



Department of Finance
Canada

Ministère des Finances
Canada

Deputy Minister

Sous-ministre

Ottawa, Canada
K1A 0G5

APR 29 2012



2012FIN368894

Mr. Kevin Page
Parliamentary Budget Officer
Library of Parliament
Ottawa ON K1A 0A9

Dear Mr. *Kevin* Page:

I am writing in response to your request for further details regarding the fiscal impact of planned expenditure reductions presented in Chapter 5 of Budget 2012. Table 1 below sets out how the savings presented in Table 5.1 of Budget 2012 were reflected in the discrete categories of the Direct Program Spending forecast presented in Table 6.6 of Budget 2012. These amounts are based on information received from participating organizations during the review process.

With respect to your request for information regarding the savings expected to arise from reductions to personnel budgets, please contact the Treasury Board Secretariat.

Table 1: Details of Planned Reductions in Departmental Spending (\$M)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	6 Year Total
Profile of fiscal savings consistent with Table 5.1		-1,472	-3,061	-5,142	-5,175	-5,219	-20,069
Impact of booking expected workforce adjustment expenses in 2011-12	900	-290	-420	-190			0
Profile of fiscal savings reflected in the expense forecast in Table 6.6	900	-1,762	-3,481	-5,332	-5,175	-5,219	-20,069
Of which:							
Transfer payments*	0	-411	-803	-1,073	-1,072	-1,072	-4,431
Capital amortization	0	0	0	-1	-1	-1	-4
Operating expenses subject to freeze**	900	-1,069	-2,034	-3,187	-3,029	-3,071	-11,490
Other operating expenses	0	-282	-645	-1,070	-1,072	-1,074	-4,144

* Refers to transfers payments that form part of direct program spending (i.e., grants and contributions). Does not include major transfers to persons or to other levels of government.

** This category of spending refers to expenses subject to the operating freeze announced in Budget 2010.

Thank you for your correspondence.

Yours sincerely,

A handwritten signature in blue ink that reads "Michael Horgan". The signature is written in a cursive style with a long, sweeping underline.

Michael Horgan

c.c. Ms. Michelle D'Auray, Secretary of the Treasury Board
Mr. Rick Stewart, Assistant Secretary to the Cabinet, Liaison Secretariat for
Macroeconomic Policy, Privy Council Office