Office of the Provincial Treasurer

TREASURY

Deputy Provincial Treasurer FROM

OUR FILE REFERENCE

B - 5010 - 4

434 Terrace Building

YOUR FILE REFERENCE

Hon. Lou Hyndman TO Provincial Treasurer 323 Legislature Building DATE

TELEPHONE 7-4106

1982-83 Preliminary Expenditure and Manpower Overview SUBJECT

As a first look at departmental budget submissions for 1982-83, we have prepared the following brief overview in advance of the Cabinet Retreat. A more extensive report is being prepared for the Priorities Committee - Global Budget Review Meeting scheduled for 16-0ct-81.

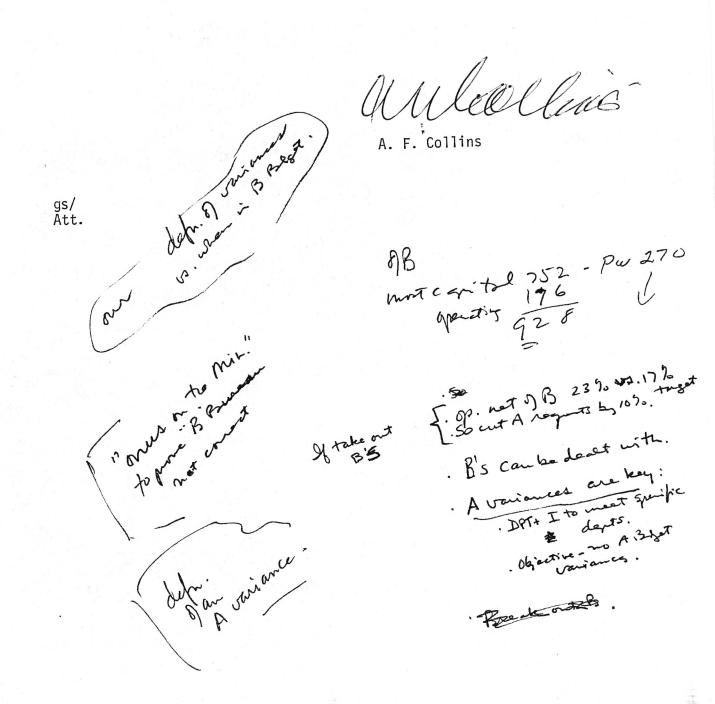
Total Government Summary - Voted Appropriations (reference tables 1, 2, 3 and 4 attached)

Ţ.	1981-82 Comparable Estimates (\$000)	1982-83 Departmental Requests (\$000)	% Increase Over 1981-82 Estimates %	\$ Increase Over 1981-82 Estimates (\$000)
Operating Capital Total	5,051,307 1,604,984 6,656,291	6,478,548 2,813,939 9,292,487	28.3 75.3 39.7	1,427,241 1,208,955 2,636,196
Positions Man-Years	33,282 36,750.5	36,362 40,273.8	9.3	3,080

Our initial reaction to these figures is that we may be facing a serious problem this year in dealing with requested increases that are significantly larger than in the past three or four years. The following chart shows the percentage increases that departments have requested at the beginning of the budget cycle in each of the last four years, compared with the final amount that was approved at the end of each budget cycle.

end of each budget eyers	Requested % Increase at Beginning of Budget Cycle	App	oroved % Increase at End of Budget Cycle %
1982-83 1981-82 1980-81 1979-80 1978-79	39.7 26.6 26.5 23.2 20.6	75% Sev	? 23.9 17.4 19.7 14.6

If the starting point of the detailed Treasury budget review has to contend with a total increase of 39.7%, we can anticipate a very large number of variances, notwithstanding the forewarning you gave in your 29-Jun-81 memorandum to all ministers that Priorities in your 29-Jun-81 memorandum to all ministers that Priorities Committee will not accept such a situation. It would appear that most departments must be directed to reconsider their 1982-83 budget requests with a view to effecting significant reductions. In order to allow us an opportunity to adequately review these revised submissions, such a direction must be made without delay. You may want to raise this matter at the Cabinet Retreat this week.



Requested 82/83 A (excl. B) \$1.78 to 25.79.