Policy Forum: Editors’ Introduction—Election Platform Costing by the Parliamentary Budget Officer

The government of Stephen Harper created the position of the parliamentary budget officer (PBO)\(^1\) in 2006, as promised by the Conservative Party in the 2005-6 election campaign. The mandate of the PBO was broad from the start, and included any analysis of matters relating to the nation’s finances or economy. However, it did not provide for a role for the PBO during election periods. In 2017, the government of Justin Trudeau fulfilled its 2015 election campaign promise to amend the Parliament of Canada Act, to include in the mandate a role for the PBO during elections.\(^2\) The new legislation included detailed provisions for costing of election campaign proposals from political parties.

Costing of election platforms involves estimating the federal fiscal impact of a proposed tax or expenditure measure. Some of these measures, such as changing a tax rate, are simple. Others involve complex calculations of takeup rates, administrative costs, and interactions with other programs and policies. Platform costing is a service that other countries’ budget offices have been offering for some time, but for Canada this is new. Ontario’s Financial Accountability Office, for example, has not moved into the platform-costing area.

The 2019 federal election was the first election with the PBO offering a platform-costing service. This Policy Forum aims to analyze the performance of the existing platform-costing framework and to provide guidance for the direction forward for future election campaigns.

The PBO released its own assessment of election proposal costing in early 2020.\(^3\) The evaluation proposed administrative changes relating to management of time budgets, reporting on “fixed envelope” amounts, and expansion of the use of memorandums of understanding. There were also proposals to update the range

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1 In this introduction and the three articles that follow, “PBO” may refer to either the parliamentary budget officer or the Office of the Parliamentary Budget Officer, depending on the context.

2 Section 79.2 of the Parliament of Canada Act, RSC 1985, c. P-1, as amended, lays out the general mandate. Section 79.21 contains the mandate for general election periods, enacted by An Act To Implement Certain Provisions of the Budget Tabled in Parliament on March 22, 2017 and Other Measures, SC 2017, c. 20, section 128; royal assent June 22, 2017.

3 See Canada, Office of the Parliamentary Budget Officer, Evaluation of Election Proposal Costing 2019 (Ottawa: PBO, January 2020) (www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/ADM001/ADM001_en.pdf).
and scope of the analysis by, for example, shifting to a five-year baseline window, providing more online tools, and expanding to distributional and behavioural response analysis. The report concluded that “there is a consensus that the [election platform-costing] service provided to political parties enhanced the credibility of the democratic process.”

In our view, the self-assessment from the PBO was on target for its proposed changes and fair in concluding that the service had enhanced the democratic process. However, a deeper analysis from outside experts can further enhance the discussion of possible changes to the election platform-costing service for the next election. The three articles gathered here attempt to make this contribution.

The first article by two former PBO officials, Mostafa Askari and Kevin Page, shows the boundary of what a PBO can and should do, using the example of the analysis that the institution offered during the 2019 election. The University of Ottawa’s Institute of Fiscal Studies and Democracy provided assessments and grades of each party’s overall platform, using the criteria of realistic assumptions, fiscal responsibility, and transparency. These judgments are more subjective in nature than the “just numbers” approach of the PBO and might have been tough for a non-partisan parliamentary office to attempt. Askari and Page argue that the PBO should stick to technical and specific costings, leaving outside institutions to provide the more subjective complementary judgments.

The second article is by Scott Cameron, who writes from his worldwide experience with budget offices. Cameron begins with a comparison of election costings in the Netherlands and Australia to open up the range of possible outcomes. He then describes and assesses how well the PBO performed during the 2019 election and provides several useful suggestions for reform. He advocates expanding the scope of the service to include not just distributional analysis but also environmental and social analysis of platforms. He also proposes publishing pre-election reports of the complete platform, rather than piecemeal policy items, in order to best capture interactions across policies. Finally, he suggests a reconsideration of whether the PBO’s platform-costing reports should be published or confidential. Confidential reports can be useful to parties (and eventually to voters) by allowing parties to pre-test policies without having them published.

The third article is by two political scientists, Jennifer Robson and Mark Jarvis. They argue that Canada should learn from international experience, drawing on the examples of the Netherlands, Australia, and Ireland. In order to obtain more detailed analyses and to advance public debate, they propose earlier submission and costing of platform items. This would allow time for a more comprehensive analysis.

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4 Ibid., at 1.
5 Mostafa Askari and Kevin Page left the PBO well before the 2019 election cycle, so are able to comment on the process with sufficient perspective.
6 Scott Cameron had a hand in designing some of the administrative procedures for election platform costing but left the PBO before the 2019 election campaign started.
of the overall impact of each platform, incorporating dynamic costing and interactions between policies. Finally, Robson and Jarvis propose some administrative reforms, allowing better PBO access to departmental data or more central organization of the PBO’s data access through the Privy Council Office or the Treasury Board.

With a minority government, a new election could arrive earlier than the October 16, 2023 fixed election date. It is therefore wise for Canadians to begin to consider what we want the PBO to do during the next election. All Canadians benefit from an informed and fact-based election campaign, and an optimized PBO can help to push our political debates in that direction.

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