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Supplementary Estimates (A) 2024-25



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

The Parliamentary Budget Officer (PBO) supports Parliament by providing economic and financial analysis for the purposes of raising the quality of parliamentary debate and promoting greater budget transparency and accountability.

This report provides a detailed analysis of the Government's first Supplementary Estimates for the 2024-25 fiscal year, which seeks Parliament's approval of \$11.2 billion.

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Highlights

These Supplementary Estimates outline an additional \$12.7 billion in budgetary authorities. Parliament's approval is required for \$11.2 billion.

Roughly \$1.6 billion (12.5 per cent) of proposed budgetary authorities is related to 11 Budget 2024 measures.

Close to two thirds of the proposed spending (\$7.8 billion) falls under the Indigenous portfolio, primarily for settlements and Indigenous claims.

Parliamentarians have approximately four weeks from tabling to approve the Government's financial request.

Summary

The Supplementary Estimates (A), 2024-25 is the first planned Supplementary Estimates in 2024-25 and supports the third appropriation bill for the current fiscal year.

These Supplementary Estimates outline an additional \$12.7 billion in budgetary authorities, of which Parliament's approval is required for \$11.2 billion. The remaining \$1.5 billion represents an increase to forecasted statutory authorities, for which the Government has Parliament's approval to spend via other legislation.

Roughly \$1.6 billion of proposed spending is for 11 Budget 2024 measures. Most notably, this includes \$605 million for the Incentives for Zero-Emission Vehicles Program.

Close to two thirds of the proposed spending (\$7.8 billion) falls under the Indigenous portfolio, primarily for settlements and Indigenous claims.

Planned spending on professional and special services accounts for \$704 million in proposed spending, bringing the total proposed authorities for 2024-25 to \$19.8 billion.

To support parliamentarians in their scrutiny of Budget 2024 implementation, PBO has prepared [tracking tables](#) that list all budget initiatives with planned spending in fiscal year 2024-25, the planned spending amounts and the corresponding legislative funding authority.

PBO is available to offer briefings or answer questions on any items included in the Government's Estimates.

1. Overview

The Government can only spend public money with Parliament's permission. This can be done in two ways.

Parliament can provide its permission through approval of appropriation bills, which generally provide permission to spend certain amounts of money within a given year. Alternatively, Parliament can also provide ongoing permission to spend through continuing legislation, such as the Old Age Security benefits paid under authority of the *Old Age Security Act*.¹

The Supplementary Estimates reflect "additional spending requirements which were either not sufficiently developed in time for inclusion in the Main Estimates or have subsequently been refined to account for developments in particular programs and services."²

The Supplementary Estimates (A), 2024-25 is the first planned Supplementary Estimates in 2024-25 and supports the third appropriation bill for the current fiscal year.

1.1 Proposed Spending

Supplementary Estimates (A), 2024-25 outlines an additional \$12.7 billion in budgetary authorities (Table 1). Voted authorities, which require approval by Parliament, total \$11.2 billion. Statutory authorities, for which the Government already has Parliament's permission to spend, are forecast to increase by a total of \$1.5 billion.

Table 1
Supplementary Estimates (A), 2024-25: Total Authorities

Authorities (\$ billions)	Budgetary	Non-budgetary
Voted	11.2	0.0
Statutory	1.5	1.3
Total	12.7	1.3

Source:

Treasury Board of Canada Secretariat, Supplementary Estimates (A), 2024-25.

The forecasted increase in statutory authorities reflects updated forecasts from Budget 2024, including an increase of \$1.9 billion in public debt costs, primarily due to higher projected interest rates and higher borrowing requirements, and a decrease of \$533 million in elderly benefits, owing to revisions to the projected number of beneficiaries.

Including these Supplementary Estimates, the total proposed year-to-date budgetary authorities are \$461.8 billion, which represents a \$30.7 billion (or 6.2 per cent) decrease compared with the Estimates to date for the preceding year.

2. Major Expenditures

2.1 Budget 2024

The budget serves as the Government's comprehensive fiscal plan, encompassing both ongoing programs and new spending initiatives. Most budget spending measures require Parliament's approval through the Estimates process and inclusion in an appropriation bill. Supplementary Estimates (A), 2024-25 represent the first opportunity for the Government to seek Parliament's approval for Budget 2024 items through the Estimates.

In Budget 2024, PBO identified 241 budget initiatives, excluding off-cycle measures.³ Of these initiatives, roughly 200 measures contain new planned spending in 2024-25. PBO will be monitoring the implementation of these initiatives through the Estimates and other legal mechanisms in our [online tracking tables](#).

These Supplementary Estimates are seeking \$1.6 billion across 11 Budget 2024 initiatives. In comparison, at this point last year, approximately \$7.2 billion for 17 Budget 2023 initiatives (out of 170 that contained planned spending in 2023-24) had appeared in the Estimates. Budgetary authorities related to Budget 2024 initiatives account for approximately 12.5 per cent of all proposed budgetary authorities in these Supplementary Estimates. The four largest items are listed in Table 2.

Table 2
Major Budget 2024 measures

Budget Measure	Amount (\$ millions)	Department
More Affordable Electric Vehicles	605	Transport Canada
Healthcare Support for Asylum Claimants and Refugees	411	Immigration, Refugees and Citizenship Canada
The Best Start for Every Indigenous Child	239	Indigenous Services Canada
Temporary Lodging for Asylum Claimants	141	Immigration, Refugees and Citizenship Canada

Source:

Treasury Board of Canada Secretariat, Supplementary Estimates (A), 2024-25.

Department of Finance Canada, Budget 2024.

Note:

The wording between the Budget and the Estimates document may not be the same. These amounts include Employee Benefit Plans (EBP).

Growth of Zero-Emission Vehicles in Canada

Transportation is the second largest source of greenhouse gas (GHG) emissions in Canada, accounting for over a fifth of Canada's total GHG emissions. As announced in [Canada's 2030 Emissions Reduction Plan](#), the federal government has implemented a sales mandate to accelerate the manufacturing and adoption of cleaner cars. This mandate sets out that at least 20 per cent of new light-duty vehicle sales will be zero-emission vehicles (ZEVs) by 2026, at least 60 per cent by 2030 and 100 per cent by 2035.

The Incentives for Zero-Emission Vehicles (iZEV) Program was launched in May 2019 to encourage the adoption of ZEVs by Canadians and Canadian businesses, offering consumers who buy or lease an eligible ZEV incentives of up to \$5,000. Budget 2024 proposes to provide \$608 million over two years, starting in 2024-25, to top-up the iZEV program. These Supplementary Estimates contain \$605 million of that proposed funding in voted authorities for Transport Canada.

Since 2017, new ZEV registrations have increased substantially, from 1.0 per cent of all new vehicle registrations to 10.8 per cent in 2023 (Figure 2-1).

Figure 2-1
Growth in new ZEV registrations



Textual description:

Year	New zero-emission vehicle registrations	Share of all new vehicle registrations
2017	19,696	1.0%
2018	44,283	2.2%
2019	56,165	2.9%
2020	54,353	3.5%
2021	86,032	5.2%
2022	123,562	8.2%
2023	184,578	10.8%

Source:

Statistics Canada, [New motor vehicle registrations, annual sum](#).

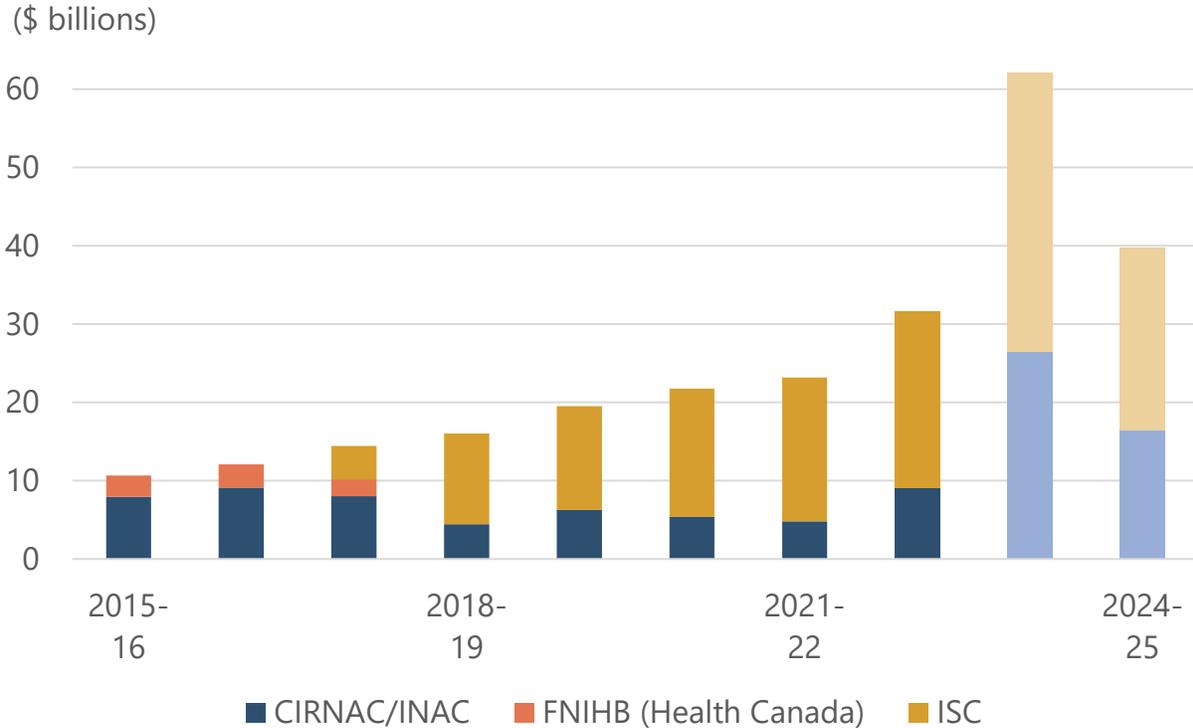
Note:

This data excludes certain vehicle types such as buses, trailers, recreational vehicles, motorcycles, snowmobiles, and golf carts. However, the data may encompass more than just light-duty vehicles.

2.2 Indigenous Reconciliation

Nearly two thirds of proposed spending in these Supplementary Estimates (\$7.8 billion, or 61.8 per cent) falls under the Indigenous portfolio, including \$5.6 billion for Crown-Indigenous Relations and Northern Affairs (CIRNAC) and \$2.2 billion for Indigenous Services Canada (ISC). This brings the proposed authorities to date for the two organization to \$39.8 billion this fiscal year, which represents a 175 per cent increase over their combined budgetary expenditures in 2017-18 (Figure 2-2).⁴

Figure 2-2
Indigenous spending, 2015-16 to 2024-25



Textual description:

Fiscal Year (\$ billions)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
CIRNAC/INAC	8.0	9.1	8.0	4.4	6.3	5.4	4.8	9.1	26.5	16.5
FNIHB (Health Canada)	2.7	3.0	2.1	0	0	0	0	0	0	0
ISC	0	0	4.3	11.6	13.3	16.4	18.4	22.6	47.5	23.2
Total	10.7	12.1	14.5	16.0	19.5	21.7	23.2	31.7	74.0	39.8

Source:

Receiver General of Canada, Public Accounts of Canada.

Treasury Board of Canada Secretariat, Supplementary Estimates (A), 2024-25.

Note:

Totals might not add due to rounding.

Data up until and including 2022-23 are actuals. Values for 2023-24 are Estimates to date. Values for 2024-25 are proposed authorities as of Supplementary Estimates (A), 2024-25.

The significant increase in planned spending in 2023-24 is due to an increase in claims and settlements, namely \$23.3 billion for the First Nations child welfare settlement.

Prior to the creation of CIRNAC and ISC, the First Nations Inuit Health Branch (FNIHB) existed under Health Canada.

The majority of the proposed spending in these Supplementary Estimates relates to settlements and Indigenous claims. At over \$5 billion, this includes:

- \$1.8 billion for the expedited resolution strategy for agricultural benefits claims;
- \$1.5 billion for the Federal Indian Day Schools and Indian Residential Schools Day Scholars Settlement (McLean and Gottfriedson);
- \$1.0 billion for the Specific Claims Settlement Fund;
- \$448 million for the settlement of historical claims; and
- \$393 million to settle land-related claims and litigation.

Funding for settlements is included in the Estimates once there is a cash need for payments. However, most of these costs would have already been reflected in the Government's financial statements at the time in which they are recognized as a contingent liability.

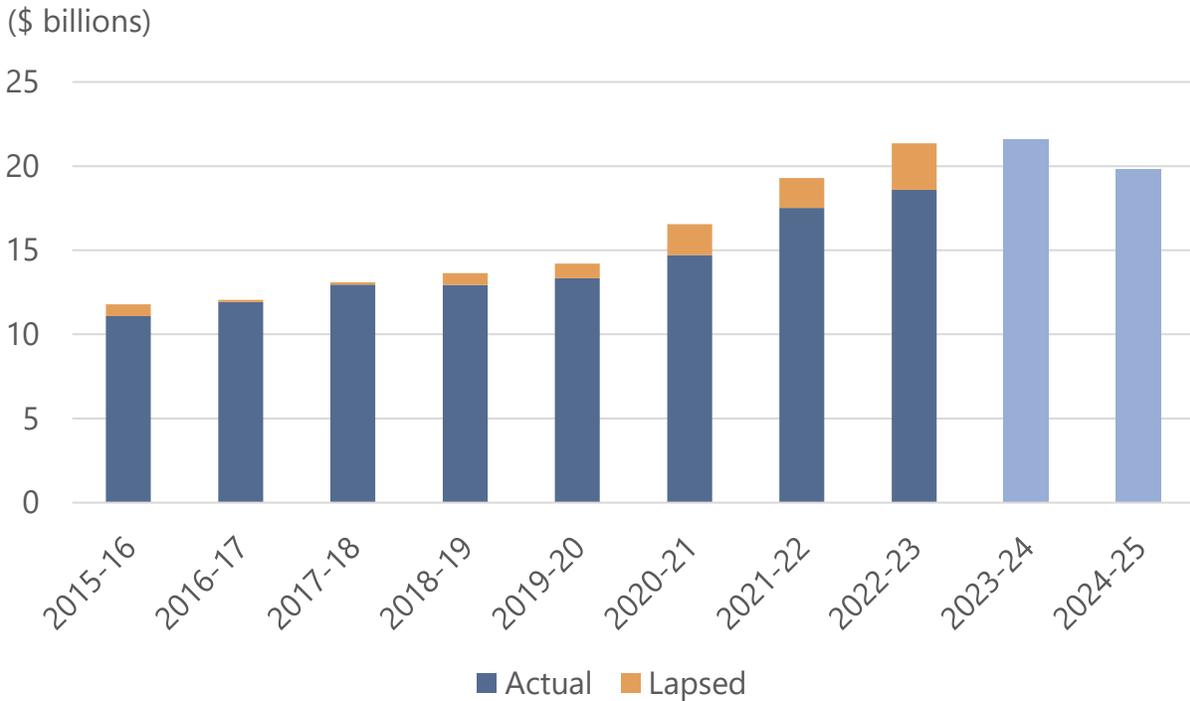
The proposed spending also includes notable amounts for Indigenous programs, including:

- \$770 million for First Nations Water and Wastewater Enhanced Program; and
- \$633 million to maintain and advance the reform of the First Nations Child and Family Services Program.

2.3 Professional and Special Services

As PBO has previously noted, spending on professional and special services has been steadily increasing over the past several years, with planned spending in 2023-24 reaching a record \$21.6 billion (Figure 2-3). These Supplementary Estimates include roughly \$704 million in proposed spending on professional and special services, bringing the total proposed authorities for 2024-25 to \$19.8 billion. This amount will likely increase with additional spending requests in subsequent Supplementary Estimates.

Figure 2-3
Spending on professional and special services



Textual description:

Fiscal Year (\$ billions)	2015- 16	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21	2021- 22	2022- 23	2023- 24	2024- 25
Actual	11.1	11.9	13.0	12.9	13.3	14.7	17.5	18.6	21.6*	19.8*
Lapsed	0.7	0.1	0.1	0.7	0.9	1.8	1.8	2.8	-	-

Source:

Receiver General of Canada, Public Accounts of Canada.

Treasury Board of Canada Secretariat, Supplementary Estimates (A), 2024-25.

Note:

Data up until and including 2022-23 are actuals.

*Values for 2023-24 are Estimates to date and values for 2024-25 are proposed authorities as of Supplementary Estimates (A), 2024-25.

In attempt to reduce the scale and pace of growth in spending, the Government announced spending reductions to professional and special services as part of Budget 2023 spending restraint exercise, Refocusing Government Spending. Specifically,

announced reductions on consulting, professional services and travel include \$500 million in 2023-24 and \$1.7 billion ongoing.

To achieve the reduction in 2023-24, Treasury Board of Canada Secretariat (TBS) froze \$500 million, which automatically lapsed at the end of the fiscal year. At that time, TBS indicated that of the \$500 million, \$350 million was for professional and special services. However, as noted in PBO's report on the [Refocusing Government Spending in 2023-24](#), in order to meet the overall savings target in 2023-24, organizations that could not find savings in professional services or travel were required to find savings elsewhere. Additionally, PBO did not receive a breakdown by spending type for all organizations. As such, it is unclear how much of the \$500 million in frozen allotments were tied to professional and special services. The total lapsed amount for professional and special services in 2023-24 will not be known until the Public Accounts are tabled in the fall.

The Government has not provided a breakdown by spending type for planned spending reductions under the Refocusing Government Spending exercise for 2024-25 and future years. As such, we are unable to determine the exact amount of planned spending reductions for professional and special services in 2024-25.

PBO will continue to monitor the implementation of the Refocusing Government Spending exercise.

Notes

¹ [*Old Age Security Act.*](#)

² Treasury Board of Canada Secretariat. [Supplementary Estimates \(A\), 2024-25.](#)

³ Off-cycle measures that appear in the budget are policy actions that are announced after the tabling of the Fall Economic Statement. The list of these measures can be found under Annex 1 in Budget 2024. Currently, there is no way to track funding that is introduced through the Estimates for off-cycle measures that are included in the budget.

⁴ Prior to 2017, Indigenous-related spending was under Indigenous and Northern Affairs Canada (INAC) and the First Nations Inuit Health Branch (FNIHB) under Health Canada. In 2017, the Government announced the dissolution of INAC, to be replaced by two new departments: Indigenous Services Canada (ISC) and Crown-Indigenous Relations and Northern Affairs (CIRNAC).

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