

Supplementary Estimates (A), 2026-27

This note examines the federal government's first Supplementary Estimates for the 2026-27 fiscal year, which seeks Parliament's approval for \$11.1 billion.

Key Findings

These Supplementary Estimates outline an additional \$11.1 billion in budgetary authorities and a decrease in statutory spending of \$50 million. Parliament's approval is required for \$11.1 billion.

These Supplementary Estimates include \$3.8 billion for Budget 2025 measures and \$358 million for Spring Economic Update 2026 measures.

Major planned areas of spending include Indigenous-related programs, housing and infrastructure, and defence.

Parliamentarians have approximately 4 weeks from tabling to the end of the current supply period to approve the Government's financial request.

The Government may 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 up to certain amounts of money in 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), 2026-27 are the first Supplementary Estimates in 2026-27 and support the third appropriation bill for the current fiscal year, following interim supply and full supply for Main Estimates.

Proposed Spending

Supplementary Estimates (A), 2026-27 request an additional \$11.1 billion in budgetary authorities (Table 1). Voted authorities sought total \$11.1 billion, while statutory authorities are forecast to decrease by \$50 million. This decrease reflects a decline in public debt charge expenditures, that is partially offset by increases in expenditures under Build Canada Homes, elderly benefits, and the Canada Infrastructure Bank.

Table 1

The Government's Expenditure Plan, 2026-27: Total Authorities, billions of dollars

2026-27	Main Estimates	Supplementary Estimates (A)	Total
Budgetary			
Voted	230.43	11.13	241.56
Statutory	272.40	-0.05	272.35
Total Budgetary	502.83	11.08	513.91
Non-Budgetary			
Voted	0.03	0.00	0.03
Statutory	2.91	0.17	3.08
Total Non-Budgetary	2.93	0.17	3.10

Source:

Treasury Board of Canada Secretariat, 2026-27 Supplementary Estimates (A)

Note:

Non-budgetary expenditures represent transactions that change the composition of the financial assets of the federal government but do not affect the budgetary balance (usually loans, investments and advances).

Including these Supplementary Estimates, the total proposed year-to-date budgetary authorities are \$514 billion, which represents a \$3.2 billion (or 0.6 per cent) increase compared to the Estimates to date for 2025-26.

Major Expenditures

Indigenous spending

Expenditures under the indigenous portfolio represent approximately one third of the total voted expenditures in these Supplementary Estimates (\$4.0 billion, or 35.9 per cent). These amounts include \$3.1 billion for Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC), and \$899 million for Indigenous Services Canada (ISC). These expenditures include:

- \$2.7 billion to CIRNAC for the settlement of agricultural benefits claims;
- \$311 million to ISC to fund mental wellness and substance use treatment services;
- \$291 million to CIRNAC for the exercise of Crown discretion regarding past compensation for Whitesand First Nations; and,
- \$202 million to ISC to implement an *Act respecting First Nations, Inuit and Métis children, youth and families*.

Housing and Infrastructure

Major planned spending related to housing and infrastructure totals \$3.2 billion. Of this funding, \$2.3 billion is for the Build Communities Strong Fund (BCSF). Announced in Budget 2025 as part of the Generational Infrastructure Investments initiative, the BCSF was launched on April 7, 2026, with a commitment of \$51 billion over 10 years, starting in 2026–27. There are 8 organizations seeking authorities related to this fund, with Housing, Infrastructure and Communities Canada accounting for the largest share—\$2.2 billion, representing 63.7 per cent of all Budget 2025-related authorities in these Supplementary Estimates.

Statutory forecasts also reflect changes to housing and infrastructure planned spending, with an additional \$530 million to Build Canada Homes, and \$365 million to the Canada Infrastructure Bank.

Defence

Defence constitutes a major source of requested authorities in these Supplementary Estimates. The Department of National Defence (DND) is seeking \$1.1 billion in funding, with major items being:

- \$837 million in funding to extend the North Atlantic Treaty Organization (NATO) assurance and deterrence measures in Central and Eastern Europe through Operation REASSURANCE (included in Budget 2025 measures); and,
- \$182 million for the Armoured Combat Support Vehicle Project.

The Treasury Board of Canada Secretariat (TBS) also released the detailed [2025-26 year-end allocations from Treasury Board Central Vote 50](#). Of the \$1 billion allowed by this central vote \$944 million were allocated, notably to support the acquisition of:

- the Long-Range Precision Strike (Land) system by DND (\$333 million);
- the Integrated Underwater Surveillance System by DND (\$295 million);
- weapons and radar components for River-class destroyers by DND (\$150 million);
- the Halifax Gate Industrial Site by DND (\$82 million);
- military housing in Dartmouth and office space in Ottawa by DND (\$60 million);
- software licenses by the Communications Security Establishment (\$24 million).

Canada Post Corporation

These Supplementary Estimates include \$673 million for the Canada Post Corporation to cover revenue shortfalls and support its continued operations. In 2025-26, the Corporation had requested funding of \$2 billion for the same reasons (\$1 billion in the Main Estimates and \$1 billion in the Supplementary Estimates (C)). This year's requested amount of \$673 million is an unspent portion of the approved \$2 billion funding for 2025-26 that was not required to meet the Corporation's cash flow needs in that year. It is included in these Supplementary Estimates to make these funds available to Canada Post in 2026-27.

Budget 2025 and Spring Economic Update 2026

Parliamentarians are asked to examine the Government's request for additional voted authorities, of which 35.7 per cent are classified as Budget 2025 and Spring Economic Update (SEU) 2026 measures.

These Supplementary Estimates include \$3.6 billion for 16 Budget 2025 measures, which represent 32.5 per cent of total voted authorities. Including statutory items for employee benefit plans, sought authorities for Budget 2025 measures total \$3.8 billion. With the \$14.7 billion in the Main Estimates, spending on Budget 2025 measures now totals \$18.4 billion, which accounts for about 90 per cent of Budget 2025 expenditures to appear in the 2026–27 Estimates, up from 72 per cent at the time of the Main Estimates.

These Estimates seek \$358 million for six SEU 2026 measures, which account for 3.2 per cent of total voted authorities. Only 4 per cent of new expenditures announced in the SEU 2026 and planned for 2026–27 are included in these Supplementary Estimates.³

[Budget 2025 also provisioned a \\$100 million to support the 2026 FIFA Men's World Cup.](#)

Of this, \$93 million in expenditures are presented in the Supplementary Estimates (A), 2026–27 with 5 organizations seeking authorities (including statutory items):

- \$77 million to the Royal Canadian Mounted Police;
- \$6 million to the Department of Citizenship and Immigration;
- \$6 million to the Department of Canadian Heritage;
- \$3 million to the Canadian Air Transport Security Authority;
- \$1 million to the Canadian Food Inspection Agency.

The SEU 2026 also announced another \$146 million to support the World Cup. This amount has yet to be appropriated in the Estimates and will likely appear in the Supplementary Estimates (B) this fall.

Statutory expenditure adjustments to reflect SEU 2026 projections

These Supplementary Estimates included a decrease in public debt charges of \$1.5 billion. This reflects lower effective interest rates than were forecast and improvements in the budgetary balance between Budget 2025 and the SEU 2026. Public debt charges

for 2026-27 are now forecast at \$58.7 billion in the SEU 2026, while PBO's [Economic and Fiscal Outlook](#) projects them at \$58.9 billion.

Elderly benefits increased by \$492 million in these Supplementary Estimates, to align with the SEU 2026 projection of \$89.3 billion for 2026-27. The PBO's most recent projection has them slightly higher, at \$90.2 billion.

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Notes

¹ [Old Age Security Act](#).

² Treasury Board of Canada Secretariat. Supplementary Estimates (A), 2026-27.

³ Measures announced after Budget 2025 but before the Spring Economic Update 2026 are considered SEU 2026 measures as they are presented again in the SEU.

