



Treasury Board of Canada, Secretariat

1997-98
Estimates

A Report on Plans and Priorities
Pilot Document

The Estimates Documents

The Estimates of the Government of Canada are structured in three Parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve. The Part III documents provide additional detail on each department and its programs primarily in terms of the results expected for the money spent.

Instructions for obtaining each volume can be found on the order form enclosed with Part II.

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Approved

The President of the Treasury Board

Foreward

The Improved Reporting to Parliament Project (IRPP) was established within the Treasury Board Secretariat to improve the Expenditure Management information provided to Parliament, and to update the processes used to prepare this information. This is part of a broader initiative to increase the results orientation and increase the transparency of information provided to Parliament known as “Getting Government Right”.

During the period from August 1995 to December 1996, extensive consultations were held with members of Parliament and other key stakeholders to examine options to improve the information provided to Parliament. A clear requirement was identified to improve performance information and to provide planning information that is results oriented, longer term and more strategic in focus, and clearly communicated.

The IRPP has unfolded in three phases. In March, 1996, six departments tabled revised Part III of the Main Estimates documents. These documents responded to requirements to provide a better focus on planning and performance information.

In June 1996, the House of Commons gave its concurrence to expand the pilot project and to test the tabling of separate planning and performance documents. In October, 1996, sixteen departments tabled performance reports as phase two of the IRPP. These performance reports have been evaluated and found to provide relevant and timely information, with broad support for providing separate performance reports on an ongoing basis.

The Report on Plans and Priorities is being tabled by the same sixteen pilot departments as phase three of the IRPP. These documents, and the separation of planning and performance information will be assessed, and if Parliament agrees, all departments and agencies will move to a spring Report on Plans and Priorities, and a fall Performance Report, with the first complete package of separate performance reports beginning in the fall of 1997.

These documents are available electronically from the Treasury Board Secretariat Internet site:
<http://www.tbs-sct.gc.ca/tb/key.html>

Comments or questions about this document, or the Improved Reporting to Parliament Project, can be directed to the TBS Internet site, or to:

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President's Message

Three years ago, the Government of Canada began the largest ever transformation of government and the services it provides to taxpayers. The Getting Government Right initiative has affected our budgets, employment in the Public Service, program delivery, and programs themselves. These decisions helped the Minister of Finance, in a very short time, reduce the deficit to less than half its earlier level. But our initiative is not stopping there. Once again, the Treasury Board Secretariat is moving ahead in an innovative way and introducing for the first time its Report on Plans and Priorities for 1997-98 — 1999-00, as a pilot, replacing the traditional Part III of the Estimates.

The purpose of this report is to strike a fair balance between the information we are required to table in Parliament and the new philosophy of managing public expenditures, taking into account changes in the responsibilities of government in a constantly evolving society.

This report also reflects the lessons we learned from the improved presentation of the pilot Performance Reports I tabled in Parliament last year. This report is the fruit of a long process, a new vision and a new image. It reflects our modernized financial management system, a better quality of information presented to Parliament and to taxpayers, and diverse new means of delivering government services.

All this also touches on the activities of the Secretariat. In the future, the Secretariat will increasingly play the role of facilitator and leader in pursuing and achieving government priorities.

My personal contribution to change as part of my ministerial responsibilities will be to ensure that the Secretariat's policies, programs and priorities are implemented by the year 2000 while respecting the fundamental values of the Public Service in the areas of bilingualism, employment equity and sound management of public funds.

I am committing myself to be constantly and closely involved in the fields of collective bargaining, pension reform, program delivery, and the impact of change on human resources, as part of our new approach to public administration.

I trust you will find this report informative, and I welcome any comments that would help us further improve this important report for all Canadians.

Marcel Massé
President
Treasury Board of Canada
E-mail: marcelm@tbs-sct.gc.ca.

Plans and Priorities

The Treasury Board is a committee of the Queen's Privy Council for Canada. The Board consists of the President of the Treasury Board, the Minister of Finance, and four other ministers appointed by the Governor in Council.

Treasury Board of Canada, Secretariat (TBS, or the Secretariat) is the administrative arm of the Treasury Board. It is headed by a Secretary–Comptroller General, who reports to the President of the Treasury Board. (Annex 1)

The Secretariat has a dual mandate to support the Treasury Board as a committee of ministers and to fulfil the statutory responsibilities of a central agency within government. It does this by providing programs that carry out the legislated responsibilities of the Treasury Board. These responsibilities come from the broad authority of the Financial Administration Act, as well as from seven other acts: the Public Service Staff Relations Act, the Public Service Superannuation Act, the Official Languages Act, the Employment Equity Act, the Access to Information Act, the Privacy Act, the Real Property Act, and the Public Service Employment Act.

The Secretariat is responsible for three separate programs: the Central Administration of the Public Service program, which is discussed in the main part of this document; Government Contingencies and Centrally Financed programs (Annex 2); and Employer Contributions to Insurance Plans program (Annex 3).

Background

We are moving to an environment in which the primary accountability for Public Service management rests with departments, where the Treasury Board Secretariat (TBS) will focus on facilitation rather than on centralized controls. The Secretariat will provide strategic leadership in Public Service management and reform.

The Secretariat's vision statement reflects this environment: "Our vision is a Secretariat which is strategic and policy oriented in approach, focusing on leadership and facilitation, rather than depending on controls, in helping departments achieve desired results. We will provide, as much as possible, a single-window service to our departmental clients as a more integrated organization in which both individuals and units work across branch boundaries."

In its 1995-96 Outlook document, TBS identified the following corporate priorities:

- sustaining program review within the Secretariat;
- enhancing the Expenditure Management System (EMS) and business planning process;
- transforming the federal Public Service; and
- modernizing the management policy and legislative framework.

The Secretariat has identified five business lines that will help it achieve its vision and meet its corporate priorities. The Secretariat is committed to providing

- effective government-wide expenditure planning and management;
- a professional, representative, and productive Public Service workforce;
- modern comptrollership for managing government resources;
- leadership in using information technology across government; and
- support for the President in his role as Minister responsible for Infrastructure.

The five business lines reflect two priorities that are important to Canadians. First, TBS is helping to ensure that Canadians—as citizens, clients, and taxpayers—get maximum value from programs and services. Second, TBS is helping to “get government right” by modernizing federal programs and services to meet the needs of Canadians, today and in the future.

The table below summarizes the key commitments for each of the five TBS business lines. Further details, including the suggested measures to be used to assess our future performance in these areas, can be found later in this document, where plans and priorities are broken down by business line. Supplementary financial information can be found in Annex 4. Key contacts for each business line are identified in the text and in Annex 5.

Summary of Key Plans and Priorities

Treasury Board of Canada, Secretariat		
is committed to provide Canadians with:	to be demonstrated by:	Page
Effective government-wide expenditure planning and management	1.1 allocation of resources in accordance with government priorities	6
	1.2 thorough understanding of departmental and interdepartmental priorities, pressures and issues (program analysis and advice)	7
	1.3 strengthened business planning	8
	1.4 better expenditure management information for Parliament	8
	1.5 elimination of impediments to efficient government	9
	1.6 implementation of Program Review decisions	10

is committed to provide Canadians with:	to be demonstrated by:	Page
	1.7 effective communication of government priorities to departments and agencies	10
A professional, representative and productive Public Service workforce to deliver government programs and services	2.1 implementation of the human resources management requirements supporting Program Review and alternative service delivery (ASD)	13
	2.2 simplified and modernized human resources management	14
	2.3 a positive labour relations environment	15
	2.4 provision of advice, policy direction, and tools that enable departments to manage human resources effectively and efficiently	15
	2.5 a renewed and rejuvenated management cadre of the Public Service	15
	2.6 a representative Public service	16
	2.7 implementation of the Official Languages program	16
Modern comptrollership for the management of government resources	3.1 an accountability and performance reporting regime that focuses on results	19
	3.2 departmental reviews that effectively support the government's improvement initiatives	19
	3.3 better strategic use of financial information	20
	3.4 integration of quality service concepts into departmental operations	21
	3.5 more effective service delivery through the development of improved policies and tools	22
Leadership in the use of Information Technology (IT) in support of the Government's renewal agenda	4.1 strategic leadership in government in IM/IT	23
	4.2 a government-wide approach to IT investment	24
	4.3 the facilitation of information based renewal initiatives	25
	4.4 identification of solutions for problem areas with respect to the IT community	26
	4.5 implementation of alternative, more effective and efficient ways of managing and delivering IT services in government through partnering with internal and external stakeholders	26
	4.6 provision of government-wide human resources information to TBS policy areas and other central agencies	27
Support to the President in his role as Minister responsible for the Canada Infrastructure Works (CIW) program	5.1 improvement of Canada's physical infrastructure and the creation of jobs	29

Resource Plans

Figure 1: Resource Plans (\$ millions)

	Planned Expenditures 1996-97	Planned Expenditures 1997-98	Planned Expenditures 1998-99	Planned Expenditures 1999-00
Gross Planned Expenditures	79.9	98.6	79.9	74.6
Less Revenue Credited to the Vote	1.3	20.0	5.9	2.0
Net Planned Expenditures	78.6	78.6	74.0	72.6
Less Revenue to the Consolidated Revenue Fund ²	7.7	7.8	7.8	7.8
Plus Cost of Services Provided by Other Departments ³	12.5	12.1	12.0	12.0
Net Cost of the Department	83.4	82.9	78.2	76.8

1. Revenue credited to the vote is used to recover costs incurred by TBS on behalf of other government departments for shared initiatives, such as the Integrated Financial and Materiel Management System, the Financial Information Strategy (FIS), the Enhanced Management Framework, and other shared systems.
2. Revenue from parking fees.
3. Includes the following services received without charge: accommodation and administrative charges for cheque issue (Public Works and Government Services Canada) and workers' compensation (Human Resources Development Canada), employer's share of employee benefits for insurance premiums (TBS), and legal services (Department of Justice Canada).

Figure 2: Gross Planned Expenditures by Business Line for the Planning Period (\$ millions)

	Planned Expenditures ¹ 1996-97	Planned Expenditures ^s 1997-98	Planned Expenditures 1998-99	Planned Expenditures 1999-00
Business Lines				
Resource Planning and Expenditure Management	17.3	16.8	16.3	16.3
Human Resources Management	20.9	25.5	23.8	22.3
Comptrollership	9.0	7.8	7.4	7.4
Information Management and Information Technology	11.6	28.1	12.8	9.0
Canada Infrastructure Works	1.0			
Other Program Expenditures				
TBS Corporate Administration ²	20.1	20.4	19.6	19.6
Gross Planned Expenditures³	79.9	98.6	79.9	74.6

1. Based on the In-Year Update.

2. For details see Annex 1.

3. The level for each business line is "grossed up" by specific amounts to cover expenditures incurred on behalf of other departments for shared initiatives that are subsequently recovered.

Business Line 1: Resource Planning and Expenditure Management

TBS is committed to providing Canadians with effective government-wide expenditure planning and management.

The government uses the Expenditure Management System (EMS) to establish its spending priorities. The Secretariat supports the Treasury Board by making recommendations on allocating approximately \$50 billion in direct program expenditures, encompassing three areas:

- the operating and capital budgets of government departments and agencies;
- payments to dependent Crown corporations; and
- a broad range of transfer payments to organizations, individuals, and corporations.

Existing legislation provides ongoing spending authority for the remaining government expenditures, which include major transfer programs such as Employment Insurance, elderly benefits, provincial equalization payments, and the Canada Health and Social Transfer, as well as public debt charges.

The resource planning and expenditure management business line will account for 17 per cent of the total planned 1997-98 expenditures for the Central Administration of the Public Service program, and 21.7 per cent of the total departmental workforce. The planned expenditures are outlined below.

Planned Expenditures for the Resource Planning and Expenditure Management Business Line

Fiscal Year	FTEs	Salaries and Employee Benefit Plans	Goods and Services	Gross Planned Expenditures ¹
(\$ millions)				
1996-97	182	13.5	3.8	17.3
1997-98	174	13.1	3.7	16.8
1998-99	168	12.7	3.6	16.3
1999-00	168	12.7	3.6	16.3

1. The level for each business line is "grossed up" by specific amounts to cover expenditures incurred on behalf of other departments for shared initiatives that are subsequently recovered. Revenue credited to the vote is used to recover costs incurred by TBS on behalf of other government departments for shared initiatives, such as the Integrated Financial and Materiel Management System, the Financial Information Strategy (FIS), the Enhanced Management Framework, and other shared systems.

Over the past few years, a number of initiatives and changes in the way the Treasury Board operates have moved it towards a “management board” role. Recent examples include

- the President’s specific responsibilities for implementing Program Review; and
- the Treasury Board’s role in reviewing departmental business plans as part of the EMS, and its role in advancing the “getting government right” agenda.

The Treasury Board has asked TBS to further define the practical implications of deliberately changing the Treasury Board’s role into that of a “management board.” These implications include

- the Treasury Board’s own accountabilities;
- the obligations and responsibilities of departments to the Treasury Board;
- the types of horizontal and other issues that the Treasury Board could address in a “management board” role;
- the mechanisms that TBS could use to support the Treasury Board in this role; and
- portfolio management and the role that departmental business planning should play.

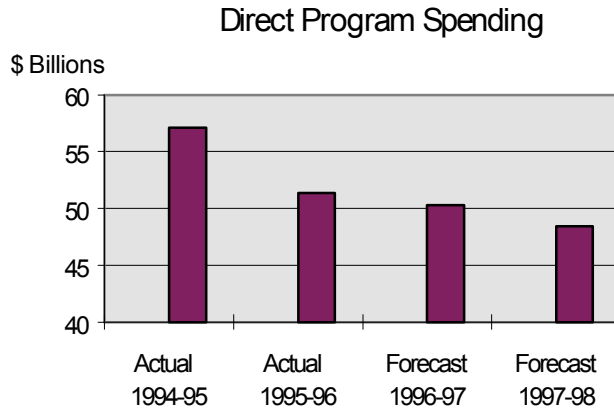
The Treasury Board’s consideration of possible changes to its role and that of the Secretariat may result in significant impacts spreading across all of the Secretariat’s business lines. These changes and impacts will be presented in future planning and performance documents.

1.1 Allocation of resources in accordance with government priorities

The Expenditure Management System (EMS) is based on the principle that new initiatives can no longer be funded from central policy reserves. Consequently, high priority items must be funded by reallocating money from lower priorities. The EMS promotes fiscally responsible decisions by focusing more attention on results, by requiring that new initiatives be financed through reallocation, and by encouraging the ongoing review of government programs. The Secretariat provides advice on the implications of these new initiatives and options for reallocations.

Under the EMS, departments can be more certain of long-term funding. Firm long-term planning is essential for departments and agencies to make the sort of transition required by Program Review. By effectively managing its expenditure framework, using a structured, forward-looking approach to reviewing programs and reallocating resources to meet its fiscal targets, the government has created greater planning stability. The Treasury Board has approved baseline expenditure plans for departments and agencies up to 1999-00. The last fiscal year, 1995-96, was the first year in over a decade during which the government did not have to cut current-year spending to meet its fiscal targets. It appears that no general short-term changes to expenditure plans will be necessary in 1996-97.

As a result, total departmental and related government-wide expenditures, known as “direct program spending,” are expected to continue to decrease modestly in 1997-98. That decline is shown in the chart below.



Priorities

- Continuing to apply EMS principles to resource planning and expenditure management across government.
- Improving the link between the business plan and performance reporting process and the fall Budget development process.
- Developing options to address key ministerial priorities related to the EMS.

Performance measures

- The degree to which the government meets its annual expenditure targets.
- The degree of stability in departmental resource planning frameworks.
- Feedback from the President and Treasury Board ministers on the recommendations and advice that TBS provided.

1.2 Thorough understanding of departmental and interdepartmental priorities, pressures, and issues (program analysis and advice)

To plan resources and manage expenditures effectively, TBS needs a thorough understanding of departmental and interdepartmental priorities, pressures, and issues. The Secretariat’s analysis and advice related to departmental proposals significantly affects Treasury Board decision making, particularly as the role of analysts shifts from a more traditional financial model to a broad policy and strategic focus.

Priorities

- Encouraging departments and ministers to choose among priorities, to manage within approved funding levels, and to develop credible risk management strategies.
- Helping departments and agencies identify and develop options that satisfy ministerial concerns and priorities, such as those related to urban aboriginals, children, safety of the blood system, health system renewal, and unity.
- Helping departments deliver priority policy and program initiatives by developing and implementing innovative approaches, under EMS, for financing these initiatives.

Performance measures

- Feedback from departments and Treasury Board ministers on the quality of program analysis and advice.
- Further evaluations of various components of the business planning process.

1.3 Strengthened business planning

The departmental business planning process allows Treasury Board ministers to review the general direction of each ministry, and to reassess the Treasury Board policies and delegated authorities within which ministers and their departments operate.

Ministers want to use business planning to adopt a more strategic approach in addressing a range of departmental portfolio and horizontal issues. These include issues related to alternative delivery initiatives, quality service and service standards, and workforce structure.

Priorities

- Adopting a portfolio perspective that addresses not only issues specific to a particular department or agency, but also issues that transcend individual organizations. Eight major ministries have been invited to present their strategic plans on this basis.
- Using interbranch TBS business plan teams to provide an integrated TBS assessment and a unified relationship with departments and agencies.
- Emphasizing horizontal analysis of trends and impacts in program spending.
- Integrating responsibilities for Crown corporations to ensure a portfolio perspective on issues.

Performance measures

- A review of the business plan concept and processes during 1997-98, including an assessment of the effectiveness of current measures for strengthening the business planning process.

1.4 Better expenditure management information for Parliament

Parliament needs results-oriented, comprehensive, understandable, and timely information, so that Canadians can see how they benefit from effective, government-wide expenditure planning and management. The Secretariat has developed recommendations for improving the Estimates and the public accounting process. These recommendations will make this information more useful to parliamentarians, and will make departments more accountable. Information will also be more useful to the Canadian public.

Priorities

- Introducing departmental performance and in-year update reports for all departments in the fall of 1997, based on an evaluation of previous pilot projects related to revised planning, performance, and in-year documents provided to Parliament (conditional on the approval of Parliament).
- Integrating the spring plans provided to Parliament into the business planning cycle more substantively.
- Implementing a departmental planning, reporting, and accountability structure (PRAS) that will provide a basis for the internal management of departments and agencies, for the Treasury Board resource allocation process, and for parliamentary control of plans and spending.

Performance measures

- Feedback from Cabinet, parliamentarians, and departments on whether the revised system for providing expenditure planning and management information has served their needs.
- Significant progress in implementing performance reporting across all departments and agencies.
- The extent to which decision makers use performance information in planning resources and managing expenditures.

1.5 Elimination of impediments to efficient government

The Secretariat will continue to promote more effective and efficient ways of delivering government programs and services, in collaboration with departments, the provinces, and non-governmental agencies. It will do so by supporting the implementation of alternative service delivery initiatives (ASD) in departments and through other initiatives.

Priorities

- Supporting the implementation of ASD options in a manner consistent with broader Public Service renewal and reform. Activities will include
 - * supporting the implementation of the Canada Border and Revenue Service;

- * developing, amending, or promoting management policies, legislation frameworks, resources and references, and linking these initiatives to a broader Public Service reform framework;
 - * developing proper accountability arrangements and regimes for ASD and other corporate structures, and designing innovative new governance structures to meet special needs; and
 - * streamlining Treasury Board policies and reporting requirements to give managers more flexibility.
- Supporting the efforts of the regional federal councils to coordinate administrative and service delivery issues among regional operations. This will include helping departments and central agencies identify ways to improve service delivery from a regional perspective.
 - Developing budget concepts for accrual accounting, as part of the modernization of the government's financial information system.
 - Coordinating the government's regulatory reform agenda. The Secretariat will focus on managing regulatory initiatives and policy issues horizontally, refocusing efforts at early stages of regulatory development, and improving departmental accountability for making regulatory decisions.

Performance measures

- Assessment of the progress made in implementing ASD options, and of the effects of those options.
- Feedback from Cabinet, parliamentarians, the Auditor General, and departments on whether TBS efforts to identify and eliminate impediments to efficient government have served their needs.

1.6 Implementation of Program Review decisions

By supporting the implementation of Program Review, TBS helps the government direct its limited resources to the highest priorities and to the areas where the government is best placed to deliver services. To date, the government has achieved its expected savings targets.

Priorities

- Continuing to work with client departments and agencies, as well as other central agencies, to ensure that they are meeting their targets to reduce expenditures under Program Review, and that they are implementing their Program Review decisions effectively.

Performance measures

- Assessment of TBS progress in helping the government achieve its fiscal, expenditure reduction, and re-engineering targets.

1.7 Effective communication of government priorities to departments and agencies

The Secretariat is responsible for establishing and communicating a framework of policies and guidelines that help departments and agencies provide effective programs with clear performance management strategies.

Priorities

- Continuing to adjust and communicate this framework to help departments and agencies meet their objectives. For example, TBS will update and communicate the government's policy for user fees and cost recovery. To give another example, TBS will revise federal real property policies and legislation to make it easier to sell or otherwise transfer federal lands.

Performance measures

- Feedback from departments on whether TBS communicated government priorities to departments and agencies effectively.
- Evaluation of the impact of changes to the user charge policy implemented in 1997-98.

For more information on resource planning and expenditure management, contact

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Business Line 2: Human Resources Management

TBS is committed to providing Canadians with a professional, representative, and productive Public Service workforce that can deliver government programs and services.

The Treasury Board Secretariat supports the President and the Treasury Board in its capacity as general manager and employer for that part of the Public Service for which it has responsibility. This role has taken on an increasing importance due to initiatives to reform the Public Service.

The Secretariat has core responsibilities in the areas of collective bargaining and labour relations. It manages the pension program, and employee benefit and insurance programs. It handles Executive group classification and compensation, pay equity, employment equity, official languages, and general human resources management policies. It also gives departments and agencies policy direction, interpretations, and advice.

The Secretariat works with central agencies that are responsible for other components of the human resources management framework; with deputy heads and departmental managers who are responsible for the day-to-day operation and delivery of human resources policies and programs; and with the Public Service unions.

The human resources management business line will account for 25.9 per cent of the total planned 1997-98 expenditures for the Central Administration of the Public Service program, and 30.6 per cent of the total departmental workforce. Planned expenditures are outlined below.

Planned Expenditures for the Human Resources Management Business Line

Fiscal Year	FTEs	Salaries and Employee Benefit Plans	Goods and Services	Gross Planned Expenditures ¹
(\$ millions)				
1996-97	260	16.8	4.1	20.9
1997-98	245	16.7	8.8	25.5
1998-99	233	15.6	8.2	23.8
1999-00	234	15.6	6.7	22.3

1. The level for each business line is "grossed up" by specific amounts to cover expenditures incurred on behalf of other departments for shared initiatives that are subsequently recovered. Revenue credited to the vote is used to recover costs incurred by TBS on behalf of other government departments for shared initiatives, such as the Integrated Financial and Materiel Management System, the Financial Information Strategy (FIS), the Enhanced Management Framework, and other shared systems.

The Secretariat can monitor some global indicators to see how well it is achieving the objective of this business line, including

- the size, skill composition, and other demographic features of the Public Service workforce, both in the management cadre and below;
- organizational health indicators, such as absence of significant increases in sick leave usage, data on resolved grievances, and data on complaints and morale indicators from employee surveys;
- productivity measures, such as the size of the Public Service payroll as a proportion of program expenditures;
- ability to recruit qualified employees.

2.1 Implementation of the human resources management requirements supporting Program Review and alternative service delivery (ASD)

By implementing recommendations from the Program Review exercise, the 1995 and 1996 Budgets reduced the Public Service workforce. To ensure that employees affected by downsizing initiatives would be treated fairly and responsibly, the government introduced the Early Departure Incentive (EDI) and Early Retirement Incentive (ERI) programs. In addition, the 1996 Budget announced the creation of several new alternative delivery initiatives (ASD). The Secretariat helps departments meet their Program Review and ASD objectives.

Priorities

- Providing advice on human resources strategies for ASD.
- Continuing to oversee Program Review downsizing and the related EDI and ERI programs, and working with the Joint Advisory Committees (JACs), which allow unions and management to play a more strategic role in the downsizing process.

Performance measures

- Departments' satisfaction with the tools for implementing Program Review and ASD (such as policies, guidelines, communication and implementation strategies, and various forums) and with the Secretariat's advice on human resources issues and on implementing various arrangements, such as pensions in ASD organizations. TBS will assess satisfaction according to the appropriateness of consultations, clarity of the accountability framework, ease of management and contribution to desired results.

- Ongoing monitoring of downsizing and use of departure incentives, to be conducted jointly with JACs. Specific objectives include
 - reducing program expenditures to meet fiscal objectives set for 1998-99;
 - minimize lay offs after surplus declaration;
 - ensuring global 12-month pay-back of investment in departure programs.

2.2 Simplified and modernized human resources management

The current framework for managing human resources in the Public Service was essentially put in place in 1967. Although it has been revised since then, more changes are required to ensure that the framework meets the requirements of today's workplace, and to make it more efficient and cost effective.

Priorities

- Simplifying the job classification system to improve administration and gender neutrality, to reduce administrative costs, and to provide Public Service employees with increased mobility and broader career opportunities. The new classifications will evaluate all Public Service work on the same gender neutral criteria, and will comply with the Canadian Human Rights Act. One standard will replace the current 72, permitting greater flexibility and simplified pay and staffing systems. Once it is universally applied, this system will reduce the cost, complexity, and rigidity of the current system.
- Reforming the human resources legislation governing the Public Service (the Financial Administration Act, the Public Service Staff Relations Act, the Public Service Employment Act, and the Public Service Superannuation Act).
- Reviewing Public Service pension plans to examine fundamental issues related to distributing risk and responsibility to plan members and the employer.

Performance measures

- Reduction of costs, success in meeting gender neutrality requirements, simplification of administration, and creation of more opportunities for employee mobility through the new job classification system.
- Simplification and improvements to human resources management in the Public Service and support for government business directions through reforms to human resources legislation.
- Ability of the government to determine whether significant changes in pension plan management are required.
- Satisfaction of all stakeholders with the effectiveness and appropriateness of the human resources system. The Secretariat will assess satisfaction according to the four criteria noted earlier: consultation, clear accountability regime, management ease, and contribution to desired outcome.

2.3 A positive labour relations environment

The 1996 Budget announced that collective bargaining will resume in early 1997. To prepare for this, TBS has been working with unions and departments to make the collective bargaining process simpler and more efficient. A redesigned process will allow all issues of cost to the employer and value to employees to be brought to the bargaining table. The number of bargaining tables will also be reduced to improve the efficiency and speed of the process.

Priorities

- Negotiating and concluding collective agreements with employees, through their representatives, between March 1997 and October 1998 (approximately 75 collective agreements).

Performance measures

- Reaching of agreements within the fiscal framework on a total compensation basis, with a minimum of disruption.

2.4 Provision of advice, policy direction, and tools that enable departments to manage human resources effectively and efficiently

TBS provides advice, policy direction, and tools that help departments manage human resources effectively and efficiently. TBS monitors these policies to ensure that they are still relevant and useful and that they effectively communicate the human resources priorities and policies of the government. TBS does this by consulting, holding learning events, sharing best practices, and analyzing statistical data and trends.

Performance measures

- Clients' satisfaction with the components of the human resources management system, and with the advice, policy direction, and tools that TBS provides.

2.5 A renewed and rejuvenated management cadre of the Public Service

Significant numbers of senior executives may retire from the Public Service in the next few years. La Relève is a series of corporate and departmental initiatives designed to ensure that the Public Service continues to attract, motivate, and retain talented and dedicated employees at all levels of the Public Service. The Secretariat has particular responsibilities for managing the Executive group and for a number of related management development programs.

Priorities

- Undertaking demographic studies and surveys to better understand compensation and retention issues related to the Executive group.
- Revising the human resources management framework for the Executive group.

Performance measures

- Identification and addressing of compensation and retention issues.
- Acceptance and support of the revised framework by central agencies, departments, and executives.

2.6 A representative Public Service

The goal of employment equity is to achieve a Public Service that represents the population it serves. The Treasury Board's responsibilities are based on provisions of the new Employment Equity Act as proclaimed in fall 1996.

The Secretariat continues to work with departments to identify and remove barriers to the participation of designated group members—women, aboriginal persons, persons with disabilities, and members of visible minorities—in the workforce. The President of the Treasury Board tables an annual report to Parliament on employment equity.

Priorities

- Implementing the new Employment Equity Act by developing and implementing a management and accountability framework for employment equity; by clarifying roles and responsibilities of central agencies, departments, and agencies; by communicating requirements to managers and employees; and by preparing an annual report.

Performance measures

- Achievement of employment equity goals.
- The level of representation of designated group members in the Public Service workforce by occupational group, level, and organization.
- Recruitment, promotion, and retention rates for designated group members.
- Acceptance and implementation of the management and accountability framework.
- Managers and employees' understanding of employment equity requirements.

2.7 Implementation of the Official Languages program

The Secretariat directs and coordinates federal policies and programs related to the Official Languages program. This program applies to federal institutions and to other organizations subject to the Official Languages Act. The objectives of the program are to ensure that Canadians are served in the official language of their choice; to create and maintain a work environment conducive to the effective use of both official languages; and to provide equal employment and advancement opportunities to the members of the two official languages communities.

Priorities

- Informing federal institutions and their employees of the Act's provisions, encouraging them to implement them, and measuring that implementation.
- Developing an agreement with Canadian Heritage regarding more accountable approaches to implementing sections 41 and 42 of the Act, for which Canadian Heritage is responsible, which deal with promoting and developing official languages minorities.

Performance measures

- The degree to which services are provided to the public in both official languages.
- Canadians' satisfaction with employees' ability to serve them in the official language of their choice.
- Employees' satisfaction with their opportunity to use the official language of their choice in the workplace.
- The level of participation of anglophone and francophone employees in the Public Service.
- The capacity of the Executive group to function in both official languages.
- The implementation of an agreement with Canadian Heritage.
- The success of federal institutions in taking official languages considerations into account in the action plans they submit to fulfil their obligations under sections 41 and 42 of the Act.

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Business Line 3: Comptrollership

TBS is committed to providing Canadians with modern comptrollership to manage government resources.

Modern comptrollership implies vigorous stewardship of public resources, a high standard of ethics, and provision for appropriate parliamentary oversight. To deliver affordable and high quality services to Canadians, managers need flexibility, incentives, and information. The focus of modern comptrollership, therefore, is on results, accountability, and managing risk.

The government is also implementing up-to-date control and accountability practices that are consistent with current government priorities. For example, TBS will provide input to the Independent Panel on Comptrollership, made up of private- and public-sector experts, to help it assess options for modernizing comptrollership within the Government of Canada.

The Secretariat's success will be measured by reviews of departmental performance, including documentation reviewed by Parliamentary Committees (e.g., departmental performance reports).

The comptrollership business line will account for 7.9 per cent of the total planned 1997-98 expenditures for the Central Administration of the Public Service program, and 9.8 per cent of the total departmental workforce. Planned expenditures are outlined below.

Planned Expenditures for the Comptrollership Business Line

Fiscal Year	FTEs	Salaries and Employee Benefit Plans	Goods and Services	Gross Planned Expenditures ¹
(\$ millions)				
1996-97	96.0	6.8	2.2	9.0
1997-98	78.5	5.9	1.9	7.8
1998-99	70.0	5.5	1.9	7.4
1999-00	70.0	5.5	1.9	7.4

1. The level for each business line is "grossed up" by specific amounts to cover expenditures incurred on behalf of other departments for shared initiatives that are subsequently recovered. Revenue credited to the vote is used to recover costs incurred by TBS on behalf of other government departments for shared initiatives, such as the Integrated Financial and Materiel Management System, the Financial Information Strategy (FIS), the Enhanced Management Framework, and other shared systems.

3.1 An accountability and performance reporting regime that focuses on results

The federal strategy for this task involves three steps: identifying key expected results for departments and portfolios; improving measurement of performance and related costs; and improving reporting to Parliament. To get government right, departments must account for results, and to do so they need performance information. Such information is also essential for governance—it is used to make decisions, to improve the delivery of services to Canadians, and to enhance the government’s capacity to develop policies.

Priority

- Providing the focal point for performance reporting, which will include providing technical guidance on performance indicators; coordinating production of the departmental performance reports tabled by the President in Parliament; providing leadership for departments producing their fall performance reports; and communicating key results commitments outlined in the spring plans and priorities reports (pilot Estimates documents).

Performance measures

- Improved accountability for and performance reporting of departmental and government-wide results.
- Achievement by parliamentarians and the public of a better understanding of government objectives and successes. This could be demonstrated by the use of performance information in parliamentary standing committee discussions, for example.
- Improved accountability for results, which would include the development of planning, reporting, and accountability structures (PRAS); tailored accountability arrangements for ASD and other corporate structures; and innovative new governance structures to meet special needs.
- The development of government-wide performance indicators by an interdepartmental committee and sectoral working groups.
- Use of the performance information in the federal Review and Performance Database for policy development

3.2 Departmental reviews that effectively support the government’s improvement initiatives

- Effective departmental reviews—which include internal audit, program evaluation, and other management review activities—help ensure the success of departmental initiatives to improve management practices, accountability, performance measurement, and quality service, and to implement improved processes and systems and other horizontal issues.

Priority

- Providing the focal point for government review by leading government-wide key reviews and risk assessments, and by providing leadership to departmental reviews.

Performance measures

- Improved use of departmental reviews to provide credible, relevant, and timely information for decision makers.
- Effective leadership of government-wide key reviews, which will include improving use of departmental reviews to provide information on questions of government-wide compliance and effectiveness, such as questions related to official languages.
- Greater use of departmental reviews to improve performance reporting and quality service initiatives.
- Greater use of departmental reviews to monitor major information technology initiatives.

3.3 Better strategic use of financial information

The government wants to modernize the management of financial resources and the systems for providing financial information. It will do so by implementing the Financial Information Strategy (FIS), including full accrual accounting. Implementing FIS will yield a model for financial management and accounting comparable to that used in the private sector. This will allow all levels of government to use financial information more strategically when making decisions.

In the meantime, the government is providing timely and credible financial reports using a modified accrual accounting method that is consistent with the approach of the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. For the past five years, the Auditor General has expressed no reservations in his opinion on the government's financial statements.

Priorities

- Establishing a learning framework, supported by papers on important FIS-related concepts, to ensure that senior managers, financial managers, and others who use the new model of financial management take full advantage of it.
- Developing the accounting and financial reporting policies required for full accrual accounting, while taking into consideration the recommendations of the Public Sector Accounting and Auditing Board.
- Reviewing the Financial Administration Act to identify changes needed before the government can implement full accrual accounting and FIS.

Performance measures

- Full implementation of FIS, including full accrual accounting, across the government by 2001.
- Satisfaction of parliamentarians, senior managers, and financial managers with available financial information.
- Completion of the learning framework and papers related to FIS by December 31, 1997.
- Development and implementation of accounting policies on capitalization and amortization of capital property, accrual of tax revenues, and environmental liabilities.
- Preparation of a report on the review of the Financial Administration Act and, if necessary, preparation of legislative proposals.

3.4 Integration of quality service concepts into departmental operations

The Secretariat will work to improve the delivery of federal government services by providing leadership in developing and promoting quality services and by encouraging innovation.

Priority

- Continuing to help departments
 - * quickly publish service standards for key service areas;
 - * measure improvements in client satisfaction;
 - * develop client consultation strategies;
 - * outline, in their business plans, actions they plan to undertake to improve client satisfaction;
 - * build accountability for improving client satisfaction into their departmental performance agreements; and
 - * give their employees the skills they need to provide quality services.

Performance measure

- Increased level of integration of quality service principles and practices into departmental operations. This can be measured by reviewing business plans, through the results of the second Statistics Canada Survey, and through the periodic progress reports to Treasury Board ministers.

3.5 More effective service delivery through the development of improved policies and tools

As well as improving policies and standards, TBS continues to develop tools, such as self-assessment techniques, that help managers maintain control and accountability in their increasingly diverse environments.

Priorities

- Streamlining Treasury Board policies, regulations, and reporting requirements by examining impediments to management flexibilities.
- Providing departments with an inventory of well-qualified graduates for financial officer and internal auditor positions.
- Assessing the effectiveness of contracting policies in achieving national procurement objectives, which include enhancing service delivery.
- Reviewing regulations made under the Financial Administration Act to ensure they promote the implementation of new technology, paperless systems, and streamlined processes; create new regulations to reflect new changes made to the Financial Administration Act.

Performance measures

- Effectiveness of policies and tools in facilitating program delivery.
- Recruitment of 30 new financial officers and internal auditors who meet the requirements of client departments.
- Assessment of the media's comments on contracting, of reports issued by parliamentary committees, and of Canadian International Trade Tribunal decisions.
- Assessment of departmental compliance with bidding practices defined in Canada's trade agreements, and of the level of competition described in departments' annual contracting reports.

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Business Line 4: Information Management and Information Technology

The Secretariat is committed to providing Canadians with leadership in using information technology (IT) to support the government's renewal agenda.

Information management and information technology (IM/IT) are two of the key strategic tools for reforming the Public Service and improving service delivery. To provide IM/IT leadership within government, TBS is working to accelerate the government's renewal agenda using IM/IT, and to improve the effectiveness and efficiency of its IT resources.

The information management and information technology business line will account for 28.5 per cent of the total planned 1997-98 expenditures for the Central Administration of the Public Service program, and 10.9 per cent of the total departmental workforce. Planned expenditures are outlined below.

Planned Expenditures for the Information Management and Information Technology Business Line

Fiscal Year	FTEs	Salaries and Employee Benefit Plans	Goods and Services	Gross Planned Expenditures ¹
(\$ millions)				
1996-97	91.0	6.2	5.4	11.6
1997-98	87.5	6.0	22.1	28.1
1998-99	77.0	5.4	7.4	12.8
1999-00	77.0	5.4	3.6	9.0

1. The level for each business line is "grossed up" by specific amounts to cover expenditures incurred on behalf of other departments for shared initiatives that are subsequently recovered. Revenue credited to the vote is used to recover costs incurred by TBS on behalf of other government departments for shared initiatives, such as the Integrated Financial and Materiel Management System, the Financial Information Strategy (FIS), the Enhanced Management Framework, and other shared systems.

4.1 Strategic leadership in government in IM/IT

Information technology is one of the key strategic tools for Public Service reform and for improving service delivery. To realize these results, key information technology and management issues must be dealt with horizontally both within and across governments. TBS provides long-term strategic orientation and leadership for these issues for government.

A number of sources will drive the Secretariat's activities: senior committees of the Public Service; recommendations of the private-sector Information Highway Advisory Council; and an emerging information policy framework that reflects the societal values of an information economy.

To date, there are more than 150 electronic commerce (EC) projects in progress in the federal government, covering activities ranging from filing taxes to receiving and settling credit card bills. An inventory of EC projects is available on the Internet at <http://www.intergov.gc.ca>.

Priorities

- Initiating an action plan to make electronic commerce the government's preferred way of doing business by 1998. This will provide more affordable, accessible and responsive services to Canadians.
- Establishing a framework and governance structure to ease the introduction of EC.
- Developing a policy and an implementation strategy for a public key infrastructure for the Government of Canada, in collaboration with other jurisdictions, to ensure the secure transmission of electronic information.

Performance measures

- Establishment of milestones and accountabilities for assessing success in achieving EC objectives.
- Establishment of a legislative and policy framework in 1997-98 to accelerate the introduction of EC.
- Implementation of a public key infrastructure in 1997-98.

4.2 A government-wide approach to IT investment

The Auditor General has reported that the government is making good progress in using information technology to renew government services. The Secretariat is developing a strategic investment plan that focuses on strategic oversight and facilitation to help departments maximize benefits and contain costs in implementing IT.

Priorities

- Developing a three-year strategic plan for information and technology architecture and investment.
- Implementing the new framework supporting the enhanced management of IT projects in government.
- Establishing government-wide priorities and a workplan to address the Year 2000 computer date problem.

- Developing a plan for the continued evolution of shared systems and technology among departments.

Performance measures

- Establishment of a government-wide consensus on IM/IT priorities and release of a triennial IT investment plan.
- Establishment of standards for government procurements and infrastructure investment.
- Implementation of the new IT management framework in 1997-98.
- Identification, in government and departmental action plans, of critical IT systems needed to address the Year 2000 computer date problem.
- Provision of ongoing strategic direction to departments and establishment of a shared systems support centre in Consulting and Audit Canada.

4.3 The facilitation of information based renewal initiatives

The government is committed to being a model user of information and communications technologies, to improve service to Canadians and to reduce costs. TBS must identify and, where possible, remove information barriers to effective service so that Canadians can interact more easily with their government. TBS is in the process of changing the policy framework to conform to an era of rapidly evolving technological advances.

Priorities

- Reforming IM policies to support increased electronic delivery of programs and services, and providing ongoing policy advice to departments.
- Leading TBS participation in initiatives to establish government as a model user of IT, as outlined in the Information Highway Action Plan.
- Continuing to substantially reduce the paper burden placed on small businesses in their interactions with the federal government.
- Developing recommendations for a common client identifier (CCI) for individuals dealing with government.

Performance measures

- Departments' acceptance of a new information management policy framework in 1997-98.
- A measurable increase in the number of government services delivered electronically.
- A follow-up survey of Canadian small businesses on the government's progress in reducing federal paper burden.
- Acceptance of a strategy for a CCI that protects personal privacy.

4.4 Identification of solutions for problem areas with respect to the IT community

An integral part of the Secretariat's leadership involves ensuring that the government's IT professionals have the necessary combination of core competencies, skills and training for the future. Based on insights from a major TBS survey of federal government IT professionals on several key demographic, job skill, and training issues facing the community, TBS is planning a further review and forecasting of trends in the knowledge, skills, and abilities that these professionals will need. This will enable TBS to develop models, including requirements for hiring, training, classifying, compensating and retaining these employees.

Priorities

- Developing a sound human resources strategy for renewing the IT community.
- Developing and communicating a recruitment and retention strategy, and establishing mechanisms for providing ongoing support to the IT community.

Performance measures

- Identification and communication of core IT skills required at both the officer and executive level.

4.5 Implementation of alternative, more effective and efficient ways of managing and delivering IT services in government through partnering with internal and external stakeholders

The Secretariat has made improving collaborative arrangements with the vendor community a priority for the strategic and effective use of technology. Provinces, territories, municipalities, the private sector, and federal departments are exploring joint electronic delivery of government information and services to Canadians. This approach builds on the strengths of both governments and industry to deliver innovative IT solutions.

Priorities

- Improving collaboration between different levels of government, and between governments and the IT vendor community.
- Continuing to enhance infrastructure initiatives related to the "Canadian Governments On-Line" project (<http://www.intergov.gc.ca>).
- Rationalizing telecommunication network services across government.
- Reviewing the IT procurement process, in collaboration with Public Works and Government Services Canada (PWGSC) and the private sector.

Performance measures

- Establishment of a framework for coordinating the delivery of infrastructure services in government.
- Government acceptance of a revised IT procurement process.
- An increase in the number of joint infrastructure initiatives for delivering services on-line and for sharing best practices across federal, provincial, and municipal levels.
- Establishment of an action plan for rationalizing telecommunication network services across departments, provinces, PWGSC, and industry.

4.6 Provision of government-wide human resources information to TBS policy areas and other central agencies

In its role as employer, TBS is responsible for the gathering of human resource information from across government.

Priorities

- Gathering information and data from government-wide corporate databases and providing information to support the collective bargaining process and other policy functions of central agencies.
- Establishing an internal board of management to provide direction for interbranch service levels, priorities, and investment funding.

Performance measures

- The degree to which information is used in the collective bargaining process.

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Business Line 5: Canada Infrastructure Works

The Secretariat is committed to supporting the President in his role as Minister responsible for Infrastructure.

In 1994, the Canada Infrastructure Works program was created to improve Canada's municipal infrastructure and to create jobs. Federal funding of \$2 billion was matched by contributions from provincial and municipal governments. When the program was established, a special Cabinet responsibility was created and TBS was asked to provide an administrative home for the Office of Infrastructure, as well as that office's budget and staff requirements.

As of January 1, 1997, the program had committed about 99 per cent of the federal government's \$2-billion allocation. More than 12,500 projects, with a total value of more than \$6.6 billion, had created about 104,000 construction-related jobs. These projects rehabilitated existing infrastructure and built new facilities.

The bulk of project approvals and implementation were due to be completed by the end of March 1997, and the operations of the Office of Infrastructure were scheduled to end shortly thereafter. However, in December 1996, the government announced that it would augment program funding in 1997-98 by \$425 million and extended an offer to the provinces to participate in this one-year initiative.

The following table represents the intended funding for the Canada Infrastructure Works program. Due to timing considerations these numbers are not reflected in the Main Estimates for 1997-98 for TBS.

Planned Expenditures for the Canada Infrastructure Works Program Business Line

Fiscal Year	FTEs	Salaries and Employee Benefit Plans	Goods and Services	Gross Planned Expenditures ¹
		(\$ millions)		
1996-97	9	0.6	0.4	1.0
1997-98	12	0.6	1.0	1.6

1. The level for each business line is "grossed up" by specific amounts to cover expenditures incurred on behalf of other departments for shared initiatives that are subsequently recovered. Revenue credited to the vote is used to recover costs incurred by TBS on behalf of other government departments for shared initiatives, such as the Integrated Financial and Material Management System, the Financial Information Strategy (FIS), the Enhanced Management Framework, and other shared systems.

5.1 Improvement of Canada's physical infrastructure and the creation of jobs

Priority

- Undertaking negotiations with the provinces to extend the infrastructure program as rapidly as possible, to ensure maximum job creation during the 1997 construction season.

Performance measures

- The completion of federal-provincial agreements to extend the infrastructure program.
- The number of approved projects, capital investments, and jobs created.

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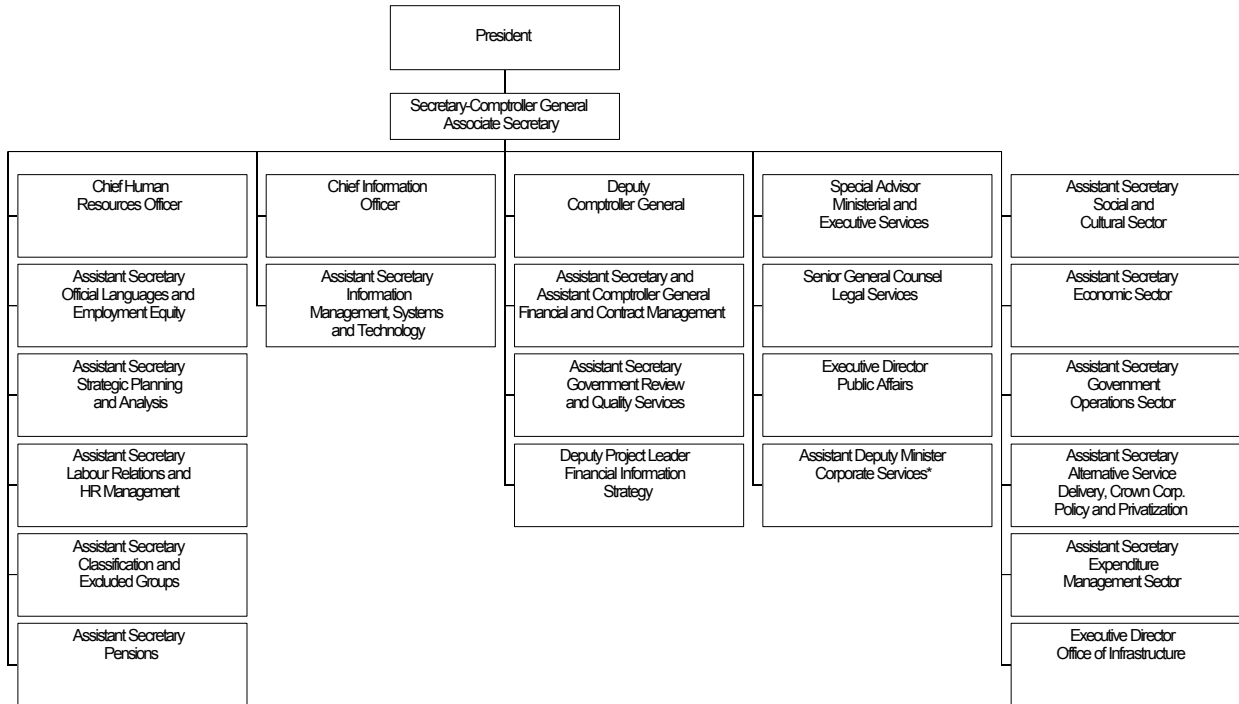
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Annex 1: Organization of Treasury Board of Canada, Secretariat

TBS Organization Chart



*Joint Services with Department of Finance Canada

The Expenditure Management Sector helps meet the President's statutory responsibility to produce and table the Main and Supplementary Estimates. The Sector coordinates exercises such as the Annual Reference Level Update (ARLU) of departmental budgets, management of the Operating Reserve, and the Government Contingencies Vote. It works with the Department of Finance Canada on the fiscal framework and expenditure input to the Budget, and develops central reporting requirements. The Sector helps departments prepare Business Plans, Estimates submissions, and pilot documents relating to the Improved Reporting to Parliament project. It also maintains an up-to-date account of planned government expenditures, develops policies related to managing expenditures, and analyzes government spending.

The Alternative Service Delivery, Crown Corporation Policy, and Privatization Sector supports the government's objectives to reform the federal public sector and to modernize service delivery; provides leadership, policy direction, and technical advice on organizational options for achieving these objectives to departments, the private sector, other governments, and colleagues within the Secretariat; manages key horizontal policy issues related to Crown corporations and other corporate structures; performs corporate monitoring and information functions required by the Financial Administration Act; leads or participates in privatization initiatives; and identifies privatization and commercialization candidates for the federal Budget.

Three program sectors analyze policy and multi-year program requirements to advise the Treasury Board on the allocation of resources. These sectors also inform departments and agencies of the policies, directives, and decisions of the Treasury Board that affect the use and level of resources:

- the Social and Cultural Sector advises the President on major cultural and social policy issues and on the federal-provincial implications of the current social policy reform agenda;
- the Government Operations Sector provides advice on major policy issues related to foreign affairs, defence, immigration, and government operations. It also coordinates the Canada Infrastructure Works program; and
- the Economic Sector provides advice on major economic policy issues, including transportation and environment policy areas, and coordinates the government's regulatory reform agenda.

Human Resources Branch

The Human Resources Branch is responsible for advising the President and supporting the Treasury Board in the management of the government's on-going responsibilities as employer. It has core responsibilities in the areas of collective bargaining and labour relations; it manages the pension program, employee benefit and insurance programs, Executive group classification and compensation, pay equity, employment equity, official languages and general human resources management policies; and it provides departments and agencies with policy direction, interpretations and advice.

Deputy Comptroller General

The Deputy Comptroller General provides leadership on issues of comptrollership to departments, to other central agencies, and within TBS itself. This task includes providing advice on financial management, contract management, government review, and quality service. Comptrollership comprises the essential, integrated business processes for managing risks, understanding the implications of decisions before they are taken, reporting on results, and ensuring sound financial management. To help advance the move to modern comptrollership, an independent review panel has been formed, comprising private- and public-sector experts, to review and report on comptrollership within the Government of Canada.

Chief Information Officer Branch

The Chief Information Officer Branch aims to achieve a long-term strategic, policy -focused orientation for the government within the current resource reduction plans. The Branch has recently been reorganized to provide improved service to its departmental clients. It works to provide leadership on government-wide information and technology issues and a strategic vision for information technology (IT)-based renewal in government; to improve relationships with the IT vendor community; to help renew the IT community; to remove policy barriers to effective information management in the federal government; and to maximize the benefits of IT investments. These activities are designed to improve the way the federal government and its partners deliver services to Canadians.

Treasury Board of Canada, Secretariat Corporate Administration

Treasury Board of Canada, Secretariat Corporate Administration includes the offices of the President, the Secretary-Comptroller General, and the Associate Secretary, and provides executive and ministerial direction and advice, as well as legal, public affairs, financial, personnel, and administrative services.

Ministerial and Executive Services ensures that the President, the Secretary-Comptroller General, the Associate Secretary, and exempt staff receive briefing, administrative, correspondence, and logistical support in all Treasury Board and parliamentary affairs and in their relations with other departments and non-governmental organizations.

Public Affairs provides services to the President, the Secretary-Comptroller General, the Associate Secretary, and the business service lines in the areas of strategic communications planning, media relations, speech writing (for the President and the Secretary-Comptroller General), public environmental research and analysis, internal communications, and quality control.

The Corporate Services Branch provides internal management and support services to TBS for human resources, financial informatics, systems integration, administrative, and security services.

The following table illustrates the planned expenditures for Corporate Administration. This information was not included in the business line tables.

Planned Expenditures, TBS Corporate Administration

Fiscal Year	FTEs	Salaries and Employee Benefit Plans	Goods and Services	Gross Planned Expenditures ¹
		(\$ millions)		
1996-97	220	12.3	7.8	20.1
1997-98	216	12.4	8.0	20.4
1998-99	210	12.0	7.6	19.6
1999-00	210	12.0	7.6	19.6

1. The level for each business line is “grossed up” by specific amounts to cover expenditures incurred on behalf of other departments for shared initiatives that are subsequently recovered. Revenue credited to the vote is used to recover costs incurred by TBS on behalf of other government departments for shared initiatives, such as the Integrated Financial and Materiel Management System, the Financial Information Strategy (FIS), the Enhanced Management Framework, and other shared systems.

Statutory and Departmental Reports Produced for Treasury Board and/or Parliament

1996-97 Estimates

Annual Report on the Administration of the Members of Parliament Retiring Allowances Act

Annual Report on the Administration of the Public Service Superannuation Act

Annual Report on Government Contracting by Departments and Agencies

Crown Corporations and Other Corporate Interests of Canada: Annual Report

Employment Equity in the Public Service: Annual Report

Getting Government Right: Improving Results Measurement and Accountability—Annual Report to Parliament by the President of the Treasury Board, 1996

Guidelines on Corporate Governance in Crown Corporations and Other Public Enterprises, June 1996

Official Languages in Federal Institutions: Annual Report 1995-96

Report on the Administration of the Supplementary Retirement Benefits Act

Supplementary Estimates (B), 1996-97

Report on Plans and Priorities for 1997-98 – 1999-00

*These documents are available at <http://www.tbs-sct.gc.ca>

Statutes Administered by TBS

Appropriation Acts

Auditor General Act – R.S., 1985, c. A-17

Crown Corporations Dissolution Authorization Act – 1985, c. 41

Employment Equity Act (with Minister of Human Resources Development)

Federal Real Property Act – 1991, c. 50

Financial Administration Act (jointly with the Minister of Finance)

Lieutenant Governors Superannuation Act – R.S., 1985, c. L-8

Members of Parliament Retiring Allowances Act – R.S., 1985, c. M-5

Official Languages Act (Parts IV, V & VI and Article 91)

Pension Benefits Division Act – 1992, c. 46 (Schedule II)

Privacy Act - R.S., 1985, c. P-21

Public Pensions Reporting Act - R.S., 1985, c. 13 (2nd Supp.)

Public Sector Compensation Act – 1991, c. 30

Public Sector Employment Act (certain provisions only) – R.S., 1985, c. P-33

Public Service Pension Adjustment Act – R.S.C., 1970, c. P-33

Public Service Staff Relations Act (jointly with President of the Privy Council)

Public Service Superannuation Act – R.S., 1985, c. P-36

Special Retirement Arrangements Act – 1992, c. 46 (Schedule I)

Supplementary Retirement Benefits Act – R.S., 1985, c. S-24

Annex 2: Government Contingencies and Centrally Financed Programs

Government Contingencies and Centrally Financed programs allow the government to finance items that cannot be foreseen when the Main Estimates are prepared. As well, they fund special programs that are coordinated through the Treasury Board pending final allocation of funds. These funds are available to supplement all government programs. These programs comprise three activities: government contingencies, reprography, and training assistance.

1997-98 – Part II of the Estimates—Financial Requirements by Authority

Vote	Government Contingencies and Centrally Financed Programs	1997-98	1996-97
		Main Estimates	Main Estimates
		(\$ millions)	
5	Government Contingencies	450.0	450.0
10	Reprography	1.9	1.4
15	Training Assistance	10.0	10.0
	Total Program	461.9	461.4

Government Contingencies

The Government Contingencies Vote is a temporary funding mechanism that allows departments and agencies to implement policy and workload requirements that require funding before the Supplementary Estimates are approved. It also provides funds to cover a limited number of payroll shortfalls, such as shortfalls related to severance pay and maternity benefits.

With the exception of payroll adjustments, departments and agencies pay back allotments from the Contingencies Vote after Parliament approves the Supplementary Estimates. Departments and agencies do not repay allotments for payroll shortfalls because these allotments do not enhance the level of activity in a program. Otherwise, the government would need to place many minor technical Supplementary Estimates before Parliament.

When Parliament provides funds to meet miscellaneous minor and unforeseen expenditures, it contributes to the efficient and orderly conduct of government business. This process gives

the executive of the Government of Canada the discretion and flexibility to respond quickly to unforeseen expenditure requirements, while maintaining the principles of parliamentary control and executive accountability.

Because of the nature of this activity, the expenditures are not incurred directly against this account. By year end, the allotments from the Government Contingencies Vote have either been reimbursed through the Supplementary Estimates or transferred to supplement other appropriations for payroll shortfalls. Any balance remaining lapses at the end of the fiscal year.

Major factors used to determine the level of funding for government contingencies include the Treasury Board's management of the reserve, and the timing of new expenditures. Temporary financing, if required, is normally proposed for items that cannot be included in Main Estimates because they have not been fully defined at the time the Main Estimates are prepared, and cannot be financed from current appropriation authorities. Each Supplementary Estimates document lists all initiatives included in the Supplementary Estimates that received temporary financing from the Government Contingencies Vote.

The Secretariat will continue to assess the level of funding needed for government contingencies in relation to approved government spending, and to the level of certain Public Service personnel costs that are beyond the control of government departments and agencies. Since the current vote structure was introduced in 1970-71, an amount of approximately one per cent of the total of all budgetary votes in the Main Estimates has been found to be adequate for government contingencies and agreeable to Parliament. It is expected that this amount will continue to be used.

Comparison of Resources to Main Estimates Budgetary Expenditures

	1996-97	1995-96	1994-95
	(\$ millions)		
Budgetary Voted Expenditures	45,300	48,000	48,577
Government Contingencies	450	450	450
Per Cent of Budgetary Expenditures	0.99	0.94	0.93

Centrally Financed Programs

Reprography (facsimile reproduction of graphic matter)

The Reprography Vote funds costs arising out of a negotiated licensing agreement between the government and groups representing authors and publishers of material subject to the Copyright Act. This agreement authorizes the copying of published works, subject to copyright. The agreement is in effect until March 31, 2001 and covers the period retroactive to February 1, 1989.

Because of the general nature of this activity, financing is provided centrally. The expenditures, however, are not incurred directly against this account but against the department that currently administers the agreement.

Training Assistance

The Training Assistance Vote, pursuant to the Public Service Employment Regulations, provides incremental funds for departments and agencies to train surplus employees. This vote gives the Treasury Board the authority to supplement other appropriations for costs related to such training.

An important measure of success is the effect of such training on the surplus situation. Departments and agencies are expected to use such training to minimize the number of employees on the surplus list and the length of time they are on that list.

Annex 3: Employer Contributions to Insurance Plans Program

The Employer Contributions to Insurance Plans program pays the employer's share of costs for health, income maintenance, and other insurance plans that apply to employees for whom the Treasury Board is the designated employer under the Public Service Staff Relations Act or other authorities.

The table below shows the total cost of employee benefits.

Cost of Employee Benefits

	Estimates ¹ 1997-98	Estimates 1996-97	Actual 1995-96
	(\$ millions)		
Program Costs			
Health Care and other insurances	526.2	460.1	434.9
Payments to employees of their share of Unemployment Insurance premium reductions	1.2	2.3	1.0
Health and other insurance plans for employees engaged locally (outside Canada)	5.0	4.0	4.2
Provincial health payroll taxes	243.2	262.0	244.0
Quebec Retail Sales Tax	4.5	4.5	4.3
Public Service Pension Adjustment Act	0.1	0.1	0.1
Special Retirement Arrangements Act (ERI)	200.0	200.0	507.0
Pension plans for employees engaged locally (outside Canada)	15.6	14.6	12.5
Social security plans for employees engaged locally (outside Canada)	14.0	13.8	10.1
	<u>1,009.8</u>	<u>961.4</u>	<u>1,218.1</u>
Decentralized Costs¹			
Public Service superannuation	1009.0	991.0	892.0
Canada and Quebec pension plans	205.0	191.0	186.2
Death benefits	9.0	7.0	5.8
Employment Insurance	281.0	315.0	326.6
	<u>2,513.8</u>	<u>2,465.4</u>	<u>2,628.7</u>

Other special statutory costs, such as those for members of Parliament, the Canadian Forces, and the RCMP, are included within the applicable department or agency.

1. In addition to the program costs, other statutory pension and insurance costs, such as those under the Public Service Superannuation Act, have been decentralized to each program. The program and decentralized statutory costs are shown here to provide a better understanding of the total costs of employee benefits.

The insurance plans protect employees and their families against financial loss in the event of illness, disability, or death, at levels generally comparable to the protection other Canadian employers provide. As well, the program covers periodic non-discretionary payments that the government, as an employer, must make under the Unemployment Insurance Act and provincial legislation. The program also contributes towards the costs of provincial and supplementary health insurance coverage for pensioners.

The program pays the employer's costs for pension, benefit, and social security plans for employees of the Government of Canada engaged abroad, as well as statutory payments under the Public Service Pension Adjustment Act.

Benefit plans for the Public Service have evolved over the years to maintain the government's competitive position in the labour market. Some plans have been the result of negotiations and agreements with labour unions, while others satisfy obligations imposed by Canadian law. Other plans help Canada comply with local law or practice in relation to employees engaged in foreign countries. Changes to plan costs result primarily from actuarial adjustments required to maintain existing benefits, changes in insured populations, salary increases, revisions to benefits and cost-sharing arrangements and, in the case of staff engaged in foreign countries, changes in monetary exchange rates. The two tables that follow show forecast costs.

Public Service Insurance Expenditures

	Insurances	Employment Insurance Premium Reduction	Premiums for Locally Engaged Employees	Payroll Taxes	Quebec Sales Tax
			(\$ millions)		
1995-96 (Actual)	434.9	1.0	4.2	244.0	4.3
1996-97 (Forecast)	460.1	2.3	4.0	262.0	4.5
1997-98 (Forecast)	526.2	1.2	5.0	243.2	4.5

Public Service Pension Expenditures

	Pension Adjustment Act	Early Retirement Incentive Program	Pension Plans for Locally Engaged Employees	Social Security for Locally Engaged Employees
(\$millions)				
1995-96 (Actual)	0.1	507.0	12.5	10.1
1996-97 (Forecast)	0.1	200.0	14.6	13.8
1997-98 (Forecast)	0.1	200.0	15.6	14.0

The figures listed under “Early Retirement Incentive Program” in the above table refer to the costs for the benefits provided to employees aged 50 to 54 under the Early Retirement Incentive (ERI) program. The ERI assists certain employees affected by employment reductions under Program Review to leave the Public Service, by making these employees eligible for an unreduced pension. This program is in effect from April 1, 1995 until March 31, 1998.

When an eligible employee is laid off and selects the ERI benefit, the employer must make a contribution to the Retirement Compensation Arrangements Account to fund the difference between the unreduced pension and the pension payable to that person under the Public Service Superannuation Act.

Annex 4: Supplementary Financial Information

Planned Expenditure Detail by Business Line for 1997-98

Business Lines	FTEs	Budgetary					Net Planned Expendi- tures	
		Operating	Capital	Grants and Contribu- tions	Gross Voted	Gross Planned Expendi- tures		Less Revenue Credited to the Vote
		\$millions						
Resource Planning and Expenditure Management	174	16.8			16.8	16.8	0.1	16.7
					25.5	25.5	0.1	25.4
Human Resources Management	245	25.5						
Comptrollership	78.5	7.8			7.8	7.8	0.5	7.3
Information Management and Information Technology	87.5	28.1			28.1	28.1	19.0	9.1
Canada Infrastructure Works								
Other Program Expenditures TBS Corporate Administration	216	20.3		0.1	20.4	20.4	0.3	20.1
Total Planned Expenditures	801	98.5		0.1	98.6	98.6	20.0	78.6

Summary of Authorities Contained in Part II of the 1997-98 Main Estimates

Vote	1997-98 Main Estimates	1996-97 Main Estimates
Central Administration of the Public Service Program		
	(\$ millions)	
1 Program expenditures	70.7	70.0
(S) President of the Treasury Board - Salary and motor car allowance		
(S) Contributions to employee benefit plans	7.9	7.0
Total	78.6	77.0
Subsequent adjustments ¹		1.6
Total program	78.6	78.6
Government Contingencies and Centrally Financed Programs		
5 Government Contingencies	450.0	450.0
10 Reprography	1.9	1.4
15 Training assistance	10.0	10.0
Total	461.9	461.4
Subsequent adjustments ²		3.1
Total Programs	461.9	464.5
Employer Contributions to Insurance Plans Program		
20 Public Service Insurance	740.7	693.9
(S) Public Service Pension Adjustment Act	0.1	0.1
(S) Special Retirement Arrangements Act	200.0	200.0
Total Program	940.8	894.0
Total Secretariat	1481.3	1437.1

1. \$1.6 million approved in 1996-97 Supplementary Estimates for shared systems initiatives.

2. \$3.1 million approved in 1996-97 Supplementary Estimates for a government-wide media monitoring licence and other media monitoring requirements.

Presentation by Standard Object

	Planned Expenditures 1996-97 ¹	Planned Expenditures 1997-98	Planned Expenditures 1998-99	Planned Expenditures 1999-00
	(\$ millions)			
Personnel				
Salaries and wages	48.4	46.3	43.7	43.8
Contributions to employee benefit plans	7.0	7.9	7.5	7.4
Other personnel costs				
	55.4	54.2	51.2	51.2
Goods and services				
Transportation and communications	1.8	1.6	1.6	1.5
Information	1.6	1.5	1.5	1.4
Professional and special services	14.8	26.7	15.8	14.7
Rentals	0.2	0.2	0.2	0.2
Purchased repair and maintenance	0.1	2.0	1.2	1.0
Utilities, materials, and supplies	0.7	0.7	0.7	0.7
Acquisition of machinery and equipment	0.4	8.0	4.1	0.3
Other subsidies and payments	4.1	3.6	3.6	3.6
	23.7	44.3	28.7	23.4
Transfer payments	0.1	0.1		
Gross expenditures	79.2	98.6	79.9	74.6
Revenues credited to the vote (Shared Systems Initiatives)	0.6	20.0	5.9	2.0
Net planned expenditures (Budgetary)	78.6	78.6	74.0	72.6

1. Note: Includes \$1.6 million approved in the 1996-97 Supplementary Estimates.

Annex 5: Contacts List

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