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APPROPRIATION BILL NO. 1, 2018-19

SECOND READING

Speech by:

The Honourable Diane Bellemare

Wednesday, March 28, 2018

THE SENATE

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[Translation]

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Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, again, I want to thank the members of the Standing Senate Committee on National Finance for their work and the report that they submitted. The comments by the committee's chair are not included in the report that we adopted. Fortunately, he knows why.

First, I was saying during my previous speech that the government and the Treasury Board Secretariat undertook to reform the process related to the annual budgetary cycle. The 2018-19 fiscal year is a transition year of sorts, since this new budgetary cycle begins right now. Why this change? For years, parliamentarians have been complaining about the inconsistency between the estimates and the budget statement delivered by the Minister of Finance. This inconsistency stems from the fact that the Main Estimates, which used to be tabled in February by the Treasury Board, under the old system, did not take into account the budget statement that was presented in Parliament in March.

These are some of the comments that we received about the old process. The June 2012 report of the Standing Committee on Government Operations and Estimates indicates, and I quote:

... opportunities exist for transforming the way information is provided in order to streamline and reduce the complexity and volume of printed materials. Other opportunities exist to make the processes more meaningful for both members of Parliament and the general public by better connecting the budget and the estimates documents or by changing the vote structure to give parliamentarians more control over program activities.

[English]

In May 2017, the report entitled *Following the Dollar*, produced by the Parliamentary Budget Officer, stated:

... there is no clear line of sight from budget announcements to their implementation ... The Government may be able to alleviate some of these challenges by preparing and presenting its budget and estimates concurrently and using a more consistent method of presentation.

[Translation]

In order to respond to those concerns, Treasury Board made changes to the budgetary cycle, which were later adopted by regulation.

From now on, the Main Estimates will follow the budget statement. That is what everyone wants. In other words, the Main Estimates for 2018-19 will be tabled by April 16 at the latest and will take into account the budget statement presented on February 27. The Main Estimates will be tabled at the same time as the departments' plans and priorities.

However, this change leads to others. Can the new Main Estimates be tabled before the end of the fiscal year? That is something that must be considered. This is not a certainty, and it will obviously not be the case this year. Nevertheless, Parliament has to vote supply before the beginning of the next fiscal year, otherwise salaries will not be paid and many expenditures will have to be deferred.

In order to address that problem, Treasury Board tabled an interim budget for 2018-19 on February 13 so that we would not be voting supply inappropriately. That is the document that was examined and reported on by the Standing Senate Committee on National Finance and that we adopted a few minutes ago. This interim budget is based on historical data, but only a part of it. We used to prepare our budgets based on complete historical data.

Now the government wants us to vote on these interim estimates by March 31 in order to fund public expenditures and ensure continuity as we head into a new fiscal year. The first appropriation bill is nothing new. In the past, the Senate has always approved about 30 per cent of the budgetary expenditures set out in the Main Estimates. Now the Treasury Board Secretariat is tabling interim estimates for parliamentarians to analyze before they vote on appropriation bill no. 1 for fiscal year 2018-19.

Like Bill C-72, this bill is fairly lengthy, because it proposes appropriations for all departments and agencies. The rest of the planned expenditures, meaning the nine tenths of the expenditures planned for the coming year, will be voted in June through Appropriation Act No. 2. It will be supported by the next Main Estimates, which will come out in April and will contain all of the changes announced by the Minister of Finance. Does this mean there will be no more supplementary estimates? Probably not.

[English]

But following the changes brought forward by the Treasury Board, there will probably be for the coming year two supplementary budget estimates for a fiscal year instead of three.

The interim estimates before us today in Bill C-73 include an overview of both budgetary and non-budgetary spending requirements for the first three months of the 2018-19 fiscal year. The interim estimates include \$30.9 billion in budgetary expenditures that cover the cost of operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations. The 2018-19 interim estimates also include \$14.3 million in voted non-budgetary expenditures. These include the loans, investments and advances.

Total 2018-19 planned expenditures will be presented in the Main Estimates. Funds for the remaining nine months will be sought through Appropriation Act No. 2 in June 2018.

Honourable senators, should you require additional information, I would be pleased to try to provide that to you.

[Translation]

Thank you very much. With that, I move that we proceed to second reading of Bill C-73.