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**Official Report
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(Hansard)**

Thursday 19 September 2013

**Journal
des débats
(Hansard)**

Jeudi 19 septembre 2013

**Standing Committee on
the Legislative Assembly**

Financial Accountability
Officer Act, 2013

**Comité permanent de
l'Assemblée législative**

Loi de 2013 sur le directeur
de la responsabilité financière

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
THE LEGISLATIVE ASSEMBLYCOMITÉ PERMANENT DE
L'ASSEMBLÉE LÉGISLATIVE

Thursday 19 September 2013

Jeudi 19 septembre 2013

*The committee met at 0900 in room 151.*FINANCIAL ACCOUNTABILITY
OFFICER ACT, 2013LOI DE 2013 SUR LE DIRECTEUR
DE LA RESPONSABILITÉ FINANCIÈRE

Consideration of the following bill:

Bill 95, An Act to establish a Financial Accountability Officer / Projet de loi 95, Loi créant le poste de directeur de la responsabilité financière.

The Chair (Mr. Garfield Dunlop): Good morning, everyone. Welcome to the Standing Committee on the Legislative Assembly. We're here this morning to have hearings on Bill 95, An Act to establish a Financial Accountability Officer. We only have one deputation; that's Kevin Page. We agreed yesterday to give Kevin up to 30 minutes for his comments—he's video conferencing, of course—and 10 minutes to each of the three parties.

Mr. O'Toole?

Mr. John O'Toole: Yes. Before we start, Mr. Chair, if I may, I'd just like to put a little frame around. Thank you very much. It's a pleasure to be here on Bill 95, and I am looking forward to the deputation, who I've read and heard much about.

I just had a little frame. The legislation—I want to make sure I understand it. This legislation, Bill 95, is the result of a kind of a motion, of an accord, between the NDP and the Liberals in the budget, right? That was kind of part of the agreement. They have an accord within the budget so that the NDP would support the budget, so we're discussing—

The Chair (Mr. Garfield Dunlop): Mr. O'Toole, we're discussing Bill 95. It was an act introduced in the House.

Mr. John O'Toole: Yes, okay. I just want to make sure we know the background to it. It's important that Mr. Page knows that.

The Chair (Mr. Garfield Dunlop): Well, you can ask those questions in your 10 minutes.

Mr. John O'Toole: Yes, okay.

Mr. Steven Del Duca: That's not really within the scope. We're here to discuss the bill itself, Bill 95, and we're actually here today to hear from Mr. Page.

MR. KEVIN PAGE

The Chair (Mr. Garfield Dunlop): With that, we'd like to welcome Mr. Kevin Page to our Standing Committee on the Legislative Assembly. Kevin, welcome. Can you hear me, Kevin? We're not able to hear Kevin quite yet.

Mr. Kevin Page: Can you hear me now?

The Chair (Mr. Garfield Dunlop): We sure can.

Mr. Kevin Page: Okay, good. Thank you.

The Chair (Mr. Garfield Dunlop): Kevin, we do have some of the background material that you sent. You have up to 30 minutes—if you would like to spend as much time as you want discussing the bill.

Mr. Kevin Page: Thank you, Chair. I think maybe 10 minutes or so would be enough for me.

The Chair (Mr. Garfield Dunlop): Okay. Please feel free to go right now if you would like.

Mr. Kevin Page: Members, thank you for this opportunity to share my thoughts on Bill 95, An Act to establish a Financial Accountability Officer for the province of Ontario. It is an honour to be here with you today—well, actually not quite here, but here in Ottawa. I have a few opening remarks on the initiative, on the draft legislation and on some of the challenges of implementing a legislative budget office function.

First, on the initiative: I applaud the initiative. As a former Parliamentary Budget Officer and as a citizen and taxpayer in the province of Ontario, I want evidence-based debate and decision-making by my political representatives and leaders. I want my provincial member of Parliament to have all the financial information and analysis he or she needs before they vote on authorities for new programs, existing programs or changes to tax legislation. I want the Legislature to be in a good position to hold the executive to account. It is essential for good fiscal management and for our democracy.

I think the Financial Accountability Officer initiative can promote fiscal transparency and the use of financial analysis in debate, scrutiny and accountability. More importantly, this is the opinion of the OECD and the IMF: independent fiscal institutions can help.

This initiative is not a panacea or universal remedy for trust and institutional renewal, but in a 21st-century context, with complex decision-making and accountability challenges, I argue that more transparency is better than less. More data points before decisions are taken with taxpayer money are better than less.

Let the public service and officers of Parliament give you what you need to do your jobs. We all benefit: The executive benefits, the Legislature benefits, the public service benefits, officers of the Legislature benefit and, most importantly, the people of Ontario benefit.

With respect to the draft legislation, I think the draft legislation, Bill 95, to establish a Financial Accountability Officer, stands up quite well when measured against OECD best practices, principles and experiences. It is stronger than the legislative provisions for the Parliamentary Budget Officer in the Parliament of Canada Act.

Unlike the federal legislation, it makes the Financial Accountability Officer an officer of the assembly. This is good. It makes the officer both responsible and accountable for the legislative mandate and the use of resources.

Unlike the federal legislation, it ensures that all political parties will have a say in the choice of the next Financial Accountability Officer. This is also good.

Unlike the federal legislation, it provides protection for independent work of the Financial Accountability Officer. He or she will be dismissed only if there is cause. By comparison, I worked at the pleasure of the Prime Minister. In good humour and with all due respect, it is not the job of a legislative budget officer to provide pleasure.

Notwithstanding the relative strengths of Bill 95, you may wish to consider some adjustments that can clarify and facilitate the work of the Financial Accountability Officer. I have provided some suggestions for consideration in a background document, with the assistance of my colleague Tolga Yalkin, also at the University of Ottawa faculty of law.

On the appointment: You may wish to consider adding appropriate credentials in the legislation to ensure that your Parliament has the necessary access to expertise and experience.

On tenure: You may wish to strengthen the language with the use of words like “good behaviour” to ensure that the Financial Accountability Officer is as comfortable as can be in the provision of difficult financial analysis.

On mandate: You may wish to consider clarification around the use of the word “independent,” to ensure that all work conducted by the Office of the Financial Accountability Officer is free from political and bureaucratic interference.

On information access: You may wish to clarify the language with respect to “financial” and “economic,” or use something more broad, like “information, records, explanations and assistance,” on what can be shared with the Financial Accountability Officer, to avoid many inevitable and unnecessary confusions that will impede the work of the officer and the assembly.

Now, some challenges: The experience in Canada at the federal level and in the OECD countries indicates that the implementation of a legislative budget office is challenging. Good legislation is a necessary but not a sufficient condition for success, but you are well under way with the revision of good legislation.

Independent fiscal institutions like the Office of the Financial Accountability Officer succeed in cultures that promote fiscal transparency and the use of financial analysis in debate, scrutiny and accountability. You need to promote this culture. We are struggling in Ottawa with this culture. I want you to succeed in Toronto.

Independent fiscal institutions will succeed when the expectations of the clients are clear, and you are the clients. Do you want independent economic and fiscal projections? Do you want long-term fiscal sustainability analysis? Do you want peer-reviewed costing on new programs and changes to tax legislation? Do you want databases to track spending and performance data against authorities provided? If you do, then say so.

Independent fiscal institutions succeed when their mandates and budgets are sized appropriately—not more, not less. Make the Office of the Financial Accountability Officer be the vanguard of fiscal transparency. Hold the officer responsible and accountable. To quote George Bernard Shaw, without change, there is no progress.

Thank you for this initiative. I look forward to your questions.

The Chair (Mr. Garfield Dunlop): Thank you very much, Mr. Page. We’ve got 10 minutes for each party. We’ll start with the official opposition for 10 minutes.

Mr. O’Toole, for the first question?

Mr. John O’Toole: Thank you very much, Mr. Page, for, I believe, your thoughtful instructions to this committee. I’m quite aware, as most people are here, of the work you’ve done in Ottawa and some of the points you make with respect to the points—specifically, the initiative and the idea being evidence-based.

0910

My colleague Doug Holyday is a new member of the Legislature, but not new to being in public office. He probably has about 25 or 30 years of experience, both as a mayor and other things. But he is, in fact, the official accountability critic. In my role I’ve been replaced by Mr. Holyday, but I’m genuinely interested in this, having served as the parliamentary assistant to the Minister of Finance for three or four years and having been on the finance committee for probably 10 years. It generally drives the entire agenda in any government at any level—it’s all about the money. Ultimately, the taxpayers—we’re at their service, as I understand it.

I don’t want to just ramble on here myself; I will get time to do that, I hope, during the day. How long are we sitting?

The Chair (Mr. Garfield Dunlop): You’ve got 10 minutes. You’re using it right now.

Mr. John O’Toole: I’m just wondering: How long is this process going to run, with just 30 minutes for this—

The Chair (Mr. Garfield Dunlop): There’s one deputation today, and you’ve got 10 minutes today. The next 10 minutes is the time you’re going to have today.

Mr. John O’Toole: Okay, very good. So after this one, we’re not going to hear—okay.

On the initiative, the idea that you thought was evidence-based is very important. I have several docu-

ments with me here that were issued in the last couple of years by the Auditor General of Ontario. The new one, I believe, is in the midst of writing a report also, independently. I would hope the independence of the officers of the Legislature include the Ombudsman, of course, as well as the Auditor General, the Integrity Commissioner, the Environmental Commissioner and others. I respect that, and I think all members of the Legislature respect that.

You also mentioned something about credentialing. I think credentialing is very important. Do you have any recommendations in your response? You could probably let us know whether it's a CA or a CMA or a law degree or whatever the credentials should be.

I'd also wonder if you think this should be a civil servant. I think there's sort of a—not collusion; that's too strong a word, but I would say there's a conflict if someone is in the civil service at the leisure of the government. I question that, too, having been here for 18 years. A lot of really excellent civil servants go on to become—Colin Andersen, for instance, was the deputy of finance; he was the deputy of health. He was the deputy of pretty well everything. He was the rising star. Now he's the head of the Ontario Power Authority, which is basically why we're meeting, because they've spent about half a billion dollars scandalously. The number we're getting from the government is \$40 million. Well, it turns out it's probably a billion dollars. So in that context, I'm very frustrated, as a member of the opposition—that this isn't just another shield from getting to the person who has the keys to the vault, and that's the Premier. They have the keys to the vault and the getaway car. My point is, why do they need another layer of bureaucracy? Look, I'm all for accountability. The only thing is, for 10 years we haven't had an ounce of it.

Interjections.

Mr. John O'Toole: I need 10 minutes, pretty well all of it. He can have as long as he wants to respond to me.

I'd say that access is another thing. When I looked at the explanatory note in the bill, there are some exceptions that are troubling—and I'm sure that you've read this—exceptions with respect to cabinet records. No access to cabinet records—well, how do you get to the bottom, no matter what your credentials or your independence, if you can't get the data that you need to do your job?

I would hope that you would recommend to this group that, first of all, they're not a civil servant, and that they're as adamant and rigorous as André Marin—I'm sure you have great respect for the work he does—and the independence. That means that the elected members of all parties should have full access.

Right now we have a committee that's dealing entirely with the gas plants. They've been seized with that—

Interjection.

Mr. John O'Toole: No, no. You can use your time however you want.

He can seize that opportunity to rigorously go at it. Now, we had this done already. In terms of this, I want you to—because you're an expert and you can follow it.

There's a report issued by the Auditor General. I'm sure you have great respect for Mr. McCarter. He's highly respected around the world, really. This was on the Mississauga gas plant cancellation, and it was quite critical.

Also, as part of the last election the Auditor General issued a report as well, and that report, basically, was required by law to say what was the state of the finances. It went on to say that they had a structural deficit, and yet they lied—if that's permitted. Well, they weren't exactly honest; let's put it that way.

The Chair (Mr. Garfield Dunlop): You have four minutes left, by the way.

Mr. John O'Toole: Okay. He gets as much time as he wants to reply, right?

The Chair (Mr. Garfield Dunlop): You're using his answer time as well.

Mr. John O'Toole: I'm using his time? Well, in that case, I'm just putting a few things on the table in the context of what this committee is supposed to do. We're supposed to sign on to an agreement that was made by the NDP and the Liberals to have a new person come in, with some exceptional opportunities where the Premier can interfere with the person.

In the current legislation, if you've read it, as I have—and I am quite competent in reading—they could easily stickhandle around anything I needed to have. They could say it's not essential, not critical. So I'm somewhat disappointed—although I do want full and transparent accountability. I hear those words all the time, and they're misused here completely.

I do respect the work you did on the F-35 and a few other points that you made.

Maybe you could respond to the general outrage that I've expressed. I'm trying to calm down here.

The Chair (Mr. Garfield Dunlop): Would you like him to respond to what you just said?

Mr. John O'Toole: Yes, to the question I put on the table about what the evidence-based debate is about. What do you mean by that? What kind of independence would be a good one? And the other one is the access.

The Chair (Mr. Garfield Dunlop): Okay. Mr. Page, you've got a couple of minutes to respond to Mr. O'Toole's comments, please.

Mr. Kevin Page: Thank you, Chair. With respect to “evidence-based,” we think that if the Legislature is going to have the capacity to hold the executive to account, they need to have financial information before they vote on new programs, existing programs or changes in tax legislation. So when we say “evidence-based,” they should have access to the same type of financial information that the cabinet and the Premier would see before they make a decision.

To me, as a public servant—I was a public servant in Ottawa for almost 30 years—I was quite familiar with where the bar needed to be set for the Prime Minister and our finance minister to sign off on it.

When I took the job as Parliamentary Budget Officer in Canada, the position of our office was that we wanted

to have members of the Legislature get that public service work—so you'll get to see, "Here's the advice we gave to cabinet."

In our view, it was not cabinet confidence. This was our work. It was the work done by public servants. If it was projections of where the economy goes, we would do risk analysis around those projections.

You raised the issue of, is the deficit cyclical or structural and do we have long-term issues? We think that the Legislature should see that work, and it should be independent work. It should be the work of the Financial Accountability Officer, in your case.

If it was costing, we think that they should get analysis that had methodologies behind it and had assumptions behind it and gave you a range of options. We hand that information over to members of Parliament, and they can debate with the executive in the sense of, "Okay, here is the money on the table." To me, that is evidence-based. "Evidence-based" is, decisions support evidence. It's work that's done by public servants. To me, it is not confidential. It should be made available to all Parliament and to, in fact, all Ontario citizens.

In terms of the word "independence," you need to know that the work that is done by your Financial Accountability Officer is the work of a Financial Accountability Officer that has not been under stress from either the bureaucracy or from the government, the executive. You want to set up the legislation, both from the appointment and from the provisions around the tenure—how this person would be released—to the length of the period. You want to make sure that this person feels that they're in a position to give that kind of independence.

To be honest, sir, our legislation did not do a very good job at the federal level. As a result, it was very hard to attract people to do this sort of work in Ottawa. But I think there were some improvements in the draft Bill 95.

With respect to the—

The Chair (Mr. Garfield Dunlop): Thank you very much, Mr. Page. I'm going to go on to the NDP now.

Mr. Kevin Page: Okay. Thank you.

The Chair (Mr. Garfield Dunlop): Thank you so much for your time with the official opposition.

To the third party: Ms. Fife.

Ms. Catherine Fife: Thank you very much. I'm here today with my colleague Cindy Forster. In the interest of not filibustering any answers that you may provide or advice that you may provide to the committee, and to address some of the confusion that the PCs are clearly experiencing on financial accountability, I'm going to ask you some specific questions, Mr. Page. I want to ask you as many questions as possible. I'm going to start right now.

0920

In your very concise opening remarks, you referenced "long-term financial analysis." What specific advice can you put on the record for Ontario's inaugural Financial Accountability Officer?

Mr. Kevin Page: With respect to long-term fiscal sustainability analysis?

Ms. Catherine Fife: Mm-hmm.

Mr. Kevin Page: Again, this is a body of work that is done in almost all OECD countries. In many cases, this work is legislated so that it has to be provided by finance departments. We found, at the federal level, that we weren't getting this analysis, so we were effectively the only people providing this analysis.

There are methodologies for doing this. It should be done at the provincial level. The OECD, the IMF, the PBO in Ottawa, would help the Financial Accountability Officer do this analysis.

Ms. Catherine Fife: Okay. Thank you. And how does the work done by the Parliamentary Budget Officer at the federal level differ from the work done by the Ministry of Finance or other ministries, and what is the advantage? I think we need to reinforce the advantage of independence, because clearly people are confused about how this legislation has been crafted and how different it is from the federal budgetary officer. Can you make some comments around that, please?

Mr. Kevin Page: In some ways, the work is very similar. In fact, most of the people who worked at the parliamentary budget office in Ottawa were previous finance employees. We do the same type of economic and fiscal projections. We do our own costing. We make that available to all of Parliament—I think this is what's different—whereas in the case of the finance department, they're there to support the executive. If the executive says, "Fine, thank you for the analysis, but we're not going to release it to the assembly, to Parliament or to," in your case, "the province of Ontario," then that work doesn't get seen.

I think that the work of a legislative budget office, the Financial Accountability Officer—they have a duty, I think, to make this information available to all of the assembly, to all of the province of Ontario. So it's really in the distribution of this material. The nature of the work is very much the same.

Ms. Catherine Fife: Can you discuss some of the projects you led as Parliamentary Budget Officer and some of the value provided by the PBO? Can you give us a couple of good examples, perhaps other than the F-35? I mean, everybody referenced it.

Mr. Kevin Page: Yes. Well, I think, we were in a position in the fall of 2008 to effectively say, unlike what the federal government was saying at the time, that we were headed for a recession and deficit. We were able to say that some of this deficit is now structural. Most of it was cyclical, but some of it was structural, that we had cut taxes and we had increased spending to the point where we created a structural nature. So even that deficit, if we got the economy to its potential, was still going to exist.

The government at the time had a different projection: did not see the recession coming, did not think the deficit was structural. Over time, they said, "Yes, there's a structural problem."

We were able to provide costing, when the government changed old age security, to Parliament that was

not provided by the Minister of Finance. We costed crime bills. We costed ships. Again, this is information that we were able to provide to all of Parliament that was peer reviewed by experts, in some cases, with experts from Ontario, other provinces and other countries, and we made this available to all of Parliament, to all Canadians. I think we felt that in five years we were able to give something that wasn't there before.

Ms. Catherine Fife: Okay. Thank you. Can you talk about some of the issues experienced by your office which haven't been addressed through this new legislation, through the FAO, in the province of Ontario—some of the issues, I guess, around, perhaps, not disseminating information or listening to the information that you were trying to provide the Parliament?

Mr. Kevin Page: I would start almost right—again, the improvements in the current legislation, in your legislation, do not exist at the federal level. Right from the appointment, nobody wanted to be the Parliamentary Budget Officer in Ottawa for Canada, because I worked at pleasure. I was effectively appointed by the Prime Minister. I was criticized right from the beginning because I was the Prime Minister's assistant secretary for macroeconomic policy. That couldn't possibly be unbiased, that I would be there to basically support the work of the executive. So you've changed this.

Again, I worked at pleasure. The Financial Accountability Officer can only be dismissed at cause. I think that's a big improvement. In this legislation, all political parties will have a voice in the decision of the next legislative budget officer, your Financial Accountability Officer. In my case—and, I guess, more specifically in a recent case—after I left the office in the spring, the process was taken over by the federal government. We now have a Parliamentary Budget Officer who has never worked on a budget, whereas, in my office, we had people who had decades of experience.

On information challenges—and I've made some recommendations, and this goes back to the previous member's point—I think we often struggle to get information from the departments. For the most part, it didn't stop us from doing the work. We were able to cost fighter planes and cost changes to old age security. We were able to look at crime bills because we could find information. We went to the provinces in some cases to get information, like on the crime bills.

Anyway, we did run into cases when the current government in Ottawa said it would freeze direct program spending and did not provide spending plans by department. So we had a struggle. Often bureaucrats—public servants—it wasn't in their interest to share this information because they knew we could make their lives difficult. So I think you can strengthen some of that legislation. We provided some text that can help avoid some of those inevitable discussions. Again, there are a few examples.

Ms. Catherine Fife: Okay, thank you.

You've mentioned that the current PBO has no experience whatsoever working on a budget now at the

federal level. That's completely unhelpful, but can you give us some idea of what the skillset of the FAO should be? The previous speaker mentioned accounting, but it's bigger than that, right?

Mr. Kevin Page: I think it is bigger than that. Again, you could debate whether you want your first Financial Accountability Officer to come from the public service or come from outside the public service. You'd want to make sure that this person has worked on the aspect of providing fiscal planning projections: projecting where the Ontario economy is going to go over the next five, 10, 15 years or longer and projecting what that impact of that economic forecast will be on the finances of Ontario. I think you want to make sure that your next Parliamentary Budget Officer had a role in costing: working with models and methodologies, working with people who can peer-review so they can provide costing, so that when you get this information—you as parliamentarians—you feel that that information is authoritative and you can use it. Then you can have bigger discussions, more important discussions, on, "Is this the right priority for the province? Is this the right policy direction for the province?"

Again, the work of a financial person is very much background work for the most part. It will encourage the public service to be more transparent. Hopefully, you find that helpful.

Ms. Catherine Fife: I do.

The Chair (Mr. Garfield Dunlop): You have a couple of minutes, Catherine.

Ms. Catherine Fife: Okay, thank you.

With the limited time that we have left, I think you made some good points about—it's more than just understanding numbers; it's understanding the province. I think one of your more salient points is that this office and this individual works not at the pleasure of one party or one person or one level of government; it's for the people of the province. I actually want to thank you for giving us very good advice at the onset.

One last question, though, around the internal operation: You have a unique insight into how the FAO office could truly be most effective. What sort of operational issues do you see—could clarify, and be very efficient at this level? What do they need to be effective?

Mr. Kevin Page: The first Financial Accountability Officer is going to be able to go to a number of people around the world to get help in terms of how to set up the office and help with the methodologies, building that kind of capacity. It would be really important if that person reaches out to the OECD, the IMF and even Ottawa, for that matter, where they can share this information and move up the learning curve faster.

Clearly, getting the talent within the office—it's a small office; it's a very big mandate—is going to be priority number one. And setting up a business model so that this person will work with you to say, "Okay, on selection of the work, given that there are going to be a lot of competing demands, here's the frame. We're going to use risk; we're going to use material. This is why we're going to focus on costing this particular project

versus another. This is why we're going to spend time investing and doing these sorts of projections and analyses around these projections," so that you're comfortable as clients that they're making the right decisions.

Getting the right people, the right business model, reaching out to other organizations that do legislative budget office work: I think you can get real value in your first year from the Financial Accountability Officer.

Ms. Catherine Fife: Absolutely. Thank you very much, Mr. Page. You've been very helpful.

Mr. Kevin Page: Thank you.

The Chair (Mr. Garfield Dunlop): Thank you very much, Catherine, and to the third party.

We'll now go to the governing party. Mr. Del Duca?

Mr. Steven Del Duca: Thanks very much, Mr. Chair.

Mr. Page, good morning. Thank you very much for being with us from your location, for your insight and for the fantastic work that you did for quite some time in ensuring that Canadian taxpayers were kept up to speed with respect to what was happening federally. There are three of my colleagues with me here today, and hopefully we're each going to get a chance to ask you a question.

0930

I wanted to begin by asking: In your experience with the work that you did in Ottawa, did you ever find that you, in any way, shape or form, had kind of a conflicting mandate with other officers, like the Auditor General?

Mr. Kevin Page: No, actually, I felt quite comfortable that we had a sense of where the lines needed to be drawn. In our work as a legislative budget office, it was very much forward-looking. We're projecting in the future, providing planning frameworks and providing costing before decisions are being taken and before authorities have been provided by members of Parliament. Whereas the Auditor General is very much retroactive; after the money has been spent, they're using a different set of tools, auditing tools.

But there were examples where we saw complementarity. For example, on the fighter plane work, we did upfront costing work. We made that work available; it was peer-reviewed. A year later, the Auditor General went back, looked at the processes that were taking place at the Department of National Defence and within the Privy Council office and was able to complement that work by auditing the process around procurement. So we provided upfront costing, and the AG looked at the process. I think we complemented each other.

Mr. Steven Del Duca: Thanks very much for that answer.

The Chair (Mr. Garfield Dunlop): This is Ms. Damerla with the next question.

Ms. Dipika Damerla: Thank you, Mr. Page, for being here—well, being here via teleconferencing. I do have to say that I've read some of your columns in various newspapers with interest. You certainly bring a wealth of knowledge.

My question was, have you ever had to refuse a request that was made of your office when you were the Parliamentary Budget Officer?

Mr. Kevin Page: I think there were a number of conversations we would have with parliamentarians where they would ask us to do work. These were the kind of conversations that would be almost in confidence. They'd say, "Could you provide this type of costing? Could you find a way to get maybe an aboriginal school in my riding?" So we would basically—part of that conversation would have been, "Well, we're economists. We're financial officers. We can't actually do that work. This work goes beyond our legislative mandate." In that sense, there was a lot of work, as part of that early relationship-building with members of Parliament, where we'd say, "We're not really built to do that." So, yes, I think there were examples like that.

Also, we got way more demands, in our third, fourth and fifth years, for work than we were able to do, particularly in the costing area. So we had to tell parliamentarians, "You're on the list, but you're well down the list," because we were focused on what we thought were higher, more riskier projects.

Ms. Dipika Damerla: How much time do we have left?

The Chair (Mr. Garfield Dunlop): Your party has another seven minutes.

Ms. Dipika Damerla: So I'll just ask another question, and then I'll pass it on to my colleague.

The Chair (Mr. Garfield Dunlop): Yes, okay.

Ms. Dipika Damerla: I was just wondering—and this is more a philosophical question—I just wanted your thoughts as to how you balance the rights of an independent officer of the Parliament and supremacy of the Legislature and the will of the people.

Mr. Kevin Page: Well, I continue to see myself, even while I'm at a university, as a public servant, so as somebody who supports the work of parliamentarians, knowing that Parliament works for Canadians. We never saw our work as usurping the role of parliamentarians. Parliamentarians, in our view, had a role, particularly the ones that we were supporting, to hold the executive to account. Often the executive as well was supported by the public service. In that role, we were just providing information. If we could make that information authoritative, they could use it.

We never got into policy issues. We costed the Afghanistan engagement, a war; we never said we should be in this war. We costed fighter planes; we never said, "You need to buy this fighter plane." We costed crime bills; we never said, "You need to be tough on crime." We said, "Here's the fiscal cost if you do that. In fact, here's a range of costs."

So in that sense we never felt that we crossed the line where we want parliamentarians or political leaders to set those priorities, set this policy, deal with the policy issues. We just said, "If you go down this path, here's some authoritative analysis on what the cost could be."

For the most part, we stayed away from the discussion around benefits, which is also in your legislation, because we thought that would be partisan. So we stayed within a pretty narrow sandbox.

Ms. Dipika Damerla: I'm going to pass it over to Ms. Mangat.

The Chair (Mr. Garfield Dunlop): Mrs. Mangat, MPP.

Mrs. Amrit Mangat: Thanks, Kevin, for sharing your thoughts. My question is: Based on your experience, what are the best mechanisms you would suggest for releasing annual reports?

Mr. Kevin Page: To me, just maybe perhaps some clarification: By an annual report, do you mean a year-end report where basically the Financial Accountability Officer says, "Here's how I spent your resources. Here are the projects I worked on. Here's my sense of performance"? Or, ma'am, are you referring to more individual reports that will get released in the course of the year? Just some clarification.

Mrs. Amrit Mangat: Do you have any suggestions how that process can be improved through the legislation?

Mr. Kevin Page: I think if it's, again, an annual report, which is more a report—you know, here is the plan of the Financial Accountability Officer; here's the performance of the Financial Accountability Officer. That report should look like any report that would be produced by a provincial department—so in that kind of context. And it should be released in the same way so that there could be scrutiny on the work of the Financial Accountability Office.

If we're talking about reports—economic and fiscal projection reports, reports on costings—that come up, that have been requested from MPs, then I think there is a process that we established, that we borrowed basically from the OECD and the IMF. It starts with developing terms of references with members of Parliament; being very public about the information that we need from government departments so that everybody knows what we're working on; telling people before we release a paper that we will be releasing a paper; working in the meantime with public servants, with other experts across the country or internationally on the project; releasing the report first to parliamentarians, which can include the executive and those not in the executive; and then, if necessary, briefing the media as well so everybody knows and then everybody holds the Financial Accountability Officer responsible and accountable.

Mrs. Amrit Mangat: Thank you.

The Chair (Mr. Garfield Dunlop): Mr. Grant Crack.

Mr. Grant Crack: Thank you, Mr. Chair. Welcome, Mr. Page. My question is probably pretty simple. I imagine you had worked on a number of reports over your term, and I'm just wondering if you could provide us some examples of some of the reports, perhaps, that you did provide and which one would be your favourite as far as personal satisfaction in bringing some of the information forward.

Mr. Kevin Page: Actually, that's a tough question. I would probably make a lot of people I work with very closely very angry if I pick one and not another.

We always felt, particularly when you're starting a new office, that every project was really important. We

could almost make or break on the quality of that project. We couldn't have a bad project. That's one of the reasons, sir, that we had things like peer reviews. Before we release a product to members of Parliament—I think this is a good practice for the Financial Accountability Officer—get it reviewed by experts within the province, outside the province, so that we could release it.

I felt very proud from our very first project, where we costed Canada's engagement in Afghanistan. We were able to look at: What were the costs over a long period of time in having boots on the ground? What were the costs to capital, because capital was going to depreciate? What were the monies that we spent in development? Providing this whole big picture, right to my last report, where we looked at the criminal justice system: What were the costs overall of the system? How did federal costs compare with provincial costs? If we changed legislation, how did those impacts flow down on the provinces as well, too?

They all seemed very important to me. But again, some best practices like peer review could help the Financial Accountability Officer a long way.

The Chair (Mr. Garfield Dunlop): You've still got a minute.

Mr. Grant Crack: Okay. You talked specifically, Mr. Page, about Afghanistan. Could you give us some other examples of some of the other work that you took up?

Mr. Kevin Page: Absolutely. We built within our very first year a capacity to do independent economic and fiscal projections. I had two people in my shop who ran forecasting out of the Department of Finance. We actually worked with a company from Toronto using a model to produce economic forecasts that were different than the government fiscal forecast.

We were able to provide analysis to members of Parliament on that: Is the deficit cyclical or structural? We were able to impart analysis to parliamentarians around the range of certainty you could have around our projections of nominal GDP or budgetary balance. We were able to do projections, what we called stress tests, on the fiscal framework: Do we have a fiscal gap at the federal level? Do they have a fiscal gap on long-term sustainability, a fiscal gap at the provincial level?

When you're making decisions about changing the Canada Health Transfer, which will impact on the provinces, what's that impact on the provinces in terms of long-term sustainability? And we did the same thing on old age security.

Again, we costed fighter planes. We costed crime bills. We costed private members' bills. We costed ships. We had a full range of products over that period. We built databases so that parliamentarians could track, on a quarterly basis, spending on a program activity basis relative to the authorities that they were providing.

I could go on, and again, this was built with a team of about a dozen people, almost always using students from the province of Ontario who were very engaged. We put our names on the products, and we put the names of the people who peer-reviewed it on the product, and when

people called, like yourselves today, we appeared in front of them. We weren't shy about doing that, so that you could hold me accountable and hold me responsible for the work. It's very honourable work.

Mr. Grant Crack: Thank you.

The Chair (Mr. Garfield Dunlop): Thank you very much, Mr. Page. That concludes the time for the Liberal Party.

Mr. John O'Toole: Chair, can I ask a question? I have a question for the committee here. What was the total budget cost for his department in Ottawa? That's a simple question.

The Chair (Mr. Garfield Dunlop): We've already concluded the timing at this point.

Interjections.

The Chair (Mr. Garfield Dunlop): Okay, we can find that out for the third reading.

Okay, so, as it is right now, to the committee: The meeting scheduled for this afternoon has been cancelled because of a lack of participants, but all of the amendments to Bill 95 have to be in by 5 p.m. on the 24th, next Tuesday, and we will do clause-by-clause from 1 p.m. to 3 p.m. on the 25th next—

The Clerk pro tem (Ms. Tonia Grannum): Next Wednesday.

The Chair (Mr. Garfield Dunlop): Okay. And Brad Warden is the legislative counsel on Bill 95 if you have drafting questions.

Mr. John O'Toole: Point of order, Chair: I want to table with the committee a report issued by the Ontario

auditor. This was issued in 2011. The report is the Auditor General's Review of the 2011 Pre-Election Report on Ontario's Finances. I would recommend that each member of the committee read it. It's independent. It's forward, not looking retrospectively on the dilemma of the government and the situation.

I believe that what Mr. Page told us today was important: that he's looking forward; the Auditor General can look backwards.

The Chair (Mr. Garfield Dunlop): Okay. So, Mr. O'Toole is tabling that—

Mr. John O'Toole: And I'm tabling this officially, and I'd ask members to read it. We're not just going to rubber-stamp this because it's a time-allocation bill. We're going to actually find out if we're going to create more money, more bureaucracy—

The Chair (Mr. Garfield Dunlop): Okay. That concludes the deputations this morning. I'm going to adjourn the meeting now. The meeting is adjourned. We'll see you next Wednesday at 1 o'clock.

The Clerk pro tem (Ms. Tonia Grannum): At 9 a.m.

The Chair (Mr. Garfield Dunlop): Oh, I'm sorry. It's 9 a.m. next Wednesday.

Mr. Steven Del Duca: At 9 a.m.?

The Chair (Mr. Garfield Dunlop): At 9 a.m. on the 25th. I apologize.

Mr. Steven Del Duca: Okay. Thank you, Chair.

The Chair (Mr. Garfield Dunlop): Okay. Mr. Page, thanks so much today.

The committee adjourned at 0943.

CONTENTS

Thursday 19 September 2013

Financial Accountability Officer Act, 2013, Bill 95, Mr. Sousa / Loi de 2013 sur le directeur de la responsabilité financière, projet de loi 95, M. Sousa	M-73
Mr. Kevin Page	M-73

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