

SPEAKER'S RULING
PROCESS FOR STUDYING THE ESTIMATES
AND ADOPTING SUPPLY BILLS

Honourable senators,

On Thursday, December 8, at the end of debate on second reading of Bill C-29, a supply bill, Senator Comeau raised a point of order. He requested a ruling to provide clarification on the process in the Senate for studying the Estimates and the adoption of the related supply bill, and the relationship between them.

Senator Comeau's point of order followed other second reading speeches on Bill C-29. Senator Gerstein had moved adoption of the bill, and Senator Day had then explained the differences in how the Senate and the House of Commons deal with supply.

Under its Standing Orders the House of Commons adopts the Estimates before the introduction of the supply bill. This reflects the fundamental role of the House of Commons in relation to financial measures. The Senate deals with supply in a different way. Here, there are two related but separate processes at play: the review of the Estimates and the adoption of the supply bill. The steps are related since the supply bill seeks approval of expenditures outlined in the Estimates, but they are separate since the introduction and the passage of the supply bill is, in the Senate, not contingent upon any action on the Estimates.

As Senator Day explained, the typical approach in the Senate is to deal with a report of the National Finance Committee on a set of Estimates before final disposition of the related supply bill. Senator Day characterized this as a convention. He acknowledged, however, that there have been divergences from this approach in the past.

In the Senate, the Estimates are tabled by the government. The National Finance Committee is then authorized to study most expenditures contained in the Estimates, although authorization may be given to other committees to study some expenditures. However, the Estimates themselves are never referred to the

committee for any formal approval. This is an important distinction. Because the Estimates themselves are not referred to the committee, it does not approve them or recommend approval, and, indeed, it does not have authority to do so. The committee only studies and reports on the expenditures as set out in the Estimates.

The committee's report contains an analysis of various issues related to expenditures in the Estimates, and is provided for the Senate's information. As such, it would be more in keeping with rule 97(3) for the report to be tabled in the Senate, although it is often presented. By tabling a report, the National Finance Committee fulfills its duty to examine and report on the Estimates. No further action is actually required, but, in accordance with established practice, a procedural motion is usually moved under rule 97(3) to consider the report at a subsequent sitting, which allows senators to debate and discuss the contents. If adopted by the Senate, this report becomes a Senate report, rather than just a committee report.

A supply bill comes to the Senate through a separate process, completely different from the National Finance Committee's report to the Senate on the Estimates. The supply bill is received from the House of Commons by message, like any other bill originating in that house. By the time the Senate receives the supply bill it has an existence quite separate from the Estimates. Depending on proceedings in the House of Commons, the amounts in the supply bill could actually be lower than those indicated in the Estimates. After coming here, the Senate deals with the bill through the usual legislative process, with the notable exception that supply bills are very rarely referred to committee, although nothing in the Rules prevents a supply bill being referred to committee after second reading.

Some may find it helpful to draw a certain parallel between the Senate's work on Estimates and supply bills and the process for pre-study of a bill. A committee may be authorized to pre-study a bill that is in the House of Commons, but its work does not, indeed cannot, delay or hold up the progress of the bill itself when the Senate receives it. Likewise, the National Finance Committee studies the

Estimates, but that work, important as it is, does not affect the progress on the supply bill when it reaches the Senate.

In practice, the Senate often receives a report from the National Finance Committee on Estimates before dealing with a supply bill providing for the expenditures set out in those Estimates. The work of the National Finance Committee is important to the Senate as it informs senators about issues arising from the Estimates and so contributes to an understanding of government programs. As such, this sequence of proceedings is beneficial, and perhaps even desirable.

To repeat, the *Rules of the Senate* do not require that a report on the Estimates be received or adopted before the Senate approves supply bills. There have been a number of instances when a supply bill has been passed without adopting a report from the National Finance Committee on the Estimates. So, while the approach of a report followed by the Senate's decision on a supply bill, which Senator Day termed a convention, is usually followed, this is not always the case.

On this point, useful guidance can be found from a debate in the Senate on December 9, 2002. A point of order was raised in which a senator maintained that the Senate cannot proceed with the study of the supply bill until it has adopted the National Finance Committee's report on the Estimates. It was asserted that the committee's report is in effect a proposal to adopt the Estimates and that the Senate cannot proceed with the supply bill until it has adopted the committee report. The contrary view was that while it is certainly a useful practice in the Senate to debate the report of the committee on the Estimates, it is by no means a necessary step before the introduction and study of the supply bill. The premise of the counter argument was that neither the committee nor the Senate concurs in the Estimates. In his ruling, the Speaker stated that the National Finance Committee's report does not constitute concurrence in the Estimates. Instead, the report is a review of the Estimates with observations. He added that the Senate is only asked to adopt the

supply bill which seeks approval of funds for the expenditures outlined in the Estimates.

To conclude, while it may be helpful to consider or adopt the report of the National Finance Committee related to the Estimates, neither our Rules nor our practice make it essential that the report be received or adopted before the Senate proceeds with a supply bill providing for the related expenditures. Indeed, the Senate can adopt the supply bill without any report. For a particular series of proceedings to be obligatory, it would, as Senator Comeau noted, be necessary to amend the *Rules of the Senate* to clearly reflect such a requirement.