shortly after the adoption of Bill C-2. We waited almost seven months for the Privy Council Office to classify the position.

[English]

We brought together a focus group of former parliamentarians to help us define the job description. These were from both chambers and represented all parties. They looked at what this could be in service of Parliament. The job description was finalized after these discussions, and the profile of the individual was identified and assisted very much by that input.

Once the job classification was received from the Privy Council Office, I brought on board Ray & Berndtson, an executive search firm, last August. They worked very closely with us. I also brought in Allan Darling, a former deputy secretary to cabinet and deputy secretary to Treasury Board, to help me, because he had dealt with a lot of these issues during his career in the public service.

I can't remember the exact numbers. I think I gave them to the committee the last time I appeared. The executive search firm talked to about 400 individuals, I believe, and from that we identified some 70-odd potential candidates. That was narrowed down by a panel that the amended act required me to assemble.

That panel consisted of Maria Barrados, the president of the Public Service Commission; Don Drummond, the senior vice-president of the Toronto Dominion Bank; a representative of the

Canadian Association of Former Parliamentarians, Bill Knight, who also has been the Financial Consumer Agency watchdog—

[Translation]

Mr. Gérard Asselin: Mr. Chairman, my question to Mr. Young centred mainly on the reasons why the appointment is for a five-year term. This position could have legs. As I see it, people are more motivated when they hold a valued, important position.

A five-year mandate is not very long when you consider the work that needs to be done. Mr. Page's priorities are to recruit staff and to get his office up and running with the help of a set budget.

Earlier, he said that he hoped by the fall, that is six months into his term, to have recruited staff and defined their duties so as to ensure that they are operational right out of the gate.

I was wondering why it was decided to give the Parliamentary Budget Officer a five-year mandate.

•(1305)

Mr. William R. Young: It was a government decision. It was not my choice.

[English]

The Joint Co-Chair (Mr. Blaine Calkins): Thank you very much, Mr. Asselin.

We have to move along in order to make sure everyone has an opportunity to ask a question.

Mr. Manning, please.

Mr. Fabian Manning (Avalon, CPC): Thank you, Mr. Chair.

I'd like to welcome Mr. Young and Mr. Page and I'd like to congratulate Mr. Page on his appointment.

While I understand there were some concerns raised about Bill C-2 in the House, it's because of the passage of Bill C-2 that we have brought you to the table here today. The Federal Accountability Act is something that we, as a government, are proud of, and we are certainly proud to have this position finally installed. I look forward to working with you on furthering the accountability of Parliament in general.

I want to ask you a couple of questions. You touched on your budget for this year being \$1.8 million and looking to rise to \$2.7 million next year. Do you have projections for your five-year mandate on your budget allocations, or have you simply gone into the next fiscal year with that?

Mr. Kevin Page: Sir, right now we're only working on this year and next year, in terms of our budget. The assumption is that \$2.7 million right now is our baseline budget.

Mr. Fabian Manning: I know you're new in the position, so to any questions I may pose, feel free to say you're not in a position to answer them at this time.

Under the act that brought you here, do you feel you've been given the tools to do the job that you have been requested to do?

Mr. Kevin Page: Sir, I feel there are tools that we need to put in place, and this is actually a great opportunity to build this kind of capacity. So work needs to be done in terms of building that capacity over the next number of months.

There is significant capacity, as I said earlier, sir, in the Library of Parliament now in terms of the provision of certain types of advice, though I think what we're talking about here is a very significant enhancement of capacity when it comes to economic and fiscal analysis, and forecasting and costing—and hopefully for some strategic support on estimates. It's still early going, sir, but in some ways I look at it as if we have a bit of a blank sheet of paper, and we have resources provided. Work will need to be done to make full use of that capacity.

At this point, I think it's a question that we could look at it in another couple of years, whether or not, based on the demands that come our way over the next few years through a couple of business cycles, additional capacity is needed. I think we need to get on with the job in terms of building the early capacity first.

Mr. Fabian Manning: I'm not sure of the process, but if you receive a request from a parliamentarian or from a committee to provide information, I guess you would then work on that request.

Is it somewhere in your mandate that you will provide information on a more proactive basis, instead of waiting for a request to come in? Are there times when you would see fit, or are you permitted under legislation, to provide information without a request being put forward?

Mr. Kevin Page: I think there will be opportunities to do regular reporting from the parliamentary budget officer. The analysis of what's going on in terms of economic trends, both nationally and provincially, certainly lends itself to quarterly updates on how changes are taking place in private sector forecasts and in terms of where people think risks are moving relative to those private sector forecasts. I think there are a number of regular products that we can put in place through the course of a budgetary cycle.

It's still early going, but we would like to work with members of Parliament as to how we can put together those reports so that they best meet the needs of members of Parliament. But yes, I think there will be great opportunities to get out front.

Mr. Fabian Manning: I know that sometimes when we seek information from a department, it's not as forthcoming from officials as some parliamentarians would like. Many of the requests that you will receive, I'm sure, from parliamentarians or committees will involve accessing information from within the departments. Have there been any consultations or discussions with the departments so far? I'm sure that in your role now as parliamentary budget officer, this is going to be new for some of those departments too, when you go looking for that information.

So have there been any consultations or discussions with departments on how you will have the ability to access that information we would want, as parliamentarians?

• (1310)

[*Translation*]

The Joint Co-Chair (Senator Marilyn Trenholme Counsell): One moment please. There are still two more people who want to speak.

[*English*]

Mr. Kevin Page: There have been no formal discussions as yet, sir. I have received expressions of willingness to work from a number of deputy ministers, which would actually be important.

I was hoping that I could take the time to meet with parliamentarians first and then move these discussions with various deputy ministers when we need to provide that type of information.

With my experience as a public servant for over 25 years, I'm hoping, sir, that if we can build an environment of trust where people learn to trust the parliamentary budget officer because of the standards of work he puts forth, the provision of information will flow.

[*Translation*]

The Joint Co-Chair (Senator Marilyn Trenholme Counsell): The chair recognizes Senator Lapointe, a very dedicated member of this committee.

Senator Jean Lapointe (Saurel, Lib.): Congratulations, Mr. Page.

I will keep it short. I want to look at a different set of zeroes and talk about the poet laureate.

Would it be possible for us to get an idea of the overall budget for the Parliamentary Poet Laureate?

Mr. Kevin Page: You would like to know what the budget is for...

Mr. William R. Young: If there are no objections, I will forward that information to the clerk who can then circulate it to members.

Senator Jean Lapointe: Fine then. Does the Parliamentary Poet Laureate have any staff?

Mr. William R. Young: No.

Senator Jean Lapointe: He works alone then? Thank you.

One last comment, briefly. How long is his mandate? I would like to know what he does for young Canadian poets across the country. Does he organize competitions? Does he organize things over the Internet?

I need some answers to these questions because in my estimation, if the poet laureate does not do these things, then the situation is ridiculous and this position is absolutely useless. That is my opinion.

I kept my comments short. The clerk will forward the requested information to me. I have nothing further, sir. By the way, congratulations on your appointment.

I am delighted that both of you did very well this morning.

Mr. Kevin Page: Thank you very much.

[*English*]

The Joint Co-Chair (Mr. Blaine Calkins): Thank you very much, Senator Lapointe.

Senator Murray, please.

Senator Lowell Murray (Pakenham, PC): Thank you, Mr. Chairman.

I have several comments to make, which the witnesses may wish to take on board or respond to as they see fit.

First of all, I would like to see some work done—and perhaps, Mr. Young, it's a matter of updating material you already have—on the doctrine of budget secrecy, which, in my humble opinion, is greatly overdone. I think we all understand that there are certain budgetary decisions that must absolutely be held secret until the moment they are announced, but that need not apply to the entire budget. As a matter of fact, in recent years communications advisers to various finance ministers have developed to a very high art the practice of calculated leaks designed to manage public opinion and public expectations. I'd like to see some refinement of the doctrine of budget secrecy as it exists in modern traditions.

Second, I think I should pay one of my infrequent, but very sincere, compliments to the House of Commons. A lot of progress has been made in opening up the process in recent years, and in particular the work of the Commons committee on finance in its pre-budget role. Mr. Martin and now Mr. Flaherty have used that committee as a platform in order to try to put across some idea of what they're up against and the options that are before them. It also provides an opportunity for citizens to make public representations as to what they think the budget priority should be, instead of only making representations privately to the minister. Anything you can do to enhance the work of that committee in the pre-budget process, I think, would be very important.

I hope, and it may be a forlorn hope, that you'll be able to do something about the study of estimates in the House of Commons, which I think needs complete review.

That being said, the budgetary process, at least in the governments that I've observed, is very closely held. Essentially it's the Minister of Finance and the Prime Minister who know what is going on and who have access to all the materials. Other cabinet ministers, if they're brought in at all, are brought in on a need-to-know basis as matters affect their particular portfolios. One of the results, partly as a result of this, is that in the run-up to the annual budget, I believe there is still an inadequate understanding on the part of the public, parliamentarians, and perhaps even some cabinet ministers as to the real options a Minister of Finance faces.

Perhaps you can help us in this way. What are the real spending pressures that the minister faces in terms of the growth of statutory programs, in terms of pressures for new programs or improvements to existing programs? What are the revenue pressures that the minister is likely to face?

Some people seem to forget that while a downturn in the economy tends to depress revenues, it also puts upward pressure on costs for things like social assistance, unemployment benefits, and the like. Of course, much of this flows from the economic prospects.

I think we need a much more coherent and better presentation of the reality that any Minister of Finance faces in getting a budget ready. It will help us better, as parliamentarians, understand what is

going on. It will particularly help opposition parties and non-ministers to think about what the other options or the alternatives are.

I'll leave it at that for the moment. Thank you.

● (1315)

The Joint Co-Chair (Mr. Blaine Calkins): Thank you.

Mr. Page.

Mr. Kevin Page: Thank you, Senator.

You've given us lots of work to do and I'm getting even more intimidated about the people I have to hire and how fast they have to get started.

On the issue of the doctrine of budgetary secrecy and simply looking at the budgetary process in general, I think that would be a fascinating piece of work to do. And to put that in an international context in terms of how open are budget processes, particularly in parliamentary systems, I think would be a really interesting piece of work to do. As soon as we can get some capacity online, and perhaps working with some folks in the Library of Parliament now, we could get started on that.

In terms of your last point on looking at the issue of pressures, I think your point is very well taken. There are public servant officials, the Department of Finance, the Treasury Board Secretariat piece, the Privy Council Office, and as we move through the budgetary process they keep track of those pressures. Some of them are statutory, as you have said, sir, and some of them have capital components to them.

Certainly, Ministers of Finance and Prime Ministers, as they make those decisions in a budgetary context, are looking at new priorities versus existing spending pressures, and if there are some products we can look at that can keep track of some of those pressures that become quite well known, that could actually influence the pre-budget deliberation budget context. That would be an interesting thing to look at. We will have to take on that kind of work as well.

In terms of the comments about how various Ministers of Finance have used the House of Commons committee in trying to open up and make progress, I'd be happy to let the Deputy Minister of Finance know that they're happy with the progress and we'd maybe need to continue on with that work.

I certainly share your concern. There are a number of officials, and I've heard it even from a few ministers, who are concerned about the amount of scrutiny that's going on, particularly on the estimates side. So I hope that over the next five years.... It's a big topic to take on, but hopefully we can make some real progress on the kind of scrutiny that takes place in the broader estimates process.

● (1320)

The Joint Co-Chair (Senator Marilyn Trenholme Counsell): Unless someone feels a great urgency to ask something, we will discontinue, because we have to be in the Senate in about eight minutes.

Before my colleague brings this to a conclusion, let me add my words of appreciation to you, Mr. Young, and to you, Mr. Page.

Personally, I can say that I have learned much today. It's not that I can do much with figures or mathematics, but I really feel you have an enormous challenge before you. On the other hand, I gain a great sense of confidence in your ability to meet this challenge. You have a very wise person at your right, and the two of you will obviously accomplish this important mission on behalf of the Government of Canada and Canadians.

Thank you. And thank you, colleagues.

[*Translation*]

Thank you everyone. We will hold another meeting in the near future.

[*English*]

The Joint Co-Chair (Mr. Blaine Calkins): Thank you, Madam Joint Chair.

I would like to also thank my colleagues for coming today.

We have lost the ability to have a full discussion today to determine future committee business, but before I go on to that, I would like to thank both Mr. Young and Mr. Page for coming today. We certainly appreciate your testimony and your fulsome answers to the questions that were posed to you.

We certainly appreciate and understand the challenges that you will face. We wish you all the best of luck as you journey forward, and the best on your endeavours in creating a parliamentary budget office that serves the best interests of parliamentarians and Canadians.

With that, I'll let you take your leave.

Colleagues, before we adjourn the meeting, we do have a couple of matters that were before you. Maybe we should have discussed them at the start.

Mr. Byrne has posed a question to the committee. There is a response to that in regard to an assessment from the Library of Parliament on incremental spending for the House of Commons, for the Senate, and of course, for the Library of Parliament, which is stand-alone. You'll find that in your information packages today.

We also have the matter of the estimates that we could or should discuss. I've had a brief discussion with my joint chair here, and it might be best if we convene a meeting as soon as possible to discuss the estimates.

We certainly would entertain any gestures or recommendations for witnesses to come in to testify alongside the people who would normally come to testify on the estimates. At that point in time, we could also shorten the meeting and maybe have an in camera session, with your permission, on future committee business.

Does that seem reasonable to everyone here?

Some hon. members: Agreed.

The Joint Chair (Mr. Blaine Calkins): With that, I thank everyone and adjourn the meeting.

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