



JUN 24 2011

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

Dear Mr. Page:

Your information request IR0048 of June 8, 2011 to Mr. Michael Horgan has been directed to the Treasury Board Secretariat.

You have made three specific requests:

- a list of all federal organizations impacted by the operating budget freeze in the previous and current fiscal year,
- the corresponding financial impact on each organization identified above, for 2010-11 and 2011-12, compared to the baseline (i.e. budgeted operating expenses for 2009-10), and
- a list of the types of operating expenses being frozen for each federal organization, either identified by standing object, program activity or other basis of presentation used in the Public Accounts of Canada and Main Estimates of the Government of Canada.

In response, first, the cost containment exercise applies to all appropriation-dependent departments, agencies and Crown corporations, excluding organizations in the Parliament ministry: The Senate; House of Commons; Library of Parliament; Office of the Conflict of Interest and Ethics Commissioner; and the Senate Ethics Officer. Federal organizations for which expenditures are not appropriated by Parliament are expected to follow suit and constrain expenditures.

Second, the cost containment measures apply to the operating/program votes on a net basis. Reference levels for 2011-12 and 2012-13 are as initially established in the Annual Reference Level Update (ARLU) process in the fall of 2010 and adjusted for reasons such as new policy initiatives approved by Cabinet, non-discretionary labour costs such as parental benefits and technical adjustments for reprofiles and vote transfers.

Third, the Estimates documents present the approved levels of spending; however, they do not provide information on activities or amounts that have not been approved. Savings for activities or amounts not approved are not visible in Estimates documents nor is there any means of providing a comprehensive list of all initiatives or transactions that have not been approved. In addition, cost containment applies to the operating/program votes. The nature of expenditures included in these votes is not restricted to certain types of standard objects or program activities. In any department, the expenditures may apply to all standard objects, with the exception of *Standard Object 11 Public Debt Charges*, and to all program activities.

A copy of a communiqué sent to Deputy Heads and Chief Financial Officers on this subject is attached for reference. I trust this will prove useful to you in future reports of the Parliamentary Budget Officer.

Yours sincerely,


Michelle d'Auray

Enclosure

Cc: Mr. Michael Horgan, Deputy Minister, Finance
Mr. Rick Stewart, Assistant Secretary to the Cabinet, Liaison Secretariat for Macroeconomic Policy, Privy Council Office