

and those that should be delivered by other levels of government or perhaps by the private sector or through partnerships. Because we must deliver quality services to Canadians that they need and quality services that they can afford.

Altogether, the estimates include \$2.3 billion of the total \$4.1 billion in expenditure reductions announced in the budget. They could not reflect the impact of legislative proposals to cut spending. They must indicate the reality of legislation that exists at that particular point in time. Nor do they include all the revenues to come from new cost recovery initiatives. As they are fleshed out and as they are further developed then of course they will become part of the process.

Nevertheless, they give a very good description of the government's expenditure plans and priorities. Canadians want affordable government. Canadians want us to deal with priorities. Canadians want us to provide efficient and effective programs.

Program review looked at our program expenditures and our services. That process has helped us to bring the size of government down by almost 20 per cent over the next three year period.

I would like to talk about how we carried out this review which was innovative and required a change in the approach by ministers and departments. I believe it has proven to this point to be very effective. We asked departments to review every one of their programs and activities and to check them against a series of tests. Members may have heard of the tests before but I think they bear repeating.

Some of the questions were what is the department's key role? What are the services that must be provided to people to here and abroad? What must be done by the federal government that cannot be done better by another level of government or perhaps by the private sector? Of the services that should continue to be provided by the federal government, which ones are being carried out efficiently and which ones are affordable?

As a result of program review and these various tests, we were able to collectively make the difficult decisions that were set out in the February budget. By 1997-98, in three years, departmental spending subject to the program review will decline by some 19 per cent relevant to the 1994-95 fiscal year.

Looking at this from a departmental perspective, each department has had to pinpoint areas best served by the private sector or other levels of government. The departments have had to focus on their key responsibilities to decide what businesses they are in and what they can no longer afford to provide. They are examining how technology can make their operations more efficient. I believe that technology can be an enabler to help our public service in the provision of more effective services.

Supply

We are moving away from direct subsidies to business and putting more emphasis on repayable contributions. Departments are moving ahead on ways to recover costs of certain government services from those who benefit most directly. They are also merging similar types of programs to create greater efficiency.

I mentioned earlier that we want to deliver effective and responsible government that Canadians can afford. The expenditure management system will help us to do that. The revamped system which I announced in February of this year will help departments manage within available resources. It requires them to review their programs and spending continuously and to reallocate resources to meet changing priorities, not further adding to the tax burden.

The system we have put in place will help the government make responsible spending decisions by delivering the programs and services that Canadians need and that Canadians can afford. It also promotes a business planning approach that allows departments to focus on making changes to programs and lines of business to meet budget targets. It also provides flexibility to ministers and departments to help them manage within approved resources. The system will also help establish a more effective way of accounting for program results.

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Performance measurements. It will do so by requiring the government to deliver better and more timely information on program performance to Parliament. We are making the system far more results oriented.

This spring for the first time reports called "Departmental Outlooks" are providing parliamentary committees with information on the future year expenditure plans and priorities of departments. Very clearly this is bringing all members of Parliament into the process far beyond what has been the case up until this government took office.

[*Translation*]

This report provides committee members with the context for consideration of the Main Estimates.

[*English*]

As this is the first year for the outlooks, I am looking forward to seeing how the committees put the new information to use. My understanding is the reports are being well received by committee members and have been discussed as part of this year's review of the estimates.

I am aware that at least one hon. member opposite has questioned why the dollar figures for the main estimates I tabled on February 28 are not identical to those announced by the hon.