

al impacts of federal spending initiatives. While we are pleased with the changes made thus far, we continue to recommend that aggregate information on a regional and sectoral basis be included in the tables and text of future versions of the Main Estimates. We feel that such information is necessary in order to understand and evaluate the government's policy objectives and impacts.

The President of the Treasury Board underlined the fact that if the information contained in the Main Estimates is not fully and efficiently utilized by Parliament, then much of the purpose of the revision will have been lost.

#### THE IMPACT OF REVENUE DEPENDENCY

As a result of this Committee's recommendations, the government has adopted a revenue dependency policy with regard to the accommodation of departments (through the Accommodation Program of the Department of Public Works). This new policy will be reflected in future Main Estimates, and we anticipate that a clearer picture of the cost of the accommodation program will result.

#### GRANTS AND CONTRIBUTIONS

In order to make the estimates as clear as possible to Parliamentarians and other laymen, we recommend that the use of the terms "grants" and "contributions" be reconsidered and if possible other, more appropriate, terms be used. At present, a "contribution" is subject to audit and voted, whereas a legislated "grant" is not subject to audit. This can result in unnecessary confusion, particularly for those not well versed in the use of the estimates.

#### PROGRAM TRANSFERS

We would like to note that a major policy change has been reflected in the transfer of virtually all the key cultural agencies from the Department of the Secretary of State to the Department of Communications. We recommend that such revisions, which greatly affect the estimates, be noted more explicitly and visually in future presentations.

#### POST OFFICE

The Committee was informed that the estimates presentation will be revised when the Post Office is turned into a crown corporation. The expenditures of the government will then include only the amounts required to cover any deficit incurred by the Post Office, rather than its full expenditures. As the new crown corporation is intended to operate without subsidies from the government, it is possible that no Post Office esti-

mate will be included in the Main Estimates at some time in the future.

Respectfully submitted,

D. D. EVERETT,  
*Chairman*

(APPENDIX TO REPORT)

PRESIDENT OF THE TREASURY BOARD OF CANADA

February 4, 1981

To: *All Senators and Members of Parliament*

#### REFORM OF THE ESTIMATES

Today I tabled in the House of Commons material relating to the Government's proposal to initiate, over the next four years, significant revisions in the structure and the nature of information made available in the Estimates in support of the Government's expenditure requests. These proposals include a description of a three-part presentation of Estimates information and illustrative models of program expenditure plans for the Correctional Service of Canada and Supply Program of the Department of Supply and Services.

As part of these reforms, I will be tabling a new volume with the 1981-82 Estimates which explains the Government's expenditure proposals in summary.

The proposed reforms represent a major first step in enhancing the Government's accountability to Parliament by improving the information available in the Estimates. The reform of the Estimates is closely related to major initiatives under way to develop better information in departments, and to improve the Government's resource allocation decisions through implementation of the Policy and Expenditure Management System. These proposals represent a comprehensive response to the criticism of the present Estimates made by the Auditor General, the Public Accounts Committee and the Royal Commission on Financial Management and Accountability.

The Correctional Service and the Supply program expenditure plans which accompany this letter illustrate the structure and content of information to support and explain planned program expenditures. The information is based on last year's (1980-81) data and does not reflect the upcoming requests for funds for 1981-82. The purpose of the illustrative models is to obtain parliamentary input on the adequacy and usefulness of the information before finalizing the form of these new departmental volumes and extending them to other departments.

I believe it essential that the changes be made on a progressive basis in consultation with Parliament to ensure that the final result is a practical and durable product which fully meets the needs of users. Therefore, our current plans envisage a gradual implementation of the proposed Estimates revisions over four years so that further improvements and changes can take place as we learn to use these new Estimates documents and as the underlying information improves. Thus, even after this round of consultation, improvements and changes will still be possible.