



OFFICE OF  
THE PARLIAMENTARY BUDGET OFFICER


BUREAU DU  
DIRECTEUR PARLEMENTAIRE DU BUDGET

CANADA

## Renewing the Business of Supply

*Presentation to the House of Commons  
Standing Committee on Government Operations and Estimates*

February 29, 2012



*“If the House of Commons ...  
lose[s] ...control of the grants of  
public money, depend upon it,  
your very liberty will be worth  
very little in comparison”.*

- William Ewart Gladstone

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## Issue

- No money may be spent without Parliament's consent.
- *How should parliamentarians provide informed consent of proposed spending?*

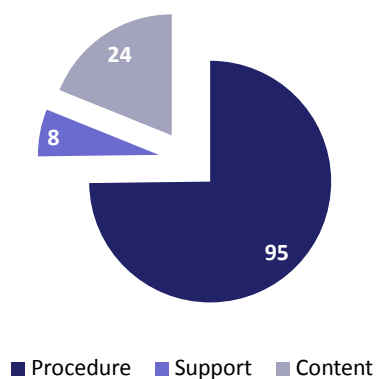
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## Previous Recommendations

Since 1997, over 100 Parliamentary recommendations to improve scrutiny of proposed spending.

Most focus on procedural changes; minority relate to content of Estimates documents or committee support.



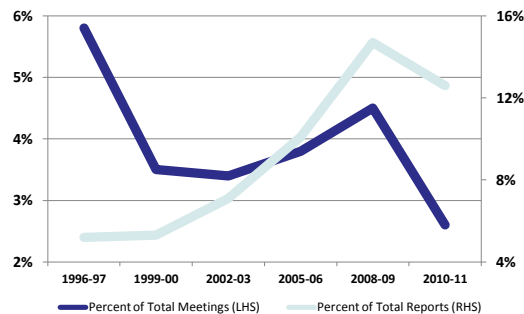
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## Limited Progress

While the number of committee reports on Estimates has grown, the share of Committee meetings devoted to their review has fallen – down by over half since the mid-1990s.

In 2009 and 2010, less than 100 hours spent on the Estimates.



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## MPs Perceive No Improvement

***“Shoddy and hasty”***

***“One of the greatest weaknesses in Parliament”***

***“Almost impossible to do work correctly”***

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## What Could Be Done?

1. Build on *lessons* learned from other Westminster jurisdictions
2. Set standard for *informed consent* by Committees
3. Improve *transparency* of Executive branch financial data

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## Westminster Practices

OECD BEST PRACTICES	WESTMINSTER JURISDICTIONS	CANADA
Proposed plan presented to legislatures at least 3 months before start of fiscal year	<i>Few</i>	<i>No</i>
Proposed plan approved before start of fiscal year	<i>Many</i>	<i>No</i>
Non-financial performance data presented for all expenditure programs (e.g. program activity architecture)	<i>Few</i>	<i>Yes</i>

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## Informed Consent

Are committees required to review the Estimates?	<i>No – Standing Order 81(4); “deemed rule”</i>
Are committees able to make substantive recommendations?	<i>No – consistent with 1979 Speaker’s ruling</i>
Are committees able to dissent?	<i>Yes, but rarely occurs. Not confidence issue, but few minority reports or reductions</i>
Do committees have specialized support to review the Estimates?	<i>Yes, but limited</i>

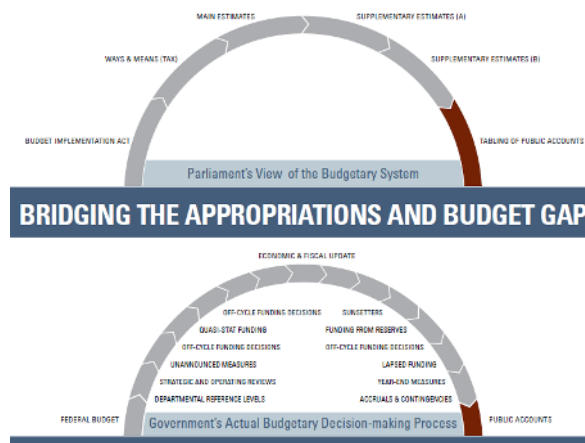
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## Transparency

**Put Parliament on a more even playing field with Executive branch, through proactive disclosure**

**Ensure legislators are able to track initiatives from the budget through Estimates**



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## End Notes

**Slide 3.** *House of Commons Compendium.* [http://www.parl.gc.ca/About/House/compendium/web-content/c\\_a\\_index-e.htm](http://www.parl.gc.ca/About/House/compendium/web-content/c_a_index-e.htm). Accessed February 2012.

**Slide 4.** Recommendations contained in five previous reports: (i) Sixty-Fourth Report of the Standing Committee on Procedure and House Affairs, presented to the House on April 21, 1997 (*Journals*, p. 1494), entitled "The Business of Supply: Completing the Circle of Control"; (ii) The Thirty-Seventh Report of the Standing Committee on Procedure and House Affairs, presented to the House on June 15, 2000 (*Journals*, p. 1883), entitled "Improved Reporting to Parliament Project—Phase 2: Moving Forward"; (iii) The First Report of the Special Committee on the Modernization and Improvement of the Procedures of the House of Commons, par. 33-6, presented to the House on June 1, 2001 (*Journals*, p. 465) and concurred in on October 4, 2001 (*Journals*, pp. 691-3) pursuant to a Special Order (*Journals*, October 3, 2001, p. 685); (iv) the Fourth Report of the Special Committee on the Modernization and Improvement of the Procedures of the House of Commons, par. 43-6, presented to the House on June 12, 2003 (*Journals*, p. 915) and concurred in on September 18, 2003 (*Journals*, p. 995); (v) the Sixth Report of the Standing Committee on Government Operations and Estimates, presented to the House on September 25, 2003 (*Journals*, pp. 1039-40), entitled "Meaningful Scrutiny: Practical Improvements to the Estimates Process."

**Slide 5.** House of Commons, Committees Directorate, *Annual Reports on Committee Activities and Expenditures*. Number of Committee Hours Calculated by PBO, using Committee meeting information presented on Parliamentary web site.

**Slide 6.** Quotes from MPs for Markham-Unionville, Prince Edward-Hastings, and Rosemont-La Petite Patrie, respectively. Published in the Hill Times, February 20, 2012.

**Slide 8.** OECD "Best Practices" taken from OECD Best Practices for Budget Transparency. <http://www.oecd.org/dataoecd/33/13/1905258.pdf>. Accessed February 2012. Data regarding performance of other Westminster jurisdictions and Canada taken from OECD Budget Practices and Procedures Database. [http://www.oecd.org/document/61/0,3746,en\\_2649\\_34119\\_2494461\\_1\\_1\\_1\\_1\\_00.html](http://www.oecd.org/document/61/0,3746,en_2649_34119_2494461_1_1_1_1_00.html). Accessed February 2012.

**Slide 9.** Three sources were used to prepare the table. For information on Standing Orders and Speaker's Ruling: *House of Commons Compendium*. [http://www.parl.gc.ca/About/House/compendium/web-content/c\\_a\\_index-e.htm](http://www.parl.gc.ca/About/House/compendium/web-content/c_a_index-e.htm). Accessed February 2012. For information on dissent and specialized support: How Ottawa Spends 2005-06: Chapter 11, as well as internal research prepared by the Library of Parliament.

**Slide 10.** Prepared by PBO.