



# Government Spending Trends: 1990 to 2023

Briefing Deck



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# Purpose and Overview

- This report reviews Government of Ontario spending trends from 1990-91 to 2023-24. The report provides:
  - an overview of trends in total spending on a nominal and real per capita basis and spending as a share of nominal GDP.
  - analysis of spending trends by sector (health; education; postsecondary education; children, community and social services, justice; ‘other programs’; and interest on debt) including sector specific cost drivers and service levels.
  - a review of trends in federal transfers to Ontario on a nominal and real per capita basis and transfers as a share of provincial spending.
- Over the past 34 years, numerous restatements and accounting changes have occurred that have altered the presentation of Ontario’s finances. The FAO has made adjustments for these changes to improve the consistency and comparability of spending data.



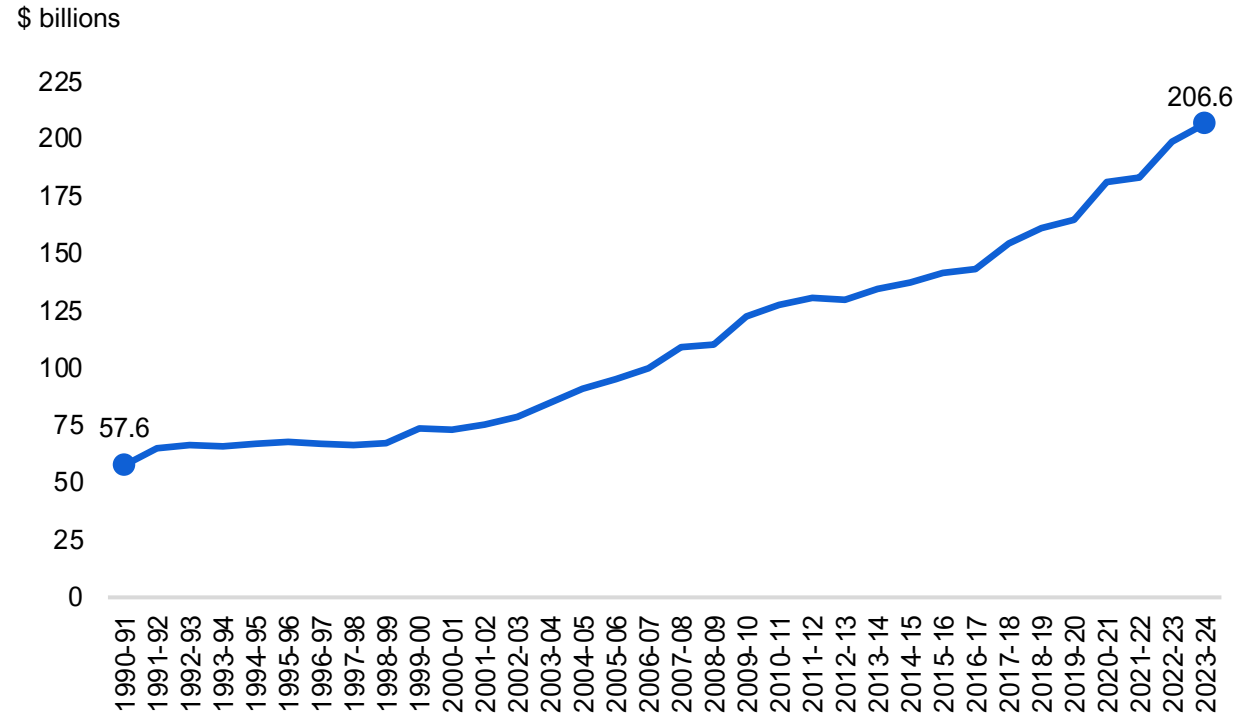
# Ontario Government Spending Trends



# Ontario Government Spending Trends

- In 2023-24 the Province spent a total of \$206.6 billion, up from \$57.6 billion in 1990-91, representing an average annual increase of 3.9%.
- Total spending increased every year over the 34-year period except for five years: 1993-94, 1996-97, 1997-98, 2000-01 and 2012-13.
- For comparison, inflation and population, which are two broad cost drivers for government spending, increased at an average annual rate of 3.4% over the 34-year period.

**Total Ontario government spending, 1990-91 to 2023-24**



Source: Public Accounts of Ontario, Statistics Canada and FAO analysis of information provided by the Province.



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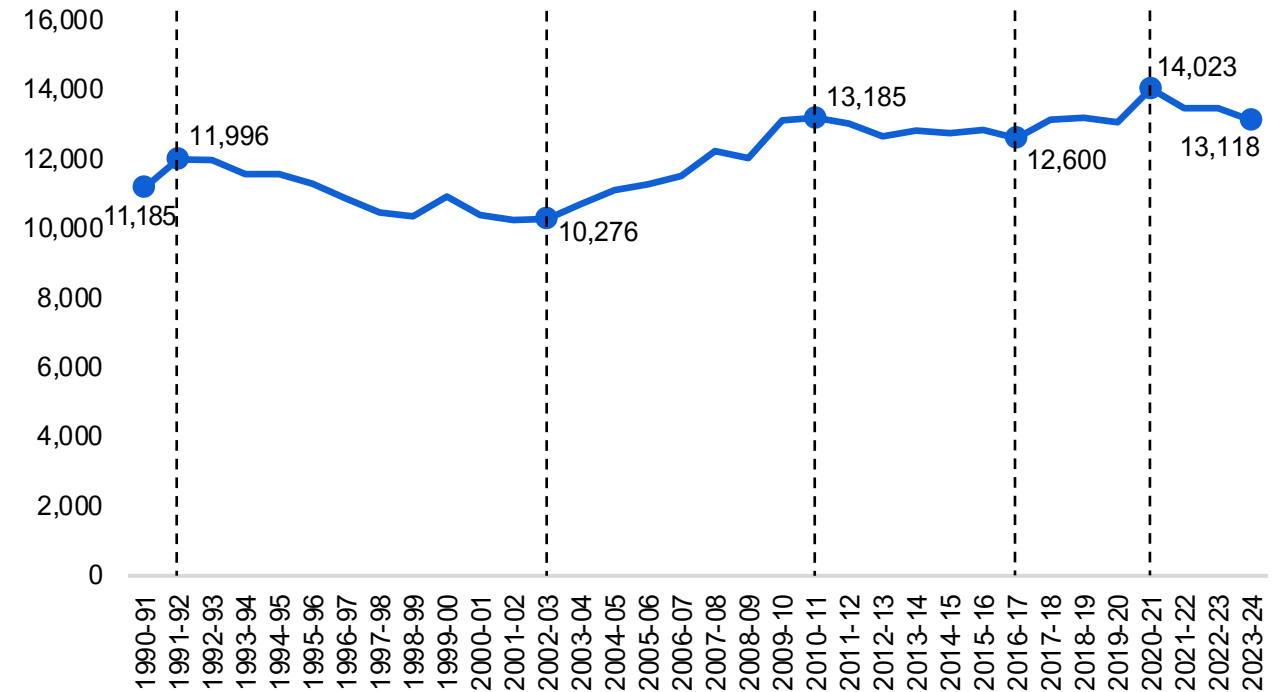


# Real Per Capita Spending

- Comparing spending on inflation-adjusted (i.e., real) and per capita terms offers a clearer comparison of spending levels over time.
- Real per capita spending increased at an average annual rate of 0.5% from \$11,185 in 1990-91 to \$13,118 in 2023-24.
- The FAO identified three periods of real per capita spending growth: one year from 1990-91 to 1991-92, eight years from 2002-03 to 2010-11 and four years from 2016-17 to 2020-21.
- The FAO also identified three periods of real per capita spending declines: 11 years from 1991-92 to 2002-03, six years from 2010-11 to 2016-17 and three years from 2020-21 to 2023-24.

**Real per capita government spending, 1990-91 to 2023-24**

2023-24 Constant Dollars



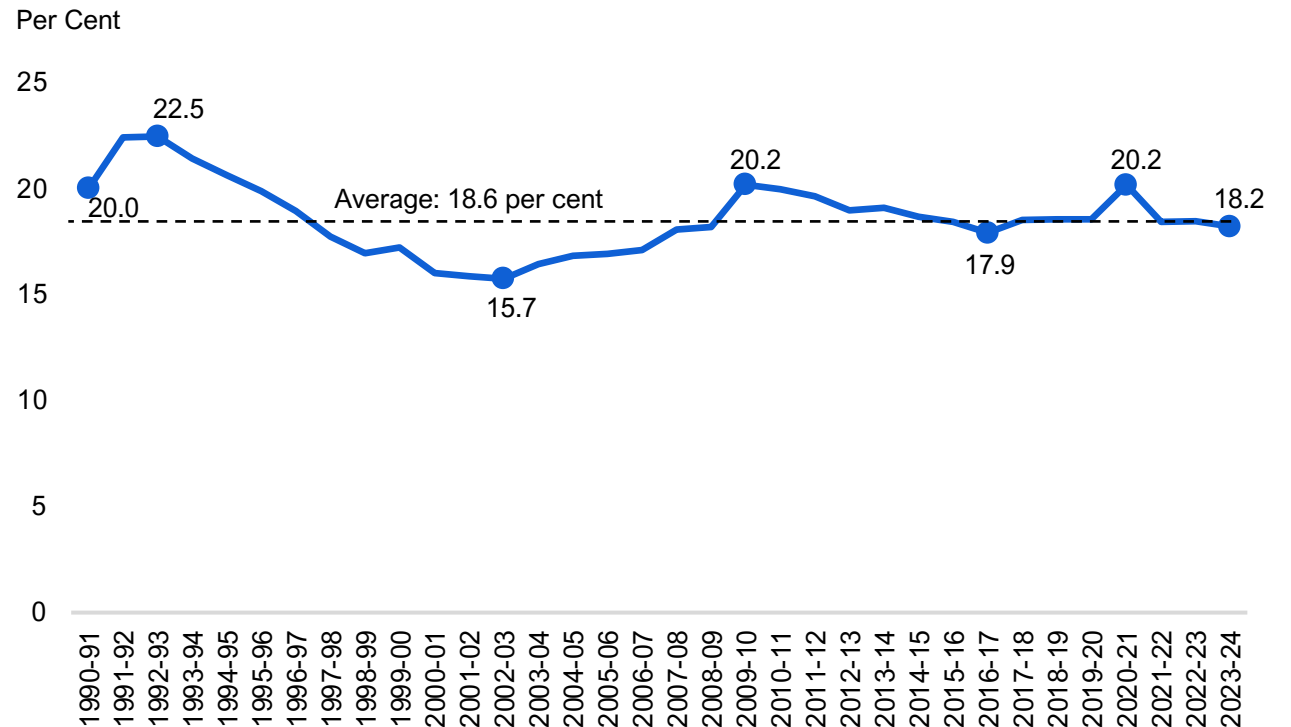
Source: FAO calculations, Statistics Canada, Public Accounts of Ontario and FAO analysis of information provided by the Province.



# Spending as a Share of the Economy

- Comparing spending to nominal GDP provides insight into the size of government spending relative to the economy's ability to pay.
- Spending as a share of GDP averaged 18.6% over the 34-year period.
- Spending as a share of GDP peaked during the early 1990s recession, the 2008-2009 global financial crisis and the COVID-19 pandemic.
- Spending as a share of GDP reached a low of 15.7% in 2002-03.

**Government spending as a share of nominal GDP, 1990-91 to 2023-24**



Source: FAO calculations, Statistics Canada, Public Accounts of Ontario and FAO analysis of information provided by the Province.



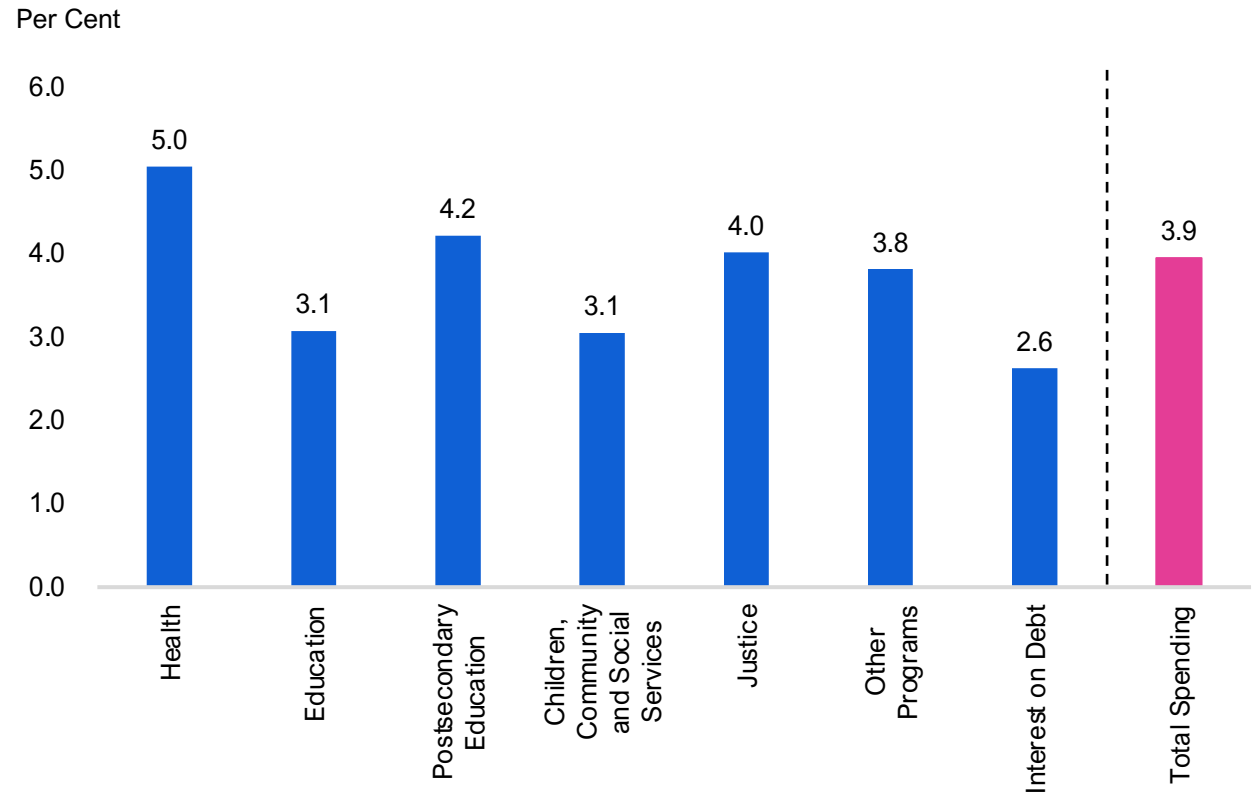
# Spending Trends by Sector



# Spending Trends by Sector

- The Province categorizes its spending into seven sectors.
- Three sectors; health (5.0%), postsecondary education (4.2%) and justice (4.0%) grew faster than total spending.
- Four sectors; 'other programs' (3.8%), children, community and social services (3.1%), education (3.1%) and interest on debt (2.6%) grew slower than total spending.
- Different spending growth rates have led to changes in the composition of total spending by sector.

**Average annual spending growth by sector, 1990-91 to 2023-24**



Source: Public Accounts of Ontario, Statistics Canada and FAO analysis of information provided by the Province.

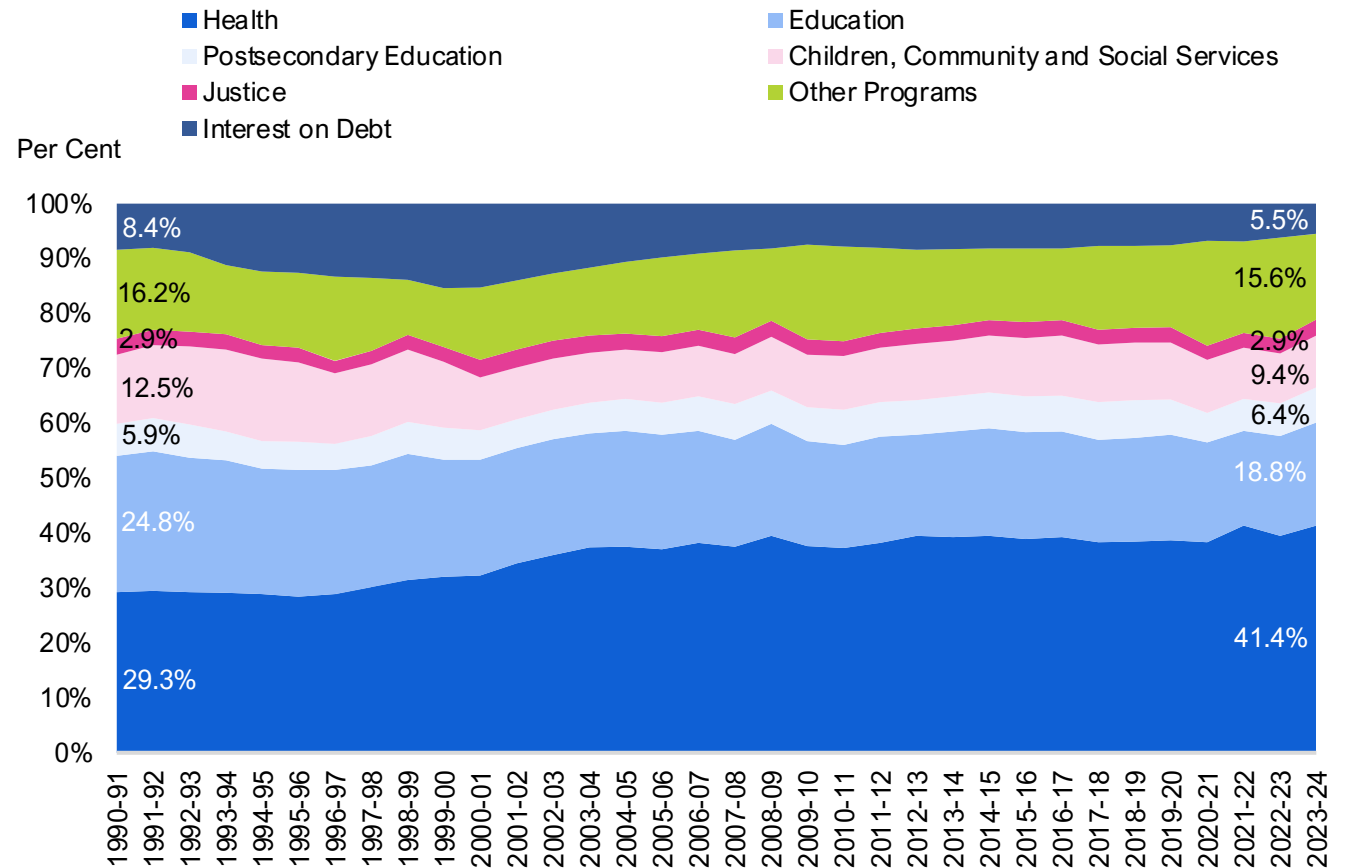




# Share of Total Spending by Sector

- Health spending increased from 29.3% of total spending in 1990-91 to 41.4% in 2023-24.
- Education spending declined from 24.8% of total spending in 1990-91 to 18.8% in 2023-24.
- 'Other programs' spending ranged between 10.0% and 19.1% of total spending.
- Children, community and social services spending decreased from 12.5% of total spending in 1990-91 to 9.4% in 2023-24.
- Postsecondary education spending increased from 5.9% of total spending in 1990-91 to 6.4% in 2023-24.
- Justice sector spending remained unchanged at 2.9% of total spending in both 1990-91 and 2023-24.
- Interest on debt spending as a share of total spending peaked at 15.4% in 1999-00 and then steadily declined to 5.5% in 2023-24.

Share of spending by sector, 1990-91 to 2023-24



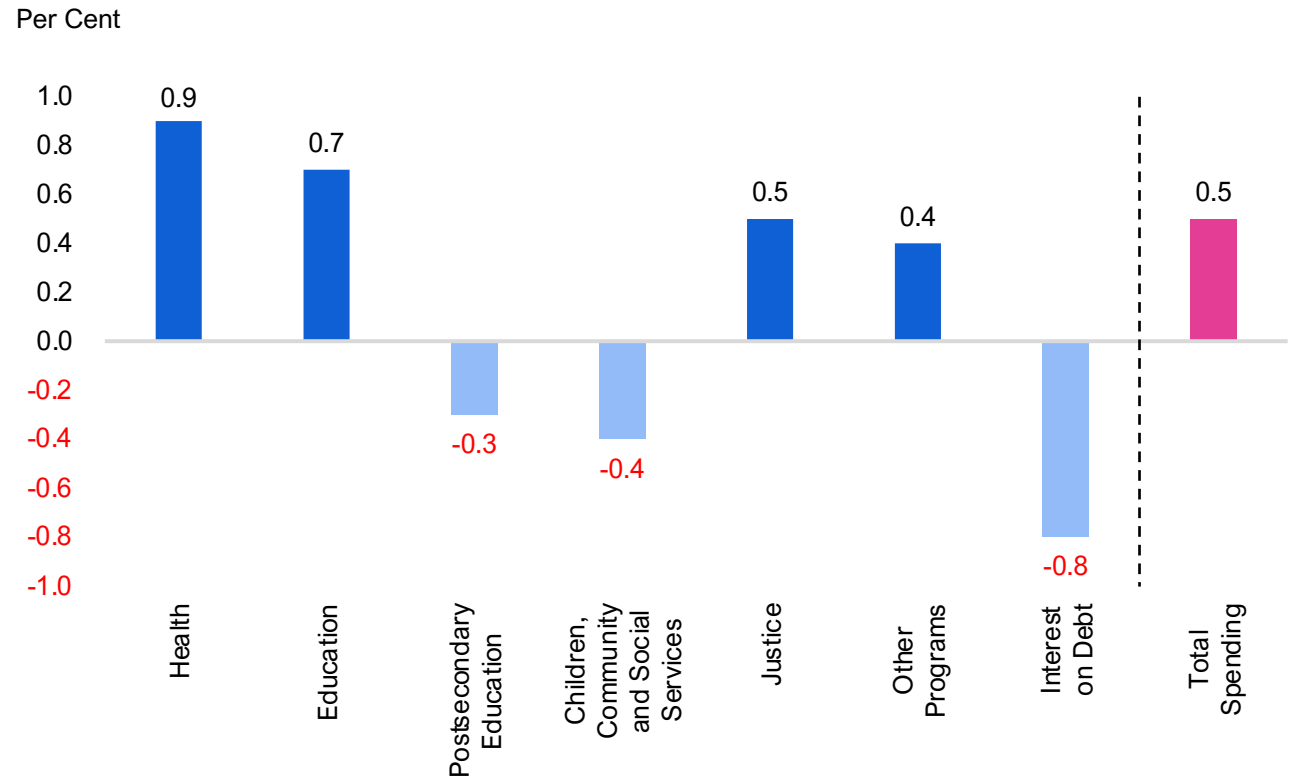
Source: Public Accounts of Ontario, Statistics Canada and FAO analysis of information provided by the Province.



# Spending by Sector Adjusted for Cost Drivers

- The report also reviews spending by sector adjusted for sector specific cost drivers to provide a better indication of the effect spending has on service levels over time.
- These cost drivers include inflation, population growth in the demographic served by the sector and, in the health sector, population aging.
- When adjusted for these cost drivers, from 1990-91 to 2023-24, four sectors experienced average annual spending growth: health (0.9%), education (0.7%), justice (0.5%) and 'other programs' (0.4%).
- Three sectors experienced spending declines: postsecondary education (-0.3%), children, community and social services (-0.4%) and interest on debt (-0.8%).

**Average annual real per capita\* spending growth by sector, 1990-91 to 2023-24**



Note: \* Per capita values represent age-standardized per capita for health, per child/youth for education, and per student for postsecondary education, and per Ontarian for the remaining sectors.

Source: Public Accounts of Ontario, Statistics Canada and FAO analysis of information provided by the Province.

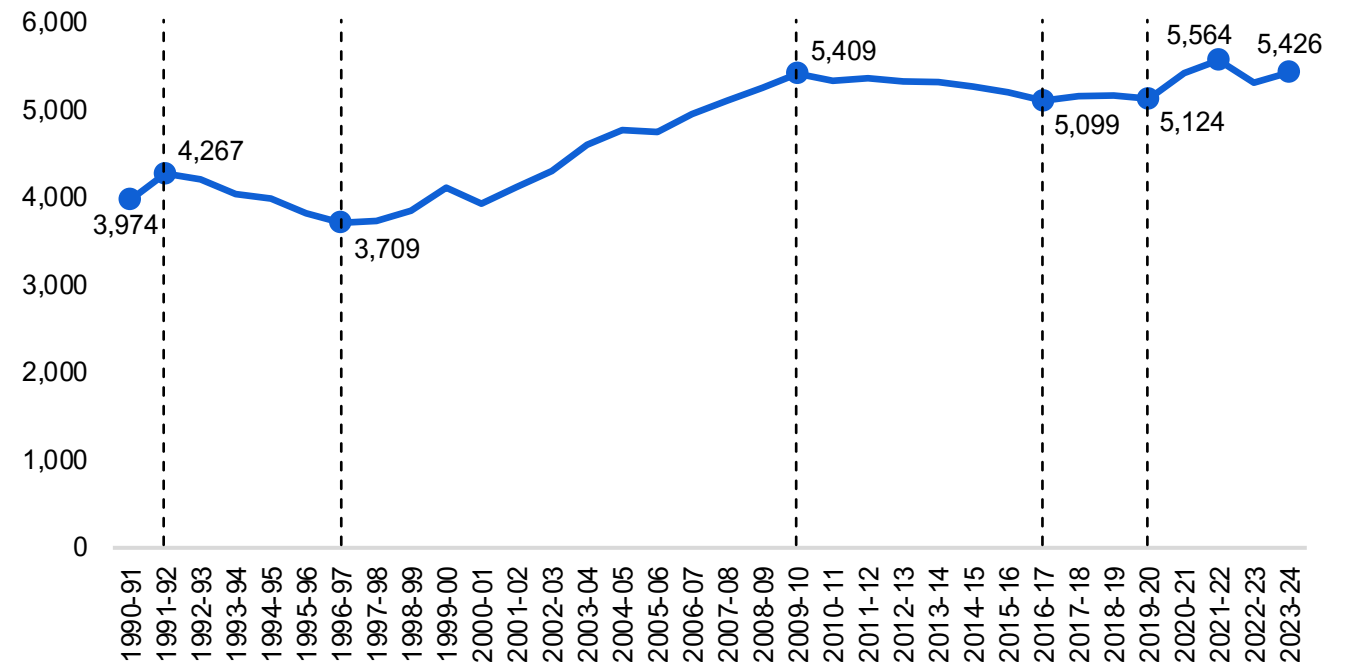


# Health Spending

- On a real per capita basis adjusted for the age structure of Ontario's population, health sector spending increased at an average annual rate of 0.9% from \$3,974 per person in 1990-91 to \$5,426 per person in 2023-24.

**Age-standardized real per capita health sector spending, 1990-91 to 2023-24**

2023-24 Constant Dollars



Source: FAO analysis of CIHI National Health Expenditure Trends, 2024: Data Tables — Series E1, the Public Accounts of Ontario, Statistics Canada, and information provided by the Province.

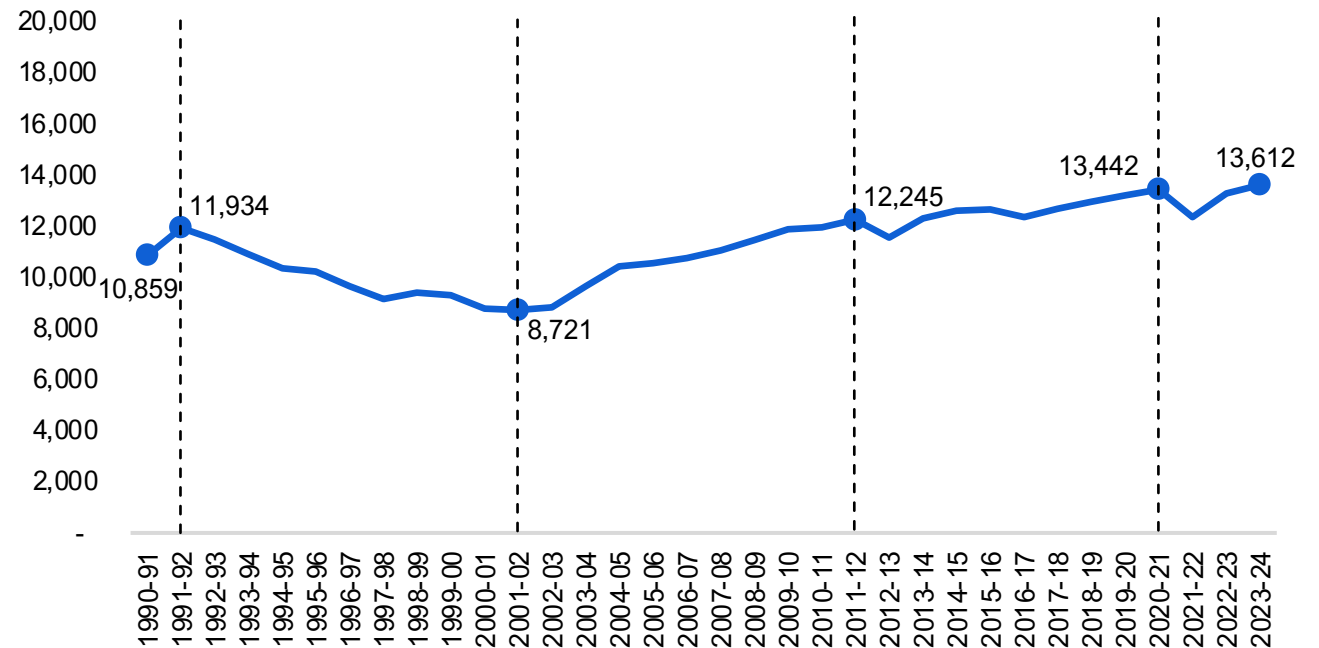


# Education Spending

- On a real per child/youth basis education sector spending increased at an average annual rate of 0.7% from \$10,859 per child/youth in 1990-91 to \$13,612 per child/youth in 2023-24.

**Education sector spending per school- and child care-aged child and youth, inflation-adjusted, 1990-91 to 2023-24**

2023-24 Constant Dollars



Note: From 1990-91 to 2002-03, the school- and child care-aged population reflects the population of 0- to 18-year-olds. After the phase-out of the Ontario Academic Credit (OAC) fifth year of secondary school education, beginning in 2003-04, this age group reflects the population of 0- to 17-year-olds.

Source: FAO calculations, Public Accounts of Ontario, Statistics Canada and FAO analysis of information provided by the Province.

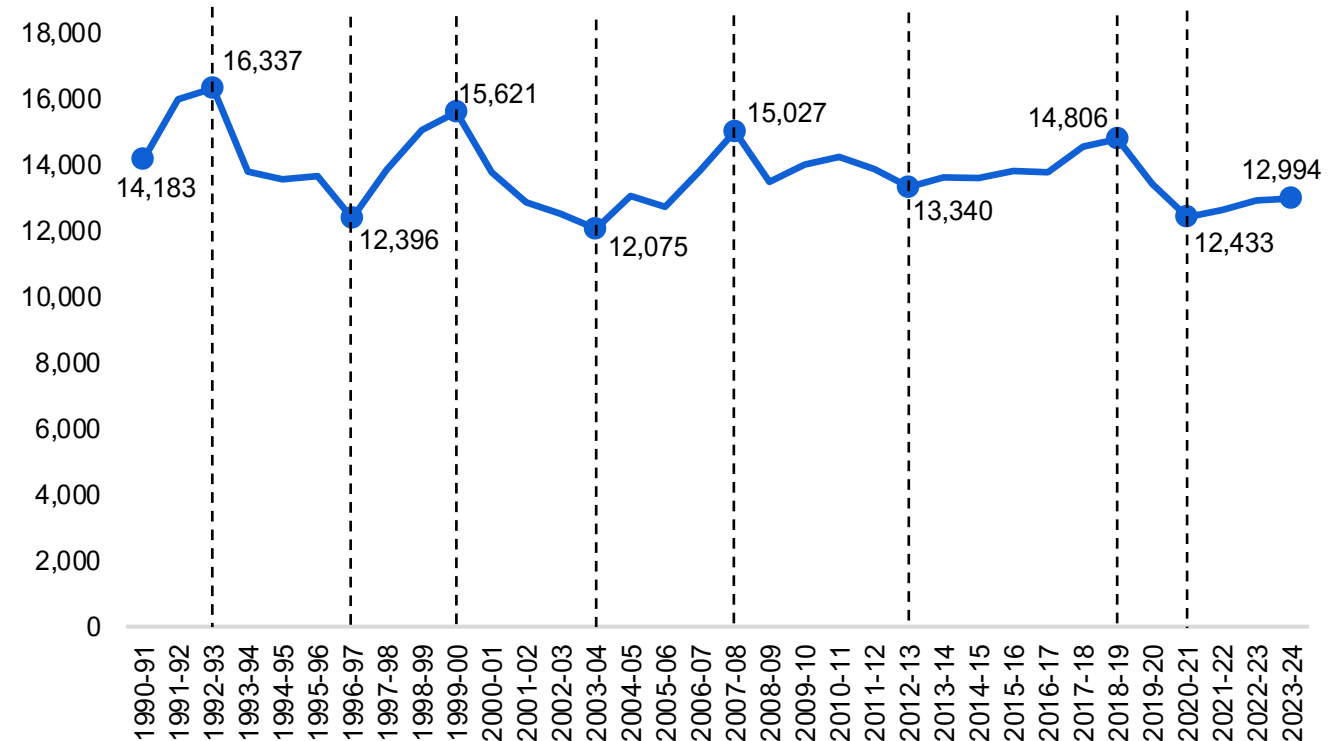


# Postsecondary Education

- On a real per student basis postsecondary education spending decreased at an average annual rate of -0.3% from \$14,183 in 1990-91 to \$12,994 in 2023-24.

**Postsecondary education sector spending per student, inflation-adjusted, 1990-91 to 2023-24**

2023-24 Constant Dollars



Source: FAO calculations, Statistics Canada, Public Accounts of Ontario and FAO analysis of information provided by the Province.

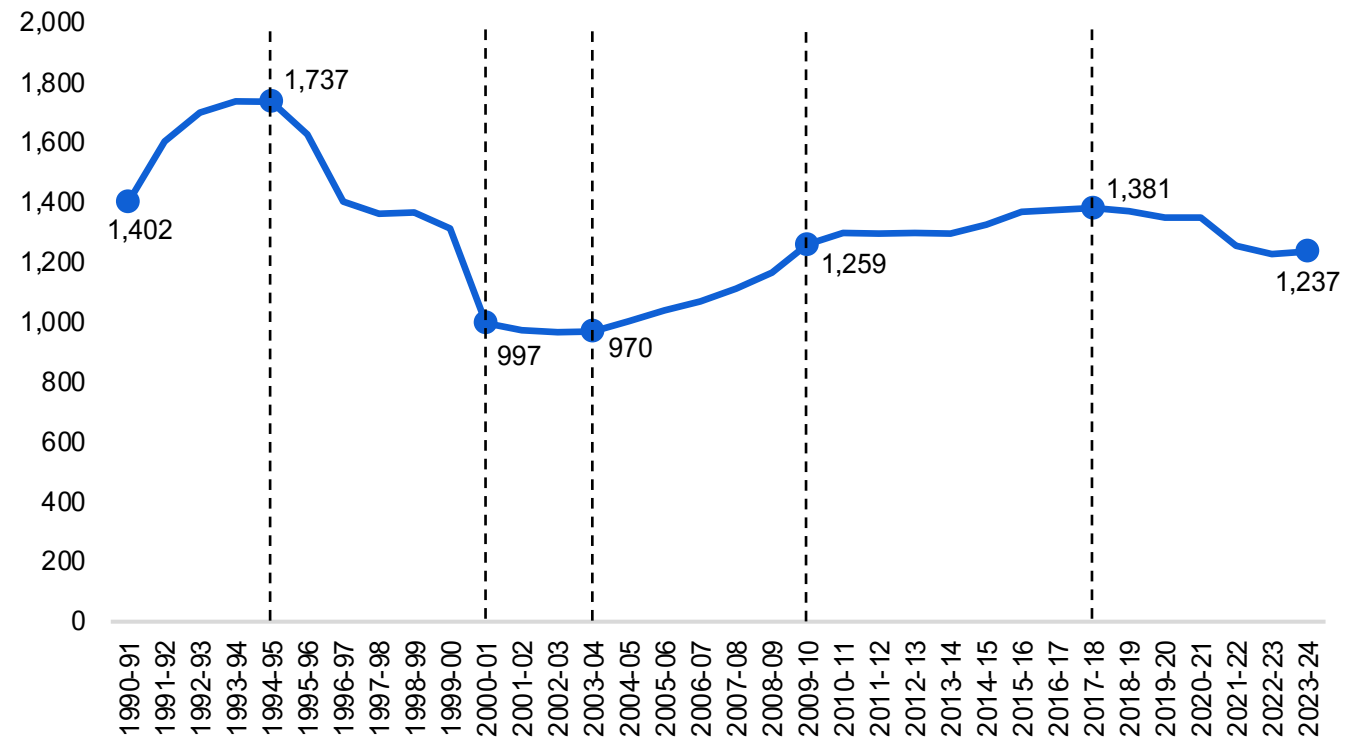


# Children, Community and Social Services

- On a real per capita basis, children, community and social services sector spending decreased at an average annual rate of -0.4% from \$1,402 per person in 1990-91 to \$1,237 per person in 2023-24.

**Children, community and social services sector spending per capita, inflation-adjusted, 1990-91 to 2023-24**

2023-24 Constant Dollars



Source: FAO calculations, Statistics Canada, Public Accounts of Ontario and FAO analysis of information provided by the Province.

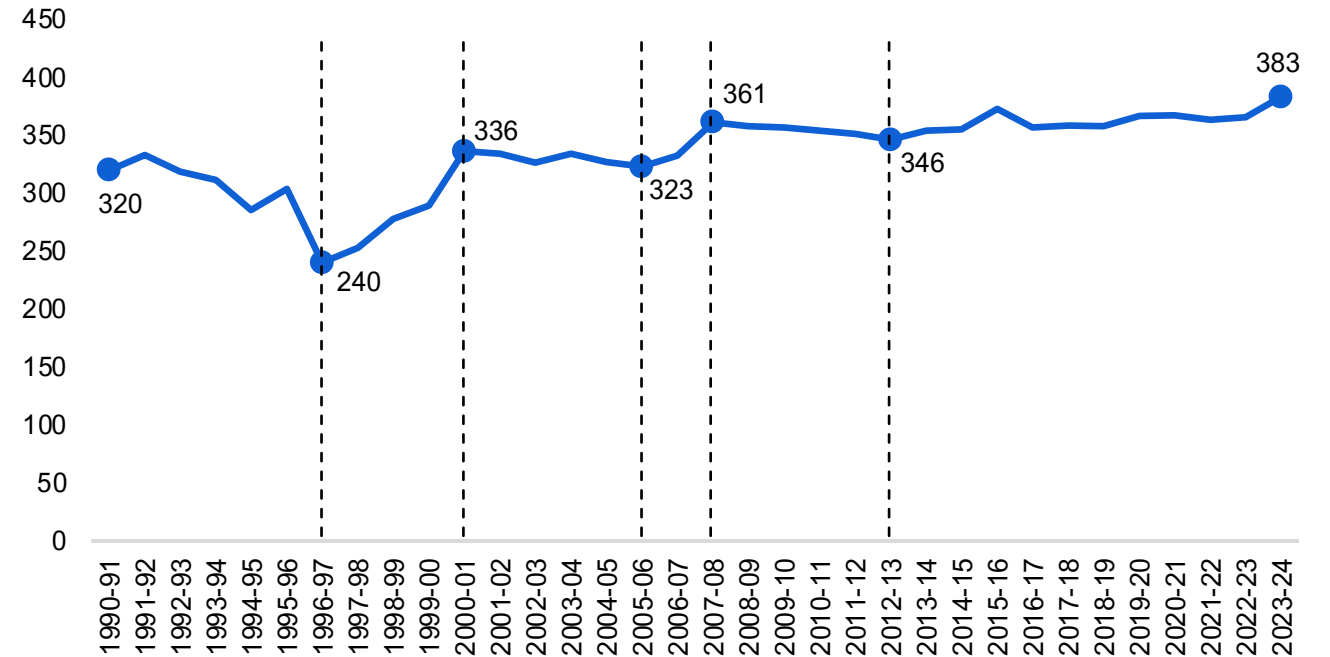


# Justice

- On a real per capita basis, justice sector spending increased at an average annual rate of 0.5%, from \$320 per person in 1990-91 to \$383 per person in 2023-24.

**Justice sector spending per capita, inflation-adjusted, 1990-91 to 2023-24**

2023-24 Constant Dollars



Source: FAO calculations, Statistics Canada, Public Accounts of Ontario and FAO analysis of information provided by the Province.

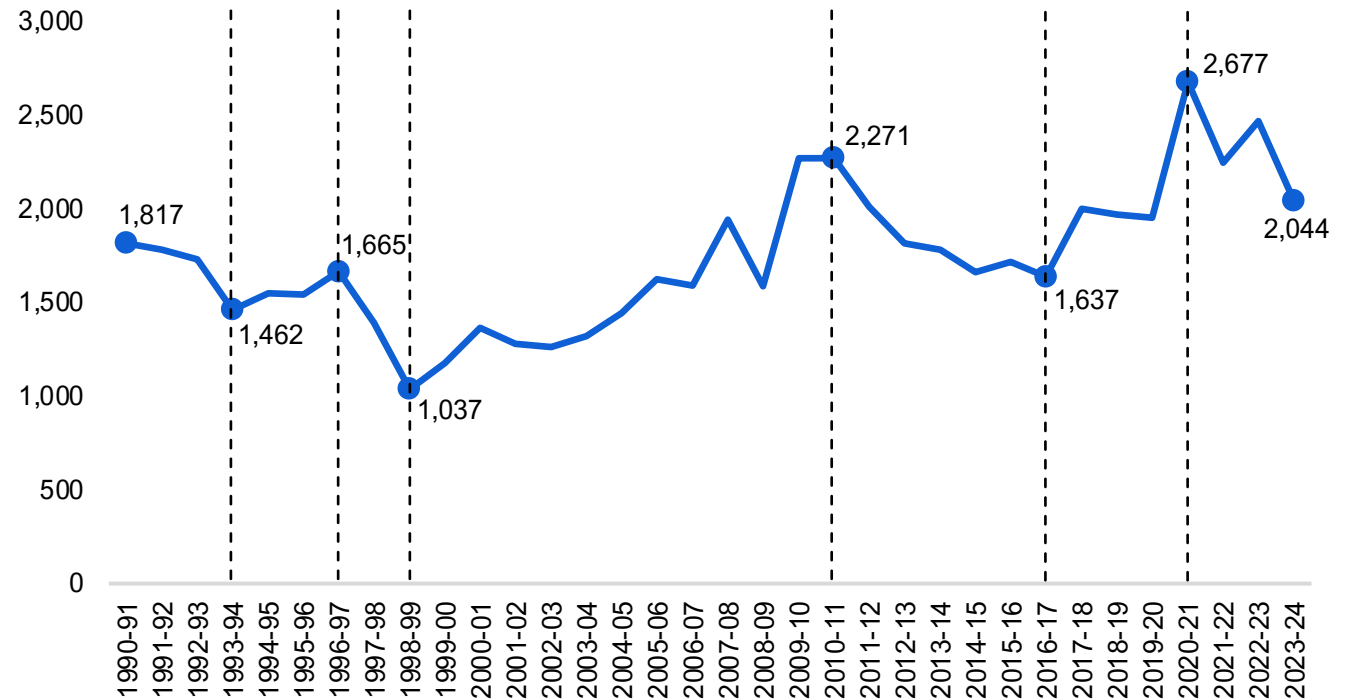


# Other Programs

- On a real per capita basis, 'other programs' sector spending increased at an average annual rate of 0.4% from \$1,817 per person in 1990-91 to \$2,044 per person in 2023-24.

**Other programs spending per capita, inflation-adjusted, 1990-91 to 2023-24**

2023-24 Constant Dollars



Source: FAO calculations, Statistics Canada, Public Accounts of Ontario and FAO analysis of information provided by the Province.



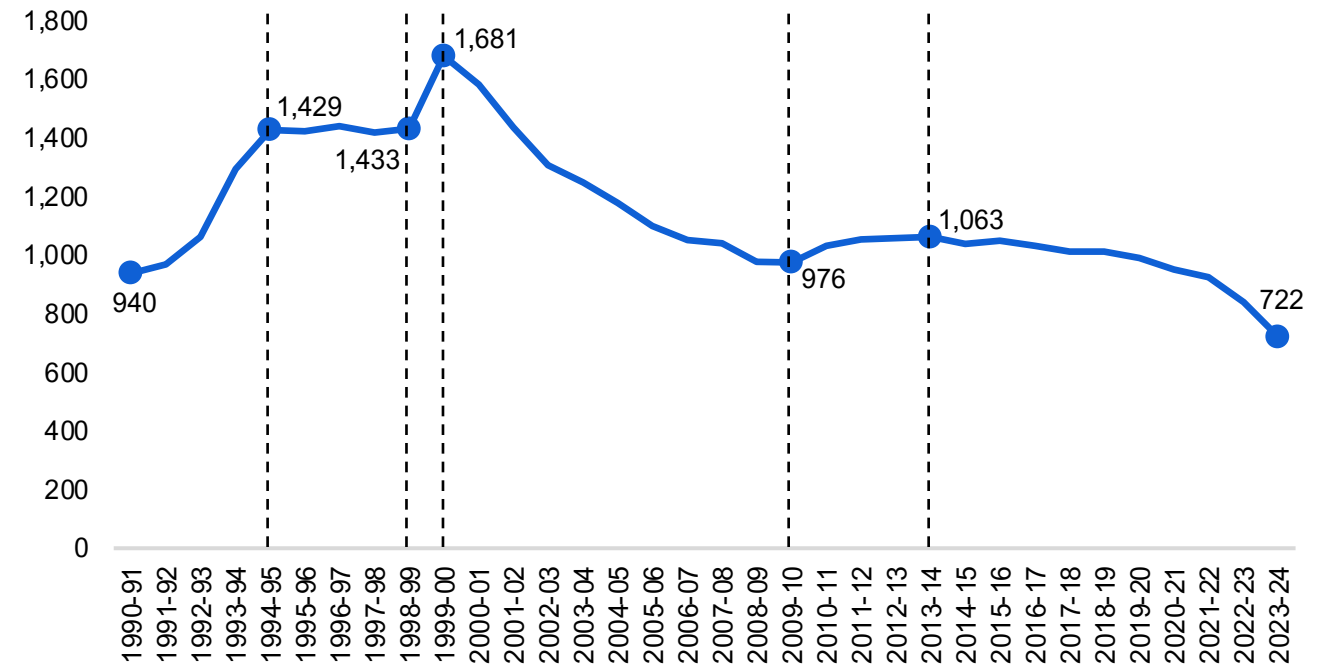


# Interest on Debt

- On a real per capita basis, interest on debt spending declined at an average annual rate of -0.8% from \$940 per person in 1990-91 to \$722 per person in 2023-24.

**Interest on debt spending per capita, inflation-adjusted, 1990-91 to 2023-24**

2023-24 Constant Dollars



Source: FAO calculations, Statistics Canada, Public Accounts of Ontario and FAO analysis of information provided by the Province.



# Select Service Levels



# Summary of Select Service Levels

- In this report, the FAO reviewed select service levels based on their relevance to each sector, considering factors such as the scale of program spending, the direct impact of government spending on the service level, and the availability of long-term historical data.
- While this report does not review all government service levels, the FAO has provided links to additional publications for further information.

| Sector                                  | Service Level Metric  |
|---|---|
| Health                                  | Number of <b>hospital beds</b> per 100,000 Ontarians, 1990-91 to 2023-24  |
| Health                                  | Number of <b>physicians</b> per 100,000 Ontarians, 1990-91 to 2023-24   |
| Health                                  | Number of <b>long-term care beds</b> per 1,000 Ontarians aged 75 and over, 1996-97 to 2023-24   |
| Education                               | Average number of <b>students per teacher</b> in Ontario, 2001-02 to 2023-24  |
| Education                               | Licensed <b>child care centre spaces</b> as a share of the child care-aged population, 2010-11 to 2023-24                                     |
| Postsecondary Education                 | Average <b>tuition fees</b> for domestic students in postsecondary education programs in Ontario, inflation-adjusted, 1990-91 to 2023-24      |
| Postsecondary Education                 | Student <b>financial assistance payments</b> per domestic student enrolled in postsecondary education, inflation-adjusted, 1996-97 to 2023-24 |
| Children, Community and Social Services | Average monthly number of <b>social assistance cases</b> , 1990-91 to 2023-24   |
| Children, Community and Social Services | Average annual <b>ODSP and OW allowances</b> , inflation-adjusted, 2004-05 to 2023-24   |
| Justice                                 | Number of uniformed <b>OPP officers</b> per 10,000 Ontarians, 1990 to 2023  |
| Justice                                 | Number of <b>beds in provincial adult correctional facilities</b> per 10,000 adult Ontarians, 1991-92 to 2023-24                              |

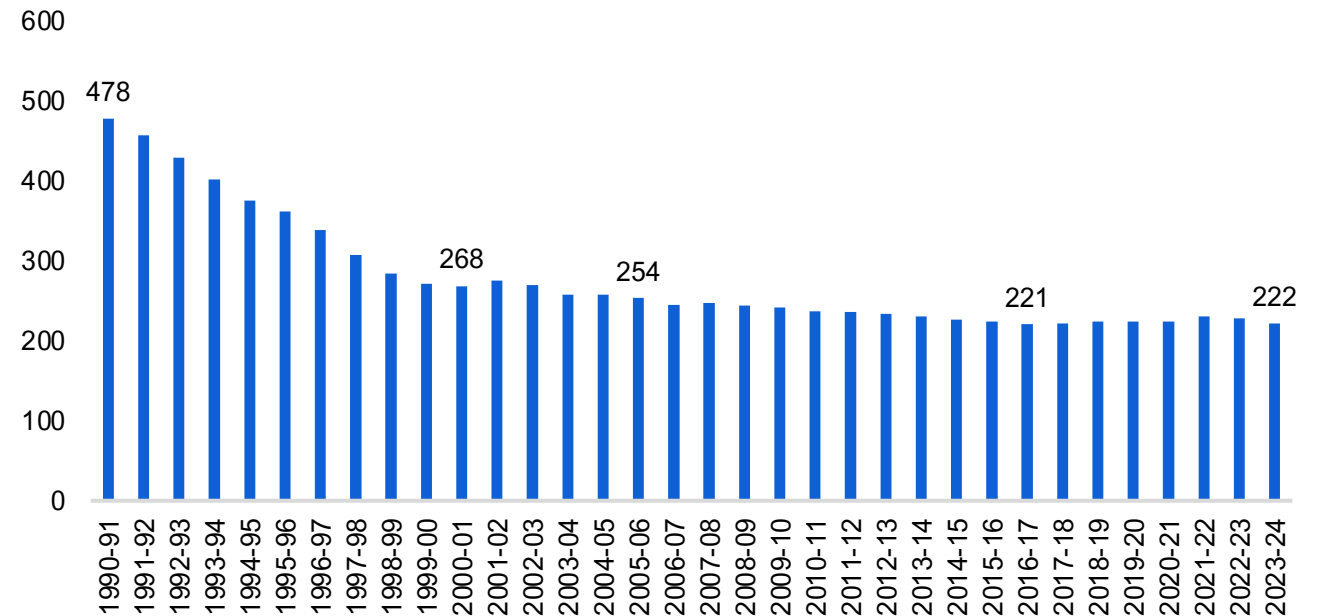


# Health Service Levels: Hospital Beds

- In 2023-24, there were 222 hospital beds for every 100,000 Ontarians, less than half of the 478 beds per 100,000 Ontarians in 1990-91.
- This reduction primarily occurred between 1990-91 and 2000-01 due to downsizing of hospitals.
- Beds per 100,000 Ontarians then declined more gradually to a low of 221 in 2016-17.
- From 2016-17 to 2023-24 over 4,000 beds were added, and the ratio remained stable reaching 222 in 2023-24.

**Number of hospital beds per 100,000 Ontarians, 1990-91 to 2023-24**

Hospital Beds per 100,000 Ontarians



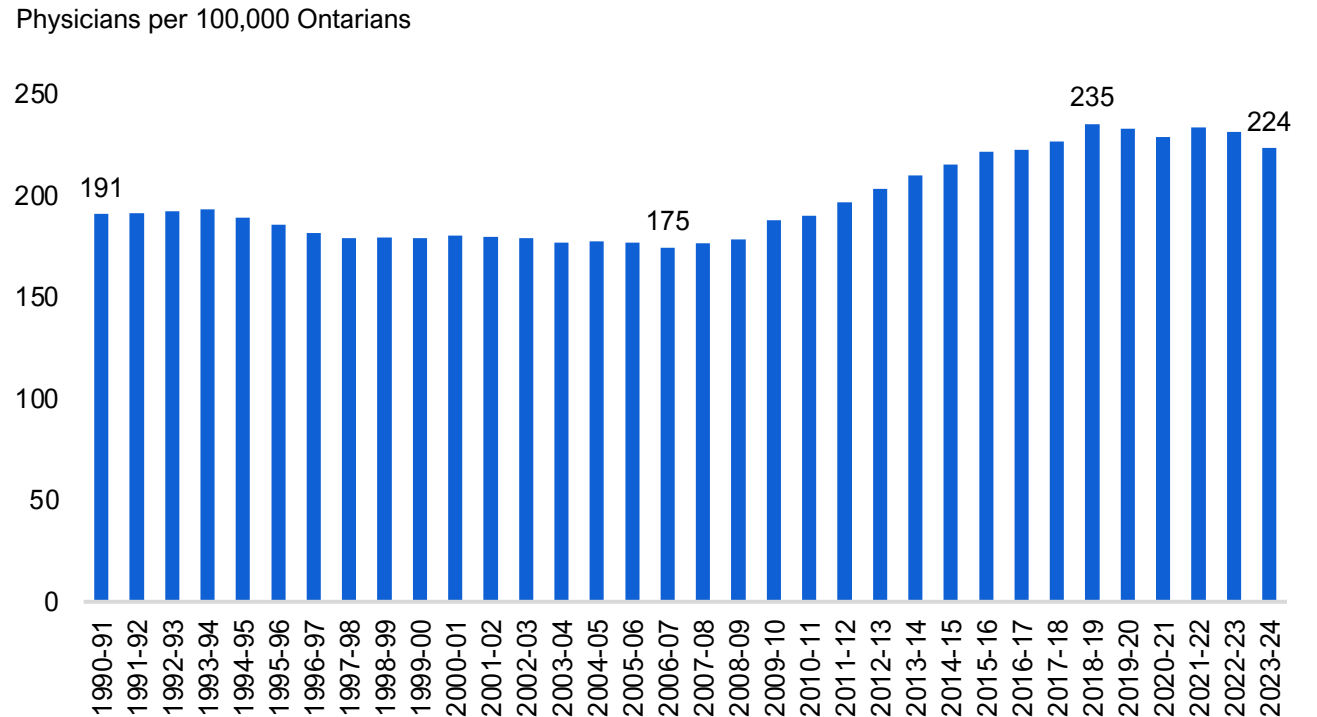
Source: FAO analysis of information provided by the Province, Statistics Canada, CIHI Trends in Hospital Spending, 2009–2010 to 2022–2023 — Data Tables — Series D: Beds Staffed and In Operation by Functional Centre and [Ontario Health Coalition hospital beds staffed and in operation Ontario 1990 to 2014](#).



# Health Service Levels: Number of Physicians

- In 2023-24, there were 224 physicians for every 100,000 Ontarians.
- From 1990-91 to 2006-07, Ontario added 2,400 physicians and the number of physicians per 100,000 Ontarians declined from 191 to a low of 175 in 2006-07.
- From 2006-07 to 2018-19 Ontario added over 11,000 physicians and the number of physicians per 100,000 Ontarians grew to a peak of 235 in 2018-19.
- From 2018-19 to 2023-24, the number of physicians per 100,000 residents declined to 224, as growth in the number of physicians slowed.

**Number of physicians per 100,000 Ontarians, 1990-91 to 2023-24**



Source: Statistics Canada and FAO analysis of CIHI National Physician Database Historical Utilization — Data Tables, 2023.

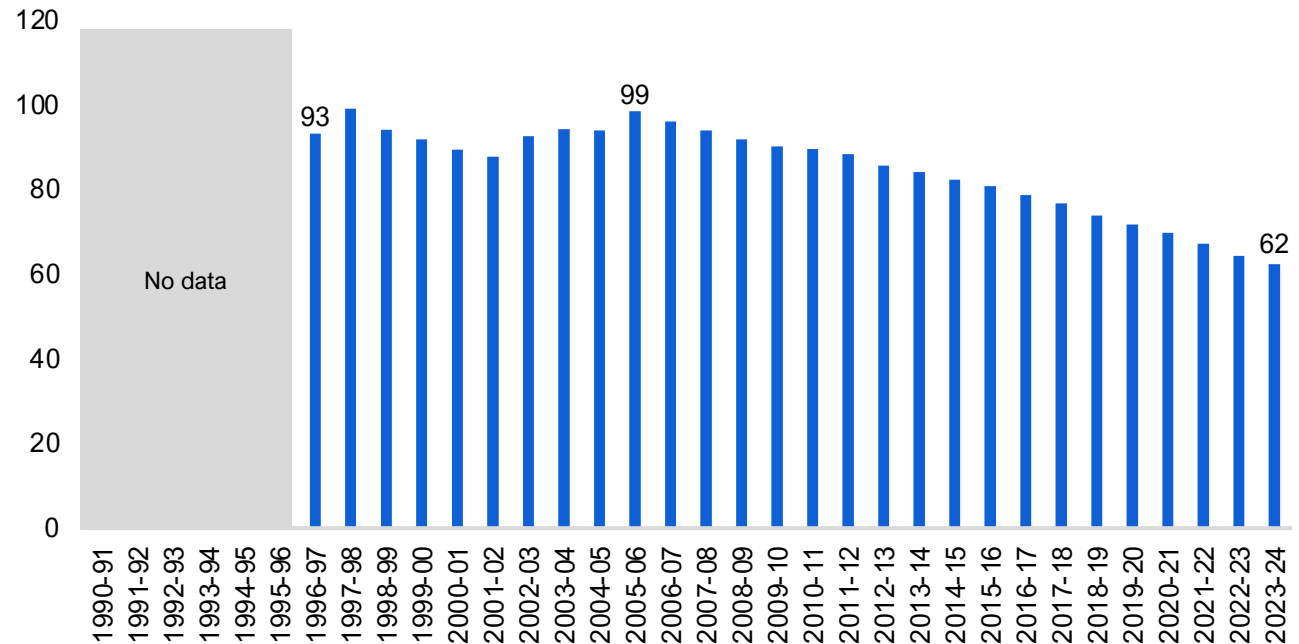


# Health Service Levels: Number of LTC Beds

- In 2023-24, there were 62 long-term care beds per 1,000 Ontarians aged 75 and over.
- From 1996-97 to 2005-06, over 23,000 new long-term care beds were added and the number of beds per 1,000 Ontarians aged 75 and over increased to 99 in 2005-06.
- From 2005-06 to 2023-24, approximately 4,200 new long-term care beds were added and the number of beds per 1,000 Ontarians declined to 62 in 2023-24.

**Number of long-term care beds per 1,000 Ontarians aged 75 and over, 1996-97 to 2023-24**

Long-term Care Beds per 1,000 Ontarians Aged 75 and Over



Source: FAO analysis of information provided by the Province, Statistics Canada and Hsu AT, Berta W, Coyte PC, Laporte A. Staffing in Ontario's Long-Term Care Homes: Differences by Profit Status and Chain Ownership. *Canadian Journal on Aging / La Revue canadienne du vieillissement*. 2016;35(2):175-189. doi:10.1017/S0714980816000192

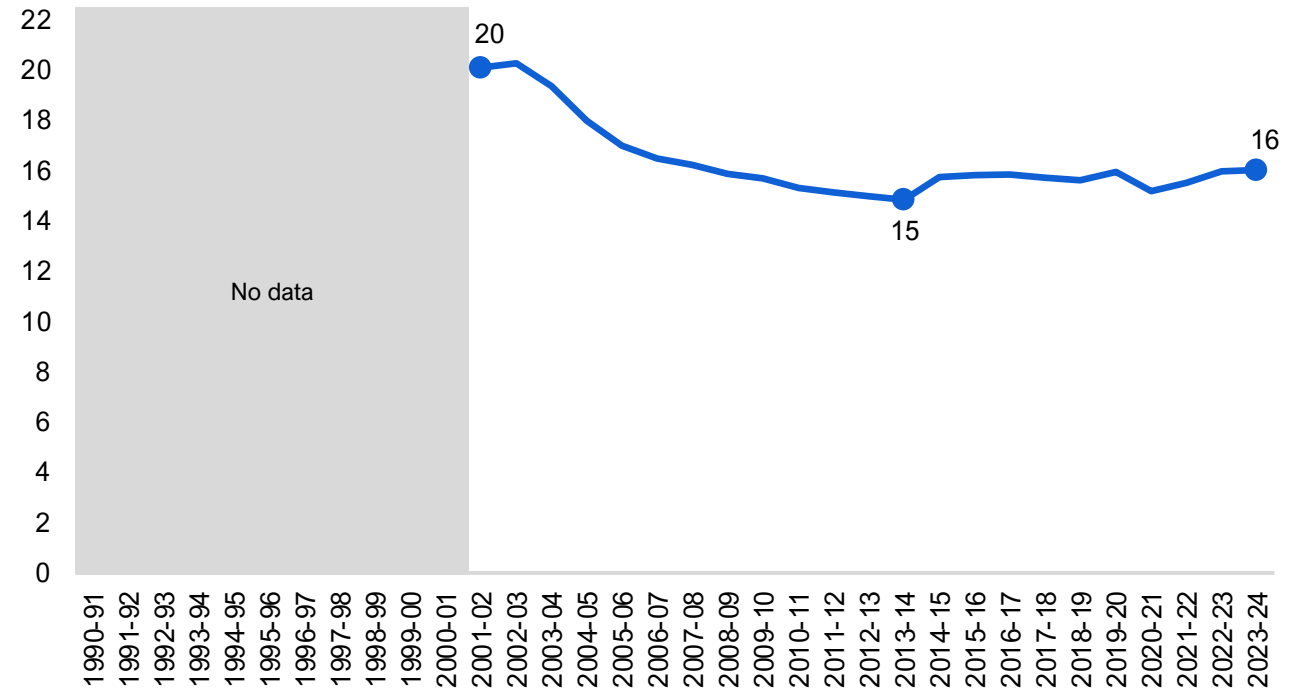


# Education Service Levels: Students per Teacher

- The student-to-teacher ratio fell from 20 in 2001-02 to 16 in 2023-24.
- The ratio began to decline steeply in 2004-05 as a result of measures to reduce class sizes, reaching a low of 15 in 2013-14.
- Since 2013-14 the ratio has remained relatively stable and was at 16 in 2023-24.

**Average number of students per teacher in Ontario, 2001-02 to 2023-24**

Students per Teacher



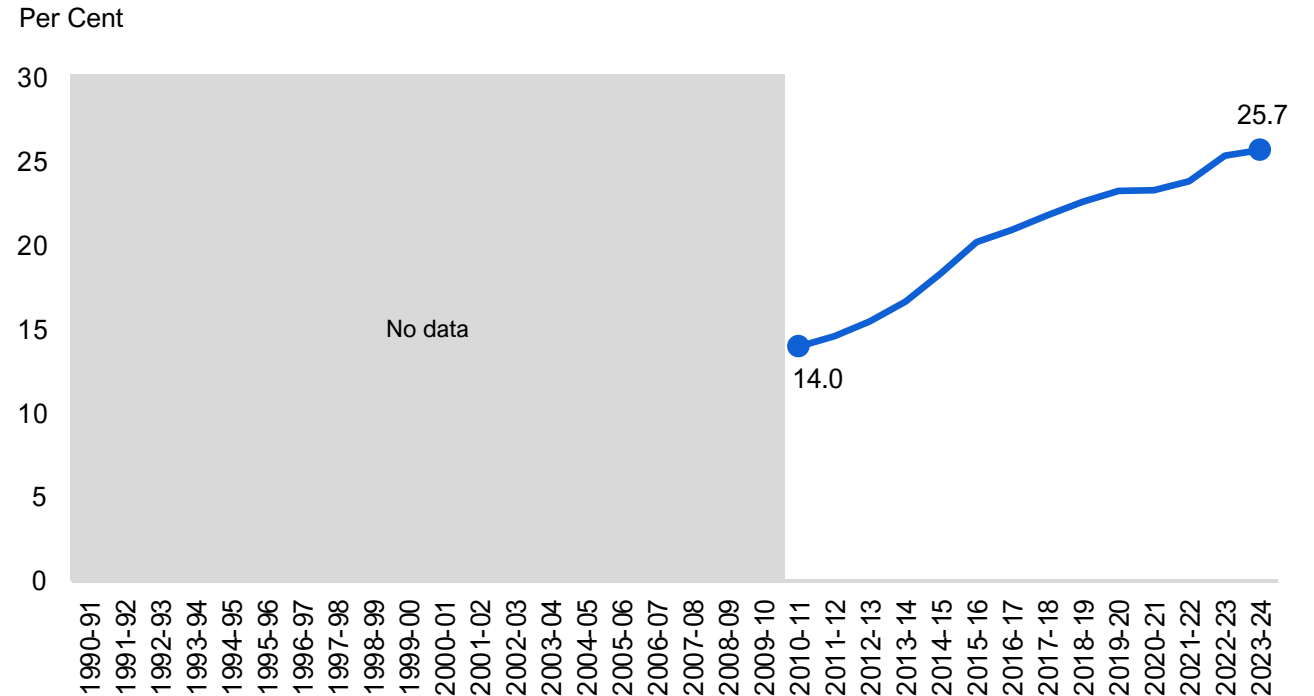
Note: The student-to-teacher ratio reflects teacher FTEs for the 2010-11 to 2023-24 school years. For 2001-02 to 2009-10, the student-to-teacher ratio is an FAO estimate based on Statistics Canada salaried education workers data.  
Source: Statistics Canada and FAO analysis of information provided by the Province.



# Education Service Levels: Child Care Spaces

- From 2010-11 to 2023-24, growth in the number of licensed child care centre spaces in Ontario has significantly outpaced growth in the child care-aged population.
- As a result, the number of licensed child care centre spaces as a share of the child care-aged population increased from 14.0 per cent in 2010-11 to 25.7 per cent in 2023-24.

**Licensed child care centre spaces as a share of the child care-aged population, 2010-11 to 2023-24**



Source: FAO calculations, Statistics Canada and FAO analysis of information provided by the Province.



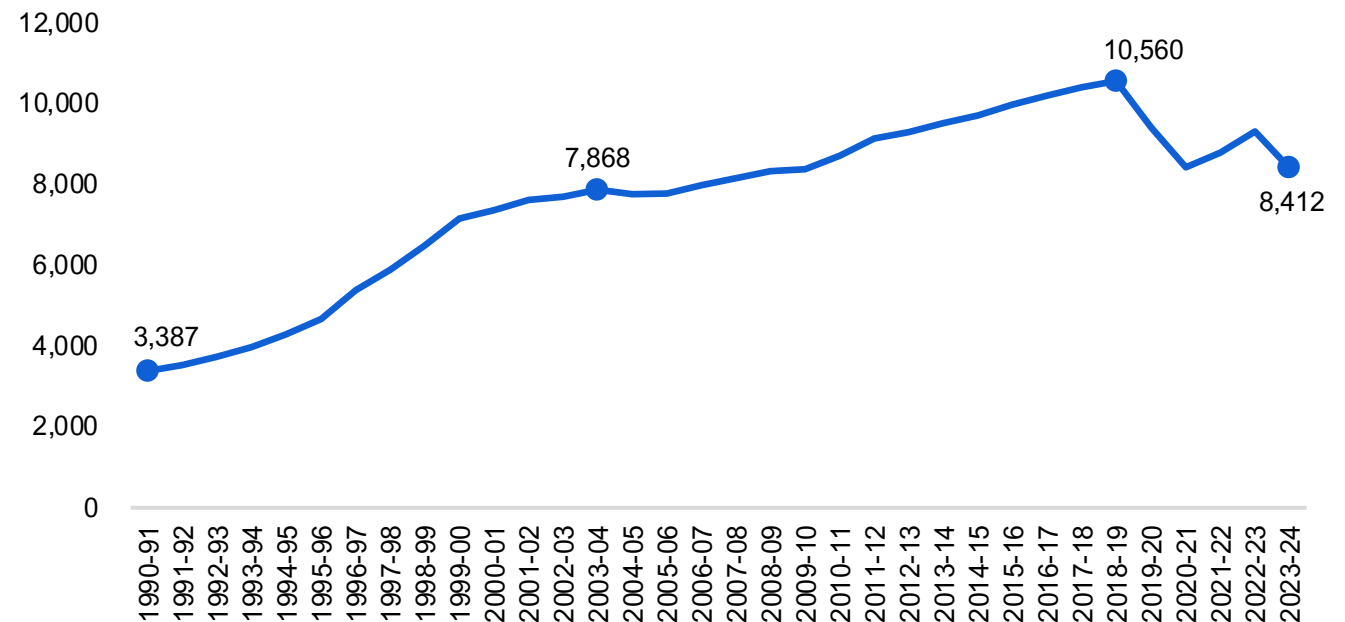


# Postsecondary Education Service Levels: Tuition Fees

- From 1990-91 to 2003-04, real average tuition fees for domestic students increased from \$3,387 to \$7,868 as institutions increased tuition fees to offset reductions in government operating grants.
- From 2003-04 to 2018-19, annual growth in real average tuition fees slowed but reached a peak of \$10,560 in 2018-19.
- Real average tuition fees then declined to \$8,412 in 2023-24 following government policy to reduce tuition fees for domestic students by 10 per cent in 2019 and then freeze tuition fees.

**Average tuition fees for domestic students in postsecondary education programs in Ontario, inflation-adjusted, 1990-91 to 2023-24**

2023-24 Constant Dollars



Note: Average tuition for both undergraduate and graduate students; weighted by enrolment.  
Source: FAO analysis of Statistics Canada information.

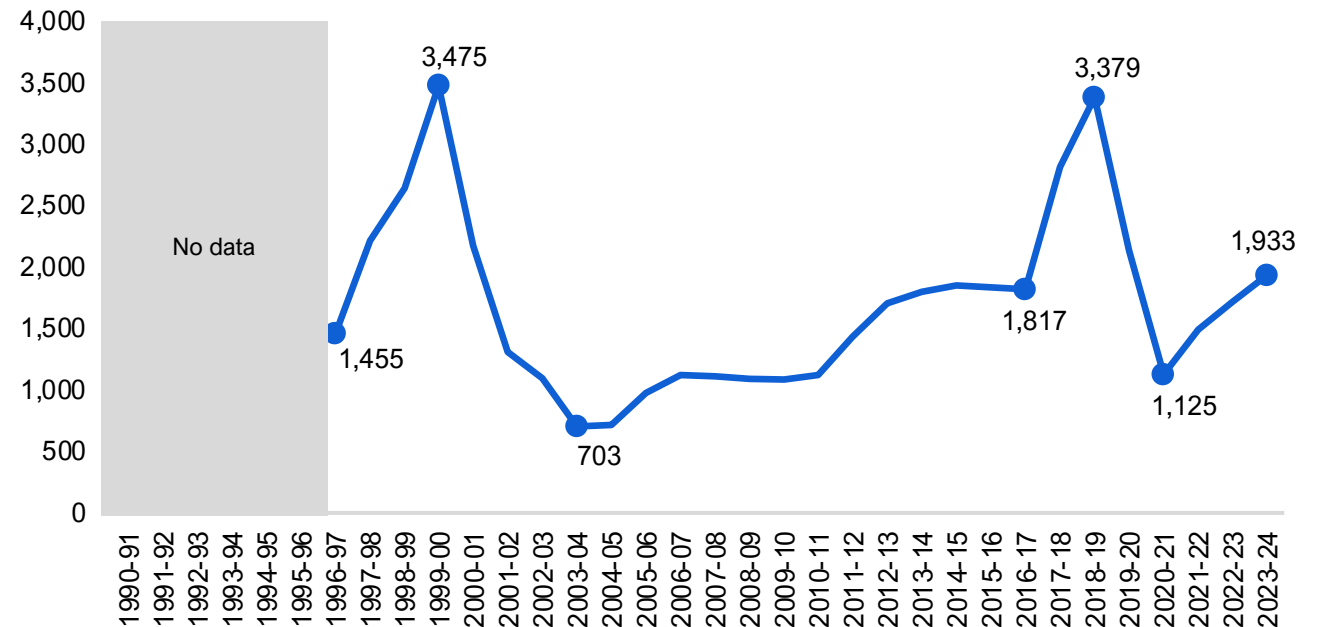


# Postsecondary Education Service Levels: Student Financial Assistance Payments

- Real payments per student peaked in 1999-00 then declined to a low in 2003-04 due to the expansion of the federal government's Canada Student Loans Program.
- Sharp increase in 2018-19 was driven in part by government policy to provide free tuition for eligible domestic students.
- Decline from 2018-19 to 2020-21 was due to the reversal of program enhancements, a 10 per cent reduction in tuition fees, and increased federal government support.
- Growth in spending since 2020-21 is largely due to the reduction of federal supports related to the COVID-19 pandemic.

**Student financial assistance payments per domestic student enrolled in postsecondary education, inflation-adjusted, 1996-97 to 2023-24**

2023-24 Constant Dollars



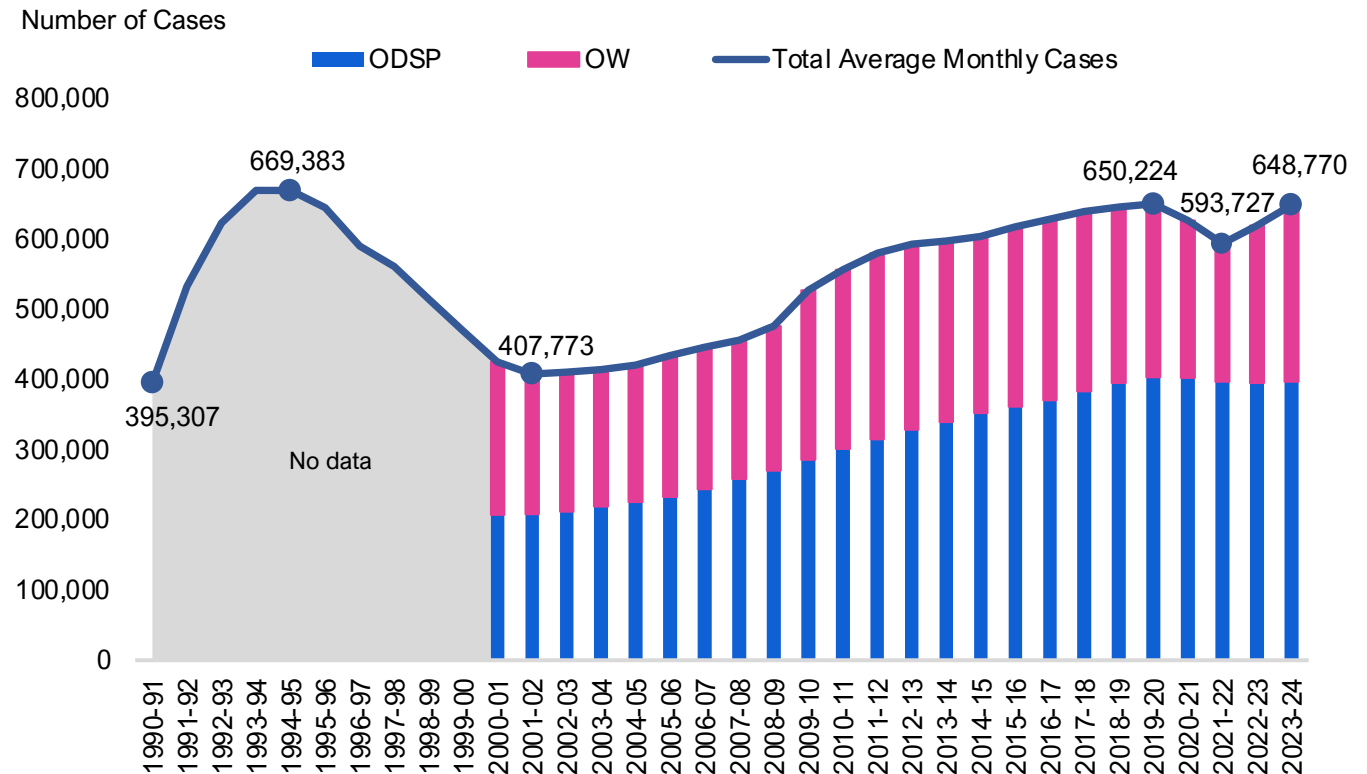
Note: Includes grants through the Ontario Student Assistance Program (OSAP), but excludes loans provided through OSAP.  
Source: Statistics Canada and FAO analysis of the Public Accounts of Ontario.



# Children, Community and Social Services Service Levels: Social Assistance Cases

- The average monthly number of social assistance cases peaked in 1994-95 following the early 1990s recession.
- Cases then declined through 2001-02 due to tightened eligibility criteria and strong job creation.
- Cases grew steadily from 2001-02 to 2019-20.
- Cases then declined from 2019-20 to 2021-22, largely because federal income supports made some recipients ineligible for social assistance during the COVID-19 pandemic.

**Average monthly number of social assistance cases, 1990-91 to 2023-24**



Note: ODSP cases include Assistance for Children with Severe Disabilities cases. OW cases include Temporary Care Assistance cases. Source: Government of Ontario, Data Catalogue: Social Assistance Caseloads and FAO analysis of information provided by the Ministry of Children, Community and Social Services.

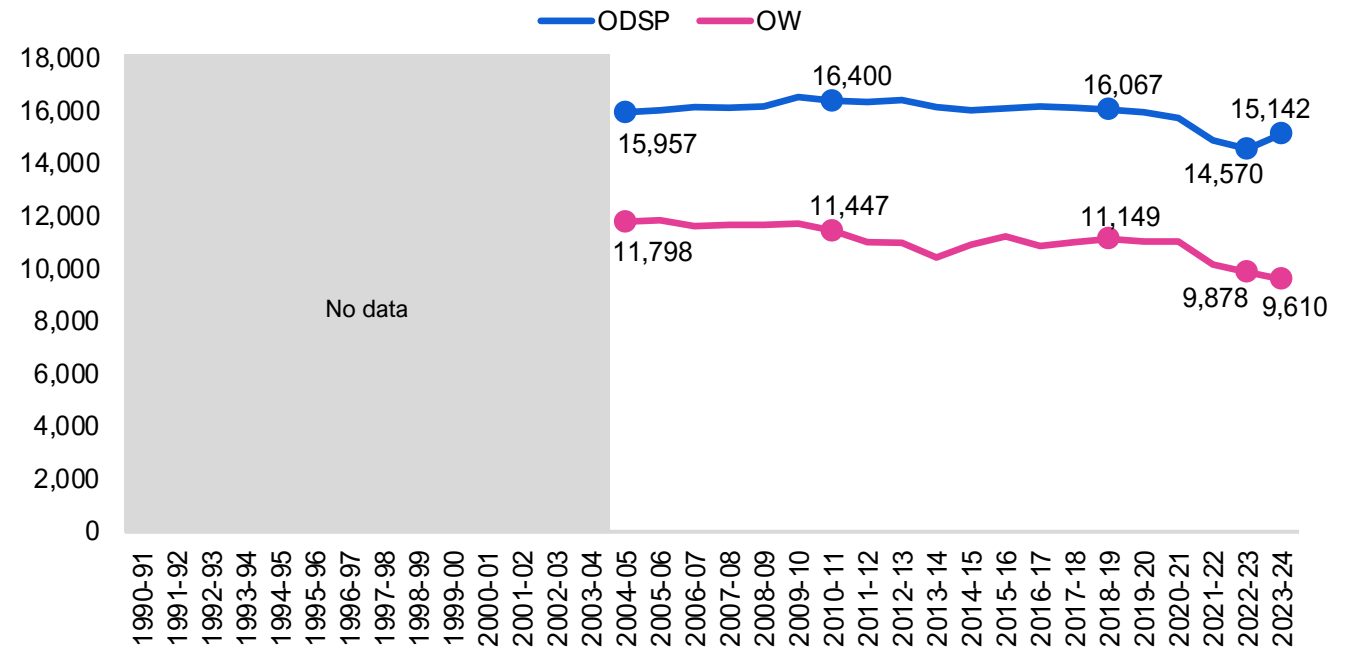


# Children, Community and Social Services Service Levels: ODSP and OW Allowances

- Real average annual ODSP and OW allowances have declined at average annual rates of -0.3% and -1.1%, respectively, from 2004-05 to 2023-24.
- From 2004-05 to 2018-19 real average annual allowances remained relatively stable.
- In 2018-19, the Province froze allowance rates which resulted in declines in real average annual allowances through 2022-23.
- Real average annual ODSP allowances increased by 3.9% in 2023-24 as the freeze on ODSP rates ended in September 2022. Real average annual OW allowances decreased by -2.7% in 2023-24 as OW allowances remained frozen.

**Average annual ODSP and OW allowances, inflation-adjusted, 2004-05 to 2023-24**

2023-24 Constant Dollars



Note: Inflation-adjusted average annual ODSP allowances include municipal expenditures between 2004-05 to 2010-11, when municipalities paid a portion of ODSP allowances, but exclude expenditures on Assistance for Children with Severe Disabilities cases. Similarly, inflation-adjusted average annual OW allowances include municipal expenditures between 2004-05 to 2017-18, when municipalities paid a portion of OW allowances, but exclude expenditures on Temporary Care Assistance cases.

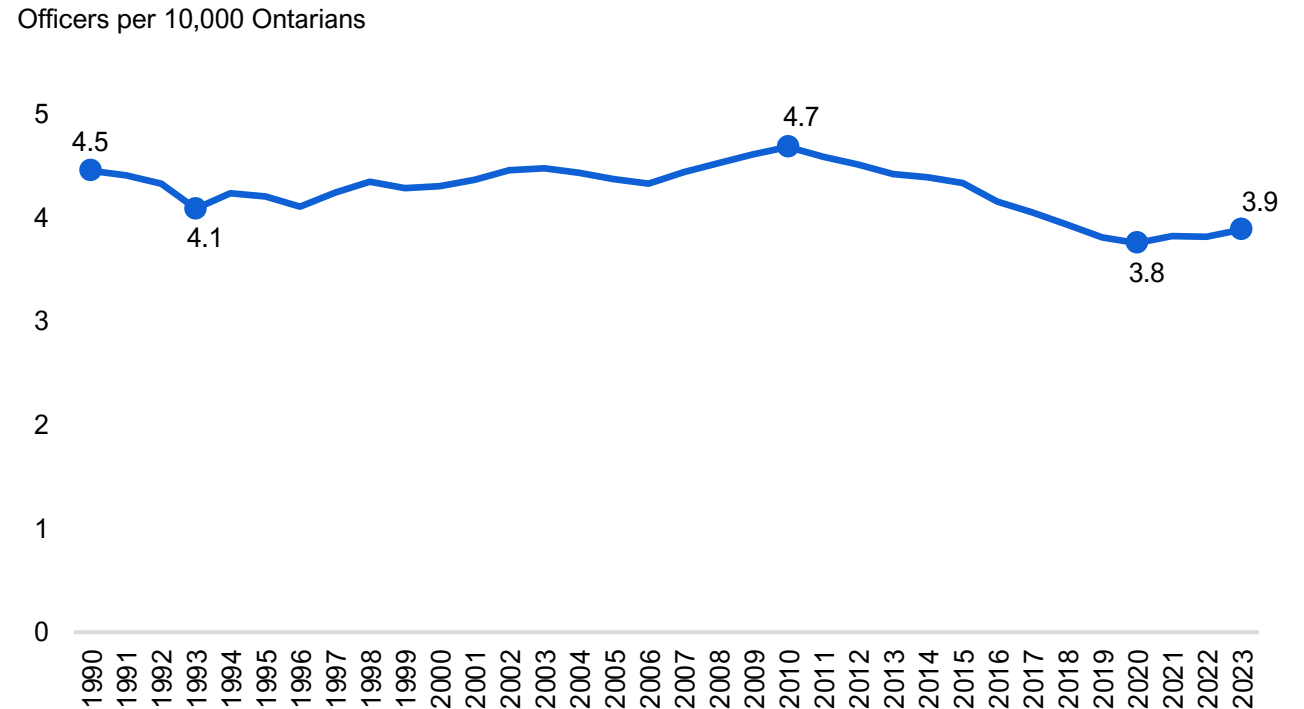
Source: Statistics Canada and FAO analysis of information provided by the Ministry of Children, Community and Social Services.



# Justice Service Levels: OPP Officers

- Over the 34-year period, the number of uniformed OPP officers per 10,000 Ontarians declined from 4.5 in 1990 to 3.9 in 2023.
- From 2010 to 2020, the number of uniformed OPP officers per 10,000 Ontarians declined from 4.7 to 3.8, before increasing to 3.9 in 2023.

**Number of uniformed OPP officers per 10,000 Ontarians, 1990 to 2023**



Source: Statistics Canada and FAO analysis of information provided by the Province.

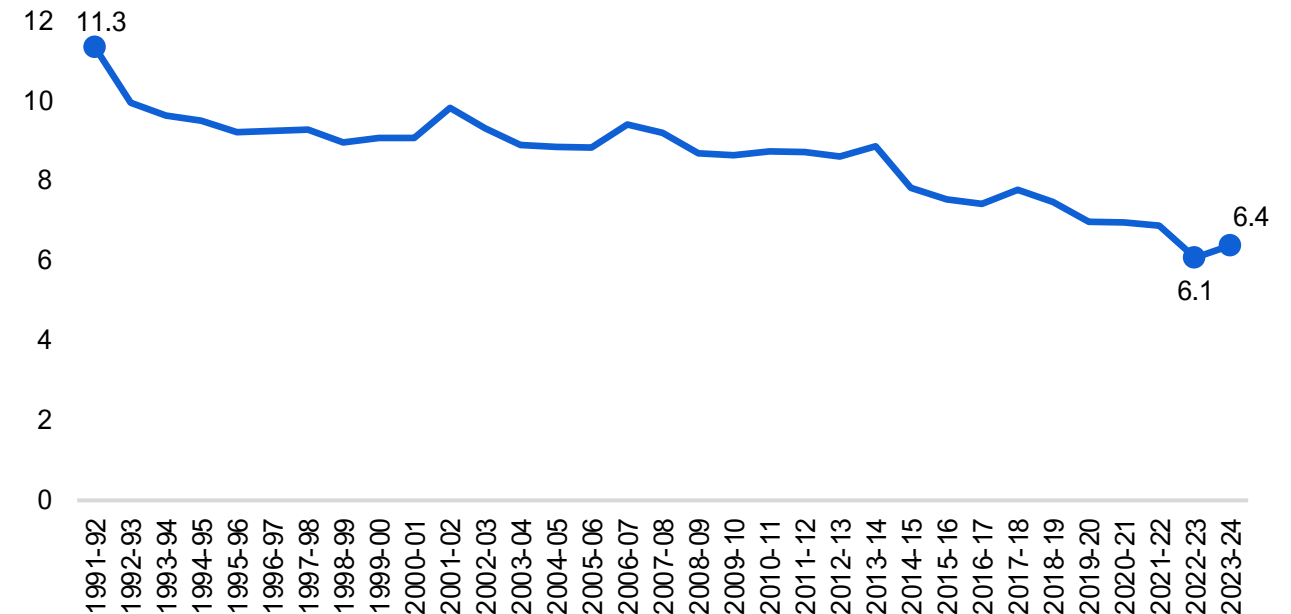


# Justice Service Levels: Beds in Correctional Facilities

- From 1991-92 to 2023-24, the number of beds in provincial adult correctional facilities decreased from 11.3 per 10,000 adult Ontarians in 1991-92 to a low of 6.1 in 2022-23, before increasing to 6.4 in 2023-24.
- This largely corresponds with the trend in the incarceration rate over the same period.

**Number of beds in provincial adult correctional facilities per 10,000 adult Ontarians, 1991-92 to 2023-24**

Beds per 10,000 Adult Ontarians



Source: Statistics Canada and FAO analysis of information provided by the Province.



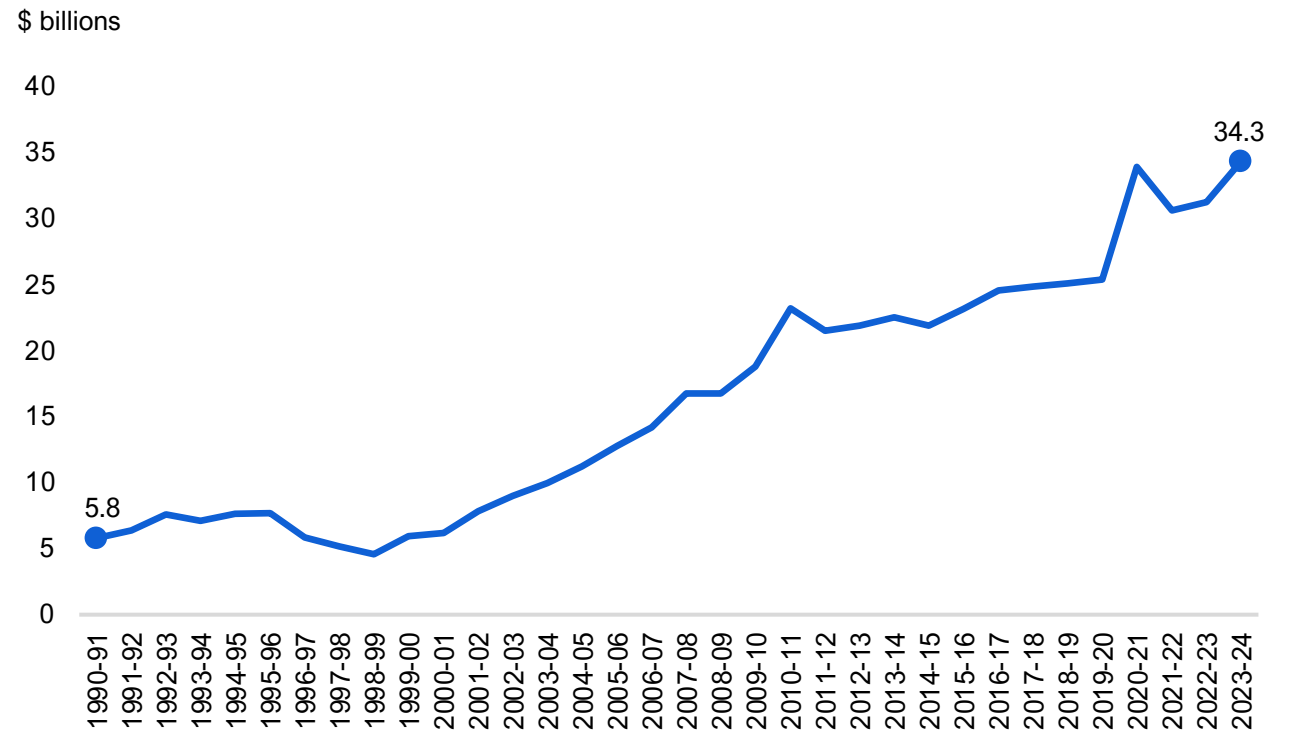
# Trends in Federal Transfers to Ontario



# Trends in Federal Transfers to Ontario

- Transfers from the Government of Canada are an important source of revenue that supports the Province in funding programs and services.
- The majority of federal transfers to Ontario were provided under programs to help finance provincially run health care, social assistance and postsecondary education programs.
- Transfers from the federal government grew at an annual average rate of 5.5% from \$5.8 billion in 1990-91 to \$34.3 billion in 2023-24.

**Total federal transfers to Ontario, 1990-91 to 2023-24**



Source: Public Accounts of Ontario and FAO analysis of information provided by the Province.



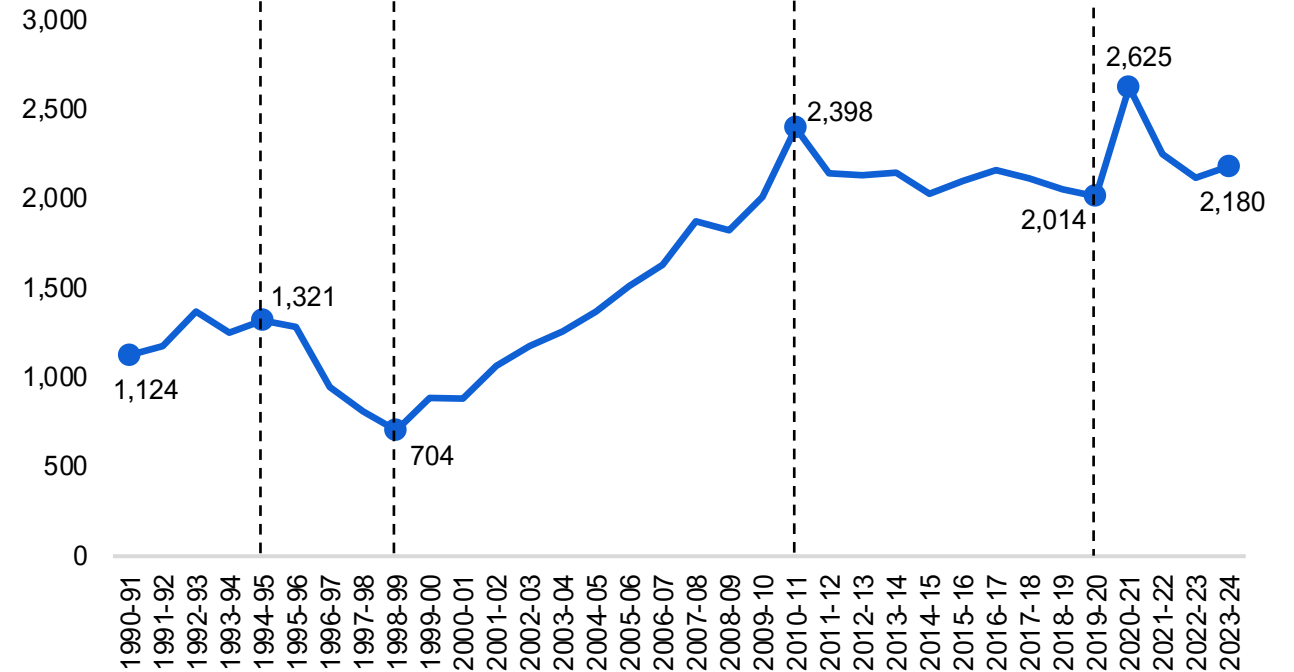


# Real Per Capita Federal Transfers

- In real per capita terms, federal transfers increased at an average annual rate of 2.0% from \$1,124 per person in 1990-91 to \$2,180 per person in 2023-24.
- The FAO identified three periods of growth in real per capita transfers: four years from 1990-91 to 1994-95, 12 years from 1998-99 to 2010-11 and four years from 2019-20 to 2023-24.
- The FAO also identified two periods of declines in real per capita federal transfers, four years from 1994-95 to 1998-99 and nine years from 2010-11 to 2019-20.

**Real per capita federal transfers to Ontario, 1990-91 to 2023-24**

2023-24 Constant Dollars



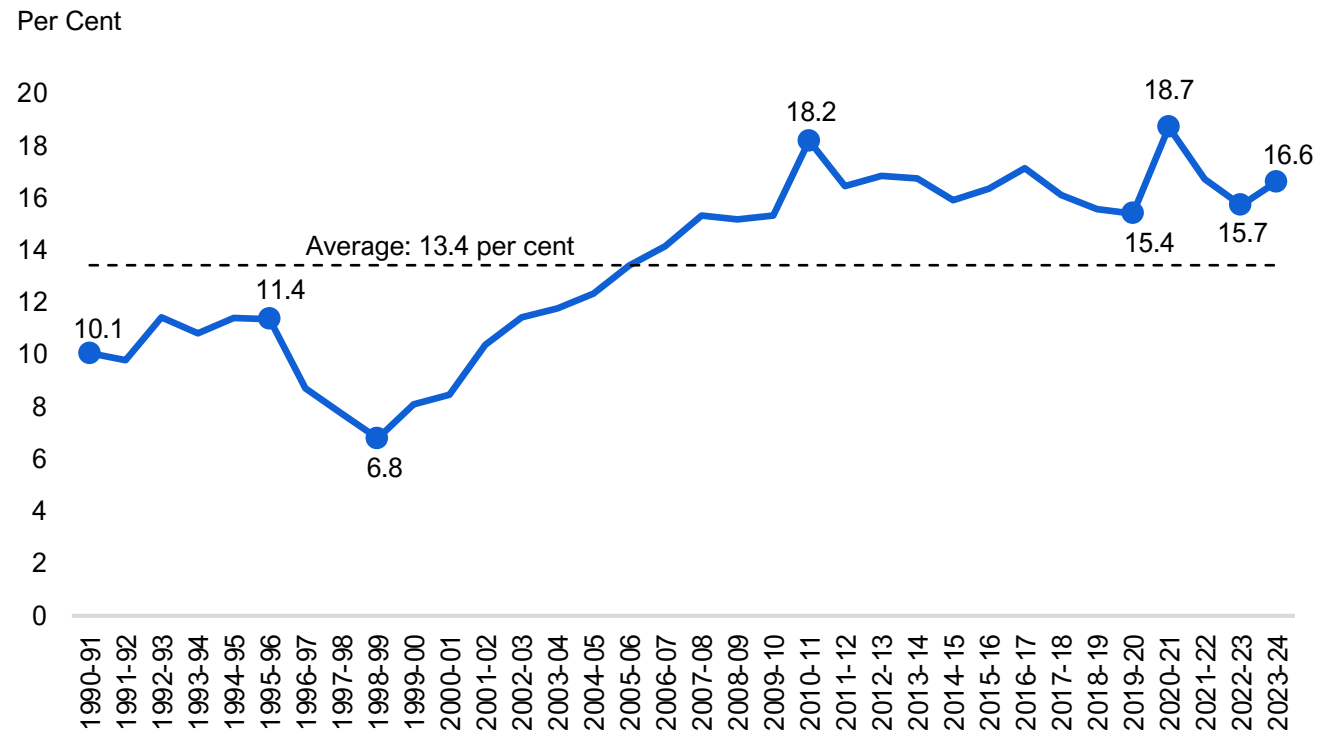
Source: FAO calculations, Statistics Canada, Public Accounts of Ontario and FAO analysis of information provided by the Province.



# Federal Transfers as a Share of Provincial Spending

- Federal transfers as a share of provincial spending averaged 13.4% from 1990-91 to 2023-24.
- In each year from 1990-91 to 2004-05, federal transfers as a share of provincial spending was less than the 13.4% average, with a low of 6.8% in 1998-99 during a period of federal fiscal restraint.
- In each year after 2004-05, federal transfers as a share of provincial spending was higher than the 13.4% average, with a high of 18.7% in 2020-21 due to federal government support in response to the COVID-19 pandemic.

**Total federal transfers as a share of total provincial spending, 1990-91 to 2023-24**



Source: FAO calculations, Public Accounts of Ontario and FAO analysis of information provided by the Province.



# Thank you!



# FAO

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