

2005-2006

## Expenditure Budget

### Volume IV

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**Message from the Chair  
of the Conseil du trésor  
and Additional Information**

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## FOREWORD

This volume begins with a message from the Chair of the Conseil du trésor that presents the highlights of the 2005-2006 Expenditure Budget. The chapters that follow provide further information on the expenditure budget and other information on related topics.

In addition to this volume entitled “*Message from the Chair of the Conseil du trésor and Additional Information*”, three other volumes comprise the information on the 2005-2006 Expenditure Budget:

*Volume I: Estimates and Annual Expenditure Management Plans of the National Assembly and Persons Appointed by the National Assembly*

This volume contains information on the National Assembly and Persons Appointed by the National Assembly, i.e. the Public Protector, the Auditor General, the Chief Electoral Officer and the Lobbyists Commissioner.

*Volume II: Estimates of the Departments and Agencies*

This volume presents the estimates of all appropriations required by the government for the 2005-2006 fiscal year. It distinguishes between the expenditure budget and the capital budget. Appropriations are broken down by portfolio and by program.

*Volume III: Annual Expenditure Management Plans of the Departments and Agencies*

This volume consolidates the annual expenditure management plans prepared by each minister as required by the Public Administration Act (R.S.Q., c. A-6.01). A summary of the expenditure budget by portfolio appears at the beginning of this volume.



## Table of Contents

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### FOREWORD

### MESSAGE FROM THE CHAIR OF THE CONSEIL DU TRÉSOR .....III

### CHAPTER 1 2005-2006 EXPENDITURE BUDGET .....1

- 1. 2005-2006 Expenditure Budget.....2
- 2. Variation in 2005-2006 program spending .....4

Appendix 1.1: Increase in program spending since 1997-1998.....8

Appendix 1.2: Evolution of program spending as a percentage of gross domestic product.....9

Appendix 1.3: Variation between 2005-2006 Expenditure Budget and the  
2004-2005 probable expenditure .....10

### CHAPTER 2 RESULTS FOR THE 2004-2005 FISCAL YEAR .....13

- 1. Variation of government expenditures in 2004-2005 .....14
- 2. The evolution in the 2004-2005 total expenditure forecast .....15
- 3. Variation in appropriations authorized in 2004-2005.....16

### CHAPTER 3 2005-2006 EXPENDITURE BUDGET BREAKDOWN BY MAJOR CATEGORY AND BENEFICIARY .....17

- 1. Expenditure breakdown overview.....18
- 2. Remuneration expenditures .....22
- 3. Operating expenditures .....24
- 4. Capital expenditures .....26
- 5. Interest expenditures .....29
- 6. Support expenditures .....32
- 7. Expenditures related to the provision for bad debts and other provisions .....34

Appendix 3.1: Nature of the expenditure categories presented in this chapter .....35

Appendix 3.2: 2005-2006 Expenditure Budget breakdown by category .....37

Appendix 3.3: 2005-2006 Expenditure Budget breakdown by beneficiary .....38

### CHAPTER 4 PUBLIC SERVICE STAFF LEVEL.....39

- 1. Reducing the size of government.....40
- 2. Variations in the authorized staff level envelope .....42

|                  |                                                                                                                                                        |           |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Appendix 4.1:    | Public service staff level.....                                                                                                                        | 44        |
| Appendix 4.2:    | Definitions .....                                                                                                                                      | 45        |
| Appendix 4.3:    | Change in total staff level of departments and agencies<br>presented in the 2005-2006 Expenditure Budget .....                                         | 46        |
| Appendix 4.4:    | Change in staff level of corporations and other agencies whose<br>personnel is subject to the Public Service Act.....                                  | 47        |
| Appendix 4.5:    | Total staff level envelope in 2004-2005 and 2005-2006 for departments<br>and agencies appearing in the 2005-2006 Expenditure Budget.....               | 48        |
| Appendix 4.6:    | Total staff level envelope in 2004-2005 and 2005-2006 for corporations<br>and other agencies whose personnel is subject to the Public Service Act..... | 49        |
| <b>CHAPTER 5</b> | <b>FORECAST INVESTMENTS IN FIXED ASSETS IN 2005-2006.....</b>                                                                                          | <b>51</b> |
| 1.               | New public infrastructure investments.....                                                                                                             | 52        |
| 2.               | Forecast public investments in fixed assets in 2005-2006 .....                                                                                         | 55        |
| 3.               | Public investments in fixed assets in the networks, municipalities, cultural institutions<br>and other entities .....                                  | 56        |
| 4.               | Public investments in fixed assets in the special funds.....                                                                                           | 60        |
| 5.               | Public investments in fixed assets in the extrabudgetary agencies .....                                                                                | 61        |
| 6.               | Public investments in fixed assets in the departments.....                                                                                             | 62        |
| Appendix 5.1:    | Evolution of public investments in fixed assets.....                                                                                                   | 63        |
| Appendix 5.2:    | Nature of the investments in fixed assets considered in this chapter.....                                                                              | 64        |
| <b>CHAPTER 6</b> | <b>RESULTS OF EXTRABUDGETARY AGENCIES AND SPECIAL FUNDS .....</b>                                                                                      | <b>67</b> |
| 1.               | Consolidated government expenditures .....                                                                                                             | 68        |
| 2.               | Evolution of the forecast results of extrabudgetary agencies and special funds in 2004-2005 .....                                                      | 69        |
| 3.               | Results of consolidation of extrabudgetary agencies and special funds in 2005-2006.....                                                                | 70        |
| 4.               | Results of extrabudgetary agencies in 2005-2006.....                                                                                                   | 71        |
| 5.               | Results of special funds in 2005-2006 .....                                                                                                            | 72        |
| Appendix 6.1:    | The government reporting entity .....                                                                                                                  | 73        |
| Appendix 6.2:    | Changes in extrabudgetary agencies and special funds .....                                                                                             | 75        |
| Appendix 6.3:    | Results of extrabudgetary agencies and special funds .....                                                                                             | 77        |
| Appendix 6.4:    | Government corporations accounted for at their consolidation value.....                                                                                | 81        |
| Appendix 6.5:    | Agencies and funds operating outside of the government's accounting perimeter .....                                                                    | 82        |

## **APPENDIX**

|             |                                                                       |     |
|-------------|-----------------------------------------------------------------------|-----|
| Appendix A: | Defined-purpose accounts .....                                        | 85  |
| Appendix B: | 2005-2006 Expenditure Budget — Breakdown by missions .....            | 89  |
| Appendix C: | Economic and budgetary indicators .....                               | 101 |
|             | Appendix C.1: Changes in selected indicators specific to Quebec ..... | 102 |
|             | Appendix C.2: Changes in expenditures .....                           | 103 |
|             | Appendix C.3: Expenditures by portfolio .....                         | 104 |



## MESSAGE FROM THE CHAIR OF CONSEIL DU TRÉSOR

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## **MESSAGE FROM THE CHAIR OF THE CONSEIL DU TRÉSOR**

### **A RESPONSIBLE BUDGET THAT MEETS OUR COMMITMENTS AND PREPARES QUÉBEC TODAY FOR THE CHALLENGES IT WILL FACE TOMORROW**

*Québec faces major budget challenges that, now more than ever before, require that we manage taxpayers' money with exemplary rigour. Yet, we not only need to address the priorities of Québécois today, but also ensure that our capacity to meet tomorrow's challenges will not be compromised.*

*In that context, I take great pride today in submitting the Gouvernement du Québec's 2005-2006 Expenditure Budget to the National Assembly. Throughout the process of preparing this budget, we focused on remaining true to our word while weighing the impact of our decisions on Québec's financial position in the short, medium and long term.*

*The budget I am tabling is completely in line with our commitments and contains no cutbacks in public programs or services. Rather, those programs and services have been reinforced and improved, primarily as a result of tremendous efforts to rationalize operating expenses that have yielded recurring savings of \$350 million a year. As we keep growth in program spending in check, the huge reinvestment we have started making in health and social services as well as education will continue.*

*As a result of hard work and tight control over Québec's financial resources, our program spending objectives are being reached for the second consecutive year in 2004-2005. We are also attaining the targets we had set for reducing the Government's workforce. This budget also includes more funding for the upkeep of our assets to extend the useful life of our public infrastructures.*

*In tabling interim appropriations on March 17, 2005, we took an approach designed to avoid introducing a barrage of supplementary appropriations at year's end. We acted in a serious and transparent manner so that the picture of the Government's financial position we are unveiling today is complete and accurate.*

*Finally, this expenditure budget ensures our ability to meet tomorrow's challenges. We have taken great care not to repeat the mistakes of our predecessors who, in order to achieve their short-term goals, severely compromised the health of our public services. Instead, we have embarked on the path of modernizing government and pursuing our work to refocus government on its core missions, streamline our structures, and improve the way we do things.*

## 1. FULFILLING OUR COMMITMENTS

### □ EXPENDITURE TARGET REACHED FOR SECOND CONSECUTIVE YEAR

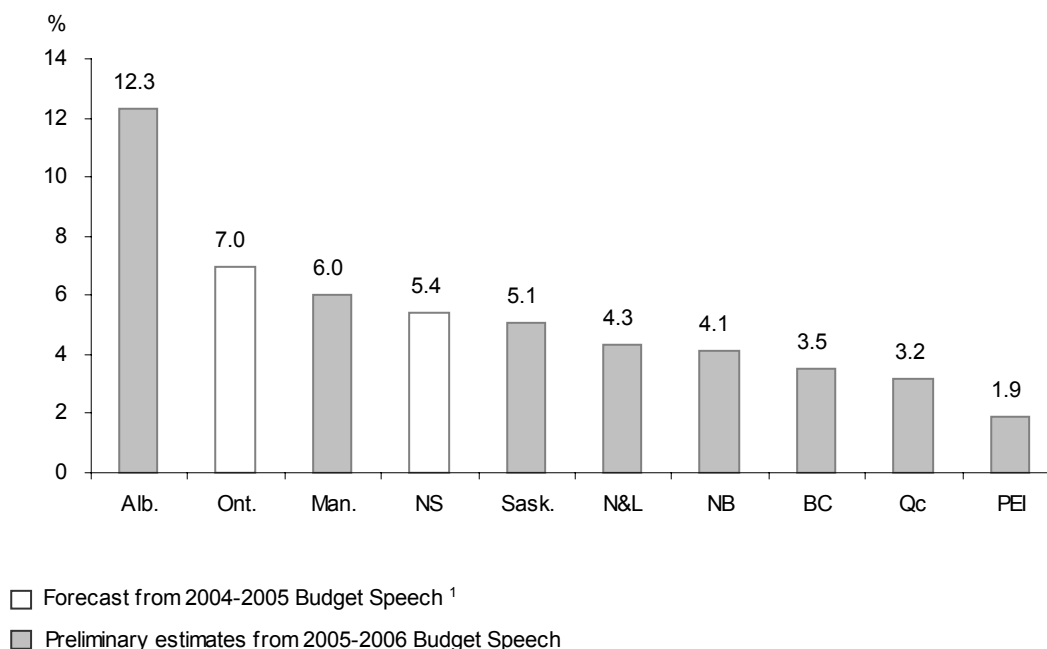
*Program spending in 2004-2005 is expected to amount to \$46,742 million as originally estimated. For a second consecutive year, we are reaching the goal we had set for the budget. This is a major change when compared to the situation prevailing before we took office, whereby the previous government had indeed fallen into the habit of greatly increasing spending by often exceeding the budget it had tabled. The timeline of these budget overruns speaks for itself:*

- 1998-1999: \$2.4 billion in budget overruns;*
- 1999-2000: \$2.3 billion in budget overruns;*
- 2000-2001: \$1.3 billion in budget overruns;*
- 2001-2002: \$536 million in budget overruns;*
- 2002-2003: \$1.2 billion in budget overruns.*

### QUÉBEC' RECORD BETTER THAN MOST PROVINCES

*Québec's record in program spending control is better than for most Canadian provinces. This is particularly evident when the evolution of our expenditures is compared to that of our immediate neighbours. Based on the figures currently available, program spending in 2004-2005 could increase by 7% in Ontario and 4.1% in New Brunswick.*

### PROGRAM SPENDING GROWTH IN CANADA, 2004-2005

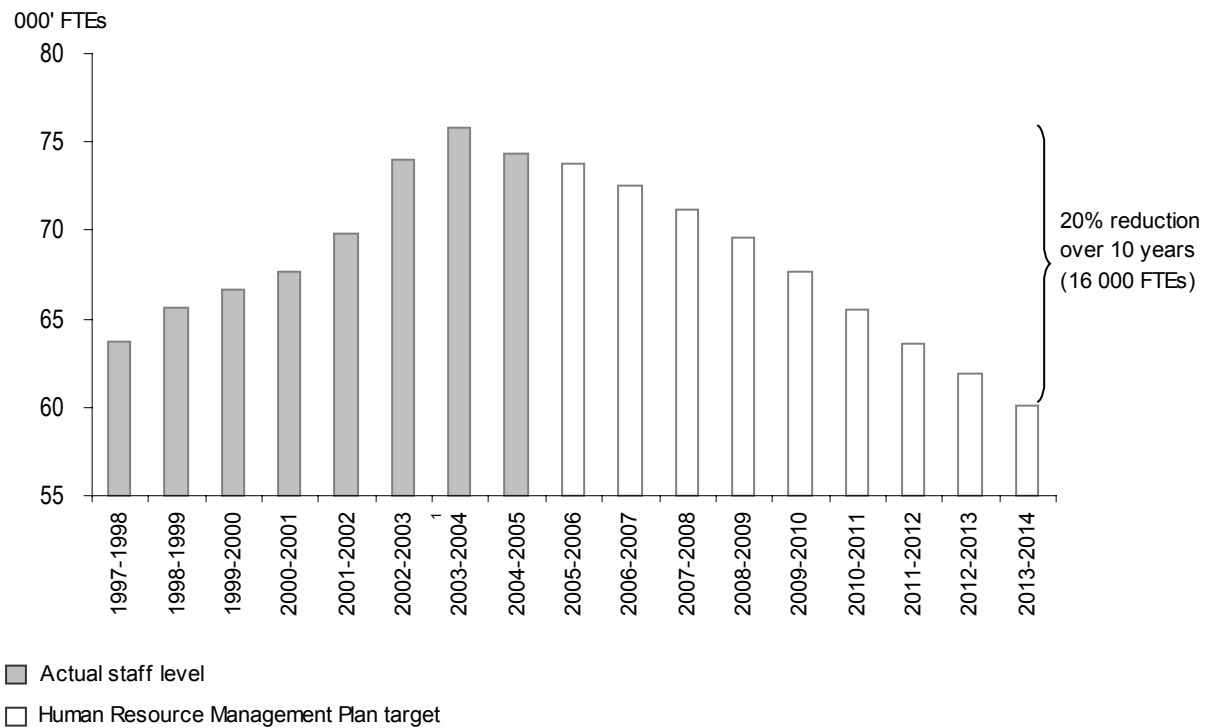


<sup>1</sup> These provinces had not tabled their 2005-2006 Budget Speech as at April 15, 2005.

#### □ REACHING THE STAFF LEVEL REDUCTION TARGET IN 2004-2005

*Upon taking office, we discovered a sharp increase in the size of the public service. In fact, government had grown steadily since 1997-1998 at the rate of over 2,000 full-time equivalent (FTE) positions a year. A major change was essential. Hence in the tabled 2004-2007 Modernization Plan we announced our intention of reducing the public service by 20% through attrition over the next 10 years. We further defined our orientations in this regard when, in June 2004, we tabled the Human Resources Management Plan. Our target reduction for the first year was 926 FTEs. That goal has been not only reached, but surpassed, with the total reduction amounting to 1,400 FTEs. In 2005-2006 we will pursue our aim of making government smaller through a workforce reduction of 1,109 FTEs.*

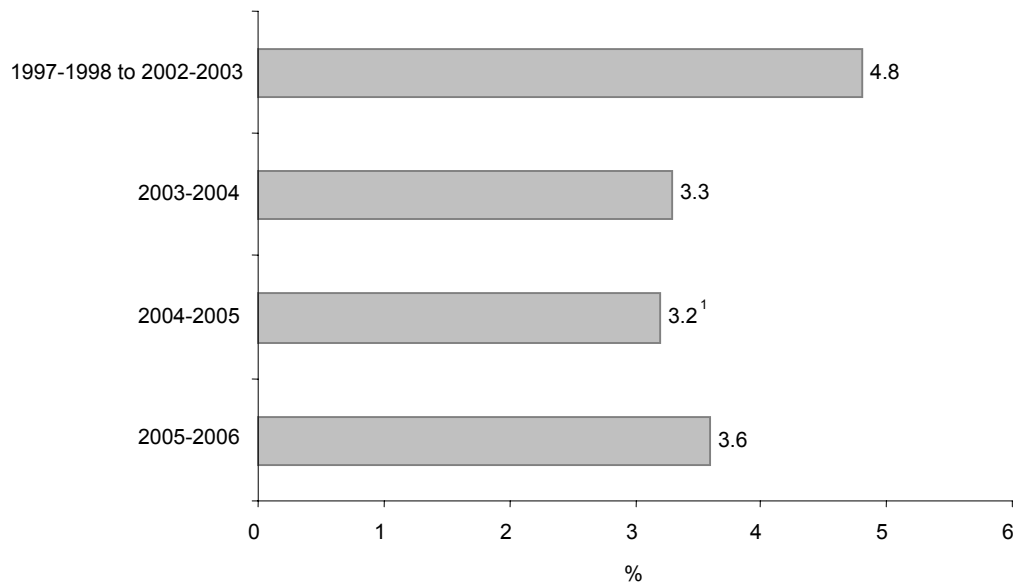
## REDUCTION PLAN FOR STAFF ACTUALLY USED



<sup>1</sup> The 1,794-FTE increase in staff actually used in 2003-2004 is primarily due to municipal police force integration with the Sûreté du Québec following changes made to Québec's police map.

### □ KEEPING PROGRAM SPENDING UNDER CONTROL IN 2005-2006

*In 2005-2006, the Government is continuing the turnaround of public finances it undertook in the wake of the Breton Report. Such a turnaround is essential to ensure the survival of programs and maintaining a balanced budget. In that context, program spending is increasing by 3.6%, bringing it to \$48,407 million. Hence, for the third consecutive year, growth in program spending will be well below the 4.8% average posted from 1997-1998 to 2002-2003.*

**RATE OF GROWTH IN PROGRAM SPENDING SINCE 1997-1998**

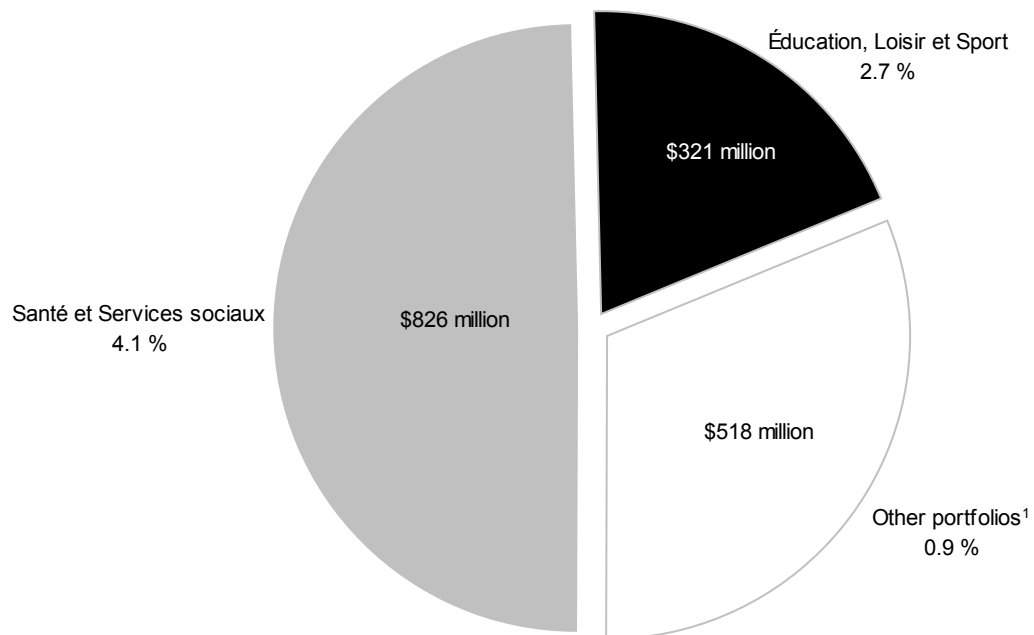
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<sup>1</sup> The initial 2.9% growth forecast was adjusted to 3.2% due to a structural budget modification as a result of the changes to family policy introduced on January 1, 2005.

❑ **PRIORITY TO HEALTH, SOCIAL SERVICES AND EDUCATION**

*The priority assigned to reinvesting in health and education is being maintained in 2005-2006. The budgets for health and education rise by 4.1% and 2.7% respectively. This growth represents nearly 70% of the total increase in 2005-2006 program spending. The budgets of other departments, excluding the allocation for the Contingency Fund, also total 0.9% more than in 2004-2005.*

**\$1,665-MILLION INCREASE IN PROGRAM SPENDING IN 2005-2006**



<sup>1</sup> Growth rate excluding sums allocated to the Contingency Fund. Including the Contingency Fund, the growth rate of "Other portfolios" amounts to 3.5%

**NEARLY \$4 BILLION MORE FOR HEALTH AND EDUCATION SINCE 2003**

*Since April 2003, the additional funding for health and social services along with education has reached an unprecedented level, specifically \$4 billion, with \$3 billion of that amount strictly for health and social services.*

*The approach adopted by the Government for the turnaround in the health and social services system in the past two years is based on three main principles:*

- Fully cover the rise in system costs;*
- Ensure a gradual return to balanced budgets at establishments;*
- Invest more in new infrastructures, while ensuring proper maintenance of existing facilities.*

*This expenditure budget aims to continue the turnaround.*

□ *HEALTH AND SOCIAL SERVICES: \$826-MILLION BUDGET INCREASE*

*The 2005-2006 budget for the Ministère de la Santé et des Services sociaux will increase by 4.1%, or \$826 million. This growth enables all health services costs to be covered, taking into consideration that agreements on salary parameter increases have yet to be reached. This raises the total to \$20.9 billion, which represents 43% of all program spending by the government.*

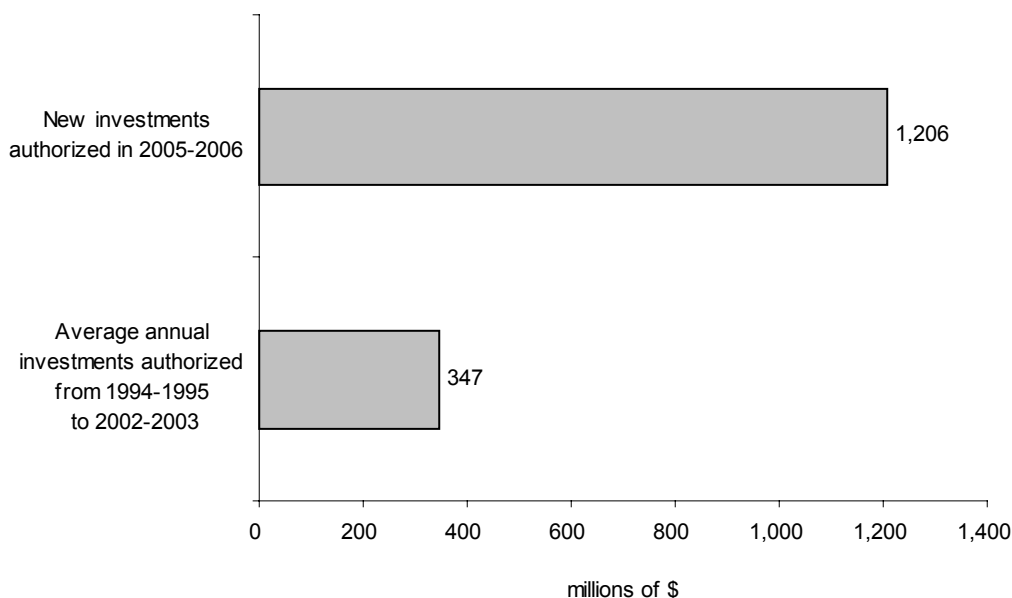
*The bigger budget for the Ministère de la Santé et des Services sociaux not only covers the rising cost of services, but also continues the system's gradual yet steady return to a balanced budget initiated last year. In addition, the Department will spend \$50 million on implementing the Government's action plans on services for the elderly and the mentally ill.*

□ **\$1.2 BILLION FOR INVESTMENTS IN NEW HEALTH AND SOCIAL SERVICES INFRASTRUCTURES**

*Upgrading the health and social services system also requires the development of new infrastructures and providing the addition of equipment needed in the establishments to meet the population's needs. In this perspective, a total of over \$1.2 billion will be invested over the next three years in addition to the disbursements for completion of the work now underway, and asset maintenance.*

*This new funding will serve mainly for construction and renovation projects, as well as improvements to the quality of life in hospital-based chronic care facilities (CHSLDs). Priority is also assigned to improving emergency rooms and acquiring high-tech equipment, especially for radio-oncology and cardiology.*

*Considerable catching up is needed in the realm of fixed assets. Hence the investments authorized for 2005-2006 represent nearly four times the average annual amount spent on new facilities from 1994-1995 to 2002-2003. In addition to these amounts, \$1.6 billion will be spent over the next few years on the construction of Montréal's university hospitals.*

**NEW AUTHORIZED INVESTMENTS IN THE HEALTH AND SOCIAL SERVICES SYSTEM IN 2005-2006**

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□ **EDUCATION, RECREATION AND SPORTS: \$321-MILLION INCREASE**

*Education is another top priority for our government. In 2005-2006 its budget again increases by 2.7%, or the amount of \$321 million. This increase, which excludes salary parameter adjustments that have yet to be determined, raises the Department's budget to \$12.2 billion, representing over one quarter of all government program spending.*

*The \$321-million increase in the budget for the Ministère de l'Éducation, du Loisir et du Sport also completely covers the full rise in the cost of services and fulfills the promises made to students about funding financial aid for education. Moreover, it enables us to pursue new initiatives launched in 2004-2005, including the homework assistance program.*

❑ *\$362 MILLION FOR NEW EDUCATIONAL INFRASTRUCTURES*

*The Government has also allocated a \$362-million capital budget for the construction of new infrastructures and purchase of new equipment for education over the next three years. Many schools, colleges and training centres as well as universities will benefit from investments that will enhance their ability to provide quality services. Priority will also be given to the acquisition of new technology and purchase of books.*

❑ *OTHER PORTFOLIOS: 0.9% INCREASE*

*Excluding the amounts allocated to the Contingency Fund, which enable the Government to cover unanticipated expenses during the year, the budget for the other portfolios increases by 0.9% overall:*

- The budget for the Ministère de la Famille, des Aînés et de la Condition féminine is 9.0% higher, mainly to complete the network of 200,000 subsidized childcare places by March 31, 2006;*
- As for Affaires municipales et des Régions, its portfolio increases by 8.4%, primarily due to the sharp rise in transfers to municipalities under the tax pact and compensation in lieu of taxes. Additional sums will also be available for social housing and assistance for single-industry towns.*

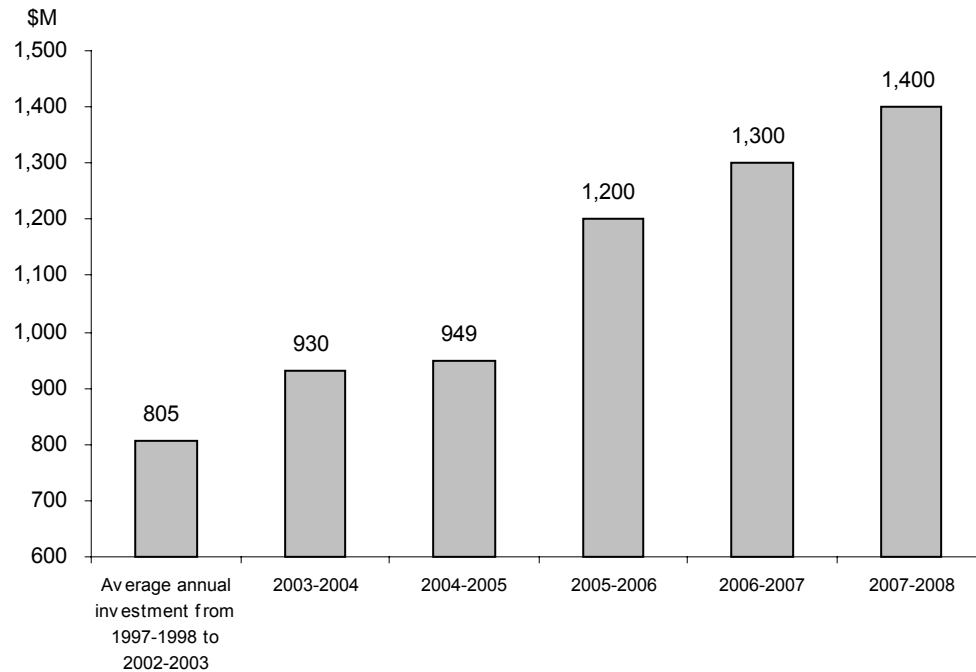
*Furthermore, over the next three years the Government will fund \$439 million in additional investments, primarily for priority water and sewer system projects. This funding will become available gradually as agreements are signed with municipalities and the federal government. On top of these investments, a contribution of \$216 million will be spent on other municipal infrastructure priority projects;*

- *The Ministère des Transports budget is 9.2% higher as part of the substantial growth in investments into Québec's road system since 2003-2004 which will be sustained in the years ahead.*

*To upgrade the quality of roads to a level in line with Québec's neighbours, and to improve the efficiency of leading strategic transport corridors, the total investment budget for roads for the Ministère des Transports will rise from \$949 million in 2004-2005 to \$1.2 billion in 2005-2006, then to \$1.3 billion in 2006-2007, and \$1.4 billion in 2007-2008. This represents an additional injection of \$1.1 billion over the level of investment in 2004-2005 over three years.*

*In addition to preserving Quebec's road system and improving its quality, the increase in the investment budget for the road fund will enable major new projects to be launched, more specifically widening to four lanes Highway 175 between Québec City and Saguenay, as well as Highway 185 from Rivière-du-Loup, extending Autoroute 50 towards the Outaouais and Autoroute du Vallon in Québec City, and starting work on the completion of Autoroute 30 on Montréal's South Shore.*

## ROAD SYSTEM INVESTMENTS



- *The budget for the Ministère des Ressources naturelles et de la Faune increases by 3% including an additional \$25 million to follow up on the recommendations of the Coulombe report on forest management. A total of \$12 million in additional funding will also be allocated to the portfolios of the departments concerned, more specifically the Ministère de l'Emploi et de la Solidarité sociale and the Ministère du Développement économique, de l'Innovation et de l'Exportation, to support the workers, communities and businesses whose livelihood depends on forestry;*
- *The budget for the Ministère de la Culture et des Communications increases by 2.5%. This is primarily to maintain the amounts earmarked for book publishing, literacy and film. The Department is also receiving an extra \$5 million to support museums facing a difficult financial situation.*

## *OTHER DEPARTMENTS*

*The budgets of the remaining departments have been drawn up with the focus on preserving public services. This was basically done through rationalization of departmental and agency operating costs, combined with attrition in the public service workforce.*

## **2. REINVESTING IN PUBLIC INFRASTRUCTURES**

*Public infrastructures are a key component of economic growth and the quality of public services. In most industrialized countries, the renewal of public infrastructures has become a dominant issue.*

*More specifically, many of Québec's public infrastructures are 30 or 40 years old. This particularly applies to health and education infrastructures, a large number of their buildings dating back to before 1960.*

*The Government is firmly resolved to halt the deterioration of public health, social services, and educational facilities after long years of under-investment in asset maintenance. For this the Government plans to allocate an annual sum representing 2% of the replacement cost of these infrastructures for their proper upkeep – a figure in line with the generally accepted North American standard.*

*This new policy will require a gradual \$1-billion increase in asset maintenance budgets by 2007-2008.*

*AN ADDITIONAL \$525 MILLION FOR EDUCATION*

*Over the next three years, the Government will invest an additional \$525 million in the education system to reach the standard of 2% of replacement-cost for elementary schools and high schools as well as university facilities.*

*AN ADDITIONAL \$430 MILLION FOR HEALTH AND SOCIAL SERVICES*

*The health and social services system will receive an additional \$300 million to attain the annual asset maintenance standard of 2% of property value. In addition, \$130 million will be allocated for functional renovations, in other words the alterations and conversions necessary to improve the quality of services. This will gradually raise the annual budget for health and social services asset maintenance to \$503 million a year in 2007-2008.*

**3. GETTING READY TO FACE TOMORROW'S CHALLENGES**

*Modernizing the State is another prime objective pursued by our Government. This essentially involves maintaining and improving public services while controlling overall growth in spending by making government operations better and more efficient.*

*It was with this in mind that the 2004-2007 Modernization Plan was unveiled in May 2004. It contains concrete measures to be carried out in various areas of government activity. These measures aim to:*

- *Refocus government on its core missions: health, knowledge, prosperity, security and identity;*
- *Provide quality public services;*
- *Increase government productivity;*
- *Open government to partnerships with municipalities, community organizations, and private enterprise.*

*The first assessment of this plan's implementation is being prepared and will be released shortly. It will highlight, among other things, the concrete actions taken over the past year.*

*In the health and social services sector, these measures have specifically led to:*

- *The creation of 95 health and social services centres adapted to the realities of the regions they serve;*
- *A 42% reduction in the number of public establishments from 339 to 195 through mergers and consolidation;*
- *The abolition of 115 executive director positions at health establishments, or a 38% reduction;*
- *The establishment of four integrated university networks to improve public access to services.*

*Other noteworthy Government initiatives covered by the review include:*

- *The Québec change-of-address service, the business services portal, the one-stop service centre for carriers, and the electronic call for tenders system – all in all, new online options that will greatly improve public services;*

- *The public-private partnerships policy and the Act respecting l'Agence des partenariats public-privé du Québec, in order to support the emergence and supervision of partnerships;*
- *The Act respecting Services Québec that aims to establish a one-stop centre for services to individuals and enterprises;*
- *The Bill on creation of the Centre de services administratifs, which will enable pooling of a number of administrative government services and achieve substantial savings while making the public administration more efficient.*

#### *REVIEW OF GOVERNMENT BODIES*

*Among the measures specified in the 2004-2007 Modernization Plan for streamlining structures involves a review of 188 bodies, or some 60 a year.*

*In fact, as mentioned, better management of public expenditures must include a fresh look at existing bodies to make them more efficient, eliminate duplication, and streamline the established structures for providing public services.*

*To this end, a working group was formed to examine the first group of 60 agencies in 2004-2005. The results of their work will soon be announced, and implementation of the recommendations should enable us to go further towards instituting management really focused on resource optimization.*

*Moreover, as promised, we will shortly announce the names of the next 60 agencies slated for review in 2005-2006.*

## *HUMAN RESOURCE PLANNING*

*The quality of services provided by the Québec Government depends first and foremost on its human resources. Modernizing the State requires better workforce planning, and support and guidance to assist its workforce in adapting to the changing needs of the population and businesses.*

*In this regard, we absolutely must be in a position to face the demographic changes already underway by adapting the services offered to today's needs, and ensuring a transfer of knowledge and expertise of the many employees who will leave in the coming years. The Government is deeply concerned about succession preparedness and the transfer of knowledge. Therefore, departments and agencies have been asked, as part of a multi-year workforce management planning process, to produce a plan for ensuring the transfer of knowledge and expertise within their organization.*

*Finally, despite the measures implemented in recent years, Québec's public service continues to not accurately reflect Québec diversity. Faced with this finding, the Government has intensified its efforts, which resulted in the hiring rate for members of the target groups increasing from 5.7% to 13.3% during the past year. Although these results are encouraging, more efforts are needed in this area.*

## *REVIEW OF THE PUBLIC ADMINISTRATION ACT*

*In keeping with the law, in the fall of 2005, the Government will evaluate the Public Administration Act adopted in 2000 and will prepare an assessment during the fall of 2005. However, it already knows that certain provisions of the Act must be reviewed, particularly to strengthen results-based management processes, foster systematic program evaluation, strengthen controls and risk management, and involve legislators more closely in evaluating and applying the Act, as is the practice in other jurisdictions.*

#### **4. SETTling THE PAY EQUITY ISSUE**

*Upon taking office, we showed our true colours in the field of pay equity. Thus, after deciding not to appeal the Superior Court ruling striking down Chapter IX of the Pay Equity Act, we promptly sat down with our union partners to continue to work towards a settlement on this issue, including introducing arrangements under the legislation which have enabled us to pursue the work already underway.*

*Settling the pay equity issue is the Government's focus in labour relations. Robert Bourassa's Liberal government was the first to acknowledge the problem of pay equity and start tackling it. Hence the various pay adjustments made since 1990 to achieve pay equity represent an additional annual amount of \$800 million in 2005-2006 and a cumulative disbursement of nearly \$8 billion.*

*Numerous efforts have been made in the past year to speed up the process. Our intention to reach a settlement has never been firmer, and I am confident about the possibilities of seeing this issue brought to a conclusion satisfactory to all sides in the near future.*

## **CONCLUSION**

*Throughout our first two years in office, we have made every effort to keep Québec from getting trapped in budgetary quicksand. Today, I am pleased to announce that the danger will soon be history. At the expense of numerous efforts and sometimes tough decisions, we have succeeded in curbing growth in spending – an accomplishment we can take pride in.*

*Yet we still have to exercise caution if we intend to stay the course. There are numerous occasions when we could be tempted to stray from the path we have mapped out. The pressure is tremendous and every day we face demands that, were we to say yes to everyone, would jeopardize our balanced budget.*

*But we are confident the proposed budget addresses the priorities of the people of Québec. By investing massively in the key sectors of health and social services as well as education, we are keeping our promises and respecting the will of Québécois. In the health sector alone, we have agreed to provide close to \$3 billion in additional funding since April 2003 – not to mention the \$1.2 billion in investments for new infrastructures that will be provided in the years ahead, and another \$1.6 billion for university hospital construction in the Montréal region.*

*We have also considerably increased budget allocations in the areas of education, recreation and sports. The increase for this portfolio has averaged \$345 million since 2002-2003, compared to \$107 million from 1994-1995 to 2002-2003. Since April 2003, our reinvestment in health and education has therefore totalled close to \$4 billion – a level never before attained in such a short timeframe.*

*The challenge was to reinvest massively in those sectors, yet without cutbacks in other programs or to public services, and we have succeeded in doing just that. We can keep our promises and reinvest substantially, particularly in the areas of the family, seniors and the status of women, municipal affairs and the regions, transportation, natural resources and wildlife, and culture.*

*This budget also prepares Québec to deal with tomorrow's challenges. Major investments are being made in our public infrastructures. I am confident that the new investment policy announced will enable us to maintain our public facilities in good condition for future generations.*

*Our Government realizes that public services cannot be improved simply by throwing more money in different directions. That is why we have embarked on a major campaign to modernize the State. Substantial streamlining efforts have been made and are beginning to bear fruit. We remain convinced that it is possible to make better use of the resources available in the public sector to improve the quality and accessibility of public services.*

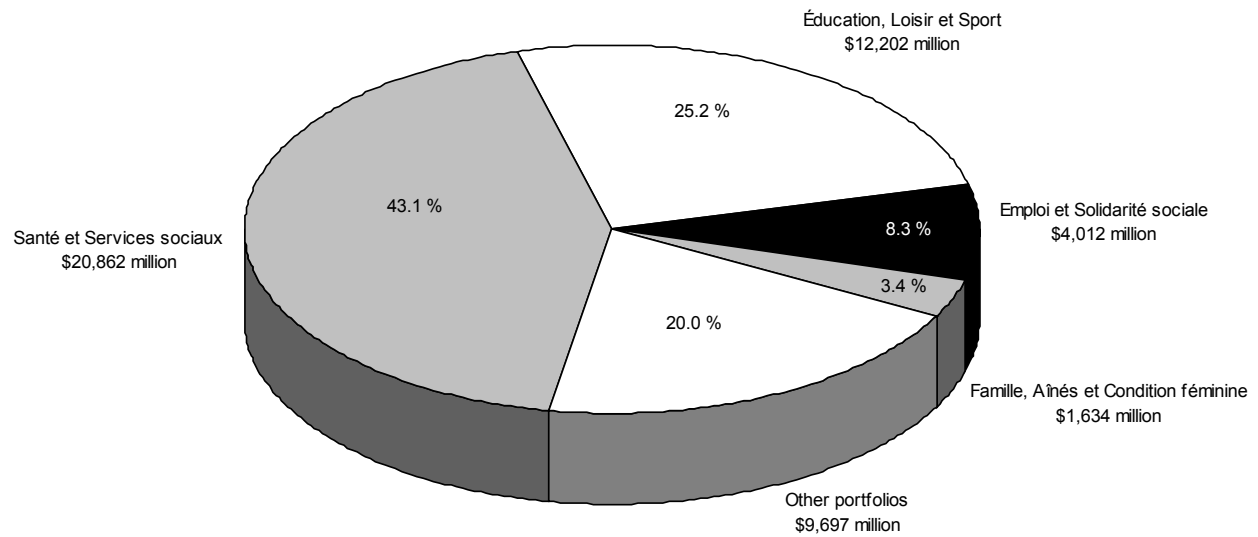
*Many challenges await the Government in the months and years ahead. The renewal of collective agreements and the pay equity settlement will put additional pressure on public finances. That is why we have tabled a financial framework in line with what Québécois can afford to pay.*

*Québecers rightfully demand that the Government manage their money with rigour and discipline. They want their taxes to be used primarily for their priorities. Finally, they expect their Government to meet its commitments as well as prepare Québec to meet tomorrow's challenges. That is exactly what we are delivering to them in this budget.*

A handwritten signature in black ink, reading "Monique Jérôme-Forget". The signature is fluid and cursive, with a large, stylized loop at the end.

MONIQUE JÉRÔME-FORGET

**BREAKDOWN OF THE \$48,407 MILLION IN PROGRAM SPENDING FOR 2005-2006**





## CHAPTER 1

### 2005-2006 EXPENDITURE BUDGET

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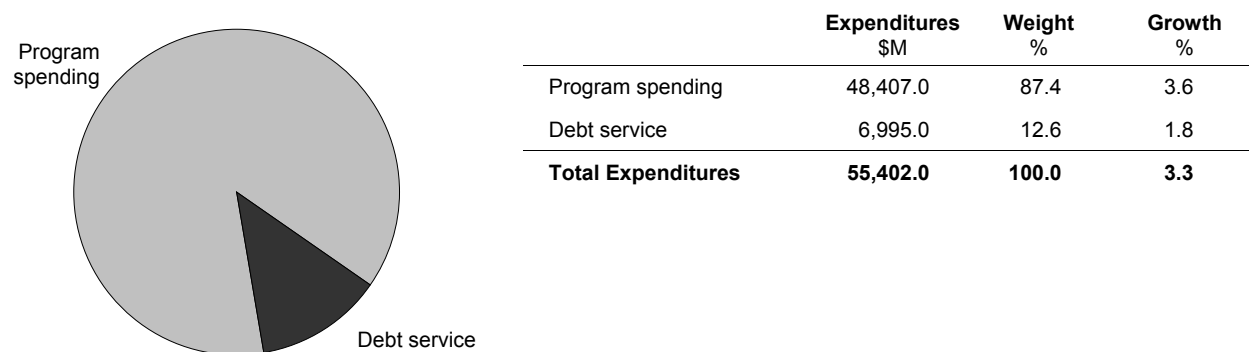
#### ***IN BRIEF***

- ❑ In 2005-2006, program spending amounts to \$48,407.0 million and the debt service, \$6,995.0 million, for total government expenditures of \$55,402.0 million, an increase of 3.6%.
- ❑ Program spending has grown by \$1,664.8 million, compared to 2004-2005 figures.
- ❑ Nearly 70% of the growth in program spending is allocated to health and education:
  - 49.6% to the “Santé et Services sociaux” portfolio;
  - 19.3% to the “Éducation, Loisir et Sport” portfolio.
- ❑ The weight of program spending in the Québec economy, which was at 17.5% in 2004-2005, has once again dropped this year, to 17.3%.

## 1. 2005-2006 EXPENDITURE BUDGET

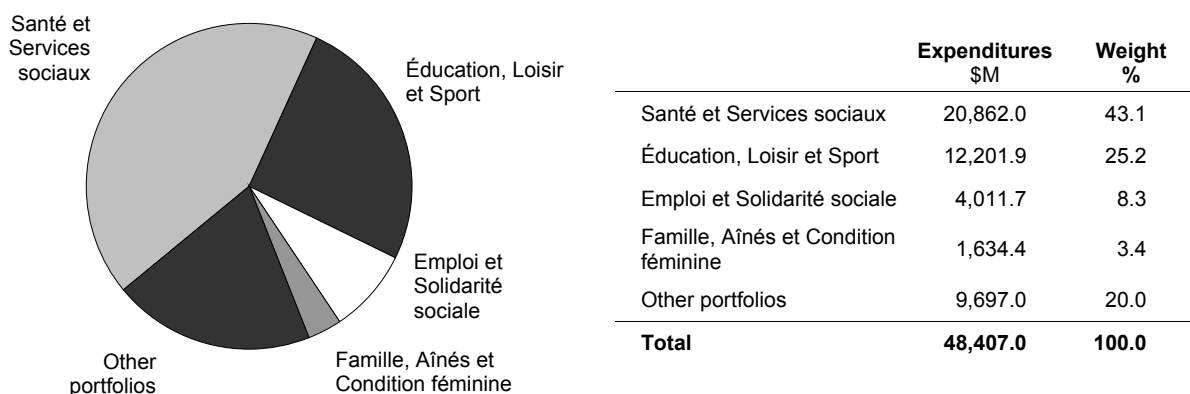
- The government's expenditure budget in 2005-2006 totals \$55,402.0 million:
  - An amount of \$48,407.0 million is allocated to program spending;
  - The debt service represents \$6,995.0 million.
- Program spending has grown by 3.6%, compared to the previous year, while the debt service has increased by 1.8%, for a total expenditure growth of 3.3%.
  - The growth of \$127.0 million in the debt service, which includes the direct debt service and interest on retirement plans, is primarily explained by the forecast increase in interest rates.
- Of each dollar collected from Québec taxpayers in 2005-2006, over 87 cents will be used for program spending and close to 13 cents for financing the debt service.

**Graph 1.1** BREAKDOWN AND GROWTH OF 2005-2006 EXPENDITURES



- Four portfolios account for 80.0% of the 2005-2006 program spending:
  - The “Santé et Services sociaux” portfolio, with a budget of \$20,862.0 million, represents 43.1% of program spending;
  - The “Éducation, Loisir et Sport” portfolio, with a budget of \$12,201.9 million, represents 25.2% of program spending;
  - The “Emploi et Solidarité sociale” portfolio, with a budget of \$4,011.7 million, represents 8.3% of program spending. The mission of this portfolio consists of promoting employment, the development of manpower, a more efficient labour market, the fight against poverty and social exclusion, and of ensuring financial support to persons who are socially disadvantaged;
  - The “Famille, Aînés et condition féminine” portfolio, with a budget of \$1,634.4 million, represents 3.4% of program spending. The mission of this portfolio consists of promoting the wellness of families and the development of children, the social, civic, economic and professional contribution of the elderly to Québec’s development, and gender equality.
- Together, the remaining portfolios represent 20.0% of program spending, for an amount of \$9,697.0 million and include mainly:
  - \$1,808.3 million to the “Transports” portfolio, the mission of which consists of ensuring the movement of persons and merchandise by means of efficient and safe transportation systems that contribute to Québec’s sustainable development;
  - \$1,776.0 million to the “Affaires municipales et Régions” portfolio, which ensures the implementation and maintenance of a quality living environment and municipal and supralocal services for all citizens, as well as the promotion of partnerships with various stakeholders in the area of regional development.

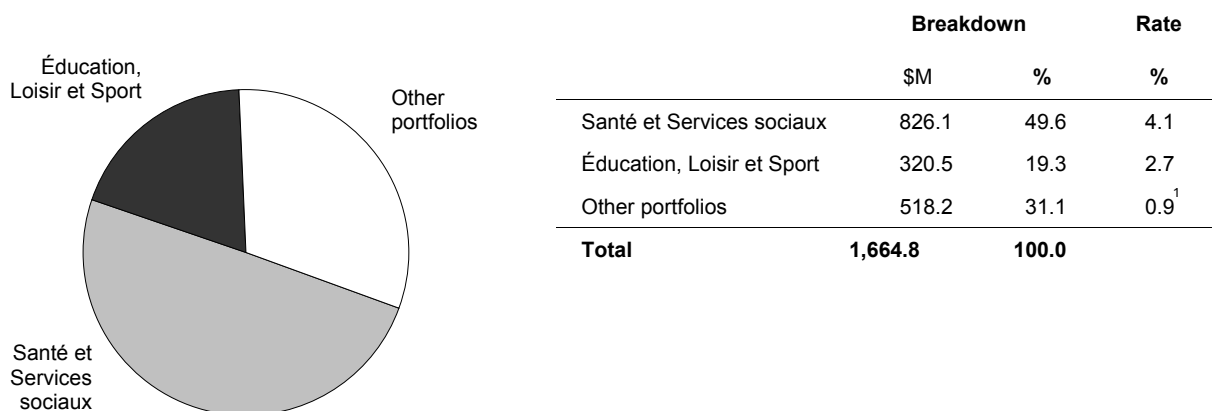
**Graph 1.2** **BREAKDOWN OF 2005-2006 PROGRAM SPENDING**



## 2. VARIATION IN 2005-2006 PROGRAM SPENDING

- ❑ In 2005-2006, program spending totals \$48,407.0 million, an increase of 3.6% or \$1,664.8 million, over 2004-2005.
- ❑ Nearly 70% of the program spending growth in 2005-2006 is allocated to health and education, two priority sectors that are the focus of government program spending:
  - 49.6% of the total growth in program spending is allocated to the “Santé et services sociaux” portfolio, representing an increase of \$826.1 million, or 4.1%, over 2004-2005.
  - 19.3% of the growth is allocated to the “Éducation, Loisir et Sport” portfolio, representing an increase of \$320.5 million, or 2.7%, over the previous year.
- ❑ The increase for all of the other portfolios combined is \$518.2 million, which represents 31.1% of the total growth in program spending. By excluding the amount of \$381.0 million to be allocated to the Contingency Fund, the increase becomes \$137.2 million, for a growth of 0.9%.

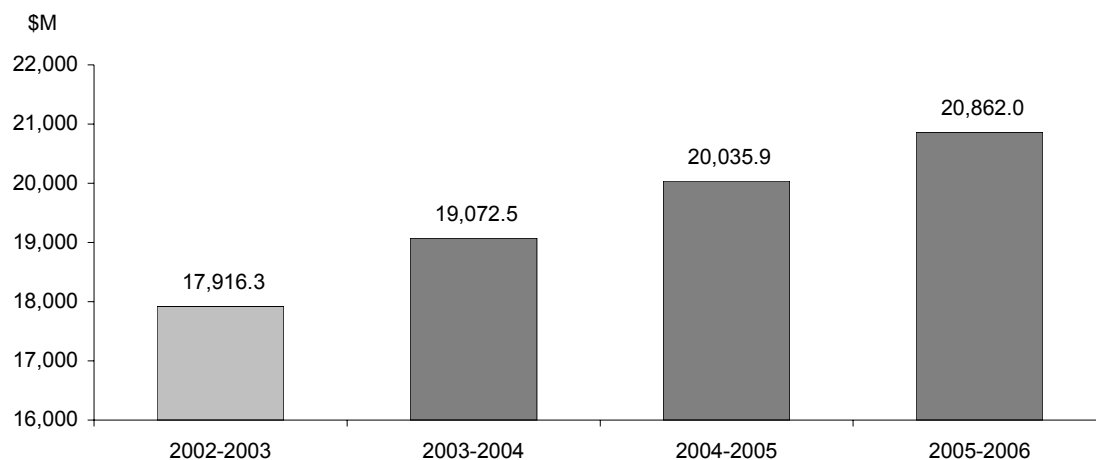
**Graph 1.3**      **BREAKDOWN OF THE GROWTH OF PROGRAM SPENDING BY ACTIVITY SECTOR IN 2005-2006**



<sup>1</sup> By taking into account the planned Contingency Fund amount of \$381.0 million, the growth rate is at 3.5%.

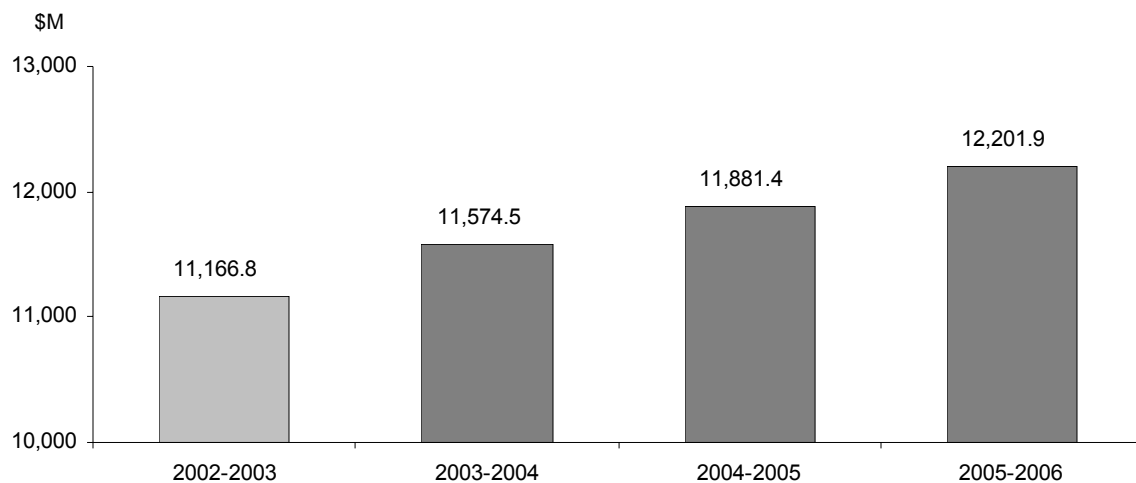
**HEALTH AND SOCIAL SERVICES:****EXPENDITURE BUDGET INCREASE OF \$826.1 MILLION**

- The increase allocated to the health sector has reached \$2,945.7 million over the past three years. The growth in 2005-2006 is equal to \$826.1 million, a 4.1% increase over 2004-2005.
- In 2005-2006 alone, the increase of \$826.1 million in allocations to the health and social services sector will allow for:
  - Covering all of the expenses related to structural expenditure growth;
  - Ensuring the development and upgrading of services offered to clients in need;
  - Reviewing the budget bases of all establishments, in order to assist them in reaching fiscal balance by the end of the 2006-2007 fiscal year;
  - Implementing action plans with regard to the services extended to the elderly and persons suffering from mental disorders.

**Graph 1.4      EVOLUTION IN HEALTH AND SOCIAL SERVICES EXPENDITURES SINCE 2002-2003**

**EDUCATION, LOISIR ET SPORT:****EXPENDITURE BUDGET INCREASE OF \$320.5 MILLION**

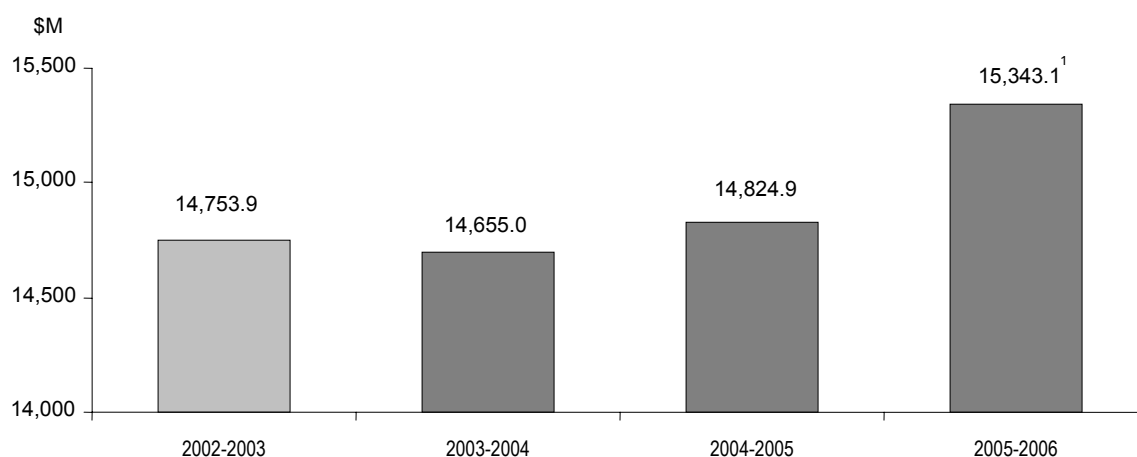
- The expenditure budget allocated to the education sector in 2005-2006 is at \$12,201.9 million, which represents an increase of 2.7%.
- Additional amounts allocated to education will primarily serve to:
  - Maintain the quality of educational services, through funding of growth factors in the education systems, and pursue the investments initiated over the last year, with the aim of ensuring better student performance;
  - Meet the commitments made to students with regard to the Financial Assistance for Education program, representing a total of \$70.0 million for the 2005-2006 allocation year. Funding additions will reach \$103.0 million in 2006-2007;
  - Maintain the Homework Assistance program, to which an amount of \$10.0 million has been added in 2005-2006.

**Graph 1.5 EVOLUTION IN EDUCATION EXPENDITURES SINCE 2002-2003**

## OTHER PORTFOLIOS

- ❑ In 2005-2006, the budget allocated to other portfolios totals \$15,343.1 million, representing an increase of \$518.2 million over 2004-2005. By excluding the planned Contingency Fund amount of \$381.0 million, the increase totals \$137.2 million, a 0.9% growth compared to the previous year.
- ❑ Certain portfolios benefit from increases as a result of specific factors:
  - \$151.8 million to the “Transports” portfolio, primarily due to an increase in the debt service related to road infrastructures, subsequent to investments in the road system;
  - \$134.3 million to the “Famille, Aînés et Condition féminine” portfolio, notably to complete the project for creating 200,000 childcare spaces at a reduced cost by March 31, 2006;
  - \$136.9 million to the “Affaires municipales et Régions” portfolio, with the primarily goal of funding the significant increase in transfers to municipalities as a result of the fiscal pact agreement and the compensation in lieu of taxes.
- ❑ Rationalization in other Departments was carried out primarily with regard to the operating costs of Departments and agencies and as a result of attrition of public service staff. Recurrent savings thus obtained totalled \$350.0 million in 2005-2006.

**Graph 1.6 EVOLUTION IN EXPENDITURES OF OTHER PORTFOLIOS SINCE 2002-2003**



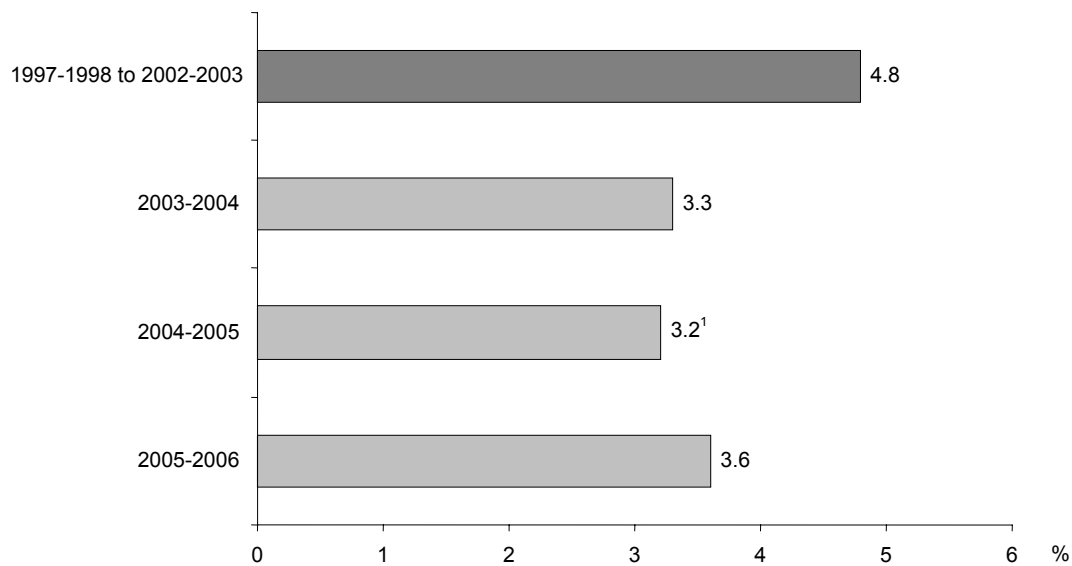
<sup>1</sup> Excluding the planned Contingency Fund amount of \$381.0 million, the total budget for all other portfolios amounts to \$14,962.1 million.

## APPENDIX 1.1

### INCREASE IN PROGRAM SPENDING SINCE 1997-1998

- Over the past three years, growth in program spending was less than the average program spending growth from 1997-1998 to 2002-2003. In 2005-2006, program spending increased by 3.6%.

**Graph 1.7** INCREASE IN PROGRAM SPENDING SINCE 1997-1998



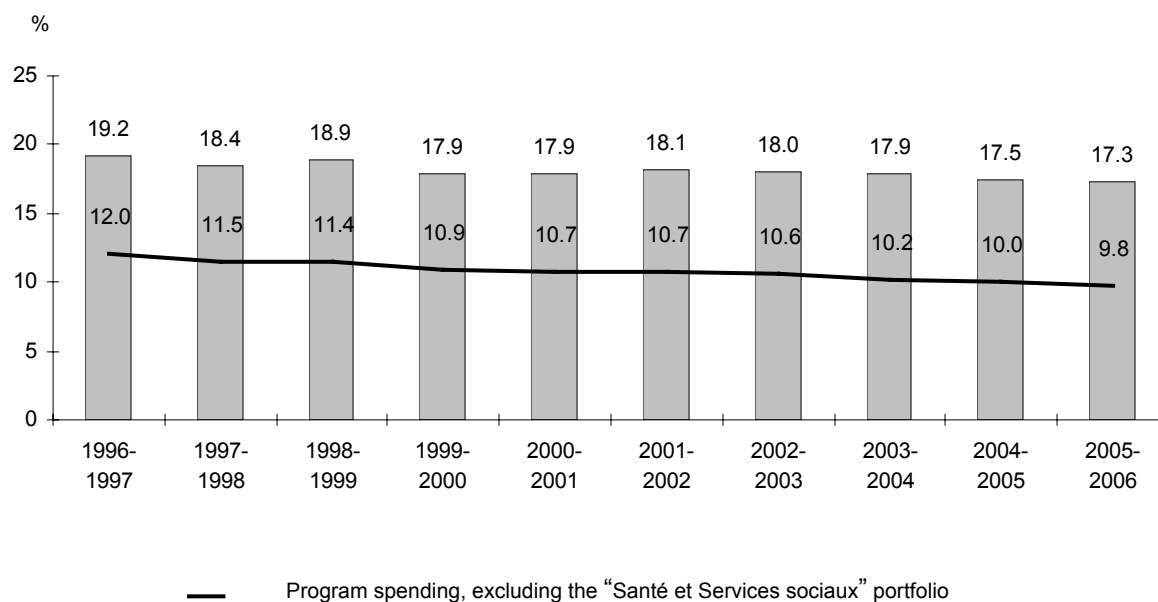
<sup>1</sup> The 2.9% growth initially forecast was revised to 3.2%, as a result of adjustments to the budget structure following the changes made on January 1, 2005 to the policy on families.

## APPENDIX 1.2

## EVOLUTION OF PROGRAM SPENDING AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT

- The weight of program spending in the economy should be at 17.3% in 2005-2006, which represents a drop of 0.2% from the 2004-2005 fiscal year.
- If expenditures allocated to the “Santé et Services sociaux” portfolio were excluded, program spending as a percentage of GDP would be at 9.8% for 2005-2006.

**Graph 1.8** EVOLUTION OF PROGRAM SPENDING AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT



## APPENDIX 1.3

### VARIATION BETWEEN 2005-2006 EXPENDITURE BUDGET AND THE 2004-2005<sup>1</sup> PROBABLE EXPENDITURE

|                                                         | Expenditure<br>Budget<br>2005-2006 | Probable<br>expenditure<br>2004-2005 <sup>2</sup> | Variation      |                     |
|---------------------------------------------------------|------------------------------------|---------------------------------------------------|----------------|---------------------|
|                                                         |                                    |                                                   | \$M            | \$M                 |
| National Assembly <sup>3</sup>                          | 94.8                               | 94.3                                              | 0.5            | 0.5                 |
| Persons Appointed by the National Assembly <sup>3</sup> | 55.8                               | 57.5                                              | (1.7)          | (3.0)               |
| Affaires municipales et Régions                         | 1,776.0                            | 1,639.1                                           | 136.9          | 8.4                 |
| Agriculture, Pêcheries et Alimentation                  | 653.1                              | 660.1                                             | (7.0)          | (1.1)               |
| Conseil du trésor et Administration gouvernementale     | 808.0                              | 435.2                                             | 372.8          | (1.9) <sup>5</sup>  |
| Conseil exécutif                                        | 250.8                              | 219.2                                             | 31.6           | (1.7) <sup>6</sup>  |
| Culture et Communications                               | 535.9                              | 521.5                                             | 14.4           | 2.5 <sup>7</sup>    |
| Développement durable, Environnement et Parcs           | 177.9                              | 183.1                                             | (5.2)          | (2.8)               |
| Développement économique, Innovation et Exportation     | 576.4                              | 582.4                                             | (6.0)          | (1.0) <sup>8</sup>  |
| Éducation, Loisirs et Sport                             | 12,201.9                           | 11,881.4                                          | 320.5          | 2.7                 |
| Emploi et Solidarité sociale                            | 4,011.7                            | 4,083.2                                           | (71.5)         | (2.2) <sup>9</sup>  |
| Famille, Aînés et Condition féminine                    | 1,634.4                            | 1,500.1                                           | 134.3          | 9.0                 |
| Finances <sup>4</sup>                                   | 213.7                              | 148.8                                             | 64.9           | (4.5) <sup>10</sup> |
| Immigration et Communautés culturelles                  | 99.3                               | 107.0                                             | (7.7)          | (7.2)               |
| Justice                                                 | 612.5                              | 633.2                                             | (20.7)         | (3.3)               |
| Relations internationales                               | 99.6                               | 97.6                                              | 2.0            | 2.0                 |
| Ressources naturelles et Faune                          | 390.9                              | 379.5                                             | 11.4           | 3.0                 |
| Revenu                                                  | 602.6                              | 622.0                                             | (19.4)         | (3.1)               |
| Santé et Services sociaux                               | 20,862.0                           | 20,035.9                                          | 826.1          | 4.1                 |
| Sécurité publique                                       | 906.3                              | 940.4                                             | (34.1)         | (3.6)               |
| Services gouvernementaux                                | 53.9                               | 43.8                                              | 10.1           | 0.9 <sup>11</sup>   |
| Tourisme                                                | 138.6                              | 146.0                                             | (7.4)          | (5.1)               |
| Transports                                              | 1,808.3                            | 1,656.5                                           | 151.8          | 9.2                 |
| Travail                                                 | 63.7                               | 74.6                                              | (10.9)         | (14.6)              |
| Anticipated Lapsed Appropriations                       | (150.0)                            | -                                                 | (150.0)        | —                   |
| Appropriations Carried Over in 2006-2007                | (95.3)                             | -                                                 | (71.2)         | —                   |
| <b>PROGRAM SPENDING</b>                                 | <b>48,407.0</b>                    | <b>46,742.2</b>                                   | <b>1,664.8</b> | <b>3.6</b>          |
| DEBT SERVICE                                            | 6,995.0                            | 6,868.0                                           | 127.0          | 1.8                 |
| <b>TOTAL EXPENDITURES</b>                               | <b>55,402.0</b>                    | <b>53,610.2</b>                                   | <b>1,791.8</b> | <b>3.3</b>          |

Note: Figures are rounded and the sum of the amounts recorded in respect of each program may not correspond to the total.

## SUMMARY OF EXPENDITURES – REFERENCES

- <sup>1</sup> The information only pertains to the expenditure budget and therefore does not include the extrabudgetary agencies, special funds and defined-purpose accounts. It also excludes the “Fixed Assets” and “Loans, Investments and Advances” supercategories included in the capital budget appearing in Volume II of the 2005-2006 Expenditure Budget.
- <sup>2</sup> Program spending is presented according to the 2005-2006 budget structure. It includes changes in the presentation of the portfolios as well as corrections to the “Emploi et Solidarité sociale” and “Famille, Aînés et Condition féminine” portfolio in order to take into account financial assistance measures, which will be entered as a deduction in budget revenues since January 1, 2005.
- <sup>3</sup> The information pertaining to the appropriations, expenditures and Annual Expenditure Management Plans of the National Assembly and the Persons Appointed by the National Assembly is presented in Volume I.
- <sup>4</sup> For the purposes of this table, the government debt service is excluded from the expenditures of the “Finances” portfolio. In Volume II of the 2005-2006 Expenditure Budget and in the Annual Expenditure Management Plans of the departments and agencies, the expenditures of the “Finances” portfolio incorporate debt service.
- <sup>5</sup> The percentage change for the “Conseil du trésor et Administration gouvernementale” portfolio was calculated by excluding the Contingency Fund program from the 2005-2006 Expenditure Budget.
- <sup>6</sup> In the “Conseil exécutif” portfolio, the percentage change has been calculated by excluding the provision for implementing government communications projects from the 2005-2006 Expenditure Budget.
- <sup>7</sup> In the “Culture et Communications” portfolio, the percentage change has been calculated by excluding the provision for carrying out activities to promote the French language from the 2005-2006 Expenditure Budget.
- <sup>8</sup> The percentage change for the “Développement économique, Innovation et Exportation” portfolio was calculated by including the provision aiming to increase investments under the FAIRE program and the provision to support strategic investment programs to the 2005-2006 Expenditure Budget, given that most transfers occur within the portfolio.
- <sup>9</sup> The percentage change for the “Emploi et Solidarité sociale” portfolio was calculated by excluding the provision to promote student job creation programs, the provision favouring employment insertion, training and assistance, and the provision promoting projects for converting financial assistance benefits into employment assistance measures from the 2005-2006 Expenditure Budget.
- <sup>10</sup> In the “Finances” portfolio, the percentage change has been calculated by excluding the provision for initiatives concerning revenue from the 2005-2006 Expenditure Budget.
- <sup>11</sup> The percentage change for the “Services gouvernementaux” portfolio was calculated by excluding the provision for carrying out projects related to e-Government from the 2005-2006 Expenditure Budget.

## Notes

With regard to references 5 to 11, a provision is a program element for which the appropriation act gives the Conseil du trésor the power to authorize the transfer of part of an appropriation between programs or portfolios for the purposes and, if applicable, according to the conditions set out in the expenditure budget.

The amounts for provisions are included in the expenditure budget but excluded from the probable expenditure for the same portfolio, since the expenditure is generally transacted in another portfolio.



## CHAPTER 2

### RESULTS FOR THE 2004-2005 FISCAL YEAR

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#### ***IN BRIEF***

- ❑ Total government expenditures for the 2004-2005 fiscal year should amount to \$53,610.2 million. The figure has been adjusted downward by \$71.0 million since the 2004-2005 Expenditure Budget was tabled due to the lower cost of debt service.
- ❑ Program spending stands at \$46,742.2 million, which is in line with the target set when the 2004-2005 Expenditure Budget was tabled, and represents an increase of 3.2% over the previous fiscal year. Debt service also increases by 3.2% over the 2003-2004 fiscal year.

## 1. VARIATION OF GOVERNMENT EXPENDITURES IN 2004-2005

- ❑ Total government expenditures incurred during the 2004-2005 fiscal year should amount to \$53,610.2 million, which is an increase of \$1,653.5 million or 3.2% over the previous fiscal year.
- ❑ Program spending is up 3.2% to \$46,742.2 million, versus \$45,301.4 million in 2003-2004. For the second consecutive year, the government is achieving the budget target it had set.
- ❑ Debt service stands at \$6,868.0 million, which represents an increase of 3.2% over 2003-2004.

**Table 2.1**                      **SUMMARY OF BUDGETARY EXPENDITURES**

|                               | 2003-2004 | 2004-2005 | Variation |     |
|-------------------------------|-----------|-----------|-----------|-----|
|                               | \$M       | \$M       | \$M       | %   |
| Program spending <sup>1</sup> | 45,301.4  | 46,742.2  | 1,440.8   | 3.2 |
| Debt service                  | 6,655.3   | 6,868.0   | 212.7     | 3.2 |
| <b>TOTAL EXPENDITURES</b>     | 51,956.7  | 53,610.2  | 1,653.5   | 3.2 |

<sup>1</sup> Program spending is presented according to the 2005-2006 budget structure. It includes changes in the presentation of the portfolios as well as corrections to the "Emploi et Solidarité sociale" and "Famille, Aînés et Condition féminine" portfolios in order to take into account financial assistance measures, which will be entered as a deduction in budget revenues since January 1, 2005.

## 2. THE EVOLUTION IN THE 2004-2005 TOTAL EXPENDITURE FORECAST

- ❑ Total government expenditures should amount to \$53,610.2 million for the 2004-2005 fiscal year, which is \$71.0 million less than the total expenditures forecast in the 2004-2005 Expenditure Budget.
- ❑ In the area of program spending, additional expenditures occurred during the fiscal year. These expenditures involve a few portfolios, primarily:
  - \$55.4 million to the Ministère de la Sécurité publique primarily for disaster assistance programs and for special policing operations by the Sûreté du Québec;
  - \$49.1 million to the Ministère de la Justice due, on the one hand, to the increase in the clients of the crime victims compensation program and, on the other, to the agreement in principle reached with government lawyers;
  - \$14.2 million to the Ministère de l'Immigration et des Communautés culturelles mainly for implementing the Shared Values, Common Interests Action Plan.
- ❑ For the most part, these additional expenditures were funded by the Contingency Fund, which comes under the "Conseil du trésor et Administration gouvernementale" portfolio, or were offset by lower expenditures in various other budgetary items.
- ❑ The debt service forecast has been adjusted downward by \$71.0 million. This lower figure mainly reflects lower interest rates than expected.

**Table 2.2** EVOLUTION IN THE 2004-2005 EXPENDITURE FORECAST

|                                        | Program spending | Debt service   | Total expenditures |
|----------------------------------------|------------------|----------------|--------------------|
|                                        | \$M              | \$M            | \$M                |
| 2004-2005 Expenditure Budget           | 47,151.0         | 6,939.0        | 54,090.0           |
| Adjustment <sup>1</sup>                | (408.8)          | —              | (408.8)            |
| Adjusted 2004-2005 Expenditure Budget: | 46,742.2         | 6,939.0        | 53,681.2           |
| PLUS:                                  |                  |                |                    |
| Sécurité publique                      | 55.4             | —              | 55.4               |
| Justice                                | 49.1             | —              | 49.1               |
| Immigration et Communautés culturelles | 14.2             | —              | 14.2               |
| Other variations                       | (118.7)          | (71.0)         | (189.7)            |
| <b>PROBABLE EXPENDITURE</b>            | <b>46,742.2</b>  | <b>6,868.0</b> | <b>53,610.2</b>    |

<sup>1</sup> Program spending is presented according to the 2005-2006 budget structure. It includes changes in the presentation of the portfolios as well as corrections to the "Emploi et Solidarité sociale" and "Famille, Aînés et Condition féminine" portfolios in order to take into account financial assistance measures, which will be entered as a deduction in budget revenues since January 1, 2005.

### 3. VARIATION IN APPROPRIATIONS AUTHORIZED IN 2004-2005

- ❑ At the beginning of the fiscal year, the total appropriations presented to the National Assembly amounted to \$54,971.8 million, comprising \$48,032.8 million for program spending and \$6,939.0 million for debt service.
- ❑ Permanent appropriations were \$10.2 million less than projected at the beginning of the fiscal year. This lower figure is due to different variations that occurred during the fiscal year, including:
  - A decline of \$71.0 million in debt service, reflecting lower interest rates than expected.
  - An increase of \$60.8 million in permanent appropriations related to program spending, primarily because of the increase in the cost of pension plans.
- ❑ The 2003-2004 appropriations carried over to 2004-2005 are \$50.9 million higher than initially forecast, and amount to \$96.2 million.
- ❑ Unexpended appropriations stand at \$295.9 million and are mainly due to a reduction in operating expenditures and lower expenditures on various budgetary items.

**Table 2.3 RECONCILIATION BETWEEN APPROPRIATIONS AND PROBABLE EXPENDITURE IN 2004-2005**

|                                                               | Program spending <sup>1</sup> | Debt service   | Total expenditures |
|---------------------------------------------------------------|-------------------------------|----------------|--------------------|
|                                                               | \$M                           | \$M            | \$M                |
| INITIAL APPROPRIATIONS                                        | 48,032.8                      | 6,939.0        | 54,971.8           |
| Permanent appropriations: variation                           | 60.8                          | (71.0)         | (10.2)             |
| 2003-2004 appropriations carried over to 2004-2005: variation | 50.9                          | —              | 50.9               |
| <b>TOTAL APPROPRIATIONS</b>                                   | <b>48,144.5</b>               | <b>6,868.0</b> | <b>55,012.5</b>    |
| LESS: Appropriations allocated to the capital budget          | (1,318.3)                     | —              | (1,318.3)          |
| LESS: Unexpended appropriations                               | (295.9)                       | —              | (295.9)            |
| PLUS: Depreciation expenditures                               | 211.9                         | —              | 211.9              |
| <b>PROBABLE EXPENDITURE</b>                                   | <b>46,742.2</b>               | <b>6,868.0</b> | <b>53,610.2</b>    |

<sup>1</sup> Program spending is presented according to the 2005-2006 budget structure. It includes changes in the presentation of the portfolios as well as corrections to the "Emploi et Solidarité sociale" and "Famille, Aînés et Condition féminine" portfolios in order to take into account financial assistance measures, which will be entered as a deduction in budget revenues since January 1, 2005.

## CHAPTER 3

# 2005-2006 EXPENDITURE BUDGET BREAKDOWN BY MAJOR CATEGORY AND BENEFICIARY

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### ***IN BRIEF***

- ❑ The Government's Expenditure Budget for 2005-2006 amounts to \$55,402.0 million including:
  - \$48,407.0 million for program spending, or 87.4%;
  - \$6,995.0 million for debt service, or 12.6%.
- ❑ Health and education are the government's priorities. These areas account for 68.3% of program spending, with the largest share paid to health and social service establishments as well as educational institutions.
- ❑ Remuneration accounts for 55.9% of program spending.
- ❑ Support expenditures total \$10,679.8 million.
  - Over half, or \$5,445.6 million, is intended for individuals through various programs such as the School Transportation Assistance and the Financial Assistance for Education programs, employment assistance measures, or financial support for farmers.

## 1. EXPENDITURE BREAKDOWN OVERVIEW

### EXPENDITURE BREAKDOWN BY SUPERCATEGORY

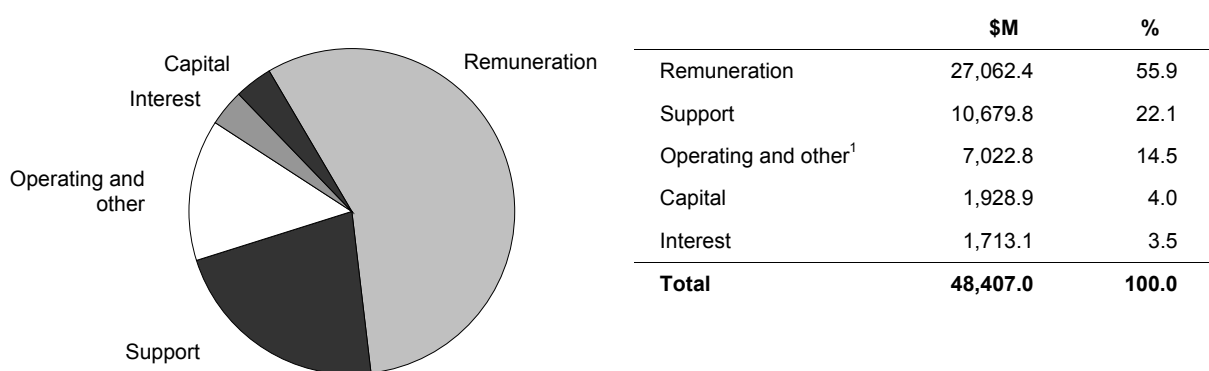
- Government expenditures total \$55,402.0 million in 2005-2006 and break down as follows:
  - 74.4% for “Transfer” expenditures;
  - 12.6% to service the government debt;
  - 13.0% for other supercategories, including supercategories related to operating expenditures and to special funds.
- Volumes I and II of the 2005-2006 Expenditure Budget contain a breakdown of expenditures for each portfolio by supercategory. Expenditures in the “Transfer” and “Allocation to a Special Fund” supercategories are also broken down by category and beneficiary.

**Table 3.1 2005-2006 EXPENDITURE BUDGET BY SUPERCATEGORY AND CATEGORY**

| SUPERCATEGORY                          | CATEGORY        |                |                |                |                 |              | Total           |
|----------------------------------------|-----------------|----------------|----------------|----------------|-----------------|--------------|-----------------|
|                                        | Remuneration    | Operating      | Capital        | Interest       | Support         | Other        |                 |
|                                        | \$M             | \$M            | \$M            | \$M            | \$M             | \$M          | \$M             |
| Remuneration                           | 2,830.4         | -              | -              | -              | -               | -            | <b>2,830.4</b>  |
| Operating                              | -               | 2,209.7        | -              | -              | -               | -            | <b>2,209.7</b>  |
| Transfer                               | 23,765.2        | 4,671.8        | 1,518.8        | 1,411.2        | 9,835.3         | -            | <b>41,202.3</b> |
| Allocation to a Special Fund           | 466.8           | 145.8          | 410.1          | 301.9          | 844.5           | -            | <b>2,169.1</b>  |
| Bad Debts and Other                    | -               | -              | -              | -              | -               | 216.7        | <b>216.7</b>    |
| Anticipated Lapsed Appropriations      | -               | -              | -              | -              | -               | (150.0)      | <b>(150.0)</b>  |
| Carry-over Appropriations in 2006-2007 | -               | -              | -              | -              | -               | (71.2)       | <b>(71.2)</b>   |
| Program spending                       | 27,062.4        | 7,027.3        | 1,928.9        | 1,713.1        | 10,679.8        | (4.5)        | <b>48,407.0</b> |
| Debt Service                           | -               | -              | -              | 6,995.0        | -               | -            | <b>6,995.0</b>  |
| <b>TOTAL</b>                           | <b>27,062.4</b> | <b>7,027.3</b> | <b>1,928.9</b> | <b>8,708.1</b> | <b>10,679.8</b> | <b>(4.5)</b> | <b>55,402.0</b> |

**BREAKDOWN OF PROGRAM SPENDING BY CATEGORY**

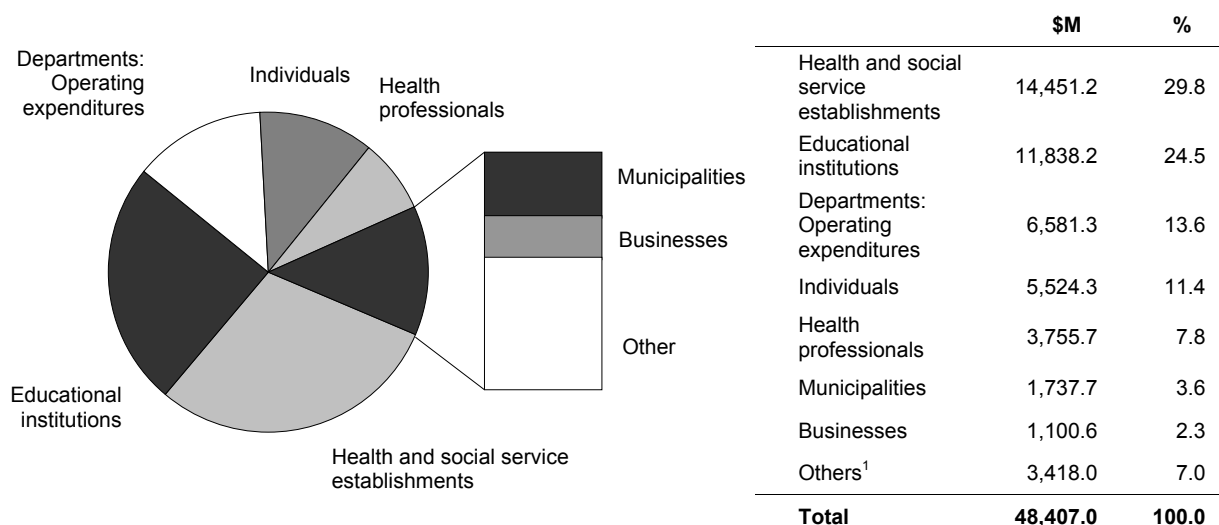
- ❑ Program spending totals \$48,407.0 million, or 87.4% of government expenditures for 2005-2006.
- ❑ By category, program spending breaks down as follows:
  - \$27,062.4 million for remuneration expenditures, or 55.9%;
  - \$10,679.8 million, or 22.1%, for support expenditures for individuals, businesses, public and parapublic agencies and other government partners;
  - \$7,022.8 million, or 14.5%, for operating expenditures and other;
  - \$1,928.9 million, or 4.0%, for capital expenditures;
  - \$1,713.1 million for interest expenditures on the debt attributable to program spending, or 3.5%.
- ❑ The expenditure categories make it possible to present expenditures by type and relative importance. Expenditure categories nature is defined in Appendix 3.1. Appendix 3.2 contains a breakdown of expenditures by category for each portfolio.

**Graph 3.1 2005-2006 PROGRAM SPENDING BY CATEGORY**

<sup>1</sup> Includes, in addition to operating expenditures, variations in the provision for bad debts, anticipated lapsed appropriations, carry-over appropriations in 2006-2007 and other.

**BREAKDOWN OF EXPENDITURES BY BENEFICIARY**

- ❑ Health and social service establishments, with \$14,451.2 million, as well as educational institutions, with \$11,838.2 million, together account for 54.3% of the program spending planned for 2005-2006.
- ❑ Departmental operating expenditures, at \$6,581.3 million, account for 13.6% of program spending.
- ❑ Expenditures for individuals account for \$5,524.3 million, or 11.4% of program spending.
- ❑ Remuneration of health professionals amounts to \$3,755.7 million and represents 7.8% of program spending.
- ❑ Expenditures allocated to various other beneficiaries, including municipalities, businesses, non-profit organizations, and government corporations and agencies total \$6,256.3 million, or 12.9% of program spending.

**Graph 3.2 2005-2006 PROGRAM SPENDING BY BENEFICIARY**

<sup>1</sup> In addition to other beneficiaries, includes anticipated lapsed appropriations and carry-over appropriations in 2006-2007.

- Appendix 3.3 contains the breakdown of expenditures by beneficiary for each portfolio.

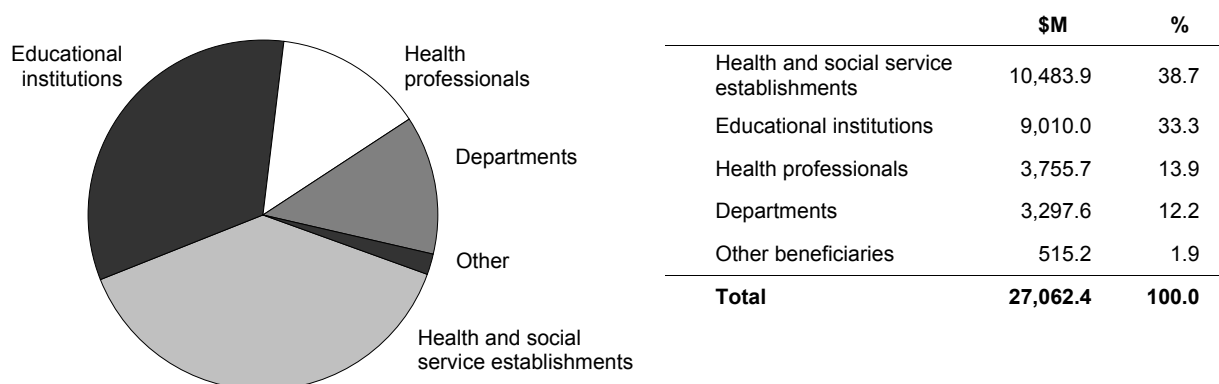
**Table 3.2**                      **BREAKDOWN OF 2005-2006 PROGRAM SPENDING FORECAST BY BENEFICIARY**

|                                          | Santé et<br>Services<br>sociaux | Éducation,<br>Loisir et Sport | Emploi et<br>Solidarité<br>sociale | Other<br>Departments | Other          | Total           |
|------------------------------------------|---------------------------------|-------------------------------|------------------------------------|----------------------|----------------|-----------------|
|                                          | \$M                             | \$M                           | \$M                                | \$M                  |                | \$M             |
| Departments: Operating expenditures      | 144.4                           | 184.2                         | 504.8                              | 5,747.9              | -              | <b>6,581.3</b>  |
| Health and social service establishments | 14,393.6                        | -                             | -                                  | 57.6                 | -              | <b>14,451.2</b> |
| Health professionals                     | 3,755.7                         | -                             | -                                  | -                    | -              | <b>3,755.7</b>  |
| Educational institutions                 | -                               | 11,616.8                      | 92.3                               | 129.1                | -              | <b>11,838.2</b> |
| Assistance to individuals                | 1,816.9                         | 283.7                         | 3,063.6                            | 360.1                | -              | <b>5,524.3</b>  |
| Assistance to businesses                 | 147.7                           | -                             | 69.1                               | 883.8                | -              | <b>1,100.6</b>  |
| Assistance to municipalities             | -                               | 1.4                           | -                                  | 1,736.3              | -              | <b>1,737.7</b>  |
| Other beneficiaries                      | 603.7                           | 115.8                         | 281.9                              | 2,637.8              | -              | <b>3,639.2</b>  |
| Anticipated Lapsed Appropriations        | -                               | -                             | -                                  | -                    | (150.0)        | <b>(150.0)</b>  |
| Carry-over Appropriations in 2006-2007   | -                               | -                             | -                                  | -                    | (71.2)         | <b>(71.2)</b>   |
| <b>PROGRAM SPENDING</b>                  | <b>20,862.0</b>                 | <b>12,201.9</b>               | <b>4,011.7</b>                     | <b>11,552.6</b>      | <b>(221.2)</b> | <b>48,407.0</b> |

## 2. REMUNERATION EXPENDITURES

- Forecast remuneration expenditures amount to \$27,062.4 million in 2005-2006, or 55.9% of program spending.
  - Health and social service establishments and educational institutions respectively account for 38.7% and 33.3% of total remuneration expenditures.
  - Health professionals receive 13.9% of remuneration expenditures while the share of department personnel is 12.2%.
- Expenditures allocated to remuneration are up \$506.9 million over 2004-2005. This increase is mainly attributable to the following changes:
  - In the health and social services sector, an increase of \$386.0 million resulting from the funds allocated to meet the needs of services related to the aging of the population and for progression in pay scales. The increase is also a result of the growth in the prescription drug insurance program, part of which covers pharmacists' fees;
  - In the education networks, an increase of \$185.4 million, mainly due to the impact of the increase in clientele in the university network and the agreement respecting teachers' remuneration based on the recognition of 40 hours/week;

**Graph 3.3**      **2005-2006 REMUNERATION EXPENDITURES BY BENEFICIARY**



- Under “Departments” and “Other beneficiaries” a decrease of \$64.5 million attributable in part to the implementation of the Human Resources Management Plan, under which 50% of retirees will be replaced.

**Table 3.3 FORECAST REMUNERATION EXPENDITURES FOR 2005-2006<sup>1</sup>**

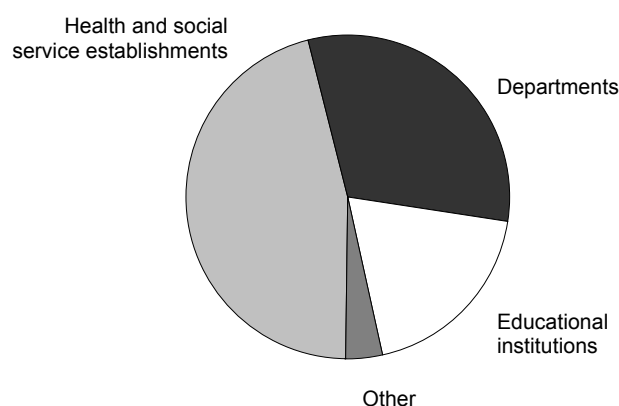
|                                          | Salaries        | Employer contributions |                |                | Total           |
|------------------------------------------|-----------------|------------------------|----------------|----------------|-----------------|
|                                          |                 | Retirement plans       | Other          | Subtotal       |                 |
|                                          | \$M             | \$M                    | \$M            | \$M            | \$M             |
| <b>SANTÉ ET SERVICES SOCIAUX</b>         |                 |                        |                |                |                 |
| Department                               | 54.9            | -                      | 5.9            | 5.9            | <b>60.8</b>     |
| Health and social service establishments | 8,892.7         | 589.4                  | 1,001.8        | 1,591.2        | <b>10,483.9</b> |
| Health professionals                     | 3,755.7         | -                      | -              | -              | <b>3,755.7</b>  |
| Other beneficiaries                      | 110.6           | -                      | 7.5            | 7.5            | <b>118.1</b>    |
|                                          | 12,813.9        | 589.4                  | 1,015.2        | 1,604.6        | <b>14,418.5</b> |
| <b>ÉDUCATION, LOISIR ET SPORT</b>        |                 |                        |                |                |                 |
| Department                               | 82.7            | -                      | 8.7            | 8.7            | <b>91.4</b>     |
| Educational institutions                 | 7,510.4         | 672.4                  | 827.2          | 1,499.6        | <b>9,010.0</b>  |
| Other beneficiaries                      | 9.9             | -                      | 1.1            | 1.1            | <b>11.0</b>     |
|                                          | 7,603.0         | 672.4                  | 837.0          | 1,509.4        | <b>9,112.4</b>  |
| <b>EMPLOI ET SOLIDARITÉ SOCIALE</b>      |                 |                        |                |                |                 |
| Department                               | 286.0           | -                      | 32.4           | 32.4           | <b>318.4</b>    |
| Other beneficiaries                      | 7.2             | -                      | 0.9            | 0.9            | <b>8.1</b>      |
|                                          | 293.2           | -                      | 33.3           | 33.3           | <b>326.5</b>    |
| <b>OTHER</b>                             |                 |                        |                |                |                 |
| Departments                              | 2,272.9         | 280.2                  | 273.9          | 554.1          | <b>2,827.0</b>  |
| Other beneficiaries                      | 322.9           | 22.8                   | 32.3           | 55.1           | <b>378.0</b>    |
|                                          | 2,595.8         | 303.0                  | 306.2          | 609.2          | <b>3,205.0</b>  |
| <b>TOTAL</b>                             | <b>23,305.9</b> | <b>1,564.8</b>         | <b>2,191.7</b> | <b>3,756.5</b> | <b>27,062.4</b> |
| 2004-2005 COMPARATIVE EXPENDITURES       | 22,882.7        | 1,557.0                | 2,115.8        | 3,672.8        | 26,555.5        |

<sup>1</sup> Includes appropriations for the “Remuneration” supercategory and the “Remuneration” category of the “Transfer” and “Allocation to a Special Fund” supercategories.

### 3. OPERATING EXPENDITURES

- ❑ Operating expenditures stand at \$7,027.3 million in 2005-2006, compared to \$6,501.5 million in 2004-2005, an increase of \$529.8 million.
- ❑ 44.6% of these expenditures are for health and social service establishments and 18.4% for educational institutions, i.e. \$3,136.8 million and \$1,291.0 million respectively. They consist mainly of support and administrative expenditures for these networks.
- ❑ The \$525.9 million increase is mainly attributable to the following changes:
  - In the health and social services sector, an increase of \$193.8 million resulting in large part from funding the growth in the cost of services to the population, continuing the reestablishment of the budget envelopes of the establishments and the indexation of expenditures;
  - In the education sector, an increase of \$91.4 million resulting in part from additional needs related to the growth in clientele in the university network;
  - In the “Conseil du trésor et Administration gouvernementale” portfolio, an increase of \$287.2 million, due primarily to an increase of \$282.0 million in the Contingency Fund. The purpose of this fund is to make provision for additional expenditures incurred in any of the government's programs.

**Graph 3.4 OPERATING EXPENDITURES IN 2005-2006**



|                                          | \$M            | %            |
|------------------------------------------|----------------|--------------|
| Health and social service establishments | 3,136.8        | 44.6         |
| Departments                              | 2,355.3        | 33.5         |
| Educational institutions                 | 1,291.0        | 18.4         |
| Other beneficiaries                      | 244.2          | 3.5          |
| <b>Total</b>                             | <b>7,027.3</b> | <b>100.0</b> |

- ❑ Operating expenditures of the departments and agencies increased by \$240.7 million. This amount is reduced by \$106.0 million when changes in the Contingency Fund and depreciation expenditures, including capital reimbursement of the Road Network Preservation and Improvement Fund, are excluded.
- This decrease reflects, in part, streamlining efforts of the departments and agencies which total \$358.0 million, by considering both the \$64.5-million decrease in remuneration expenditures and the part of these savings which were invested in programs and services.

**Table 3.4 FORECAST OPERATING EXPENDITURES IN 2005-2006**

|                                                        | Operating <sup>1</sup> | Transfer       |              | Total          |
|--------------------------------------------------------|------------------------|----------------|--------------|----------------|
|                                                        |                        | Networks       | Other        |                |
|                                                        | \$M                    | \$M            | \$M          | \$M            |
| <b>SANTÉ ET SERVICES SOCIAUX</b>                       |                        |                |              |                |
| Department                                             | 83.6                   | -              | -            | <b>83.6</b>    |
| Assistance for health and social service establishment | -                      | 3,136.8        | -            | <b>3,136.8</b> |
| Other beneficiaries                                    | -                      | -              | 90.3         | <b>90.3</b>    |
|                                                        | 83.6                   | 3,136.8        | 90.3         | <b>3,310.7</b> |
| <b>ÉDUCATION, LOISIR ET SPORT</b>                      |                        |                |              |                |
| Department                                             | 62.5                   | -              | -            | <b>62.5</b>    |
| Assistance for educational institutions                | -                      | 1,291.0        | -            | <b>1,291.0</b> |
| Other beneficiaries                                    | -                      | -              | 5.3          | <b>5.3</b>     |
|                                                        | 62.5                   | 1,291.0        | 5.3          | <b>1,358.8</b> |
| <b>EMPLOI ET SOLIDARITÉ SOCIALE</b>                    |                        |                |              |                |
| Department                                             | 142.3                  | -              | -            | <b>142.3</b>   |
| Other beneficiaries                                    | -                      | -              | 2.0          | <b>2.0</b>     |
|                                                        | 142.3                  | -              | 2.0          | <b>144.3</b>   |
| <b>OTHER</b>                                           |                        |                |              |                |
| Departments                                            | 2,066.9                | -              | -            | <b>2,066.9</b> |
| Other beneficiaries                                    | -                      | -              | 146.6        | <b>146.6</b>   |
|                                                        | 2,066.9                | -              | 146.6        | <b>2,213.6</b> |
| <b>TOTAL</b>                                           | <b>2,355.3</b>         | <b>4,427.8</b> | <b>244.2</b> | <b>7,027.3</b> |
| 2004-2005 COMPARATIVE EXPENDITURES                     | 2,115.6                | 4,142.7        | 243.2        | 6,501.5        |

<sup>1</sup> Includes expenditures for the "Operating" category of the "Allocation to a Special Fund" supercategory.

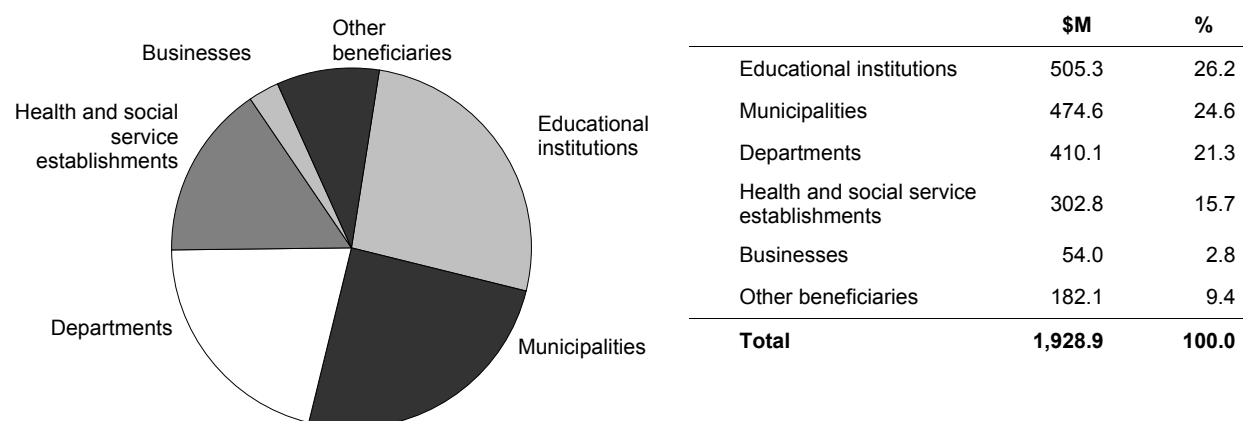
#### 4. CAPITAL EXPENDITURES

- ❑ Forecast capital expenditures total \$1,928.9 million in 2005-2006, or \$249.6 million more than in the previous fiscal year.
- ❑ 15.7% of these expenditures are for health and social service establishments and 26.2% for educational institutions, i.e. \$302.8 million and \$505.3 million respectively.
- ❑ Capital expenditures are allocated according to the three avenues of intervention used by the government: capital expenditures allocated to special funds, repayment of principal, and subsidized fixed assets.

##### CAPITAL EXPENDITURES ALLOCATED TO SPECIAL FUNDS

- ❑ Capital expenditures allocated to the special funds account for 21.3% of all expenditures in 2005-2006.
- ❑ The amounts allocated for the funds' capital expenditures are up \$48.1 million, from \$362.0 million in 2004-2005 to \$410.1 million in 2005-2006.
- ❑ The main reason for this change is an increase of \$53.6 million in the government's capital expenditure contribution to the Road Network Preservation and Improvement Fund, the purpose of which is to preserve pavements and structures, and to improve and develop the road network.

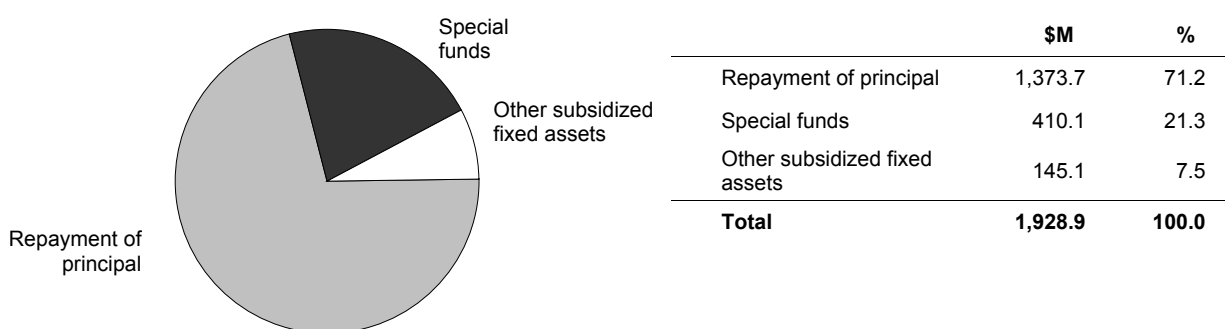
**Graph 3.5 FORECAST CAPITAL EXPENDITURES IN 2005-2006 BY BENEFICIARY**



**EXPENDITURES FOR REPAYMENT OF PRINCIPAL**

- ❑ Expenditures for repayment of the principal on the subsidized debt represent 71.2% of the total capital expenditures in 2005-2006.
- ❑ These expenditures increase, from \$1,143.8 million in 2004-2005 to \$1,373.7 million in 2005-2006. The main reasons for this increase of \$229.9 million are:
  - An increase of \$141.1 million in the “Affaires municipales et Régions” portfolio attributable to the funds required to fulfil the government’s water purification commitments;
  - An increase of \$38.4 million in the “Éducation, Loisir et Sport” portfolio, reflecting the funding of authorized investment expenditures in the networks;
  - In the health and social services sector, an increase of \$19.3 million due mainly to the construction work done in connection with the investment plans for health and social service establishments;
  - In the “Transports” portfolio, an increase of \$28.1 million attributable in large part to the funding of public investment expenditures in fixed assets related to public transportation.

**Graph 3.6 FORECAST CAPITAL EXPENDITURES IN 2005-2006 BROKEN DOWN BY AVENUE OF INTERVENTION**



**OTHER SUBSIDIZED FIXED ASSETS**

- ❑ Subsidies for fixed assets account for 7.5% of the total capital expenditures in 2005-2006.
- ❑ These subsidies have risen from \$173.5 million in 2004-2005 to \$141.5 million in 2005-2006, a decrease of \$28.4 million. The subsidies are primarily intended for businesses and municipalities, which account for 72.5% of these expenditures.

**Table 3.5 FORECAST CAPITAL EXPENDITURES IN 2005-2006 BY BENEFICIARY**

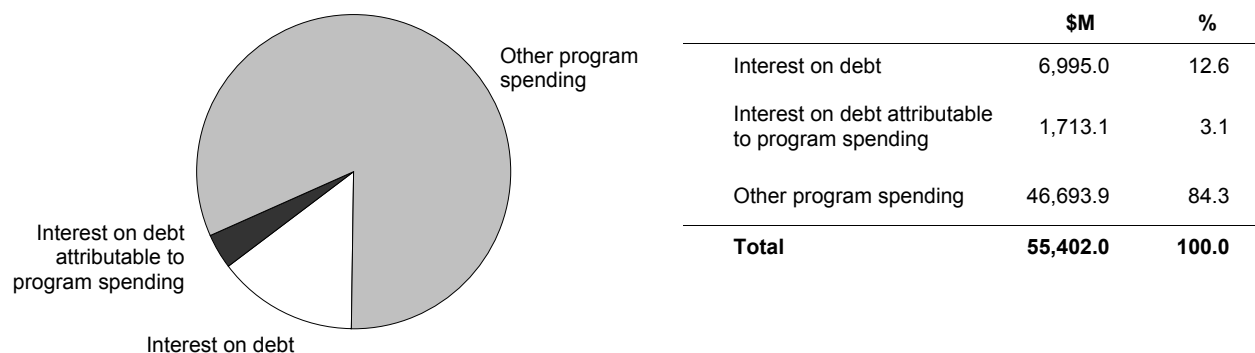
|                                          | Special funds <sup>1</sup> | Subsidized fixed assets |              | Total          |
|------------------------------------------|----------------------------|-------------------------|--------------|----------------|
|                                          |                            | Repayment of principal  | Other        |                |
|                                          | \$M                        | \$M                     | \$M          | \$M            |
| <b>SANTÉ ET SERVICES SOCIAUX</b>         |                            |                         |              |                |
| Health and social service establishments | -                          | 286.4                   | 16.4         | <b>302.8</b>   |
| Other beneficiaries                      | -                          | -                       | 4.2          | <b>4.2</b>     |
|                                          | -                          | 286.4                   | 20.6         | <b>307.0</b>   |
| <b>ÉDUCATION, LOISIR ET SPORT</b>        |                            |                         |              |                |
| Educational institutions                 | -                          | 486.5                   | 18.8         | <b>505.3</b>   |
| Other beneficiaries                      | -                          | 1.4                     | 0.9          | <b>2.3</b>     |
|                                          | -                          | 487.9                   | 19.7         | <b>507.6</b>   |
| <b>OTHER</b>                             |                            |                         |              |                |
| Departments                              | 410.1                      | -                       | -            | <b>410.1</b>   |
| Assistance to businesses                 | -                          | 7.6                     | 46.4         | <b>54.0</b>    |
| Assistance to municipalities             | -                          | 423.6                   | 51.0         | <b>474.6</b>   |
| Other beneficiaries                      | -                          | 168.2                   | 7.4          | <b>175.6</b>   |
|                                          | 410.1                      | 599.4                   | 104.8        | <b>1,114.3</b> |
| <b>TOTAL</b>                             | <b>410.1</b>               | <b>1,373.7</b>          | <b>145.1</b> | <b>1,928.9</b> |
| 2004-2005 COMPARATIVE EXPENDITURES       | 362.0                      | 1,143.8                 | 173.5        | 1,679.3        |

<sup>1</sup> Includes expenditures in the "Capital" category of the "Transfer" and "Allocation to a Special Fund" supercategories.

## 5. INTEREST EXPENDITURES

- ❑ Interest expenditures by the government amount to \$8,708.1 million for the 2005-2006 fiscal year, compared to \$8,594.2 million the previous year.
- ❑ They represent 15.7% of the total expenditures forecast for 2005-2006.
- ❑ Interest expenditures by the government break down as follows:
  - 12.6% or \$6,995.0 million for forecast interest expenditures on the debt of the Consolidated Revenue Fund;
  - 3.1% or \$1,713.1 million for expenditures allocated to servicing the debt attributable to program spending.

**Graph 3.7** INTEREST EXPENDITURES AS SHARE OF TOTAL EXPENDITURES IN 2005-2006



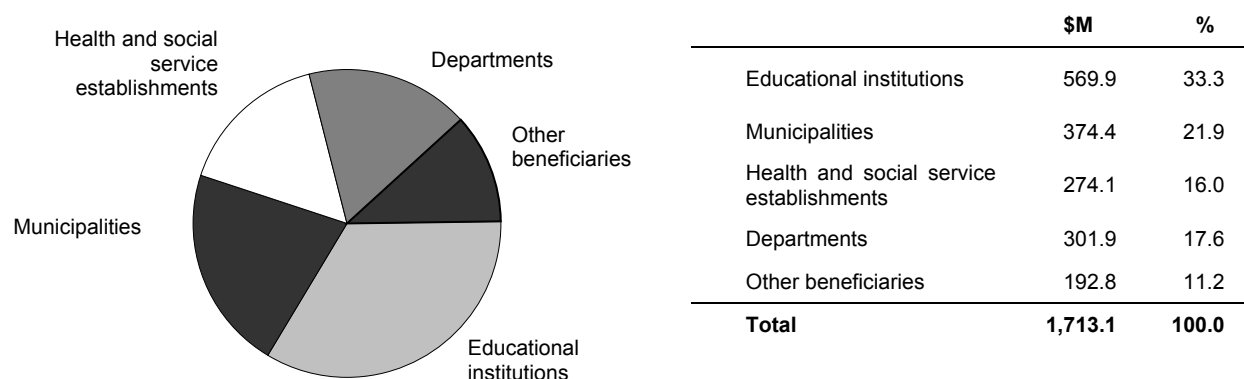
**INTEREST ON THE DEBT OF THE CONSOLIDATED REVENUE FUND**

- ❑ Interest expenditures on the debt of the Consolidated Revenue Fund amount to \$6,995.0 million in 2005-2006, and include finance charges of \$4,319.0 million attributable to the direct debt and finance charges of \$2,676.0 million attributable to the retirement plans account.
- ❑ Interest expenditures on the debt of the Consolidated Revenue Fund are \$127.0 million higher than in the previous fiscal year. This increase is largely due to the expected rise in interest rates.

**INTEREST ON DEBT ATTRIBUTABLE TO PROGRAM SPENDING**

- ❑ Interest on debt attributable to program spending amounts to \$1,713.1 million for fiscal 2005-2006, compared to \$1,726.2 million in 2004-2005, a decline of \$13.1 million. Two main factors account for this change:
  - Decreases of \$44.1 million and \$36.3 million respectively are recorded in the “Éducation, Loisir et Sport” and “Affaires municipales et Régions” portfolios, mainly because of the adjustment in the borrowings further to the expenditures made, the borrowings terminated and the adjustment in interest rates;

**GRAPH 3.8** **INTEREST EXPENDITURE ON DEBT ATTRIBUTABLE TO PROGRAM SPENDING BY BENEFICIARY**



- An increase of \$60.4 million attributable mainly to funding the investments made by the Road Network Preservation and Improvement Fund.

**Table 3.6 FORECAST INTEREST EXPENDITURES IN 2005-2006 BY BENEFICIARY**

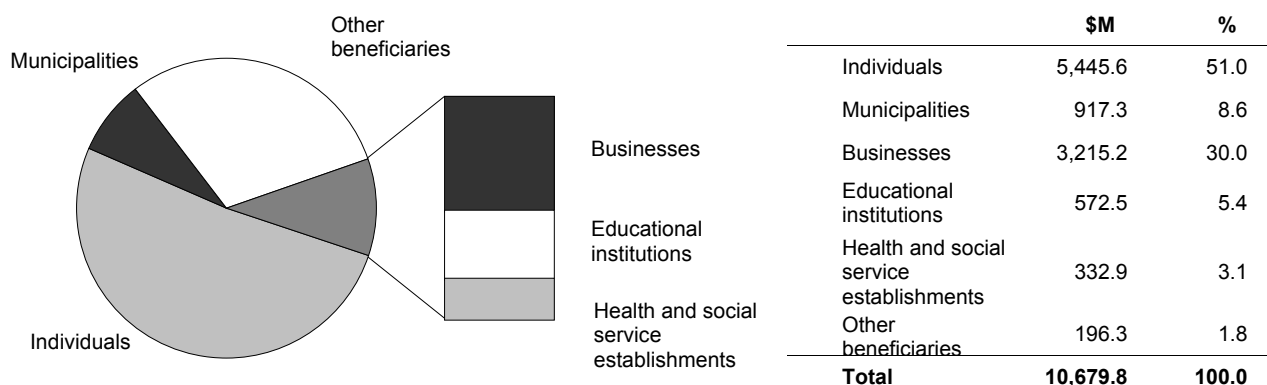
|                                           | Subsidized debt<br>and other <sup>1</sup> | Government<br>debt | Total          |
|-------------------------------------------|-------------------------------------------|--------------------|----------------|
|                                           | \$M                                       | \$M                | \$M            |
| <b>SANTÉ ET SERVICES SOCIAUX</b>          |                                           |                    |                |
| Health and social service establishments  | 274.1                                     | -                  | <b>274.1</b>   |
|                                           | 274.1                                     | -                  | <b>274.1</b>   |
| <b>ÉDUCATION, LOISIR ET SPORT</b>         |                                           |                    |                |
| Educational institutions                  | 569.9                                     | -                  | <b>569.9</b>   |
| Other beneficiaries                       | 1.5                                       | -                  | <b>1.5</b>     |
|                                           | 571.4                                     | -                  | <b>571.4</b>   |
| <b>OTHER</b>                              |                                           |                    |                |
| Departments                               | 301.9                                     | -                  | <b>301.9</b>   |
| Municipalities                            | 374.4                                     | -                  | <b>374.4</b>   |
| Other beneficiaries                       | 191.3                                     | -                  | <b>191.3</b>   |
|                                           | 867.6                                     | -                  | <b>867.6</b>   |
| <b>PROGRAM SPENDING</b>                   | <b>1,713.1</b>                            | <b>-</b>           | <b>1,713.1</b> |
| <b>DEBT SERVICE</b>                       |                                           |                    |                |
| Direct debt                               | -                                         | 4,319.0            | <b>4,319.0</b> |
| Retirement plans account                  | -                                         | 2,676.0            | <b>2,676.0</b> |
|                                           | -                                         | 6,995.0            | <b>6,995.0</b> |
| <b>TOTAL</b>                              | <b>1,713.1</b>                            | <b>6,995.0</b>     | <b>8,708.1</b> |
| <b>2004-2005 COMPARATIVE EXPENDITURES</b> | <b>1,726.2</b>                            | <b>6,868.0</b>     | <b>8,594.2</b> |

<sup>1</sup> Includes expenditures in the "Interest" category of the "Transfer" and "Allocation to a Special Fund" supercategories.

## 6. SUPPORT EXPENDITURES

- ❑ Support expenditures encompass support and assistance programs intended mainly for individuals, non-profit organizations, businesses and municipalities. More than half of support expenditures are paid to individuals.
- ❑ Support expenditures grow by \$329.1 million in 2005-2006. The following items account for this increase:
  - In the “Santé et Services sociaux” portfolio, an increase of \$184.2 million mainly attributable to the Prescription Drug Insurance Program;
  - In the “Famille, Aînés et Condition féminine” portfolio, an increase of \$116.8 million, mainly as a result of the annualization of the cost of subsidized day care spaces that were developed during fiscal 2004-2005 and the cost of the new spaces that will be added in 2005-2006;
  - In the “Éducation, Loisir et Sport” portfolio, an increase of almost \$70.0 million essentially for the Financial Assistance for Education Program as a result of the increase in the amount of bursaries to give effect to an agreement with the students;

**Graph 3.9 SUPPORT EXPENDITURES IN 2005-2006 BY BENEFICIARY**



- In the “Emploi et Solidarité sociale” portfolio, a decrease of \$49.7 million resulting from a drop in the expected number of Employment Assistance clients.

**Table 3.7 FORECAST SUPPORT EXPENDITURES IN 2005-2006**

|                                          | Transfer       | Other <sup>1</sup> | Total           |
|------------------------------------------|----------------|--------------------|-----------------|
|                                          | \$M            | \$M                | \$M             |
| <b>SANTÉ ET SERVICES SOCIAUX</b>         |                |                    |                 |
| Health and social service establishments | 196.0          | -                  | <b>196.0</b>    |
| Assistance to individuals                | 1,816.9        | -                  | <b>1,816.9</b>  |
| Other beneficiaries                      | 538.7          | -                  | <b>538.7</b>    |
|                                          | 2,551.6        | -                  | <b>2,551.6</b>  |
| <b>ÉDUCATION, LOISIR ET SPORT</b>        |                |                    |                 |
| Educational institutions                 | 240.6          | -                  | <b>240.6</b>    |
| Assistance to individuals                | 283.7          | -                  | <b>283.7</b>    |
| Other beneficiaries                      | 97.1           | -                  | <b>97.1</b>     |
|                                          | 621.4          | -                  | <b>621.4</b>    |
| <b>EMPLOI ET SOLIDARITÉ SOCIALE</b>      |                |                    |                 |
| Educational institutions                 | -              | 92.3               | <b>92.3</b>     |
| Assistance to individuals                | 2,710.7        | 352.8              | <b>3,063.5</b>  |
| Other beneficiaries                      | 25.3           | 315.3              | <b>340.6</b>    |
|                                          | 2,736.0        | 760.4              | <b>3,496.4</b>  |
| <b>OTHER</b>                             |                |                    |                 |
| Assistance to businesses                 | 536.8          | 35.7               | <b>572.5</b>    |
| Assistance to municipalities             | 916.7          | 0.6                | <b>917.3</b>    |
| Assistance to individuals                | 281.5          | -                  | <b>281.5</b>    |
| Other beneficiaries                      | 2,191.3        | 47.8               | <b>2,239.2</b>  |
|                                          | 3,926.3        | 84.1               | <b>4,010.4</b>  |
| <b>TOTAL</b>                             | <b>9,835.3</b> | <b>844.5</b>       | <b>10,679.8</b> |
| 2004-2005 COMPARATIVE EXPENDITURES       | 9,519.1        | 831.3              | <b>10,350.4</b> |

<sup>1</sup> Includes expenditures in the “Support” category of the “Allocation to a Special Fund” supercategory.

## 7. EXPENDITURES RELATED TO THE PROVISION FOR BAD DEBTS AND OTHER PROVISIONS

- ❑ The “Créances douteuses et autres” supercategory includes the expenditures related to the change in the provision for bad debts and the provision for losses on financial initiatives guaranteed by the government. For fiscal 2005-2006, these expenditures stand at \$216.7 million, compared to \$225.2 million for 2004-2005.
- ❑ In 2005-2006, expenditures related to the change in the provision for bad debts total \$161.9 million, down \$18.9 million from the previous fiscal year. This provision is intended to maintain the government's balanced budget by allowing for probable future losses on normal receivables.
- ❑ Expenditures related to the provision for losses on financial initiatives guaranteed by the government are up by \$10.4 million to \$54.8 million in 2005-2006. A large part of this increase is to be found in the “Développement économique, Innovation et Exportation” portfolio following the termination of the Private Investment and Job Creation Promotion Fund (FAIRE) and the new initiatives planned under the Strategic Support for Investment Program (PASI).

**Table 3.8 EXPENDITURES RELATED TO THE PROVISION FOR BAD DEBTS AND OTHER PROVISIONS IN 2005-2006**

|                                                     | Bad debts    | Losses on guaranteed financial initiatives | Total        |
|-----------------------------------------------------|--------------|--------------------------------------------|--------------|
|                                                     | \$M          | \$M                                        | \$M          |
| Développement économique, Innovation et Exportation | -            | 52.1                                       | <b>52.1</b>  |
| Éducation, Loisir et Sport                          | 30.3         | -                                          | <b>30.3</b>  |
| Emploi et Solidarité sociale                        | 5.5          | -                                          | <b>5.5</b>   |
| Revenu                                              | 117.2        | -                                          | <b>117.2</b> |
| Other departments                                   | 8.9          | 2.7                                        | <b>11.6</b>  |
| <b>TOTAL</b>                                        | <b>161.9</b> | <b>54.8</b>                                | <b>216.7</b> |
| 2004-2005 COMPARATIVE EXPENDITURES                  | 180.8        | 44.4                                       | 225.2        |

## **APPENDIX 3.1**

### **NATURE OF THE EXPENDITURE CATEGORIES PRESENTED IN THIS CHAPTER**

#### **REMUNERATION**

- ❑ Remuneration expenditures encompass the salaries of health professionals and employees of the health and social services network, the education networks and the public service, employer contributions to the retirement plans and employer contributions paid to the various established government plans and the group insurance plan.

#### **OPERATING**

- ❑ Operating and other expenditures include the support and administrative expenditures of departments and agencies, including the Contingency Fund, those of the health and social services network and those of the education networks. Also included are expenditures related to depreciation of fixed assets of departments and agencies.

#### **CAPITAL**

- ❑ Capital expenditures include subsidized fixed assets and allocations to special funds for the purposes of the commitments associated with their fixed assets. The government subsidizes, as the case may be, the cost of the beneficiaries' fixed assets or repayment of the principal amount of loans contracted by its partners.
- ❑ Expenditures for the repayment of principal cover the funding of the government's share with respect to the fixed assets subsidized by the debt service. This type of intervention applies to capital expenditures by school boards, CEGEPs, universities, and health and social service establishments, by municipalities (in the case of public transportation and sewage treatment) and by cultural institutions in the case of cultural facilities.
- ❑ For these sectors, completed capital spending projects are financed by long-term borrowing. The repayment schedule, as the case may be, may extend over a 25-year period. To cover its share, the government undertakes to repay all or part of the principal.

#### **INTEREST**

- ❑ Interest expenditures include expenditures allocated to service the subsidized debt, recognitions in program spending, and expenditures to pay interest on the government's debt.

## **SUPPORT**

- ❑ Support expenditures include various other subsidies intended to provide various forms of financial assistance to individuals, businesses, government and parapublic agencies and other government partners.
  - In the “Santé et Services sociaux” portfolio, the health assistance and prescription drug insurance programs administered by the Régie de l'assurance maladie du Québec and assistance to family resources, assistance to community organizations and auxiliary grants for the health and social services network;
  - In the “Éducation, Loisir et Sport” portfolio, the School Transportation Assistance Program and the Financial Assistance to Education Program;
  - In the “Emploi et Solidarité sociale” portfolio, financial assistance measures and employment assistance measures;
  - In the “Famille, Aînés et Condition féminine” portfolio, support for Early Childhood Centres and other childcare services.
- ❑ In the other portfolios, they include programs such as:
  - The Social Housing Assistance and Home Improvement Assistance programs administered by Société d'habitation du Québec;
  - Financial compensation programs at the Ministère des Affaires municipales et des Régions;
  - Financial support for farmers and bio-food company assistance programs at the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation;
  - Financial support program for the manufacturing and trade sectors, the development of foreign trade, and financial support for the development of research and innovation at the Ministère du Développement économique, de l'Innovation et de l'Exportation;
  - Assistance programs to municipalities for public transportation at the Ministère des Transports.

## APPENDIX 3.2

### 2005-2006 EXPENDITURE BUDGET BREAKDOWN BY CATEGORY (IN MILLIONS OF \$)

|                                                     | Remuneration    | Operating and other | Capital        | Interest       | Support         | Total           |
|-----------------------------------------------------|-----------------|---------------------|----------------|----------------|-----------------|-----------------|
| Affaires municipales et Régions                     | 69.7            | 23.0                | 366.2          | 370.9          | 946.2           | 1,776.0         |
| Agriculture, Pêcheries et Alimentation              | 161.8           | 66.0                | 21.8           | -              | 403.5           | 653.1           |
| National Assembly                                   | 68.5            | 26.2                | -              | -              | 0.1             | 94.8            |
| Conseil du trésor et Administration gouvernementale | 405.6           | 395.3               | 1.2            | 5.7            | 0.2             | 808.0           |
| Conseil exécutif                                    | 38.4            | 53.9                | 6.0            | 6.6            | 145.9           | 250.8           |
| Culture et Communications                           | 156.2           | 85.4                | 69.7           | 48.2           | 176.4           | 535.9           |
| Développement durable, Environnement et Parcs       | 103.6           | 52.8                | 11.3           | 4.0            | 6.2             | 177.9           |
| Développement économique, Innovation et Exportation | 80.2            | 101.9               | 22.3           | 8.5            | 363.5           | 576.4           |
| Éducation, Loisir et Sport                          | 9,112.4         | 1,389.1             | 507.6          | 571.4          | 621.4           | 12,201.9        |
| Emploi et Solidarité sociale                        | 326.5           | 149.9               | 36.6           | 2.3            | 3,496.4         | 4,011.7         |
| Famille, Aînés et Condition féminine                | 56.1            | 22.0                | 13.2           | 9.4            | 1,533.7         | 1,634.4         |
| Finances                                            | 73.5            | 135.0               | -              | -              | 5.2             | 213.7           |
| Immigration et Communautés culturelles              | 53.0            | 18.2                | -              | -              | 28.1            | 99.3            |
| Justice                                             | 363.8           | 194.7               | 0.5            | -              | 53.5            | 612.5           |
| Persons Appointed by the National Assembly          | 36.1            | 17.0                | -              | -              | 2.7             | 55.8            |
| Relations internationales                           | 51.6            | 23.8                | 1.1            | 0.4            | 22.7            | 99.6            |
| Ressources naturelles et Faune                      | 191.4           | 118.1               | 15.0           | 21.8           | 44.6            | 390.9           |
| Revenu                                              | 325.6           | 242.7               | 28.9           | 5.3            | 0.1             | 602.6           |
| Santé et Services sociaux                           | 14,418.5        | 3,310.7             | 307.0          | 274.1          | 2,551.7         | 20,862.0        |
| Sécurité publique                                   | 587.7           | 280.6               | 5.6            | 0.3            | 32.1            | 906.3           |
| Services gouvernementaux                            | 27.4            | 24.8                | -              | -              | 1.7             | 53.9            |
| Tourisme                                            | 32.4            | 41.3                | 14.2           | 21.9           | 28.8            | 138.6           |
| Transports                                          | 284.3           | 446.0               | 500.7          | 362.3          | 215.0           | 1,808.3         |
| Travail                                             | 38.1            | 25.5                | -              | -              | 0.1             | 63.7            |
| Anticipated Lapsed Appropriations                   | -               | (150.0)             | -              | -              | -               | (150.0)         |
| Carry-over Appropriations in 2006-2007              | -               | (71.2)              | -              | -              | -               | (71.2)          |
| <b>Program spending</b>                             | <b>27,062.4</b> | <b>7,022.7</b>      | <b>1,928.9</b> | <b>1,713.1</b> | <b>10,679.8</b> | <b>48,407.0</b> |
| Government Debt Service                             | -               | -                   | -              | 6,995.0        | -               | 6,995.0         |
| <b>Total Expenditures</b>                           | <b>27,062.4</b> | <b>7,022.7</b>      | <b>1,928.9</b> | <b>8,708.1</b> | <b>10,679.8</b> | <b>55,402.0</b> |

## APPENDIX 3.3

### 2005-2006 EXPENDITURE BUDGET BREAKDOWN BY BENEFICIARY (IN MILLIONS OF \$)

|                                                     | Departments <sup>1</sup> | Health and<br>social service<br>establishments | Educational<br>institutions | Individuals <sup>2</sup> | Municipalities | Businesses     | Other <sup>3</sup> | Total           |
|-----------------------------------------------------|--------------------------|------------------------------------------------|-----------------------------|--------------------------|----------------|----------------|--------------------|-----------------|
| Affaires municipales et Régions                     |                          | 0.3                                            | 22.8                        | 141.3                    | 1,265.9        | 11.4           | 266.0              | 1,776.0         |
| Agriculture, Pêcheries et Alimentation              | 168.2                    | -                                              | 2.0                         | -                        | -              | 396.5          | 86.4               | 653.1           |
| National Assembly                                   | 94.8                     | -                                              | -                           | -                        | -              | -              | -                  | 94.8            |
| Conseil du trésor et Administration gouvernementale | 781.7                    | 1.5                                            | 23.1                        | -                        | -              | -              | 1.7                | 808.0           |
| Conseil exécutif                                    | 92.2                     | -                                              | 0.4                         | -                        | 10.1           | 0.7            | 147.4              | 250.8           |
| Culture et Communications                           | 94.7                     | -                                              | 1.2                         | 10.7                     | 49.2           | 46.1           | 334.0              | 535.9           |
| Développement durable, Environnement et Parcs       | 156.4                    | -                                              | 0.3                         | -                        | 11.2           | -              | 10.0               | 177.9           |
| Développement économique, Innovation et Exportation | 156.3                    | 55.8                                           | 77.6                        | 23.2                     | 6.7            | 123.0          | 133.8              | 576.4           |
| Éducation, Loisir et Sport                          | 184.2                    | -                                              | 11,616.8                    | 283.7                    | 1.4            | -              | 115.8              | 12,201.9        |
| Emploi et Solidarité sociale                        | 504.8                    | -                                              | 92.3                        | 3,063.6                  | -              | 69.1           | 281.9              | 4,011.7         |
| Famille, Aînés et Condition féminine                | 78.1                     | -                                              | -                           | 50.6                     | -              | 251.7          | 1,254.0            | 1,634.4         |
| Finances                                            | 194.6                    | -                                              | -                           | -                        | -              | -              | 19.1               | 213.7           |
| Immigration et Communautés culturelles              | 71.2                     | -                                              | -                           | 15.6                     | 1.3            | -              | 11.2               | 99.3            |
| Justice                                             | 424.3                    | -                                              | -                           | 103.2                    | -              | -              | 85.0               | 612.5           |
| Persons Appointed by the National Assembly          | 53.1                     | -                                              | -                           | -                        | -              | -              | 2.7                | 55.8            |
| Relations internationales                           | 75.7                     | -                                              | 1.1                         | 2.4                      | -              | -              | 20.4               | 99.6            |
| Ressources naturelles et Faune                      | 331.8                    | -                                              | 0.1                         | -                        | 10.0           | 29.8           | 19.2               | 390.9           |
| Revenu                                              | 602.5                    | -                                              | -                           | -                        | -              | -              | 0.1                | 602.6           |
| Santé et Services sociaux                           | 144.4                    | 14,393.6                                       | -                           | 5,572.6                  | -              | 147.7          | 603.7              | 20,862.0        |
| Sécurité publique                                   | 874.3                    | -                                              | -                           | 1.4                      | 22.1           | -              | 8.6                | 906.3           |
| Services gouvernementaux                            | 52.2                     | -                                              | -                           | -                        | -              | -              | 1.7                | 53.9            |
| Tourisme                                            | 25.5                     | -                                              | -                           | -                        | -              | 10.9           | 102.2              | 138.6           |
| Transports                                          | 1,295.4                  | -                                              | 0.5                         | 11.7                     | 359.8          | 13.7           | 127.2              | 1,808.3         |
| Travail                                             | 56.6                     | -                                              | -                           | -                        | -              | -              | 7.1                | 63.7            |
| Anticipated Lapsed Appropriations                   | (150.0)                  | -                                              | -                           | -                        | -              | -              | -                  | (150.0)         |
| Carry-over Appropriations in 2006-2007              | (71.2)                   | -                                              | -                           | -                        | -              | -              | -                  | (71.2)          |
| <b>Total Expenditures</b>                           | <b>6,360.1</b>           | <b>14,451.2</b>                                | <b>11,838.2</b>             | <b>9,280.0</b>           | <b>1,737.7</b> | <b>1,100.6</b> | <b>3,639.2</b>     | <b>48,407.0</b> |

<sup>1</sup> Includes expenditures accounted for in the special funds, anticipated lapsed appropriations and appropriations carried over in 2005-2006.

<sup>2</sup> Including individuals assistance and health professional.

<sup>3</sup> Includes non-profit organizations as well as government corporations and agencies.

## CHAPTER 4

### PUBLIC SERVICE STAFF LEVEL

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#### ***IN BRIEF***

- The staff level reduction target of 926 FTEs for 2004-2005 was not just achieved, it was surpassed.
  - The public service staff level stands at 74,400 FTEs<sup>1</sup> compared to 75,800 FTEs in 2003-2004, a drop of 1,400 FTEs;
  - In 2005-2006, the reduction target is 1,109 FTEs, for a cumulative target of 2,035 FTEs over two years.
- The staff level envelope forecast authorized for departments and budget-funded agencies appearing in the 2005-2006 Expenditure Budget has been adjusted in the same proportions as the reduction resulting from non-replacement of one out of every two retirees in 2004-2005.

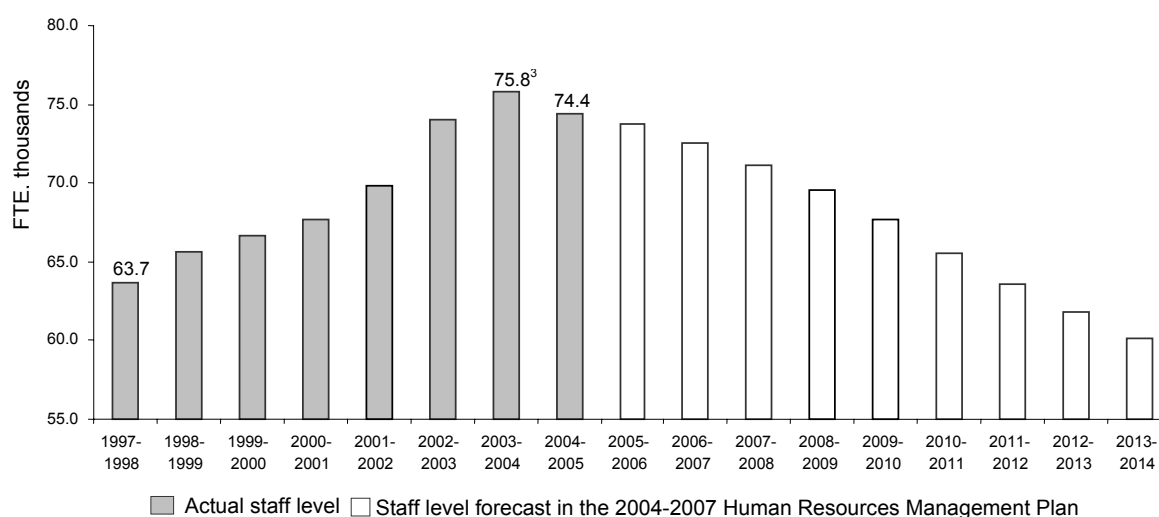
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<sup>1</sup> The public service sector is defined in Appendix 4.1 and other definitions are given in Appendix 4.2.

## 1. REDUCING THE SIZE OF GOVERNMENT

- Between 1997-1998 and 2003-2004, the utilized staff level of the public service increased on average by 2,000 FTEs per year, from 63,700 FTEs to 75,800 FTEs.
  - To curtail this growth and in view of the large number of retirements from the public service in the next ten years, the government announced in its 2004-2007 Modernization Plan and reiterated in its Human Resources Management Plan its desire to reduce the size of the public service through attrition.
- Generally, the government's aim is to replace one out of every two retirees, which will reduce the number of public servants by 20% over the next ten years.

**Graph 4.1** EVOLUTION OF THE UTILIZED STAFF LEVEL OF THE PUBLIC SERVICE<sup>1, 2</sup>



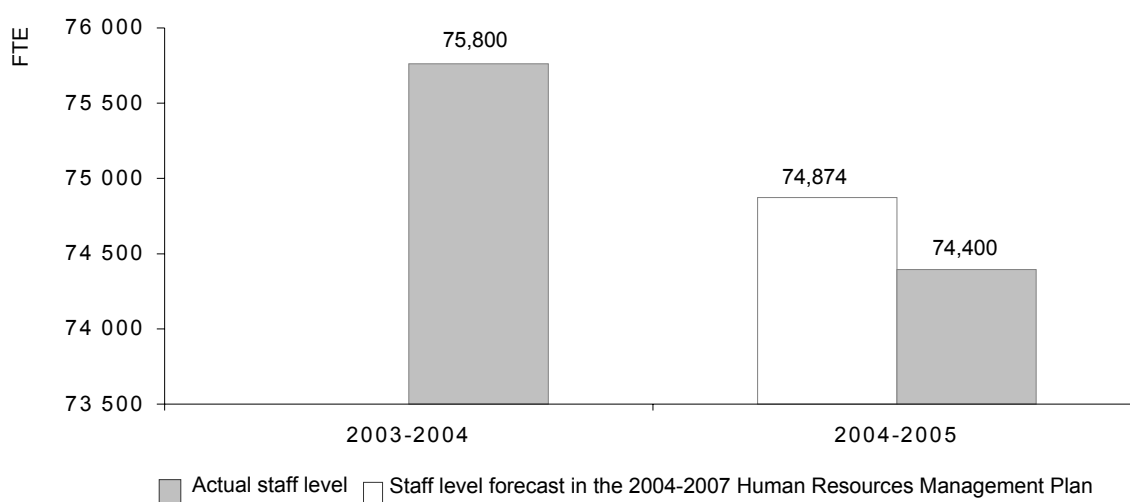
<sup>1</sup> These figures reflect the utilized staff level and are presented for each of the years on the same basis as the data for 2005-2006.

<sup>2</sup> Detailed tables presented in Appendices 4.3 and 4.4 include the utilized staff level over the past ten years and compare it to the total staff level envelope forecast.

<sup>3</sup> The 1,794-FTE increase in staff actually used in 2003-2004 is primarily due to municipal police force integration with the Sûreté du Québec following changes made to Québec's police map and the increase in levels of services.

- The 2004-2007 Human Resources Management Plan, issued in spring 2004, set the reduction targets for each year of the plan.
  - The reduction target is 926 FTEs for the 2004-2005 fiscal year and 1,109 FTEs for fiscal 2005-2006, for a cumulative target of 2,035 FTEs over this two-year period.
- Globally, the utilized staff level of the public service in 2004-2005 was 1,400 FTEs fewer than in 2003-2004.
  - Reasons for this decline include retirements, delaying the authorized replacement of retirees (one in two) as well as some instances of administrative restructuring which reduced the number of casual employees.
- However, there was a slight growth in the utilized staff level in some government agencies and corporations, for example, the Commission de la santé et de la sécurité du travail, the Société de l'assurance automobile du Québec, the Régie des rentes du Québec and the Sûreté du Québec, including the Police Services Funds, to handle additional mandates assigned to them.

**Graph 4.2 UTILIZED PUBLIC SERVICE STAFF LEVEL IN 2004-2005<sup>1</sup>**



<sup>1</sup> These figures reflect the utilized staff level and are presented for each of the years on the same basis as the data for 2005-2006.

## 2. VARIATIONS IN THE AUTHORIZED STAFF LEVEL ENVELOPE

- At the beginning of each fiscal year, the Conseil du trésor determines an authorized staff level envelope for each department and budget-funded agency including, if necessary, special funds, as well as for corporations and other agencies whose personnel is subject to the Public Service Act (R.S.Q., c. F-3.1.1). The information in this section explains the variations in the staff level envelope that have occurred since the 2004-2005 Expenditure Budget was tabled.

### DEPARTMENTS AND AGENCIES APPEARING IN THE 2005-2006 EXPENDITURE BUDGET

- When the 2004-2005 Expenditure Budget was tabled, the total staff level envelope forecast for the departments and agencies was 59,314 FTEs. This envelope remained stable during the fiscal year.
- The projected envelope for 2005-2006 is 58,578 FTEs, which is down 738 FTEs from the 2004-2005 staff level, mainly because of the non-replacement of one out of every two retirees in 2004-2005, which results in a total drop of 647 FTEs in the envelope.
- Other adjustments will be made in the authorized staff level envelope of the departments and agencies during 2005-2006 to fully reflect the staff level reduction target.

**Table 4.1**                      **VARIATION IN THE AUTHORIZED STAFF LEVEL ENVELOPE FOR DEPARTMENTS AND AGENCIES APPEARING IN THE EXPENDITURE BUDGET<sup>1, 2</sup>**

|                                                                       | FTEs                |
|-----------------------------------------------------------------------|---------------------|
| Staff level envelope forecast in the 2004-2005 Expenditure Budget     | 59,314              |
| PLUS:     Adjustments during the fiscal year                          | 2                   |
| Total 2004-2005 staff level shown in the 2005-2006 Expenditure Budget | 59,316 <sup>3</sup> |
| LESS:     Retirements in 2004-2005                                    | (647)               |
| PLUS:     Adjustments forecast for 2005-2006                          | (91)                |
|                                                                       | (738)               |
| <b>TOTAL STAFF LEVEL FORECAST IN 2005-2006</b>                        | <b>58,578</b>       |

<sup>1</sup> The figures are presented on the same basis as for the 2005-2006 fiscal year.

<sup>2</sup> The breakdown by portfolio is presented in Appendix 4.5.

<sup>3</sup> The difference from the total utilized staff level (60,645 FTEs) of departments and budget-funded agencies essentially comes from management agreements and the use of leeway.

## **CORPORATIONS AND OTHER AGENCIES WHOSE PERSONNEL IS SUBJECT TO THE PUBLIC SERVICE ACT**

- The forecast total staff level envelope for government corporations and other agencies has increased by 212 FTEs since the beginning of the 2004-2005 fiscal year due to:
  - An overall increase of 318 FTEs, including an increase of 211 FTEs at the Société de l'assurance automobile du Québec to handle the increased work load and an increase of 80 FTEs at the Régie des rentes to handle the fluctuation in services to be delivered to its different clienteles and to administer the payment of refundable tax credits for child support;
  - A decrease of 106 FTEs resulting from the non-replacement of one out of every two retirees.

**Table 4.2 VARIATION IN THE AUTHORIZED STAFF LEVEL ENVELOPE FOR CORPORATIONS AND OTHER AGENCIES WHOSE PERSONNEL IS SUBJECT TO THE PUBLIC SERVICE ACT<sup>1, 2</sup>**

|                                                                                                                    | FTEs          |
|--------------------------------------------------------------------------------------------------------------------|---------------|
| Forecast staff level envelope for corporations and other agencies when the 2004-2005 Expenditure Budget was tabled | 13,333        |
| PLUS: Adjustments during the fiscal year                                                                           | 318           |
| LESS: Retirements in 2004-2005                                                                                     | (106)         |
|                                                                                                                    | 212           |
| <b>TOTAL STAFF LEVEL FORECAST IN 2005-2006<sup>3</sup></b>                                                         | <b>13,545</b> |

<sup>1</sup> Including government corporations, agencies performing fiduciary activities and extrabudgetary agencies whose personnel is subject to the Public Service Act.

<sup>2</sup> The breakdown by portfolio is presented in Appendix 4.6.

<sup>3</sup> This figure is an estimate.

## APPENDIX 4.1

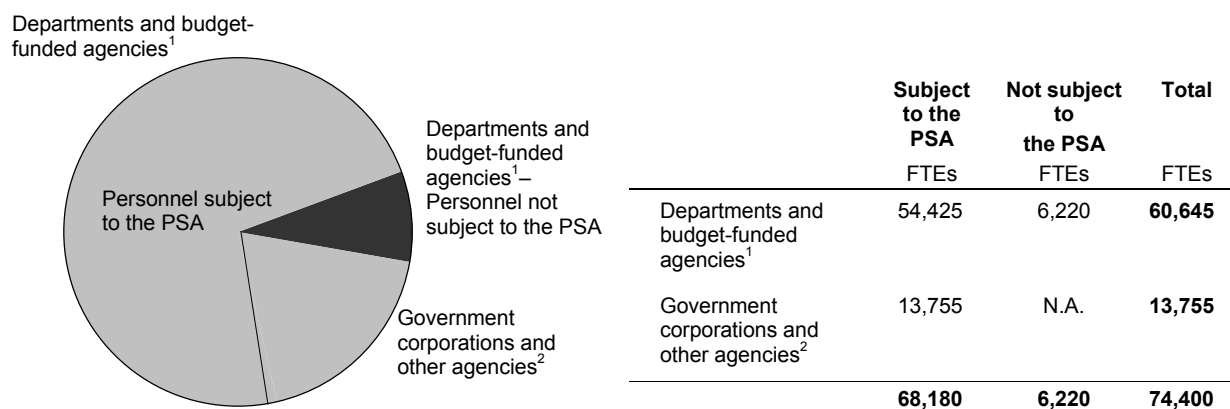
### PUBLIC SERVICE STAFF LEVEL

- The public service staff level discussed in this chapter comprises the personnel working for government departments, agencies and corporations subject to the Public Service Act (PSA).

For certain budget-funded agencies, it also includes personnel not subject to the Public Service Act, such as Sûreté du Québec police officers, judges, Attorney General's prosecutors as well as personnel of the Commission des droits de la personne et des droits de la jeunesse, the Conseil des services essentiels and the Public Protector.

- This staff level does not include students and interns.

**Graph 4.3 UTILIZED PUBLIC SERVICE STAFF LEVEL IN 2004-2005**



<sup>1</sup> The utilized staff level for departments and budget-funded agencies includes the special funds and the G.S.T. Administration Account of the Ministère du Revenu.

<sup>2</sup> Including government corporations, agencies performing fiduciary activities and extrabudgetary agencies whose personnel is subject to the Public Service Act.

## APPENDIX 4.2

### DEFINITIONS

- ❑ **Utilized staff level:** Number of regular and casual employees, expressed in FTEs, who have actually been remunerated.
- ❑ **Total staff envelope or Forecast total staff envelope:** Maximum number of permanent and casual employees, expressed in FTEs, who can be remunerated. The Conseil du trésor sets the annual authorized staff level envelope for each department, agency and, if necessary, special funds.
- ❑ **Full-time equivalent (FTE):** FTE is the ratio between the work benefit of an employee during the course of the year, compared to that of an employee who has worked on a full-time basis throughout the year.

For example, the FTE of a person who occupies a full-time position and who worked for the full year is equivalent to 1. The FTE of a person who worked part time, reduced hours or for part of the year only varies between 0 and 1. Finally, the FTE of a person who was on unpaid leave of absence for the entire year is equal to 0.

## APPENDIX 4.3

### CHANGE IN STAFF LEVEL OF DEPARTMENTS AND AGENCIES PRESENTED IN THE 2005-2006<sup>1</sup> EXPENDITURE BUDGET

|                           | Total staff level forecast <sup>2</sup> |           | Total utilized staff level |           |
|---------------------------|-----------------------------------------|-----------|----------------------------|-----------|
|                           | FTEs                                    | Variation | FTEs                       | Variation |
| 1994-1995                 | 60,409                                  | (2,753)   | 57,967                     | (2,268)   |
| 1995-1996                 | 59,553                                  | (856)     | 55,894                     | (2,073)   |
| 1996-1997                 | 56,630                                  | (2,923)   | 54,391                     | (1,503)   |
| 1997-1998                 | 54,365                                  | (2,265)   | 52,573                     | (1,818)   |
| 1998-1999                 | 55,120                                  | 755       | 54,347                     | 1,774     |
| 1999-2000                 | 55,223                                  | 103       | 54,887                     | 540       |
| 2000-2001                 | 56,144                                  | 921       | 55,549                     | 662       |
| 2001-2002 <sup>3</sup>    | 57,127                                  | 983       | 57,359                     | 1,810     |
| 2002-2003 <sup>3</sup>    | 58,205                                  | 1,078     | 61,043                     | 3,684     |
| 2003-2004 <sup>3</sup>    | 59,435                                  | 1,230     | 62,216                     | 1,173     |
| 2004-2005 <sup>3, 4</sup> | 59,316                                  | (119)     | 60,645                     | (1,571)   |

<sup>1</sup> The figures are presented on the same basis as for the 2005-2006 fiscal year.

<sup>2</sup> The staff level does not take into account the addition of non-recurring staff levels authorized during the year.

<sup>3</sup> The difference between the total utilized staff level and the total staff level forecast essentially comes from management agreements and the use of leeway.

<sup>4</sup> The staff level forecast corresponds to the 2004-2005 comparative staff level shown in Volumes I and II of the 2005-2006 Expenditure Budget.

## APPENDIX 4.4

### CHANGE IN STAFF LEVEL OF CORPORATIONS AND OTHER AGENCIES WHOSE PERSONNEL IS SUBJECT TO THE PUBLIC SERVICE ACT<sup>1</sup>

|                        | Total staff level forecast <sup>2</sup> |           | Total utilized staff level |           |
|------------------------|-----------------------------------------|-----------|----------------------------|-----------|
|                        | FTEs                                    | Variation | FTEs                       | Variation |
| 1994-1995              | 11,588                                  | (451)     | 11,447                     | (335)     |
| 1995-1996              | 11,824                                  | 236       | 11,397                     | (50)      |
| 1996-1997              | 11,646                                  | (178)     | 11,299                     | (98)      |
| 1997-1998              | 11,298                                  | (348)     | 11,131                     | (168)     |
| 1998-1999              | 11,309                                  | 11        | 11,286                     | 155       |
| 1999-2000              | 11,642                                  | 333       | 11,748                     | 462       |
| 2000-2001 <sup>3</sup> | 11,916                                  | 274       | 12,140                     | 392       |
| 2001-2002 <sup>3</sup> | 11,977                                  | 61        | 12,479                     | 339       |
| 2002-2003 <sup>3</sup> | 12,694                                  | 717       | 12,963                     | 484       |
| 2003-2004 <sup>3</sup> | 13,258                                  | 564       | 13,584                     | 621       |
| 2004-2005 <sup>3</sup> | 13,545                                  | 287       | 13,755                     | 171       |

<sup>1</sup> The figures are presented on the same basis as for the 2005-2006 fiscal year.

<sup>2</sup> The staff level takes into account the addition of non-recurring staff levels authorized during the fiscal year.

<sup>3</sup> The difference between the total utilized staff level and the total staff level forecast essentially comes from management agreements, the use of leeway and the establishment of autonomous service units.

## APPENDIX 4.5

### TOTAL STAFF LEVEL ENVELOPE IN 2004-2005 AND 2005-2006 FOR DEPARTMENTS AND AGENCIES APPEARING IN THE 2005-2006<sup>1</sup> EXPENDITURE BUDGET

|                                                        | 2004-2005 <sup>2</sup><br>Expenditure<br>Budget | Variation | 2004-2005<br>Comparative<br>Staff Level <sup>2</sup> | Retire-<br>ments | Other<br>variation <sup>3</sup> | 2005-2006<br>Expenditure<br>Budget |
|--------------------------------------------------------|-------------------------------------------------|-----------|------------------------------------------------------|------------------|---------------------------------|------------------------------------|
|                                                        | FTEs                                            | FTEs      | FTEs                                                 | FTEs             | FTEs                            | FTEs                               |
| National Assembly                                      | 584                                             | 13        | 597                                                  | -                | (3)                             | 594                                |
| Persons Appointed by the National Assembly             | 568                                             | 6         | 574                                                  | -                | 2                               | 576                                |
| Affaires municipales et Régions                        | 775                                             | -         | 775                                                  | (7)              | -                               | 768                                |
| Agriculture, Pêcheries et Alimentation                 | 2,188                                           | -         | 2,188                                                | (33)             | -                               | 2,155                              |
| Conseil du trésor et Administration<br>gouvernementale | 664                                             | 12        | 676                                                  | (15)             | -                               | 661                                |
| Conseil exécutif                                       | 494                                             | 5         | 499                                                  | (4)              | -                               | 495                                |
| Culture et Communications                              | 1,033                                           | -         | 1,033                                                | (20)             | -                               | 1,013                              |
| Développement durable, Environnement et<br>Parcs       | 1,911                                           | (2)       | 1,909                                                | (22)             | -                               | 1,887                              |
| Développement économique, Innovation et<br>Exportation | 1,062                                           | -         | 1,062                                                | (20)             | (6)                             | 1,036                              |
| Éducation, Loisir et Sport                             | 1,520                                           | 1         | 1,521                                                | (32)             | -                               | 1,489                              |
| Emploi et Solidarité sociale                           | 6,591                                           | (46)      | 6,545                                                | (82)             | (13)                            | 6,450                              |
| Famille, Aînés et Condition féminine                   | 1,109                                           | 2         | 1,111                                                | (5)              | -                               | 1,106                              |
| Finances                                               | 1,020                                           | (1)       | 1,019                                                | (6)              | (11)                            | 1,002                              |
| Immigration et Communautés culturelles                 | 1,020                                           | (2)       | 1,018                                                | (13)             | -                               | 1,005                              |
| Justice                                                | 4,076                                           | 6         | 4,082                                                | (47)             | 11                              | 4,046                              |
| Relations internationales                              | 589                                             | -         | 589                                                  | (7)              | -                               | 582                                |
| Ressources naturelles et Faune                         | 4,562                                           | (1)       | 4,561                                                | (61)             | (81)                            | 4,419                              |
| Revenu                                                 | 8,615                                           | (1)       | 8,614                                                | (69)             | -                               | 8,545                              |
| Santé et Services sociaux                              | 1,026                                           | -         | 1,026                                                | (17)             | 10                              | 1,019                              |
| Sécurité publique                                      | 10,783                                          | 31        | 10,814                                               | (45)             | -                               | 10,769                             |
| Services gouvernementaux                               | 1,590                                           | (17)      | 1,573                                                | (16)             | -                               | 1,557                              |
| Tourisme                                               | 344                                             | -         | 344                                                  | -                | -                               | 344                                |
| Transports                                             | 6,419                                           | -         | 6,419                                                | (113)            | -                               | 6,306                              |
| Travail                                                | 771                                             | (4)       | 767                                                  | (13)             | -                               | 754                                |
| <b>TOTAL</b>                                           | <b>59,314</b>                                   | <b>2</b>  | <b>59,316</b>                                        | <b>(647)</b>     | <b>( 91)</b>                    | <b>58,578</b>                      |

<sup>1</sup> The staff level includes the special funds and the Ministère du Revenu's G.S.T. Administration Account.

<sup>2</sup> The figures are presented on the same basis as for the 2005-2006 fiscal year.

<sup>3</sup> Other adjustments will be made to the authorized staff level for departments and agencies during 2005-2006 to fully reflect the staff level reduction target.

## APPENDIX 4.6

## TOTAL STAFF LEVEL ENVELOPE IN 2004-2005 AND 2005-2006 FOR CORPORATIONS AND OTHER AGENCIES WHOSE PERSONNEL IS SUBJECT TO THE PUBLIC SERVICE ACT

|                                                                     | Upon tabling<br>of the<br>2004-2005 <sup>1</sup><br>Expenditure<br>Budget | Retire-<br>ments | Other<br>variation | Upon<br>tabling of<br>the<br>2005-2006<br>Expenditure<br>Budget |
|---------------------------------------------------------------------|---------------------------------------------------------------------------|------------------|--------------------|-----------------------------------------------------------------|
|                                                                     | FTEs                                                                      | FTEs             | FTEs               | FTEs                                                            |
| Affaires municipales et Régions                                     |                                                                           |                  |                    |                                                                 |
| — Société d'habitation du Québec                                    | 372                                                                       | (7)              | -                  | 365                                                             |
| Agriculture, Pêcheries et Alimentation                              |                                                                           |                  |                    |                                                                 |
| — Financière agricole du Québec                                     | 651                                                                       | (2)              | -                  | 649                                                             |
| Conseil du trésor et Administration gouvernementale                 |                                                                           |                  |                    |                                                                 |
| — Commission administrative des régimes de retraite et d'assurances | 490                                                                       | (8)              | -                  | 482                                                             |
| Culture et Communications                                           |                                                                           |                  |                    |                                                                 |
| — Régie du cinéma                                                   | 51                                                                        | -                | -                  | 51                                                              |
| Éducation, Loisir et Sport                                          |                                                                           |                  |                    |                                                                 |
| — Institut de tourisme et d'hôtellerie du Québec                    | 244                                                                       | (3)              | -                  | 241                                                             |
| Emploi et Solidarité sociale                                        |                                                                           |                  |                    |                                                                 |
| — Conseil de gestion de l'assurance parentale                       | -                                                                         | -                | 13                 | 13                                                              |
| — Régie des rentes du Québec                                        | 1,143                                                                     | (14)             | 80                 | 1,209                                                           |
| Finances                                                            |                                                                           |                  |                    |                                                                 |
| — Bureau de décision et de révision en valeurs mobilières           | -                                                                         | -                | 15                 | 15                                                              |
| — Institut de la statistique du Québec                              | 239                                                                       | (2)              | -                  | 237                                                             |
| Justice                                                             |                                                                           |                  |                    |                                                                 |
| — Office des professions du Québec                                  | 41                                                                        | (1)              | -                  | 40                                                              |
| — Tribunal administratif du Québec                                  | 275                                                                       | (3)              | -                  | 272                                                             |
| Ressources naturelles et Faune                                      |                                                                           |                  |                    |                                                                 |
| — Agence de l'efficacité énergétique                                | 36                                                                        | -                | (5)                | 31                                                              |
| Santé et Services sociaux                                           |                                                                           |                  |                    |                                                                 |
| — Régie de l'assurance maladie du Québec                            | 1,484                                                                     | (25)             | -                  | 1,459                                                           |
| Transports                                                          |                                                                           |                  |                    |                                                                 |
| — Société de l'assurance automobile du Québec                       | 3,096                                                                     | (30)             | 211                | 3,277                                                           |
| Travail                                                             |                                                                           |                  |                    |                                                                 |
| — Commissaire de l'industrie de la construction                     | 11                                                                        | -                | -                  | 11                                                              |
| — Commission des lésions professionnelles                           | 442                                                                       | (2)              | -                  | 440                                                             |
| — Commission des normes du travail                                  | 541                                                                       | (8)              | -                  | 533                                                             |
| — Commission des relations du travail                               | 118                                                                       | (1)              | 4                  | 121                                                             |
| — Commission de la santé et de la sécurité du travail <sup>2</sup>  | 4,099                                                                     | -                | -                  | 4,099                                                           |
| <b>TOTAL</b>                                                        | <b>13,333</b>                                                             | <b>(106)</b>     | <b>318</b>         | <b>13,545</b>                                                   |

<sup>1</sup> The figures are presented on the same basis as for the 2005-2006 fiscal year.

<sup>2</sup> The total staff level envelope forecast for the CSST in 2005-2006 is the same as the staff level utilized in 2004-2005.



## CHAPTER 5

# FORECAST PUBLIC INVESTMENTS IN FIXED ASSETS IN 2005-2006

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### ***IN BRIEF***

- The government has significantly increased the planned public investments in fixed assets:
  - \$1,276.9 million will be allocated, over the next three years, to preserve the condition of public infrastructures;
  - Priority projects for public investments in fixed assets, totalling \$2,754.7 million, were initiated in 2004, and will continue until 2008. \$1,206.1 million of this total was allocated to health and social services, and \$361.6 million, to education.
- In 2005-2006, these following additional commitments will bring the total public investments in fixed assets to \$5,816.5 million:
  - \$3,405.0 million for health and social service establishments, educational institutions, the municipal infrastructure, cultural institutions, research infrastructures, and the development of education-oriented child-care services;
  - \$1,482.4 million through special funds, notably the Road Network Preservation and Improvement Fund;
  - \$609.8 million through extrabudgetary agencies;
  - \$319.3 million through Departments and budgetary agencies.

## 1. NEW PUBLIC INFRASTRUCTURE INVESTMENTS

- In 2005-2006, the government will continue its efforts aimed at public infrastructure renewal and the implementation of new priority projects for public investments in fixed assets.

### INCREASE IN FIXED ASSET INVESTMENTS

- By 2008, the government will have made additional investments of \$1,276.9 million to ensure public infrastructure renewal and improve the quality of services. These investments will include:
  - \$525.0 million for educational institutions;
  - \$430.0 millions for health and social service establishments;
  - \$300.0 million for the highway infrastructure;
  - \$21.9 million for cultural facilities.
- These additional investments will, over the next few years, bring the total government commitments for preserving the condition of the public infrastructure to \$5,633.9 million.

**Table 5.1**      **GOVERNMENT COMMITMENTS, FOR THE THREE-YEAR PERIOD 2005-2008, TO PRESERVE THE CONDITION OF THE PUBLIC INFRASTRUCTURE**

|                                          | <b>Additional<br/>investments</b> | <b>Total<br/>investments</b> |
|------------------------------------------|-----------------------------------|------------------------------|
|                                          | <b>\$M</b>                        | <b>\$M</b>                   |
| Cultural facilities and heritage         | 21.9                              | 51.9                         |
| Health and social service establishments | 430.0                             | 1,370.5                      |
| Highway infrastructure                   | 300.0                             | 2,111.9                      |
| Educational institutions                 | 525.0                             | 1,819.5                      |
| Public transit                           | -                                 | 280.1                        |
| <b>TOTAL</b>                             | <b>1,276.9</b>                    | <b>5,633.9</b>               |

**ADDITIONAL PRIORITY DEVELOPMENT PROJECTS**

- ❑ The government is planning to implement priority projects in the area of public investments in fixed assets for a total of over \$2,754.7 million over the period from 2004 to 2008.
- ❑ Investments totalling \$93.6 million were carried out during the past fiscal year, while the balance, namely \$2,661.1 million, will be performed over the next three years:
  - \$1,206.1 million for health and social service establishments, to notably carry out construction and renovation projects aiming to improve the quality of extended care services in hospital centres. Investments will also be allocated to emergency room improvements and to the purchase of high-technology equipment, notably radiation oncology and cardiology equipment;
  - \$361.6 million for educational institutions, to build new infrastructure, and to purchase new educational equipment and books for school libraries;
  - \$215.7 million in the area of municipal infrastructure, for water and sewer system works, and for projects with an urban or regional economic impact;
  - \$810.0 million for the road system infrastructure, to carry out major highway projects, among them:
    - Widening of highway 175 between Québec City and Saguenay and of highway 185, beginning in Rivière-du-Loup, to four lanes;
    - Continuation of autoroute 50 towards the Outaouais region;
    - Continuation of autoroute Du Vallon in Québec City;
    - Completion of autoroute 30, on Montréal's South Shore.
  - \$79.7 million for research infrastructures, including projects selected as part of the New Opportunities Fund and Canada Research Chairs Infrastructure Fund competitions;

- \$41.6 million for cultural facilities and the development of the religious and man-made heritage;
- \$40.0 million for public transit, to notably fund final design studies for the replacement of the Montréal metro cars.

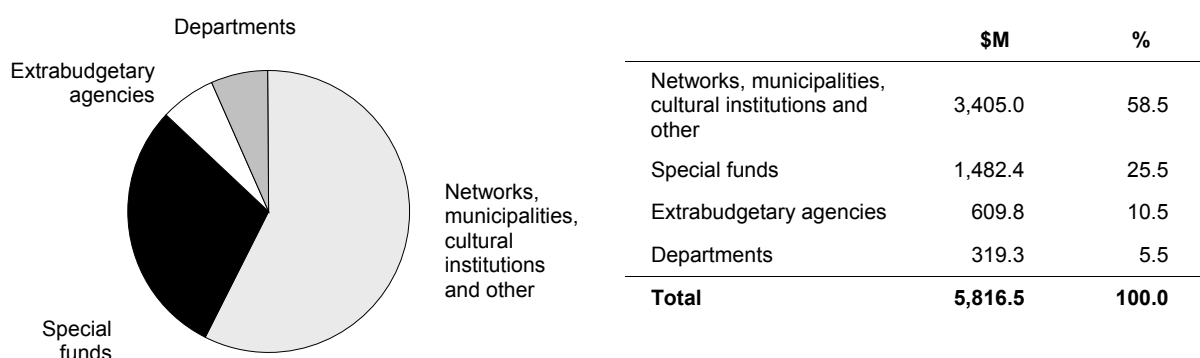
**Table 5.2**                    **ADDITIONAL PUBLIC INVESTMENTS IN FIXED ASSETS – PRIORITY PROJECTS**

|                                          | <b>Total</b>   | Breakdown by fiscal year |              |                  |
|------------------------------------------|----------------|--------------------------|--------------|------------------|
|                                          |                | 2004-2005                | 2005-2006    | Subsequent years |
|                                          | \$M            | \$M                      | \$M          | years<br>\$M     |
| Cultural facilities and heritage         | 41.6           | 8.5                      | 23.5         | 9.6              |
| Health and social service establishments | 1,206.1        | 8.0                      | 150.0        | 1,048.1          |
| Research infrastructures                 | 79.7           | -                        | 30.0         | 49.7             |
| Municipal infrastructures                | 215.7          | 25.0                     | 27.5         | 163.2            |
| Road System infrastructure               | 810.0          | -                        | 170.0        | 640.0            |
| Educational institutions                 | 361.6          | 48.0                     | 189.0        | 124.6            |
| Public transit                           | 40.0           | 4.1                      | 27.7         | 8.2              |
| <b>TOTAL</b>                             | <b>2,754.7</b> | <b>93.6</b>              | <b>617.7</b> | <b>2,043.4</b>   |

## 2. FORECAST PUBLIC INVESTMENTS IN FIXED ASSETS IN 2005-2006

- Forecast public investments in fixed assets for 2005-2006, including contributions from partners, notably municipalities, the private sector and the federal government, total \$5,816.5 million. This represents an increase of \$1,100.5 million over the previous fiscal year.
  - Forecast investments in the health and social service and education networks, municipalities, cultural institutions, the education-orientation child-care services sector and the research sector add up to \$3,405.0 million, or 58.5% of the total.
  - The forecast investments in the special funds represent 25.5% of the total investments, or \$1,482.4 million, those of the extrabudgetary agencies account for 10.5% with \$609.8 million and those of the departments are 5.5% of the total, or \$319.3 million.
- The evolution and type of public investments in fixed assets are respectively presented in appendices 5.1 and 5.2.

**Graph 5.1**      **BREAKDOWN OF FORECAST PUBLIC INVESTMENTS IN FIXED ASSETS IN 2005-2006<sup>1</sup>**

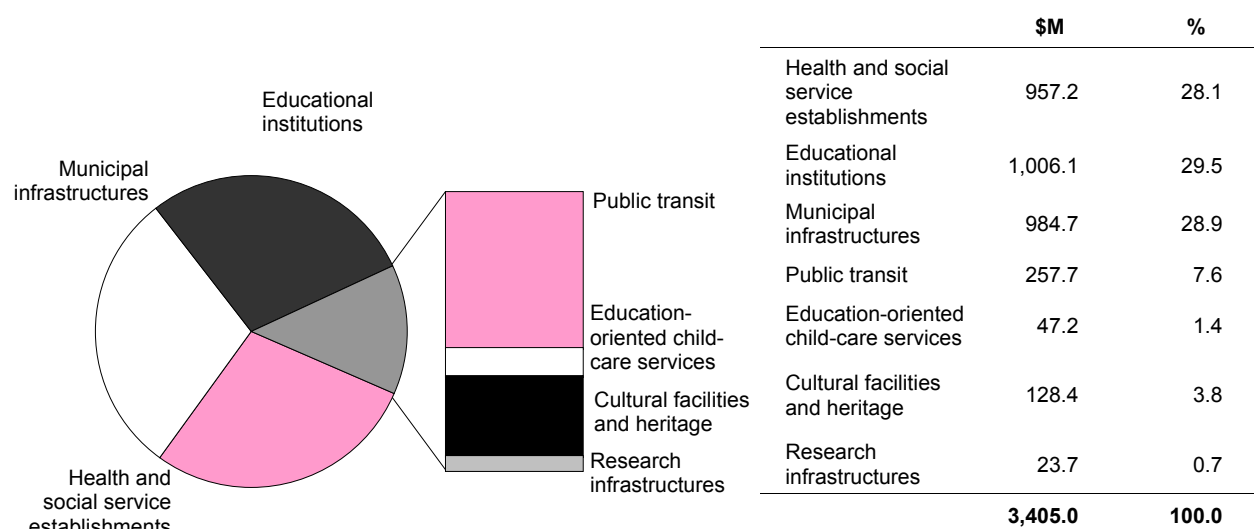


<sup>1</sup> The amounts indicated include the contribution of the government and of the partners.

### 3. PUBLIC INVESTMENTS IN FIXED ASSETS IN THE NETWORKS, MUNICIPALITIES, CULTURAL INSTITUTIONS AND OTHER ENTITIES

- ❑ Forecast public investments in fixed assets in the networks, municipalities, cultural institutions and other entities not included in the government's accounting perimeter total \$3,405.0 million in 2005-2006. The forecast contribution from partners represents 27.1% of these investments, namely \$921.2 million.
- ❑ Each year, the departments concerned submit three-year capital budget plans to the Conseil du trésor. These plans indicate the costs related to the completion of the projects authorized previously, asset maintenance needs and the cost of new initiatives.
- ❑ These investments are financed by means of long-term loans contracted by the networks, municipalities, cultural institutions and other entities outside the government reporting entity. The government's contribution takes the form of a total or partial assumption of their debt service, spread over a term of up to 25 years.
- ❑ The health and social services, education and municipal infrastructures sectors receive 86.6% of the budget for forecast investments in fixed assets in the networks, municipalities, cultural institutions and other entities.

**Graph 5.2 FORECAST PUBLIC INVESTMENTS IN THE NETWORKS, MUNICIPALITIES AND OTHER INSTITUTIONS IN 2005-2006**



**HEALTH AND SOCIAL SERVICE ESTABLISHMENTS**

- In 2005-2006, forecast investments in this sector total \$957.2 million, a \$2.2 million increase over 2004-2005.
- Moreover, total investments for the preservation of assets are \$408.5 million in 2005-2006.

**EDUCATIONAL INSTITUTIONS**

- Forecast investments in this sector total \$1,006.1 million in 2005-2006, compared to \$789.5 million in 2004-2005. This \$216.6 million increase is notably explained by additional investments for the preservation of assets, and for priority projects, most of them begun in 2004-2005, with impacts, in 2005-2006, of \$125.0 million and \$189.0 million respectively.

**MUNICIPAL INFRASTRUCTURES**

- In 2005-2006, forecast investments total \$984.7 million, an increase of \$491.5 million over the investments of \$493.2 million in 2004-2005.
- The noted increase is mostly due to investments planned as part of the federal-provincial agreement on infrastructures.

**PUBLIC TRANSIT**

- In 2005-2006, forecast investments in this sector are \$257.7 million, compared to \$145.0 million in 2004-2005. This increase of \$112.7 million is explained by the cost of the works for the continuation of the métro towards Laval.
- These forecasts exclude investments by the Agence métropolitaine de transport, which are addressed in the section on extrabudgetary agencies.

**CULTURAL FACILITIES AND HERITAGE**

- Forecast investments in 2005-2006 total \$128.4 million, compared to \$108.8 million in 2004-2005. The net increase of \$19.6 million is mostly due to the agreement with the city of Montréal regarding cultural facilities.
- However, these forecasts exclude the investments of government corporations reporting to the minister of Culture and Communications, which are considered in the section of this chapter on extrabudgetary agencies.

#### **EDUCATION-ORIENTED CHILDCARE SERVICES**

- In 2005-2006, the government is continuing the development of new places in education-oriented childcare services and forecasts investments of \$47.2 million in this sector.
- These investments will make it possible to complete the creation of 200,000 places in reduced-cost childcare centres by March 2006.

#### **RESEARCH INFRASTRUCTURES**

- The forecast investments in 2005-2006 amount to \$23.7 million, a level similar to that of the previous fiscal year. They are mainly allocated to support infrastructure financing initiatives.

**Table 5.3 PUBLIC INVESTMENTS IN FIXED ASSETS IN THE NETWORKS, MUNICIPALITIES AND OTHER INSTITUTIONS<sup>1</sup>**

|                                               | Forecast<br>disbursements<br>2005-2006<br>\$M | Probable<br>disbursements<br>2004-2005<br>\$M | Variation<br>\$M |
|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|------------------|
| Health and social service establishments      |                                               |                                               |                  |
| Preservation of fixed assets                  | 408.5                                         | 313.5                                         | 95.0             |
| Development projects <sup>2</sup>             | 548.7                                         | 641.5                                         | (92.8)           |
|                                               | 957.2                                         | 955.0                                         | 2.2              |
| Educational institutions                      |                                               |                                               |                  |
| Preservation of fixed assets                  | 568.5                                         | 414.1                                         | 154.4            |
| Development projects                          | 437.6                                         | 375.4                                         | 62.2             |
|                                               | 1,006.1                                       | 789.5                                         | 216.6            |
| Municipal infrastructures                     |                                               |                                               |                  |
| Development projects                          | 984.7                                         | 493.2                                         | 491.5            |
| Public transit <sup>3</sup>                   |                                               |                                               |                  |
| Preservation of fixed assets                  | 201.7                                         | 107.1                                         | 94.6             |
| Development projects                          | 56.0                                          | 37.9                                          | 18.1             |
|                                               | 257.7                                         | 145.0                                         | 112.7            |
| Cultural facilities and heritage <sup>4</sup> |                                               |                                               |                  |
| Development projects                          | 128.4                                         | 108.8                                         | 19.6             |
| Education-oriented child-care services        |                                               |                                               |                  |
| Development projects                          | 47.2                                          | 67.3                                          | (20.1)           |
| Research infrastructures                      |                                               |                                               |                  |
| Development projects                          | 23.7                                          | 26.6                                          | (2.9)            |
| <b>TOTAL</b>                                  | <b>3,405.0</b>                                | <b>2,585.5</b>                                | <b>819.5</b>     |
| <b>Government contribution</b>                | <b>2,483.8</b>                                | <b>2,117.8</b>                                | <b>366.0</b>     |
| Contribution from partners                    | 921.2                                         | 468.1                                         | 453.1            |
| <i>% share of the partners</i>                | <i>27.1%</i>                                  | <i>18.1%</i>                                  |                  |

<sup>1</sup> The amounts indicated include the contribution of the government and of the partners.

<sup>2</sup> Development projects also include works aiming to preserve fixed assets.

<sup>3</sup> The amounts shown exclude public transit projects under the responsibility of the Agence métropolitaine de transport, which are presented in the section on extrabudgetary agencies.

<sup>4</sup> The amounts shown exclude the projects of government corporations in the cultural field presented in the section on extrabudgetary agencies.

#### 4. PUBLIC INVESTMENTS IN FIXED ASSETS IN THE SPECIAL FUNDS

- The forecast investments in the special funds total \$1,482.4 million in 2005-2006, compared to \$1,156.8 million in 2004-2005, up 28.2% or \$325.7 million over the previous fiscal year.
  - In 2005-2006, planned investments through the Road Network Preservation and Improvement Fund total \$1,088.2 million, compared to \$841.0 million in 2004-2005.
    - Fund investments target works for preserving the roadways and structures, and improving development of the road network. The increase of \$247.2 million in 2005-2006 is notably due to forecast investments for major highway projects and for infrastructure preservation, to which an additional \$1,110.0 million will be allocated over the next three years.
  - The forecast investment in the Information Technology Funds in 2005-2006 is \$108.0 million, an amount similar to that in 2004-2005.
  - Investments in the Fonds des services gouvernementaux total \$126.9 million, an increase of \$24.6 million over 2004-2005.
  - Forecast investments in other special funds are higher than those for the previous fiscal year, increasing from \$108.7 million in 2004-2005 to \$159.3 million in 2005-2006.
    - An additional amount of \$50.6 million is due to various increases, including \$13.5 million for the Police Services Fund, \$14.7 million for the Land Information Fund, and \$25.7 million for the Disaster Assistance Fund for Certain Areas Affected by Torrential Rains.

**Table 5.4 INVESTMENTS IN FIXED ASSETS IN THE SPECIAL FUNDS**

|                                                             | <b>Forecast<br/>disbursements<br/>2005-2006<br/>\$M</b> | <b>Probable<br/>disbursements<br/>2004-2005<br/>\$M</b> | <b>Variation<br/>\$M</b> |
|-------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|--------------------------|
| Road Network Preservation and Improvement Fund <sup>1</sup> | 1,088.2                                                 | 841.0                                                   | 247.2                    |
| Information Technology Funds                                | 108.0                                                   | 104.8                                                   | 3.2                      |
| Fonds des services gouvernementaux                          | 126.9                                                   | 102.3                                                   | 24.6                     |
| Other special funds                                         | 159.3                                                   | 108.7                                                   | 50.6                     |
| <b>TOTAL</b>                                                | <b>1,482.4</b>                                          | <b>1,156.8</b>                                          | <b>325.7</b>             |

<sup>1</sup> The total amount of investments of the Road Network Preservation and Improvement Fund for the year 2005-2006 amounts to \$1,200.0 million, including non-capitalizable expenditures of \$111.8 million.

## 5. PUBLIC INVESTMENTS IN FIXED ASSETS IN THE EXTRABUDGETARY AGENCIES

- The forecast investments in fixed assets of the extrabudgetary agencies represent a total of \$609.8 million in 2005-2006 compared to \$472.6 million in 2004-2005, up 29.0% or \$137.2 million.
- The agencies making the biggest investments in 2005-2006 are the Agence métropolitaine de transport (AMT), with \$258.5 million, Société immobilière du Québec (SIQ) with \$175.9 million and the government corporations in the cultural field with \$40.7 million.
  - The AMT plans, coordinates, integrates and promotes public transit services and intervenes to improve the efficiency of metropolitan roads. In addition, the AMT contributes to the trip management plan for the Montréal metropolitan region, known as the *Plan de gestion des déplacements de la région métropolitaine de Montréal*;
  - The SIQ's mission is to accommodate Québec government departments and agencies. It manages the government real estate inventory. In 2005-2006, the forecast investments by this agency total \$175.9 million, compared to \$95.3 million in 2004-2005.
    - The increase of \$80.6 million in 2005-2006 is due to works for improving government buildings and rendering them compliant to standards.
  - The forecast investments of government corporations in the cultural field in 2005-2006 total \$40.7 million. The increase of \$5.2 million is due to additional investments for preserving the assets of the Grande bibliothèque du Québec, slated to open on April 29.

**Table 5.5 INVESTMENTS IN FIXED ASSETS IN THE EXTRABUDGETARY AGENCIES**

|                                          | Forecast<br>disbursements<br>2005-2006<br>\$M | Probable<br>disbursements<br>2004-2005<br>\$M | Variation<br>\$M |
|------------------------------------------|-----------------------------------------------|-----------------------------------------------|------------------|
| Agence métropolitaine de transport       | 258.5                                         | 247.4                                         | 11.1             |
| Société immobilière du Québec            | 175.9                                         | 95.3                                          | 80.6             |
| Sociétés d'État du domaine de la Culture | 40.7                                          | 35.5                                          | 5.2              |
| Other agencies                           | 134.7                                         | 94.4                                          | 40.3             |
| <b>TOTAL</b>                             | <b>609.8</b>                                  | <b>472.6</b>                                  | <b>137.2</b>     |

## 6. PUBLIC INVESTMENTS IN FIXED ASSETS IN THE DEPARTMENTS

- Forecast public investments in fixed assets in the Departments total \$319.3 million in 2005-2006, compared to \$306.3 million in 2004-2005 :
  - “Transports”: investments of \$44.1 million, making it possible to carry out the Minister’s responsibilities with regard to maritime and air transportation, development in the area of computers, and the purchase of material and equipment;
  - “Éducation, Loisir et Sport”: investments of \$40.4 million, particularly attributable to the continuity and implementation of information technology development;
  - “Ressources naturelles et Faune”: investments of \$38.2 million, primarily allocated to the wildlife;
  - “Sécurité publique”: total investments of \$29.9 million, \$20.2 million of these allocated to the operations of the Sûreté du Québec, notably to renew the vehicle fleet of its investigation division;
  - “Justice”: total investments of \$21.5 million, essentially intended for information technology development under the Justice Integrated Information System;
  - “Services gouvernementaux”: \$25.2 million, mostly allocated to moving forward with e-Government projects.

**Table 5.6 INVESTMENTS IN FIXED ASSETS IN THE DEPARTMENTS**

|                                | Forecast<br>disbursements<br>2005-2006<br>\$M | Probable<br>disbursements<br>2004-2005<br>\$M | Variation<br>\$M |
|--------------------------------|-----------------------------------------------|-----------------------------------------------|------------------|
| Transports                     | 44.1                                          | 42.8                                          | 1.3              |
| Éducation, Loisir et Sport     | 40.4                                          | 40.4                                          | -                |
| Ressources naturelles et Faune | 38.2                                          | 38.2                                          | -                |
| Sécurité publique              | 29.9                                          | 29.9                                          | -                |
| Justice                        | 21.5                                          | 28.9                                          | (7.4)            |
| Services gouvernementaux       | 25.2                                          | 20.7                                          | 4.5              |
| Other agencies                 | 120.0                                         | 105.4                                         | 14.6             |
| <b>TOTAL</b>                   | <b>319.3</b>                                  | <b>306.3</b>                                  | <b>13.0</b>      |

## APPENDIX 5.1

## EVOLUTION OF PUBLIC INVESTMENTS IN FIXED ASSETS

- ❑ Public investments in fixed assets increased from \$2,898.4 million in 2000-2001 to \$4,521.3 million in 2004-2005.
- ❑ In 2005-2006, the forecast growth was 28.6%, given the increase in investments for the preservation of assets and the government's implementation of priority projects during fiscal 2004-2005, initiatives that will continue until 2008.

**Table 5.7**                      **EVOLUTION OF PUBLIC INVESTMENTS IN FIXED ASSETS**

|                                                               | Actual<br>disbursements<br>2000-2001 | Actual<br>disbursements<br>2001-2002 | Actual<br>disbursements<br>2002-2003 | Probable<br>disbursements<br>2003-2004 | Probable<br>disbursements<br>2004-2005 | Forecast<br>disbursements<br>2005-2006 |
|---------------------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
|                                                               | \$M                                  | \$M                                  | \$M                                  | \$M                                    | \$M                                    | \$M                                    |
| Networks, municipalities,<br>cultural institutions and others | 1,670.7                              | 1,883.9                              | 2,424.6                              | 3,496.9                                | 2,585.5                                | 3,405.0                                |
| Special funds                                                 | 674.9                                | 1,060.0                              | 1,576.2                              | 1,128.6                                | 1,156.8                                | 1,482.4                                |
| Extrabudgetary agencies                                       | 384.2                                | 264.7                                | 681.7                                | 420.5                                  | 472.6                                  | 609.8                                  |
| Departments                                                   | 168.6                                | 174.7                                | 237.6                                | 334.5                                  | 306.3                                  | 319.3                                  |
| <b>TOTAL</b>                                                  | <b>2,898.4</b>                       | <b>3,383.3</b>                       | <b>4,920.1</b>                       | <b>5,380.5</b>                         | <b>4,521.3</b>                         | <b>5,816.5</b>                         |
| Government contribution                                       | 2,582.8                              | 3,109.5                              | 4,320.0                              | 5,047.5                                | 4,053.2                                | 4,895.3                                |
| Contribution from partners                                    | 315.6                                | 273.8                                | 600.1                                | 333.0                                  | 468.1                                  | 921.2                                  |

## APPENDIX 5.2

### NATURE OF THE INVESTMENTS IN FIXED ASSETS CONSIDERED IN THIS CHAPTER

- The data on public investments in fixed assets presented in this chapter are divided into three groups:
  - Investments made by entities outside the government reporting entity but which depend on government financial assistance: the health and social services network, the education systems, municipalities, non-gouvernemental institutions, usually in the cultural field, such as libraries, museums, concert halls, or in the area of preservation of religious heritage, dioceses, parish councils or religious communities, the development of education-oriented child-care services, and lastly, the research sector.
  - Investments made by school boards, CEGEPs and universities mainly concern the expansion, renovation, rehabilitation and construction of schools or teaching facilities and the acquisition of furniture, equipment and apparatus required for the operation of the buildings.
  - Investments made in the health and social service network concern the construction, expansion, renovation and rehabilitation of hospitals, long-term care centres, rehabilitation centres and CLSCs, acquisition of furniture and medical and non-medical equipment, and development and purchasing of computer systems.
  - Investments in municipal infrastructures mainly concern construction, rehabilitation or expansion of infrastructures, urban renewal of neighbourhoods and beautification of village cores. Also included are construction of sewage treatment plants and sewage interceptors and rehabilitation of sewer systems leading to sewage treatment plants, as well as aqueduct and sewer projects. These capital investments include the *Les eaux vives du Québec* program, for the purpose of enabling municipalities to install, replace or improve drinking water and sewage infrastructures.
  - Investments in public transit fixed assets correspond, among others, to the purchase of city buses, work related to maintenance of Métro infrastructures, including rehabilitation of stations and replacement of escalators, projects to finance certain electronic fare collection equipment and the development of reserved bus lanes and incentive parking.

- Fixed asset for which the debt service is subsidized by the Ministère de la Culture et des Communications particularly include construction, expansion and renovation projects for public libraries, concert halls, archive centres, museums and performing arts centres and religious heritage rehabilitation and preservation projects.
- Research infrastructures concern investments relating to infrastructure development in the fields of research, science, technology and innovation. These capital investments are particularly made in the health and postsecondary education sectors and in research centres.
- Investments relating to education-oriented child-care services seek to develop and promote access to quality education-oriented child-care services.
- Investments by the various special funds administered by the departments, a substantial portion of which concerns the road network.
- Investments by government agencies not appearing in Volume II of the 2005-2006 Expenditure Budget but whose financial statements are consolidated with those of the government. It should be noted that the investments of extrabudgetary agencies encompass government corporations in the cultural field and the Agence métropolitaine de transport.
- Investments in the departments allocated to their investment estimates.
- Investments in fixed assets of government corporations are excluded from these three groups and are not discussed in this chapter.



## CHAPTER 6

# RESULTS OF EXTRABUDGETARY AGENCIES AND SPECIAL FUNDS

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### ***IN BRIEF***

- ❑ In 2005-2006, total government expenditures before consolidation are \$55,402.0 million.
- ❑ The consolidation of expenditures of extrabudgetary agencies and special funds, as well as defined-purpose accounts, adds \$3,212.0 million to the government's expenditures, for a total of \$58,614.0 million.
- ❑ The results of extrabudgetary agencies and special funds, once consolidated, have an upward \$267.0 million impact on the government's financial results for the 2005-2006 fiscal year.

## 1. CONSOLIDATED GOVERNMENT EXPENDITURES

- The consolidation of the expenditures of extrabudgetary agencies and special funds increases government expenditures by \$2,797.0 million, and the recording of expenditures of defined-purpose accounts adds another \$415.0 million, for a total of \$3,212 million, which brings total consolidated expenditures to \$58,614.0 million.
- Consolidated government expenditures for the 2005-2006 fiscal year are \$2,141.8 million higher than those forecast in 2004-2005. This variation is explained by:
  - The \$1,791.8 million increase in total expenditures, compared to 2004-2005;
  - The \$195.0 million increase in the impact of consolidation of expenditures of extrabudgetary agencies and special funds, compared to 2004-2005;
  - The increase of \$155.0 million resulting from the impact of recording expenditures of defined-purpose funds.
- In 2005-2006, the impact of consolidation of the expenditures of extrabudgetary agencies, special funds and defined-purpose funds represents 5.5% of consolidated government expenditures, compared to 5.1% in 2004-2005.
- The government's primary accounting policies with regard to the consolidation of the expenditures of extrabudgetary agencies and special funds are presented in Appendix 6.1.

**Table 6.1                      GOVERNMENT EXPENDITURES**

|                                                                        | 2005-2006<br>\$M | 2004-2005<br>\$M | Variation<br>\$M |
|------------------------------------------------------------------------|------------------|------------------|------------------|
| Program spending                                                       | 48,407.0         | 46,742.2         | 1,664.8          |
| Debt service                                                           | 6,995.0          | 6,868.0          | 127.0            |
| <b>Total Expenditures</b>                                              | <b>55,402.0</b>  | <b>53,610.2</b>  | <b>1,791.8</b>   |
| Impact of consolidation of extrabudgetary agencies and special funds   | 2,797.0          | 2,602.0          | 195.0            |
| Impact of recording expenditures of defined-purpose funds <sup>1</sup> | 415.0            | 260.0            | 155.0            |
| <b>Consolidated expenditures</b>                                       | <b>58,614.0</b>  | <b>56,472.2</b>  | <b>2,141.8</b>   |

<sup>1</sup> These expenditures are presented in the Budget Plan included with the 2005-2006 Budget Speech.

## 2. EVOLUTION OF THE FORECAST RESULTS OF EXTRABUDGETARY AGENCIES AND SPECIAL FUNDS IN 2004-2005

- ❑ The forecast results of extrabudgetary agencies and special funds have been revised upward since the tabling of the 2004-2005 Expenditure Budget, from \$80.7 million to \$200.3 million, an increase of \$119.6 million prior to consolidation adjustments.
- ❑ This growth is explained by the upward revision of the forecast results of certain extrabudgetary agencies and special funds, such as:
  - \$21.8 million for the Land Information Fund, largely due to the Québec Cadastral Reform Program and the good performance of the real estate market;
  - \$16.2 million for Investissement Québec, explained primarily by exceptional earnings on investments;
  - \$12.2 million to the Société de financement des infrastructures locales du Québec, the implementation of which was slower and less costly than originally planned;
  - \$8.3 million to the Assistance Fund for Independent Community Action, due in large part to an increase in revenues and a drop in expenditures for the 2004-2005 fiscal year;
  - \$7.0 million to the Société immobilière du Québec, notably explained by lower interest rates, rather than the higher rates forecast, and a smaller decrease in rental property taxes than forecast in 2004-2005.
- ❑ Forecast results after consolidation adjustments are \$221.0 million, compared to \$256.0 million at the time of the 2004-2005 Expenditure Budget.

**Table 6.2** EVOLUTION OF THE FORECAST RESULTS OF EXTRABUDGETARY AGENCIES AND SPECIAL FUNDS

|                                   | 2004-2005                |                           | Variation<br>\$M |
|-----------------------------------|--------------------------|---------------------------|------------------|
|                                   | Revised forecasts<br>\$M | Expenditure Budget<br>\$M |                  |
| Special funds                     | 56.1                     | 11.5                      | 44.6             |
| Extrabudgetary agencies           | 144.2                    | 69.2                      | 75.0             |
| <b>Total before consolidation</b> | <b>200.3</b>             | <b>80.7</b>               | <b>119.6</b>     |
| Consolidation adjustments         | 20.7                     | 175.3                     | (154.6)          |
| <b>Impact of consolidation</b>    | <b>221.0</b>             | <b>256.0</b>              | <b>(35.0)</b>    |

### 3. RESULTS OF CONSOLIDATION OF EXTRABUDGETARY AGENCIES AND SPECIAL FUNDS IN 2005-2006

- ❑ In 2005-2006, revenues and expenditures of extrabudgetary agencies and special funds, before consolidation adjustments, are \$17,223.1 million and \$17,215.1 million respectively.
- ❑ The overall impact of the results of extrabudgetary agencies and special funds on the government's results is established at \$267.0 million in 2005-2006, compared to \$221.0 million in 2004-2005, which represents a variation of \$46.0 million.
- ❑ Appendix 6.2 presents the changes in extrabudgetary agencies and special funds and Appendix 6.3 shows the results of extrabudgetary agencies and special funds according to their own accounting policies, i.e. before making consolidation adjustments.

**Table 6.3**                      **IMPACT OF CONSOLIDATION OF EXTRABUDGETARY AGENCIES AND SPECIAL FUNDS ON THE GOVERNMENT'S RESULTS**

|                                   | 2005-2006       |                     |                | 2004-2005<br>Probable<br>results<br>\$M |
|-----------------------------------|-----------------|---------------------|----------------|-----------------------------------------|
|                                   | Revenues<br>\$M | Expenditures<br>\$M | Results<br>\$M |                                         |
| Special funds                     | 6,530.5         | 6,513.8             | 16.7           | 56.1                                    |
| Extrabudgetary agencies           | 10,692.6        | 10,701.3            | (8.7)          | 144.2                                   |
| <b>Total before consolidation</b> | <b>17,223.1</b> | <b>17,215.1</b>     | <b>8.0</b>     | 200.3                                   |
| Consolidation adjustments         | (14,159.1)      | (14,418.1)          | 259.0          | 20.7                                    |
| <b>Impact of consolidation</b>    | <b>3,064.0</b>  | <b>2,797.0</b>      | <b>267.0</b>   | 221.0                                   |

#### 4. RESULTS OF EXTRABUDGETARY AGENCIES IN 2005-2006

- In 2005-2006, forecast results of extrabudgetary agencies before consolidation adjustments represent a deficit of \$8.7 million, compared to a surplus of \$144.2 million in 2004-2005, or a decrease of \$152.9 million. This variation can largely be explained by the following factors:
  - As probable results, the Financière agricole du Québec forecasts a deficit of \$16.1 million for the 2005-2006 fiscal year, compared to a surplus of \$17.8 million in 2004-2005. This represents a decrease of \$33.9 million which reflects the more difficult situation of the agricultural sector. The budget of the Financière agricole du Québec for fiscal 2004-2005 includes contributions from the federal and provincial governments and from agricultural producers;
  - Investissement Québec presents a surplus of \$24.8 million for the 2005-2006 fiscal year, compared to a surplus of \$53.1 million for the previous year, which represents a decrease of \$28.3 million. This variation is primarily due to an exceptional gain from the disposition of an investment in 2004-2005;
  - The Société de financement des infrastructures locales du Québec has a forecast deficit of \$12.2 million in 2005-2006, compared to a surplus of \$12.2 million in 2004-2005, which represents a decrease of \$24.4 million;
  - The Société immobilière du Québec forecasts a fiscal balance in the 2005-2006 fiscal year, whereas a surplus of \$11.9 million was forecast in 2004-2005. This variation is largely explained by lower revenues than anticipated, subsequent to new 2005-2008 fees, as well as drop in rents, which is reflected by a decrease in the forecast revenues for 2005-2006.

**Table 6.4 RESULTS OF EXTRABUDGETARY AGENCIES**

|                                                                 | 2005-2006       |                     |                | 2004-2005<br>Probable<br>results<br>\$M | Variation<br>\$M |
|-----------------------------------------------------------------|-----------------|---------------------|----------------|-----------------------------------------|------------------|
|                                                                 | Revenues<br>\$M | Expenditures<br>\$M | Results<br>\$M |                                         |                  |
| Financière agricole du Québec                                   | 490.9           | 507.0               | (16.1)         | 17.8                                    | (33.9)           |
| Investissement Québec                                           | 254.0           | 229.2               | 24.8           | 53.1                                    | (28.3)           |
| Société de financement des<br>infrastructures locales du Québec | 178.1           | 190.3               | (12.2)         | 12.2                                    | (24.4)           |
| Société immobilière du Québec                                   | 585.9           | 585.9               | -              | 11.9                                    | (11.9)           |
| Other agencies                                                  | 9,183.7         | 9,188.9             | (5.2)          | 49.2                                    | (54.4)           |
| <b>Total before consolidation</b>                               | <b>10,692.6</b> | <b>10,701.3</b>     | <b>(8.7)</b>   | <b>144.2</b>                            | <b>(152.9)</b>   |

## 5. RESULTS OF SPECIAL FUNDS IN 2005-2006

- Special funds present a surplus of \$16.7 million for the 2005-2006 fiscal year, compared to a surplus of \$56.1 million in 2004-2005, which represents a decrease of \$39.4 million.
- Over 80.0% of this variation is explained by the fact that the results of two funds experienced a decrease in 2005-2006, compared to 2004-2005:
  - The Land Information Fund has a forecast surplus of \$10.3 million for the 2005-2006 fiscal year, compared to a surplus of \$32.6 million in 2004-2005, which represents a drop of \$22.3 million.
    - The decrease in the surplus of the Land Information Fund in 2005-2006 is explained by the forecast drop in revenues from real estate activity, and the growth in expenditures due to higher costs of professional services and depreciation expenses related to the Québec Cadastral Reform Program and the Enregistrement des droits d'intervention et de la tenure Project.
    - This Fund's surplus in 2004-2005 is largely due to the Québec Cadastral Reform Program, as well as the good performance of the real estate market.
  - The Financing Fund presents a surplus of \$15.4 million in 2005-2006, compared to a surplus of \$25.5 million in 2004-2005, which represents a decrease of \$10.1 million.
    - The forecast increase in interest rates, combined with higher floatation costs, mostly account for the significant increase of expenditures, compared to revenues, in 2005-2006.

**Table 6.5 RESULTS OF SPECIAL FUNDS**

|                                   | 2005-2006       |                     |                | 2004-2005               | Variation     |
|-----------------------------------|-----------------|---------------------|----------------|-------------------------|---------------|
|                                   | Revenues<br>\$M | Expenditures<br>\$M | Results<br>\$M | Probable results<br>\$M |               |
| Land Information Fund             | 105.8           | 95.5                | 10.3           | 32.6                    | (22.3)        |
| Financing Fund                    | 472.9           | 457.5               | 15.4           | 25.5                    | (10.1)        |
| Other special funds               | 5,951.8         | 5,960.8             | (9.0)          | (2.0)                   | (7.0)         |
| <b>Total before consolidation</b> | <b>6,530.5</b>  | <b>6,513.8</b>      | <b>16.7</b>    | <b>56.1</b>             | <b>(39.4)</b> |

## APPENDIX 6.1

### THE GOVERNMENT REPORTING ENTITY

- ❑ Consolidated government expenditures include, in addition to program spending and the debt service, the expenditures incurred by extrabudgetary agencies and special funds.
- ❑ The expenditures of extrabudgetary agencies and special funds are added to those of the government, after elimination of inter-entity transactions and after harmonization of accounting policies, when applicable.
- ❑ There are two kinds of consolidation adjustments:
  - The first consists of eliminating concluded inter-entity transactions. These eliminations are necessary to avoid accounting for the same expenditure twice at the time of consolidation;
  - The second type of adjustment results from harmonization of the accounting policies of extrabudgetary agencies and special funds with those of the government.
- ❑ The purpose of consolidation is to regroup all financial transactions and resources for which the government is responsible. This provides a comprehensive picture of government finances.
- ❑ The government reporting entity encompasses not only the departments and agencies headed by a Minister with budgets funded by appropriations voted by the National Assembly, but all of the extrabudgetary agencies, special funds or corporations that are owned or controlled by the government.
- ❑ Two methods of consolidation are used, depending on the type of entity involved:
  - The first method, known as the full consolidation method, consists of adding up the accounts of the departments, extrabudgetary agencies and special funds line by line. This incorporates their financial transactions, such as the expenditures and debt of agencies, into the government's financial statements. This method applies to the entities appearing in Appendix 6.3;
  - The second method, known as the modified equity method, applies to government corporations. It consists of adding the net results of these corporations (surplus or deficit) to the government's revenue. This method applies to the entities appearing in Appendix 6.4.

## **FULL CONSOLIDATION METHOD**

- ❑ Two groups must be distinguished among the entities consolidated line by line: extrabudgetary agencies and special funds.
  - The government has created different types of agencies to implement its policies and to provide certain services to the public. While varying in size and status, these agencies, like boards, commissions and corporations, are all more autonomous than departments. The legislation delegates more extensive financial and operating powers to their management. These agencies have more latitude to establish their systems and practices. They can also resort to sources of financing outside the government. However, they come under the authority of a Minister, to whom they must account for all of their financial management.
  - Special funds are financial management tools that make it possible, in some situations, to administer the allocated resources by using management methods different from those of the departments. Some funds produce and supply goods or services and derive all or part of their financing from the sale of such goods and services.
  - Extrabudgetary agencies and special funds depend on departments for their funding. This is why budgeting and management of the departmental budget envelopes consider the extrabudgetary agencies, the special funds and the department of the same portfolio, all at the same time. More specifically, the departmental budget envelopes are composed of:
    - The expenditure envelope prescribed in Volume II of the Expenditure Budget regarding the Estimates of the Departments and Agencies;
    - The net result of the extrabudgetary agencies and special fund, namely the difference between their revenue and expenditure.
- ❑ It is up to each Minister to ensure that the financial situation of the consolidated entities under his or her responsibility do not have a negative impact on the government's financial results.

## **MODIFIED EQUITY METHOD**

- ❑ Consolidation of the results of government corporations is considered only in the documents accompanying the Budget Speech because the results of government corporations are considered in the government's balanced budget.
- ❑ It is important to note that health and social service establishments, educational institutions and property held by agencies performing fiduciary activities (Appendix 6.5) are not included in the government reporting entity.

## APPENDIX 6.2

### CHANGES IN EXTRABUDGETARY AGENCIES AND SPECIAL FUNDS

- Compared to fiscal 2004-2005, certain extrabudgetary agencies and special funds were added, or moved to new portfolios, while others changed names or are no longer included in the Expenditure Budget.

A plus sign (+) indicates that an extrabudgetary agency or a special fund has been added, while a minus sign (-) indicates that an extrabudgetary agency or a special fund has been taken away.

#### AFFAIRES MUNICIPALES ET RÉGIONS

- (+) The Regional Development Fund, previously included in the former “Développement économique et régional et Recherche” portfolio, is now part of this portfolio.

#### CONSEIL DU TRÉSOR ET ADMINISTRATION GOUVERNEMENTALE

- (+) The Agence des partenariats public-privé du Québec has been added to this portfolio.
- (-) The Fonds des services gouvernementaux and the Société immobilière du Québec have been integrated to the new “Services gouvernementaux” portfolio.

#### CONSEIL EXÉCUTIF

- (-) The Québec Youth Fund ceased its activities on December 31, 2004.

#### DÉVELOPPEMENT ÉCONOMIQUE, INNOVATION ET EXPORTATION

- (-) The Tourism Partnership Fund, the Régie des installations olympiques, the Société du Centre des congrès de Québec, and the Société du Palais des congrès de Montréal have been transferred to the new “Tourisme” portfolio.
- (-) The Regional Development Fund has been transferred to the “Affaires municipales et Régions” portfolio.
- (-) Sidbec ceased its activities on March 23, 2005.

#### FINANCES

- (+) The Bureau de décision et de révision en valeurs mobilières and the Société de financement des infrastructures locales du Québec have been added to this portfolio.

The Agence nationale d'encadrement du secteur financier is now called the Autorité des marchés financiers.

#### IMMIGRATION ET COMMUNAUTÉS CULTURELLES

- (-) The Fonds de l'état civil, previously in the former portfolio “Relations avec les citoyens et Immigration”, was transferred to the “Justice” portfolio.
- (-) The Government Information Fund has been transferred to the “Services gouvernementaux” portfolio.

## **APPENDIX 6.2 (CONTINUED)**

### **CHANGES IN EXTRABUDGETARY AGENCIES AND SPECIAL FUNDS**

#### **JUSTICE**

- (+) The Fonds de l'état civil, previously in the former portfolio "Relations avec les citoyens et Immigration", is henceforth included in this portfolio.

#### **RESSOURCES NATURELLES ET FAUNE**

- (-) The Commission de la capitale nationale du Québec has been transferred to the "Transports" portfolio.

#### **REVENU**

- (+) The Ministère du Revenu Fund for the Supply of Property and Services has been added to this portfolio.

#### **SANTÉ ET SERVICES SOCIAUX**

The Corporation d'urgences-santé de la région de Montréal métropolitain is henceforth named Corporation d'urgences-santé.

#### **SERVICES GOUVERNEMENTAUX**

- (+) The Government Information Fund, previously in the former portfolio "Relations avec les citoyens et Immigration".
- (+) The Fonds des services gouvernementaux and the Société immobilière du Québec, previously part of the "Conseil du trésor et Administration gouvernementale" portfolio, have been added to this portfolio.

#### **TOURISME**

- (+) The Tourism Partnership Fund, the Régie des installations olympiques, the Société du Centre des congrès de Québec and the Société du Palais des congrès de Montréal have been transferred to the new "Tourisme" portfolio from the former portfolio "Développement économique et régional et Recherche".

#### **TRANSPORTS**

- (+) The Commission de la capitale nationale du Québec has been transferred to the "Transports" portfolio from the former portfolio "Ressources naturelles, Faune et Parcs".

## APPENDIX 6.3

## RESULTS OF EXTRABUDGETARY AGENCIES AND SPECIAL FUNDS

|                                                                                             | 2005-2006 |              |         | 2004-2005 |
|---------------------------------------------------------------------------------------------|-----------|--------------|---------|-----------|
|                                                                                             | Revenues  | Expenditures | Results | Results   |
|                                                                                             | \$M       | \$M          | \$M     | \$M       |
| <b>Affaires municipales et Régions</b>                                                      |           |              |         |           |
| Regional Development Fund                                                                   | 36.8      | 36.8         | -       | -         |
| Société d'habitation du Québec                                                              | 627.7     | 627.7        | -       | -         |
| Société québécoise d'assainissement des eaux                                                | 177.3     | 177.3        | -       | -         |
|                                                                                             | 841.8     | 841.8        | -       | -         |
| <b>Agriculture, Pêcheries et Alimentation</b>                                               |           |              |         |           |
| Bureau d'accréditation des pêcheurs et des aides-pêcheurs du Québec                         | 0.2       | 0.2          | -       | -         |
| Financière agricole du Québec                                                               | 490.9     | 507.0        | (16.1)  | 17.8      |
| Fonds d'assurance-prêts agricoles et forestiers*                                            | 15.6      | 11.7         | 3.9     | 7.6       |
|                                                                                             | 506.7     | 518.9        | (12.2)  | 25.4      |
| <b>Conseil du trésor et Administration gouvernementale</b>                                  |           |              |         |           |
| Agence des partenariats public-privé du Québec                                              | 1.5       | 1.5          | -       | -         |
| Disaster Assistance Fund for Certain Areas Affected by the Torrential Rains                 | 3.3       | 3.3          | -       | -         |
| Fund in respect of the Ice Storm                                                            | 27.3      | 27.3         | -       | -         |
| Information Technology Fund of the Conseil du trésor                                        | 1.4       | 1.4          | -       | -         |
|                                                                                             | 33.5      | 33.5         | -       | -         |
| <b>Conseil exécutif</b>                                                                     |           |              |         |           |
| Québec Youth Fund                                                                           | -         | -            | -       | (0.5)     |
|                                                                                             | -         | -            | -       | (0.5)     |
| <b>Culture et Communications</b>                                                            |           |              |         |           |
| Bibliothèque nationale du Québec                                                            | 59.4      | 59.4         | -       | 2.3       |
| Commission de reconnaissance des associations d'artistes et des associations de producteurs | 0.7       | 0.7          | -       | -         |
| Conseil des arts et des lettres du Québec                                                   | 72.8      | 72.8         | -       | -         |
| Musée d'art contemporain de Montréal                                                        | 9.3       | 9.3          | -       | -         |
| Musée de la civilisation                                                                    | 26.8      | 27.0         | (0.2)   | (0.1)     |
| Musée national des beaux-arts du Québec                                                     | 17.8      | 18.3         | (0.5)   | -         |
| Régie du cinéma                                                                             | 8.8       | 4.7          | 4.1     | 9.7       |
| Société de développement des entreprises culturelles                                        | 55.9      | 56.2         | (0.3)   | (0.6)     |
| Société de la Place des Arts de Montréal                                                    | 30.0      | 30.3         | (0.3)   | -         |
| Société de télédiffusion du Québec                                                          | 72.4      | 72.4         | -       | (0.6)     |
| Société du Grand Théâtre de Québec                                                          | 9.2       | 9.2          | -       | -         |
|                                                                                             | 363.1     | 360.3        | 2.8     | 10.7      |
| <b>Développement durable, Environnement et Parcs</b>                                        |           |              |         |           |
| Société québécoise de récupération et de recyclage                                          | 54.0      | 56.2         | (2.2)   | 1.3       |
|                                                                                             | 54.0      | 56.2         | (2.2)   | 1.3       |

## APPENDIX 6.3

## RESULTS OF EXTRABUDGETARY AGENCIES AND SPECIAL FUNDS

|                                                                                      | 2005-2006 |              |         | 2004-2005 |
|--------------------------------------------------------------------------------------|-----------|--------------|---------|-----------|
|                                                                                      | Revenues  | Expenditures | Results | Results   |
|                                                                                      | \$M       | \$M          | \$M     | \$M       |
| <b>Développement économique, Innovation et Exportation</b>                           |           |              |         |           |
| Centre de recherche industrielle du Québec                                           | 29.8      | 29.8         | -       | -         |
| Fonds de la recherche en santé du Québec*                                            | 85.1      | 86.6         | (1.5)   | (1.8)     |
| Fonds québécois de la recherche sur la nature et les technologies*                   | 43.3      | 43.9         | (0.6)   | (1.1)     |
| Fonds québécois de la recherche sur la société et la culture*                        | 46.8      | 48.8         | (2.0)   | 1.5       |
| Investissement Québec                                                                | 254.0     | 229.2        | 24.8    | 53.1      |
| Société de développement de la Zone de commerce international de Montréal à Mirabel  | -         | -            | -       | (0.4)     |
| Société du parc industriel et portuaire de Bécancour                                 | 5.3       | 6.1          | (0.8)   | (1.1)     |
|                                                                                      | 464.3     | 444.4        | 19.9    | 50.2      |
| <b>Éducation, Loisir et Sport</b>                                                    |           |              |         |           |
| Institut de tourisme et d'hôtellerie du Québec                                       | 24.7      | 24.9         | (0.2)   | 0.5       |
|                                                                                      | 24.7      | 24.9         | (0.2)   | 0.5       |
| <b>Emploi et Solidarité sociale</b>                                                  |           |              |         |           |
| Assistance Fund for Independent Community Action                                     | 26.4      | 29.7         | (3.3)   | (0.2)     |
| Fonds québécois d'initiatives sociales                                               | 4.8       | 11.0         | (6.2)   | (12.2)    |
| Information Technology Fund of the Ministère de l'Emploi et de la Solidarité sociale | 38.9      | 38.9         | -       | -         |
| Labour Market Development Fund                                                       | 937.7     | 947.9        | (10.2)  | (10.6)    |
| Office de la sécurité du revenu des chasseurs et piégeurs cris                       | 20.3      | 20.3         | -       | -         |
|                                                                                      | 1,028.1   | 1,047.8      | (19.7)  | (23.0)    |
| <b>Finances</b>                                                                      |           |              |         |           |
| Autorité des marchés financiers                                                      | 86.3      | 68.9         | 17.4    | 23.0      |
| Bureau de décision et de révision en valeurs mobilières                              | 1.4       | 2.0          | (0.6)   | 0.7       |
| Financing Fund                                                                       | 472.9     | 457.5        | 15.4    | 25.5      |
| Fonds du Centre financier de Montréal                                                | 1.3       | 1.5          | (0.2)   | 0.5       |
| Horse-Racing Industry Fund                                                           | 13.4      | 13.4         | -       | -         |
| Institut de la statistique du Québec                                                 | 22.1      | 23.0         | (0.9)   | (0.3)     |
| Société de financement des infrastructures locales du Québec                         | 178.1     | 190.3        | (12.2)  | 12.2      |
| Special Olympic Fund                                                                 | 80.8      | 80.8         | -       | 0.2       |
|                                                                                      | 856.3     | 837.4        | 18.9    | 61.8      |
| <b>Justice</b>                                                                       |           |              |         |           |
| Civil Status Fund                                                                    | 16.5      | 17.0         | (0.5)   | -         |
| Commission des services juridiques                                                   | 126.3     | 129.3        | (3.0)   | 1.3       |
| Fonds d'aide aux recours collectifs*                                                 | 1.1       | 1.5          | (0.4)   | 0.8       |
| Fonds d'aide aux victimes d'actes criminels                                          | 12.9      | 12.9         | -       | 5.5       |
| Office des professions du Québec                                                     | 6.3       | 6.3          | -       | 0.7       |
| Register Fund of the Ministère de la Justice                                         | 29.0      | 24.7         | 4.3     | 5.8       |
| Société québécoise d'information juridique                                           | 12.3      | 12.3         | -       | 0.7       |
| Tribunal administratif du Québec                                                     | 28.9      | 28.9         | -       | 1.5       |
|                                                                                      | 233.3     | 232.9        | 0.4     | 16.3      |

## APPENDIX 6.3

## RESULTS OF EXTRABUDGETARY AGENCIES AND SPECIAL FUNDS

|                                                                  | 2005-2006 |              |         | 2004-2005 |
|------------------------------------------------------------------|-----------|--------------|---------|-----------|
|                                                                  | Revenues  | Expenditures | Results | Results   |
|                                                                  | \$M       | \$M          | \$M     | \$M       |
| <b>Relations internationales</b>                                 |           |              |         |           |
| Fund for the Management of Québec Immovables on Foreign Soil     | 10.3      | 10.2         | 0.1     | 0.1       |
| Office Québec-Amériques pour la jeunesse                         | 2.3       | 2.5          | (0.2)   | 0.1       |
|                                                                  | 12.6      | 12.7         | (0.1)   | 0.2       |
| <b>Ressources naturelles et Faune</b>                            |           |              |         |           |
| Agence de l'efficacité énergétique                               | 21.0      | 21.8         | (0.8)   | -         |
| Fondation de la faune du Québec                                  | 4.3       | 4.8          | (0.5)   | -         |
| Forestry Fund                                                    | 260.0     | 259.8        | 0.2     | (0.4)     |
| Geographic Information Fund                                      | 2.0       | 2.1          | (0.1)   | (0.2)     |
| Land Information Fund                                            | 105.8     | 95.5         | 10.3    | 32.6      |
| Régie de l'énergie                                               | 8.0       | 8.9          | (0.9)   | (0.4)     |
| Société nationale de l'amiante                                   | -         | 0.5          | (0.5)   | (0.5)     |
|                                                                  | 401.1     | 393.4        | 7.7     | 31.1      |
| <b>Revenu</b>                                                    |           |              |         |           |
| Collection Fund                                                  | 84.0      | 85.8         | (1.8)   | 3.1       |
| Fonds des pensions alimentaires***                               | 40.9      | 40.9         | -       | -         |
| Information Technology Fund of the Ministère du Revenu           | 40.4      | 40.4         | -       | -         |
| Ministère du Revenu Fund for the Supply of Property and Services | 14.0      | 14.0         | -       | -         |
|                                                                  | 179.3     | 181.1        | (1.8)   | 3.1       |
| <b>Santé et Services sociaux</b>                                 |           |              |         |           |
| Corporation d'urgences-santé                                     | 82.1      | 82.1         | -       | -         |
| Héma-Québec                                                      | 279.3     | 279.3        | -       | -         |
| Institut national de santé publique du Québec                    | 25.6      | 25.6         | -       | -         |
| Prescription Drug Insurance Fund                                 | 2,546.5   | 2,546.5      | -       | -         |
| Régie de l'assurance maladie du Québec                           | 6,401.6   | 6,401.6      | -       | -         |
|                                                                  | 9,335.1   | 9,335.1      | -       | -         |
| <b>Sécurité publique</b>                                         |           |              |         |           |
| École nationale de police du Québec                              | 25.0      | 25.2         | (0.2)   | (0.1)     |
| École nationale des pompiers du Québec                           | 1.1       | 1.3          | (0.2)   | -         |
| Police Services Fund                                             | 414.7     | 414.7        | -       | -         |
|                                                                  | 440.8     | 441.2        | (0.4)   | (0.1)     |
| <b>Services gouvernementaux</b>                                  |           |              |         |           |
| Fonds des services gouvernementaux                               | 278.2     | 266.9        | 11.3    | 11.1      |
| Government Information Fund                                      | 37.4      | 37.7         | (0.3)   | (0.7)     |
| Société immobilière du Québec                                    | 585.9     | 585.9        | -       | 11.9      |
|                                                                  | 901.5     | 890.5        | 11.0    | 22.3      |

## APPENDIX 6.3

## RESULTS OF EXTRABUDGETARY AGENCIES AND SPECIAL FUNDS

|                                                                         | 2005-2006       |                 |              | 2004-2005    |
|-------------------------------------------------------------------------|-----------------|-----------------|--------------|--------------|
|                                                                         | Revenues        | Expenditures    | Results      | Results      |
|                                                                         | \$M             | \$M             | \$M          | \$M          |
| <b>Tourisme</b>                                                         |                 |                 |              |              |
| Régie des installations olympiques**                                    | 45.8            | 50.2            | (4.4)        | 1.7          |
| Société du Centre des congrès de Québec                                 | 18.8            | 19.2            | (0.4)        | (0.5)        |
| Société du Palais des congrès de Montréal                               | 56.8            | 57.5            | (0.7)        | 1.4          |
| Tourism Partnership Fund                                                | 110.2           | 112.2           | (2.0)        | (3.5)        |
|                                                                         | 231.6           | 239.1           | (7.5)        | (0.9)        |
| <b>Transports</b>                                                       |                 |                 |              |              |
| Agence métropolitaine de transport**                                    | 238.0           | 238.0           | -            | -            |
| Commission de la capitale nationale du Québec                           | 13.8            | 15.0            | (1.2)        | (0.1)        |
| Fund for the Contribution of Motorists to Public Transit                | 68.1            | 68.1            | -            | -            |
| Fund for the Sale of Goods and Services of the Ministère des Transports | 5.6             | 5.6             | -            | -            |
| Road Network Preservation and Improvement Fund                          | 732.8           | 732.8           | -            | -            |
| Rolling Stock Management Fund                                           | 76.3            | 76.5            | (0.2)        | -            |
| Société des traversiers du Québec                                       | 61.1            | 61.8            | (0.7)        | (0.7)        |
|                                                                         | 1,195.7         | 1,197.8         | (2.1)        | (0.8)        |
| <b>Travail</b>                                                          |                 |                 |              |              |
| Commissaire de l'industrie de la construction                           | 1.2             | 1.3             | (0.1)        | -            |
| Commission des lésions professionnelles                                 | 52.1            | 53.4            | (1.3)        | 2.9          |
| Commission des normes du travail                                        | 52.8            | 56.8            | (4.0)        | (0.6)        |
| Commission des relations du travail                                     | 13.4            | 14.6            | (1.2)        | 0.5          |
|                                                                         | 119.5           | 126.1           | (6.6)        | 2.8          |
| <b>Total</b>                                                            | <b>17,223.1</b> | <b>17,215.1</b> | <b>8.0</b>   | <b>200.3</b> |
| Consolidation adjustments                                               | (14,159.1)      | (14,418.1)      | 259.0        | 20.7         |
| <b>Impact of consolidation</b>                                          | <b>3,064.0</b>  | <b>2,797.0</b>  | <b>267.0</b> | <b>221.0</b> |

\* This fund should be considered as an agency and not as a special fund.

\*\* Forecast data correspond to the agency's operating fund.

\*\*\* This agency also performs fiduciary activities outside of the government reporting entity.

Note 1: Figures are rounded and the sum of the amounts recorded in respect of each agency and special fund may not correspond to the total.

Note 2: The results of extrabudgetary agencies and special funds are presented according to their own accounting policies, i.e. before consolidation adjustments.

## **APPENDIX 6.4**

### **GOVERNMENT CORPORATIONS ACCOUNTED FOR AT THEIR CONSOLIDATION VALUE**

Capital Financière agricole inc.

Corporation d'hébergement du Québec

Financement-Québec

Fonds d'indemnisation du courtage immobilier

Hydro-Québec\*

Immobilière SHQ

IQ FIER inc.

IQ Immigrants Investisseurs Inc.

Loto-Québec

Société de développement de la Baie James (SDBJ)

Société de l'assurance automobile du Québec (excluding the automobile insurance mandate)\*

Société des alcools du Québec

Société des établissements de plein air du Québec

Société générale de financement du Québec

Société Innovatech du sud du Québec

Société Innovatech Québec et Chaudière-Appalaches

Société Innovatech Régions ressources

\* These corporations also perform fiduciary activities outside of the government reporting entity.

## **APPENDIX 6.5**

### **AGENCIES AND FUNDS OPERATING OUTSIDE OF THE GOVERNMENT'S ACCOUNTING PERIMETER**

Caisse de dépôt et placement du Québec

Centraide Committee – Public Sector

Commission administrative des régimes de retraite et d'assurances

Commission de la construction du Québec

Conseil de gestion de l'assurance parentale

Public Curator (fiduciary portion)

Fonds central pour le bénéfice des personnes incarcérées

Crop Insurance Fund

Farm Income Stabilization Insurance Fund

Fonds d'assurance-garantie administered by the Régie des marchés agricoles et alimentaires du Québec

Fonds d'indemnisation des services financiers\*

Fonds des cautionnements des agents de voyages

Fonds des pensions alimentaires (fiduciary portion)

Fonds du régime tripartite d'assurance revenu brut à l'égard des récoltes

Trust funds

Fonds national de formation de la main-d'oeuvre

Hydro-Québec – Pension Plan

Régie des rentes du Québec

Société de l'assurance automobile du Québec (automobile insurance mandate)

\* This Fund's personnel and operations are managed by the Autorité des marchés financiers.

## APPENDIX

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## APPENDIX A

### DEFINED-PURPOSE ACCOUNTS

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#### ***IN BRIEF***

- ❑ Defined-purpose accounts concern amounts received from third parties such as the federal government, private companies and entities other than government departments and budget-funded agencies. A contract or agreement stipulates that the payment of these amounts is subject to their allocation to a specific purpose. In such cases, a defined-purpose account may be constituted by the Government in accordance with section 7 of the Financial Administration Act (R.S.Q., c. A-6.001).
- ❑ Financial transactions that pass through a defined-purpose account are governed by all of the regulations, policies and directives applicable to transactions effected from a department's appropriations. Moreover, expenditures and revenue applied to these accounts are submitted to the Auditor General for auditing.
- ❑ Since 2003-2004 fiscal year, revenues and expenditures for defined-purpose accounts are incorporated in the government's consolidated financial statements. Comprehensive data on defined-purpose account transactions are presented in the appendices to the "Government's Budgetary and Financial Stance" section of the Budget Plan included with the 2005-2006 Budget Speech.
- ❑ The forecast payments and other debits recorded in the defined-purpose accounts are presented in the following table to supplement the information on the activities of the departments, even though they are not part of their expenditure budget. For 2005-2006, there are 41 defined-purpose accounts divided among 17 government departments.

**DEFINED-PURPOSE ACCOUNTS: PAYMENTS AND OTHER DEPARTEMENTAL DEBITS IN 2005-2006**

|                                                                                                                                     | (\$000)   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>Affaires municipales et Régions</b>                                                                                              |           |
| 2000-2007 infrastructure program                                                                                                    | 89,133.5  |
| <b>Agriculture, Pêcheries et Alimentation</b>                                                                                       |           |
| Financing of agricultural risk management programs                                                                                  | 184,470.0 |
| Financing of certain agriculture and fishing activities                                                                             | 5,500.0   |
| Training, partnership and organization of special events                                                                            | 4,094.2   |
| <b>Conseil exécutif</b>                                                                                                             |           |
| Financing the Youth Action Strategy                                                                                                 | 12,000.0  |
| Financing the Défi de l'entrepreneuriat jeunesse Strategy                                                                           | 10,922.1  |
| Regionalization of financial assistance decisions towards regional youth forums                                                     | 2,351.6   |
| <b>Culture et Communications</b>                                                                                                    |           |
| Training, partnership and organization of special events                                                                            | 1,394.6   |
| Application of the policy of integration of the arts into architecture and the environment of public government buildings and sites | 550.0     |
| Financing autonomous service units - Centre de conservation du Québec                                                               | 360.0     |
| <b>Développement durable, Environnement et Parcs</b>                                                                                |           |
| Financing of autonomous service units - Centre d'expertise en analyse environnementale                                              | 2,841.3   |
| Training, partnership and organization of special events                                                                            | 1,361.5   |
| <b>Développement économique, Innovation et Exportation</b>                                                                          |           |
| Training, partnership and organization of special events                                                                            | 450.0     |
| <b>Éducation, Loisir et Sport</b>                                                                                                   |           |
| Financing of Millennium Scholarships                                                                                                | 69,360.0  |
| Minority-language and second-language teaching                                                                                      | 8,260.3   |
| Training in federal penitentiaries                                                                                                  | 4,200.0   |
| Literacy program                                                                                                                    | 3,700.0   |
| Training, partnership and organization of special events                                                                            | 859.2     |
| <b>Emploi et Solidarité sociale</b>                                                                                                 |           |
| Application of the Québec Parental Insurance Plan                                                                                   | 200,000.0 |
| Financing of pilot projects for elderly workers                                                                                     | 487.1     |
| Training, partnership and organization of special events                                                                            | 91.1      |
| <b>Justice</b>                                                                                                                      |           |
| Canada Investment Fund for the renewal of Legal Aid                                                                                 | 3,430.1   |
| Training, partnership and organization of special events                                                                            | 90.0      |
| <b>Relations internationales</b>                                                                                                    |           |
| Training, partnership and organization of special events                                                                            | 400.0     |

**DEFINED-PURPOSE ACCOUNTS: PAYMENTS AND OTHER DEPARTEMENTAL DEBITS IN 2005-2006**

(\$000)

**Ressources naturelles et Faune**

|                                                                                                         |         |
|---------------------------------------------------------------------------------------------------------|---------|
| Training, partnership and organization of special events                                                | 1,616.3 |
| Mining sector cooperation project with Bolivia                                                          | 894.4   |
| Financing the measure for protecting, securing, redeveloping and restoring the Norebec-Maitou mine site | 374.2   |

**Revenu**

|                                       |           |
|---------------------------------------|-----------|
| Goods and services tax administration | 125,897.6 |
|---------------------------------------|-----------|

**Santé et Services sociaux**

|                                                          |          |
|----------------------------------------------------------|----------|
| Financing of services to seniors with reduced mobility   | 30,000.0 |
| Financing of the program to assist pathological gamblers | 18,000.0 |
| Training, partnership and organization of special events | 2,937.0  |

**Sécurité publique**

|                                                                                                   |         |
|---------------------------------------------------------------------------------------------------|---------|
| Administration of the Firearms Act                                                                | 5,500.0 |
| Financing of the program to assist pathological gamblers                                          | 3,077.0 |
| Financing of autonomous service units - Laboratoire de sciences judiciaires et de médecine légale | 2,834.0 |
| Training, partnership and organization of special events                                          | 1,603.9 |
| Financing of the joint civil defence program                                                      | 808.4   |

**Services gouvernementaux**

|                                                          |       |
|----------------------------------------------------------|-------|
| Training, partnership and organization of special events | 337.2 |
|----------------------------------------------------------|-------|

**Transports**

|                                  |          |
|----------------------------------|----------|
| 2000-2007 infrastructure program | 85,734.6 |
| Airport fixed-asset financing    | 1,229.0  |

**Travail**

|                                                          |         |
|----------------------------------------------------------|---------|
| Financing of the Bureau d'évaluation médicale            | 2,505.0 |
| Training, partnership and organization of special events | 149.2   |

|                |                  |
|----------------|------------------|
| <b>Total *</b> | <b>889,804.4</b> |
|----------------|------------------|

\* This total differs from expenditures of the defined-purpose accounts, as presented in section 1 of Chapter 6, primarily because certain expenditures of these accounts are already included in the expenditures of the extrabudgetary agencies and special funds.



## APPENDIX B

### 2005-2006 EXPENDITURE BUDGET - BREAKDOWN BY MISSIONS

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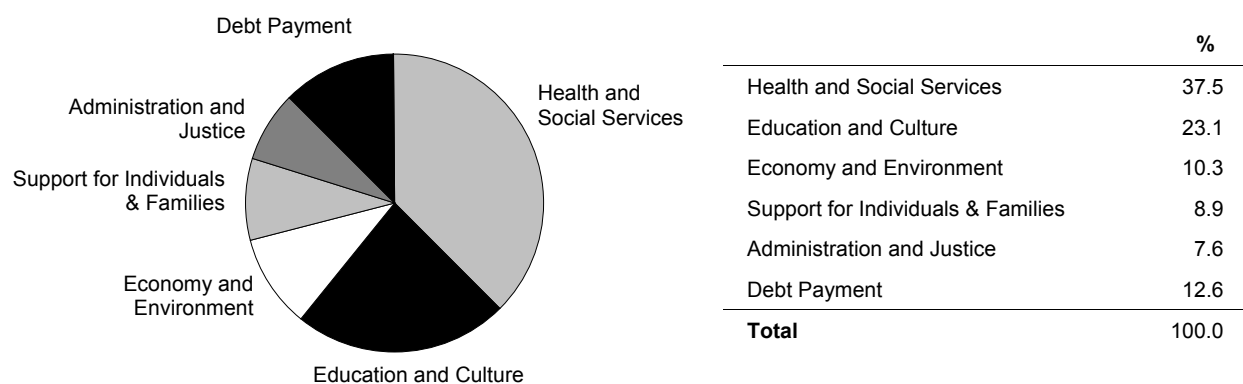
#### ***IN BRIEF***

- The 2005-2006 Expenditure Budget totals \$55,402.0 million, \$48,407.0 million of this amount allocated to program spending, and \$6,995.0 million to the debt service.
- The government's total expenditures are broken down into six major government missions, namely: Health and Social Services, Education and Culture, Economy and Environment, Support for Individuals & Families, Administration and Justice, and Debt Payment.
- Three missions account for 70.9% of the total expenditures, as follows:
  - The Health and Social Services mission, to which 37.5% of the total expenditures is allocated;
  - The Education and Culture mission, representing 23.1% of the total expenditures; and,
  - The Economy and Environment mission, which accounts for 10.3% of the total expenditures.
- Together, the other missions account for an additional 29.1% of the total expenditures, including 12.6% that is allocated to Debt Payment.

## 1. EXPENDITURE BUDGET - BREAKDOWN BY MISSIONS

- The programs appearing in the 2005-2006 Expenditure Budget are consolidated into six missions corresponding to the main functions of the government.
- Although the budgetary structure of certain portfolios and programs has changed in fiscal year 2005-2006, the missions remain the same as in 2004-2005.

### 2005-2006 EXPENDITURE BUDGET - BREAKDOWN BY MISSIONS<sup>1</sup>



<sup>1</sup> Excluding anticipated lapsed appropriations and carry-over appropriations in 2006-2007.

## 2005-2006 EXPENDITURES BY PORTFOLIO AND MISSION

| Portfolios                                          | Missions                   |                       |                         |                                      |                            |                | Total           |
|-----------------------------------------------------|----------------------------|-----------------------|-------------------------|--------------------------------------|----------------------------|----------------|-----------------|
|                                                     | Health and Social Services | Education and Culture | Economy and Environment | Support for Individuals and Families | Administration and Justice | Debt Payment   |                 |
|                                                     | (\$000,000)                |                       |                         |                                      |                            |                |                 |
| Affaires municipales et Régions                     | -                          | -                     | 975.3                   | -                                    | 800.6                      | -              | 1,776.0         |
| Agriculture, Pêcheries et Alimentation              | -                          | -                     | 653.1                   | -                                    | -                          | -              | 653.1           |
| National Assembly                                   | -                          | -                     | -                       | -                                    | 94.8                       | -              | 94.8            |
| Conseil du trésor et Administration gouvernementale | -                          | -                     | -                       | -                                    | 808.0                      | -              | 808.0           |
| Conseil exécutif                                    | -                          | -                     | -                       | -                                    | 250.8                      | -              | 250.8           |
| Culture et Communications                           | -                          | 535.9                 | -                       | -                                    | -                          | -              | 535.9           |
| Développement durable, Environnement et Parcs       | -                          | -                     | 177.9                   | -                                    | -                          | -              | 177.9           |
| Développement économique, Innovation et Exportation | -                          | -                     | 576.4                   | -                                    | -                          | -              | 576.4           |
| Éducation, Loisir et Sport                          | -                          | 12,201.9              | -                       | -                                    | -                          | -              | 12,201.9        |
| Emploi et Solidarité sociale                        | -                          | -                     | 899.5                   | 3,112.2                              | -                          | -              | 4,011.7         |
| Famille, Aînés et Condition féminine                | -                          | -                     | -                       | 1,634.4                              | -                          | -              | 1,634.4         |
| Finances                                            | -                          | -                     | -                       | -                                    | 213.7                      | 6,995.0        | 7,208.7         |
| Immigration et Communautés culturelles              | -                          | 98.6                  | -                       | -                                    | 0.7                        | -              | 99.3            |
| Justice                                             | -                          | -                     | -                       | 195.3                                | 417.2                      | -              | 612.5           |
| Persons Appointed by the National Assembly          | -                          | -                     | -                       | -                                    | 55.8                       | -              | 55.8            |
| Relations internationales                           | -                          | -                     | 99.6                    | -                                    | -                          | -              | 99.6            |
| Ressources naturelles et Faune                      | -                          | -                     | 390.9                   | -                                    | -                          | -              | 390.9           |
| Revenu                                              | -                          | -                     | -                       | -                                    | 602.6                      | -              | 602.6           |
| Santé et Services sociaux                           | 20,862.0                   | -                     | -                       | -                                    | -                          | -              | 20,862.0        |
| Sécurité publique                                   | -                          | -                     | -                       | -                                    | 906.3                      | -              | 906.3           |
| Services gouvernementaux                            | -                          | -                     | -                       | -                                    | 53.9                       | -              | 53.9            |
| Tourisme                                            | -                          | -                     | 138.6                   | -                                    | -                          | -              | 138.6           |
| Transports                                          | -                          | -                     | 1,808.3                 | -                                    | -                          | -              | 1,808.3         |
| Travail                                             | -                          | -                     | -                       | -                                    | 63.7                       | -              | 63.7            |
| Anticipated Lapsed Appropriations                   | -                          | -                     | -                       | -                                    | -                          | -              | (150.0) *       |
| Carry-over Appropriations in 2006-2007              | -                          | -                     | -                       | -                                    | -                          | -              | (71.2) *        |
| <b>Total Missions</b>                               | <b>20,862.0</b>            | <b>12,836.4</b>       | <b>5,719.7</b>          | <b>4,941.9</b>                       | <b>4,268.2</b>             | <b>6,995.0</b> | <b>55,402.0</b> |

Note: Figures are rounded and the sum of the amounts recorded in respect of each portfolio may not correspond to the total.

\* Anticipated lapsed appropriations and carry-over appropriations in 2006-2007 are not broken down by mission since they will be allocated among the missions during the course of the year.

| Portfolios and Programs                                                       | Expenditure Budget<br>2005-2006 | Expenditure Budget<br>2004-2005 | Probable Expenditure<br>2004-2005 | Expenditures<br>2003-2004 | Expenditures<br>2002-2003 |
|-------------------------------------------------------------------------------|---------------------------------|---------------------------------|-----------------------------------|---------------------------|---------------------------|
| (\$'000,000)                                                                  |                                 |                                 |                                   |                           |                           |
| Culture et Communications                                                     |                                 |                                 |                                   |                           |                           |
| Charter of the French Language                                                | 22.8                            | 22.8                            | 21.5                              | 22.4                      | 24.4                      |
| Internal Management, National Institutions and Commission des biens culturels | 72.1                            | 74.2                            | 71.6                              | 76.3                      | 74.2                      |
| Support for Culture, Communications and Government Corporations               | 441.0                           | 437.7                           | 428.4                             | 413.6                     | 391.6                     |
| Éducation, Loisir et Sport                                                    |                                 |                                 |                                   |                           |                           |
| Administration and Consulting                                                 | 127.1                           | 135.2                           | 130.0                             | 127.1                     | 125.6                     |
| Development of Recreation and Sport                                           | 64.9                            | 64.9                            | 65.1                              | 66.7                      | 61.4                      |
| Financial Assistance for Education                                            | 334.8                           | 294.2                           | 279.2                             | 311.1                     | 279.6                     |
| Higher Education                                                              | 3,780.1                         | 3,646.2                         | 3,644.5                           | 3,520.7                   | 3,323.4                   |
| Pre-school, Primary and Secondary Education                                   | 7,203.8                         | 7,060.4                         | 7,075.8                           | 6,872.7                   | 6,772.7                   |
| Retirement Plans                                                              | 672.4                           | 669.7                           | 669.7                             | 659.1                     | 588.7                     |
| Tourism and Hotel Industry Training                                           | 18.8                            | 17.1                            | 17.1                              | 17.1                      | 15.4                      |
| Immigration et Communautés culturelles                                        |                                 |                                 |                                   |                           |                           |
| Immigration, Integration and Cultural Communities                             | 98.6                            | 104.2                           | 106.2                             | 132.5                     | 155.1                     |
| Total of this Mission                                                         | 12,836.4                        | 12,526.6                        | 12,509.1                          | 12,219.2                  | 11,812.1                  |

Note: Figures are rounded and the sum of the amounts recorded in respect of each program may not correspond to the total. 2004-2005 expenditures and expenditures from previous years have been adjusted in order to present them on the same basis as the 2005-2006 Expenditure Budget.

**MISSION HEALTH AND SOCIAL SERVICES, EXPENDITURES BY PORTFOLIO AND PROGRAM**

| <b>Portfolios and Programs</b>             | <b>Expenditure Budget<br/>2005-2006</b> | <b>Expenditure Budget<br/>2004-2005</b> | <b>Probable Expenditure<br/>2004-2005</b> | <b>Expenditures<br/>2003-2004</b> | <b>Expenditures<br/>2002-2003</b> |
|--------------------------------------------|-----------------------------------------|-----------------------------------------|-------------------------------------------|-----------------------------------|-----------------------------------|
| <b>((\$000,000))</b>                       |                                         |                                         |                                           |                                   |                                   |
| <b>Santé et Services sociaux</b>           |                                         |                                         |                                           |                                   |                                   |
| National Operations                        | <b>276.8</b>                            | 279.8                                   | 281.7                                     | 242.9                             | 224.5                             |
| Office des personnes handicapées du Québec | <b>49.4</b>                             | 47.6                                    | 53.8                                      | 52.6                              | 50.8                              |
| Régie de l'assurance maladie du Québec     | <b>5,360.9</b>                          | 5,152.1                                 | 5,152.1                                   | 4,876.8                           | 4,609.7                           |
| Regional Operations                        | <b>15,174.9</b>                         | 14,601.6                                | 14,548.3                                  | 13,900.2                          | 13,031.3                          |
| <b>Total of this Mission</b>               | <b>20,862.0</b>                         | 20,081.1                                | 20,035.9                                  | 19,072.5                          | 17,916.3                          |

Note: Figures are rounded and the sum of the amounts recorded in respect of each program may not correspond to the total. 2004-2005 expenditures and expenditures from previous years have been adjusted in order to present them on the same basis as the 2005-2006 Expenditure Budget.

## MISSION ECONOMY AND ENVIRONMENT, EXPENDITURES BY PORTFOLIO AND PROGRAM

| Portfolios and Programs                                    | Expenditure Budget<br>2005-2006 | Expenditure Budget<br>2004-2005 | Probable Expenditure<br>2004-2005 | Expenditures<br>2003-2004 | Expenditures<br>2002-2003 |
|------------------------------------------------------------|---------------------------------|---------------------------------|-----------------------------------|---------------------------|---------------------------|
| (\$000,000)                                                |                                 |                                 |                                   |                           |                           |
| <b>Affaires municipales et Régions</b>                     |                                 |                                 |                                   |                           |                           |
| Greater Montréal Promotion and Development                 | 77.7                            | 60.1                            | 60.9                              | 64.1                      | 71.5                      |
| Housing                                                    | 317.5                           | 323.9                           | 324.4                             | 300.5                     | 254.5                     |
| Upgrading Infrastructure and Urban Renewal                 | 580.1                           | 502.4                           | 479.7                             | 550.5                     | 573.3                     |
| <b>Agriculture, Pêcheries et Alimentation</b>              |                                 |                                 |                                   |                           |                           |
| Bio-food Company Development, Training and Food Quality    | 336.3                           | 330.4                           | 343.2                             | 345.3                     | 323.9                     |
| Government Agencies                                        | 316.7                           | 316.6                           | 316.9                             | 317.2                     | 317.3                     |
| <b>Développement durable, Environnement et Parcs</b>       |                                 |                                 |                                   |                           |                           |
| Bureau d'audiences publiques sur l'environnement           | 5.2                             | 5.4                             | 5.8                               | 6.0                       | 6.4                       |
| Environmental Protection and Parks Management              | 172.7                           | 176.2                           | 177.2                             | 201.2                     | 198.6                     |
| <b>Développement économique, Innovation et Exportation</b> |                                 |                                 |                                   |                           |                           |
| Department Administration                                  | 37.2                            | 40.6                            | 38.5                              | 38.5                      | 47.3                      |
| Economic Development and Assistance to Enterprises         | 316.2                           | 350.4                           | 304.3                             | 265.7                     | 615.9                     |
| Research, Science and Technology                           | 223.0                           | 240.1                           | 239.5                             | 234.8                     | 241.7                     |
| <b>Emploi et Solidarité sociale</b>                        |                                 |                                 |                                   |                           |                           |
| Employment Assistance Measures                             | 899.5                           | 909.1                           | 914.6                             | 945.9                     | 970.4                     |
| <b>Relations internationales</b>                           |                                 |                                 |                                   |                           |                           |
| International Affairs                                      | 99.6                            | 100.6                           | 97.6                              | 111.6                     | 110.9                     |
| <b>Ressources naturelles et Faune</b>                      |                                 |                                 |                                   |                           |                           |
| Management of Natural Resources and Wildlife               | 390.9                           | 396.0                           | 379.5                             | 436.6                     | 440.4                     |
| <b>Tourisme</b>                                            |                                 |                                 |                                   |                           |                           |
| Promotion and Development of Tourism                       | 138.6                           | 129.4                           | 146.0                             | 146.0                     | 143.6                     |

# MISSION ECONOMY AND ENVIRONMENT, EXPENDITURES BY PORTFOLIO AND PROGRAM (CONT'D.)

| Portfolios and Programs                       | Expenditure Budget<br>2005-2006 | Expenditure Budget<br>2004-2005 | Probable Expenditure<br>2004-2005 | Expenditures<br>2003-2004 | Expenditures<br>2002-2003 |
|-----------------------------------------------|---------------------------------|---------------------------------|-----------------------------------|---------------------------|---------------------------|
| (\$000,000)                                   |                                 |                                 |                                   |                           |                           |
| <b>Transports</b>                             |                                 |                                 |                                   |                           |                           |
| Administration and Corporate Services         | 88.1                            | 95.7                            | 86.5                              | 93.2                      | 93.8                      |
| Promotion and Development of Québec's Capital | 29.2                            | 31.3                            | 39.3                              | 36.7                      | 38.3                      |
| Transportation Infrastructures                | 1,296.1                         | 1,203.4                         | 1,186.1                           | 1,077.8                   | 1,050.0                   |
| Transportation Systems                        | 394.9                           | 349.4                           | 344.6                             | 339.5                     | 284.7                     |
| <b>Total of this Mission</b>                  | <b>5,719.7</b>                  | 5,561.1                         | 5,484.6                           | 5,511.1                   | 5,782.5                   |

Note: Figures are rounded and the sum of the amounts recorded in respect of each program may not correspond to the total. 2004-2005 expenditures and expenditures from previous years have been adjusted in order to present them on the same basis as the 2005-2006 Expenditure Budget.

## MISSION SUPPORT FOR INDIVIDUALS AND FAMILIES, EXPENDITURES BY PORTFOLIO AND PROGRAM

| Portfolios and Programs                         | Expenditure Budget<br>2005-2006 | Expenditure Budget<br>2004-2005 | Probable Expenditure<br>2004-2005 | Expenditures<br>2003-2004 | Expenditures<br>2002-2003 |
|-------------------------------------------------|---------------------------------|---------------------------------|-----------------------------------|---------------------------|---------------------------|
| (\$000,000)                                     |                                 |                                 |                                   |                           |                           |
| <b>Emploi et Solidarité sociale*</b>            |                                 |                                 |                                   |                           |                           |
| Financial Assistance Measures                   | 2,913.6                         | 2,974.9                         | 2,961.7                           | 3,005.5                   | 2,946.8                   |
| Management Support                              | 198.6                           | 213.3                           | 206.9                             | 202.0                     | 203.1                     |
| <b>Famille, Aînés et Condition féminine*</b>    |                                 |                                 |                                   |                           |                           |
| Assistance Measures for Families                | 1,568.7                         | 1,447.3                         | 1,437.6                           | 1,360.2                   | 1,190.5                   |
| Condition of the elderly                        | 2.8                             | 2.7                             | 2.6                               | 1.1                       | 2.7                       |
| Planning, Research and Administration           | 22.2                            | 20.7                            | 20.3                              | 20.5                      | 34.3                      |
| Public Curator                                  | 33.8                            | 34.0                            | 32.7                              | 43.5                      | 39.9                      |
| Status of Women                                 | 7.0                             | 7.0                             | 6.9                               | 7.1                       | 7.3                       |
| <b>Justice</b>                                  |                                 |                                 |                                   |                           |                           |
| Assistance to Persons Brought before the Courts | 195.3                           | 184.7                           | 213.8                             | 204.2                     | 191.7                     |
| <b>Total of this Mission</b>                    | <b>4,941.9</b>                  | <b>4,884.6</b>                  | <b>4,882.5</b>                    | <b>4,844.1</b>            | <b>4,616.3</b>            |

\* Program spending is presented according to the 2005-2006 budget structure. It includes changes that have occurred in the presentation of portfolios as well as corrections to the "Emploi et Solidarité sociale" and "Famille, Aînés et Condition féminine" portfolios in order to take into account financial assistance measures, which will be entered as a reduction in budget revenues beginning on January 1, 2005.

Note: Figures are rounded and the sum of the amounts recorded in respect of each program may not correspond to the total. 2004-2005 expenditures and expenditures from previous years have been adjusted in order to present them on the same basis as the 2005-2006 Expenditure Budget.

## MISSION ADMINISTRATION AND JUSTICE, EXPENDITURES BY PORTFOLIO AND PROGRAM

| Portfolios and Programs                                                  | Expenditure Budget<br>2005-2006 | Expenditure Budget<br>2004-2005 | Probable Expenditure<br>2004-2005 | Expenditures<br>2003-2004 | Expenditures<br>2002-2003 |
|--------------------------------------------------------------------------|---------------------------------|---------------------------------|-----------------------------------|---------------------------|---------------------------|
| (\$000,000)                                                              |                                 |                                 |                                   |                           |                           |
| <b>National Assembly</b>                                                 |                                 |                                 |                                   |                           |                           |
| Secrétariat général adjoint aux affaires administratives                 | 31.9                            | 32.0                            | 32.0                              | 29.7                      | 31.0                      |
| Secrétariat général, parliamentary affairs and institutional affairs     | 18.5                            | 18.1                            | 18.1                              | 16.7                      | 17.4                      |
| Statutory Support Services for Parliamentarians                          | 44.4                            | 44.2                            | 44.2                              | 47.8                      | 43.2                      |
| <b>Persons Appointed by the National Assembly</b>                        |                                 |                                 |                                   |                           |                           |
| Administration of the Electoral System                                   | 24.5                            | 27.8                            | 27.8                              | 60.9                      | 37.9                      |
| The Auditor General                                                      | 20.2                            | 19.3                            | 19.3                              | 19.1                      | 17.2                      |
| The Lobbyists Commissioner                                               | 2.8                             | 2.6                             | 2.6                               | 1.7                       | 0.8                       |
| The Public Protector                                                     | 8.3                             | 8.0                             | 7.9                               | 7.8                       | 7.6                       |
| <b>Affaires municipales et Régions</b>                                   |                                 |                                 |                                   |                           |                           |
| Commission municipale du Québec                                          | 3.0                             | 3.1                             | 3.0                               | 3.5                       | 3.3                       |
| Compensation in lieu of Taxes and Financial Assistance to Municipalities | 681.7                           | 665.3                           | 657.4                             | 513.9                     | 552.2                     |
| General Administration                                                   | 48.9                            | 50.3                            | 51.1                              | 49.8                      | 44.5                      |
| Régie du logement                                                        | 14.2                            | 14.7                            | 14.4                              | 16.1                      | 14.9                      |
| Regional Development and Rurality                                        | 52.8                            | 48.3                            | 48.3                              | 44.6                      | 39.5                      |
| <b>Conseil du trésor et Administration gouvernementale</b>               |                                 |                                 |                                   |                           |                           |
| Commission de la fonction publique                                       | 3.4                             | 3.4                             | 3.3                               | 2.7                       | 2.6                       |
| Contingency Fund                                                         | 381.0                           | 99.0                            | -                                 | -                         | -                         |
| Retirement and Insurance Plans                                           | 304.4                           | 303.9                           | 303.9                             | 324.6                     | 312.9                     |
| Secrétariat du Conseil du trésor                                         | 119.2                           | 116.5                           | 127.9                             | 84.9                      | 184.8                     |
| <b>Conseil exécutif</b>                                                  |                                 |                                 |                                   |                           |                           |
| Canadian Intergovernmental Affairs                                       | 11.7                            | 13.0                            | 12.1                              | 11.9                      | 11.7                      |
| Lieutenant-Governor's Office                                             | 0.9                             | 0.9                             | 1.0                               | 1.0                       | 1.1                       |
| Native Affairs                                                           | 153.9                           | 157.7                           | 140.3                             | 101.6                     | 76.0                      |
| Reform of Democratic Institutions and Access to Information              | 5.7                             | 5.8                             | 5.6                               | 5.4                       | 5.6                       |
| Support Services for the Premier and the Conseil exécutif                | 68.4                            | 70.3                            | 39.9                              | 38.5                      | 40.0                      |
| Youth                                                                    | 10.2                            | 21.9                            | 20.3                              | 11.6                      | 9.4                       |

**MISSION ADMINISTRATION AND JUSTICE, EXPENDITURES BY PORTFOLIO AND PROGRAM  
(CONT'D.)**

| Portfolios and Programs                                                                                            | Expenditure Budget<br>2005-2006 | Expenditure Budget<br>2004-2005 | Probable Expenditure<br>2004-2005 | Expenditures<br>2003-2004 | Expenditures<br>2002-2003 |
|--------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|-----------------------------------|---------------------------|---------------------------|
|                                                                                                                    |                                 |                                 | (\$000,000)                       |                           |                           |
| <b>Finances</b>                                                                                                    |                                 |                                 |                                   |                           |                           |
| Budget and Taxation Policy, Economic Analysis and Administration of Government Financial and Accounting Activities | 155.7                           | 158.0                           | 87.9                              | 47.8                      | 59.8                      |
| Department Administration                                                                                          | 58.1                            | 60.7                            | 60.8                              | 63.6                      | 64.8                      |
| <b>Immigration et Communautés culturelles</b>                                                                      |                                 |                                 |                                   |                           |                           |
| Organization Reporting to the Minister                                                                             | 0.7                             | 0.7                             | 0.7                               | 0.7                       | 0.7                       |
| <b>Justice</b>                                                                                                     |                                 |                                 |                                   |                           |                           |
| Administration of Justice                                                                                          | 323.2                           | 319.8                           | 328.2                             | 305.0                     | 286.0                     |
| Administrative Justice                                                                                             | 10.9                            | 11.1                            | 11.1                              | 10.4                      | 9.5                       |
| Judicial Activity                                                                                                  | 75.6                            | 71.4                            | 72.6                              | 70.0                      | 68.5                      |
| Protection Organizations Reporting to the Minister                                                                 | 7.5                             | 7.6                             | 7.6                               | 7.9                       | 8.9                       |
| <b>Revenu</b>                                                                                                      |                                 |                                 |                                   |                           |                           |
| Tax Administration                                                                                                 | 602.6                           | 619.6                           | 622.0                             | 716.5                     | 778.5                     |
| <b>Sécurité publique</b>                                                                                           |                                 |                                 |                                   |                           |                           |
| Agencies Reporting to the Minister                                                                                 | 25.0                            | 26.3                            | 27.3                              | 28.7                      | 28.3                      |
| Security, Prevention and Internal Management                                                                       | 410.2                           | 415.6                           | 434.2                             | 447.1                     | 407.6                     |
| Sûreté du Québec                                                                                                   | 471.1                           | 452.7                           | 479.0                             | 459.6                     | 434.9                     |
| <b>Services gouvernementaux</b>                                                                                    |                                 |                                 |                                   |                           |                           |
| Government Services                                                                                                | 53.9                            | 50.5                            | 43.8                              | 35.9                      | 38.7                      |
| <b>Travail</b>                                                                                                     |                                 |                                 |                                   |                           |                           |
| Labour                                                                                                             | 63.7                            | 64.8                            | 74.6                              | 67.6                      | 69.8                      |
| <b>Total of this Mission</b>                                                                                       | <b>4,268.2</b>                  | <b>3,984.7</b>                  | <b>3,830.1</b>                    | <b>3,654.6</b>            | <b>3,709.7</b>            |

Note: Figures are rounded and the sum of the amounts recorded in respect of each program may not correspond to the total. 2004-2005 expenditures and expenditures from previous years have been adjusted in order to present them on the same basis as the 2005-2006 Expenditure Budget.

**MISSION DEBT PAYMENT, EXPENDITURES BY PORTFOLIO AND PROGRAM**

| <b>Portfolios and Programs</b>                            | <b>Expenditure Budget<br/>2005-2006</b> | <b>Expenditure Budget<br/>2004-2005</b> | <b>Probable Expenditure<br/>2004-2005</b> | <b>Expenditures<br/>2003-2004</b> | <b>Expenditures<br/>2002-2003</b> |
|-----------------------------------------------------------|-----------------------------------------|-----------------------------------------|-------------------------------------------|-----------------------------------|-----------------------------------|
| <b>((\$000,000))</b>                                      |                                         |                                         |                                           |                                   |                                   |
| <b>Finances</b>                                           |                                         |                                         |                                           |                                   |                                   |
| Debt Service and Interest on the Retirement Plans Account | <b>6,995.0</b>                          | 6,868.0                                 | 6,868.0                                   | 6,655.3                           | 6,583.3                           |
| <b>Total of this Mission</b>                              | <b>6,995.0</b>                          | 6,868.0                                 | 6,868.0                                   | 6,655.3                           | 6,583.3                           |
| Anticipated Lapsed Appropriations                         | <b>(150.0)</b>                          |                                         |                                           |                                   |                                   |
| Carry-over Appropriations in 2006-2007                    | <b>(71.2)</b>                           |                                         |                                           |                                   |                                   |
| <b>Mission Total</b>                                      | <b>55,402.0</b>                         | <b>53,610.2</b>                         | <b>53,610.2</b>                           | <b>51,956.7</b>                   | <b>50,420.3</b>                   |

Note: Figures are rounded and the sum of the amounts recorded in respect of each program may not correspond to the total. 2004-2005 expenditures and expenditures from previous years have been adjusted in order to present them on the same basis as the 2005-2006 Expenditure Budget.



### ECONOMIC AND BUDGETARY INDICATORS

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#### ***IN BRIEF***

- This appendix presents the evolution of the primary economic and budgetary indicators for Québec since the fiscal year 1991-1992, namely for a fifteen-year period. It consists of three tables, presenting:
  - The evolution of certain indicators specific to Québec;
  - The evolution of program spending, the debt service and total expenditures;
  - Expenditures broken down by portfolio.

## C.1

## CHANGES IN SELECTED INDICATORS SPECIFIC TO QUÉBEC

|                        | Population <sup>1</sup><br>In thousands | GDP<br>Growth rate <sup>2</sup><br>% | Inflation rate<br>in Canada <sup>3</sup><br>% | Program spending  |                  |             |
|------------------------|-----------------------------------------|--------------------------------------|-----------------------------------------------|-------------------|------------------|-------------|
|                        |                                         |                                      |                                               | as % of GDP<br>%  | per capita<br>\$ | % variation |
| 1991-1992              | 7,065                                   | 1.2                                  | 5.6                                           | 22.0              | 4,826            | 7.0         |
| 1992-1993              | 7,108                                   | 2.1                                  | 1.5                                           | 22.5              | 5,008            | 3.8         |
| 1993-1994              | 7,155                                   | 2.4                                  | 1.8                                           | 21.9              | 4,966            | (0.7)       |
| 1994-1995              | 7,192                                   | 5.1                                  | 0.2                                           | 21.3              | 5,040            | 1.5         |
| 1995-1996              | 7,219                                   | 4.0                                  | 2.2                                           | 20.3              | 4,992            | (1.0)       |
| 1996-1997              | 7,247                                   | 1.8                                  | 1.6                                           | 19.2              | 4,772            | (4.4)       |
| 1997-1998              | 7,275                                   | 4.4                                  | 1.6                                           | 18.4              | 4,768            | (0.1)       |
| 1998-1999              | 7,296                                   | 4.2                                  | 0.9                                           | 18.3 <sup>4</sup> | 5,077            | 6.5         |
| 1999-2000              | 7,323                                   | 7.4                                  | 1.7                                           | 17.9              | 5,167            | 1.8         |
| 2000-2001              | 7,357                                   | 6.7                                  | 2.7                                           | 17.9              | 5,458            | 5.6         |
| 2001-2002              | 7,397                                   | 2.6                                  | 2.6                                           | 18.1              | 5,659            | 3.7         |
| 2002-2003              | 7,446                                   | 5.6                                  | 2.2                                           | 18.0              | 5,888            | 4.0         |
| 2003-2004              | 7,492                                   | 4.1                                  | 2.8                                           | 17.9              | 6,046            | 2.7         |
| 2004-2005 <sup>F</sup> | 7,543                                   | 5.3                                  | 1.9                                           | 17.5              | 6,197            | 2.5         |
| 2005-2006 <sup>F</sup> | 7,592                                   | 4.6                                  | 2.2                                           | 17.3              | 6,376            | 2.9         |

Sources: Secrétariat du Conseil du trésor du Québec for program spending data, Statistics Canada and Ministère des Finances du Québec for economic data.

<sup>1</sup> Population as at July 1 of the fiscal year considered.

<sup>2</sup> The GDP is calculated on a nominal basis, taking the annual average for the calendar year ending three months before the end of the fiscal year considered.

<sup>3</sup> For the calendar year ending three months before the end of the fiscal year considered.

<sup>4</sup> Rate corrected to exclude the impact of extraordinary expenditures allocated in 1998-1999 to implement the financial restructuring and consolidation plan for health and social service establishments, for an amount of \$1,007.0 million, and to improve the financial position of universities, for an amount of \$170.0 million. With these amounts included, the rate would have been 18.9%.

<sup>F</sup> Forecast.

## C.2

## CHANGES IN EXPENDITURES

|                        | Program spending <sup>1</sup> |                  | Debt service |             | Total expenditures <sup>2</sup> |             |
|------------------------|-------------------------------|------------------|--------------|-------------|---------------------------------|-------------|
|                        | \$ million                    | % variation      | \$ million   | % variation | \$ million                      | % variation |
| 1991-1992              | 34,095                        | 6.5              | 4,666        | 5.2         | 38,761                          | 6.3         |
| 1992-1993              | 35,594                        | 4.4              | 4,756        | 1.9         | 40,350                          | 4.1         |
| 1993-1994              | 35,530                        | (0.2)            | 5,316        | 11.8        | 40,846                          | 1.2         |
| 1994-1995              | 36,243                        | 2.0              | 5,882        | 10.6        | 42,125                          | 3.1         |
| 1995-1996              | 36,035                        | (0.6)            | 6,034        | 2.6         | 42,069                          | (0.1)       |
| 1996-1997              | 34,579                        | (4.0)            | 5,855        | (3.0)       | 40,434                          | (3.9)       |
| 1997-1998              | 34,684                        | 0.3              | 6,765        | 15.5        | 41,449                          | 2.5         |
| 1998-1999              | 37,041                        | 1.7 <sup>3</sup> | 6,573        | (2.8)       | 43,614                          | 5.2         |
| 1999-2000              | 37,837                        | 2.1              | 6,752        | 2.7         | 44,589                          | 2.2         |
| 2000-2001              | 40,151                        | 6.1              | 6,972        | 3.3         | 47,123                          | 5.7         |
| 2001-2002              | 41,863                        | 4.3              | 6,687        | (4.1)       | 48,550                          | 3.0         |
| 2002-2003              | 43,837                        | 4.7              | 6,583        | (1.6)       | 50,420                          | 3.9         |
| 2003-2004              | 45,302                        | 3.3              | 6,655        | 1.1         | 51,957                          | 3.0         |
| 2004-2005 <sup>F</sup> | 46,742                        | 3.2              | 6,868        | 3.2         | 53,610                          | 3.2         |
| 2005-2006 <sup>F</sup> | 48,407                        | 3.6              | 6,995        | 1.8         | 55,402                          | 3.3         |

<sup>1</sup> Program spending is presented according to the 2005-2006 budget structure. It includes changes that have occurred in the presentation of portfolios as well as corrections to the "Emploi et Solidarité sociale" and "Famille, Aînés et Condition féminine" portfolios in order to take into account financial assistance measures, which will be entered as a reduction in budget revenues beginning on January 1, 2005.

<sup>2</sup> Total expenditures exclude consolidated agency and defined purpose accounts.

<sup>3</sup> Rate corrected to exclude, on the one hand, the impact of the Canada-Québec Labour Market Agreement, which came into force in 1998-1999, for an amount of \$595.6 million, and, on the other hand, the impact of extraordinary expenditures effected in 1998-1999 to implement the financial restructuring and consolidation plan for health and social service establishments, for an amount of \$1,007.0 million, and to improve the financial position of the universities, for an amount of \$170.0 million. The growth rate, taking these expenditures into account, would have been 6.8%.

<sup>F</sup> Forecast.

## C.3

## EXPENDITURES BY PORTFOLIO (MILLIONS OF DOLLARS)

|                                                          | Expenditure         | Probable                 | Actual Expenditures |               |               |
|----------------------------------------------------------|---------------------|--------------------------|---------------------|---------------|---------------|
|                                                          | Budget<br>2005-2006 | Expenditure<br>2004-2005 | 2003-2004           | 2002-2003     | 2001-2002     |
| Affaires municipales et Régions                          | 1,776               | 1,639                    | 1,543               | 1,554         | 1,578         |
| Agriculture, Pêcheries et Alimentation                   | 653                 | 660                      | 663                 | 641           | 651           |
| National Assembly                                        | 95                  | 94                       | 94                  | 92            | 88            |
| Conseil du trésor et Administration gouvernementale      | 808                 | 435                      | 412                 | 500           | 456           |
| Conseil exécutif                                         | 251                 | 219                      | 170                 | 144           | 98            |
| Culture et Communications                                | 536                 | 522                      | 512                 | 490           | 479           |
| Développement durable, Environnement et Parcs            | 178                 | 183                      | 207                 | 205           | 205           |
| Développement économique, Innovation et Exportation      | 576                 | 582                      | 539                 | 905           | 873           |
| Éducation, Loisir et Sport                               | 12,202              | 11,881                   | 11,575              | 11,167        | 10,615        |
| Emploi et Solidarité sociale*                            | 4,012               | 4,083                    | 4,153               | 4,120         | 4,036         |
| Famille, Aînés et Condition féminine*                    | 1,634               | 1,500                    | 1,432               | 1,275         | 1,131         |
| Finances                                                 | 214                 | 149                      | 111                 | 125           | 116           |
| Immigration et Communautés culturelles                   | 99                  | 107                      | 133                 | 156           | 135           |
| Justice                                                  | 612                 | 633                      | 597                 | 565           | 531           |
| Persons Appointed by the National Assembly               | 56                  | 58                       | 90                  | 63            | 50            |
| Relations internationales                                | 100                 | 98                       | 112                 | 111           | 111           |
| Ressources naturelles et Faune                           | 391                 | 379                      | 437                 | 440           | 440           |
| Revenu                                                   | 603                 | 622                      | 717                 | 778           | 613           |
| Santé et Services sociaux                                | 20,862              | 20,036                   | 19,073              | 17,916        | 17,186        |
| Sécurité publique                                        | 906                 | 940                      | 935                 | 871           | 799           |
| Services gouvernementaux                                 | 54                  | 44                       | 36                  | 39            | 32            |
| Tourisme                                                 | 139                 | 146                      | 146                 | 143           | 109           |
| Transports                                               | 1,808               | 1,657                    | 1,547               | 1,467         | 1,443         |
| Travail                                                  | 64                  | 75                       | 68                  | 70            | 88            |
| Change in the Provision for Losses on Equity Investments | -                   | -                        | -                   | -             | -             |
| Anticipated Lapsed Appropriations                        | (150)               |                          |                     |               |               |
| Carry-over Appropriations in 2006-2007                   | (71)                |                          |                     |               |               |
| <b>Program spending</b>                                  | <b>48,407</b>       | <b>46,742</b>            | <b>45,302</b>       | <b>43,837</b> | <b>41,863</b> |
| Debt Service                                             | 6,995               | 6,868                    | 6,655               | 6,583         | 6,687         |
| <b>Total Expenditures</b>                                | <b>55,402</b>       | <b>53,610</b>            | <b>51,957</b>       | <b>50,420</b> | <b>48,550</b> |

\* Program spending is presented according to the 2005-2006 budget structure. It includes changes that have occurred in the presentation of portfolios as well as corrections to the "Emploi et Solidarité sociale" and "Famille, Aînés et Condition féminine" portfolios in order to take into account financial assistance measures, which will be entered as a reduction in budget revenues beginning on January 1, 2005.

Note: Figures are rounded and the sum of the amounts recorded in respect of each portfolio may not correspond to the total.

| Actual Expenditures |               |               |               |               |               |               |               |               |               |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2000-2001           | 1999-2000     | 1998-1999     | 1997-1998     | 1996-1997     | 1995-1996     | 1994-1995     | 1993-1994     | 1992-1993     | 1991-1992     |
| 1,350               | 1,105         | 1,001         | 1,172         | 1,233         | 1,407         | 1,402         | 1,287         | 1,258         | 1,159         |
| 714                 | 513           | 531           | 499           | 585           | 643           | 641           | 657           | 660           | 685           |
| 80                  | 74            | 74            | 67            | 80            | 86            | 86            | 81            | 83            | 83            |
| 425                 | 352           | 406           | 581           | 580           | 501           | 527           | 512           | 573           | 532           |
| 83                  | 197           | 57            | 53            | 55            | 68            | 68            | 56            | 54            | 51            |
| 528                 | 482           | 511           | 409           | 409           | 418           | 428           | 443           | 448           | 401           |
| 207                 | 232           | 174           | 184           | 178           | 186           | 190           | 195           | 204           | 190           |
| 922                 | 787           | 761           | 572           | 527           | 641           | 688           | 549           | 666           | 552           |
| 10,187              | 9,880         | 9,620         | 9,490         | 10,082        | 10,500        | 10,493        | 10,201        | 10,414        | 10,026        |
| 4,058               | 4,018         | 4,108         | 3,731         | 3,899         | 3,972         | 3,965         | 3,847         | 3,586         | 3,172         |
| 916                 | 699           | 576           | 481           | 425           | 421           | 387           | 349           | 328           | 319           |
| 114                 | 90            | 81            | 146           | 81            | 84            | 90            | 95            | 99            | 100           |
| 108                 | 106           | 111           | 99            | 101           | 106           | 106           | 112           | 115           | 112           |
| 488                 | 478           | 505           | 474           | 485           | 475           | 514           | 522           | 524           | 493           |
| 42                  | 41            | 94            | 36            | 42            | 99            | 86            | 38            | 84            | 35            |
| 104                 | 98            | 88            | 77            | 83            | 100           | 95            | 100           | 104           | 98            |
| 462                 | 556           | 468           | 374           | 423           | 455           | 493           | 532           | 566           | 571           |
| 716                 | 721           | 845           | 1,085         | 631           | 511           | 490           | 557           | 559           | 526           |
| 16,094              | 14,825        | 14,594        | 12,922        | 12,863        | 13,039        | 13,073        | 12,946        | 12,701        | 12,347        |
| 744                 | 700           | 703           | 664           | 696           | 719           | 719           | 713           | 743           | 779           |
| 33                  | 45            | 30            | 38            | 40            | 23            | 19            | 16            | 16            | 15            |
| 147                 | 149           | 106           | 85            | 81            | 79            | 84            | 74            | 93            | 89            |
| 1,551               | 1,609         | 1,525         | 1,374         | 942           | 1,469         | 1,558         | 1,540         | 1,621         | 1,670         |
| 79                  | 81            | 72            | 68            | 68            | 70            | 74            | 69            | 79            | 76            |
| -                   | -             | -             | -             | (11)          | (39)          | (34)          | 40            | 18            | 15            |
| <b>40,151</b>       | <b>37,837</b> | <b>37,041</b> | <b>34,684</b> | <b>34,579</b> | <b>36,035</b> | <b>36,243</b> | <b>35,530</b> | <b>35,594</b> | <b>34,095</b> |
| 6,972               | 6,752         | 6,573         | 6,765         | 5,855         | 6,034         | 5,882         | 5,316         | 4,756         | 4,666         |
| <b>47,123</b>       | <b>44,589</b> | <b>43,614</b> | <b>41,449</b> | <b>40,434</b> | <b>42,069</b> | <b>42,125</b> | <b>40,846</b> | <b>40,350</b> | <b>38,761</b> |

