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APPROPRIATION BILL NO. 2, 2018-19

SECOND READING

Speech by:

The Honourable Diane Bellemare

Tuesday, June 19, 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, Bill C-80 is the second appropriation bill for the 2018-19 fiscal year, entitled An Act for granting to Her Majesty certain sums of money for the federal public administration for the fiscal year ending March 31, 2019.

The bill authorizes the government to spend \$82 billion, which is on top of the \$30.9 billion we authorized at the beginning of the 2018 fiscal year in Appropriation Bill No. 1.

[English]

Before I continue, I would like to thank all the senators who participated in the Standing Senate Committee on National Finance and, more specifically, the chair of the committee, Senator Mockler.

[Translation]

I would also like to acknowledge the excellent work of all the senators who participated in the committee work. The committee studied the Main Estimates and tabled a report that includes 15 observations in that regard. I read the committee's report very carefully.

I would like to point out, for the sake of new senators, that one of the key roles of the Standing Senate Committee on National Finance is to ask the executive branch questions and rigorously analyze the way the government is spending taxpayers' money. We do not have to vote on the committee's report, but it helps us understand the nature of the expenditures that we will be authorizing in Bill C-80. It summarizes the work done by the committee in order to make the government accountable for its decisions.

[English]

As you recall, the government forecasts to spend a total of \$276 billion in public expenditures in the current fiscal year. This constitutes an increase of 7 per cent over last year. Transfers to individuals and other governments represent a sum of \$171 billion. This is 62 per cent of the total federal public expenditure.

Parliament doesn't have to vote the total amount of expenditures. Instead, a big proportion of expenditures, 59.1 per cent, is composed of statutory items. They are expenditures made through programs that have already been voted, such as family allowance, Old Age Security, social transfers to the provinces, et cetera.

However, the Main Estimates provide information on those items. These expenditures can increase or decrease according to multiple factors, such as demography, unemployment, inflation and other reasons.

[Translation]

That being said, over the course of a fiscal year, Parliament has to pass two laws authorizing the government to spend money on other non-statutory programs. These non-statutory expenditures, which are referred to as voted appropriations, include most of the Senate expenses, public service salaries, many of the grants and contributions awarded to public organizations, and new expenditures introduced in the last budget. In March, we passed Appropriation Bill No. 1, which authorized the government to spend \$30.9 billion.

Today, we have before us Appropriation Bill No. 2, which asks Parliament to authorize expenditures of \$82 billion for charges and expenses for the fiscal year ending on March 31, 2019.

Honourable senators, I will be brief. I do not intend to explain in detail the expenditures listed in both official languages in the 58-page bill. You can also read the report of the committee, which studied 61 per cent of the voted appropriations in the Main Estimates. However, allow me to make some specific comments about Bill C-80 and other remarks of a procedural nature.

First, as I explained last March, the government has reformed the budget cycle in order to make it more transparent and to respond to numerous criticisms that the appropriation bills did not reflect the budgetary choices made by the Minister of Finance. As you know, in previous years, the Main Estimates preceded the Minister of Finance's budget, which therefore could not include the new expenditures or even cuts in the budget.

[English]

The present reform undertaken by the President of the Treasury Board, Minister Scott Brison, seeks to incorporate in the Main Estimates for the current fiscal year all budgetary choices made by the Minister of Finance. This is the first year that the Main Estimates are incorporating the budgeted expenditure of the Minister of Finance. This year is a year of transition.

[Translation]

This reform should reduce the number of supplementary estimates in the future to two.

My second comment is that the new format incorporates a new vote for the Treasury Board of Canada Secretariat. This is the famous vote 40, which grants authority to the Treasury Board to provide appropriations to any department or organization listed in Annex 1 of the Main Estimates in support of initiatives announced in the Budget of February 27, 2018.

Colleagues, you should know that there is an annex in the budget document that gives a breakdown of vote 40 in Table A2.11, which starts on page 332 of the English version. This same document was reproduced in Annex 1 of the Main Estimates and incorporated into Bill C-80. Members of the committee had questions about this \$7-billion appropriation, and the minister answered them on June 7 when he appeared before the Standing Senate Committee on National Finance. He said, and I quote:

[English]

By law, Mr. Chair, the money can only be spent on the measures announced in the budget tabled on February 27, 2018. Treasury Board does not have any discretion to use the funds for any other purpose. As the Auditor General has said that "... you have to allocate it on that basis, you can't just decide somebody else should get more and somebody else can get less."

... Specifically, parliamentarians will be able to track each and every allocation from this new central vote to a specific line in Table A2.11 of the budget, which is repeated in Annex 1 of the Main Estimates.

[Translation]

That is how the minister responded to the criticism that we had not received any details on this spending, by noting that the information is presented in this document.

The third thing I want to say is that, just to clarify, more details on the expenditures of the various departments can always be found in the departmental plans, which are tabled at the same time as the Main Estimates. However, since this year is a year of transition, the departmental plans have not yet been fully harmonized, given that, as I said, this is a gradual process. Still, anyone who wants more details can consult the monthly reports posted online, the next Main Estimates, and the departmental results reports at the end of the fiscal year.

I also want to add that the minister said he had drawn inspiration from Australia, a country recognized as a gold standard. His goal is to eventually be able to table the Main Estimates when the Minister of Finance tables the budget. So at some point in the future, I don't know when exactly, the Minister of Finance will table the budget and the Treasury Board President will table the Main Estimates at the same time. Some provinces already follow that procedure, but the federal government does not, hence the lack of harmonization between the two budgets. So please stay tuned. This is a complex procedure, as the Treasury Board officials explained to the Finance Committee.

Now, with respect to procedure, I want to state that in practice, supply bills are not sent to committee even though they could be. The report on the Standing Senate Committee on National Finance's study on the Main Estimates serves as a study of the bill, since the bill is essentially a copy, or summary, of the Main Estimates. I invite you to have a look at Bill C-80 on *LEGISinfo*. The bill consists of a series of pages with figures for each department and it essentially a less detailed version of the Main Estimates.

In addition, with leave of the Senate, for procedural questions, I would remind you that when the bill is adopted at second reading, we can also decide to proceed to third reading during the same sitting. We can do this, but it has been our practice that we leave one day between the second and third readings.

Thank you for your attention.
