

Clerk of the Privy Council and
Secretary to the Cabinet



Ottawa, Canada
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Greffier du Conseil privé et
Secrétaire du Cabinet



May 15, 2012

Mr. Kevin Page
Parliamentary Budget Officer
Library of Parliament
Parliament Buildings
Ottawa, Ontario
K1A 0A9

Dear Mr. Page:

I am writing in regards to your request to all Deputy Heads – in letters dated April 12, 2012 and May 9, 2012 – for information on savings measures presented in Budget 2012 Annex I.

Let me state at the outset that we appreciate the importance of providing Parliamentarians with information on the savings measures announced in Budget 2012, but, as indicated in the Budget document, the Government is equally committed to treating its employees fairly and respecting its contractual obligations. This means that departments will provide information to affected employees and their unions in the first instance, as required under the applicable collective agreements. Once this has happened, and as was clearly noted in the Budget, the Government will then begin to implement these planned reductions in departmental spending and communicate accordingly.

A number of savings measures were communicated directly through the Budget document. This included such things as the elimination of the penny, consolidation of grants and contribution programs in the Agriculture and HRSD portfolios, simplifying the provision of benefits to clients under the Veterans Independence Program, moving the Government towards a single email system and consolidation of data centres through Shared Services Canada, and merging the back-office functions within a number of departments.

In addition, through the proposed Bill C-38 (*An Act to implement certain provisions of the budget tabled in Parliament on March 29, 2012 and other measures*), several additional savings measures were announced and will come into force when the Act comes into effect, including the greater use of electronic reporting to Parliament and the establishment of a consolidated Social Security Tribunal.

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The Government has consistently stated that it will provide information to Parliament on savings measures as implementation progresses. It will do this by taking full advantage of the existing suite of reporting vehicles, such as Parliamentary Committee appearances and the various departmental reporting and planning documents that are regularly tabled in Parliament. This includes the Reports on Plans and Priorities, Departmental Performance Reports, and the Main Estimates and Supplementary Estimates. The Government will also take advantage of the most recent addition to this suite of reporting documents, the Quarterly Financial Reports. These new quarterly reports are well-suited for providing Parliamentarians with clear, timely reporting on key changes to each reporting organization's financial situation and key risks. Indeed, you yourself have indicated that the new quarterly reports are a positive development and that they are a good source of data and information for Parliamentarians. Departments will be using these reports to regularly keep Parliament informed of important changes to their planned and actual expenditures as they move to implement the planned savings measures.

Accordingly, I am therefore taking the opportunity through this letter to respond on behalf of all Deputy Heads to your two requests by enclosing a comprehensive summary of planned spending reductions, detailed by portfolio organization. Additional information will be subsequently provided directly to Parliament by each department and agency on an ongoing basis through their respective Quarterly Financial Reports and other reporting mechanisms.

I trust that you will appreciate the importance of taking a fair and respectful approach to first notifying employees and bargaining agents of the changes that will affect them. I also trust that you will find the enclosed information useful in the interim.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Wayne G. Wouters". The signature is fluid and cursive, with a large initial "W" and "G".

Wayne G. Wouters

Attachment