



Public Services and  
Procurement Canada

Services publics et  
Approvisionnement Canada

Canada



Serving  
GOVERNMENT,  
serving  
CANADIANS.

# Quarterly Financial Report

For the quarter ended December 31, 2020

2020-21



## 1. Introduction

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This Quarterly Financial Report (QFR) should be read in conjunction with the [Main Estimates](#). It has been prepared by management as required under section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Directive on Accounting Standards, GC 4400 Departmental Quarterly Financial Report. It has not been subject to an external audit or review.

### 1.1 Raison d'être

Public Works and Government Services Canada (PWGSC) was established effective June 20, 1996, under the *Department of Public Works and Government Services Act*. As of November 4, 2015, PWGSC started operating as Public Services and Procurement Canada (PSPC). PSPC plays an important role in the daily operations of the Government of Canada. It supports federal departments and agencies in the achievement of their mandated objectives as their central purchasing agent, real property manager, linguistic authority, treasurer, accountant, and pay and pension administrator. The Department's vision is to excel in government operations, and its strategic outcome and mission are to deliver high-quality, central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions.

A summary description of the Department's core responsibilities can be found in Part II of the [Main Estimates](#).

### 1.2 Basis of presentation

This quarterly report has been prepared by management using an expenditure basis of accounting and a special-purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities. The accompanying [Table 1 - Statement of Authorities \(unaudited\)](#) includes the Department's spending authorities granted by Parliament, and those used by the Department are consistent with the Main Estimates for the current fiscal year.

The authority of Parliament is required before money can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts, or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The Department uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

### 1.3 Public Services and Procurement Canada's financial structure

PSPC provides services to many government departments, agencies and Crown corporations through a variety of funding mechanisms. This includes budgetary authorities that are comprised of voted and statutory authorities, as well as non-budgetary authorities. The voted budgetary authorities include operating expenditures, vote-netted revenues and capital expenditures, while the statutory authorities are mainly composed of revolving funds, employee benefit plans and payments in lieu of taxes (PILT). The non-budgetary authorities consist primarily of the Seized Property Working Capital Account (see description below).

PSPC's complex financial structure may result in significant fluctuations in authorities on a quarterly basis, which are due to timing differences that are resolved by year-end. These are summarized as follows:

- For the most part, PSPC delivers its services on a cost-recovery basis, generating revenues via revolving-fund ("the Funds") organizations and programs within the operating vote. These organizations and programs are mainly designed to provide services to other government organizations, and are expected to recover the cost of their operations through revenues. However, the costs incurred by the Funds are usually disbursed prior to invoicing the client, which generally occurs upon completion of a project or after services are rendered, and thus revenues may be collected in a subsequent quarter.
- PSPC manages a variety of real property projects that progress through phases from planning to funding and from procurement to construction. Historical trends have shown that expenditures against these projects are not incurred evenly throughout the year; thus, quarter-to-quarter fluctuations are normal. Such projects include the Alaska Highway in British Columbia and Yukon, and the rehabilitation of the Parliamentary Precinct in Ottawa.
- PILT issued by PSPC are funded through a statutory vote and paid on behalf of other participating federal departments. Payments are subsequently recovered from the participating departments and are recorded as statutory grants in the Public Accounts of Canada. Timing fluctuations can occur between the payments and the recoveries from the other departments.
- PSPC also manages seized property for the Government of Canada pursuant to the *Seized Property Management Act*. The financial management of this activity is undertaken through the non-budgetary Seized Property Working Capital Account. Charged to this account are expenditures and advances made to maintain and manage any seized or restrained property. PSPC recovers its costs from this account once the property owner loses the right to the property and it is disposed of.

### 1.4 COVID-19 pandemic

The COVID-19 pandemic represents a serious global health threat that has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. PSPC has been actively engaged in supporting the Government of Canada's pandemic response, through procurements in response to an unprecedented and urgent demand for personal protective equipment (PPE), COVID-19 testing kits and supplies, vaccines and vaccination supplies and other medical equipment such as ventilators and emergency mobile medical units and beds. PSPC also received funding to operationalize the Essential Services Contingency Reserve to support the provision of PPE for essential services in Canada. This has led to an increase in PSPC expenditures over the third quarter of the previous fiscal year. At the same time, COVID-19 is having a major impact on government operations, which has led to a decrease in requests from other government departments for PSPC services. As a result, PSPC revenues have decreased. COVID-19 will continue to have an impact on PSPC's financial picture for the foreseeable future as the department continues to play a central role in response and recovery efforts. PSPC secured additional funding and the required authorities to support its increased activities and ensure financial sustainability for the Government of Canada's pandemic response.

## 2. Highlights of fiscal quarter and fiscal year-to-date results

### 2.1 Significant changes to authorities

When compared to the same quarter of the previous year, **year-to-date PSPC's authorities available for use increased by \$1,262.50 million** (\$5,660.9 million in Q3 of the fiscal year ending March 31, 2021; \$4,398.4 million in Q3 of the fiscal year ending March 31, 2020) as reflected in [Table 1 - Statement of Authorities \(unaudited\)](#). Major reasons for the increase are outlined below:

#### Year-over-year variances in authorities available for use (in millions of dollars)

Project	Operating	Capital	Budgetary Statutory Authorities	Total Variances
Payments to provide supplies for the health system	400.0	-	600.0	1,000.0
Predictable Capital Funding	8.4	308.0	-	316.4
Price and Volume Protection	77.5	-	-	77.5
West Memorial Building	(1.4)	30.2	-	28.8
Les Terrasses de la Chaudière	1.1	21.4	-	22.5
Improving Crossings in Canada's Capital Region	0.9	6.3	-	7.2
Carry Forward	2.8	(19.7)	-	(16.9)
Engineering Assets	(7.3)	(26.5)	-	(33.8)
Long Term Vision and Plan	(2.8)	(134.9)	-	(137.7)
Other	(7.9)	1.1	5.3	(1.5)
<b>Cumulative Variance in Authorities Available for Use</b>	<b>471.3</b>	<b>185.9</b>	<b>605.3</b>	<b>1,262.5</b>

Groupings can change between quarters due to materiality of initiatives.  
Amounts may not balance with other public documents due to rounding.

The cumulative **net increase of \$1,262.5 million** from the third quarter of the fiscal year ending March 31, 2020 can be explained by:

#### Payments to provide supplies for the health system – increase of \$1,000.0 million

This funding increase is to allow PSPC to meet expected needs related to the COVID-19 pandemic by expanding its procurement scope, acquiring critical goods and services without unnecessary delays, and establishing the Essential Services Contingency Reserve to which essential service organizations can apply for temporary, urgent access to PPE and other critical supplies.

#### Predictable Capital Funding – increase of \$316.4 million

As announced in Budget 2019, this funding is to continue to establish a long-term predictable capital funding strategy to manage PSPC's portfolio of assets.

#### Price and Volume Protection – increase of \$77.5 million

This funding increase for accommodation costs protects PSPC from inflation (price) and any variations in space requirements for public servants (volume).

**West Memorial Building – increase of \$28.8 million**

This funding increase is to rehabilitate the West Memorial Building which will be used as interim accommodation during the renovation of the Supreme Court of Canada Building.

**Les Terrasses de la Chaudière (LTDLC) – increase of \$22.5 million**

This funding increase is to support the project in the design stage and preparation for delivery of the envelope replacement of the LTDLC complex.

**Improving Crossings in Canada's Capital Region – increase of \$7.2 million**

This funding increase is for inspections and repair work to ensure the Alexandra Bridge remains safe and accessible for pedestrians and cyclists.

**Carry Forward of Unused Funds from Previous Fiscal Year – decrease of \$16.9 million**

Treasury Board Secretariat allows departments to transfer a portion of unused funds from one fiscal year to the following year. A carry forward of \$53.5 million was received in the second quarter of this fiscal year. During the same quarter last year, PSPC received \$70.4 million in carry forward.

**Engineering Assets – decrease of \$33.8 million**

Consists of the sunset of Budget 2016 capital funding received to address program integrity funding pressures faced by the Real Property Program for its portfolio of 17 public infrastructures across Canada.

**Long Term Vision and Plan (LTVP) – decrease of \$137.7 million**

Significant progress has been made in the LTVP to preserve and rehabilitate Parliamentary buildings. The current focus is on advancing the rehabilitation of Centre Block, as well as the rehabilitation of remaining assets still in need of intervention. Moving forward, PSPC is shifting away from a building-by building approach and adopting a holistic approach to create an integrated parliamentary campus.

**Other – decrease of \$1.5 million**

The net decrease of \$1.5 million is the result of funding variances in miscellaneous projects and activities such as the Cape Breton Operations and the Advertising Program.

## **2.2 Significant changes to year-to-date net expenditures**

As presented in [Table 2 - Departmental budgetary expenditures by standard object \(unaudited\)](#), **year-to-date total net budgetary expenditures have increased by \$443.9 million** when compared with the same quarter of the previous year (\$3,230.9 million in the current fiscal year compared with \$2,787.0 million in the previous fiscal year).

Overall, total spending at the end of the third quarter represents 57% of annual planned expenditures for this current fiscal year, compared with 63% for the third quarter of the previous year.

**Year-over-year variances in net budgetary expenditures (presented by standard object)**  
(in millions of dollars)

Standard Object	December 31, 2020 Year-to-date used at quarter end	December 31, 2019 Year-to-date used at quarter end	Year-over-year variance
Personnel	1,194.4	1,160.2	34.2
Transportation and communications	75.7	50.4	25.3
Information	7.1	10.3	(3.2)
Professional and special services	1,190.9	1,165.1	25.8
Rentals	887.4	859.3	28.1
Repair and maintenance	643.5	764.7	(121.2)
Utilities, materials and supplies	430.7	179.7	251.0
Acquisition of land, buildings and works	477.3	402.3	75.0
Acquisition of machinery and equipment	57.1	70.4	(13.3)
Transfer payments	145.5	84.7	60.8
Public Debt charges	88.5	91.3	(2.8)
Other subsidies and payments	223.7	263.7	(40.0)
Revenues netted against expenditures	(2,190.9)	(2,315.1)	124.2
<b>Total net budgetary expenditures</b>	<b>3,230.9</b>	<b>2,787.0</b>	<b>443.9</b>

Comparative figures have been reclassified to conform to the current year's presentation.

Amounts may not balance with other public documents due to rounding.

The year-over-year **net increase of \$443.9 million** is mainly attributable to:

**Personnel – increase of \$34.2 million**

- The increase is due to additional resources across departmental programs to meet business needs and increased capacity to stabilize the pay system.

**Transportation and communications – increase of \$25.3 million**

- The increase is mainly due to transportation and logistics services related to COVID-19 procurements as well as postal fees for issuing payments for COVID-19 programs to individuals and businesses to alleviate the effects of the pandemic.

**Professional and special services – increase of \$25.8 million**

- The increase is primarily due to professional services related to:
  - COVID-19 procurements;
  - Increase in Federal Accommodation and Infrastructure projects;
  - Services related to the construction of the West Memorial Building, which started earlier this year;
  - Heating, ventilation, and air conditioning service contracts for the Energy Services Acquisition Program; and
  - Services provided to assess requirements for the majority of the large Phase 1 projects for the Laboratories Canada Program.

- The increase is also due to hiring consultants to continue the efforts to stabilize the pay system and additional resources to complete capital projects.
- The increase is partially offset by a decrease due to:
  - the completion of remediation projects in Environmental Services;
  - the completion of projects such as the Building Envelope Rehabilitation and the ground floor of Postal Station B as well as the public washroom rehabilitation and the retaining wall on the north side of the West Block; and
  - projects with other government departments that have been temporarily suspended due to the COVID-19 pandemic, resulting in reduced expenses related to consultants, labour, fees and disbursements.

#### **Rentals – increase of \$28.1 million**

- The increase is mainly due to an overall increase in base rent and new leases beginning this fiscal year for office space for other government departments, including a lease for the Public Health Agency of Canada in the Ontario region.
- The increase is also due to a year-over-year timing difference between when the billing is issued and when the revenue is recovered from clients, specifically related to the recoveries of rent for accommodation services provided to departments such as Employment and Social Development Canada for the National Accommodation Program.
- There was an increase in costs for the maintenance and support of software and licenses.
- This increase is partially offset by a decrease in lease expenditures due to the purchase of the Library Square complex in Vancouver that was previously leased.

#### **Repair and maintenance – decrease of \$121.2 million**

- The decrease in expenditures for repair and maintenance is mainly due to the winding down of various projects as follows:
  - Large projects such as Phase 2 of the Carling Campus and the Esquimalt Graving Dock South Jetty Reconstruction which were completed last year;
  - The repair and modernization of the parking garage at LTDLC which was substantially completed in current year; and
  - The completion of several large projects in the Western region as well as a slowing down of projects for other government departments such as Correctional Services Canada, Environment and Climate Change Canada and Royal Canadian Mounted Police due to COVID-19.
- The decrease was partially offset by the increase in expenditures due to the public private partnership contract for the Energy Services Acquisition Program in the National Capital area that is underway in the current year and a larger program of real property work in the Atlantic region.

#### **Utilities, materials and supplies – increase of \$251.0 million**

- This increase is mainly due to procurements related to COVID-19 in line with the supplementary funding received to provide supplies for the health care system.
- The increase is also due to the ordering of influenza and varicella vaccines which has been higher than historical levels due to the effect of the pandemic.

#### **Acquisition of land, buildings and works – increase of \$75.0 million**

- The increase is mainly due to the British Columbia Fraser River Big Bar landslide remediation program and the acquisition of lands for the relocation of the Tunney's Pasture Central Heating and Cooling Plant as well as land for the Courts Administration Service.
- The increase is also attributed to construction projects at the Lester B. Pearson Building (Tower B) and at Place du Portage Phase III as well as fit-up costs for LTDLC.
- The increase was offset by the completion of various projects in the Quebec region.



**Transfer payments – increase of \$60.8 million**

- The increase is the result of a timing difference between when a payment in lieu of taxes is issued and when the cost is recovered from other government departments.

**Other subsidies and payments – decrease of \$40.0 million**

- The decrease is mainly due to a change in the accounting treatment for certain lease payments.
  - Effective this fiscal year, these payments are accounted for as cost recoveries instead of revenues and disbursements.
- The decrease is also due to timing difference between the receipt and payment of invoices as compared to the previous year.
  - The overall expenditures are expected to be similar to the previous year.
- The decrease is partially offset by PILT expenditures being incurred earlier than in the previous year.

**Other standard objects – decrease of \$19.3 million**

- The decrease is attributable to minor changes in expenditures related to day-to-day operations.

**Revenues netted against expenditures – decrease of \$124.2 million**

- The decrease is mainly due to the completion of projects in the Quebec and Western regions as well as projects for other governments departments in the Atlantic and Western regions that were postponed or cancelled due to COVID-19 which resulted in fewer disbursements compared to the previous year.
- The decrease is also due to timing of invoicing for services provided to other government departments and by the fact that some occupancy instruments were not signed.
- In addition, due to COVID-19, the business volume for services such as translation and interpretation has decreased.
- The decrease is partially offset by an increase in revenue as a result of a streamlined billing process for cost-recovering dedicated procurement services, the timing of invoicing for the Contract Security Program, and the increase in the ordering of vaccines for influenza and varicella as a result of the effect of the pandemic.

### 3. Risks and uncertainties

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PSPC integrates risk management principles into business planning, decision-making and organizational processes to minimize negative impacts and maximize opportunities across our diverse range of services and operations. Risk management at PSPC is carried out in accordance with the Treasury Board Secretariat's Framework for the Management of Risk, the Management Accountability Framework, and PSPC's Policy on Integrated Risk Management.

The following key risks were identified as having a potential financial impact on PSPC's operations:

- PSPC's dependency on clients' expenditures: More than half of PSPC's financial and human resources are tied directly to cost-recovered services and activities. In a context of reduced expenditures on the part of client departments and agencies, there is a risk that PSPC could face unpredictable and reduced business volumes and associated reduced resources. In response to this risk, PSPC continually adjusts to fluctuations in operational demands while maintaining the quality of its services. This includes sustaining rigorous management of revenues, expenditures, forecasting and commitment monitoring, and working closely with other departments through the client service network to identify changing requirements and their impacts on the Department.



- PSPC's ability to undertake and deliver complex, transformational and interdepartmental major projects and procurements: There are inherent risks in PSPC undertaking and delivering complex, transformational and interdepartmental major projects and procurements on time, within the approved budget and according to scope, which could ultimately have an impact on the Department's service strategy. In order to address these risks, PSPC has implemented disciplined investment and project management processes; established service agreements and service standards with clear identification of responsibilities; ensured sound contract management; engaged early with client departments and other stakeholders; and developed the departmental Investment Plan (IP).
- In 2016, the Department implemented a new pay system as part of the Pay Transformation Initiative. The implementation was a major undertaking that experienced challenges. In collaboration with other departments, central agencies and union partners, the Department will continue to address the recommendations related to Phoenix from the 2017 Fall Report and 2018 Spring Report delivered by the Auditor General of Canada to the Parliament of Canada.
- The COVID-19 pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time. As a result, it is not possible to reliably estimate the length and severity of the impact on PSPC's financial results in future periods.

## 4. Significant changes to operations, personnel and programs

There were no significant changes to operations, personnel and programs during the third quarter ended December 31, 2020.

Approved by:

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Bill Matthews  
Deputy Minister  
Public Services and Procurement Canada

Gatineau, Canada  
March 1, 2021

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Wojciech Zielonka  
Chief Financial Officer  
Public Services and Procurement Canada

Gatineau, Canada  
March 1, 2021

**Table 1 – STATEMENT OF AUTHORITIES (unaudited)**

	Fiscal year ending March 31, 2021			Fiscal year ending March 31, 2020		
	Total available for use for the year ending March 31, 2021 1) 2)	Used during the quarter ended December 31, 2020	Year-to-date used at quarter end	Total available for use for the year ending March 31, 2020 1) 2)	Used during the quarter ended December 31, 2019	Year-to-date used at quarter end
<i>(In thousands of dollars)</i>						
<b>Vote 1</b>						
Gross operating expenditures	4,519,196	1,019,072	2,852,016	4,041,175	938,683	2,694,495
Vote-netted revenues	(1,232,682)	(343,245)	(906,164)	(1,226,006)	(339,661)	(890,091)
<b>Net operating expenditures</b>	<b>3,286,514</b>	<b>675,827</b>	<b>1,945,852</b>	<b>2,815,169</b>	<b>599,022</b>	<b>1,804,404</b>
<b>Vote 5 - Capital expenditures</b>	<b>1,587,144</b>	<b>310,924</b>	<b>715,269</b>	<b>1,401,327</b>	<b>288,154</b>	<b>688,739</b>
<b>Revolving fund authorities</b>						
<b>Real Property Services Revolving Fund</b>						
Gross expenditures	2,174,293	479,845	1,146,631	1,991,322	572,387	1,297,030
Revenues	(2,155,385)	(476,080)	(1,044,731)	(1,980,108)	(546,792)	(1,184,725)
<b>Net expenditures</b>	<b>18,908</b>	<b>3,765</b>	<b>101,900</b>	<b>11,214</b>	<b>25,595</b>	<b>112,305</b>
<b>Translation Bureau Revolving Fund</b>						
Gross expenditures	172,866	45,214	114,055	174,058	45,604	121,605
Revenues	(162,322)	(40,895)	(97,083)	(165,908)	(40,577)	(107,213)
<b>Net expenditures</b>	<b>10,544</b>	<b>4,319</b>	<b>16,972</b>	<b>8,150</b>	<b>5,027</b>	<b>14,392</b>
<b>Optional Services Revolving Fund</b>						
Gross expenditures	173,488	112,949	141,146	176,708	88,563	133,974
Revenues	(173,488)	(113,841)	(142,870)	(176,500)	(81,497)	(133,097)
<b>Net expenditures</b>	<b>-</b>	<b>(892)</b>	<b>(1,724)</b>	<b>208</b>	<b>7,066</b>	<b>877</b>
<b>Total of all revolving funds</b>						
Gross expenditures	2,520,647	638,008	1,401,832	2,342,088	706,554	1,552,609
Revenues	(2,491,195)	(630,816)	(1,284,684)	(2,322,516)	(668,866)	(1,425,035)
<b>Total revolving fund net expenditures</b>	<b>29,452</b>	<b>7,192</b>	<b>117,148</b>	<b>19,572</b>	<b>37,688</b>	<b>127,574</b>

**Table 1 – STATEMENT OF AUTHORITIES – CONTINUED (unaudited)**

	Fiscal year ending March 31, 2021			Fiscal year ending March 31, 2020		
	Total available for use for the year ending March 31, 2021 1) 2)	Used during the quarter ended December 31, 2020	Year-to-date used at quarter end	Total available for use for the year ending March 31, 2020 1) 2)	Used during the quarter ended December 31, 2019	Year-to-date used at quarter end
<i>(In thousands of dollars)</i>						
<b>Other budgetary statutory authorities</b>						
Contributions to employee benefit plans	157,140	28,878	86,635	161,749	27,120	81,361
Minister of PSP salary and motor car allowance	89	22	67	88	22	66
Refunds of amounts credited to revenues in previous years	-	-	-	-	-	-
Spending of proceeds from the disposal of surplus Crown assets	579	-	282	526	95	95
Collection agency fees	-	-	-	-	-	-
Payments to provide supplies for the health system	600,000	25,817	220,006	-	-	-
Payment in lieu of taxes to municipalities and other taxing authorities 2)	-	14,848	145,660	-	(27,140)	84,743
<b>Total other budgetary statutory authorities</b>	<b>757,808</b>	<b>69,565</b>	<b>452,650</b>	<b>162,363</b>	<b>97</b>	<b>166,265</b>
<b>Total budgetary authorities</b>	<b>5,660,918</b>	<b>1,063,508</b>	<b>3,230,919</b>	<b>4,398,431</b>	<b>924,961</b>	<b>2,786,982</b>
<b>Non-budgetary authority</b>						
Seized Property Working Capital Account	-	-	-	-	-	-
<b>Total authorities</b>	<b>5,660,918</b>	<b>1,063,508</b>	<b>3,230,919</b>	<b>4,398,431</b>	<b>924,961</b>	<b>2,786,982</b>

**Net increase of \$1,262.5 million**

**Notes:**

1) Includes only Authorities available for use and approved by Parliament at quarter-end. Amounts may not balance with other public documents due to rounding.

2) Consistent with the presentation in the Main Estimates, "Total available for use for the year", for both fiscal years ending March 31, 2021 and March 31, 2020, under "PILT", is presented net of planned PILT made to municipalities and the equivalent planned recoveries from other government departments. A description of PILT is provided in Section 1.3 of this report.

**Table 2 – DEPARTMENTAL BUDGETARY EXPENDITURES BY STANDARD OBJECT (unaudited)**

	Fiscal year ending March 31, 2021			Fiscal year ending March 31, 2020		
	Planned expenditures for the year ending March 31, 2021 1) 2)	Expended during the quarter ended December 31, 2020	Year-to-date used at quarter end	Planned expenditures for the year ending March 31, 2020 1) 2)	Expended during the quarter ended December 31, 2019	Year-to-date used at quarter end
<i>(In thousands of dollars)</i>						
<b>Expenditures</b>						
Personnel	1,590,716	409,525	1,194,420	1,546,703	424,693	1,160,191
Transportation and communications	84,872	3,449	75,700	82,009	17,995	50,425
Information	15,939	2,895	7,110	22,704	3,819	10,321
Professional and special services	2,170,897	547,178	1,190,918	2,174,273	523,161	1,165,130
Rentals	1,110,012	297,146	887,414	1,198,519	294,555	859,280
Repair and maintenance	1,650,523	255,371	643,540	1,394,170	291,349	764,672
Utilities, materials and supplies	1,291,344	189,195	430,665	304,716	106,694	179,685
Acquisition of land, buildings and works	646,530	204,453	477,311	502,486	178,719	402,251
Acquisition of machinery and equipment	196,662	24,445	57,052	130,740	30,925	70,356
Transfer payments <sup>2)</sup>	-	14,847	145,450	-	(27,140)	84,743
Public Debt charges	123,798	29,750	88,492	123,452	30,190	91,379
Other subsidies and payments	503,502	59,315	223,695	467,181	58,528	263,675
<b>Total gross budgetary expenditures</b>	<b>9,384,795</b>	<b>2,037,569</b>	<b>5,421,767</b>	<b>7,946,953</b>	<b>1,933,488</b>	<b>5,102,108</b>
<b>Less revenues netted against expenditures</b>						
Revolving funds revenues	(2,491,195)	(630,816)	(1,284,684)	(2,322,515)	(668,866)	(1,425,035)
Vote-netted revenues	(1,232,682)	(343,245)	(906,164)	(1,226,007)	(339,661)	(890,091)
<b>Total revenues netted against expenditures</b>	<b>(3,723,877)</b>	<b>(974,061)</b>	<b>(2,190,848)</b>	<b>(3,548,522)</b>	<b>(1,008,527)</b>	<b>(2,315,126)</b>
<b>Total net budgetary expenditures</b>	<b>5,660,918</b>	<b>1,063,508</b>	<b>3,230,919</b>	<b>4,398,431</b>	<b>924,961</b>	<b>2,786,982</b>

Net increase of \$443.9 million

Notes:

1) Includes only Authorities available for use and approved by Parliament at quarter-end. Amounts may not balance with other public documents due to rounding.

2) Consistent with the presentation in the Main Estimates, "Planned expenditures for the year" for both fiscal years ending March 31, 2021 and March 31, 2020, under "Transfer payments", are presented net of planned PILT made to municipalities and the equivalent planned recoveries from other government departments. A description of PILT is provided in Section 1.3 of this report.