

# EXPENDITURE BUDGET 2002-2003

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# Highlights

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Highlights of the Expenditure Budget  
tabled in the National Assembly  
by Mr. Joseph Facal  
Minister of State for Administration and the Public Service,  
Minister responsible for Administration and the Public Service  
and President of the Conseil du trésor,  
March 26, 2002

*Conseil du trésor*

Québec 

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### **Message from the President of the Conseil du trésor**

#### **KEEPING ITS COMMITMENTS TO BUILD THE FUTURE**

*The annual tabling of the Expenditure Budget is an essential step in our democracy. By this action, the government is asking the National Assembly to authorize the appropriations that will be necessary to finance the cost of services delivered to the public in the year ahead.*

*In the Expenditure Budget presented for the fiscal year beginning on April 1, 2002, the government remains faithful to its commitments in public finances. The deficit has been eliminated and a balance budget is preserved. The established objectives are being met and the government continues to maintain rigorous management of its spending.*

*Expenditure growth is lower in 2002-2003, but priorities remain the same. We continue to give priority to investing in health, education and the family, as we have committed ourselves to do. We are also taking firm action to promote economic recovery and job creation.*

*Our government is also moving to ensure the future of our public services and offer the public quality services in accordance with our ability to pay. The Québec of tomorrow will have a modern, on-line and rejuvenated public service.*

*By respecting its commitments, and by combining rigorous management with progressive economic and social choices, the government is continuing to build the Québec of today and tomorrow.*

**Joseph Facal**

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## **HIGHLIGHTS**

- ❑ Rigorous management of expenditures
  - compliance with the announced expenditure objectives;
  - 2.3% increase in program spending in 2002-2003;
  - relative weight of expenditures in the economy kept constant for the past 5 years.
  
- ❑ Emphasis on the priorities of the public
  - health and social services: massive reinvestment since the achievement of the zero deficit;
  - education: compliance with the commitments made;
  - family and childhood: accelerated development of new spaces in education-oriented child care services.
  
- ❑ Modernization of the Québec government to serve the public better
  - tabling of a first report on the results of the application of the Public Administration Act;
  - development of electronic access to government services;
  - renewal of the public service under way.

## 2002-2003 Expenditure Budget

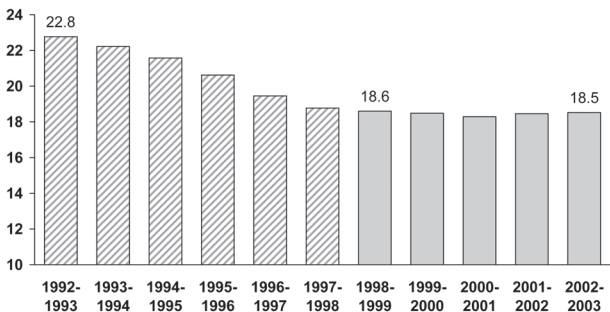
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### I. THE GOVERNMENT IS CONTINUING ITS RIGOROUS MANAGEMENT TO PRESERVE A BALANCED BUDGET

- Total expenditures of \$49.7 billion in 2002-2003
  - program spending: \$43.2 billion;
  - debt service: \$6.5 billion.
- 2.3% increase in program spending, a slower pace than in the past few years.
- Since the achievement of the zero deficit in 1998-1999, average 3.7% growth in program spending compared to 4.2% for the gross domestic product (GDP).
- Relative weight of expenditures in the economy kept constant for the past 5 years.

#### Program spending as a % of GDP

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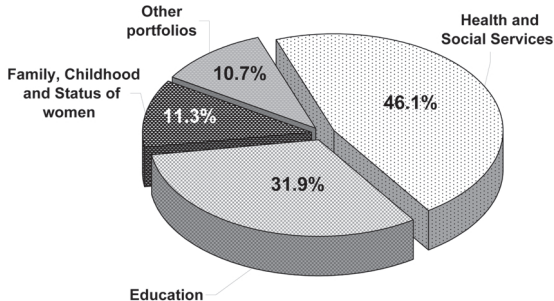


### II. THE GOVERNMENT IS MAKING THE CHOICES THAT THE PUBLIC WANTS

- ❑ Nearly 90% of expenditure growth in 2002-2003 is allocated to three priority sectors:
  - 46.1% for health and social services;
  - 31.9% for education
  - 11.3% for the family.
  
- ❑ \$3 billion public-sector investment acceleration plan to improve public services while contributing to economic recovery and job creation.

#### Breakdown of growth in 2002-2003

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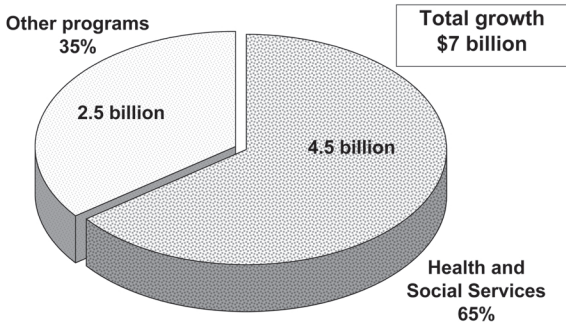
### A. HEALTH AND SOCIAL SERVICES: MASSIVE REINVESTMENT SINCE THE ACHIEVEMENT OF THE ZERO DEFICIT

- ❑ Appropriations increased from \$12.9 billion in 1997-1998 to \$17.4 billion in 2002-2003, for an additional \$4.5 billion representing 2/3 of the growth of expenditures since the achievement of the zero deficit.
- ❑ Injection of \$736 million since the beginning of the 2001-2002 fiscal year, an increase of 4.4%.
- ❑ 46.1% of growth in 2002-2003 goes to health, which accounts for 40.4% of program spending.
- ❑ Public expenditures on health equal 6.9% of the Québec GDP compared to 5.8% in Ontario: a comparable effort would have required \$2 billion less.

#### Health and Social Services

Additional resources allocated since 1997-1998

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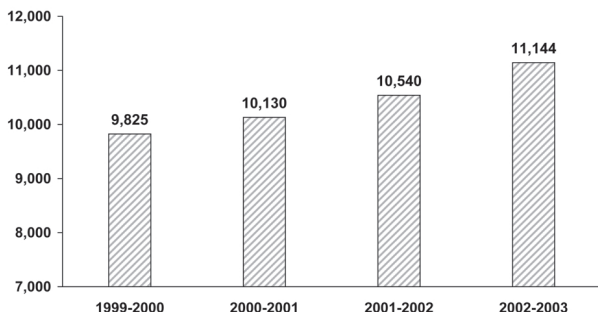


### B. EDUCATION: COMPLETE COMPLIANCE WITH THE COMMITMENTS OF THE SOMMET DU QUÉBEC ET DE LA JEUNESSE

- ☐ Increase from \$9.8 billion to \$11.1 billion since 1999-2000: an additional \$1.3 billion in 3 years.
- ☐ Injection of around \$500 million since the beginning of the 2001-2002 fiscal year, an increase of 4.8%.
- ☐ 31.9% of the 2002-2003 growth goes to education, although this sector accounts for 25.8% of program spending.
- ☐ Québec is allocating a total of 7.0% of its GDP to education, compared to an average 5.8% for the OECD countries.

#### Education

Trend of expenditures since the Sommet du Québec et de la jeunesse (in millions of \$)



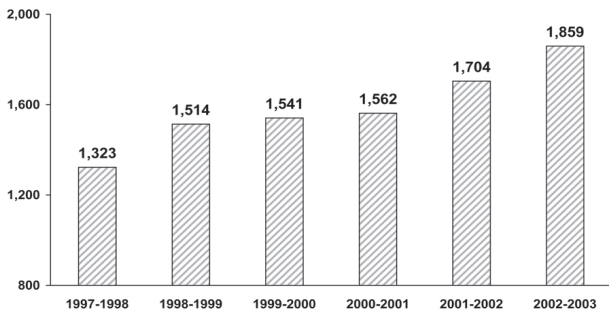
### C. FAMILY POLICY: THE SIGN OF A SOCIETY BASED ON SOLIDARITY

- Continuation of the plan to develop 200,000 spaces in education-oriented child care services by the end of 2005-2006.
- Accelerated development of 5,000 spaces in 2 years under the Public-sector Investment Acceleration Plan.
- 41% increase in 5 years in appropriations for the family: from \$1.3 billion in 1997-1998 to over \$1.8 billion in 2002-2003.
- Additional \$180 million, or 10.7%, since the beginning of the 2001-2002 fiscal year.

#### Family and Childhood

Trend of expenditures since the implementation of the family policy (in millions of \$)

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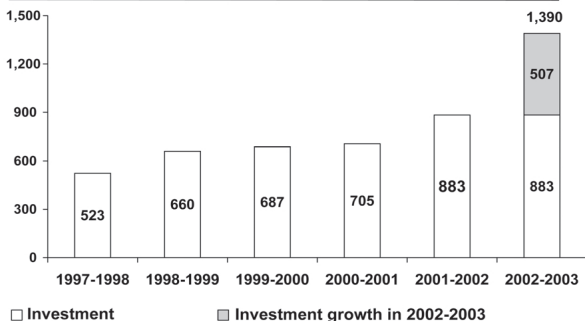
**D. TAKING ACTION FOR ECONOMIC RECOVERY AND JOB CREATION**

Economic recovery already under way, particularly due to the major measures announced in the last two Budget Speeches, including:

- \$800 million over 4 years for economic development of the regions.
  
- \$3 billion Public-sector Investment Acceleration Plan, including \$2.5 billion in long-term funding from the departments and \$0.5 billion from government corporations:
  - investments in priority services for the public;
  - additional \$500 million in road work.

**Road Network**

Trend of investment (in millions of \$)



**III. MODERNIZING GOVERNMENT TO SERVE THE PUBLIC BETTER**

**A. THE PUBLIC ADMINISTRATION ACT: THE CORNERSTONE OF MODERNIZATION OF OUR PUBLIC ADMINISTRATION.**

- Tabling of a first report on the application of the Public Administration Act: Working to Improve Services for Quebecers.
  - More transparent management:
    - the departments and agencies are preparing to produce new annual management reports for the 2001-2002 fiscal year;
    - the information provided will make it possible to account for the results obtained in relation to the objectives stated in the strategic plans and service statements already published;
  - Encouragement of sound management:
    - the 2001-2002 Expenditure Budget provided for the possibility, for the first time, to carry over unexpended appropriations to the subsequent fiscal year;
    - under this measure, \$25 million was saved in 2001-2002 and is being carried over to 2002-2003 to deliver services.
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- Encouragement to do business with the government:
  - the review of the rules in force has led the government to revise its own deadline for paying interest to its suppliers;
  - this deadline will soon be reduced from 60 to 30 days.

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*The Public Administration Act reflects the government's commitment to offer all Québec citizens, today and tomorrow, quality services in accordance with our ability to pay.*

*Joseph Facal*

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### **B. DEALING WITH THE GOVERNMENT ELECTRONICALLY: EASIER ACCESS TO GOVERNMENT SERVICES.**

- The vast majority of government programs are now accessible via the Internet, with the possibility of online transactions in some cases.
- About 500 electronic links available to offer information on the steps for starting a business, including access to several forms that can be downloaded.
- Substantial investments in improving the performance of the Québec government's telecommunications network and facilitating communications in emergencies.

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*A modern government is a government connected to the information superhighway, with easy access for its citizens.*

*Joseph Facal*

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**C. ONGOING RENEWAL OF THE PUBLIC SERVICE TO ENSURE THE FUTURE OF OUR PUBLIC SERVICES.**

- During the current decade, over 42% of the regular staff will leave the public service, allowing the government to:
  - make more room for youth;
  - make the public service more representative of all components of Québec society
- The reserved competitions held within the context of resolving the problem of job insecurity for casual personnel have led to the appointment of about 6,000 casual employees to regular jobs.
- An action plan for rejuvenation of the public service will be made public soon.

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*The Québec of tomorrow will have a modern, on-line and rejuvenated public service.*

*Joseph Facal*

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**IV. CONCLUSION**

*By respecting its commitments, by combining rigorous management with progressive economic and social choices, the government continues to build the Québec of today and tomorrow.*

*Joseph Facal*