

RESPONSIBLE GOVERNMENT SPENDING

- Budget 2023 and Budget 2024 outlined measures to bring the pace and scale of growth in government spending back to pre-pandemic levels, to ensure that public funds are being invested in the priorities that matter most.
- Potential savings will target discretionary spending related to travel, professional services and departmental operations.
- This initiative is government wide and adjustments are being phased in between now and 2029/30.
- It is important to note that there will be no changes to the funding that is allocated to benefits and services for Veterans and their families.

WHEN PRESSED:

What is the savings amount for VAC and what is the timeframe for implementation?

RGS Phase 1 identified a total of \$11.5M for VAC in ongoing savings which would be phased in between 2023/24 and 2026/27.

For RGS Phase 2, Departmental proposals are still being analyzed and specific savings amounts have not yet been determined. It is anticipated this will be announced in the 2025-26 Main Estimates and departmental plans.

Q2 – How did VAC determine where it could find these savings?

RGS proposed departments prioritize reduced spending on consulting, other professional services travel, operations and transfer payments which will result in ongoing savings. With these principles in mind, savings will be achieved through reduced spending on discretionary activities that no longer align with the Department's core business, and through attrition.

Q3 – Why are savings being sought at this time?

All Departments are being asked to find savings. In Budget 2022, the Government announced its plans to reduce spending of over \$3B for COVID-19 supports. Budget 2023 continued these efforts to bring the pace and scale of the growth of government spending back to a pre-pandemic levels, to ensure that Canadians' tax dollars are being used efficiently and being refocused to deliver critical services to Canadians.

Q4 – What impact will planned savings have on the services and programs delivered to Veterans?

As stated in Budget 2024 and in direction shared with ministers, these savings will not impact the delivery of benefits to Canadians

Q5 – How many jobs are expected to be cut as a result of this savings exercise?

Initial reductions related to professional services and travel will have no impact on jobs. Through this initiative, Departments are identifying the best ways to achieve future savings which are expected to be phased in and generated through nature attrition, to the greatest extent possible.

Q6 – What will happen to the staff who were hired to deal with the backlog of applications?

Addressing the backlog and maintaining the service standard for disability applications continues to be a top priority for the Department. VAC remains committed to working

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Source: Chief Financial Officer Corporate Services Date: 2024/11/25

with Central Agencies and the RCMP to establish a long-term strategy and capacity to meet the demand for disability benefit applications.

Q7 – How does this impact VAC’s commitment to bringing the Veteran to Case Manager ratio to 25:1?

It will be some time before we will know how this initiative will impact our work. However, we are not expecting it to impact priority services to our clients. Our goal is to use technology and address duplication to find efficiencies in how we work and redeploy resources to higher priority areas, such as case management.

BACKGROUND – RESPONSIBLE GOVERNMENT SPENDING

Context

- RGS Phase 1 - Final decisions were communicated to VAC on February 4, 2024.
- RGS Phase 2 – Decisions are expected to be communicated through Main Estimates.

Summary of RGS Phase 1 - Approved Savings				
	2023/24	2024/25	2025/26	2026/27 and ongoing
Travel & Professional Services		\$3,718,000	\$5,322,000	\$5,826,000
Operations		\$2,669,000	\$3,527,000	\$5,674,000
Departmental Reserve	\$2,357,000			
Total Savings	\$2,357,000	\$6,387,000	\$8,848,500	\$11,500,000