



DEBATES OF THE SENATE

1st SESSION • 42nd PARLIAMENT • VOLUME 150 • NUMBER 106

APPROPRIATION BILL NO. 5, 2016-17

SECOND READING

Speech by:

The Honourable Diane Bellemare

Wednesday, March 29, 2017

THE SENATE

Wednesday, March 29, 2017

[Translation]

APPROPRIATION BILL NO. 5, 2016-17

SECOND READING

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate) moved second reading of Bill C-40, An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2017.

She said: Honourable colleagues, the bill before you today, Appropriation Bill No. 5, 2016-17, provides for the release of supply for the 2016-17 Supplementary Estimates (C) and seeks Parliament's approval to spend \$2.5 billion in voted expenditures. These expenditures were provided for within the planned spending set out by the Minister of Finance.

Supplementary Estimates (C), 2016-17 were tabled in the Senate on February 14, 2017, and referred to the Standing Senate Committee on National Finance. These are the third and final supplementary estimates for the current fiscal year, which ends on March 31, 2017. The first request, Supplementary Estimates (A), was approved in June 2016, and the second request, Supplementary Estimates (B), was approved in December 2016.

Before going any further, I would like to briefly take you through the parliamentary approvals process for funding public expenditures. I will briefly talk about the supply cycle.

For explanation purposes, let's take April 1 as a starting point for the supply period since the fiscal year ends on March 31. Before any supply cycle begins, the government tables two important documents that influence the supply cycle: the Main Estimates tabled by the Treasury Board and the annual budget tabled by the Minister of Finance.

The Treasury Board is responsible for preparing the Main Estimates, a document compiled during a spending forecasting process that begins in the fall and ends with the tabling of the Main Estimates in February before the Minister of Finance's budget is tabled. This lengthy document presents all the estimated budgetary and non-budgetary expenditures for the fiscal year commencing April 1, on the assumption that there have been no changes in the government's policies and programs. Therefore, as economists would say, *ceteris paribus*, the government plans on spending \$258 billion in 2017-18.

By way of comparison, the 2016-17 Main Estimates totalled \$250 billion and, to date, the government has apparently spent votes totalling \$257.17 billion.

The increase in expenditures forecast by the Treasury Board is due to the fact that "not all things are equal" when the estimates exercise is carried out.

In fact, the government's budget plan presented by the Minister of Finance generally arrives after the Main Estimates and changes the Treasury Board's forecast of expenditures. When the

government announces its budget priorities and tables its budget, this necessarily has an impact on expenditures. For that reason, throughout the financial cycle, the government tables supplementary estimates to request spending authority based on the budgetary policies as well as unexpected items that may arise over the course of the year.

Thus, Parliament is generally seized with three supplementary estimates: Supplementary Estimates (A), (B), and (C). The Supplementary Estimates (C) for the year coming to a close include, as Senator Smith explained, a net increase of \$1.5 billion in budgetary expenditures, representing \$2.5 billion in voted expenditures and a \$1-billion decrease in statutory expenditures. Statutory expenditures, as opposed to voted expenditures, have already been approved by Parliament and the detailed forecasts are provided for information purposes. These expenditures are made pursuant to existing legislation.

I will not go over the main statutory items of Supplementary Estimates (C) because Senator Smith did a fine job of explaining those in the report he submitted to you.

However, before I close my remarks, I would like to say a few words about the role of the Senate in this fiscal process. When the government tables its estimates and the supplementary estimates for the year, the Standing Senate Committee on National Finance is mandated to study them and report back to the Senate.

To that end, the Committee on National Finance invites officials from various departments to comment on the expenditures. The purpose of this exercise is to allow us to ensure the compliance of the various expenses and assess how they fit into the plans and priorities of the departments.

Committee members are called upon to ask questions about the results of the various expenses vis-à-vis priorities. The reports of the Committee on National Finance are then tabled in the Senate, where they are not necessarily expected to be adopted.

However, in practice, the Senate adopts committee reports even though there is no rule requiring it to, as Speaker Noël Kinsella stated on 16, 2011, in response to a point of order raised by Senator Comeau.

Practice and convention would also generally have reports adopted before appropriation bills are passed even though there is no procedural link between these reports.

In short, the committee considered Supplementary Estimates (C) for 2016-17 and reported on them today. I now present the associated bill and ask you to authorize the spending.

This bill, as honourable Senator Smith explained, also includes two schedules that detail the supplementary estimates. This bill has more than 30 pages, including the two schedules. I invite you to read it.

Thank you for your attention.