

Clerk of the Privy Council and
Secretary to the Cabinet



Ottawa, Canada
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Greffier du Conseil privé et
Secrétaire du Cabinet

Parliamentary Budget Officer

SEP 24 2012

Directeur parlementaire
du budget

SEP 21 2012

Mr. Kevin Page
Parliamentary Budget Officer
House of Commons
Ottawa, Canada
K1A 0A9

Dear Mr. Page: *Kevin*

I am writing in response to your letter of September 5, 2012.

In your communication you state that you require “departmental information relating to the implementation of Budget 2012 – particularly with respect to the savings and reduction measures”. Your letter identifies three particular kinds of information that you require, namely, “planned savings (including cash inflows and outflows), planned personnel reductions, and service level impacts”.

Before turning to these requests, it would be helpful to set out the Government’s understanding of the statutory mandate of the Parliamentary Budget Officer, and of the materials to which you are entitled. As you state in your letter, section 79.2(a) of the *Parliament of Canada Act* confers the relevant aspect of statutory mandate, namely: “... to provide independent analysis ... about the state of the nation’s finances, the estimates of the government, and trends in the national economy”.

That mandate is clearly focused on the nation’s broader finances and the national economy, and, by extension, their impact on the financial and fiscal affairs of the Government. It also establishes a mandate in respect of federal estimates. As such, section 79.3(1) of the *Parliament of Canada Act* provides that you are entitled to access such “financial or economic data” necessary for you to fulfill your statutory mandate.

The Government concurs that your statutory mandate encompasses your proposed independent analysis of “budgetary targets at the department and aggregated fiscal framework level” and remains prepared to provide your office with data in its possession that is necessary for this purpose. However, the *Parliament of Canada Act* does not confer the Parliamentary Budget Officer a mandate to review all of the operations of the Government.

On the very subject of your request, you have been provided with a variety of detailed federal data at the department and aggregated fiscal level on Budget 2012 implementation. For instance, in my letter to you of May 15, 2012, I enclosed a comprehensive summary of planned efficiencies detailed by ministerial portfolio, by fiscal year. Similarly, deputy heads at the Department of Finance and the Treasury Board Secretariat provided you with detailed disaggregated data on direct program spending on several other occasions.

My letter to you in May also noted that the Government would encourage the use of departmental Quarterly Financial Reports – a vehicle you suggested the Government use – as a further means of providing data on efficiency measures. As a result, these Reports now contain a “Budget 2012 Implementation” section. Future reports will include greater detail as the implementation of these measures progresses.

Your office has also had regular and direct access to other publicly and non-publicly available government data. Since the Budget was tabled last spring many “parliamentary written questions” on savings measures have been received by Ministers. Dozens of responses have been provided to parliamentarians, and dozens are currently being finalized, to which you have access. Your office also regularly receives monthly departmental “trial balance” financial data from the Receiver General, which is not public, as well as Supplementary Estimates provided in a program activity format within days of their tabling in Parliament.

Your letter argues that “uncertainties in the achievement of public sector efficiencies pose risks to the realization of budgetary targets.” As you noted in your Economic and Fiscal Outlook of April 24, 2012, “PBO believes that the Government will likely realize the savings from its freeze on operating expenses in 2011-12 and 2012-13 and therefore has incorporated the Government’s forecast”. In our view, given the scope of data that has been provided, the Government’s latest deficit reduction measures should be equally credible.

When you and I met earlier this year at the Privy Council Office, I was pleased to see that you were tracking Budget implementation to assist parliamentarians in fulfilling their duties — and I accordingly encouraged you to make full use of the entire range of reporting mechanisms to do so.

I was therefore encouraged that you have now developed a new reporting tool in this regard. I believe your program activity architecture-based reporting framework is an innovative approach, and I would suggest you work with the Secretary of the Treasury Board to ensure that the methodology and approach used is sound.

In closing, the federal government has shared extensive data with you on Budget 2012, and will continue to do so. Let me repeat that the Government is committed to assisting you in fulfilling those tasks that have been conferred upon you by Parliament, and officials welcome the opportunity to work collaboratively with you and your staff. If you wish to discuss this issue further, Mr. Rick Stewart, Assistant Secretary, Liaison Secretariat for Macroeconomic Policy, would be pleased to meet with you at your convenience.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'W. G. Wouters', written in a cursive style.

Wayne G. Wouters

c.c.: Secretary of the Treasury Board