



**Statement by Jean-Denis Fréchette
Parliamentary Budget Officer
to the Standing Senate Committee on National Finance
10 May 2017 – 13 :45**

(Check Against Delivery)

Mr. Chair, Madam Deputy Chair and Honourable Senators. Thank you for this opportunity to address the changes to the PBO's mandate and operations, as set out in Bill C-44.

You have in your hands a discussion paper that outlines the major implications these changes could have on the PBO's effectiveness and ability to provide services to members of the Senate and House of Commons.

There is a paradox in the drafting of this bill: in the introduction, the new mandate is well-worded and respects the spirit of the PBO's role, as evidenced in new section 79.01.

79.01 *Sections 79.1 to 79.5 provide for an independent and non-partisan Parliamentary Budget Officer to support Parliament by providing analysis, including analysis of macro-economic and fiscal policy, for the purposes of raising the quality of parliamentary debate and promoting greater budget transparency and accountability.*

The paradox comes later when the bill imposes restrictions on this independence, in addition to undermining the PBO's ability to effectively and efficiently respond to Parliament's requests. The most "restrictive" restrictions include:

- the degree of control that the Speakers of the Senate and the House of Commons will be expected to exercise over the office of the PBO's activities;
- the limits on the PBO's ability to initiate reports and members' ability to request cost estimates of certain proposals;
- the risks flowing from the PBO's involvement in preparing cost estimates of election proposals; and

- the restrictions on the PBO's access to and disclosure of information and the lack of an effective remedy for refusals to provide access to information.

I see no problem in submitting a work plan to the speakers; however, the PBO would become the only Officer of Parliament to require the approval of both speakers for his or her annual work plan. It seems clear to me that this will place considerable pressure on the two speakers, particularly as regards their neutrality (even more so during an election year), especially in the absence of a joint committee that has yet to be created. That is why I am fairly confident that this aspect of the bill will be reviewed and revised by the government.

The current wording of paragraph 79.2(1)(f), which deals with the freedom of any member of the Senate or House of Commons to request an "estimate of the financial cost of any proposal" can be interpreted in more than one way and should be clarified.

Lastly, with respect to access to information, the absence of any mention of a remedy in the event of a refusal suggests that it will be up to the two speakers to intervene in the event that a department or agency refuses to provide information requested by the PBO.

Thank you Mr. Chair.