

2001–2002 Estimates

Part I

The Government Expenditure Plan

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The Expenditure Plan Overview

The Minister of Finance's Economic Statement and Budget Update of October 18, 2000 sets out the government's budgetary expenditure plan that amounts to \$166.3 billion. That plan includes \$124.6 billion of program spending, plus public debt charges of \$41.7 billion.

Main Estimates

The 2001–2002 Main Estimates present budgetary spending authorities totalling \$163.4 billion. This represents over 98 per cent of the expenditure plan in the Economic Statement and Budget Update. The Main Estimates differ from the expenditure plan presented in the Economic Statement and Budget Update in several ways:

- The Estimates do not include funds that are set aside in the expenditure plan for operating contingency purposes, or for new initiatives that either require Parliamentary approval through legislation, or require further planning and development before spending authority is sought from Parliament. The government will seek spending authority for such items either through separate legislation or through Supplementary Estimates over the course of the fiscal year.
- The expenditure plan in the Economic Statement and Budget Update includes provisions for the revaluation of the government's assets and liabilities. These are intended to account for changes in the value of existing loans and investments, as well as adjustments to liabilities with respect to accumulated employee severance and vacation benefits and certain other statutory programs. The Main Estimates do not include such provisions.
- The voted appropriations in the Estimates represent a legal limit on the amount that a department can spend. As a result, there is often a gap between that limit and the amount actually spent – that difference is known as a lapse of spending authority. These lapses occur for a variety of reasons, some unavoidable, such as weather-induced delays on a construction project or the late delivery of goods and services which had been ordered and others reflecting management decisions. The expenditure forecast in the Economic Statement and Budget Update takes this anticipated lapse into consideration.

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Table 1
Budgetary Main Estimates by Type of Payment

| 2001–2002 | (\$ millions) |
|---|----------------|
| Transfer Payments | |
| <i>Major transfers to other levels of government:</i> | |
| Fiscal Equalization | 10,479 |
| Canada Health and Social Transfers | 17,300 |
| Territorial governments | 1,579 |
| Alternative payments for standing programs | (2,400) |
| Youth Allowance Recovery and statutory subsidies | (500) |
| <i>Sub-total major transfers to other levels of government</i> | <u>26,458</u> |
| <i>Major transfers to persons:</i> | |
| Elderly Benefits | 25,181 |
| Employment Insurance | 12,247 |
| <i>Sub-total major transfers to persons</i> | <u>37,428</u> |
| <i>Other transfer payments and subsidies</i> | <u>18,996</u> |
| Total transfer payments | 82,882 |
| Payments to Crown corporations | 4,439 |
| Operating and capital | 34,335 |
| Public Debt Charges | 41,700 |
| <i>Total Budgetary Main Estimates</i> | <u>163,356</u> |
| Adjustments to reconcile to the Economic Statement and Budget Update | 2,944 |
| Total Budgetary Expenditure | 166,300 |

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Spending Authority

The Main Estimates present information on both budgetary and non-budgetary spending authorities. **Budgetary** expenditures include the cost of servicing the public debt; operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations. **Non-budgetary** expenditures (loans, investments and advances) are outlays that represent changes in the composition of financial assets of the Government of Canada.

Budgetary Spending Authority

These Main Estimates support the government's request for Parliament's authority to spend \$52.3 billion under program authorities that require Parliament's annual approval of their spending limits. The remaining \$111.0 billion, or 67.9 cent of the total, is statutory and the detailed forecasts are provided for information purposes only.

Non-budgetary Spending Authority

The 2001–2002 Main Estimates include a forecast increase in the value of loans, investments and advances of \$1,880.0 million. Voted non-budgetary spending authorities set out in these Estimates amount to \$76.4 million. The remaining \$1,803.6 million is pursuant to enabling legislation.

Table 2
Total Main Estimates

| (\$ millions) | 2001–2002 | | Total |
|-----------------------------|------------------|----------------|------------------|
| | Budgetary | Non-budgetary | |
| Voted Appropriations | 52,334.6 | 76.4 | 52,411.0 |
| Statutory Authorities | 111,021.5 | 1,803.6 | 112,825.1 |
| Total Main Estimates | 163,356.1 | 1,880.0 | 165,236.1 |

Note: **Voted** expenditures are those for which parliamentary authority is sought through an annual appropriation bill.

Statutory expenditures are those authorized by Parliament through enabling legislation.

A more detailed break-down of these authorities by department and agency is presented in Part II of the Main Estimates.