Federal Parliamentary Pre-Budget Consultations in Canada:

The Role of the House of Commons Standing Committee on Finance

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Reason: House of Commons Standing Order

- Standing Order of House of Commons authorizes Standing Committee on Finance to consider and make reports on proposals regarding budgetary policy of federal government.
- Pre-budget consultation hearings begin in September each year, and process ends with tabling of report in the House of Commons in December.
Committee: Members and staff

- Standing Committee on Finance members are from main political parties in House of Commons:
  - Liberal Party
  - Conservative Party
  - New Democratic Party
- Committee is generally supported in process by 2 clerks, up to 5 analysts, logistics officer, numerous interpreters and translators
Pre-budget consultation process: Usual timelines

- Identify themes in late May
- Prepare news release in early June announcing themes, relevant deadlines, and – if known – locations and dates of public hearings
- Hold public hearings in Ottawa and throughout Canada in last half of September and throughout October
Pre-budget consultation process: Usual timelines

- Prepare report during first 3 weeks of November
- Consider report last week of November and first week of December, if required
- Present report in House of Commons in first half of December
1994: And so it begins

• Public hearings leading to somewhat limited focus in Committee’s report, often on:
  ▪ budget-making process
  ▪ tax issues
  ▪ “new” economy
  ▪ productivity
2002: A turning point

• Broad framework focused on 2001 Census results, leading to report that addressed virtually all areas of federal public policy, including:
  ▪ people
  ▪ businesses
  ▪ communities

• Established inclusive model that continues to be used

• Hundreds of requests to appear, all of which were accommodated
2003 to 2010: Incremental changes

- Identification of:
  - deadline for request to appear as witness and/or submit brief
  - limit on number of pages, and perhaps of proposals, in brief
  - specific themes/questions to guide content of briefs and appearance before Committee
2003 to 2010: Incremental changes

• In some years:
  ▪ request for estimated federal fiscal cost of proposals
  ▪ briefs that were submitted late or were “off topic” addressed in report’s appendix
  ▪ cross-country public hearings, including perhaps site visit(s)
  ▪ limit on number of witnesses invited to make presentation to Committee
2011: First step toward e-consultations

• All briefs available on Committee’s website
• Strict limit on number of witnesses invited to make presentation to Committee
• Continued strict limits regarding:
  ▪ deadline for request to appear as witness and/or submit brief
  ▪ number of pages, and perhaps of proposals, in brief
• Continued desire to have briefs and presentations focused on themes/questions
2012: Evolution in e-consultations

• “Briefs” submitted on line in form of responses to specified questions

• Some responses did not address Committee’s specified questions, some were repetitious, some exceeded allotted length and some were unclear in terms of “the ask”

• Significant increase in number of individual respondents and small decrease in number of organizational respondents
2013: Somewhat different e-consultations approach

• Committee requested witnesses and those submitting briefs to address 1 of 6 specific topics, with focus on identifying:
  ▪ “winners” and “losers” from proposal(s)
  ▪ estimated federal fiscal cost of proposal(s)
  ▪ ways that proposal(s) could be funded
2014 to 2017: Evolution in e-consultations continues

• Continued “two-stream” process:
  ▪ limited number of witnesses invited to appear to address specific themes
  ▪ briefs submitted and uploaded to the Committee’s website, ideally also focused on those themes
2015 to 2018: My time as Chair

- Continued “two-stream” process
- Identified themes for appearance as witness and for submitted briefs
- Ottawa-based and cross-country hearings, and perhaps U.S. fact-finding missions
- Continued attempts to be inclusive in choosing themes, selecting witnesses, drafting report, making recommendations
2015 to 2018: My time as Chair

• Inclusive in that any individual or group can submit brief
• Briefs and witnesses often represent wide variety of Canadian sectors, regions and demographic groups
• Gender focus in that some briefs and witnesses highlight priorities of women
• Committee’s report, including recommendations, inform Minister of Finance’s decisions about budget
• In recent years, federal budget undergoes gender-based analysis
2017: Highlights

- Public hearing process occurred from 19 September-1 December
- More than 300 witnesses during 16 meetings, some of which included “open mic” sessions
- More than 400 briefs submitted
- Report contained 92 recommendations
2017: Highlights

• Individuals:
  ▪ health, security and well-being
  ▪ education, skills and employment
  ▪ under-represented groups, including seniors, Indigenous peoples, women and individuals with disabilities
2017: Highlights

• Businesses:
  ▪ taxation and regulatory requirements
  ▪ trade and business supports
  ▪ employment measures and contributions
  ▪ sector and business specific proposals
2017: Highlights

• Government:
  ▪ Economic and fiscal policy
  ▪ Environmental, scientific and social policy
  ▪ Infrastructure and transportation
2018: To date

- Theme is economic growth as tool for ensuring Canada’s competitiveness
- More than 400 briefs received by deadline
- Potential witnesses identified
- Ottawa-based and cross-country public hearings being scheduled
- Fact-finding mission to United States being planned
Pre-budget consultations: What has worked

• High number of briefs submitted
• Briefs generally are submitted by Committee’s deadline
• Broad range of sectors, regions and demographic groups submit briefs
Pre-budget consultations: What has worked less well

• In some years:
  ▪ limited number of briefs exceed length limit
  ▪ content of briefs are “replicated”

• In most years:
  ▪ number of requests to appear as witness exceeds time available for public hearings
  ▪ to varying extents, briefs and witnesses are not focused on Committee’s identified themes
Pre-budget consultations: Lessons Learned

- Ensure that e-consultation tool and any other tools used in process meet security, design and other requirements
- Adequately test tools
- Ensure availability of adequate personnel in light of uncertainties relating to technology, volume of responses, etc.
Pre-budget consultations: Lessons Learned

• Identify themes that truly matter to people, businesses, communities and the country
• Select themes that allow all individuals and organizations to “find a home”
• Hear from as many interested individuals and organizations as possible
• Be as inclusive as possible
• Include the diversity of views expressed by witnesses and in briefs in Committee’s report
Questions?

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