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Supplementary Estimates (B) 2025-2026



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 secondary Supplementary Estimates for the 2025-26 fiscal year, which seeks Parliament's approval of \$10.8 billion.

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Table of Contents

Highlights.....	1
Summary	2
Overview	3
Proposed Spending.....	3
Major Expenditures	6
Indigenous spending	6
Military procurement and support	8
Personnel spending.....	8
Notes	10

Highlights

These Supplementary Estimates outline an additional \$10.7 billion in budgetary authorities, which include a \$113 million decrease in forecast statutory spending. Parliament's approval is required for \$10.8 billion.

These Supplementary Estimates do not include funding for Budget 2025 measures.

Major areas of planned spending include health care, Indigenous-related programs and claims, defence, and personnel.

Parliamentarians have approximately 5 weeks from tabling to approve the Government's financial request.

Summary

Supplementary Estimates (B), 2025-26 is the second planned Supplementary Estimates in 2025-26 and supports the third appropriation bill for the current fiscal year.

These Supplementary Estimates outline an additional \$10.7 billion in budgetary authorities, of which Parliament's approval is required for \$10.8 billion. The difference (\$113 million) represents a decrease in forecasted budgetary statutory authorities, for which the Government has Parliament's approval to decrease via other legislation.

These Supplementary estimates do not include funding for Budget 2025 measures. Consequently, Supplementary Estimates (C), should it be tabled, will be the only opportunity for the Government to seek Parliament's approval for Budget 2025 measures that require an appropriations bill for this fiscal year.

Planned spending on personnel accounts for approximately \$1.4 billion of proposed authorities, with just under two thirds (\$912 million) going to the Treasury Board of Canada Secretariat for public service insurance plans, as well as for transfers to departments and agencies for salary adjustments.

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

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 (up to) 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

Supplementary Estimates (B), 2025-26 is the second planned Supplementary Estimates in 2025-26 and supports the third appropriation bill for the current fiscal year.

Proposed Spending

Supplementary Estimates (B), 2025-26 outlines an additional \$10.7 billion in budgetary authorities (Table 1). Voted authorities, which require approval by Parliament, total \$10.8 billion. Statutory authorities, for which the Government already has Parliament's permission to spend, are forecast to increase by a total of \$2.4 billion.

Table 1

Supplementary Estimates (B), 2025-26: Total Authorities, billions of dollars

Authorities	Budgetary	Non-budgetary
Voted	10.8	0
Statutory	-0.1	2.5
Total	10.7	2.5

Source:

Treasury Board of Canada Secretariat.

Financial assistance to Ukraine provided through the International Monetary Fund and the World Bank accounts for the \$2.5 billion increase in total statutory and non-budgetary authorities.

Including these Supplementary Estimates, the total proposed year-to-date budgetary authorities are \$506.7 billion, which represents a \$20 billion (or 4.1 per cent) increase compared to the Estimates to date for the preceding year.

The Supplementary Estimates for the fall supply period ending December 10 have historically followed the tabling of the Public Accounts, which are the audited consolidated financial statements for the previous fiscal year.³ This year the Public Accounts of Canada 2025 were tabled on the same day as Supplementary Estimates (B), 2025-26. The Government has tabled the Public Accounts on or before the day of tabling of the fall Supplementary Estimates three times in the last five fiscal years, and six times in the last ten fiscal years (Table 2). As noted in PBO's [report](#) on financial reporting, timely publication of the Public Accounts would provide parliamentarians with more time for ex-post financial scrutiny and better information to assess the Government's budget plans and Estimates.

Table 2

Tabling dates of the fall Supplementary Estimates and the Public Accounts for the preceding fiscal year

Fiscal year	Public Accounts for the preceding fiscal year	Fall Supplementary Estimates	Days Between Publication Dates
2016-17	<u>October 25, 2016</u>	<u>November 3, 2016</u>	9
2017-18	<u>October 5, 2017</u>	<u>October 26, 2017</u>	21
2018-19	<u>October 19, 2018</u>	<u>October 24, 2018</u>	5
2019-20*	<u>December 12, 2019</u>	<u>December 5, 2019</u>	-7
2020-21	<u>November 30, 2020</u>	<u>October 22, 2020</u>	-39
2021-22*	<u>December 14, 2021</u>	<u>November 26, 2021</u>	-18
2022-23	<u>October 27, 2022</u>	<u>November 17, 2022</u>	21
2023-24	<u>October 24, 2023</u>	<u>November 9, 2023</u>	16
2024-25	<u>December 17, 2024</u>	<u>November 18, 2024</u>	-29
2025-26*	<u>November 7, 2025</u>	<u>November 7, 2025</u>	0

Source:

House of Commons.

Note:

* Indicates election year.

Positive values indicate years where the Supplementary Estimates (B) were published after the Public Accounts, negative values indicate years where the Supplementary Estimates (B) were published before the Public Accounts.

Major Expenditures

These Supplementary Estimates do not include any funding for measures in Budget 2025. Supplementary Estimates (C), should it be tabled, will be the only opportunity for the Government to seek Parliament's approval for Budget 2025 measures that require an appropriations bill through the Estimates for this fiscal year.

The single largest voted expenditure in these Supplementary Estimates is \$1.6 billion to Health Canada to support access to dental services under the Canadian Dental Care Plan. This program is not currently structured to allow these expenditures to occur on a statutory basis.

Indigenous spending

The Indigenous portfolio represents 25 per cent of proposed budgetary expenditures in these Supplementary Estimates (\$2.7 billion). This includes \$1.3 billion for Indigenous Services Canada (ISC) and \$1.4 billion for Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC).

A notable portion (54 per cent) of the funding sought by ISC pertains to the Emergency Management Assistance Program (EMAP), totaling \$706 million. This funding will be used to reimburse eligible recipients for costs incurred during response and recovery activities on reserves across Canada. According to ISC, reimbursements under EMAP have persistently increased since 2012.⁴ PBO notes that contribution payments, which include these reimbursements, have grown annually at an average rate of 34 per cent between 2017-18 and 2024-25. If approved, proposed authorities for these contributions would peak at \$898 million in 2025-26.

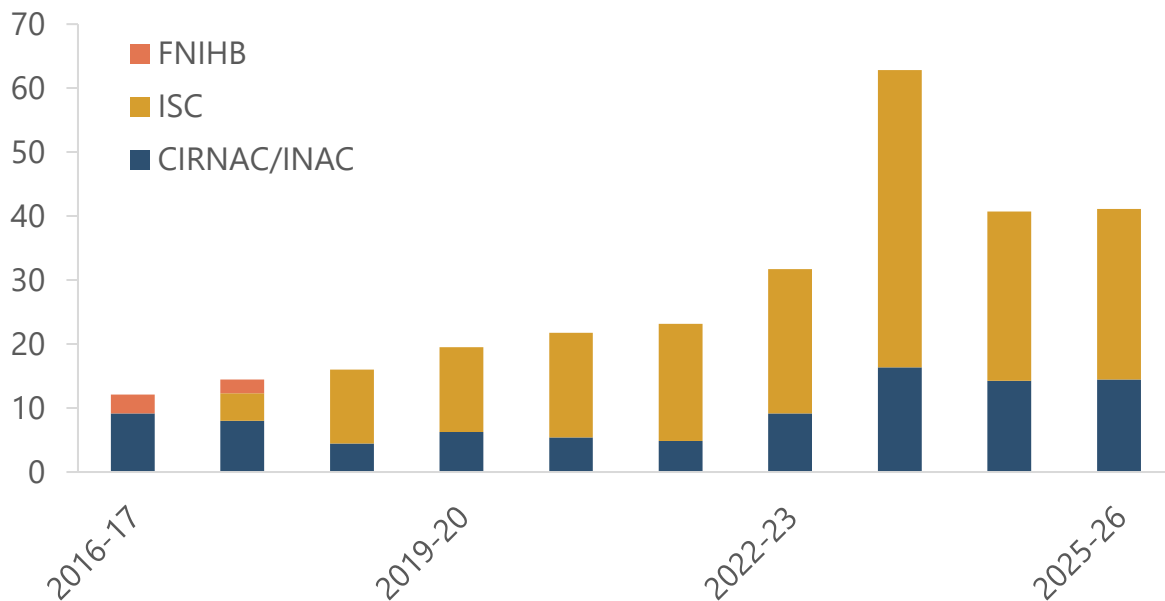
Approximately 68 per cent of the authorities sought by CIRNAC relates to funding for the resolution of agricultural benefits claims and the settlement of Federal Indian Day School Claims, totaling \$944 million. In its [Overview of Contingent Liabilities](#), PBO noted that a large portion of the increasing provision for contingent liabilities was attributable to Indigenous claims.⁵ Budget 2025 highlights higher direct program expenses primarily due to expected growth in contingent liabilities related to Indigenous-related claims as well as allowance for doubtful accounts on taxes receivables.⁶ Given the projected \$55 billion in outstanding contingent liabilities (net of settlements) in 2024-25,

parliamentarians can anticipate spending approval requests related to resolving those claims through future Main and Supplementary Estimates.

Including these Supplementary Estimates, the total proposed authorities to date for the two organizations is \$41.1 billion for this fiscal year, which represents an increase of 184 per cent over their combined budgetary expenditures in 2017-18 (Figure 1).⁷

Figure 1

Indigenous spending, 2016-17 to 2025-26, billions of dollars



Source:

Receiver General of Canada and Treasury Board of Canada Secretariat.

Note:

Data up until and including 2024-25 are actuals. Values for 2025-26 are proposed authorities as of Supplementary Estimates (B), 2025-26.

The significant increase in actual 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.

Military procurement and support

A significant amount of planned spending in these Supplementary Estimates relates to military procurement and support. This includes planned spending for several ongoing activities by the Department of National Defence:

- \$476 million in funding for the Future Fighter Capability Program;
- \$295 million in funding for previously approved defence investments funded through the Capital Investment Fund; and,
- \$215 million for the River Class Destroyers.

The Department of National Defence also seeks to transfer \$529 million to the Canadian Space Agency for the purposes of defence research and development, as well as to support the Canadian Defence Industry. As a transfer, rather than an increase in expenditures, it would not further contribute toward achieving the Government's defence spending targets. The \$2.5 billion increase in statutory spending for financial assistance to Ukraine does not fall under the North Atlantic Treaty Organization (NATO) definition of defence spending and would also not contribute toward achieving the Government's targets.

Personnel spending

Personnel spending represents approximately \$1.4 billion (or 12.8 per cent) of total budgetary authorities sought in Supplementary Estimates (B), 2025-26. About two thirds of this amount (\$912 million) is for Treasury Board of Canada Secretariat, including:

- \$596 million for public service insurance plans and programs; and,
- \$315 million to compensate organizations for salary adjustments.

In 2024-25, total personnel spending reached \$76.3 billion, up 6.1 per cent relative to spending in 2023-24. Based on the August 2025 Fiscal Monitor, spending on personnel in the first five months of 2025-26 totaled \$31.2 billion, an increase of 7.8 per cent relative to the same period last year. These increases are consistent with [PBO's recent observation](#) that personnel spending has grown significantly in recent years.

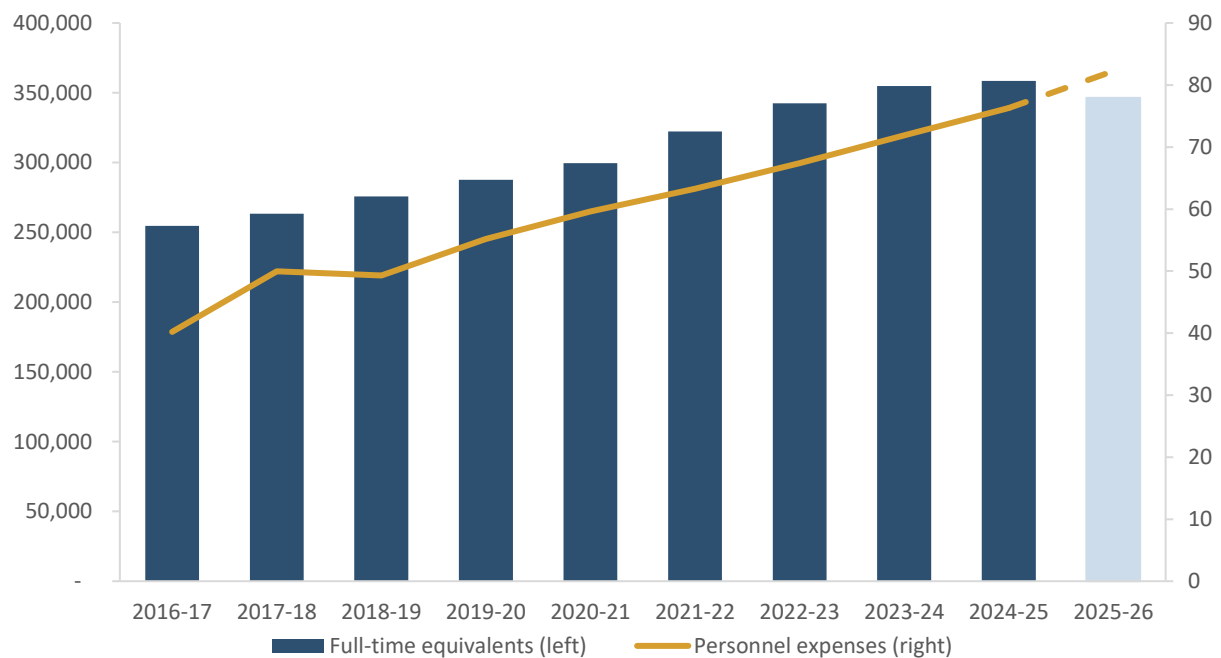
In contrast, the size of the federal public service has declined. As of September 2025, the number of full-time equivalents (FTEs) averaged 346,000 in 2025-26, down

approximately 12,000 from 358,000 in 2024-25. This divergence suggests that the increases in personnel spending have been driven by higher expenses per FTE rather than staffing levels.

Budget 2025 announced the Government's intention to further reduce the population of the federal public service to roughly 330,000 by 2028-29 through the [Comprehensive Expenditure Review](#), representing an additional reduction of approximately 16,000 FTEs as of September 2025.

Figure 2

Personnel Spending and FTEs in the Federal Public Service, 2016-17 to 2025-26



Source:

Receiver General of Canada, Department of Finance Canada, Treasury Board of Canada Secretariat and Office of the Parliamentary Budget Officer.

Note:

Personnel expenses for 2016-17 to 2024-25 are from the Public Accounts. The 2025-26 figure is projected using the year-to-date growth rate in personnel spending from the August 2025 Fiscal Monitor. FTE figures are PBO calculations based on average of monthly FTE counts over each fiscal year for the core public administration organizations under *Financial Administration Act* (FAA) Schedules I, IV, V, for which Treasury Board Secretariat is the employer. These FTEs exclude RCMP Regular Force and Civilian Members, and Canadian Armed Forces Members. The 2025-26 FTE estimate is the average of monthly counts from April to September 2025.

Notes

¹ [*Old Age Security Act.*](#)

² Treasury Board of Canada Secretariat. [Supplementary Estimates \(B\) 2025-26.](#)

³ In 2018-19 and 2019-20 no Supplementary Estimates were tabled for the supply period ending on June 23. Consequently, the Supplementary Estimates for the supply period ending December 10 were called Supplementary Estimates (A).

⁴ Department of Indigenous Services. [Emergency Management Assistance Program.](#)

⁵ Parliamentary Budget Officer. [Overview of Contingent Liabilities.](#)

⁶ Department of Finance. [Budget 2025 – Annex 1](#), p.235-290.

⁷ 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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