



# 2014-15 Report on Activities of the Office of the Parliamentary Budget Officer



OFFICE OF THE  
PARLIAMENTARY  
BUDGET OFFICER  
BUREAU DU DIRECTEUR  
PARLEMENTAIRE DU  
BUDGET

CANADA

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## **Message from the Parliamentary Budget Officer**

I am pleased to present the second report on the activities of my office, which covers the 2014-15 fiscal year (FY).

The Office of the Parliamentary Budget Officer provides independent fiscal and economic analysis to parliamentarians to support and strengthen their ability to hold the government to account for the raising and spending of public money. As Parliamentary Budget Officer, I believe this function is central to Canada's system of responsible government.

During 2014-15, we published 31 reports and continued to impact parliamentary and public debate on a range of economic and financial issues. Our analysis was accepted and used extensively by all political parties and by major media outlets across the country.

The single most significant barrier we face to fulfilling our mandate is access to government information. In the 2014-15 FY, departments satisfied only 51% of our information requests. Without timely access to good quality, electronic government information, our ability to provide parliamentarians with accurate and relevant analysis is hampered, and our resources are tied up in seeking access to information.

By refusing access to data in apparent breach of their legal obligations under the *Parliament of Canada Act* and the *Access to Information Act*, departments have prevented us from providing Parliament with complete analysis of many issues. These include the tax gap, the acquisition of a polar class icebreaker, military spending and the implementation of budget cuts.

To address this issue, the Standing Joint Committee on the Library of Parliament has recommended that we write to the chairs of the Committees outlined in section 79.2 of the *Parliament of Canada Act*. We will ask them to use their powers to obtain the records we require for the purpose of conducting our analysis. I am hopeful that this approach will yield results.

I trust that parliamentarians, parliamentary partners and other interested parties will find this report informative.

Jean-Denis Fréchette  
Parliamentary Budget Officer

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# 1. The PBO's Role and Structure

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The first Parliamentary Budget Officer (PBO) was appointed in 2008 to provide Parliament with financial and economic analysis and improve the transparency and credibility of the government's fiscal forecasting and budgeting. Parliamentarians hoped that the PBO's analysis would promote truth in budgeting and foster trust in government.<sup>1</sup>

## Who is the PBO?

The current PBO is Jean-Denis Fréchette. He was appointed on 3 September 2013, succeeding interim Parliamentary Budget Officer Sonia L'Heureux.

He is supported by the Office of the Parliamentary Budget Officer (OPBO), which consists of 16 full-time employees who are mainly economic and financial analysts.

As he is an officer of the Library of Parliament, he and his office are under the administrative umbrella of that organization. OPBO staff are Library of Parliament employees.

Since 2008, we have generated 239 publications.<sup>2</sup> The topics have ranged from analysis of economic trends to the costing of major infrastructure projects.

Our operating budget for the 2014-15 fiscal year (FY) was \$2.8 million.

## 1.1. Mandate and mission

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The PBO's legislative mandate is to provide independent and objective analysis to Parliament on the state of the nation's finances, the government's estimates and trends in the Canadian economy; and upon request from a committee or parliamentarian, to estimate the financial cost of any proposal for matters over which Parliament has jurisdiction.<sup>3</sup>

We have interpreted this mandate into this mission statement:

By providing independent, credible and non-partisan financial and economic analysis, we will support parliamentarians in carrying out their constitutional roles of scrutinizing the raising and spending of public monies.

## 1.2. Key features

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We are independent, credible and non-partisan.

### Independent

The OPBO is independent from the Prime Minister and Cabinet. Our independence is supported by the wording of the *Parliament of Canada Act*, our location within the Library of Parliament, and the reasons for creating our office.

The *Parliament of Canada Act* requires the provision of "... independent analysis to the Senate and House of Commons ...." If we were subject to the control of Cabinet, our analysis would not be independent.

Rather than reporting to a cabinet minister, we are housed within the Library of Parliament, which is itself independent of government.<sup>4</sup> The Library of Parliament provides administrative support, but is not involved in our operations.

We were created to assist the Senate and House of Commons in holding the government to account and add credibility to the government's budgeting and estimates.<sup>5</sup> We would not be able to do this without independence from the executive.

Members of all political stripes<sup>6</sup> have spoken about our independence. And, in 2013, the Federal Court said:

By establishing the position of a Parliamentary Budget Officer and enshrining his or her mandate in legislation, Parliament intended that independent, i.e. independent from Government, financial analysis should be available to any member of Parliament, given the possibility that the Government of the day may be a majority government with strong party discipline.<sup>7</sup>

While similar, in some senses, to officers of Parliament, there are some important differences.

## How is the PBO different from officers of Parliament?

The PBO differs in several ways from such officers of Parliament as the Auditor General, Information Commissioner and Privacy Commissioner:

- Officers hold office for a **term** of seven or 10 years, while the PBO's term is a renewable one of no more than five years.
- Officers can only be **removed** when they have behaved poorly and with joint resolutions of the Senate and House of Commons, whereas the PBO "hold[s] office during pleasure" and, therefore, can be removed without cause at any time.
- The PBO's **salary** is set by government, and could be reduced by the government.
- Officers are **appointed** after consultation with the leader of every recognized party in the Senate and the House of Commons; the PBO is appointed from a list of three names submitted in confidence through the leader of the Government in the House of Commons by a committee formed and chaired by the Parliamentary Librarian.

*Sources: Parliament of Canada Act, RSC 1985 c P-1 s 79.1(2); Parliament of Canada Act, RSC 1985 c P-1 s 79.1(4); and Parliament of Canada Act, RSC 1985 c P-1 s 79.1(3).*

## Credible

We need to be credible so that parliamentarians can rely on our financial and economic analysis with confidence so that they can contribute to an informed parliamentary debate.<sup>8</sup>

We do a number of things to enhance the credibility of our work.

First, we publish full reports, which include details on how we arrived at our findings. This means that our work is subject to public scrutiny. External experts have occasionally identified room for improvement in our methodologies, which has resulted in our office revising a report, or improving its methodology for future reports.

Second, we hire qualified and talented staff. Most are economists or financial analysts with advanced degrees and years of experience in the public service.

Third, where advisable, we use external peer review of our work. This is especially helpful on novel and complex files.

### Do others think our work is credible?

Parliamentarians appear to generally regard our work as credible.

We were used as an authority 171 times in Hansard over the past year, including 42 times by members of the governing party. There were only three occasions on which our findings were disputed.

Others also appear to generally regard our work as credible. The International Monetary Fund (IMF) stated that the PBO “has earned a reputation for good quality independent analysis for its research, costings and forecasting work.” Another academic commentator has noted that “the work produced by the PBO ... is widely acknowledged to be as authoritative as any private sector equivalent.”

## Non-partisan

We must not be partial towards any particular cause, person or party. If we were perceived as partial, people might think that our results are not reliable and trustworthy, or the way in which we present them is biased.

We make sure we are non-partisan by careful staffing and internal review.

The PBO and Assistant Parliamentary Budget Officer are not members of any political party. They do not receive money or resources from any outside person or group.

Analysts are hired on the basis of merit and must agree to the *Values and Ethics Code* of the Library of Parliament, which emphasizes impartiality and maintaining the trust of parliamentarians.

Analysts carefully scrutinize their analysis to ensure that it has not been unwittingly influenced by partisan points of view. The reports are based on established methodologies, wherever possible, to narrow the methodological judgement calls that must be made. The analysis is then peer-reviewed within the office and reviewed by managers, who seek to challenge any unconscious biases.

## Does the fact that we're mentioned in public debate mean we're partisan?

The fact that we are non-partisan does not mean that PBO analysis will not form part of the political debate or be used by individuals with partisan views.<sup>i</sup>

Because we provide a second perspective on economic and fiscal matters that often contrasts with analysis released by the government, our work is sometimes used for political purposes by the opposition.<sup>ii</sup> Where analysis confirms the findings or narrative of government, it is also used by government parliamentarians.<sup>iii</sup>

*Sources and Notes: (i) The three disputed findings were the job benefits of small business job credit, the feasibility of acquiring six Arctic offshore patrol ships within the current budget, and the impact of budget cuts on GDP growth. The dispute over job benefits was a largely artificial difference arising from confusion between the job gains the PBO estimate and the job-years of employment estimated by an industry association. The government subsequently expanded the budget and lowered the number of Arctic offshore patrol ships it expected to receive. The impact of budget cuts on GDP growth is impossible to prove and therefore still a matter of dispute. (ii) Teresa Curristine, Jason Harris, and Johann Seiwald, *Case Studies of Fiscal Councils – Functions and Impact* (16 July 2013), online: International Monetary Fund (IMF) website <<https://www.imf.org/external/np/pp/eng/2013/071613a.pdf>>, at 19. (iii) Karine Azoulay, "Making the Case: Canada's PBO, the Courts and the Fourth Branch of Government" (2014) 8 *Journal of parliamentary and political law* at 115 (Radar a607638).*

The PBO is mandated to estimate the "financial cost" of proposals, to the exclusion of social benefits. We have occasionally been criticized for focusing on the financial costs and distributional effects of policies, such as the TFSA, to the exclusion of their benefits in terms of individual welfare. However, that "bias" is inherent in our mandate.

Another challenge in avoiding perceptions of bias is that many of our reports are intended to address questions that parliamentarians would like us to answer. This can create problems; politicians usually request analysis because they believe it will promote the causes in which they and their party believe. To counteract this tendency, we always try to provide a complete picture of the problems we are asked to investigate, even if a narrower question is asked.

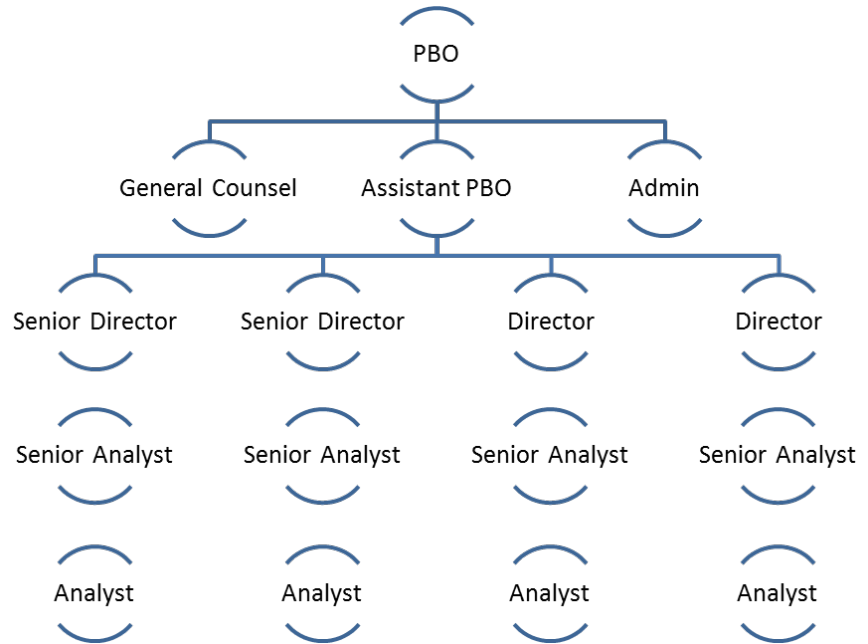
Moreover, the results of a parliamentarian's request are made available to all parliamentarians at the same time; this avoids our being accused of playing favourites by providing one parliamentarian with advance access to analysis just because his or her request was the catalyst. At the same time, we respect the anonymity of requesters; parliamentarians are free to ask us not to name them as the requester of a specific report.



### 1.3. Internal organization

Staff and resources are centrally pooled to allow staff to work on the projects where they are needed most.

**Figure 1-1 Internal organization**



Note: As per senior analysts and analysts, the above organizational chart is illustrative. The actual number of senior analysts and analysts changes from time to time.

Resources are allocated to projects that are likely to involve the most public funding and will be the most useful for Parliament.<sup>9</sup>

As mentioned above, the PBO’s mandate includes reporting on the state of the nation’s finances, the government’s estimates, trends in the national economy, and the financial cost of any proposal for matters over which Parliament has jurisdiction.

We produce regular reports relating to the first three branches of the PBO’s mandate, including:

- a [semi-annual economic and fiscal outlook](#) and [occasional updates](#);
- an [annual fiscal sustainability report](#);
- [quarterly reviews of federal program spending](#);
- analysis of the [main](#) and [supplementary](#) estimates; and
- a [labour market assessment](#).

The economic and fiscal outlook is produced at the request of the Standing Committee on Finance. The other regular products cover the other essential elements of the PBO's mandate and are based on feedback and requests from the first few years of our operations.

In the 2014-15 FY, we also produced a number of one-off reports relating to the first three branches of our mandate:

- [federal child-care spending](#);
- [The Family Tax Cut](#);
- [The Fiscal Sustainability of Canada's National Defence Program](#);
- [Temporary Foreign Workers in Canada](#);
- [Fiscal Impacts of Lower Oil Prices](#);
- [performance budgeting during fiscal consolidation](#);
- [federal transfers to provinces and territories](#); and
- [federal tax changes: 2005-2013](#).

Finally, we produced a number of reports relating to financial costs, including:

- [the cost of remediating Canada's contaminated sites](#);
- [the variance in sick leave costs among departments](#);
- [the revenues that could be generated by introducing a toll on the Champlain Bridge replacement in Montréal](#);
- [the degree to which employment insurance premiums collected exceed those needed](#);
- [the feasibility of the government proposed procurement of Arctic/offshore Patrol Ships](#); and
- [the financial cost of Canada's mission in Iraq](#).

A typical report contains a detailed description of the methodology used and the differences between that methodology and the methods used by the government, where known. Our reports do not include policy recommendations.

## 1.4. Stakeholders

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We serve all senators, members of Parliament (MPs) and the parliamentary committees on which they sit. We do this by providing them with equal access to all our reports, meeting individually with them, and appearing regularly at parliamentary committees.

### Who is invited to our briefings?

We always invite all parliamentarians and their staff to attend our briefings, not just the MP who submitted the report, or their party. The invitation is included in a communiqué sent to parliamentarians' official e-mail addresses.

We communicate our findings to the public and the media as well. This promotes the objective of transparency and also allows us to better serve senators and MPs who can speak to our reports knowing that the public is aware of them. In all our work, we aim to be clear, concise and accessible.

Figure 1-2

### The Parliamentary Budget Officer presents our report on the cost of Canada's mission in Iraq



Source: "PBO pits cost of Iraq mission as much as \$44M more than government estimate," *Global News* (17 February 2015).

The media play a role in disseminating and interpreting our findings. Accordingly, the PBO and Assistant PBO regularly participate in on-the-record interviews about our findings.

## 1.5. Requests

Senators and MPs can ask us to provide the financial cost of any proposal for matters over which Parliament has jurisdiction. Accordingly, parliamentary requests drive a good portion of our work. Since 2008, we have received 118 requests from members of every political party.<sup>10</sup>

Parliamentary committees can ask us to undertake certain research for them. Currently, committees have standing requests for our office to estimate the cost of private members' bills and provide an economic and fiscal outlook.

We also try to address issues of interest to parliamentarians in our analysis of the state of the nation's finances, the government's estimates and trends in the national economy. For example, we are providing more detailed analysis of the funds set aside in the estimates for military procurement because many parliamentarians have expressed interest in this area. We also developed a tax tool for parliamentarians in response to numerous questions we received about the revenue impacts of certain tax changes.

**What is the tax tool?**

The [tax tool](#) allows parliamentarians to explore the revenue impact of tax changes. Parliamentarians can use it themselves to explore the impact of tax changes they are considering.

They can also ask us about the impact of a tax change, in which case we can use the tax tool to provide a quick answer.

**Table 1-1 2014-15 Publication impetuses**

<b>Impetus</b>	<b>Number</b>
Senator or MP initiated	11
Committee initiated <sup>11</sup>	3
Self-initiated regular products	17

In the 2014-15 FY, we resolved all but three requests from prior fiscal years. This means that for every other request made to us in past years that we agreed to undertake, our analysis has been completed and a report published. We are still unable to resolve requests relating to analysis of the tax gap and the implementation of the 2012 Budget. This is because government departments have refused us access to the necessary information.

**Table 1-2** Current status of requests from parliamentarians and committees for each fiscal year

	<b>Current Status</b>			<b>Total</b>
	<b>Ongoing</b>	<b>Competed<sup>12</sup></b>	<b>Closed<sup>13</sup></b>	
<b>2008-09 FY</b>	0	6	7	13
<b>2009-10 FY</b>	0	15	12	27
<b>2010-11 FY</b>	0	8	15	23
<b>2011-12 FY</b>	0	6	8	14
<b>2012-13 FY</b>	2	5	5	11
<b>2013-14 FY</b>	1	8	6	16
<b>2014-15 FY</b>	10	3	1	14

While more requests may be beneficial, we would find it difficult to do more costing analysis without compromising other aspects of our mandate, given our limited resources.

It is also worth noting that the next Parliament will include 30 more MPs. If they submit requests at the same rate as current MPs, this will put more strain on our resources.

## 1.6. Provincial developments

Our Office is also serving as a model at the provincial level. In September 2013, the Legislative Assembly in Ontario passed legislation establishing a Financial Accountability Officer (FAO).<sup>14</sup> The first FAO was appointed on 25 February 2015.

The FAO benefits from a statutory mandate and powers that reflect some of the lessons learned from challenges we faced over the past few years. For example, the FAO enjoys a broader right to access information.

Private members' bills that would have created institutions similar to our office have also been debated in Alberta, British Columbia, Quebec and Saskatchewan in the past few years.<sup>15</sup>

## 2. Our Performance

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### 2.1. How do we measure our performance?

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Our mandate is to provide fiscal, economic and budgetary analysis to Parliament. Accordingly, we measure our performance by the degree to which we enhance

1. understanding and dialogue;
2. transparency; and
3. government practices

relating to financial, economic and budgetary issues.<sup>16</sup> In other words, we seek to inform parliamentarians, furnish the information they need to make informed decisions, and encourage the government to provide more useful and accurate information.

This report evaluates our performance using these three performance indicators. They are primarily measured based on a qualitative review of our publications over the fiscal year and their impacts, as well as on a quantitative analysis of operational statistics.

Operational statistics offer the benefit of being objective and verifiable. However, like all statistics, they are open to competing interpretations. We seek to overcome these limitations by presenting all operational statistics in detail and in context. This will help our clients understand what numbers are composed of, how they have changed over time, how we compare to other organizations, and what real examples exist.

It is difficult to draw a causal link between our activities and some of the broader objectives we were created to achieve, such as encouraging financially responsible decision-making and improving the accuracy of government forecasts. To test whether we are achieving these goals, this report reviews the academic literature on whether fiscal councils have contributed to these broader objectives, across many countries and over many years.

## 2.2. What were our key publications and their impacts?

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In the 2014-15 FY, we published 31 reports. The following is a selection of some of the reports and their apparent impact on our performance measures outlined above.

In April 2014, we published [the financial cost of cleaning up Canada's contaminated sites](#), which is estimated at \$3.9 billion, excluding certain large sites. This is more than double the expected costs projected by government. This difference arises because accounting standards do not allow departments to report liabilities for suspected contaminated sites before they have been assessed, nor for sites expected to be uncovered in future.

This analysis allowed us to identify funding shortfalls, including a \$24 million shortfall in funding for assessments. The 2015 Budget committed an additional \$99.6 million over four years (\$1.35 billion on a cash basis) to help address this shortfall.

In May 2014, we released a report evaluating the impact of [federal tax cuts since 2005](#). We found that \$17.1 billion less in personal income taxes has been collected as a result of the cuts, and consumers avoided paying about \$13.3 billion in value-added taxes. We further found that low- to middle-income families benefited more, as a portion of their income, although higher-income Canadians benefited more in real terms.

These figures became part of the narrative of the government about the tax cuts they have accomplished, and of the opposition's criticism of the distributive impact of those cuts. An updated version of the figure was included in the 2015 Budget.

In June 2014, we published a report on [equalization payments to the provinces](#). We found that changes to the formula for equalization had substantially benefited Alberta at the expense of Ontario. This report had a significant impact on public and parliamentary debate.

In August 2014, a report showed that there was [no significant relationship between the performance of government programs and changes to their budget](#). The report found, however, that low-performing programs were most likely to receive budget increases.

In September 2014, a study on [the new Champlain Bridge](#) estimated the tolls that would have to be charged to recover the costs of construction, and assessed the traffic diversion that was likely to result. In the same month, we also released a report on [balanced budget legislation](#), highlighting the limitations of such legislation. Balanced budget legislation was subsequently introduced by the government as part of the 2015 Budget.

In October 2014, a report addressed many of the questions parliamentarians posed on [employment insurance premiums](#), which were estimated to be

higher than needed to cover payouts from the program. A crucial finding was that the job benefits from certain tax cuts would be far more limited than the government had claimed.

In the same month, we also released a high-profile report showing that the budget set aside for the [Arctic Offshore Patrol Ships](#) was insufficient to buy the planned six to eight vessels. The report suggested that the current budget was likely sufficient for only four ships. In January 2015, the government increased the budget for the purchase from \$3.1 billion to \$3.5 billion, with only five ships guaranteed, but six expected. This is consistent with the model presented in our report.

In January 2015, we published a report on [the fiscal impact of lower oil prices](#) which framed public debate on the issue.

In February 2015, two major costing reports were released. The first was an estimate of the incremental [cost of Canada's mission in Iraq](#). The announcement of the impending release of this report apparently prompted the Department of National Defence to release its own estimate.

Although DND faced criticism based on the difference between the estimates, they were largely consistent. The difference between them is attributable to our inability to take into account the DND's capacity to reduce costs by internally reallocating resources. We were unable to do this because we were not given access to the necessary departmental data. Together, these cost estimates provided a basis for discussion about the extension and expansion of Canada's mission in Iraq.

The second major costing report probed the proposed increase to the cap for contributions to [Tax-Free Savings Accounts](#). It was determined that the change was regressive and costly in the long term. This fueled substantial public debate.

In March, reports on the [Family tax cut \(income splitting\)](#) and [child care benefits](#), showed that recent tax benefits had greatly increased the benefits being provided to families. However, the report identified several issues; for example, a majority of child care tax benefits were going to families without child care expenditures. These findings were quoted extensively by both the government and opposition. Opposition parties responded with policy proposals that would realign the benefits with their originally intended purpose.

We also published our [quarterly analysis of the supplementary estimates](#) and [annual analysis of the main estimates](#). These reports are important for parliamentarians and the media because they provide a credible distillation of the estimates into digestible messages. They also give parliamentarians a point of entry for understanding the estimates and confidence that the spending they are being asked to approve does not contain any surprises.



## 2.3. What do operational statistics show about our performance?

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### Did we improve understanding and dialogue?

The PBO is mandated to provide independent financial and economic analysis to Parliament. We provide our analysis to help parliamentarians better understand the economic and fiscal context and consequences of the issues they face. As a result, the impact that we have on parliamentary debate is an important measure of our performance.

In addition, we measure our media presence. It serves as an indicator of the degree to which our reports are reaching parliamentarians.

A recent survey of departing parliamentarians found that MPs heard about the conclusions of our reports, either through our official communiqué (38%), the media (38%), or caucus briefings on current issues (25%).

This has been the experience in many countries. International research shows that fiscal councils impact parliamentary decision making through the media and that such a presence is correlated with a greater impact on parliamentary decision making.<sup>17</sup> It also encourages parliamentarians to engage with and take action based on the analysis we provide to them.<sup>18</sup>

### How did we impact parliamentary understanding and dialogue?

In the 2014-15 FY, we were cited 235 times in the Houses of Parliament and 129 times in committee. We were cited by parliamentarians from all parties, and we were used as an authority in Parliament 46 times by government parliamentarians.

The Hansard mentions represent a 12% increase over the prior year. This level of attention is somewhat indicative of our influence on parliamentary understanding and dialogue.

**Table 2-1** Number of mentions in Hansard and in committee

Fiscal Year	Mentions <sup>19</sup>	
	Hansard	Committee
2009-10 FY	145	693
2010-11 FY	214	459
2011-12 FY	133	155
2012-13 FY	396*	728
2013-14 FY	209	139
2014-15 FY	235	129

Note \*This exceptional figure is primarily due to the consideration of Bill C-476, *An Act to amend the Parliament of Canada Act (Parliamentary Budget Officer)*, which would have amended the mandate of the PBO.

Of the 235 Hansard mentions, 96% were positive, in that they used us as an authority, were critical of the government's refusal to disclose or failure to collect relevant information, or were otherwise supportive of us. Similarly, 99% of committee mentions were positive or neutral.

**Table 2-2** Nature of mentions in Hansard

Nature of Mention	Number
Used as authority <sup>20</sup>	171
Critical of government refusals to disclose <sup>21</sup>	29
Other Supportive <sup>22</sup>	19
Critical of gov't failure to collect relevant info <sup>23</sup>	6
Disputed <sup>24</sup>	3
Other <sup>25</sup>	7

In the 2014-15 FY, we were invited to appear before committee four times. Three appearances were before the Finance Committee and one was before the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.<sup>26</sup>

This is similar to the number of requests typically received under a majority government: we were asked to appear four times in the 2013-14 FY, three times in 2012-13 FY and twice in 2011-12 FY.

As a point of reference, the 235 mentions in Hansard suggest an impact on parliamentary debate comparable to other sources of fiscal analysis, agents of Parliament and similar institutions, despite our small size.

**Table 2-3 Comparison of impact of parliamentary discussion**

<b>Organization</b>	<b>Hansard Mentions</b>
OPBO	235
Department of Finance	313
Bank of Canada	109
Privacy Commissioner	242
Information Commissioner	63
Auditor General of Canada	145
Official Languages Commissioner	34

As discussed above, this review of Hansard suggests we are playing our intended role in parliamentary debate: all parties cite us as an authority. This indicates that, despite limited resources, our analysis is credible, non-partisan and relevant.

## Example of the citation of the OPBO as an authority in parliamentary debate

**Hon. Thomas Mulcair (Outremont):** Mr. Speaker, the government is sitting on its hands. What the Conservatives have is an economic inaction plan.

The Parliamentary Budget Office has revealed devastating details about the Conservatives' bogus child care policy. Under the Prime Minister's scheme, families with older kids or kids who are not even in child care actually get more benefits than families with kids who are in child care. That is the Parliamentary Budget Office's conclusion.

The Prime Minister promised to create exactly 125,000 spaces. Why has he delivered none?

**Right Hon. Stephen Harper (Calgary Southwest):** Mr. Speaker, what the NDP will never understand is that the vagaries of the economy are no reason to start raising taxes on people. That does nothing but kill jobs, and on this side of the House, we are in the business of creating jobs. I know that the NDP is strongly opposed to anything that gives money to people as opposed to taking it for government for bureaucracy.

Let us see what the PBO actually said about the government's policies: "...all eligible families will realize an increase in their after-tax income if the enhancements to the UCCB [Universal Child Tax Benefit]... are legislated."

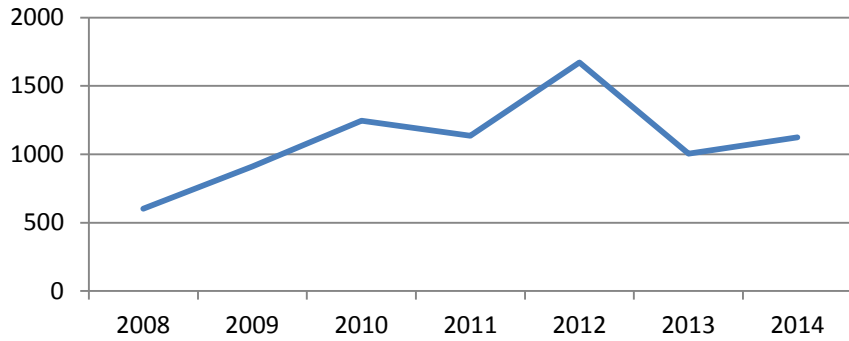
Also, according to the Parliamentary Budget Office: "...total federal spending on child care nearly quadrupled" under this government.

*Source:* House of Commons Debates, 41st Parl, 2nd Sess, No 193 (31 March, 2015) at 2:20 PM, online:  
<http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=7908122>.

## How did we impact public understanding and dialogue?

Our contribution to public debate is illustrated by the frequency with which we are cited by the media, the profile of those mentions and how those mentions treat us.

**Figure 2-1** Number of media articles mentioning the OPBO by fiscal year



Sources: Canadian Newsstand Complete and Eureka.<sup>27</sup>

In the 2014-15 FY, we were cited 1,123 times in the media, a slight increase over the previous fiscal year, but above the Office’s historical average.

The OPBO is a parliamentary organization with a legislative mandate, which is different from other organizations, such as private sector think tanks. That said, our total media mentions represent a greater presence on public debate than any private sector think tank except the Fraser Institute. This figure represents more than double the presence per dollar invested of any major private think tank.

**Table 2-4** Comparison of media impact and budgetary resources in 2014-2015

Organization	Mentions <sup>28</sup>	Budget <sup>29</sup>
OPBO	1,123	\$2.8 m
Canadian Centre for Policy Alternatives	570	\$5.6 m
Institute for Research on Public Policy**	122	\$6.4 m
Fraser Institute	1,544	\$8.9 m
C.D. Howe Institute	786	\$4.9 m

\*\* For more detailed information, readers can consult the respective annual report of these organizations. For instance, based on a different methodology, the 2014-2015 IRPP Annual Report indicates 708 media mentions, while the operational budget totals \$2.258 million.

Of the 1,123 mentions, 842 were newspaper articles, 248 wire feeds, and 45 television shows or radio programs. All three increased.

We were most frequently cited in *The Canadian Press* (135 mentions), the national news agency, and its French counterpart, *La Presse Canadienne* (113). Both distribute news articles to their member news organizations across the country.

We were also frequently mentioned by mainstream English-language newspapers with broad circulations, including the *Ottawa Citizen* (71 articles), *National Post* (70 articles), *Toronto Star* (53 articles) and *The Globe and Mail* (63 articles). *The Globe and Mail* and *Toronto Star* have circulations of more than 300,000, while the *Ottawa Citizen* and *National Post* have circulations of over 100,000.

We were discussed just as extensively in mainstream French-language newspapers with broad circulations, including *Le Devoir* (55 articles), *Le Droit* (45), *La Presse* (27) and *Le Soleil* (10).<sup>30</sup>

We were mentioned on three television and radio programs included in the Canadian Newsstand Complete database: *The National* (11), *Le Téléjournal* (14) and *The House* (8).

**Table 2-5** Number of articles mentioning the OPBO in major newspapers

<b>Newspaper</b>	<b>Mentions</b>	<b>Circulation</b> <sup>31</sup>
<i>Toronto Star</i>	53	350,222
<i>The Globe and Mail</i>	63	346,485
<i>La Presse</i>	27	241,659
<i>National Post</i>	70	163,063
<i>Ottawa Citizen</i>	71	111,408
<i>Le Soleil</i>	10	75,730
<i>Le Droit</i>	45	35,158
<i>Le Devoir</i>	55	31,902

Many mentions were prominent: 75 of the 842 newspaper articles appeared on the front page of the paper, that is, page 1, or the first page of a section.<sup>32</sup>

Many of the front-page articles were in major papers, including the *Ottawa Citizen* (17 articles), *National Post* (8), *The Globe and Mail* (14), *Toronto Star* (2) and *Le Devoir* (12).

Our work received almost universal support from the media: 74 out of the 75 front-page articles were supportive.

Of the front-page articles:

- 28 cited us as an authority;
- 24 repeated the results of our analysis in a supportive manner;
- nine mentioned upcoming analysis as potentially relevant;
- six criticized the government for refusing to give us data or otherwise interfering with the performance of our mandate;
- five reported on new evidence confirming our results; and
- two mentioned us as a desirable example.

Only one article, an editorial, was critical, but not because of an error. Rather, we were criticized for contributing to undue focus on the costs and distributional impact of Tax-Free Savings Accounts.

Not a single front-page article doubted our conclusions, criticized us for exceeding our mandate, mentioned us as an example to be avoided, or found evidence that contradicted our results.

Our work was the primary focus of 24 of these front-page articles and the secondary focus in 51.

## Examples of front-page newspaper articles

### Canada must lose its addiction to foreign labour

... The public-policy rationale for massively expanding the temporary foreign worker program doesn't exist now, and hasn't existed for years.

Warnings of widespread labour shortages are largely a myth, or at least, greatly exaggerated.

A recent study by the Parliamentary Budget Officer found "little evidence" of either a national labour shortage or a skills mismatch in Canada.

The Bank of Canada's quarterly business outlook survey similarly discounts the labour-shortage narrative. ...

Source: McKenna, B (14 April 2014). Canada must lose its addiction to foreign labour. *The Globe and Mail*. Page B1. Retrieved from

<http://search.proquest.com/docview/1515634941>

Coding: Secondary, Positive, Cited as Authority

### Taxes cut by \$30B in decade

Canadians are saving more than \$30-billion in federal taxes – or a little less than \$1,000 per person – due to tax changes introduced in the past decade, Canada's budget watchdog says in a new report.

The calculation from the Parliamentary Budget Officer shows the accumulation of tax relief that has come about since 2005, when the then-Liberal government reduced the minimum income tax rate to 15% from 16%.

Since then, the Harper government has raised the basic personal exemption, introduced the Child Tax Credit, the Working Income Tax Benefit and pension income-splitting, and famously sliced two percentage points off the GST, reducing it to 5%, among other changes.

The result, says the PBO, is that personal income taxes are \$17.1-billion lower today than they might have been, and Canadian consumers are paying about \$13.3-billion less in value-added taxes on their purchases of goods and services. ...

Source: Beltrame, J. (28 May 2014). Taxes cut by \$30B in decade. *National Post*. Page A1. Retrieved from

<http://search.proquest.com/docview/1530277544>

Coding: Primary, Positive, repeated the results of OPBO analysis in a supportive manner.

The dissemination of our work is reflected in our website activity. Activity was up 12.5% over the prior fiscal year, particularly with visitors from the



House of Commons network and the broader Ottawa-Gatineau area. About a fifth of that traffic came from within the public service.<sup>33</sup> The site had very little mobile traffic: out of 34,500 users in the fiscal year, only 2,100 were on smart phones and 1,300 on tablets.

**Table 2-6** Web traffic on website

<b>Time Period</b> <sup>34</sup>	<b>Website Sessions</b>	<b>Visits from HOC Network</b> <sup>35</sup>	<b>Visits from Ottawa-Gatineau</b>
2013-14 FY	30,749	3,628	13,634
2014-15 FY	34,577	4,561	15,949

We launched our social media presence on 15 March 2014, near the end of the fiscal year. Over the last year, this presence has continued to grow.

**Table 2-7** Followers on Twitter

<b>Date</b>	<b>Twitter Followers</b> <sup>36</sup>
15 March 2014 (Launch)	0
25 March 2014	272
14 October 2014	680
28 April 2015	933

## Did we improve transparency?

We contribute directly to budget transparency through our published reports, which make financial and economic information available on a wide range of topics. In the 2014-15 FY, we published 37 pieces of analysis including 31 distinct reports, a significant increase over the previous fiscal year and above our historical average.

**Table 2-8** Number of publications

<b>Fiscal Year</b>	<b>Publications</b>
2009-10 FY	25
2010-11 FY	38
2011-12 FY	37
2012-13 FY	47
2013-14 FY	25
2014-15 FY	37

Our reports related mostly to the state of the nation's finances (four reports), the government's estimates (11), or trends in the national economy (four). Ten reports related to the costing of government bills and programs. Of the remaining two reports, one was a presentation on access to information, and the other a paper on balanced budget legislation.

**Table 2-9 Breakdown of publications by program activity**

<b>Publications by Program Activity</b>	<b>Frequency</b>
State of the nation's finances	4
Trends in the national economy	4
Undertake research into government estimates	11
Costing of government bills and programs	10

## Did we improve budgeting practices?

Improvement in budgeting practices is a longer-term outcome that defies systematic quantitative measurement. However, anecdotal evidence suggests our work is having a positive influence on public service budgeting practices.

For example, the Department of National Defence has adopted our cost estimating tools, such as TruePlanning.<sup>37</sup> The government also established the National Fighter Procurement Secretariat to provide a more open and transparent acquisition process.<sup>38</sup>

Likewise, our analysis during 2013 of the employment data supporting the Temporary Foreign Worker Program led to the government committing to collecting better data to support the program.<sup>39</sup>

In February 2015, our announcement of the release of our cost estimate of Operation IMPACT apparently prompted the Department of National Defence to release its own estimate.<sup>40</sup>

And, our first long-term sustainability report in 2010 contributed to the government producing its own fiscal sustainability report in 2012.<sup>41</sup>

On the forecasting side, according to an IMF report released in 2013, the presence of an independent fiscal council causes finance ministries to revise their methodologies such that revenue, expenditure and budget balance become more accurate and less biased.<sup>42</sup>

In a case study on the Canadian PBO, the IMF found: "The government's estimates in all three areas, revenues, expenditure, and balance have become more accurate and less pessimistic since the creation of the PBO."<sup>43</sup>

## 2.4. What does international literature tell about whether we are effective?

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It is difficult to draw a clear causal connection between our work and the broader goals the Office was intended to achieve, namely financially responsible decision-making and accurate economic forecasting, because so many other economic and political factors are at play. However, there are many other organizations that perform a similar function to us in other countries.<sup>44</sup> Those organizations are referred to as independent fiscal councils.

By looking at the influence of fiscal councils across many countries over many years, researchers have concluded that countries with fiscal councils having certain characteristics make more responsible financial decisions and produce more accurate economic forecasts.

As defined by the IMF, fiscal councils are “independent public institutions aimed at promoting sustainable public finances through various functions, including public assessments of fiscal plans and performance and the evaluation or provision of macroeconomic and budgetary forecasts.”<sup>45</sup>

The IMF’s research also showed that “[c]ountries with fiscal councils tend to have more accurate and less optimistic macroeconomic and budgetary forecasts [across] the primary balance, cyclically-adjusted primary balance, and real GDP growth.”<sup>46</sup>

The IMF outlines four key characteristics of a successful fiscal council:

- independence from politics;
- public assessment of budgetary forecasts;
- a strong presence in the public debate; and
- an explicit role in monitoring fiscal policy rules.

On the whole, we exhibit these key features. We have a strict operational independence from politics. We also provide, and publicly assess budget forecasts and we have a strong presence in parliamentary and public debate.

While we have a role in helping Parliament to monitor fiscal policy rules, that role is part of our general mandate to provide analysis of the estimates and the state of the nation’s finances.

We report on the government’s progress towards its financial targets in our long-term fiscal sustainability report. The government recently announced a target of reducing the federal debt to 20% of GDP by 2025 and introduced legislation that would encourage balanced budgets.<sup>47</sup>

## 3. Information and Resources

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The Office needs two primary ingredients to carry out our work: access to government information and sufficient resources. While some departments provide us with good information, we have seen a significant decline in this practice. And, while our budget has remained steady since our formation in 2008, it is significantly less than other similar institutions.

### 3.1. Information

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Our work requires access to government information because, in most cases, we analyze an area of government activity.

#### What government information do we need?

To estimate the cost of a program, we need information about the characteristics of the program that affect its cost.

For example, when we are asked to provide the cost of military activities, such as [Canada's war in Iraq](#), we need to know specific characteristics about it. These include: how long it is planned to be; how many people will be fighting and their specific characteristics; what aircraft and equipment are being used and for how long, and so on.

In many cases, only the government has this kind of information, so we are very reliant on it to help us carry out our legislative mandate.

The better the information and the faster we receive it, the better and timelier our analysis. Parliament has recognized the importance of this by providing us with a legislative right of access.

Section 79.3 of the *Parliament of Canada Act* says the PBO has a right to "free and timely access to any financial or economic data in the possession of the department that are required for the performance of [our] mandate."<sup>48</sup> Note, however, that this covers only financial or economic data. And, in some cases, we need information that is neither economic nor financial.

### What other information do we need?

We are responsible for conducting analysis that requires information beyond financial and economic data. For example, we are mandated to provide Parliament with analysis of the estimates, which set out what the government plans to spend.

When the government outlined cuts to the public service in the 2012 Budget, we were asked to determine whether those cuts were achievable, and what impacts they might have.

These are reasonable questions at the core of understanding the estimates. Some of the information required to respond to those questions consists of financial and economic data, such as the cost savings expected for various deficit reduction measures.

However, we also need further details to understand whether those cost savings are likely to be achieved and what impact they will have on service levels.

For example: What programs are being cut? What programs are being offloaded to another level of government? How many staff are being cut? What expenses are being cut? What challenges are being encountered in the implementation of the programs?

While we assume this information is known within government, it is often not made available to Parliament.

In light of this, we request information to which we are entitled under the *Parliament of Canada Act*, and we take care to ask for all other information pursuant to the [Communications Policy of the Government of Canada](#).

### Why is the *Communications Policy of the Government of Canada* relevant?

The [\*Communications Policy of the Government of Canada\*](#) explains how and when the government will provide information. It commits the government to:

**Provide the public with timely, accurate, clear, objective and complete information about its policies, programs, services and initiatives.** In the Canadian system of parliamentary democracy and responsible government, the government has a duty to explain its policies and decisions, and to inform the public of its priorities for the country. Information is necessary for Canadians – individually or through representative groups or Members of Parliament – to participate actively and meaningfully in the democratic process. It is required for access to government programs and services. The public has a right to such information.

When we are asked to estimate the cost of a government program, we need accurate, clear, objective and complete information about that program.

The [\*Communications Policy of the Government of Canada\*](#) imposes an obligation on government departments to provide that information.

While some government departments are highly cooperative, we have faced increasing challenges in accessing information.

In the 2014-15 FY, only 28 of our 55 requests, roughly 51%, were totally satisfied, down substantially from all previous years. Most of this negative picture is attributable to National Defence, which failed to provide complete responses for 16 of the 31 requests we made.<sup>49</sup>

### What are some notable refusals?

We were refused the chance to consult with a leading epidemiologist employed by the Canadian Forces to help us prepare our report on disability benefits for veterans.

And, we were denied access to National Defence's regular technical briefings on Canada's war in Iraq on the basis that they were reserved for stakeholders, that is, "academics and analysts who are experts in defence and security."

We were also refused information held by Crown corporations on the basis that we do not have legal jurisdiction over them.

**Table 3-1 Responses to information requests**

<b>Fiscal Year</b>	<b>Info. requests</b>	<b>Complete responses<sup>50</sup></b>	<b>Compliance rate</b>
2009-10	20	10	50%
2010-11	27	21	78%
2011-12	52	41	79%
2012-13	116	42	36%
2013-14	150	82	55%
2014-15	55	28	51%

Departments refuse to provide us with information on a number of grounds.

Some say we do not have a legal right to the information under the *Parliament of Canada Act*. Surprisingly, some maintain this position even though we requested the information in accordance with the Communications Policy and not the *Parliament of Canada Act*.<sup>51</sup>

#### **What are we entitled to under the *Parliament of Canada Act*?**

We are entitled to free and timely access to information which is

- data;
- financial or economic;
- in the possession of a government department; and
- required for the performance of our mandate.

Some departments say they do not have the precise information we're requesting. However, in some cases, we have good reason to believe they in fact do possess it. But what we lack is the exact terminology they use to refer to it. As a result, they sometimes respond that they do not have the material we are seeking.

### Case study: Department of National Defence

The Department of National Defence (DND) repeatedly refused our requests on the basis that basic operational data were not in their possession or lacked a standard definition.

In some sense, this resembles a game of go-fish; our failure to use the department's precise terminology to describe their non-public data means they think they can refuse to assist us.

For example, we were interested in how much it will cost to crew and maintain the various ships the Navy is currently procuring. The size of the crew required for each ship, and therefore its operating cost, are significantly affected by the design of those ships.

To advise Parliament as to how its current procurement will translate into future operating costs, we [requested](#) anonymized data showing the basic wages and allowances paid to the crew of Royal Canadian Navy vessels. DND [replied](#) that they did not have the requested data in their possession.

We also [requested](#) DND's estimate of the costs of maintaining its current force structure. The department [refused](#) to provide its analysis because "there is no established standard definition of this term used by the DND and the Canadian Armed Forces, as it could be interpreted in many different ways, with different associated costs."

DND also [refused](#) to provide the estimate or supporting analysis and data for the incremental costs of extending Canada's mission in Iraq by six months. Its reason: "Incremental costs incurred will depend on the nature of the mission and operational requirements."

*Sources:* IR0154; IR0166; IR0167; IR0168; IR0169; IR0172 and IR0179.

We have sought judicial review of the departmental decision to not disclose information. This comes with benefits and drawbacks in terms of obtaining the information and focusing political accountability.

Until recently, when a department refused us access to its information, our next move was not clear.

However, this situation changed on 26 March 2015, when the Joint Committee on the Library of Parliament passed a motion calling on us to report refusals to "the chairs of the Committees outlined in section 79.2 of the *Parliament of Canada Act*, and ask them to use their considerable powers to send for papers and records." We intend to use this reporting mechanism to inform parliamentarians about information access issues we face.

If more departments delay or refuse to provide us with information and expertise, our ability to serve Parliament will deteriorate. In much of our work, timing is everything; if we don't complete our analysis in time, its value to parliamentarians is significantly diminished.



## 3.2. Resources

The Office has a budget of \$2.8 million. This budget has remained constant since the creation of the Office, despite the strategic operating review to which most other government departments have been subject.

Our budget comes out of the Library of Parliament's budget. A portion of it is set aside for the Employee Benefit Plan. This leaves about \$2.5 million, consisting of about \$1.8 million for salaries and \$700,000 for goods and services. In the 2014-15 FY, we spent about \$2.3 million of the available \$2.5 million. We are provided with internal services and office space free of charge.

**Table 3-2 Budget and spending**

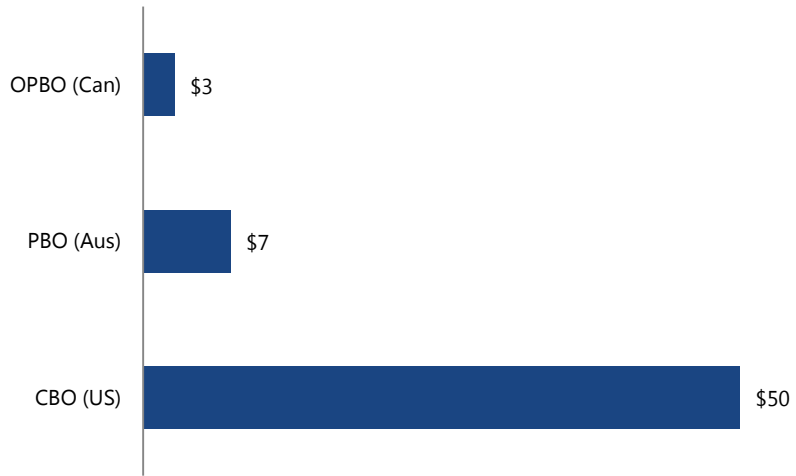
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Expend.</b>
<b>Salary</b>	\$1,814,536	\$1,849,400	\$1,777,500
<b>Goods &amp; Services</b>	\$668,370	\$733,000	\$508,985
<b>Total</b>	\$2,482,906	\$2,582,400	\$2,286,485

We have the smallest budget and staff of any international counterparts or independent fiscal councils with the responsibility for costing policy proposals.<sup>52</sup>

The IMF recommends a minimum staff of 20 professionals for the forecasting and assessment functions alone and more for the program costing function.<sup>53</sup> We perform both these functions at less than the recommended staffing for either function.

We receive about a third of the funding for the Australian Parliamentary Budget Office and about 6% of the funding for the U.S. Congressional Budget Office.

**Figure 3-1** Budgets of comparable fiscal councils for the 2014-15 FY (millions)



Sources: Parliament of Australia, Parliamentary Budget Office, *Portfolio Budget Statements 2014-15* [\$7.3 m AUD adjusted using the exchange rate as of 1 April 2014 reported by the Bank of Canada (1.0201)] and Congressional Budget Office, *Testimony on CBO's Appropriation Request for FY 2016* [\$45.7 m US adjusted using the exchange rate as of 1 April 2014 reported by the Bank of Canada (1.1027)].

## 4. Conclusion

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During the 2014-15 FY, we published 31 reports and continued to have an impact on parliamentary and public debate on a range of economic and financial issues. Our analysis was accepted and used extensively by all political parties and by major media outlets across the country.

The single most significant barrier we face to fulfilling our mandate is access to government information. In the 2014-15 FY, departments satisfied only 51% of our information requests.

Without timely access to good quality, electronic government information, our ability to provide parliamentarians with accurate and relevant analysis is hampered and our resources are tied up in seeking access to information.

By refusing access to data in apparent breach of their legal obligations under the *Parliament of Canada Act* and the *Access to Information Act*, departments have prevented us from providing Parliament with complete analysis of many issues. These include: the tax gap, the acquisition of a polar class icebreaker, military spending and the implementation of budget cuts.

In that context, the parliamentary remedy proposed in the Joint Committee on the Library of Parliament's motion, agreed to in March, is welcome and will now be used.

# Appendix A: Information Requests in the 2014-15 FY

The OPBO publishes all information requests and the response letter it receives on its website. This list does not include informal requests or outstanding refusals from prior years.

<b>Request</b>	<b>Was a complete response provided?</b>
<a href="#">IR0202 – ND – Operational flying hours – Operation IMPACT</a>	Yes
<a href="#">IR0201 – ND – Cost Factors Manual 2015 – 16, Volume I – Personnel and Volume II – Equipment and Facility Costs</a>	Yes
<a href="#">IR0200 – ND – The number of CC-177, CC-130J and CC-150 flights that have been flown on average, per month, to re-supply Operation Impact through March 31, 2015</a>	Yes
<a href="#">IR0194 – ND – Breakdown of costs incurred to fly any aircraft deployed as part of Task Force Iraq to Canada or any other location – Operation IMPACT</a>	Yes
<a href="#">IR0193 – ND – number of hours flown, by fleet, transporting, equipment and materiel to Iraq for Operation IMPACT</a>	Yes
<a href="#">IR0192 – ND – Costs for transportation to and from Iraq – Operation IMPACT</a>	Yes
<a href="#">IR0195 – ND – Breakdown of hours flown by any aircraft deployed as part of Task Force Iraq to Canada or any other location between October 7, 2014 and March 31, 2015</a>	Yes
<a href="#">IR0191 – ND – Hours flown to and from Kuwait – Operation IMPACT</a>	Yes
<a href="#">IR0190 – ND – Cost to transport to and from Kuwait – Operation IMPACT</a>	Yes
<a href="#">IR0197 – ND – As of March 31, 2015, any estimates prepared indicating any changes to the amortization rates for any of the aircraft employed in support of Operation IMPACT</a>	Yes
<a href="#">IR0196 – ND – As of March 31, 2015, list of all air to ground munitions employed as part of Operation IMPACT, broken down by type</a>	No
<a href="#">IR0199 ND – Hours flown on average, per month, for CC-177, CC-130J and CC-150 aircraft flying re-supply missions to support Operation Impact through 31 March 2015</a>	No
<a href="#">IR0198 – VAC – A list of changes, along with related cost estimates and specific criteria changes, to Veterans Affairs Canada benefits</a>	Yes
<a href="#">IR0189 – ND – Ammunition costs – Operation IMPACT</a>	Partially
<a href="#">IR0188 – ND – Copies of all daily SITREPS for Operation IMPACT</a>	No
<a href="#">IR0187 – ND – Briefing Note – Operation IMPACT</a>	No
<a href="#">IR0186 – ND – CDS Tasking Order for Operation IMPACT</a>	No
<a href="#">IR0185 – IC – Canada-European Union Comprehensive Economic and Trade Agreement (CETA) costs</a>	Partially
<a href="#">IR0184 – FATDC – CETA costs</a>	No
<a href="#">IR0183 – Health Canada – CETA costs</a>	Yes
<a href="#">IR0182 – ND – Cost performance reports for Canadian Patrol Frigates built in</a>	No

Request	Was a complete response provided?
<a href="#">80's &amp; 90's</a>	
<a href="#">IR0181 – VAC – Anonymized client-level data on all determinants for Veterans Affairs Canada (VAC) client benefits, for all VAC clients for 2006 and 2013</a>	Yes
<a href="#">IR0180 – TBS – Unforecasted lapse analysis</a>	Yes
<a href="#">IR0179 – ND – For Operation IMPACT, to the extent possible, the actual, tracked, to-date, full and incremental costs</a>	No
<a href="#">OPBO letter 07-11-2014 – Access to Operation IMPACT information covered during Lieutenant-General Jonathan Vance's Technical Briefing of 4 November 2014</a>	No
<a href="#">IR0178 – SC- costs of the 2006 Long Form Census and the 2011 National Household Survey and any estimates of the costs associated with the reinstatement of the Long Form Census</a>	Yes
<a href="#">IR0177 – ND – Defence Personnel, Operations &amp; Maintenance Model</a>	No
<a href="#">IR0176 – ND – Incremental costs re Canada's international air missions where CF-18s were deployed</a>	Partially
<a href="#">2014-10-17 – OPBO letter to ND to request a meeting with Dr. Mark Zamorski</a>	No
<a href="#">IR0175 – DFO – Polar Class Icebreaker Project financial analysis</a>	Yes
<a href="#">IR0174 – ND – Estimate of costs related to Canada's contribution to the fight against ISIL</a>	No
<a href="#">IR0173 – ND – Current Cost Factors Manual</a>	Yes
<a href="#">IR0172 – ND – Cost of maintaining actual force structure</a>	No
<a href="#">IR0171 – ND – Current version of Canadian Surface Combatant System Requirements Document</a>	No
<a href="#">IR0169 – ND – Crewing information for each Royal Canadian Navy ship by ship class (Halifax, Iroquois and Protecteur ship classes only) and year as far back as available within DND</a>	No
<a href="#">IR0168 – ND – For each Royal Canadian Navy ship by ship class (Halifax, Iroquois and Protecteur ship classes only), the per day costs for a ship's crew, and the per day costs associated with the crew including food, gear, equipment and other.</a>	No
<a href="#">IR0167- ND – Crewing and personnel operations for Halifax, Iroquois and Protecteur ship classes</a>	No
<a href="#">IR0166 – ND – Information pertaining to the crewing of Royal Canadian Navy vessels</a>	No
<a href="#">IR0170 – TBS – The number of employees in each of the public service staffing groups, including for both represented and non-represented groups, and at each level, for the Federal Public Service in 2012-13 and 2013-14</a>	Yes
<a href="#">IR0165 – FC – Data pertaining to the change in defence expenditures announced in Federal Budget 2014 and their impact on data originally found in Budget 2010</a>	Partially
<a href="#">IR0164 – TBS – 2011 and 2014 (upon completion) Actuarial Report on the Future Benefits for Veterans</a>	Yes
<a href="#">IR0163 – ND – All unclassified decks used for Canadian Surface Combatant (CSC) Industry engagements since 1 January 2013.</a>	Yes

Request	Was a complete response provided?
<a href="#">IR0162 – CRA – Data elements from TFSA annual information returns</a>	Yes
<a href="#">IR0161 – VAC – Anonymized, disaggregated payment data for disability and/or mental health disability pensions</a>	Yes
<a href="#">IR0160 – PWGSC – a copy of RFP QA002-14-2501/A (RFQ T8010-140002/A)</a>	Partially
<a href="#">IR0159 – PWGSC – Electronic Public Accounts of Canada data</a>	Yes
<a href="#">IR0158 – TC – A non-redacted copy of the traffic and toll revenue analysis provided by the Steer Davis Gleave consultancy relating to the New Bridge for the St. Lawrence Project in Montreal</a>	Yes
<a href="#">IR0157 – CIC – The number of temporary foreign workers with labour market opinions (LMOs) issued a work permit by, urban area of employment and 4-digit National Occupation Classification (NOC) code, on a quarterly basis from 2000Q1 (or earlier) to 2013Q4</a>	Yes
<a href="#">IR0156 – OPBO response to ESDC – temporary foreign workers access to data – follow up June 14, 2014</a>	Partially
<a href="#">IR0155 – PWGSC – Information pertaining to Irving’s Halifax Shipyard and the A/OPS project</a>	No
<a href="#">IR0154 – ND – Information pertaining to Irving’s Halifax Shipyard and the A/OPS project</a>	No
<a href="#">IR0153 – TC – The Quantitative Analysis performed on the New Bridge for the St. Lawrence Corridor Project</a>	No
<a href="#">IR0151 – JCCBI – Annual expenditures on Champlain Bridge maintenance for the last 15 years</a>	Yes
<a href="#">IR0152 – JCCBI – Annual expenditures on Champlain Bridge main deck replacement for last 5 years</a>	No
<a href="#">IR0150 – TBS – All data and assumptions used to support the estimate of \$6.7 billion, as per the agreement reached by the bargaining agents on 26 March 2014, of savings accruing from changes to the management of the Public Service Health Care Plan</a>	Yes

## Appendix B: OPBO Reports in the 2014-15 FY

<b>Date</b>	<b>Title</b>
26-Mar-15	<a href="#"><i>Fiscal Sustainability of Canada's National Defence Program</i></a>
17-Mar-15	<a href="#"><i>The Family Tax Cut</i></a>
17-Mar-15	<a href="#"><i>The Government Expenditure Plan and Main Estimates for 2015-16</i></a>
12-Mar-15	<a href="#"><i>Temporary Foreign Workers in Canada: A look at regions and occupational skill</i></a>
10-Mar-15	<a href="#"><i>How the Federal Tax and Transfer System Interacts with Income Inequality</i></a>
26-Feb-15	<a href="#"><i>Supplementary Estimates (C) 2014-15</i></a>
24-Feb-15	<a href="#"><i>The Tax-Free Savings Account</i></a>
17-Feb-15	<a href="#"><i>Cost Estimate of Operation IMPACT in Iraq</i></a>
27-Jan-15	<a href="#"><i>Fiscal Impacts of Lower Oil Prices</i></a>
15-Jan-15	<a href="#"><i>Presentation to the Heads of Federal Agencies – Demystifying the Mandate of the PBO</i></a>
13-Jan-15	<a href="#"><i>Expenditure Monitor: 2014-15 Q2</i></a>
18-Nov-14	<a href="#"><i>Supplementary Estimates (B) 2014-15</i></a>
06-Nov-14	<a href="#"><i>Fiscal Impact of Federal Taxes</i></a>
28-Oct-14	<a href="#"><i>Budget Analysis for the Acquisition of a Class of Arctic/Offshore Patrol Ships</i></a>
21-Oct-14	<a href="#"><i>Economic and Fiscal Outlook Update 2014</i></a>
09-Oct-14	<a href="#"><i>Response on the financing of Employment Insurance and recent measures</i></a>
30-Sep-14	<a href="#"><i>Fiscal Sustainability Report 2014</i></a>
25-Sep-14	<a href="#"><i>Expenditure Monitor: 2014-15 Q1</i></a>
23-Sep-14	<a href="#"><i>Federal balanced budget legislation: Context, impact and design</i></a>
17-Sep-14	<a href="#"><i>Toll Pricing on the Champlain Bridge Replacement</i></a>
14-Aug-14	<a href="#"><i>Analysis of Performance Budgeting During Recent Fiscal Consolidation</i></a>
16-Jul-14	<a href="#"><i>Fiscal Materiality of Sick Leave in 20 Departments of the Core Public Administration</i></a>
19-Jun-14	<a href="#"><i>2014-2015 Federal Transfers to Provinces and Territories</i></a>
19-Jun-14	<a href="#"><i>Personal Income Tax Tool User Guide</i></a>
05-Jun-14	<a href="#"><i>Standing Committee on Human Resources, Skills and Social Development (June 2014) – Opening Remarks by Jean-Denis Fréchette</i></a>
27-May-14	<a href="#"><i>Supplementary Estimates (A) 2014-15</i></a>
27-May-14	<a href="#"><i>Revenue and Distribution Analysis of Federal Tax Changes: 2005-2013</i></a>
29-Apr-14	<a href="#"><i>Standing Committee on Finance (April 2014) – Opening Statement by Jean-Denis Fréchette</i></a>
28-Apr-14	<a href="#"><i>Economic and Fiscal Outlook 2014</i></a>
11-Apr-14	<a href="#"><i>Expenditure Monitor: 2013-14 Q3</i></a>
10-Apr-14	<a href="#"><i>Federal Contaminated Sites Cost</i></a>

# Notes

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1. Treasury Board of Canada Secretariat, [Federal Accountability Action Plan](#), (Ottawa: Her Majesty the Queen in Right of Canada represented by the President of the Treasury Board) at 13, online: TBS; Prime Minister's Office, News Release, "[Federal Accountability Act introduced](#)" (11 April 2006) ..
  2. For a complete list, see the PBO website.
  3. See *Parliament of Canada Act* RSC 1985 c P-1 s 79.2.
  4. A portion of the PBO's budget is set aside for internal services provided by the Library, and there is collaboration between the PBO and other Library of Parliament services. However, the PBO has an independent statutory mandate and different operating model.
  5. Treasury Board of Canada Secretariat, [Federal Accountability Action Plan](#), (Ottawa: Her Majesty the Queen in Right of Canada represented by the President of the Treasury Board) at 13, online: TBS; Prime Minister's Office, News Release, "[Federal Accountability Act introduced](#)" (11 April 2006) online: PMO.
  6. Mr. Andrew Saxton (Conservative):

We [the government] recognized that parliamentarians and parliamentary committees needed access to independent, objective analysis and advice on economic and fiscal issues to better hold the government to account for its decisions. That is why we established, in part 2 of the *Federal Accountability Act*, the position of the Parliamentary Budget Officer within the Library of Parliament. [...]

The job of the Parliamentary Budget Officer is to give parliamentarians the information and independent analysis they need to conduct a more rigorous and informed discussion of fundamental financial and economic issues. [...]

The government understands the importance of accountability and transparency. That is why, when we established this office, we made it fully independent of the government in its operations and funding.
- Hon. Stéphane Dion (Liberal):
- What is the role of the Parliamentary Budget Officer? This person's role is to provide objective and independent analysis that may, on occasion, call into question the validity of the government's views and initiatives.



Hon. Thomas Mulcair (Leader of the Opposition, NDP)

The theme of the Conservatives' election campaign was accountability. They told us that, if they were elected, from that point on, the government would be accountable to Parliament and to Canadians.

This plan to make government more accountable included several key components. For example, the Conservatives were going to be accountable for their budget choices by creating a neutral, credible, independent organization to provide budget information to MPs and, hence, to voters.

House of Commons, *Debates*, 41<sup>st</sup> Parl, 1<sup>st</sup> Sess (29 April 2013).

7. *Page v Mulcair*, 2013 FC 402 at para 46 (available on Canlii).
8. The *Parliament of Canada Act* s 79.2 mandates the Parliamentary Budget Officer to provide financial and economic advice to Parliament, parliamentary committees, and parliamentarians. Our mandate focuses on matters that come before Parliament, like the estimates and proposals within federal jurisdiction, and matters which form an important part of the context of matter that come before Parliament, like the state of the nation's finances and trends in the national economy. This directly links the role of the PBO with the proceedings of Parliament. The creation of the PBO through the *Federal Accountability Act* further suggests that the PBO was intended to reinforce Parliamentary and public oversight of financial and economic decisions. See Government of Canada, "Federal Accountability Action Plan: Turning a New Leaf" (Ottawa: Treasury Board Secretariat, 2006) at 13.
9. The PBO prioritizes requests which are financially material and have the greatest potential impact.

Financially material: A project or request is material if it can reasonably be expected to have a substantial impact on the government's finances, estimates or the Canadian economy.

Potential Impact: A project or request has the potential to increase budget transparency and/or promote informed parliamentary and public dialogue towards implementing sound budget policy and financial management if it can:

- a) strengthen fiscal discipline;
- b) better allocate the government's resources to priorities; and/or
- c) increase operational efficiency.

For example, the PBO's longest ongoing project is an estimate of the financial cost, in terms of forgone revenue, of cuts to CRA enforcement. This is financially material because the cuts and their potential impact are massive. It also has a massive potential impact because increasing tax evasion could threaten Canada's long-term fiscal health. When complete, the project will inform the allocation of resources between enforcement and other priorities and even potentially increase operational efficiency by indicating how enforcement could be better targeted.

10. Except the newly formed Strength in Democracy party.

11. Includes published statements before Committee.
12. This means that the PBO's analysis was completed and a report published.
13. This means that the PBO was not able respond to the request, usually because it was outside our mandate, beyond our limited resources, the parliamentarian lost interest, or an election was called.
14. *Financial Accountability Officer Act*, SO 2013, c 4.
15. Alberta Bill 202 [Independent Budget Officer Act](#); British Columbia Bill M 201 [Independent Budget Officer Act, 2009](#); Saskatchewan Bill No 629 [An Act to Appoint an Independent Budget Officer and to define the Duties, Functions and Powers of this Officer](#); Quebec Bill 192 [Parliamentary Budget Officer Act](#).
16. These performance measures were first laid out in the PBO's 2008 Operational Plan. They are based on guidelines developed by the Organisation for Economic Co-operation and Development (OECD), and IMF research showing a strong link between the impact on public debate and effectiveness of organizations like the PBO. See Organization for Economic Cooperation and Development, [OECD Best Practices for Budget Transparency](#) (Paris: OECD Publication Service, 2002); International Monetary Fund, [The Functions and Impact of Fiscal Councils](#), (16 July 2013), at 1.
17. In theory, by informing the broader public, the media creates political rewards for taking what a reasonable member of the public might view as appropriate decisions. Take for example, the government's decision to improve its collection of labour data following our report finding current data were inadequate, and the opposition's proposals to rollback changes to tax-free savings account following our finding that those changes were regressive. The opposite applies for making poor decisions; as stated by the International Monetary Fund, "By fostering transparency [fiscal councils like the PBO] raise reputational and electoral costs of undesirable policies". See: International Monetary Fund, [The Functions and Impact of Fiscal Councils](#), (16 July 2013), at para 27.
18. International Monetary Fund, [The Functions and Impact of Fiscal Councils](#), (16 July 2013), at 1.
19. Based on the Library of Parliament's Prismicweb search, which include Senate, House of Commons, and Committee proceedings for the relevant time period.
20. For example, "I was very happy to see the Parliamentary Budget Officer confirmed the fact that our tax reductions have put thousands of dollars back into the pockets of the lowest-income Canadians."
21. For example, "The Parliamentary Budget Officer had to go to court to get the government to tell us what the budget really means in terms of how many cuts there will be."
22. For example, "The only organization that appeared before the committee and contradicted the Parliamentary Budget Officer's figures was the organization whose members will benefit the most from this measure."
23. For example, "We have heard a lot about the famous or infamous Kijiji economy, when data was created on Kijiji and other places. Jokes aside, the

Parliamentary Budget Officer said that these data regarding the skills shortage are inadequate.”

24. For example, “I was in committee and heard the Parliamentary Budget Officer’s report, but at the end of the day, CFIB is the leading spokesman for small business in Canada, and it said this would create not only 25,000 person years of employment but also additional training to help small businesses grow their businesses.”
25. Six were not really related to the PBO, and one was an indication by a minister of their intention to cooperate with the PBO.
26. House of Commons Standing Committee on Finance, *Minutes of Proceedings and Evidence* 41<sup>st</sup> Parl, 2<sup>nd</sup> Sess, No 58 (18 November 2014) at 9:15 AM; House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, *Minutes of Proceedings and Evidence* 41<sup>st</sup> Parl, 2<sup>nd</sup> Sess, No 28 (5 June 2014) at 8:55 AM; House of Commons, Standing Committee on Finance, *Minutes of Proceedings and Evidence* 41<sup>st</sup> Parl, 2<sup>nd</sup> Sess, No 54 (3 November 2014) at 4:00 PM; House of Commons, Standing Committee on Finance, *Minutes of Proceedings and Evidence* 41<sup>st</sup> Parl, 2<sup>nd</sup> Sess, No 30 (29 April 2014) at 5:25 PM.
27. Hits on Canadian Newsstand Complete, which covers nearly 300 Canadian media sources, for (“parliamentary budget” AND (Officer OR Office OR Watchdog)) OR (directeur parlementaire du budget), plus hits on Eureka (which has better coverage of French newspapers) for “directeur parlementaire du budget” limited to French Newspapers. This does not include all Canadian newspapers.
28. Hits on Canadian Newsstand Complete for the English name of the think tank, plus hits on Eureka for the French name of the think tank. There may be some double counting between these results for think tanks.
29. Obtained from Canada Revenue Agency charity listings. The data used is revenues in 2013 (as of June 2015).
30. The databases used did not include Le Journal de Montréal, Journal Métro, or Le Journal de Québec.
31. As reported by Newspapers Canada for 2013.
32. This figure excludes five articles which were, through the content analysis, found not to be related to the PBO or its work.
33. Out of the 34,577 sessions the public service account for about a fifth: Shared Services Canada (4,709 visits), the Privy Council Office (1,966 visits), Agriculture and Agrifood Canada (681 visits), the Department of National Defence (508 visits), Finance Canada and the Treasury Board (356 visits)
34. Only two fiscal years of data were available. The PBO is improving its web analytics to allow more detailed statistics to be reported in future.
35. This includes the Library of Parliament, which includes the PBO itself. So this is not an accurate gauge of parliamentary interest, although we had 1,501 first time users from within the House of Commons network in 2014-15. There is clearly substantial parliamentary traffic on our website.
36. Total for French and English feeds.

37. National Defence and the Canadian Forces, "Detail Report – W7714-145956/001/XL" (2013) [Q4 Proactive Disclosure of Contracts over \\$10,000](#); Public Works and Government Services Canada, "ADP Software (W7714-145956/001/XL)" (2014); [Buyandsell.ca Procurement Data, online: Buyandsell.ca](#).
38. Public Works and Government Services Canada, [National Fighter Procurement Secretariat \(NFPS\) Frequently Asked Questions](#).
39. Employment and Social Development Canada, [Better and More Labour Market Information](#) (23 June 2014)..
40. After refusing requests from parliamentarians and the Parliamentary Budget Officer, the report was announced at close of business the day before the PBO's cost estimate was to be released.
41. Teresa Curristine, Jason Harris, and Johann Seiwald, [Case Studies of Fiscal Councils – Functions and Impact](#) (16 July 2013), at 17.
42. Ibid at 15.
43. Ibid.
44. Ibid at 4.
45. Ibid at 1.
46. Ibid at 47-8.
47. Currently before Parliament as part of Bill C-59, Economic Action Plan 2015 Act, No. 1.
48. *Parliament of Canada Act, supra* note 3 at 79.3(1) ("Except as provided by any other Act of Parliament that expressly refers to this subsection, the Parliamentary Budget Officer is entitled, by request made to the deputy head of a department within the meaning of any of paragraphs (a), (a.1) and (d) of the definition "department" in section 2 of the *Financial Administration Act*, or to any other person designated by that deputy head for the purpose of this section, to free and timely access to any financial or economic data in the possession of the department that are required for the performance of his or her mandate").
49. The PBO has not received responses to 17 of those requests. IR0181-0182, IR0186-0202.
50. This reflects the portion of information requests submitted in the fiscal year to which a complete response providing all the requested information was received, rather than the number of complete response received in the fiscal year.
51. IR0171.
52. As a result of institutional changes, Hungary's fiscal council can no longer be considered independent.
53. Ibid at 35-36.