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Supplementary Estimates (A) 2023-24



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 2023-24 fiscal year, which seeks Parliament's approval of \$20.5 billion.

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Highlights

These Supplementary Estimates outline \$21.9 billion in incremental spending. Parliament's approval is required for \$20.5 billion.

Roughly a fifth (\$4.4 billion) of the proposed spending in these Estimates relates to money announced in Budget 2023.

More than half of the proposed spending (roughly \$13 billion) relates to the implementation of Indigenous settlement agreements.

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

Summary

The Supplementary Estimates (A), 2023-24 is the first planned Supplementary Estimates in 2023-24 and supports the third appropriation bill for the current fiscal year.

These Supplementary Estimates outline \$21.9 billion in incremental spending. Parliament's approval is required for \$20.5 billion. Statutory authorities, for which the Government has Parliament's approval to spend via other legislation, are forecast to increase by a total of \$1.4 billion.

Roughly one fifth (\$4.4 billion) of spending is for fifteen Budget 2023 measures. Most notably, this includes \$2.5 billion to the Department of Health to improve health care for Canadians.

More than half of the proposed spending in these Supplementary Estimates (roughly \$13 billion) relates to the negotiation and resolution of Indigenous claims.

To support parliamentarians in their scrutiny of Budget 2023 implementation, the PBO has prepared [tracking tables](#) that list all budget initiatives, the planned spending amounts and the corresponding legislative funding authority. These tables will be updated over the course of the year as the Government brings forward its legislative agenda.

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

1. Why the Supplementary Estimates Matter

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), 2023-24 is the first planned Supplementary Estimates in 2023-24 and support the third appropriation bill for the current fiscal year.

1.1 Overview of Proposed Spending

Supplementary Estimates (A), 2023-24 outlines an additional \$21.9 billion in budgetary authorities (Table 1). Voted authorities total \$20.5 billion and statutory authorities are forecast to increase by a total of \$1.4 billion.

Table 1**Supplementary Estimates (A), 2023-24: Total Authorities**

Authorities (\$billions)	Budgetary	Non-budgetary
Voted	20.5	-
Statutory	1.4	-
Total	21.9	-

Source:

Treasury Board of Canada Secretariat, Supplementary Estimates (A), 2023-24.

Including these Supplementary Estimates, the total proposed year-to-date budgetary authorities are \$454.8 billion, which represents a \$11.5 billion (or 2.6 per cent) increase compared with the Estimates to date for the preceding year. This is generally consistent with the spending growth forecast in Budget 2023.

2. Major Expenditures

2.1 Budget 2023

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.

In Budget 2023, the PBO identified just over 200 budget initiatives, of which 152 contain forecasted spending in 2023-24. To monitor the implementation of these initiatives, the PBO has been cross-referencing them with items included in the Estimates and other legal mechanisms, as published in our online [tracking tables](#).

These Supplementary Estimates are seeking \$4.4 billion for fifteen Budget 2023 measures. Inclusive of two budget items in the Main Estimates, this brings total proposed spending to date for Budget 2023 initiatives to \$7.2 billion.³ This amounts to roughly 40 percent of the projected total for Budget 2023 expenditures in 2023-24. In comparison, less than 20 per cent of total Budget 2022 spending for 2022-23 had appeared in the Estimates at this point last year. Some larger budget items in these Supplementary Estimates include:

- \$2.5 billion to the Department of Health to improve health care for Canadians;
- \$469 million to Immigration, Refugees and Citizenship Canada to provide healthcare support asylum claimants and refugees through the Interim Federal Health Program;
- \$468 million to the Canadian Air Transport Security Authority to improve airport operations and passenger screening; and

- \$468 million to Public Services and Procurement Canada to renew the Government's pay system resources.

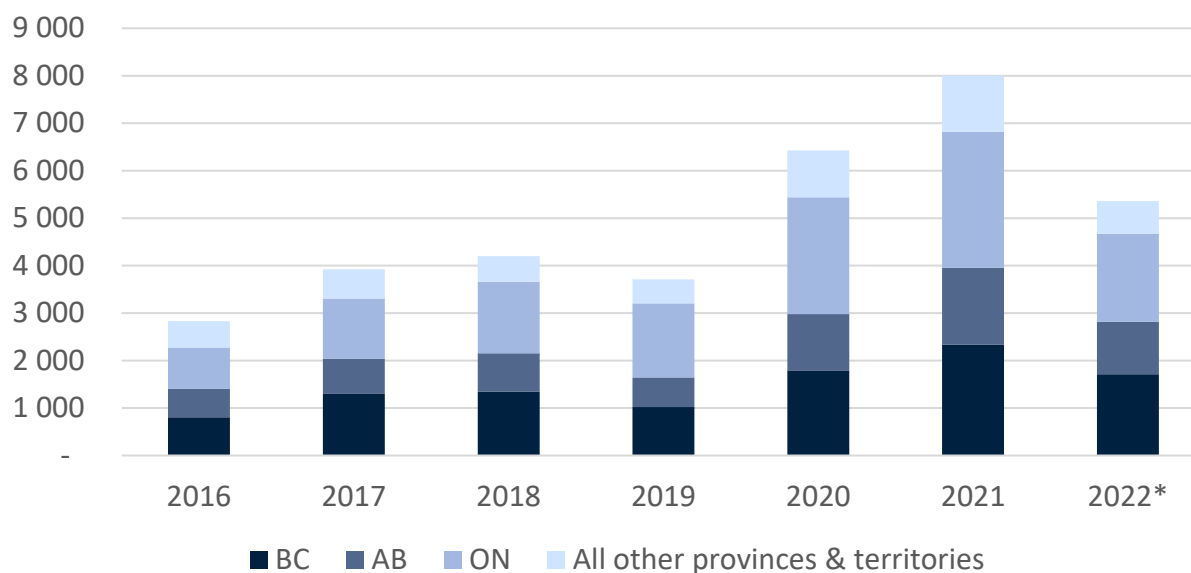
Bilateral Health Agreements

The largest budget item in these Supplementary Estimates is \$2.5 billion in funding to improve health care for Canadians. This funding will, in part, fulfill the new bilateral agreements made with provinces and territories in early 2023, through which the government has announced that it intends to provide \$25 billion over 10 years.⁴

Notably, one of the areas of focus in these agreements is improving access to quality mental health and substance use services. This objective holds significant relevance due to the escalating levels of opioid- and stimulant-related deaths in Canada since 2016, particularly after the onset of the pandemic (Figure 2-1). Statistics show that in the first nine months of 2022, the recorded number of opioid-related deaths surpassed five thousand, averaging approximately 20 deaths a day.

Figure 2-1**Number of total apparent opioid-toxicity deaths, 2016 to 2022**

number of deaths



Textual description:

Year	2016	2017	2018	2019	2020	2021	2022*
BC	805	1,296	1,348	1,020	1,794	2,333	1,712
AB	602	744	805	626	1,184	1,621	1,105
ON	867	1,265	1,507	1,558	2,461	2,864	1,853
All other provinces & territories	556	619	541	507	984	1,188	690

Source:

Public Health Agency of Canada, Opioid- and Stimulant-related Harms in Canada.

Note:

*Data for 2022 is only available from January to September.

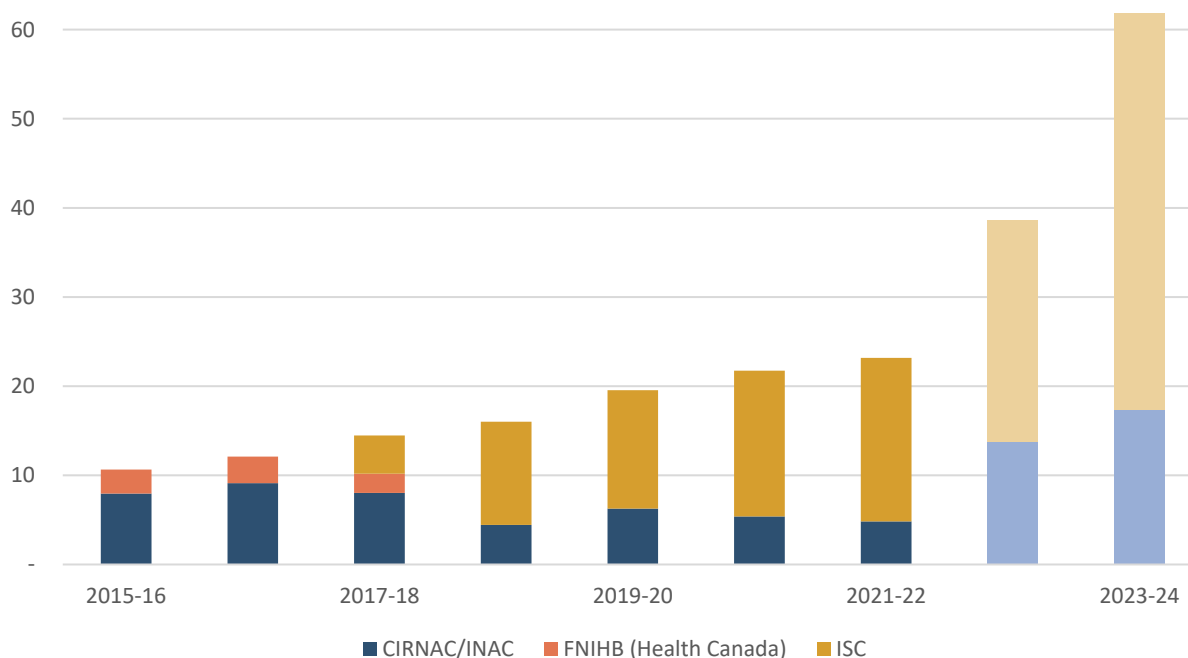
Some data at the provincial or territorial level have been suppressed to address concerns around releasing small numbers.

2.2 Indigenous Reconciliation

More than half of the proposed spending in Supplementary Estimates (A), 2023-24 (\$13.1 billion, or 59.9 per cent) is for the Indigenous portfolio, including \$8.2 billion to Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) and \$4.9 billion to Indigenous Services Canada (ISC). This brings the proposed authorities to date for the two organizations to \$61.8 billion this fiscal year, which represents a 328 per cent increase over Indigenous-related budgetary expenditures in 2017-18 (Figure 2-2).⁵

Figure 2-2
Indigenous Spending, 2015-16 to 2023-24

(\$ billions)



Textual description:

Fiscal Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
CIRNAC/INAC	8.0	9.1	8.0	4.4	6.3	5.4	4.8	13.8	17.4
FNIHB	2.7	3.0	2.1	0	0	0	0	0	0
ISC	0	0	4.3	11.6	13.3	16.4	18.4	24.8	44.5

Sources:

Receiver General of Canada, Public Accounts of Canada; Treasury Board of Canada Secretariat, Supplementary Estimates (A), 2023-24; PBO Calculations.

Notes:

Data up until and including 2021-22 are actuals. Values for 2022-23 are PBO calculations based on the 2022-23 Estimates to date and adjusted downward to reflect lapsed authorities related to compensation to First Nations children (approximately \$20 billion). Values for 2023-24 are proposed authorities as of Supplementary Estimates (A), 2023-24.

Nearly all the proposed spending in these Supplementary Estimates for CIRNAC and ISC relates to the negotiation and resolution of Indigenous claims. At roughly \$13 billion, this includes:

- \$4.4 billion to implement settlement agreements and for immediate reform measures for the First Nations Child and Family Services Program and Jordan's Principle;
- \$4.1 billion for the Expedited Resolution Strategy for Agricultural Benefit claims;
- \$2.5 billion for the Specific Claims Settlement Fund;
- \$959 million for out-of-court settlements;
- \$380 million for the Federal Indian Day Schools settlement (McLean);
- \$218 million for the Sixties Scoop settlement; and
- \$39 million for the Indian Residential Schools Day Scholars settlement (Gottfriedson).

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.

Given the focus on identifying and resolving claims, the PBO has noted in previous reports that it is likely that a greater number and amount of contingent liabilities will be recognized on the Government's balance sheet going forward.⁶ As such, ongoing parliamentary spending requests can be anticipated.

2.3 Personnel Spending

Personnel spending accounts for approximately \$708 million in budgetary authorities in Supplementary Estimates (A), 2023-24, bringing the total

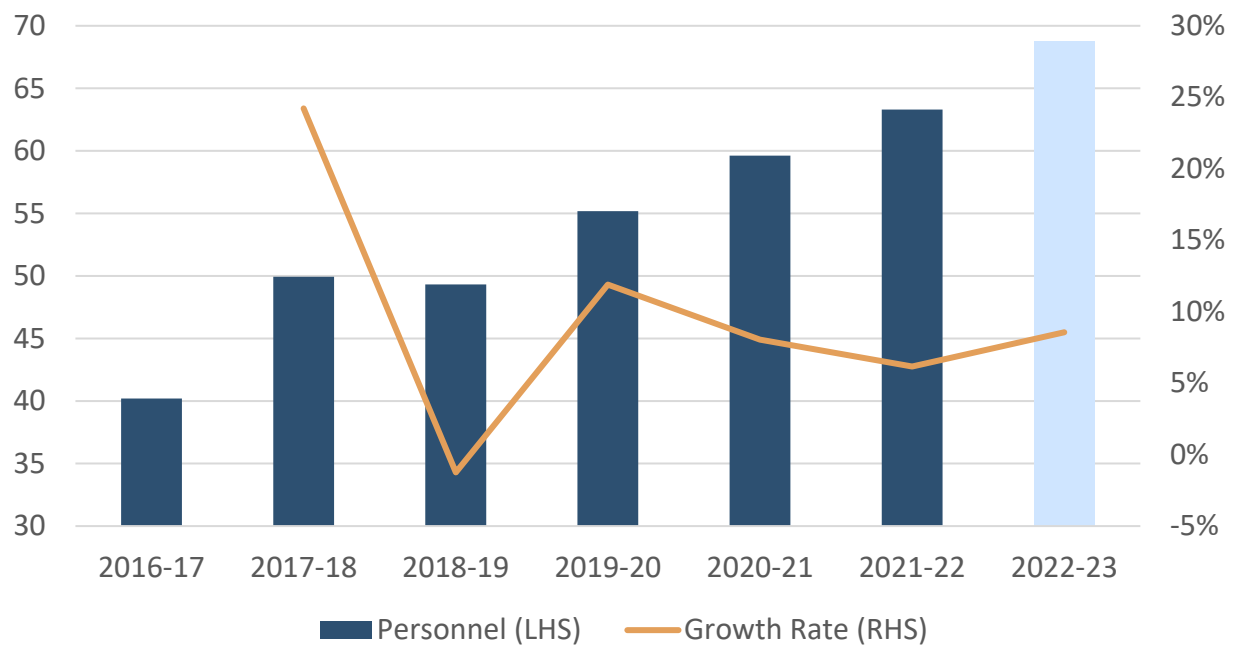
proposed authorities to date for this fiscal year to \$54.0 billion (or 11.9 per cent).

Spending on personnel continues to increase, remaining well above pre-pandemic levels. Based on the Fiscal Monitor, the PBO estimates that personnel spending will reach over \$68 billion in 2022-23 (Figure 2-3). The final amount will be confirmed once the Government releases the Public Accounts later this year.

Figure 2-3

Personnel Spending, 2016-17 to 2022-23

(\$ billions)



Textual description:

Fiscal Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Personnel (\$ billions)	40.2	49.9	49.3	55.2	59.6	63.3	68.7
Growth Rate (%)	-	24.2	-1.2	11.9	8.0	6.2	8.6

Sources:

Receiver General of Canada, Public Accounts; Department of Finance Canada, Fiscal Monitor; PBO calculations.

Notes:

Data up until and including 2021-22 are actual personnel expenses, excluding net actuarial losses. The 2022-23 estimate is based on the February 2023 Fiscal Monitor and PBO's own calculation.

The most important cost drivers of personnel spending are the number of personnel (represented by full-time equivalents, or FTEs), and their level of compensation.

Based on the 2023-24 Departmental Plans, the number FTEs is expected to have reached 428,000 in 2022-23. The PBO has noted in its recent analysis that this represents an increase of 23,000 FTEs compared to last year's spending plans.⁷

Notes

¹ [*Old Age Security Act.*](#)

² Treasury Board of Canada Secretariat. [Supplementary Estimates \(A\), 2023-24.](#)

³ Due to the structure of the Main Estimates and its tabling in advance of the Budget, there is no way to identify unique budget initiatives nor their corresponding amounts. However, there are two Budget 2023 items included in the 2023-24 Main Estimates that were announced prior to the budget: \$2.8 billion to the Department of Crown-Indigenous Relations and Northern Affairs for the Gottfriedson Band Class Settlement Agreement; and \$5.8 million to the Royal Canadian Mounted Police for reimbursing Partners for Costs Related to Illegal Blockades and Occupations in 2022.

⁴ Health Canada. [Working together to improve health care for Canadians.](#)

⁵ 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).

⁶ [Supplementary Estimates \(B\) 2022-23.](#)

⁷ [Full-Time Equivalents in the Federal Public Service – 2023-24 Departmental Plans.](#)

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