



House of Commons
CANADA

Standing Committee on Government Operations and Estimates

OGGO • NUMBER 028 • 3rd SESSION • 40th PARLIAMENT

EVIDENCE

Tuesday, October 5, 2010

—
Chair

The Honourable John McKay

Standing Committee on Government Operations and Estimates

Tuesday, October 5, 2010

•(0845)

[English]

The Chair (Hon. John McKay (Scarborough—Guildwood, Lib.)): I'd like to call the 28th meeting of the Standing Committee on Government Operations and Estimates to order.

We have as our guest this morning Mr. Kevin Page, the Parliamentary Budget Officer. I'll leave Mr. Page to introduce his colleagues.

We've asked Mr. Page to comment on three items. We're going to give him 15 minutes to comment, then we'll open up the questioning to members of the committee.

Welcome, Mr. Page. Once again, it's good to see you. The floor is yours.

Mr. Kevin Page (Parliamentary Budget Officer, Library of Parliament): Thank you, sir.

I'd like to introduce my colleagues at the table. Dr. Mostafa Askari is the assistant parliamentary budget officer for economic and fiscal analysis. Mr. Sahir Khan is the assistant parliamentary budget officer for expenditure and revenue analysis. And two of our senior officers at the Parliamentary Budget Office are the principal authors of the reports we're talking about today. Peter Weltman, who works for Sahir Khan, is the principal author of the infrastructure study. Ashutosh Rajekar is the principal author of our study on sentencing reform.

Good morning, Mr. Chair, vice-chairs, and members of the committee. Thank you for inviting me and my colleagues to speak to you today regarding three issues: the budget 2010 departmental operating budget freeze; the PBO report on the Truth in Sentencing Act released in June 2010 by my office; and an update on the PBO report on the infrastructure stimulus fund.

In my presentation to this committee on April 12, 2010, regarding the budget 2010 freeze on governmental operations, I offered three key messages, which I believe are still relevant in the context of the committee study.

First, the fiscal context is challenging. Notwithstanding Canada's relatively strong fiscal performance when compared to some other countries, parliamentarians are facing two large fiscal waves. First will come large federal budgetary deficits caused by the economic downturn and the implementation of a deficit-finance stimulus package. This short-term wave will be followed soon after by growing costs for baby-boom retirees who will draw elderly benefits

and health care services and by weaker budgetary revenues due to declining growth in labour supply.

[Translation]

Two, there is no fiscal consolidation without pain. To avoid large unsustainable budget deficits over the long term, parliamentarians may need to choose between higher taxes, changes to statutory transfer programs and less spending on direct program expenditures.

Three, there is both a strategic opportunity and need to strengthen the estimates review process. Recent improvements in expenditure management information and the implementation of strategic reviews help set the stage for new levels of fiscal transparency and involvement in a decision-support capacity of the Government Operations and Estimates Committee and indeed all standing committees that support the review of departmental activities.

•(0850)

[English]

With respect to the Correctional Service of Canada and the operating budget freeze, in budget 2010 the Government of Canada established a new fiscal anchor that targets the rate of growth in operating expenditures. As part of this new regime, departments will be required to reallocate internally to meet the 1.5% increase in annual wages for the public service in 2010-2011. In addition, for 2011-2012 and 2012-2013, operating budgets of departments will be frozen at 2010-2011 levels.

While the overall operating budgets of departments and agencies are expected to be generally flat in 2010-2011 compared to those of the previous year, there will be specific departments that will grow or shrink more than others. For instance, against the backdrop of stable operating spending, the Correctional Service of Canada is forecast to have average spending growth of 12.8% over the next two years. As noted in CSC's report on plans and priorities, this is linked primarily to increasing staff and capital spending in the custody program activity. All included, there will be over 4,100 new FTEs, full-time employees, over the next two years, which represents a 25% increase.

There are some considerations for parliamentarians with respect to the first item. In the view of the Parliamentary Budget Office, the budget 2010 operational restraint measures are not fully defined. From a fiscal vantage point, committee members need to know the risks related to achieving the proposed fiscal targets. Are the savings realizable or cashable? Are they dependent on reasonable levels of demand for programs or services? Are there potential downstream fiscal pressures resulting from cost deferrals related to an operational freeze? If new policies require a significant increase in expenditures in one department, will other departments need to compensate with a corresponding reduction in their reference levels?

From a service delivery vantage point, committee members need to know the risks and impacts related to service levels for Canadians from a speed-of-service, quality, or cost perspective. Are there risks and impacts to the longer-term service capacity of government related to changes in employment, processes, or capital levels? In our view, Parliament needs information and analysis in a structured and timely fashion in order to examine the risks and impact of restraint measures.

Our second item, the PBO report on the Truth in Sentencing Act, was in response to a request from the member of Parliament for Ajax—Pickering to determine the funding requirement and financial impact of the Truth in Sentencing Act on the correctional system across Canada. The PBO report does not make any comment on the policy merits of the legislation.

Briefly, the Truth in Sentencing Act amended the Criminal Code to limit the credit a judge may allow for any time spent in pre-sentence custody in order to reduce the punishment to be served at sentencing, commonly called credit for time served. In general, a judge may now allow a maximum credit of one day for each spent in pre-sentence custody. However, if and only if the circumstances justify it, a judge may allow a maximum credit of one and one-half days for each day spent in pre-sentence custody.

I have four key issues to highlight. One, the Truth in Sentencing Act will have a significant impact on the correctional system across Canada. Two, parliamentarians should be concerned about whether the fiscal framework and the budget fully reflect cost pressures arising out of this bill or legislation. Three, parliamentarians should be concerned about the lack of transparency to Parliament in the costing of the Truth in Sentencing Act by the Government of Canada. Four, parliamentarians should be concerned about the operational and cost impact on provincial and territorial jurisdictions.

Over the course of this project, PBO encountered a number of challenges. Other than the initial communication between PBO and the Correctional Service of Canada, which is available on PBO's website, the PBO was unable to secure a single meeting with CSC officials in spite of repeated requests. Moreover, the PBO was unable to verify the government's own estimates, assumptions, or methodology for the various figures presented publicly. Much of the data used for the PBO report was sourced from the annual surveys by the Canadian Centre for Justice Statistics, Statistics Canada, and provincial and territorial correctional departments themselves.

● (0855)

Put simply, the bill directly results in longer stays for sentenced inmates and increases the inflow of sentenced inmates into the correctional system. This in turn results in increased daily head counts resulting from an increase in the average time spent by inmates in sentenced custody. The increase in daily head counts results in a significant impact on operating and maintenance costs, annual life cycle capital costs, and the cost of constructing or expanding correctional facilities.

PBO has used two approaches to estimate the impact of Bill C-25, one being a simple financial model and the second being a probabilistic simulation model. The PBO's efforts also involved an independent peer review panel comprising domain experts across corrections, justice, facility and capital management, and statistics and financial modelling.

[Translation]

Using statistical data for fiscal year 2007-08 as the sample case, the PBO estimated the impact on the federal corrections system had Bill C-25 been enacted in fiscal year 2007-08.

About 8,600 inmates were admitted to federally sentenced custody and spent an average of about 560 days in custody (1.5 years) prior to being sent on parole, community supervision, statutory release, etc. These inmates had already spent on average about 160 days in remanded custody prior to entering federal sentenced custody.

Bill C-25, if enacted in fiscal year 2007-08, would have added about 160 days to the average stay, increasing it to about 720 days (close to 2 years); and this would have resulted in an average increase of about 3,800 inmates.

Based on CSC's estimates reports to Parliament, the average annual operation and maintenance (O&M) cost per inmate in federal custody amounted to \$147,000.

Therefore, Bill C-25 would have resulted in an extra \$620 million per year in O&M and capital expenditure assuming a status-quo occupancy ratio of 90%.

Given that CSC had only about 14,800 cells to house federal inmates, assuming the same status-quo occupancy ratio of 90% would have resulted in the expenditure of \$1.8 billion over five years on the construction of new facilities or expansion of existing facilities, or about \$360 million per year.

This would have resulted in an increase of \$620 million plus \$360 million amounting to almost \$1 billion in expenditures.

If CSC chose not to expand existing facilities or construct new facilities, this would still require an additional expenditure of \$620 million for O&M.

[English]

The projected total funding requirements for CSC, federal level, from the second financial model are presented in table 3 in the annex to this statement. It includes the increased funding requirement to implement the Truth in Sentencing Act.

CSC's latest reports on plans and priorities show the department's annual reference level at about \$2.5 billion for 2010-11, \$2.9 billion for 2011-12, and \$3.1 billion for 2012-13. When compared to PBO's projections for the same fiscal years, it appears that there's a gap of about \$1 billion annually as to what the PBO projects to be the requirement, and what is shown as CSC's annual reference level.

However, if only the O&M components—operations and maintenance—of PBO's projections are compared with CSC's annual reference level, then they appear to fall in the same ballpark. This could be interpreted to mean that CSC would possibly choose to house—double-bunk—multiple inmates within the same cell and not invest in any new facility constructions or expansions.

Thus, should the Government of Canada choose not to build or expand correctional facilities, the increased funding requirement, based on O&M and recapitalization for the increased inmate population, will nevertheless have to be incurred. It must, however, be noted that the increased annual reference level for CSC does not clarify as to whether or not results of any of the new and/or proposed justice legislation, including Bill C-25, are included.

Here are some considerations for parliamentarians.

When parliamentarians debated and subsequently voted on Bill C-25, the financial impact was not made available to senators and members of Parliament. Parliamentarians may wish to request the cost estimate for the Truth in Sentencing Act, including key assumptions, sensitivity analysis, capital budgeting model, methodology, and data sources.

Parliamentarians may wish to request the same type of financial information and analysis as part of their deliberations and debate on subsequent pieces of legislation, which would support the scrutiny of the government's estimates, as well as provide a better understanding of the impacts and risks on the fiscal framework.

With respect to PBO's update on the infrastructure stimulus fund, the third and final item, PBO has provided a performance update in accordance with the third round of claim and progress reports received under the infrastructure stimulus fund as of March 31, 2010. The third round included 3,486 claims for 2,902 different projects representing 74% of all infrastructure stimulus fund projects.

PBO analysis has identified a noticeable delay in project start and end dates against the original projections. This trend highlights potential risks to the infrastructure stimulus fund program outcomes, including projects not being completed at the March 31, 2011 deadline, and a potential lapse of program spending authorities.

PBO developed a high-level forecasting model to predict potential outcomes of the infrastructure stimulus funding program. In the best-case scenario, all projects are expected to be completed by the program deadline. A mid-case baseline scenario results in 936 projects not being completed by deadline, with a potential federal lapse of \$293 million. In the worst-case scenario, 1,814 projects would not be completed, and the potential federal lapse would amount to \$500 million.

Members of my staff met with Infrastructure Canada officials, who expressed their disagreement with some of the methodology

used to forecast these lapsed figures. I welcome these interventions. I believe it creates an environment for debate and discussion.

In the fall of 2010, upon the release of the fourth round of CPR by Infrastructure Canada, PBO will provide a subsequent performance update that will include an update of the forecasted lapse analysis. PBO will also publish findings with our survey of infrastructure stimulus funding project recipients undertaken over the summer.

Here are some considerations for parliamentarians on the third item.

The claims data sets PBO has received from Infrastructure Canada include data inconsistencies that affect the relevance and accuracy of PBO performance analysis. Coupled with the fact that a significant number of projects have not yet submitted progress reports, it is impossible to draw authoritative conclusions about the program performance at this time.

• (0900)

Parliamentary monitoring and program performance would be better served by a more consistent reporting regime with appropriate incentives to ensure timely and accurate progress reporting.

Thank you for time and patience as I work through these three complex issues. I would be pleased to answer questions from committee members.

• (0905)

The Chair: Thank you, Mr. Page.

The first question goes to Madam Coady. You may take eight minutes, please.

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Thank you very much.

Thank you and welcome to all of you for being here and for the outstanding work you do in helping parliamentarians be prepared. We certainly appreciate your efforts.

My first question goes to some of the frustration and what I would call a lack of respect for Parliament associated with not giving you the information. I noted, both in your report itself and as well in your commentary this morning, that you talk about not having the information you require to make the data available—not even being able to get a meeting, per se, with Corrections Canada. Would you care to elaborate on that and the impact that it had on your study and the impact it has on Parliament?

Mr. Kevin Page: The impact it has for our study is that it prolongs the amount of time required for us to prepare the analysis for parliamentarians. I think the impact it has for Parliament is that Parliament doesn't have the benefit of having financial information when they're debating policies.

It is true that we requested meetings with CSC officials. It's also true that our meetings were cancelled on the day of those meetings. As a result, what we were forced to do—and were able to do—was work with many of our colleagues in the correctional services facility at the provincial level, where we did get a lot of help. We got a lot of help from Statistics Canada as well in doing our study. We also had a very strong peer review panel, which helped make up some of the difference.

Ms. Siobhan Coady: It certainly is a challenge for us as parliamentarians, and I think it shows a lack of respect.

Mr. Chair, I'd like to ask that under the study we're doing now we request the cost estimate for the Truth In Sentencing Act, including the key assumptions, the sensitivity analysis, and the budgeting models that were used. If we could have that for this committee, I think it would be helpful. I'd like to ask for that from the department.

Thank you.

I'd like to also talk a bit about the impact on the report on planning and priorities. I see and I'm assuming that clearly not enough has been budgeted; that there is a challenge with the accuracy of the government's numbers. You talk about the spending growth and what, in your analysis, you thought was going to be required and, not even having the information you required, about being able to make some estimates that a tremendous amount of money will be required. We know that the average spending growth in this department is going to be about 12.8%.

Can you give us an overview of what you think are going to be the numbers the growth in this department will require? And comment about whether or not you think the estimates for the department are clearly adequate and whether or not they're accurate.

Mr. Kevin Page: One of the shortcomings, we feel, of the 2010-11 report on plans and priorities for Correctional Services Canada is just a lack of information as to what is included in the estimates for the department. There's very little mention of Bill C-25 in the 2010-11 report, so we have no information as to whether or not they've provided some provision for the impact of that bill, the Truth In Sentencing Act, in the estimates.

Having said that, there still is massive growth, as you've noted—an almost 13% annual increase. In 2011-12 and 2012-13 we're talking about a 23% increase in financial resources, and for those same two years a 25% increase in human resources, and—if you break it up with some of the components over the three years—as a planned spending for custody a 47% increase.

So we see a lot of money being set aside; however, when we do our estimates—and we've taken account of the fact that we're talking, as a result of the act, about an additional 3,800 head counts in the system—using data from Correctional Services Canada, we still feel that even with the significant growth of roughly 25% over the next two years, it's significantly short by roughly a billion dollars a year, which would effectively add almost another 25% growth to the overall reference level.

Ms. Siobhan Coady: Thank you very much.

It concerns me when I hear that there's very little mention of Bill C-25 and that you're concerned about those numbers. Certainly we'd like to have accurate numbers and have those things considered.

Did you consider as well in your analysis some of the load impact upon the courts? I'm thinking here of the demand on the justice system to now move very expeditiously and the costs we may have to incur because people will no longer want to be remanded waiting for sentencing but will want to have their court case moved up. Did you consider that load factor?

Mr. Kevin Page: When we do our calculations and our costing, we basically do these calculations very much as the Department of Finance will do them: on a status quo basis. We do not assume additional load or behavioural impacts beyond what we would normally see in the system.

Having said that, in our report we have a number of pages that highlight the complexity of the system, how the system may provide different behavioural-type changes as a result of the law. But we make no cost assumption for it.

What we do highlight in the report, though, is that there will be significant cost to the provincial-territorial correctional system, and we provide some estimates overall on a fiscal requirements basis of the overall increase over the next five years.

● (0910)

Ms. Siobhan Coady: Could you elaborate on those impacts to the provinces, please? I'm more looking at the operational cost impact in the provinces and territories. You mention this throughout your report as being a serious concern of yours, and I'd like to have a little more of your analysis.

Mr. Kevin Page: As part of our report.... I think we have it in the annex, but on page 12 of our report, in section 3.4, we provide figure 3-C. I apologize for all the information. We have annual expenditures in 2009-10 for the total system—this includes federal and provincial-territorial—amounting to about \$4.396 billion. That's for 2009-10. The split is roughly 49% for provincial-territorial and roughly 51% at the federal level.

When we project forward, looking at the total funding requirement based on a more detailed, peer-reviewed model, up to 2015-16 we see the total fiscal requirement for the whole sector—provincial, territorial, and federal—growing to \$9.457 billion. And we see some changes to the shares: the provincial-territorial share will rise from 49%, as I said earlier, to 56%—so provincial-territorial expenditures will go from \$2.150 billion to \$5.289 billion—whereas the federal share will actually fall from 51% in 2009-10 to 44% in 2015-16.

There's a fair bit of elaboration in the report as to the relative parameters of our system, and I think you will see in some of the background data that the provinces and the territories carry a heavy part of the load of our correctional system in Canada.

Ms. Siobhan Coady: That's a staggering comment, especially when you factor in—and as you noted, you don't factor in—the cost of land, the preparation of land, and those types of things. You have to add that on top. Then, if we have to move more expeditiously in court, there's a cost to that as well.

So we didn't get really accurate figures in the budget, and we didn't get enough information really for you to even delve further. I think those are two faults that we could see here.

The Chair: This is your last question.

Ms. Siobhan Coady: For my final question, I want to move to the infrastructure projects. I know you're going to give us an update, but in your opinion, how many of the infrastructure—

The Chair: You're going to have to hold that question, because you have hit your eight minutes.

Ms. Siobhan Coady: Oh, I thought you said I had one more question. I'm sorry.

The Chair: Madame Bourgeois.

[*Translation*]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Thank you, Mr. Chair.

Good morning to you, Mr. Page, and to your staff. It is always a pleasure to have you here. When you came to see us last April, you lamented that you were not able to have all the necessary information in order to help parliamentarians to get their work done. Based on your speech from today, I see that the situation has not changed. Is that correct?

Mr. Kevin Page: That is true.

Ms. Diane Bourgeois: It is true.

Last April, you came to meet with us so that our committee would ask the Treasury Board to submit the fiscal framework projected and approved, as well as a list of requests.

But that list could not be produced, Mr. Chair, since the Rahim Jaffer affair had to be handled. So I would like to introduce a motion today in both official languages that outlines Mr. Page's request of last April, which is still current and appropriate.

If you wish, I can read it slowly or we can let you, Mr. Chair, read it, or our clerk could read it. It is the motion we wanted to introduce last April 12 to help Mr. Page to do his work and then to tell us what is happening.

• (0915)

[*English*]

The Chair: Are you moving a motion, or are you giving notice of a motion?

[*Translation*]

Ms. Diane Bourgeois: No, I am moving the motion right here, right now. It is written in both official languages. I am moving the motion because it is crucial that Mr. Page can do his work and provide us with the appropriate information.

[*English*]

The Chair: I'm assuming you don't wish to detract from questioning time, so is it your intention at this time to move the motion but not have it debated?

[*Translation*]

Ms. Diane Bourgeois: I want it to be adopted, Mr. Chair. Whether debated or not, it is crucial to adopt it so that we can get the information.

At the time, Mr. Page was asking for all the information that he was not able to provide us with. It is exactly the same information because he works with forecasts.

[*English*]

The Chair: I understand the intention of your motion. I'm just trying to schedule discussion of the motion. My suggestion would be that we discuss the motion at the end of the meeting. Do you think that would be appropriate?

[*Translation*]

Ms. Diane Bourgeois: I want it to be officially introduced.

The Chair: All right.

Ms. Diane Bourgeois: May I continue with my questions?

The Chair: Yes.

Ms. Diane Bourgeois: Mr. Page, I am sorry to see that your work is based on forecasts.

But does that mean that neither the Treasury Board nor Infrastructure Canada use cost-benefit or cost-effectiveness analyses? They have no analysis plan to see what will happen in the short, medium and long term. Is that right?

Mr. Kevin Page: Which situation are you referring to?

Ms. Diane Bourgeois: I am talking about both the Correctional Service of Canada and Infrastructure Canada. Is it safe to say that they have no forecasts?

[*English*]

Mr. Kevin Page: We have not received any forecast.

[*Translation*]

We have not received any information about the forecasts or analyses from Infrastructure Canada and the Treasury Board on the bill called the Truth in Sentencing Act.

Ms. Diane Bourgeois: As to Infrastructure Canada, we know that municipalities, including Quebec municipalities, have to meet the March 31, 2011 deadline to complete the work according to the stimulus package.

With no analysis, the government cannot establish that the infrastructure projects will be completed by March 31. Is that correct?

Mr. Kevin Page: Yes. We assume there is a deadline for the infrastructure program and the Infrastructure Stimulus Fund.

[*English*]

We have done our own analysis on the lapse amount, the amount of money that will not be spent, the authorities that will lapse. We have not seen that analysis from Infrastructure Canada.

[*Translation*]

Ms. Diane Bourgeois: If you have not received a financial analysis or anything else about the deadline, how can the government say that everything has to be finished by March 31 and that it will have paid the amounts invested in the infrastructure plan by March 31?

[*English*]

Mr. Kevin Page: While we have not seen this information, it may be possible that Infrastructure Canada or the Treasury Board Secretariat is producing this analysis but just not sharing it.

[*Translation*]

Ms. Diane Bourgeois: Mr. Page, on page 5 of the English version of your brief, you raise a point as a consideration for parliamentarians. It says that "the claims datasets PBO has received from Infrastructure Canada include data inconsistencies that affect the relevance and accuracy of PBO performance analysis".

What are those inconsistencies? Could they include scheduling disbursements without a result analysis and setting a deadline without really knowing what will happen? Could that be an inconsistency?

[English]

Mr. Kevin Page: It is correct. I'm going to ask Peter Weltman to provide a fuller description of some of the inconsistencies we've seen in the data, where we think—

• (0920)

[Translation]

Ms. Diane Bourgeois: Please.

[English]

Mr. Kevin Page: —we've missed an opportunity.

Mr. Peter Weltman (Financial Advisor, Expenditure and Revenue Analysis, Office of the Parliamentary Budget Officer, Library of Parliament): Very briefly, as it was explained to us, the data that Infrastructure Canada is providing is being used to validate any claims that have been submitted by projects. So if a project has spent a certain amount of money, they'll submit a claim to get reimbursed. Beyond that there's nothing else that alludes to or measures or tracks performance.

There is one indicator that asks projects to report on what percentage of the project has been completed. That is used by the department simply as a cross-check against the claims amount so that a project isn't claiming for 50% of their project, for example, yet only showing a 25% completion rate. We've used that project completion amount and applied that to the overall project timeline to give Parliament a very high-level sense as to how things are working out on the ground.

What we mean by inconsistent is that different projects are reporting in that field differently. There are no clear guidelines as to how to fill out project completion data, even though industry standards are fairly clear. Secondly, the government has said they're not really collecting any performance information. Thirdly, many projects have not reported, so—

[Translation]

Ms. Diane Bourgeois: But sir, that means that when we are told in the House that 90% of the work has started and that the money has been allocated, the information is not completely accurate. We have no idea what the basis is for saying that 90% of the work has started and that the sums have been allocated up to now. There are no documents. We have no idea what the minister is relying on to say that.

Mr. Peter Weltman: Not entirely. When projects are about to start, there is certainly a starting date, which appears in the contract with the government. So we can consult the database to find out how many projects should have started. However, to find out if they have actually started or not, I am not sure how we can... We do not have that information. We only have the information about the anticipated starting date.

In addition, if project leaders submit reports saying that the projects have already started, we then know for sure that they have started. But, when a number of project leaders do not submit reports, we don't really know whether the projects have started or not.

Ms. Diane Bourgeois: That's fine, thank you very much.

[English]

The Chair: Merci, Madame Bourgeois.

Mr. Warkentin, eight minutes.

Mr. Chris Warkentin (Peace River, CPC): Thank you, Mr. Chair.

Thank you, gentlemen, for coming this morning. We appreciate your attendance.

I have some questions in terms of the infrastructure stimulus fund and the questions that Infrastructure Canada officials had in terms of the methodology your office was using to forecast lapsed figures. I wonder if you can describe the questions they had regarding your methodology. My understanding is that in developing your mid-case scenarios and your worst-case scenarios you had a methodology that the department was uncertain about. Could you describe that?

Mr. Kevin Page: I want to remind members that when we put out our lapsed analysis based on March 31 data we had data for one year into the program. We wanted parliamentarians to have different scenarios, so we provided three scenarios, effectively: a best-case scenario, a mid-case scenario, and a worst-case scenario.

I'm going to ask Peter to talk a bit about our methodology and some of the comments we heard from Infrastructure Canada on the methodology.

Mr. Chris Warkentin: Have your worst-case and mid-case scenarios changed as you've been able to receive additional information? Have you made any changes, or have you maintained that same methodology that yielded your first analysis?

Mr. Kevin Page: We are hoping to get the data for June 31 any day now. In fact, we've been told by Infrastructure Canada officials that we might get the information this week.

We have not changed our methodology. I'm going to ask Peter to explain our methodology, some of the comments we have received from Infrastructure Canada, and the extent to which Finance Canada is using similar type of information to what we are.

Mr. Peter Weltman: Again I'll be brief. Very quickly, regarding the methodology, we've calculated what we call a delay factor based on changes from planned start and end dates to reported start and end dates. We've outlined the methodology in excruciating detail on page 12, so I won't step you through it. Effectively, we took two different approaches to come up with a base case and worst case.

The concerns that Infrastructure Canada had were fourfold. One was that projects that hadn't started had no obligation to report, so why were we using information to that degree? We noted that many projects that hadn't started had also reported, so that's fine.

Secondly, on the Quebec projects, something we weren't aware of at the time but understood at the meeting was that, under the PRECO agreement, projects did not have to report or submit claims until the program was finished, and the proviso was that the projects had to be terminated by December 31, 2010, as opposed to March 31, 2011.

The third issue that was brought up involved our worst-case scenario and some of the assumptions we made for using certain start and end dates versus others in the database. We agreed that when we got a new set of data we would maybe run a fourth scenario somewhere in the middle to see what came up. I'm not sure it's going to make a big difference.

• (0925)

Mr. Chris Warkentin: We're moving along quite steadily here now, and we're hearing back from provinces, from municipalities. Obviously the department has an opportunity to contact many of these municipalities directly. The provinces are in contact with these proponents in many cases. They're reporting back to the federal government, and that's where a lot of this information is being derived from. Did you contact any of the proponents of the projects?

Mr. Kevin Page: We have been in contact with municipalities, and as I said, it is always our intention to update this analysis.

Mr. Chris Warkentin: So this is an out-of-date analysis, then?

Mr. Kevin Page: Our analysis is based on data as of March 31. We understand that there is data for June 31. We understand that the recent progress report released by the Government of Canada on the stimulus in general used more up-to-date data. We will be reporting to Parliament, based on the data they give us this week, in the next number of days.

Mr. Chris Warkentin: We'll move from that, because clearly we're talking about March data, and a lot of time has passed—an entire construction season has passed since then—so I think this morning we're probably barking up a tree that isn't going to yield us a significant amount of information on that.

In terms of the Truth in Sentencing Act, I sense and feel that a significant portion of the analysis hasn't been done regarding the cost to the taxpayer and the general population, given the possibility that many criminals are being released before their sentences have been fully served. I'm wondering if you've done any analysis, because I know the RCMP and many victims' groups have done a significant amount of analysis on the cost to the population when people who are likely to commit crimes or who haven't been rehabilitated are out committing these crimes. So I'm wondering whether you have done any analysis of the cost to Canadians of people being released from prison too early.

Mr. Kevin Page: No, we haven't, sir, in this study. Our focus is limited to the fiscal impact of the bill: could there be additional cost changes or benefit changes?

Mr. Chris Warkentin: I appreciate that, and I think there's a cost benefit to the bill, which is that if it is not analysed and not brought into the discussion, it's a lopsided argument. Yes, certainly it's going to cost something to protect Canadians. I don't think anybody in this room is going to argue about that. But what is the cost of not protecting Canadians? I believe parliamentarians would be well served to know the answer to that question. We're hearing that answer from victims' groups. We're hearing that information, those analyses from chiefs of police. We're just not hearing it from you, Mr. Page. I wonder if you would be willing to undertake a study so that there would be a counter and a realization of the true cost benefit of legislation like this.

Mr. Kevin Page: It's a very good question. I think I'd preface my remarks by saying it's incumbent upon the government, when they are spending taxpayers' dollars, to provide appropriate information to parliamentarians on what the fiscal cost is—

Mr. Chris Warkentin: And I think they have.

Mr. Kevin Page:—and if they see analysis with respect to the benefits, they should do that. We would be very happy to undertake scrutiny of their assumptions for parliamentarians.

Mr. Chris Warkentin: You're saying that it's incumbent upon the government to make an argument on one side, but you're fully exploring the other side of the issue, so I'm just seeing an imbalance here, Mr. Page.

Mr. Kevin Page: To this day we have not undertaken any type of analysis, whether as in the costing of Afghanistan, and we did work on the costing of aboriginal infrastructure, to look at the benefits side. We felt that once you look at the benefits side you get into some of the policy-related issues. It doesn't mean to say we couldn't do that, but we have not been requested to do that.

• (0930)

Mr. Chris Warkentin: I think there is a policy issue here: it's to protect Canadians or not protect Canadians. You're taking one side, that it's going to cost something to put criminals into prison. I understand there's a cost to that, but what's the cost benefit? We're seeing a whole part of this, a discussion, that's not being even analyzed. So in terms of your office, I know that Mark Holland asked you to look at one side, and I'd now ask you to do the other. If one member of Parliament can ask for you to analyze one side of a bill, as a member of Parliament I would like you to see what the benefit to Canadians might be on the other side.

Mr. Kevin Page: Well, sir, I'd be open to considering that type of venue, both in terms of this sort of measure or potentially other measures in terms of looking at the benefit, but when we look at our legislative mandate, section 79 of the Parliament of Canada Act, it's pretty clear that it talks about analysis on the economy and the nation's finances; it talks about the costing of bills and legislation, the costing of bills—

Mr. Chris Warkentin: Right.

Mr. Kevin Page: So the question is, should we undertake to look at the other side of the ledger, the benefits? We have not done that yet. That would be an expansion, I think, in terms of what we think is our mandate right now. We'd be prepared to have that conversation with you, sir.

The Chair: Thank you, Mr. Warkentin.

Let the record note there is no June 31, which may be the same time as you'll get your additional information.

Mr. Martin, eight minutes, please.

Mr. Pat Martin (Winnipeg Centre, NDP): Thank you, Mr. Chair.

It's actually a shame that we have three such interesting topics and such very little time to deal with them. I appreciate you trying to truncate them within our timeframe here, but I'm really tempted to get lured into the points that Chris was making, because if I can say one thing, if anybody could demonstrate that more time in prison equalled less crime, we might want to go for that. But if you look at the United States, with the highest rate of incarceration in the world, you would think all of their streets would be crime-free.

From a public policy point of view, I think we very much need to know the real cost of some of these tough-on-crime bills, and this is the first time we're getting to it. I think if the public knew the whole cost, the real cost of stacking up even more people in prison, they might be more inclined to dedicate some of those billions of dollars to the other end of crime prevention policies, etc. They may decide that it would be money better spent. Virtually all of these crime bills have a mandatory minimum sentence built into them, and we'll be stacking up prisoners like cord wood, unless they want to start building a lot more prisons.

One of the things that's crossed our minds, and I say this to share this with you, is that they seem to be laying the foundation for dealing with some of their fiscal problems through ideological lines, privatization. They could call in Onex or Haliburton to start building private prisons, like they do in the United States. If it costs \$147,000 to keep a prisoner in prison here, what if Onex or Haliburton came up and said they could house a prisoner for \$120,000 a year? I think they'd be tempted to go that route.

It's one of our concerns that's in a number of the areas you've mentioned, the looming fiscal crunch that's on the horizon that you cited for us. We've squandered the fiscal capacity to be able to cope with some of those very real demographic problems of aging baby boomers, etc., through some of the corporate tax cuts and things that still remain on the books.

I know I'm wandering a little bit here.

The Chair: Relevance, Mr. Martin.

Mr. Pat Martin: Well, I think it's all bang on in terms of successive crime bills, you know, with these mandatory minimum sentences.

We deserve to know the real cost of some of these that we think are ideologically driven points of view, and I personally have a lot more faith in the estimates that you bring to the table than the notions of the minister standing up saying it's going to cost x , y , z . The value of the PBO is that we're the government operations and estimates committee, and we do very little work actually on estimating what's going to be the actual cost of government programs that are brought to us.

Let me deal for a minute, Mr. Page, with the first topic here, the operating budget freeze. You ask some questions that you think parliamentarians should dwell on here. The second bullet point that you've got as a consideration is "Are the savings realizable or cashable?" Are we going to be able to bring down the deficit by freezing operational spending? Could that in fact trigger other costs in other areas? Is there a measurable benefit to the course of action they've taken?

● (0935)

Mr. Kevin Page: Yes. On our use of the term "realizable" versus "cashable", in our view, cashable means if the government chooses to reduce a specific vote, an appropriation of a specific department, then we know that the cash will be in hand. We tend to use those words because departments also face significant operational needs. Those needs can go up or down, depending upon any number of conditions.

If the needs go up they may need to spend more. So at the end of the day, actions from a fiscal savings perspective may not be realizable to get some of the savings they've highlighted.

Again, we use those terms conceptually. We're not here to make a comment on whether there's too much fiscal restraint or not enough fiscal restraint relative to what the government's saying. If parliamentarians can get the analysis in a structured way, if we can get this information in a structured way, we could provide you with a risk analysis on both the fiscal side and the service-level side.

Mr. Pat Martin: Do you feel, by and large, you get that cooperation? If you were getting the information, you could pass it on to us—that's the way you phrased it. What level of cooperation are you getting when you ask for the type of information you need to help us do our job?

Mr. Kevin Page: We're not in a position today to provide you with a fiscal risk analysis based on budget 2010, or a service-level analysis. We have had different communications with the Treasury Board Secretariat on information exchange, where we tried to get reference-level information broken out in a certain way—operations, capital transfers, etc.—so we could start to do this. In fact, we've tried to get information to understand better what's in budget 2010. They highlight a specific number on page 180 in the budget of what operational amount of money will be frozen. We don't even know what's in that number.

We've heard subsequently, since budget 2010, that there will be additional expenditures. We think Correctional Service Canada will need additional expenditures to deal with Bill C-25. We have heard off-budget announcements related to veterans benefits. There have been potential EI-related adjustments.

We know the fiscal framework is being adjusted as we speak, so we would need to bring this type of analysis into play. We're looking forward to Minister Flaherty's update later in the month, and maybe some of this information will be updated. But we have not been able to get the information from the Treasury Board Secretariat.

Mr. Pat Martin: This speaks to the whole source. We have a right to know what the government is planning to do, and certainly the public has a right to know as well, in advance of that spending, at least some realistic projections based on fact.

For far too long we've relied on the Auditor General—the other person Canadians trust after you, Mr. Page—to tell us if the money was wisely spent or not. But that's 18 months after the fact. We desperately need to be able to make informed decisions at the front end, with reliable numbers, that if we adopt this policy it's going to cost you this much. Do we still want to do that, or do we want to hive off some of that money you think we're going to have to spend to build prisons, and put it at the front end to try to have a prime reduction strategy at the other end?

Canadians may want that information. They want to make that choice. Thankfully we're getting bits and pieces of it, at least, through the Parliamentary Budget Office.

Thank you.

The Chair: Mr. Page.

Mr. Kevin Page: No.

The Chair: That's fine.

Mr. Regan.

Hon. Geoff Regan (Halifax West, Lib.): Thank you, Mr. Chairman.

Mr. Page, thank you for appearing today with your colleagues.

Your assessment indicates that from this one piece of legislation, the Truth in Sentencing Act, there will be an increase of approximately \$1 billion in costs to the Government of Canada, for which the government hasn't budgeted. There's no budgeting whatsoever from this one act. That's very disturbing. But as I understand it, when you were first asked to do this Mr. McTeague gave you a list of government bills related to sentencing that were brought forward, and I think all passed in 2009. I don't recall the list.

Can you remind us what that list was? I know there have been other bills this year. This was only up to December 31 last year, and there are more bills this year that would add to that cost. Can you remind us of the rest of that list, or how many other bills there were in Mr. McTeague's request? It was Mr. Holland's request, pardon me.

• (0940)

Mr. Kevin Page: Yes, it was Mr. Holland. We're just checking to see if we have the original request letter from Mr. Holland.

Hon. Geoff Regan: If it's \$1 billion from this one bill—and I realize you decided it was too much to look at all these bills at once—I shudder to think what the cost would be for all of these bills.

Go ahead.

Mr. Kevin Page: Yes, sir, we have a listing. I go back to the overview from our original report on sentencing, with regard to the Truth in Sentencing Act, and look at section 4, which states:

The legislation in question includes several bills from the 40th Parliament, 2nd Session (January 26, 2009 to December 30, 2009), including bills C-2, C-14, C-15, C-25, C-36, C-42 and C-43.

For Bill C-25 we did provide a fiscal impact cost. Obviously there was a number of bills. We focused on one that we thought was quite significant.

Hon. Geoff Regan: So you listed six bills, if I recall correctly, and we know that just one of them was \$1 billion.

You said you costed Bill C-25. How much was that? How much did you find was the unbudgeted cost?

Mr. Kevin Page: For Bill C-25—this is the report that we were referring to today—as you said, sir, it's roughly \$1 billion a year in terms of fiscal impact. Roughly \$600 million of that is operations and maintenance, and most of the balance of that is capital.

Hon. Geoff Regan: All right.

One of the things that concern me deeply is your comment today that “parliamentarians should be concerned about the lack of transparency to Parliament in the costing of the Truth in Sentencing Act by the Government of Canada”.

You know, it makes me wonder if we need a “truth in budgeting” act around here. What we see is the government bringing out a budget claiming they're going to do one thing in terms of deficit—they're talking about a deficit this year of \$49 billion—and, going forward, reducing that deficit. But we see that there are costs here, going forward, that they aren't even including in their process.

Obviously that's very worrisome, but it's also worrisome that you can't get the information you need.

On April 12 of this year, you came before us and in your presentation said that your office “requires committee support to obtain the required information for decision-support to members”. In other words, to assist parliamentarians in doing our job of assessing what the government is doing, you had to come here and ask the committee for its help to get the government to give it to you.

What we see is that, since then, you still haven't gotten that support in that Correctional Services Canada has basically thumbed their noses at you—and, through you, in my view, Parliament—when you've asked for information from them.

Now, tell me, did you go to the minister? When you couldn't get support, when Correctional Services Canada wouldn't meet with you, did you ask the Minister of Public Safety for his assistance in getting his department to meet with you?

Mr. Kevin Page: Sir, we were working with the commissioner of Correctional Services Canada.

But more generally speaking, in terms of when we were told—in response to your first point, sir, about helping this committee look at issues of fiscal risk and service-level risk—on two different occasions we dealt with the Treasury Board Secretariat. One was at the ministerial level, the final result of which was our being told that to get five-year reference levels, to get this information and to analyze it for parliamentarians, would be a cabinet confidence. That's effectively what we were hearing from Correctional Services Canada, that the cost of Bill C-25 was a cabinet confidence.

Hon. Geoff Regan: And you heard the same thing from the ministerial office, you're saying; the minister's office told you the same thing.

Mr. Kevin Page: We met with the president of the Treasury Board as well. We were grateful to get that meeting, to talk about why we needed this information. We wanted to make our case face to face.

Again, we think that given the nature of our expenditures—we're talking about roughly \$250 billion a year, 95 departments and agencies—to provide an effective job scrutinizing the estimate, we need reference levels, not just what is in for 2010-11 but for the planning period. The response we got back from the Treasury Board Secretariat was that it was a cabinet confidence.

Hon. Geoff Regan: So you were stonewalled.

The Chair: Thank you, Mr. Regan.

Mr. Woodworth.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Thank you very much.

Mr. Page, it's my first opportunity to hear you testify, so I've been quite interested. But I've also been a little bit surprised at some of the things you've said, particularly in answer to Mr. Warkentin.

I quite well understand that it's not within your purview to comment on the intangible benefits of a bill like the Truth in Sentencing Act. Some of them are obvious. Whether it's safer streets, or the fact that Canadians will have more confidence in the justice system, or the fact that we are being more sensitive to the concerns of victims—those are all intangible benefits of that act, which, I understand, is not within your purview to comment on.

But did I understand you to say, sir, that you don't consider it within your purview to comment on the fiscal benefits of this legislation?

• (0945)

Mr. Kevin Page: No, sir, not the fiscal benefits; I think you'd probably be referring to the economic benefits.

Mr. Stephen Woodworth: Okay.

Mr. Kevin Page: We are quite comfortable providing fiscal analysis in the context of our being legislative budget officers.

Mr. Stephen Woodworth: So in terms of the reduction in costs that may occur within Correctional Services as a result of this act, are you saying that you're not capable, or it's not within your purview to consider that?

Mr. Kevin Page: Our understanding from legislative budget offices across the world, including the United States, South Korea, Mexico, and there are a number of fiscal councils in Europe, sir, right now, is that they tend to be very hesitant to look at the benefit-style costs I think you're referring to.

Mr. Stephen Woodworth: So, for example, if in fact the pre-trial custody periods that we are now experiencing are reduced because of the Truth in Sentencing Act because people are no longer gaming the system and lengthening their time before their pleas, if those costs are reduced, you don't consider it part of your job to tell us about that?

Mr. Kevin Page: No, if we have evidence on those types of costs, sir, we would definitely build them into our models.

Mr. Stephen Woodworth: Oh, I see. So did you look for that?

Mr. Kevin Page: Did we look for that? At this point, sir, and based on the information that we were able to get from—

Mr. Stephen Woodworth: Yes or no? Did you look for the costs on—

Mr. Kevin Page: Yes, we looked, sir, but we couldn't see any.

Mr. Stephen Woodworth: Okay. You couldn't see any?

Mr. Kevin Page: We couldn't make any reason to adjust our assumptions. Effectively what we do—which is typically what the Department of Finance does—is we tend to assume status quo behaviour unless we can make a convincing case otherwise that the system will be fundamentally reformed in terms of preparing our costs. And we highlight these assumptions in great detail, sir, in our report.

And if I could, I would like to add as well—

Mr. Stephen Woodworth: Well, I understand about the assumption regarding status quo behaviour, but—

Mr. Kevin Page: —that in Correctional Services Canada's report on plans and priorities, it's significant—

Mr. Stephen Woodworth: If I could just stop you for a minute, because I have such limited time—

Mr. Kevin Page: Okay, I'm sorry, sir.

Mr. Stephen Woodworth: —I think you've more or less come to the point of saying that you've assumed status quo. So I'm wondering whether you obtained any evidence from any valid criminology source about the impact on the reduction in pre-trial custody costs that the Truth in Sentencing Act will have.

Mr. Kevin Page: If you have this information we will redo our estimates.

Mr. Stephen Woodworth: Well, you know, if I had that information I might come and ask to be employed by your office. What I'm trying to understand, sir, is if in fact this is your approach generally, that you don't consider the cost savings of bills. When you're asked to provide information on the financial impact of a bill, you only look at the cost increases, not the cost savings?

Mr. Kevin Page: No, sir, if there is any evidence.... This is one of the reasons we set up peer review panels. It's one of the reasons why we ask for conversations, detailed discussions with Correctional Services Canada officials, so we can get at these points, which we have done on this, sir. We went to the community, went to the Correctional Service of Canada—

Mr. Stephen Woodworth: I have one minute left. You have answered my question.

Here is another one. Did you look at the 2007 Correctional Services Review Panel report, which proposed a number of improvements to Correctional Services that will likely lead to greater efficiencies and cost reductions? Did you look at that in coming to your conclusions about projections of their budget baseline?

Mr. Kevin Page: Sir, if those improvements were built into the baseline at Correctional Services Canada, we would include them. But to our knowledge I'm not sure they were built into the baseline. I've seen no evidence in the RPP that they were built into their baseline.

Mr. Stephen Woodworth: Did you read the report?

Mr. Kevin Page: We have the report. We've read the report.

Mr. Stephen Woodworth: Okay.

Am I out of time?

The Chair: Thank you, Mr. Woodworth.

Madame Coady.

Ms. Siobhan Coady: Thank you very much.

And to my honourable colleague, I think the PBO would have included a lot of information if the political direction had been given to give him the necessary information and he had been able to have the meeting to actually hash out those points.

The massive costs of building these new prisons and putting people in jail is difficult when crime is going down. Perhaps it goes to Mr. Stockwell Day's point of unreported crime.

But my point I'd like to get to right now is the infrastructure stimulus fund and I'll talk a little bit about that, if I may. You note in your earlier comments, the comments you brought to the table, that there is a risk. You've "identified a noticeable delay in project start and end dates against the original projections". You said there are potential risks of projects not being completed at the deadline, and as you know, that has been a topic of concern. And I know that my other honourable colleague did ask you a little bit about that at the beginning of this meeting. Perhaps you could elaborate.

The worst-case scenario you defined is a tremendous number: 1,814 projects may not be completed. Being fair, that was the worst-case scenario, with the potential lapse from the federal government of \$500 million. I know you're doing analysis now, based on the third report card, but because you have a great understanding of this, where do you think we are today? And I know you don't have all the data at this point to give me a final summation, but where are we? With the best-case scenario or the worst-case scenario, where do you think we are at today's date?

• (0950)

Mr. Kevin Page: Thank you for the question.

Based on the information that we had—again, those estimates were based on data as of March 31—we felt comfortable that we needed three scenarios and we didn't feel comfortable applying weights to the probabilities of various scenarios based on that information. We think the June 30 data and then perhaps even the quarter after that, which we'll probably be at closer to the end, will give us a really good sense of where we're going to be on March 31 of 2010, so we're really not at a point to assign probabilities in terms of best case, mid-case, worst case.

Ms. Siobhan Coady: Have you received the June 30 data or the September 30 data at this point, and when do you hope to receive it?

Mr. Kevin Page: We actually hope to get the June 30 data this week. We understand that the data is ready for us. It's simply a question of it making its way over to our office.

Ms. Siobhan Coady: If you had the June 30 data as early as this week, when do you think you'll be able to give us an analysis of the best versus worst-case scenario? What I'm concerned about, quite frankly, is that we're getting closer and closer to that end-of-March deadline, and if we have the worst-case scenario or even near-worst-case scenario of 1,800 projects not being completed, I think that's a cause for concern and a cause for us to ask government, obviously, to extend those projects.

Mr. Kevin Page: We would need about 10 working days to turn an updated report around with an updated lapse analysis for you with different scenarios for the June 30 data.

Ms. Siobhan Coady: I see that you're getting some advice from your analysts.

Mr. Kevin Page: We'd be happy again, as we do with all our information, including our models, to share them with the government. Actually, on this particular file on infrastructure, we've had some pretty good collaboration with department officials. It's not the same kind of story with some of the other files.

Ms. Siobhan Coady: Thank you.

I'd like to turn it over to my colleague, if I may.

Hon. Geoff Regan: It's for a short question.

Mr. Page, let's talk about the impact on provincial governments. I'm thinking about the correctional facility close to my riding in Dartmouth, Nova Scotia, where we've already seen problems. We hear about attacks, murders, and protests inside the correctional facility and all kinds of challenges that the provincial government is facing managing that facility. In fact, the director of corrections for the province has now moved his office right to the facility to try to manage these problems. It seems to me, from what you're saying, that the provinces are going to see increased pressures in this regard on their correctional services across each province.

First of all, the Truth in Sentencing Act would move people off into the federal system because they'll get more than two-year sentences, but are you saying that because of the increased number of people being remanded before trial, that will cause a big increase at the provincial level? You're certainly indicating a large increase in cost to the provinces, and in fact that the share in corrections costs across Canada that the provinces bear will rise considerably over the next while.

Mr. Kevin Page: Yes. Again, what we're talking about at the federal level is an increased head count, an average daily head count of about 3,800 people. Again, we assume occupancy when we do these cost calculations of 90%. The government may choose to double-bunk, and that can reduce the costs, which we highlight in our report.

There are a couple of general points about the size, the relative weight to the provinces and territories versus the federal government. For the provinces and territories, the annual flow is about 30 times bigger. So we're talking about 260,000 people versus 9,000 people entering the system. That's about ten times bigger if you exclude the remanded people. The average head counts in the provinces and territories are almost twice as big, 23,000 versus 13,000. The number of remands at provincial head counts are greater than provincial sentenced people. You've got 27,000 beds in the provinces and territories and you have 15,000 cells. So, to put that into perspective-

• (0955)

The Chair: This is an important subject matter and I hope colleagues will come back to it, but we are over Mr. Regan's time.

Monsieur Laforest.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Thank you.

Good morning, Mr. Page and the entire team. I am pleased to see you.

Mr. Page, you are saying that this act will have a significant impact on the provincial and territorial governments. But do your calculations take into account the fact that the crime rate is lower in Quebec? We have statistics to prove it. Crime has been lower for a number of years because the system developed in Quebec—more or less in line with Mr. Martin's comments—focuses on prevention and rehabilitation. As a result, there are also fewer criminals out in the streets. That's another way to reduce the number of criminals—a far more effective way.

Have you taken those calculations into account when you did the budget forecasts, the fact that eventually there will be more people in prison for a longer time?

Mr. Kevin Page: Yes, that's true. We have determined the crime rate for each province separately. It is part of our analysis.

Mr. Jean-Yves Laforest: Does your analysis on Quebec show that the crime rate is actually lower based on the population?

Mr. Sahir Khan (Assistant Parliamentary Budget Officer, Expenditure and Revenue Analysis, Office of the Parliamentary Budget Officer, Library of Parliament): The idea behind our approach was not to comment on crime rates, but simply to recognize the data based on Quebec's status quo and to use our model to work out the costs at the federal and provincial levels.

Mr. Jean-Yves Laforest: But I still go back to the statistics showing that the crime rate is lower in Quebec. If passing the Truth in Sentencing Act means increasing costs for the provinces, do you think that the federal government is going to transfer federal funds to the provinces to help them deal with the consequences of passing it?

As a Quebecker—and the people in my constituency tell me the same thing—I am not in favour of federal measures that increase our costs to pay for the spike in crime elsewhere, whereas our crime rate is lower.

[English]

Mr. Kevin Page: We're not aware of any transfer program that would deal with this specific act, the Truth In Sentencing Act, to transfer funds to provinces and territories.

We have not heard any data from the government other than... When we put our data out on additional head counts, it was the first data we were aware of concerning the increased pressure on the federal system. We also put numbers out for the provinces. We've subsequently seen some information from the federal government, after we released our report, on their head counts. They seem to be moving their head count numbers very close to our statistics overall for Canada.

[Translation]

Mr. Jean-Yves Laforest: Based on your report, do you get the impression that the federal government will hold consultations with the provinces and territories to adapt their previous measures to the negative impacts they will be experiencing after the bill is passed?

Mr. Kevin Page: It is hard for us to indicate the level of consultations before Bill C-25, the Truth in Sentencing Act, is passed.

[English]

Since we produced our report, we have been in contact with the provinces. They've asked specifics about our data. When we prepared our data, we had consultations with all the provinces in the country to prepare our report.

I'm not really in a position to talk about the level of consultations. I was actually surprised that the provinces weren't greatly aware of the fiscal impacts.

• (1000)

[Translation]

Mr. Jean-Yves Laforest: You said: "In our view, Parliament needs information and analysis in a structured and timely fashion in order to examine the risks and impacts of restraint measures", but the government has not necessarily provided for restraint measures. That is in keeping with what you were telling us earlier: parliamentarians should ask for a complete analysis. What if we ask you?

What do you mean when you say "analysis in a structured and timely fashion"?

[English]

The Chair: Mr. Laforest, your time is up.

You'll have to respond to that in some other fashion, Mr. Page.

Mr. Calkins.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Mr. Chair.

It's certainly a pleasure, Mr. Page. I think the last time we met was when I was co-chair of the Joint Standing Committee on the Library of Parliament, during the vetting process. It's nice to see you at committee again.

I'm going to follow up a little bit on what my colleague Mr. Woodworth said. I want to know first and foremost, however, what in your analysis the cost is of dealing with the Truth In Sentencing Act. There's a base amount of money that it costs to run any facility, whether it's the Parliament buildings or a business or whatever. I'm talking about baseline operation costs: keeping the lights on, keeping the heat going, paying the associated costs. Do the numbers you gave us on the cost of incarceration per inmate reflect those costs as an actual, true, per-inmate cost? Or are the costs simply the total expenditures by Correction Services divided by the number of inmates who have been incarcerated? Could you give me some information on that?

I think it would be quite helpful for me as a parliamentarian to know what the true cost is. If we added one more person to the prison, is it actually going to be the \$150,000 or \$147,000 that your report indicates, or is it going to be somewhat less, given the fact that there are more inmates being incarcerated at this point in time? The base costs shouldn't really change all that much.

Mr. Sahir Khan: When we look at the annual appropriation relative to the inmate population, one of the things we note is that if you look at the proportion of the labour force relative to inmate count, you're looking at a one-to-one relationship. If you consider that those costs are largely human-resource-based and rooted in a collective agreement, you can get a sense that many of these costs are in fact variable over a relatively short term. So as this piece of legislation goes through, one would expect that the labour costs would increase in proportion to that population, at least directionally.

Mr. Blaine Calkins: I take it, then, that the answer to my question is that no, you didn't parse out the actual baseline operation costs versus the true operational costs.

Mr. Sahir Khan: The information we had available to us was what was available in the RPP documents from the department.

Mr. Blaine Calkins: Further to that, there is some frustration. If I can speak in a very non-partisan fashion, I think all members of Parliament are sometimes frustrated with the information we receive. I don't know whether it's a lack of the information's availability, but do you, Mr. Page, believe, on the information you have access to, that given the fact that your job is Parliamentary Budget Officer and that you report to Parliament you should have privileged access to information that a member of Parliament shouldn't have? In your requests to the department, do you think, if you phone a department or do an access to information request, that you should have a different, elevated status for accessing that information from what a member of Parliament has? Or do you believe that when you ask a department for this information or make an access to information request on behalf of a parliamentarian who provides you instructions, you'd get the information that I would get if I made the same request as a member of Parliament?

Mr. Kevin Page: I had the privilege of being a public servant for some 27 years, working in three central agencies for about 25 years and in other years working in some line departments. I have a pretty good sense of what information is and is not available and what is and is not a cabinet confidence. You do become concerned from time to time when you see the line moving respecting what is a cabinet confidence or not.

Our authority to get information is basically outlined in the act of Parliament, as you know, sir. We get free and timely access. We don't get access to cabinet confidence information or personal information.

Other than that, we need to have a very professional relationship. And we do at times, with certain departments, have a very professional relationship in terms of information exchange. As I highlighted, with Infrastructure Canada we've had a nice, free flow of information.

Mr. Blaine Calkins: Let me ask you a question about how you determine your independent peer-review panel. As I look through the list, it is very heavy with British Columbians, and there are a couple of people from universities in eastern Canada.

Can I ask you what criteria you use? It doesn't look as though anybody in Alberta was consulted or used in any way, shape, or form, as far as peer review is concerned; I don't see any references from Saskatchewan, from Manitoba, and so on. I see a lot of information here from B.C. Housing, the John Howard Society, the Canadian Association of Elizabeth Fry Societies, but I only see a few references here to people who are actually involved in the day-to-day operations of correctional services.

• (1005)

The Chair: Mr. Page.

Mr. Kevin Page: If you look at this particular report, you're right. We have nine people on our peer-review panel. It's not probably as regionally diverse as one might like. If you look in our past reports, sir... For example, when we costed Afghanistan, we had somebody there from Saskatchewan, somebody from Ontario. When we costed aboriginal education infrastructure, we had somebody on our panel from Alberta. So it varies from time to time, sir.

The Chair: Thank you, Mr. Calkins.

Madame Bourgeois.

[*Translation*]

Ms. Diane Bourgeois: I would first like to ask Mr. Page a question. In your speech today, on page 3 of the English version, you said you encountered so many challenges in getting information that you had to use results from annual surveys by Canadian Centre for Justice Statistics, Statistics Canada, and from provincial and territorial correctional departments themselves.

I would imagine that's not your normal way of doing things, am I right?

Mr. Kevin Page: It is normal to work with figures that are available to anyone, such as the information in the report on plans and priorities and all the information from Statistics Canada.

In terms of the bill that has a significant impact on the provinces and territories, we had to work with each province separately.

Ms. Diane Bourgeois: Could we go back to my motion? I think that's important.

Last April, you asked the committee to support your work. You asked the department and the Treasury Board to provide you or the committee with the relevant documents so you can do your work.

Is that request still valid now, as of 10:10 a.m. this morning?

Mr. Kevin Page: Yes, we still need the same information—a fiscal risk analysis and a service level analysis.

Ms. Diane Bourgeois: You still need the same information.

Mr. Chair, I think it is ridiculous that Mr. Page, who is the parliamentary budget officer and is at the service of the members of Parliament, cannot do his job properly. Once again, there is a lack of transparency. The government is holding back the information.

How are we supposed to do our job as MPs when the information is kept secret and we do not have everything we need to get our work done? It is unfortunate, and I hope my colleagues in the committee will join me and adopt this motion so that we can have Mr. Page back in two or three weeks and get accurate data.

[English]

The Chair: Thank you, Madame Bourgeois.

Mr. Martin.

Mr. Pat Martin: I was listening to my colleague from the Bloc, Diane, and I couldn't agree with her more. The estimates process is a fundamental cornerstone in the way we conduct ourselves in our parliamentary democracy. It hasn't been appreciated fully in recent years, I don't believe.

I come from Manitoba, where the estimates are scrutinized. A minister has to sit in front of a committee sometimes for 12 hours while they are grilled on their estimates—not after the fact on what they spent but what they intend to spend and how they justify that budget line. We don't do any of that here. The only tool we have is the newly created Parliamentary Budget Officer. I'm very concerned. The public has a right to know what their government is doing with their money.

I'd like to use what little time I have to ask you specifically, what types of questions were you putting where they use the excuse that, no, I'm sorry, that would be a cabinet confidence? Where did you run into that problem? I too am concerned about the bracket creep that's going on that is expanding what we used to consider to be legitimate cabinet confidences.

• (1010)

Mr. Kevin Page: We've had three items here today, and with respect to one of the items, on the infrastructure stimulus fund, as I said, we've had fairly good discourse with departmental officials. They were sharing information. We've had issues that we've shared with them in terms of quality of data, but I think the relationship has been good and helpful for parliamentarians.

With respect to our being able to provide the type of fiscal risk analysis and service-level risk analysis, we had asked—and we posted this information, our request, on our PBO website for all parliamentarians and Canadians to see—the Treasury Board Secretariat to give five-year reference level information for departments so we can start to analyze what the impact of freezing operational spending will be over a couple of years, and what the impact would be on a specific department. As we've seen here today, we have one department that even according to its plans and priorities is going to be growing roughly at 13% a year. If one department is growing at 13% a year and we have operational

spending fairly flat, somebody else is going to be taking a fairly substantive reduction.

It's important for us to see that whole scope of departments so we can present to parliamentarians that broader landscape. Again, in that kind of question we were saying five-year reference levels, and anything that goes beyond the main estimates numbers is a cabinet confidence.

Mr. Pat Martin: Sorry, Mr. Page. Can you say that again: anything that goes beyond....

Mr. Kevin Page: Beyond what's available through the main estimates documents. In this case, what's available is 2010 and 2011 as it gets updated through the supplementary estimates.

Mr. Pat Martin: So when you get into planning and priorities that becomes....

Mr. Kevin Page: We provided a very detailed spreadsheet, department by department, for Treasury Board Secretariat officials so they could fill it out. They still came back and said this is a cabinet confidence.

With respect to some of our costing exercises, again, it's different. For anything with respect to the Truth in Sentencing Act, I think the government's policy said that officially this is a cabinet confidence. They provided no estimates to Parliament while this was being debated. We saw \$90 million go into the estimates for 2010-11 and we didn't see any numbers in terms of the fiscal impact numbers come out until after we started putting our numbers out and some of our numbers were being discussed. We're starting to see more numbers come out in dribs and drabs in terms of the number of additional cells required. Everything was a cabinet confidence when we were having these conversations trying to cost this, starting this exercise back in the late fall of 2009.

The Chair: Mr. Martin.

Mr. Pat Martin: That's useful for us to know, but it's also of great concern. If you're trying to garner the public's support for a policy, why do you wrap it in a shroud of secrecy? If your plan of action has merit, one would think you would want to tell people about it to garner their support and pitch it to them that you're governing well. It strikes me as contrary. There's nothing to be gained by wrapping what you're planning to do in a shroud of secrecy.

I think we've exposed a real problem here that's becoming a hallmark, not just in this area but in terms of denying the public's right to know, in access to information that is not a matter of national security. For some reason their default position is secrecy instead of open government. It seems to me we're going completely in the wrong direction in that regard. But we will support you as much as we can in your efforts to help us understand more about what the government's estimates are.

Thank you.

The Chair: Thank you, Mr. Martin. Unfortunately, we're out of time.

Monsieur Gourde.

[Translation]

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you, Mr. Chair.

I would like to thank the witnesses for being here today. It is very interesting.

Mr. Page, we talked about infrastructure programs. Could you tell me whether the forecasts in your speech are based on the report from June 30 or the one from March 31?

[English]

Mr. Kevin Page: We will be very happy to update our numbers, and we will update them in terms of lapsed estimates for the infrastructure program based on different scenarios as well. As we move forward it will be really important for parliamentarians—and it may be a bit late—once we get the data that really captures the activity through the summer, that we get a really good sense of where the level of risk really is.

•(1015)

[Translation]

Mr. Jacques Gourde: The infrastructure and construction work went well during the summer. Work has been done in all the provinces. We are talking about a large number of projects, more than 20,000 projects that are in progress or that have already been completed. You are certainly going to have the list of completed or nearly completed projects in the next few days, aren't you?

Mr. Peter Weltman: The database is from March 31. As a result, we only have a list of completed projects, which represents roughly 9%. We are waiting for an updated list.

[English]

So we don't have any information on what's happening today and what's going to be completed soon enough. Hopefully, with the June data we'll be closer to that.

[Translation]

Mr. Jacques Gourde: What you told us today is based on data from March 31. So we are missing six months of infrastructure work. Correct me if I am wrong, but the missing six months are surely the same months during which all the work had to get done. It was the summer season and the contracts had been awarded. I think those data will be much more reliable once we have them. The estimates we currently have are perhaps fear-mongering. I think you believe that most of the projects will be completed. You suggested three different scenarios: one that includes the total amount spent, another that is more difficult and a third that is even more difficult.

We would appreciate it if you could provide us with the data for the six months during which a lot of work has been done on these projects. That will give us a clearer idea of the situation.

[English]

Mr. Kevin Page: Yes, sir. Thank you. We agree—and it has been highlighted in our report—that the summer of 2010 has been a very high-impact period for the infrastructure stimulus fund. Outlays of the fund have been almost as much as \$1 billion per month. This is a key month, so you're absolutely right it's very important for us to get

this information in front of parliamentarians when we get the updated data from Infrastructure Canada. We're excited and we're looking forward to seeing that data. It will be very important.

We didn't mean to be alarmists when we put the data out based on March 31 data, but as a legislative budget office we wanted parliamentarians to have the benefit of having the most current information we had available. That was our purpose. We provided three scenarios. We didn't provide a probability on each scenario.

The Chair: Mr. Gourde, are you done?

[Translation]

Mr. Jacques Gourde: That's great, thank you.

[English]

The Chair: Before we go to Mr. Regan, colleagues, there is a motion on the table from Madame Bourgeois. I should have waited till she returned. What I need guidance on is whether we take ten minutes at the end of this meeting or do we postpone dealing with this motion to the beginning of the next?

You'll be happy to take the whole half-hour.

Okay, so the questioning of Mr. Page and his colleagues will end at 10:35, then.

Mr. Regan.

Hon. Geoff Regan: Thank you, Mr. Chairman.

Mr. Page, let me get back to a question I had earlier. I mentioned the Dartmouth correctional centre. Will this bill and the other things the government's been doing in this area cause more overcrowding in provincial jails? Is that your sense?

Mr. Kevin Page: It will put a lot of pressure on provincial jails. Again, some of the data we had to actually collect from the bottom up, so we have actually talked to the specific provinces to get a sense of the number of institutions and the level of occupancy. We were able to get public data, which was made available by Correctional Service Canada, through Statistics Canada, on the average occupancy rate for a federal government institution.

When you look at the data, sir, that we've generated bottom up from the provinces versus the federal level, it's clear that the provincial system is even more stretched in terms of occupancy pressures. Many of them are already double-bunking, in some cases even triple-bunking, which is not the standard practice at the federal level. So there are significant capacity constraints on the provincial and territorial levels.

•(1020)

Hon. Geoff Regan: Thank you.

Let me turn to infrastructure. You've said, "I was pleased, in a way, to hear that Infrastructure Canada is one of the very few departments that actually has provided you with information, and has been open in providing it." The problem, of course, is that the information, from what you're telling us, is not very reliable. In fact, when you look at their estimates about the percentage of completed projects, you say that

All PBO analysis is sourced from the datasets received from Infrastructure Canada, and the PBO continues to find inconsistencies in the datasets. The Percent Complete figure, for example, is based on the judgement of the reporting proponent and has no clear definition, standard or process to calculate its value.

Now, it seems to me that means the proponents, the people who are building things or doing construction of various kinds, can claim anything. They can say it's 80% complete, but there's no standard process for measuring that whatsoever. Is that right?

Mr. Kevin Page: Well, we've highlighted what we think are some problems in the definition of work, that it's complete. As Peter Weltman, the analyst, said, there are industry practices with respect to this.

I should probably highlight that this particular program in the context of a recession period was meant to get money to flow quickly. It's not even the standard practice, really, for federal infrastructure programs to pay as you go, so this is a slightly different practice. Again, it's more in keeping with.... We found ourselves in a worldwide recession type of environment.

Yes, there's no question there are some anomalies in the data. Yes, it's unfortunate. In a sense, we maybe missed an opportunity to provide better reporting to parliamentarians and Canadians on this type of program.

Hon. Geoff Regan: Of course, when you say that this program was designed to flow quickly, all the evidence is that it didn't flow quickly. You've reported in the past that it in fact took a long time to get a lot of these projects out the door, so to speak. It seems to be back-end-loaded, for some reason, which is contrary to what we were told by the government early on.

Over the last while, the last couple of years, you have repeatedly contradicted Mr. Flaherty's financial projections, and you've been proven right time and again.

Have you looked at the question of the cost of a 3% cut in the corporate tax rate and what that would cost per year to the Government of Canada?

Mr. Kevin Page: Sir, I don't have it here with me today, but it is available on our website. We have published what we call these sorts of rules of thumb; the Department of Finance tends to do this as well in their budget documents. We have published on our website what rate changes or bracket changes will have an impact. I just don't have that information in front of me.

I could guess, sir, but it's probably not a good thing for parliamentary budget officers to provide those kinds of guesses.

Hon. Geoff Regan: A good point. Thank you very much.

Over to my colleague, if there's still time, Mr. Chairman.

The Chair: She has 40 seconds.

Ms. Siobhan Coady: Interesting. In your documentation, you mention the funding requirement and obviously the impact of the Truth in Sentencing Act. In your report you say that the latest CSC RPP, which is the report on planning and priorities, shows increased funding requirements for the department in the next three fiscal years when compared to the projections for the same fiscal years, but you're concerned that this still does not break down the cost into its

components, and especially excludes any details regarding the impact of the Truth in Sentencing Act. You mentioned this earlier.

Are you concerned the government failed to budget for that impact? Is that what I can read into that? Are you concerned the government has not adequately budgeted or that it just excluded that from its projections?

The Chair: Mr. Page, very brief.

Mr. Kevin Page: Actually, there's nothing really in the document that would suggest, notwithstanding the fact that we see this almost 13% annual increase in planned reference levels, that the increase reflects Bill C-25. In fact I could read you this, but it would take time. It's basically covered under risks, that it may create additional cost.

We do not get the sense that it was costed, even though we see that Bill C-25 was built into the rapid growth in planned reference levels. I should highlight as well that there's nothing in budget 2010 that sets aside any additional resources for Bill C-25 or the Truth in Sentencing Act that we're aware of.

The Chair: Thank you, Mr. Page.

Mr. Calandra.

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Thank you, Mr. Chair.

I'm not going to focus too much on the stimulus because obviously the report is just so dated and there's additional information that is going to be coming soon. We all understand it was a very busy construction season. I know in my riding the projects are almost done, and of course my riding represents more people than the entire island of P.E.I. So when projects are running well in my riding, it's a good thing.

On Bill C-25, the last time Stats Canada reported on the cost of crime—this could be some dated information, it may not be exactly correct—I think it reported that it cost Canadians and the economy about \$70 billion a year, and this is some time ago. It's probably considerably more than that. I'm finding it difficult that somehow we can't analyze within the costing of this, how an investment in helping to keep the streets safe and keep people who have committed crimes off the streets, and can't somehow factor that into your analysis. We all know, in communities across the country, the impact of crime. I know you referenced Stats Canada earlier, but the last time it reported it was about \$70 billion to the Canadian economy. Is there not a way that we can factor that into your analysis as well?

•(1025)

Mr. Kevin Page: I think, as you said and as I've said with Mr. Warkentin, there is the other side of the ledger. We look at fiscal costs. What would be the potential benefits to Canadians if the Truth in Sentencing Act was passed? As I said, we tend to focus just on the fiscal cost and we have avoided in all our costing so far to date in dealing with the other side of the ledger. If there's a willingness from this side for us to consider doing that type of analysis, we would certainly consider it. We would see that as an expansion of our mandate and some may be worried about us expanding our mandate.

But the analysis can be done, sir. You can do that analysis. There would be a lot of assumptions. As you said, there are numbers that are out there. I've not seen any analysis published by Correctional Service Canada or the Department of Public Safety to date. We would like to see their analysis as well, but we could have this conversation about whether you'd like us to look at benefits.

Mr. Paul Calandra: I've been somewhat concerned. I'm hearing the opposition talk about the costs, but there's very rarely talk about the benefits of keeping criminals off the streets.

I'm also a bit concerned about the notion—and I could be wrong on this—you seem to be suggesting that the public servants, who are in the department and who are assisting in the estimates of what Bill C-25 is going to cost, somehow don't measure up, and that they don't have the ability to plan and aren't providing the appropriate information with respect to the cost of this.

Is there something that you know that maybe parliamentarians should be made aware of with respect to the public service in the department? Are they not capable of giving us the appropriate costs of this? Are you or your department somehow superior to them with respect to costing of this? I'm not understanding the difference here. We have a competent public service in the department and we have you. Can you give me a reason why there might be a difference there?

Mr. Kevin Page: Well, I mean, we have an excellent public service. Again, having spent 27 to 28 years in the public service and having seen many different departments, I've really developed a strong appreciation of the public service.

I can't really answer your question as to why we're not getting this information in these documents, such as the RPP we're talking about today, and knowing that the legislation was pretty much final, why we would not have costed this particular one, the Truth in Sentencing Act, and why we would not have put it in the report on plans and priorities and costed it out just the way you said, sir: look at fiscal costs, look at benefits, provide analysis, build it into the baseline, and explain what percentage of the baseline growth, if it is in fact there, is related to Bill C-25. There are very strong, capable people at Correctional Service Canada. It is the same at Treasury Board Secretariat. I worked at Treasury Board Secretariat. They can do this type of analysis. I do not know why it's not getting out. We had the same frustration with some of the Department of Finance related issues when we were dealing with structural budget balances and long-term sustainability. We need to see more of this in the House, because I think that in most cases we know that the work is getting done. It's just not being released.

The Chair: Thank you, Mr. Page.

Thank you, Mr. Calandra.

We will go to Madame Coady.

Ms. Siobhan Coady: Thank you very much.

One thing I noted was this whole issue in your report of the annual expenditures and projected funding requirements due to the impact of the Truth in Sentencing Act. It again goes to that whole issue we were speaking about earlier, which is that provincial-territorial costs go from 49% in 2009-10 to a projected 56% in 2015-16. I'm concerned about that. I don't know if you've had representation. I certainly haven't as yet, but I'm sure that after this discussion, perhaps we will. Have you heard concerns from the provinces on this issue? And where do you think the federal government is on funding this? It's a huge change. It's going from 51% from federal government costings down to 44% from federal government costings. That's a huge change.

•(1030)

Mr. Kevin Page: Our office has heard concerns from various provinces. We've seen media reports involving, in some cases, premiers raising concerns about what these costs may be. So yes, we are concerned about it.

I will add one thing. With the federal government report on plans and priorities we were able to get a baseline for spending for the next three years. What we missed in terms of the provinces and territories, what we don't have, is a longer-term baseline for the Bill C-25 impact. We weren't able to put that information together.

Ms. Siobhan Coady: We're looking at a cost-benefit analysis of these types of bills and at the cost to this particular department. One of the concerns I would have now, noting the huge change for the provinces—going from having 51% borne by the federal government to having more borne by the provincial government—is the risk to reoffend. Some of the services that are provided at the federal level may not be provided at the provincial level, per se, so I think there's a risk to reoffend there.

Earlier I mentioned the risk to the whole justice process. I don't think that's been put into context here either when we're looking at these kinds of expenditures. When my colleagues talk about that risk-benefit analysis, I think some of those other things have to go into that mix as well.

Did you have any further questions?

Hon. Geoff Regan: Yes, I do, if I may, Mr. Chairman?

The Chair: You have two and a half minutes.

Hon. Geoff Regan: Thank you, Mr. Chairman.

Mr. Page, what do you need from the government? We have a motion from our colleague, Madame Bourgeois, to have the committee ask Treasury Board to submit “a planned and approved fiscal framework, departmental annual spending reference levels and departmental strategies for savings, service level standards, and fully loaded costs for program activities for affected departments”. She goes on to list a variety of things. I think most of these come from your report, in fact. Have you seen this motion by any chance? Maybe you haven't had a chance to see it today, but is it your sense that this is what you need to do your job?

Mr. Kevin Page: I don't think I've seen that specific motion. I don't have that piece of paper in front of me, sir. But we were involved with this committee last April when we outlined, basically, the kinds of questions, from a legislative budget officer perspective, we think parliamentarians should be looking at in terms of fiscal risk and service-level risk. We provided an information framework along those lines to deal with those two issues. I'm reasonably certain that what you've highlighted will pick up those sorts of issues.

Hon. Geoff Regan: To put this in perspective, here we are as parliamentarians having the responsibility, on behalf of the public who elects us, to keep an eye on government spending. Then we hire you. We create your office, which is there to assist us, because we aren't accountants. We aren't experts in many of these areas. You are there to assess how government is spending money. You can't get access to the information from the departments, and you have to come to us to ask us to demand this information from Treasury Board.

Mr. Kevin Page: To be honest, sir, we can thank this committee. This committee did help us get some of the infrastructure stimulus fund progress reports. We were in front of this committee a number of months ago, and I think we found that the flow of information benefited from those appearances.

We've tried. We've knocked on the door a few times, as I've mentioned before, with respect to the Treasury Board Secretariat, to get this reference-level information. We failed twice. So I think at this point in time we need help, sir.

Hon. Geoff Regan: I regret that you have to come to us to seek that help. It's very disconcerting. I hope we can help you.

The Chair: Thank you, Mr. Regan.

For the final two minutes, Mr. Warkentin.

Mr. Chris Warkentin: Thank you, Mr. Chair. I appreciate it.

Mr. Page, I understand that in your estimates of the implementation of Bill C-25, you estimate there would be an additional 3,800 inmates per year who would extend their stay as a result of this legislation. Did you calculate statistically the chances of their reoccurrence or their re-entering the prison system anyway? What I know is that the stats show that many of these people reoffend, so these are the same people. So if their stay were just extended, these aren't in fact new people; these are just people who are staying a little bit longer and are not being brought through the system again.

Did you do any analysis as to this reoccurrence, or the people who re-commit crimes that bring them back to prison?

•(1035)

Mr. Kevin Page: We could actually probably go on a fairly long disposition as to what's behind the 3,800 inmates.

Mr. Chris Warkentin: Did you do the analysis?

Mr. Kevin Page: We basically assumed no behavioural changes as a result of the Truth in Sentencing Act.

Mr. Chris Warkentin: So you said that even though these people are in prison, you didn't calculate the fact that many of the people are coming back into the system again?

Mr. Ashutosh Rajekar (Financial Advisor, Expenditure and Revenue Analysis, Office of the Parliamentary Budget Officer, Library of Parliament): I think I'll take that.

In our assumptions we don't change the inflow rate assumptions. So, for example, when we say that in the year 2015 the Truth in Sentencing Act would have such an effect, it is based on an inflow rate assumption. That inflow rate assumption is not subject to change. So that will include all the shared effects of recidivism and what not.

Mr. Chris Warkentin: I appreciate that. That's a no, then.

What I also want to know is that in your infrastructure analysis, how many cells were you bringing into the calculation for construction? I see written in one of my pieces of material an estimate for the infrastructure you're proposing of an additional 4,189 cells constructed. Is that correct?

Mr. Kevin Page: That is correct.

Mr. Chris Warkentin: So you are proposing, then, construction of more cells than there are human beings in your proposal and analysis? So now you're proposing that we build more cells than there are human beings, even though many of these human beings would just have been retained in the system anyway. That seems like a very interesting analysis.

Mr. Kevin Page: Sir, in our costing estimates we assume the continuation of a 90% occupancy rate in the current system. We could have adjusted the occupancy rate to deal with that. So, basically, 3,800 translates into roughly 4,100 cells.

Mr. Chris Warkentin: So you're proposing to build cells that will never be used?

Mr. Kevin Page: If I may add, sir, just one point?

Mr. Chris Warkentin: So you're proposing that you'll build cells that will never be used?

The Chair: Thank you, Mr. Warkentin.

Mr. Kevin Page: Again, sir, these are estimates.

The Chair: Thank you, Mr. Warkentin.

Mr. Page, briefly, if you could finish this.

Mr. Warkentin, you've gone well over your two minutes.

I'll just leave the last word to Mr. Page to respond to the inquiries that have been raised.

Mr. Ashutosh Rajekar: Thank you, I can take that.

We assumed the historical 90% occupancy ratio at the Correctional Service of Canada. So when we continue that assumption, we are assuming that the Correctional Service of Canada will continue to function the way they were functioning. In that sense, we are assuming no policy change from our perspective. It's the continuation of the status quo that exists at the Correctional Service of Canada right now.

The Chair: Thank you very much.

Mr. Page, I appreciate your contributions and those of your colleagues to our discussions.

I'm going to suspend for a moment while Mr. Page and his colleagues leave the table and then I will ask Madame Bourgeois to formally present her motion and for that we will allocate our time until the end of the session.

•(1035) _____ (Pause) _____

•(1040)

The Chair: Colleagues, we call the meeting back to order.

Madame Bourgeois, would you present your motion, please?

[*Translation*]

Ms. Diane Bourgeois: Mr. Chair, I would just like to tell you that my motion follows on Kevin Page's request from when he appeared before our committee last April 12. I am going back to it since it is obvious that Mr. Page does not have the tools he needs to accomplish his work and, therefore, I ask that my colleagues provide him with those tools.

Thank you, Mr. Chair.

[*English*]

The Chair: Okay.

Is there any debate on this motion?

Mr. Woodworth.

Mr. Stephen Woodworth: Just as a point of order first, Mr. Chair, I am, of course, new to this committee today, and I don't know what the rules are about proper notice or placing items on the agenda, but the agenda that I have today suggests that we are talking about a freeze on departmental budget envelopes and government operations. And we are talking about the economic stimulus package; we are not talking about the further enhancement of the Parliamentary Budget Officer's ability to obtain information.

The motion seems to go into every department and into service-level standards, and so on, which makes it very broad, and seems to me to go way beyond the scope of the orders of the day, without even notice. So I just propose to you, Mr. Chair, that this motion is not in order.

The Chair: Mr. Woodworth, thank you for that intervention.

In my judgment, the motion is in order because it does deal with what was raised in today's discussions. Therefore, it does not need a 48-hour period of notice, which it would in the usual course of events. You're perfectly proper to raise that issue, but it is within the actual discussion that we had with Mr. Page and his colleagues, so in

my judgment the motion is in order and it does not require 48 hours' notice.

So if there is no debate, can I call the vote?

An hon. member: Could we have a recorded vote, please?

The Chair: Yes. We'll proceed to a recorded vote.

Ladies and gentlemen, we have a tie vote. I'll vote in favour of the motion.

(Motion agreed to: yeas 6; nays 5)

The Chair: We have exactly two minutes left. Unless there is other business, I'll adjourn the meeting.

Yes.

Mr. Chris Warkentin: I just want to table two different motions, one with regard to the witness list for Bill C-429. I think it's important that we start to establish that. Maybe at our next meeting we could take some time to handle that.

The Chair: That's a good idea. I was thinking about that for the end of Thursday's meeting.

Mr. Chris Warkentin: Okay, so I'll table the motion with regard to that.

The Chair: Before you finish with that point, the list of witnesses at this point is four pages long for a private member's bill. It's a little long. Is there a methodology you can use to trim this?

Mr. Chris Warkentin: I know, Mr. Chair, you desire to have a full airing when it comes to private members' bills, and certainly we want to give the member an opportunity to speak. There is a landslide, an onslaught of people who want to come and speak to this private member's bill. There are people in every region in every industry who are opposed to this bill, and it's important that they have an opportunity to come to speak. And there are many different perspectives for which there are strong rationales. So I think it's important that we don't limit debate on this bill and that we give a full airing to the people who want to come.

I also have a motion with regard to creating a subcommittee of this committee. We ended up at this meeting today having had very little preparation time because we found out only yesterday who the witnesses would be. So it's important for us, as committee members, to have a subcommittee at which this can be hammered out, so that there will be the chance for additional preparation time for committee members.

•(1045)

The Chair: I'm fine with that.

Mr. Regan, on point one or point two? Point one has to do with the witness list.

Hon. Geoff Regan: I don't want to say I've lost count. There are only two.

Can we set aside 15 minutes in the next meeting to deal with other business, including this?

The Chair: At the end of the next meeting? I'm happy with that.

Is that a direction to the chair?

Some hon. members: Yes.

The Chair: A final comment to Mr. Martin.

Mr. Pat Martin: On that point, I couldn't help but notice, as the question rounds went around and around, that the NDP hardly ever gets to ask a question. When we go into the five-minute rounds, should we finish a witness's questioning after we've done one complete round of seven minutes and one complete round of five minutes, unless there's a good reason to go further? That could be the end of it and we could get other business done as well. I don't think it's fair that other parties get four and five rounds to the NDP's one.

The Chair: You would have to bring that as a motion, I would take it, and you'd have to get the consent of your colleagues. The

first round is actually eight minutes rather than seven. Nevertheless, that has been the custom of this committee. If it wishes to change the custom—

Mr. Pat Martin: Usually we don't keep going around and around in the second round.

The Chair: I imagine you don't always have the same witness for two hours either.

Absent of anything else, the meeting is adjourned until next Thursday morning.

Thank you very much.

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:
Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*
Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5
Telephone: 613-941-5995 or 1-800-635-7943
Fax: 613-954-5779 or 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
http://publications.gc.ca

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5
Téléphone : 613-941-5995 ou 1-800-635-7943
Télécopieur : 613-954-5779 ou 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
http://publications.gc.ca

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>