



Refocusing Government Spending to Deliver for Canadians

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Refocusing Government Spending to Deliver for Canadians

The government is committed to responsibly managing Canadians' tax dollars and is refocusing spending toward important services and programs for Canadians. This initiative will roll out in 2 phases.

Phase 1

Budget 2023 announced the goal of refocusing \$14.1 billion over 5 years from organizations included in the Estimates and \$1.3 billion over 5 years from enterprise crown corporations.

While refocusing targets were identified for organizations across the government, certain spending was excluded from this exercise. In particular, no targets were set for the Canadian Armed Forces (salary, operating and deployment/relocation expenditures), direct benefits to Canadians or transfers to Indigenous communities and other orders of government.

In addition, this initiative excluded Agents of Parliament and small organizations ¹.

Professional services and travel

Budget 2023 announced that spending on professional services and travel would be refocused starting in 2023-24.

Professional services cover a broad range of discretionary services that the government procures to address specific needs. These services can include:

- technical, scientific or professional expert assistance and advice (for example, lawyers, architects, engineers, medical personnel, and management, audit, financial and business consultants)
- certain healthcare, welfare and training services
- operational and maintenance services

Operations and transfer payments

Budget 2023 also announced that spending on operations and transfer payments would be refocused starting in 2024-25.

Decision-making

Departments had the opportunity to identify reallocations from across their portfolios to provide flexibility to identify proposals that made the most operational sense and to ensure that important services to Canadians and other priority areas were not affected as part of the exercise.

The Treasury Board of Canada Secretariat worked with departments to ensure that their proposals were sustainable and did not create service delivery or program integrity pressures.

Proposals were also reviewed using various analytical tools such as the Quality of Life index, and Gender Based Analysis Plus.

Proposals were then reviewed by Treasury Board ministers to ensure appropriate oversight and to apply a pan-government view of all proposals.

Reporting on results

Information on the results has been reported through the Estimates documents, starting with Supplementary Estimates (B), 2023–24 which included details about travel and professional services refocusing of \$500 million for 2023–24.

The *2024–25 Main Estimates*, tabled February 29, listed the results for the coming 3 years for organizations subject to the exercise. Departments will report on their specific spending plans and progress through their Departmental Plans and Departmental Results Reports.

Phase 2

The *2023 Fall Economic Statement* announced that the government will extend and expand its efforts to refocus government spending, in the amount of \$345.6 million in 2025-26, and \$691 million ongoing.

Specific details about this process are being developed.

Reallocations

In total, the government’s actions to refocus spending will amount to \$15.8 billion by 2027–2028 and \$4.8 billion per year thereafter.

The Treasury Board of Canada Secretariat will coordinate and work closely with other federal departments and agencies to ensure that Canadians’ tax dollars are responsibly managed.

In the table below, Planned Reallocations through the Estimates include those for departments, agencies and appropriated crown corporations. ²

Planned reallocations through the estimates (millions)

	2023– 24	2024– 25	2025– 26	2026– 27	2027– 28	5- Year Total	Ongoing
Phase 1: Total spending refocused to date	500	2,251	2,800	3,610	3,613	12,774	3,498
Phase 1: Additional reallocations through Responsible Government Spending	-	-	315	521	478	1,314	593

	2023- 24	2024- 25	2025- 26	2026- 27	2027- 28	5- Year Total	Ongoing
Phase 2: Responsible Government Spending announced in the 2023 Fall Economic Statement	-	-	346	691	691	1,728	691
Total Planned Reallocations through the Estimates	500	2,251	3,460	4,822	4,782	15,815	4,782

Footnotes

- 1 Generally, organizations with less than \$25 million in their operating review base and less than \$50 million in their transfer base are excluded from the review.

 - 2 Appropriated Crown Corporations are dependent on parliamentary voted appropriations and submit proposed spending authorities to Parliament through the Estimates. Enterprise Crown corporations are another type of government business enterprise and are defined as those Crown corporations which are not dependent on parliamentary appropriations and whose principal activity and source of revenue is the sale of goods and services to outside parties.
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