

I am asking all Members and Senators, and in particular those who serve on the Public Accounts and the Standing Committees, to provide advice on the extent to which these proposals meet their ongoing needs for Estimates' purposes. I am confident that these proposals will provide an improved basis for the accountability of Government to Parliament, and will provide all users with a greater understanding of the Government's policies and programs.

DONALD J. JOHNSTON

### BACKGROUND NOTES ON THE STRUCTURE OF THE PROPOSED REVISIONS TO THE ESTIMATES

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#### INTRODUCTION

This paper sets out briefly the government's proposals for revisions to the Estimates and describes the overall framework for the presentation of information.

The purpose of the Estimates is to communicate to Parliament the level and nature of the federal government's spending plans and support the request to Parliament for the spending authority required for the operation of government programs.

The Estimates represent a summary-level description of more detailed information available in departments. The government is implementing major changes to the management practices and control systems throughout departments and agencies. The recent introduction of the Policy and Expenditure Management System, directed at establishing a closer relationship between policy and program decisions and resource allocation decisions, represents a major step in this process. As these systems mature, the quality of the information in support of the Estimates will improve.

Over the past several years, a number of changes to the Estimates have been recommended. The Public Accounts Committee, the Auditor General and the Royal Commission on Financial Management and Accountability have all stressed the need for more information aimed at relating resources to the achievement of results, thereby providing a higher level of accountability by the government and its ministers. The Estimates proposals respond to these recommendations.

It is intended that the revisions to the Estimates will be implemented progressively and after consultation over a four-year period, to ensure that the revisions are both feasible and durable and fully meet the needs of Parliament. This implementation period will also allow the time required to improve the basic systems and processes upon which the Estimates are based.

#### THE REVISED ESTIMATES DOCUMENTS

The revised Estimates will be presented in three parts:

- Part I —The Government Expenditure Plan
- Part II —Estimates
- Part III—Program Expenditure Plans

Following the implementation of the revisions to the Estimates, a separate Guide to the Estimates will be developed that will explain the basic structure and accounting conventions, and provide other information to assist readers in readily locating the Estimates data of interest to them.

#### *Part I—The Government Expenditure Plan*

Part I provides an overview of total government expenditure plans. It expands on the expenditure portion of the government's multi-year fiscal plan, concentrating on the broad policy areas to which resources are allocated. It will therefore provide a context within which the more detailed Estimates of individual ministries and departments can be examined.

The Government Expenditure Plan is directed to all Senators and Members of Parliament to support their consideration of the government's overall spending plans. Although the primary audience is Parliament, this document will also be of interest to others, including those members of the general public who wish to obtain an overview of government expenditures.

The Government Expenditure Plan will include:

- the government's multi-year expenditure plan in total and according to particular policy areas;
- a discussion of objectives and initiatives over the planning period within each policy area;
- a summary of the Estimates including a discussion of the major types of expenditures and programs included in the Estimates; and
- supplementary analyses on a government-wide basis relating to selected aspects of the Estimates.

#### *Part II—Estimates*

Part II supports the government's request to Parliament for spending authority which is granted through the passage of an Appropriation Act. This year the present Estimates, the "Blue Book", will constitute Part II. In subsequent years the document will change as revisions to other Parts of the Estimates are more fully implemented. Part II will expand on the information contained in Part I by providing information on each ministry and program. This document will establish the framework within which further detail will be provided in the Program Expenditure Plans (Part III).

Part II of the Estimates forms the basis upon which Parliament grants spending authority to the government and as such it must set the framework for the government's ultimate accountability to Parliament. It will include:

- information by ministry on the programs of the departments and agencies for which the Minister is responsible;
- government-wide financial summaries similar to those contained in the front of the present Blue Book; and
- a draft of the proposed schedule to the Appropriation Bill, including the vote wording the forecast spending for all items that have not yet received parliamentary approval.