

*Supply*

**The Acting Speaker (Mr. Kilger):** Before resuming debate, I remind the hon. members that they should always address the Chair.

[English]

I remind colleagues on both sides of the House to make all your interventions through the Chair and not directly to one another. Maybe not today, but in another debate on another day it could be very useful that we follow the best parliamentary traditions of this House.

• (1935)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I am honoured to speak in support of full supply for the 1995-96 main estimates.

In the preparation of these main estimates, the government made not only the tough spending and program choices necessary to meet its fiscal targets; equally important, it has taken steps to ensure that control over spending becomes a permanent feature in the management of the government's programs.

As announced by the President of the Treasury Board on February 15, 1995, a new expenditure management system, EMS, is being implemented. This represents the most significant overhaul of the government's expenditure system since the early 1980s.

EMS is a system designed to ensure that we keep spending under control and provide the best programs and services possible within the resources available. Among its key features, EMS emphasizes the ongoing review of programs and managing through reallocations. This is significant because new initiatives as well as most cost increases in existing programs will be financed through reallocation from lower priority programs.

The central policy reserves, which were traditionally a source of funds for new initiatives and did not encourage the ongoing review of existing programs, are being eliminated. A contingency reserve will continue to cover the risk of statutory expenditures exceeding their projections. It would be used, for example, to respond to changing economic conditions. In addition, the Treasury Board will continue to manage a small operating reserve. However, the role of the reserve will be altered from funder to banker. Departments borrowing from the operating reserve will have to repay advances with interest in future years.

In addition, in cases where reallocation is not feasible priorities for access to the operating reserve have been established. In considering requests priority will be given to funding bridge financing projects that offer significant productivity payback, meeting urgent health and safety requirements and protecting the essential integrity of critical programs and the capital asset base.

To ensure that we stay on track and reduce the deficit and meet our fiscal targets program planning will become more closely integrated with the budget planning process. Decisions on new initiatives and major spending reallocations required to finance these new initiatives will generally occur during the annual preparation of the budget.

The establishment of program review and resource allocation as an integral part of the budget process means that the opportunities to propose new spending will be reduced. Ministers are called upon to manage within the resource limits of their respective portfolios.

The government recognizes that funding through reallocation of resources calls for a more strategic approach to resource management at all levels. For this reason, the EMS requires the preparation of departmental business plans. In these business plans, departments are responsible for determining how existing programs must be changed to meet expenditure targets and new government priorities.

The multi-year time frame of business plans will encourage departments to look ahead and examine the major directions and objectives that should be pursued for the planning period, which is the estimates year plus two future years at a minimum.

A major focus of the business plan is the identification of strategies to bring about the major changes and adjustments that are needed. Other elements include the goals, targets, and performance measures that will be used to assess program results and performance information concerning areas affected by the significant changes.

In addition, it is important to note that the business plans take an integrated approach to the management of change by examining all functions that are central to the department in making business adjustments, whether they be financial, human, technological, or capital. Business plans will help departments and central agencies plan in an organized and methodical way to make the adjustments required to get government right during a time of rapid reductions in resources. Furthermore, these plans will enhance the information available to Treasury Board ministers. Decisions on Treasury Board submissions will be made in the context of strategic perspective and clear business direction for each department and agency.

Members of the House of Commons will also be able to review the overall thrust of departmental programs over a multi-year period. In February 1994 the government introduced changes to our Standing Orders of the House of Commons, including Standing Order 81(7), which states:

When main estimates are referred to a standing committee, the committee shall also be empowered to consider and report upon the expenditure plans and priorities in future fiscal years of the departments and agencies whose main estimates are before it.