

## **Opening Remarks to the Oireachtas Committee on Budgetary Oversight**

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**January 19, 2021**

### **Introduction**

I would like to thank the Chair and members of the committee for inviting me to present to you today.

By way of background, for the past 15 years, I have been a research analyst for the Parliamentary Information and Research Service at the Library of Parliament. We provide research services to all parliamentarians and committees of Parliament, and I have worked with several House of Commons and Senate committees relating to various aspects of budgetary oversight.

I read your interim report on parliamentary engagement in the budgetary cycle with interest, and I would note that Canada also struggles with parliamentary involvement in the estimates process. Nonetheless, Canada's experience may offer some useful insights for your study.

### **Pre-budget Consultations**

Since the late 1990s, the House of Commons Finance Committee has been undertaking pre-budget consultations.

In the summer, the committee invites Canadians to send in written submissions for the fall study. It receives hundreds of submissions from various stakeholder groups, associations and individuals. The committee usually travels to 9-10 communities across Canada to hold hearings, and it allows Canadians to speak directly to the committee in "open mike" sessions. In December, the committee releases a report with recommendations to the government for the upcoming budget.

While members of different parties rarely achieve unanimity on their recommendations, the pre-budget consultations provide them with the opportunity to discuss and debate budgetary policy with Canadians.

On the other hand, parliamentarians are less engaged in estimates scrutiny, in part because the budgetary decisions have already been made.

### **Performance Reporting**

Each Government of Canada department and agency produces a performance plan in the spring and a results report in the fall of the following fiscal year. The performance plans set out

planned expenditures, intended results and indicators of performance. The results reports outline actual spending and performance as measured by the indicators.

While the Government of Canada began to develop program outcomes in the early 1970s and publish reports on results in the 1980s, parliamentarians continue to be dissatisfied with the performance information available. There are many reasons for the lack of parliamentary engagement in performance reporting, but they include such challenges as having credible, balanced reporting, as well as demonstrating how government activities contribute to desired outcomes.

Moreover, Canada's Parliamentary Budget Officer has found that there is no clear evidence that performance information has a meaningful influence on budgetary decisions.

### **Implementing Change**

In 2012, I assisted a committee similar to yours that studied the parliamentary budget process and recommended several substantial changes. Most notably, the committee wished to align the financial information in the budget and the estimates by moving to a fixed budget date. It also recommended having program-based estimates votes rather than votes based on type of expenditure. While the recommendations had all-party support, the substantive recommendations did not receive support from the government, most notably the Minister of Finance, and were not implemented.

In 2017, the government proposed changes to the House of Commons Standing Orders that would delay the tabling of the main estimates in order to allow the inclusion of new spending measures announced in the budget. As the government had a majority, it implemented the changes. However, in a compromise with opposition parties that did not support the changes, they were only implemented on an interim basis and expired in 2019. The changes have not been reintroduced in the current Parliament, which has a minority government.

### **Conclusion**

As you go forward with your study, you may wish to consider public consultations as part of your pre-budget scrutiny, be cautious in your expectations of what can be achieved with performance reporting, seek government support where necessary, and strive to reach unanimity where you can.

I look forward to any questions you may have.