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# Supplementary Estimates (C) 2025-26



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 Third Supplementary Estimates for the 2025-26 fiscal year, which seeks Parliament's approval for \$5.4 billion.

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# Highlights

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These Supplementary Estimates outline \$4.0 billion in budgetary authorities, which include a \$1.4 billion decrease in forecast statutory spending. Parliament's approval is required for \$5.4 billion.

These Supplementary Estimates include funding for Budget 2025 measures.

Major areas of spending include defence, and funding for the Canada Post Corporation.

Parliamentarians have 6 weeks from tabling to approve the Government's financial request.

# Summary

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

These Supplementary Estimates outline \$4.0 billion in incremental budgetary spending. Parliament's approval is required for \$5.4 billion. Statutory authorities, for which the Government has Parliament's approval to spend via other legislation, are forecast to decrease by a total of \$1.4 billion.

Roughly 12 per cent (\$485.8 million) of spending is for 13 Budget 2025 measures. Most notably, this includes \$150 million to the Canadian Broadcasting Corporation (CBC) for modernization purposes, and \$218.1 million to defence.

Major areas of planned spending in these Supplementary Estimates include:

- \$1.0 billion to the Canada Post Corporation (CPC) to address revenue shortfalls and support continued operations;
- \$1.0 billion to the Treasury Board of Canada Secretariat (TBS) to supplement other appropriations and accelerate expenditures relating to defence and national security; and
- \$1.0 billion to the Department of National Defence (DND) to fund a number of previously approved defence investments through the Capital Investment Fund, the Strategic Tanker Transport Capability Aircraft project, and to expand the Canadian Coast Guard's security role.

To support parliamentarians in their scrutiny of Budget 2025 implementation, the PBO has prepared tracking tables that list all budget initiatives, the planned spending amounts and the corresponding legislative funding authority (see supplementary data file). These tables will be updated over the course of the year as the Government brings forward its legislative agenda. Several budget initiatives were reannouncements that had previously received funding through the earlier Main and Supplementary Estimates in 2025-26.

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 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*.<sup>1</sup>

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."<sup>2</sup>

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

## Proposed Spending

Supplementary Estimates (C), 2025-26 outlines an additional \$4.0 billion in budgetary authorities (Table 1). Voted authorities total \$5.4 billion and statutory authorities are forecast to increase by a total of \$0.4 billion.

**Table 1**

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

Authorities	Budgetary	Non-budgetary
Voted	5.4	0.0
Statutory	-1.4	1.7
<b>Total</b>	<b>4.0</b>	<b>1.8</b>

Source:

Treasury Board of Canada Secretariat, 2025-26 Supplementary Estimates (C)

Note:

Values may not add up to the total due to rounding.

Including these Supplementary Estimates, the total proposed year-to-date budgetary authorities are \$510.7 billion, which represents a \$24 billion (or 4.9 per cent) increase compared with the Estimate to date for the preceding year.

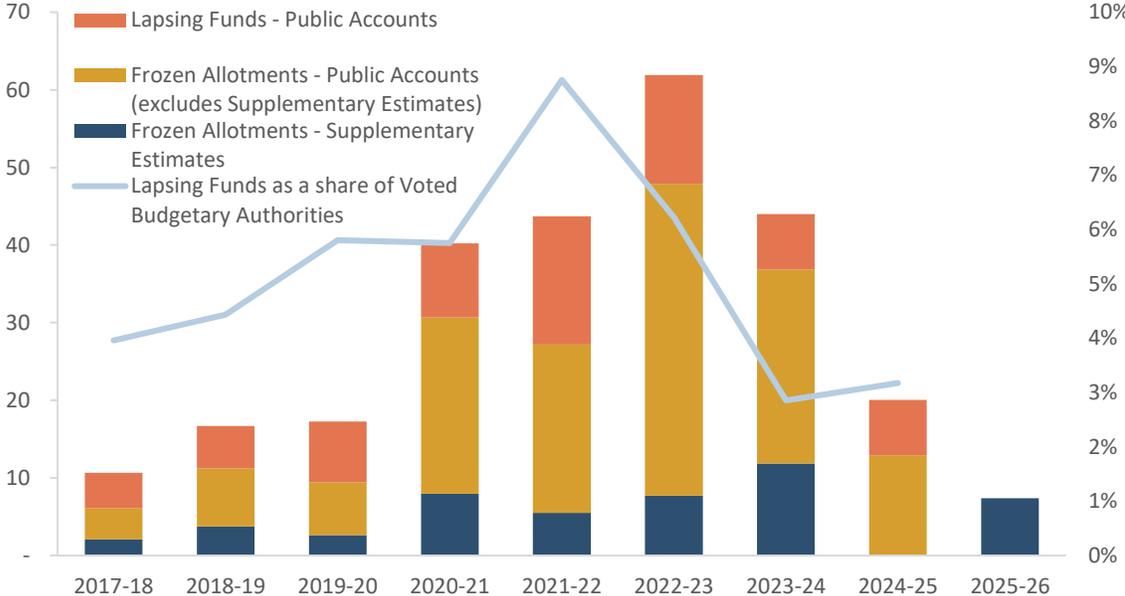
## Frozen Allotments

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These Supplementary Estimates include \$7.4 billion in authorized spending that have subsequently been directed to lapse through permanent frozen allotments. Frozen allotments refer to funds that have been approved by Parliament, but that the Government then restricts for various reasons (see Box 1).

Since 2015-16, frozen allotments are presented alongside the Supplementary Estimates (C). In theory, frozen allotments in these Estimates should be a leading indicator of the total frozen and lapsed funds that appear in the Public Accounts. In practice this has not been the case. Between 2017-18 and 2023-24, frozen allotments in Supplementary Estimates (C) have only explained on average 27.1 per cent of the total frozen allotments for a given fiscal year. Including 2024-25, a year where no Supplementary Estimates (C) was published, lowers the average to 23.8 per cent.

**Figure 1**  
Frozen and lapsed allotments (billions of dollars)



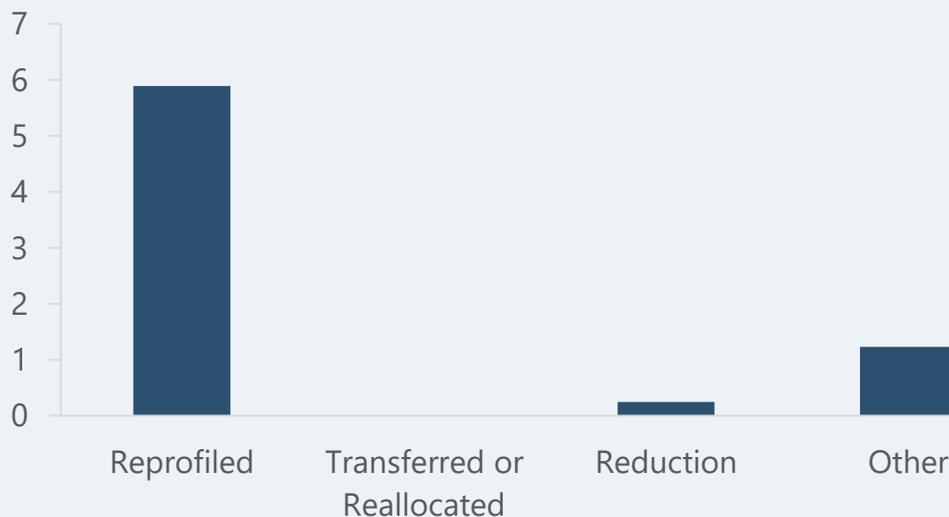
Source:  
Office of the Parliamentary Budget Officer.  
Receiver General for Canada.  
Treasury Board of Canada Secretariat.

## Box 1 – Frozen Allotments

Frozen allotments are moneys approved by Parliament that TBS internally restricts. These allotments can be temporary or permanent. Temporarily frozen allotments allow TBS to stipulate certain conditions that must be met before the funds are released to departments and organizations. Permanently frozen allotments must be lapsed by the department at the end of the fiscal year. As noted by TBS, frozen allotments are used for four principal purposes (Figure B-1):

1. **Re-profiling** funds, which allows unused authorities from the current year to be pushed forward to the next fiscal year, subject to Parliament's approval;
2. **Transferring or reallocating** funds, which allows departments to trade authorities across votes, for example moving capital authorities to operating;
3. **Authority reduction**, which occurs when the original purpose of the funds no longer exists, for example due to a cancelled program; and,
4. **Other** frozen allotments, which are mostly uncommitted TB Central Votes used to distribute funds to departments for specific purposes and address urgent funding requirements.

**Figure B-1**  
**Frozen allotments by category (billions of dollars)**



Source:  
Treasury Board of Canada Secretariat.  
Office of the Parliamentary Budget Officer.

# Major Expenditures

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These Supplementary Estimates seek authorities for several Budget 2025 initiatives. Significant authorities have been requested for defence between DND and TBS. Additionally, these Supplementary Estimates include \$1.0 billion to the Canada Post Corporation to address its revenue shortfalls and support its continued operations. Offsetting these expenditures are a decrease in statutory authorities for the Old Age Security (OAS), and Guaranteed Income Supplement (GIS).

## Budget 2025

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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.

To track the implementation of Budget 2025 measures, PBO identified initiatives that have forecast spending in 2025-26 and matched them with items included in Supplementary Estimates (C), 2025-26.

Budget 2025 included measures that had previously received funding through the Supplementary Estimates earlier in the fiscal year. These items were deemed budget measures due to them being reintroduced in Budget 2025. As of these Supplementary Estimates, Budget 2025 expenditures totaled to \$9.9 billion. Parliament has already authorized \$9.4 billion of this amount (either through the Main Estimates, Supplementary Estimates (A) or (B), 2025-26) with \$9.1 billion (96.7 per cent) pertaining to National Defence.

As presented in our online tracking tables (see supplementary data file), there are 13 Budget 2025 measures for which \$485.8 million is sought in these Supplementary Estimates. Some larger budget items in these Supplementary Estimates include:

- \$150 million in funding to modernize CBC
- \$218.1 million for defence, of which \$127.3 million in funding for the expansion of the Canadian Coast Guard's security role.<sup>3</sup>

## Defence Spending

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Defence continues to be a significant source of planned spending. DND is seeking funding for several ongoing activities, such as:

- \$560.9 million in funding for previously approved defence investments funded through the Capital Investment Fund;
- \$313.7 million in funding for the Strategic Tanker Transport Capability Aircraft project; and,
- \$127.3 million for the expansion of the Canadian Coast Guard's security role (included in Budget 2025 measures).

In addition to this, the TBS is also requesting \$1.0 billion through a central vote to supplement other appropriations and accelerate expenditures relating to defence and national security. This amount could be drawn on to facilitate the completion of national security related contracts before the end of the fiscal year.

## Old Age Security Program

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These Supplementary Estimates present a decrease in OAS program expenditures. OAS pension and GIS payments respectively post a \$1.6 billion and \$773 million reduction in statutory budgetary authorities for the current fiscal year. These revisions are primarily due to lower estimated number of beneficiaries and average monthly benefits as well as higher estimated OAS pension repayments. Even with these downward revisions, OAS and GIS payments are planned to total \$82.5 billion in 2025-26 compared to \$79.6 billion in 2024-25<sup>4</sup>, an increase of 3.7 per cent.

# Notes

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<sup>1</sup> [Old Age Security Act.](#)

<sup>2</sup> Treasury Board of Canada Secretariat. Supplementary Estimates (C), 2025-26.

<sup>3</sup> This relates to defence spending across the Federal government, not just by the Department of National Defence.

<sup>4</sup> Public Accounts of Canada 2025

