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VIA EMAIL

Reference: 100716/16

Ms. Suzanne Labbé
Executive Director
Judicial Compensation and Benefits Commission
99 Metcalfe Street, 8th floor
Ottawa, ON K1A 1E3

Dear Ms. Labbé:

Re: 2012 Quadrennial Commission on Judicial Compensation

Madame Labbé,

This is in response to your email of March 19, 2012, in which you asked the Government of Canada to supply the following figures for the latest fiscal year for which they are available:

1. total federal expenditures;
2. federal deficit; and
3. total federal expenditures on the compensation of judges.

The most recent fiscal year for which actual figures are available is 2010-2011. As set out in the attached excerpt from the *Public Accounts of Canada, 2010-2011*, Vol. I (Appendix A), total federal expenditures in 2010-2011 were \$270.5 billion (\$239.6 billion in program expenses and \$30.9 billion in public debt charges). The federal deficit in that year was \$33.4 billion.

As further set out in the *Public Accounts of Canada*, Vol. II (Appendix B), in 2010-2011 the Commissioner for Federal Judicial Affairs ("CFJA") made payments pursuant to the *Judges Act* of \$443,169,201. Please find attached as Appendix C a table prepared by the CFJA, which provides a breakdown of this amount into approximately \$297 million in salary costs, approximately \$40 million in non-salary payments to judges and approximately \$106 million in annuity and related payments. We have been advised by the CFJA that these amounts do not include payments by the Government towards insurance benefits provided to judges, as such payments are part of the budget of the Treasury Board Secretariat. As set out in the attachment to my letter of March 12, 2012, the Office of the Superintendent of Financial Institutions ("OSFI") estimates such costs to be 1.1% of judges' salary. We have asked Treasury Board Secretariat whether they can provide any additional information regarding insurance expenditures.

Compensation of Supreme Court of Canada judges is reported separately in the *Public Accounts of Canada*, Vol. II (Appendix B). Attached as Appendix D is a spreadsheet prepared by the Supreme Court

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indicating that salary costs in 2010-11 were approximately \$3 million, non-salary payments approximately \$251,000 and annuity payments approximately \$1.86 million.

Combining the information provided by the Supreme Court, the CFJA and OSFI yields the following totals:

Total Salary Costs (SCC & CFJA)	\$299,914,601
Insurance Costs (1.1% of salary, pursuant to OSFI estimates)	\$3,299,061
Non-Salary Payments to Judges (SCC & CFJA)	\$40,395,940
Annuities (SCC & CFJA)	\$107,904,082
Total	\$451,513,684

Finally, we note that the *Public Accounts of Canada* are prepared on a modified cash basis.

If you require any additional information or clarification, please do not hesitate to contact me.

Yours very truly,



Catherine Beagan Flood

CBE/lpi
Encl.

c: Pierre Biennu
Azim Hussain

APPENDIX A

FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

Introduction

The *Public Accounts of Canada* is a major accountability report of the Government of Canada. This section, together with the other sections in this volume and in Volumes II and III of the *Public Accounts of Canada*, provides detailed supplementary information in respect of matters reported in the audited financial statements in Section 2 of this volume. Further discussion and analysis of the Government's financial results can be found in the *Annual Financial Report of the Government of Canada – Fiscal Year 2010-2011*, available on the Department of Finance's website.

The financial statements have been prepared under the joint direction of the Minister of Finance, the President of the Treasury Board and the Receiver General for Canada. Responsibility for the integrity and objectivity of the financial statements rests with the Government. A glossary of terms used in this financial statement discussion and analysis is provided at the end of this section.

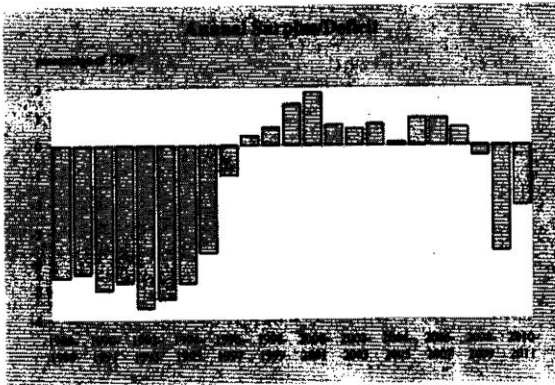
2010-2011 Financial Highlights

- The Government posted a budgetary deficit of \$33.4 billion for the fiscal year ended March 31, 2011, compared to a budgetary deficit of \$55.6 billion in 2009-2010. Roughly half of the \$33.4-billion deficit was attributable to actions taken under Canada's Economic Action Plan, which has provided significant additional support to Canadians in the form of personal income tax reductions, enhanced Employment Insurance (EI) benefits, investments in infrastructure and support for housing, support for industries and communities, and actions to improve access to financing.
- The \$33.4-billion deficit in 2010-2011 was \$2.8 billion lower than forecast in the June 2011 budget. Revenues were \$1.5 billion higher than forecast, while program expenses were \$1.2 billion lower than forecast.
- The accumulated deficit (the difference between total liabilities and total assets) stood at \$550.3 billion at March 31, 2011. The accumulated deficit-to-GDP (gross domestic product) ratio was 33.9 percent, down 0.1 percentage point from a year earlier. The accumulated deficit-to-GDP ratio at March 31, 2011 stood at less than half of its peak of 68.4 percent at March 31, 1996.
- As reported by the Organisation for Economic Co-operation and Development (OECD), Canada's total government net debt-to-GDP ratio stood at 30.4 percent in 2010. This is the lowest level among Group of Seven (G-7) countries, which the OECD estimates recorded an average net debt of 71.4 percent of GDP in that same year.

The Budgetary Balance

The Government posted a budgetary deficit of \$33.4 billion in 2010-2011, reflecting the impact of the global economic recession and the stimulus measures introduced to help mitigate its impact.

The following graph shows the Government's budgetary balance since 1988-1989. To enhance the comparability of results over time and across jurisdictions, the budgetary balance and its components are presented as a percentage of GDP. The budgetary deficit stood at 2.1 percent of GDP in 2010-2011, down from 3.6 percent a year earlier, and down 3.5 percentage points from its most recent peak of 5.6 percent in 1992-1993.



The 2010-2011 budgetary deficit of \$33.4 billion compares to a deficit of \$55.6 billion in 2009-2010. Revenues were up \$18.5 billion, or 8.5 percent, from the prior year. Over half of this increase was attributable to growth in personal income tax revenues, which grew by \$9.5 billion, or 9.1 percent. The remaining growth in revenues was largely attributable to increases in other revenues and Goods and Services Tax (GST) revenues, which increased by \$6.5 billion and \$1.4 billion, respectively.

2010-2011 Financial Highlights

	2010-2011	2009-2010
	(in billions of dollars)	
Statement of Operations		
Revenues	237.1	218.6
Expenses—		
Program expenses	239.6	244.8
Public debt charges	30.9	29.4
Total expenses	270.5	274.2
Annual deficit	33.4	55.6
Percentage of GDP	2.1%	3.6%
Statement of Financial Position		
Liabilities—		
Interest-bearing debt	801.8	762.8
Other	119.1	120.5
Total liabilities	920.9	883.3
Financial assets	304.0	300.8
Net debt	616.9	582.5
Non-financial assets	66.6	63.4
Accumulated deficit	550.3	519.1
Percentage of GDP	33.9%	34.0%

Note: Totals may not add due to rounding.

Expenses were down \$3.7 billion, or 1.4 percent, from the prior year. Program expenses decreased by \$5.2 billion, largely reflecting one-time assistance to the automotive industry and Harmonized Sales Tax (HST) transitional assistance to the provinces of Ontario and British Columbia in 2009-2010, as well as a decline in EI benefit payments. Public debt charges increased by \$1.5 billion, or 5.0 percent, from the prior year, reflecting a higher stock of interest-bearing debt.

APPENDIX B

Ministry Summary—Continued

Available from previous years	Source of authorities				Vote	Disposition of authorities			
	As shown in	Supplementary Estimates	Adjustments, warrants and transfers	Total available for use		Used in the current year	Lapsed or (over)expended	Available for use in subsequent years	Used in the previous year
\$	\$	\$	\$	\$		\$	\$	\$	
...	4,115,827	...	...	4,115,827	15	...	...	...
...	...	30,399	...	30,399		...	...	...
...	...	195,234	...	195,234		...	...	...
...	...	111,155	...	111,155		...	...	...
...	4,115,827	...	336,788	4,452,615	(S)	4,111,969	340,646	3,937,426	
...	394,031	...	(69,473)	324,558		324,558	...	377,254	
...	4,509,858	...	267,315	4,777,173		4,436,527	340,646	4,314,680	
Canadian Human Rights Tribunal									
Program expenditures									
Transfer from: TB Vote 15 (1)									
TB Vote 25 (1)									
TB Vote 30 (1)									
Total—Vote 15									
Contributions to employee benefit plans									
Total Agency—Budgetary									
Commissioner for Federal Judicial Affairs									
Operating expenditures									
Transfer from: TB Vote 15 (1)									
TB Vote 25 (1)									
TB Vote 30 (1)									
Total—Vote 20									
Canadian Judicial Council—Operating expenditures									
Transfer from: TB Vote 15 (1)									
TB Vote 25 (1)									
TB Vote 30 (1)									
Total—Vote 25									
Contributions to employee benefit plans									
Judges' salaries, allowances and annuities, annuities to spouses and children of judges and lump sum payments to spouses of judges who die while in office									
Spending of proceeds from the disposal of surplus Crown assets									
...	8,055,138	...	...	8,055,138	20	7,905,708	694,051	8,329,525	
...	...	128,691	...	128,691		...	...	...
...	...	358,933	...	358,933		...	...	...
...	...	56,997	...	56,997		...	...	...
...	8,055,138	...	544,621	8,599,759		...	...	...
...	1,608,450	...	...	1,608,450	25	1,584,244	118,922	1,637,333	
...	...	13,003	...	13,003		...	...	...
...	...	65,173	...	65,173		...	...	...
...	...	16,540	...	16,540		...	...	...
...	1,608,450	...	94,716	1,703,166		...	...	...
...	874,098	...	53,128	927,226	(S)	927,226	...	995,833	
...	428,924,000	...	14,245,201	443,169,201	(S)	443,169,201	...	427,367,849	
...	...	...	452	452	(S)	...	...	452	
...	439,461,686	...	14,938,118	454,399,804		453,586,379	812,973	438,330,540	
Total Agency—Budgetary									

Ministry Summary—Concluded

Available from previous years	Source of authorities			Vote	Total available for use	Disposition of authorities		
	As shown in	Adjustments, warrants and transfers				Used in the current year	Lapsed or (overexpended)	Available for use in subsequent years	Used in the previous year
\$	\$	\$	\$		\$	\$	\$	\$
...	3,603,429	...	(251,194)	(S)	3,352,235	3,352,235	...	3,256,231
172	...	...	321	(S)	493	...	172	321
172	34,452,676	694,048	1,827,915		36,974,811	35,437,739	1,534,751	321
								34,103,227
	21,631,955	...	...	50	21,631,955	...	...	...
	...	...	...	50c	...	...	...	...
	...	727,257	...		727,257	...	...	...
	...	1,051,876	...		1,051,876	...	...	...
	...	404,521	...		404,521	...	...	...
	21,631,955	...	2,183,654		23,815,609	22,523,077	1,292,532	21,289,959
	2,281,275	...	445,917		2,727,192	2,727,192	...	2,579,168
	5,488,000	...	(442,578)		5,045,422	5,045,422	...	5,160,407
26	...	...	7,065		7,091	...	26	7,065
26	29,401,238	...	2,194,058		31,595,314	30,295,691	1,292,588	7,065
13,604	1,461,159,820	48,931,169	80,083,684		1,590,188,277	1,518,286,334	71,873,684	28,259
								29,049,758
								1,540,076,382

Note: The full wording of all authorities granted in current year Appropriation Acts, of all authorities granted by statutes other than Appropriation Acts, of all non-lapsing authorities granted / repealed in the current year, and of all authorities available from previous years is given in Section 1 of this volume.

(S) Statutory authority.
 Treasury Board Vote 5—Government contingencies.
 Treasury Board Vote 10—Government-wide initiatives.
 Treasury Board Vote 13—Compensation adjustments.
 Treasury Board Vote 23—Operating budget carry forward.
 Treasury Board Vote 30—Paylist requirements.

Program Activity

	Operating		Capital		Transfer payments		Revenues netted against expenditures		Non-budgetary		Total	
	Total authorities available for use	Authorities used in the current year	Total authorities available for use	Authorities used in the current year	Total authorities available for use	Authorities used in the current year	Total authorities available for use	Authorities used in the current year	Total authorities available for use	Authorities used in the current year	Total authorities available for use	Authorities used in the current year
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Department												
Justice policies, laws and programs	45,128,734	53,886,039	...	397,956,000	385,764,244	...	...	443,084,734	439,650,283	...	...	...
Services to government	494,400,912	442,452,452	...	...	...	262,923,601	261,083,373	231,477,311	181,369,079	...	...	...
Internal services	151,568,335	166,237,314	...	...	...	27,076,399	27,076,399	124,491,936	139,160,915	...	...	...
Office of the federal ombudsman for victims of crime	1,367,411	1,302,852	...	...	...	...	...	1,367,411	1,302,852	...	...	...
Sub-total	692,465,392	663,878,657	...	397,956,000	385,764,244	290,000,000	288,159,772	800,421,392	761,483,129	...	...	...
Revenues netted against expenditures (290,000,000) (288,159,772)						(290,000,000)	(288,159,772)					
Total Department—Budgetary	401,465,392	375,718,885	...	397,956,000	385,764,244	...	...	800,421,392	761,483,129	...	...	...
Canadian Human Rights Commission												
Human rights dispute resolution program	8,774,974	8,660,164	...	...	...	...	...	8,774,974	8,660,164	...	...	...
Internal services	6,756,835	6,089,067	...	...	...	...	...	6,756,835	6,089,067	...	...	...
Discrimination prevention program	5,176,739	4,986,796	...	...	...	...	...	5,176,739	4,986,796	...	...	...
Human rights knowledge development and dissemination program	3,515,628	3,331,403	...	...	...	...	...	3,515,628	3,331,403	...	...	...
Total Agency—Budgetary	24,224,176	23,067,430	...	...	...	...	...	24,224,176	23,067,430	...	...	...
Canadian Human Rights Tribunal												
Hearings of complaints before the Tribunal	2,122,556	1,783,445	...	...	...	...	...	2,122,556	1,783,445	...	...	...
Internal services	2,654,617	2,653,082	...	...	...	...	...	2,654,617	2,653,082	...	...	...
Total Agency—Budgetary	4,777,173	4,436,527	...	...	...	...	...	4,777,173	4,436,527	...	...	...
Commissioner for Federal Judicial Affairs												
Payments pursuant to the <i>Judges Act</i>	443,169,201	443,169,201	...	...	...	275,000	206,396	443,169,201	443,169,201	...	...	...
Federal judicial affairs	8,756,787	8,080,380	...	...	...	...	...	8,481,787	7,873,984	...	...	...

APPENDIX C

Payments Pursuant to the Judges Act
Fiscal Year 2010-2011

Total Salaries Costs \$296,982,601

Non Salary Payments to Judges \$40,144,617
(Includes Travel Allowance, Conference Allowance, Representational Allowance, Relocation Expenses, Incidental Allowance, Special Allowance for Federal/Tax court judges, Northern Allowance and SRBA Matching Contribution)

Judges Pension Payments \$106,041,983
(includes pensions and indexation paid to retired judges/survivors, Return of Pension Contributions plus interest)

Total \$443,169,201

APPENDIX D

Payments Pursuant to the Judges Act
Fiscal Year 2010-2011

Total Salaries Costs	\$2,932,000
Non Salary Payments to Judges (Includes Travel Allowance, Conference Allowance, Representational Allowance, Relocation Expenses, Incidental Allowance)	\$251,323
Judges Pension Payments (includes pensions and indexation paid to retired judges/survivors, SRBA Matching Contributions and Return of Pension Contributions plus interest)	\$1,862,099
Total	<u>\$5,045,422</u>