



Expenditure Monitor 2024-25: Q2



Highlights

- This report provides information on unaudited spending by the Government of Ontario (the Province) through the first two quarters of the 2024-25 fiscal year (from April 1, 2024 to September 30, 2024).

Changes to the 2024-25 Spending Plan

- In the 2024 Ontario Budget, the Province started the 2024-25 fiscal year with a spending plan of \$214.5 billion. The Province may change its spending plan throughout the year, either by requesting additional spending authority from the Legislature or by reallocating spending among different programs through Treasury Board Orders.
- As of the end of the second quarter, the Province's spending plan was down a net \$85 million to \$214.4 billion.¹
- By sector, there were spending plan increases in **justice** (\$307 million), **'other programs'** (\$282 million), **children, community and social services** (\$51 million), **health** (\$17 million), **education** (\$16 million) and **postsecondary education** (\$3 million). This was more than offset by a \$760 million transfer from the **Contingency Fund**.

Unaudited Spending versus Planned Spending

- This report compares unaudited spending against the Province's spending plan by quarter to provide information on sectors and programs that may be experiencing spending pressures or budget savings, and to track the status of the Province's full-year spending plan.
- Over the first half of 2024-25, the FAO estimates that the Province spent \$98.3 billion compared to planned spending of \$97.8 billion. Overall, unaudited spending was \$0.5 billion (0.5 per cent) more than planned.
- By sector, higher-than-planned spending was led by **health** (\$2,628 million, 6.7 per cent) and **children, community and social services** (\$278 million, 2.9 per cent). This was partially offset by lower-than-planned spending in **'other programs'** (-\$1,742 million, -11.5 per cent), **interest on debt** (-\$356 million, -5.2 per cent), **postsecondary education** (-\$211 million, -3.5 per cent), **education** (-\$123 million, -0.7 per cent) and **justice** (-\$20 million, -0.7 per cent).
- For information on spending by all of the Province's programs and ministries, visit the FAO's website at: <https://fao-on.org/EM-2024-25-Q2-Spending>.

2024-25 Spending versus 2023-24 Spending

- This report also compares 2024-25 unaudited spending against 2023-24 spending to provide context for provincial spending trends and to identify significant year-over-year spending changes.
- The FAO estimates that spending in the first half of 2024-25 was \$7.1 billion (7.7 per cent) higher than in the first half of 2023-24.

¹ In the 2024 Ontario Economic Outlook and Fiscal Review, the Province reported a net spending plan increase of \$3.8 billion. The FAO expects that the \$3.8 billion spending plan increase will be reflected in the government's financial accounts in the third quarter of 2024-25.



- The largest year-over-year spending increase was in **health** (\$3,092 million, 7.9 per cent), followed by **'other programs'** (\$1,476 million, 12.3 per cent), **education** (\$1,155 million, 7.0 per cent), **interest on debt** (\$893 million, 16.0 per cent), **children, community and social services** (\$703 million, 7.5 per cent) and **justice** (\$157 million, 6.1 per cent). **Postsecondary education** was the only sector that experienced a year-over-year decline (-\$425 million, -6.9 per cent).

Status of the Contingency Fund

- The Contingency Fund is used to address spending pressures or fund program changes during the fiscal year. The funds within the Contingency Fund cannot be spent directly by the Province but must be transferred to government programs through Treasury Board Orders.
- The Province started the 2024-25 fiscal year with a total of \$1.5 billion in the Contingency Fund. In the first and second quarters, the Province transferred \$96 million and \$665 million, respectively, from the Contingency Fund to various programs. This results in a remaining balance in the Contingency Fund, as of September 30, 2024, of \$0.7 billion.²

² In the 2024 Ontario Economic Outlook and Fiscal Review, the Province added \$0.9 billion to the Contingency Fund. The FAO expects that this top-up will be reflected in the government's financial accounts in the third quarter of 2024-25.



Introduction

This report provides information on the Government of Ontario's (the Province's) spending through the first two quarters of the 2024-25 fiscal year, from April 1, 2024 to September 30, 2024. The report:

- identifies changes made to the Province's 2024-25 spending plan;
- reviews unaudited spending in 2024-25 against both the Province's spending plan and spending during the same period in 2023-24; and
- tracks transfers from the Province's Contingency Fund.

New for 2024-25, this report reviews spending on a fully consolidated basis, consistent with the 2024 Ontario Budget and the Public Accounts of Ontario.³ The information in this report is based on the FAO's analysis of transactions recorded in the Province's Integrated Financial Information System (IFIS) as of September 30, 2024, and the FAO's estimate of additional spending by the broader public sector organizations controlled by the Province (hospitals, school boards, colleges and Children's Aid Societies), the Province's agencies and legislative offices. All figures are unaudited, as final audited figures are not available until the release of the Public Accounts of Ontario up to six months after the end of the fiscal year.

2024-25 Spending Plan

As presented in the 2024 Ontario Budget, the Province began the fiscal year with a spending plan of \$214.5 billion. This spending plan represents the legal spending authority for ministries as granted by the Legislature through the process of supply,⁴ and an estimate of additional spending by the broader public sector organizations controlled by the Province (hospitals, school boards, colleges and Children's Aid Societies), the Province's agencies and legislative offices.

Changes to the 2024-25 Spending Plan

The Province may change its spending plan throughout the year, either by requesting additional spending authority from the Legislature through Supplementary Estimates or by reallocating spending among different programs through Treasury Board Orders. As of the end of the second quarter, September 30, 2024, the Province's spending plan was down \$85 million.

By sector, the largest spending plan increase at the end of the second quarter was in justice (\$307 million), followed by 'other programs' (\$282 million), children, community and social services (\$51 million), health (\$17 million), education (\$16 million) and postsecondary education (\$3 million). This was more than offset by a \$760 million transfer from the Contingency Fund.

In contrast, in the government's 2024 Ontario Economic Outlook and Fiscal Review (released on October 30, 2024), the Province reported a net spending plan increase of \$3.8 billion. The FAO expects that the \$3.8 billion spending plan increase will be reflected in the government's financial accounts in the third quarter of 2024-25.

³ Previously, Expenditure Monitor reports reviewed spending by the Province's ministries and excluded additional spending by the broader public sector organizations controlled by the Province (hospitals, school boards, colleges and Children's Aid Societies), the Province's agencies and the legislative offices.

⁴ Temporary spending authority is first granted by the Legislature through the *Interim Appropriation Act*, with final spending authority then granted through the *Supply Act*. Permanent spending authority is also granted through other legislation for a limited number of programs.

Table 1
2024-25 spending plan changes by sector, as of September 30, 2024, \$ millions

Sector	2024-25 Spending Plan	Q1 Changes	Q2 Changes	Total Changes	Revised 2024-25 Spending Plan
Health	84,961	-	17	17	84,978
Education	39,306	-	16	16	39,321
Postsecondary Education	12,189	-	3	3	12,192
Children, Community and Social Services	19,926	-	51	51	19,976
Justice	5,878	-	307	307	6,186
Other Programs	36,818	53	229	282	37,100
Unallocated Funds:					
Contingency Fund	1,505	-96	-665	-760	745
Interest on Debt	13,913	-	-	-	13,913
Total	214,496	-42	-43	-85	214,411

Source: FAO analysis of information provided by Treasury Board Secretariat.

First and Second Quarter Analysis

This section highlights key spending plan changes in the first half of 2024-25 by sector. For information on all of the Province's programs and ministries, visit the FAO's website at: <https://fao-on.org/EM-2024-25-Q2-Spending>.

Justice: \$307 million increase for salaries and wages across various vote-items related to the repeal of Bill 124, the *Protecting a Sustainable Public Sector for Future Generations Act, 2019*.

Other Programs: \$282 million increase. Notable changes include:

- \$203 million increase for salaries and wages across various vote-items related to the repeal of Bill 124, the *Protecting a Sustainable Public Sector for Future Generations Act, 2019*.
- \$87 million increase for the Ministry of Finance, Office of Government Business Enterprise and Strategic Initiatives (Vote-Item 1202-7) for payments to The Beer Store as part of the decision to accelerate the expansion of alcohol sales.

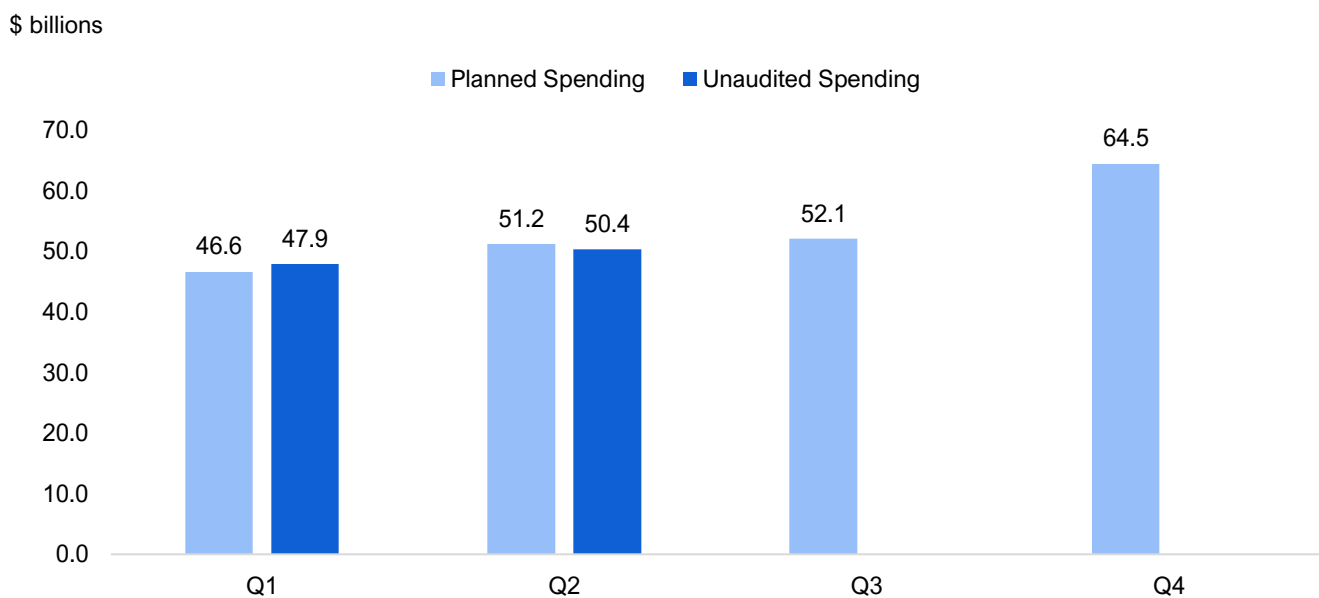
Unaudited Spending

Unaudited Spending versus Planned Spending

This report compares unaudited spending against the Province’s spending plan by quarter⁵ to provide information on sectors and programs that may be experiencing spending pressures or budget savings, and to track the status of the Province’s full-year spending plan.

Over the first half of 2024-25, the FAO estimates that the Province spent \$98.3 billion compared to planned spending of \$97.8 billion. Overall, unaudited spending was \$0.5 billion (0.5 per cent) more than planned.

Figure 1
2024-25 unaudited spending versus planned spending, by quarter, \$ billions



Source: FAO analysis of information provided by Treasury Board Secretariat.

By sector, higher-than-planned spending was led by health (\$2,628 million, 6.7 per cent) and children, community and social services (\$278 million, 2.9 per cent). This was partially offset by lower-than-planned spending in ‘other programs’ (-\$1,742 million, -11.5 per cent), interest on debt (-\$356 million, -5.2 per cent), postsecondary education (-\$211 million, -3.5 per cent), education (-\$123 million, -0.7 per cent) and justice (-\$20 million, -0.7 per cent).

⁵ To manage and monitor its program spending during the fiscal year, the Province divides its spending plan into planned spending by quarter, which reflects historical spending patterns, seasonality and other factors. For 2024-25, the Province plans to spend \$46.6 billion in the first quarter, \$51.2 billion in the second quarter, \$52.1 billion in the third quarter and \$64.5 billion in the fourth quarter.

Table 2

2024-25 unaudited spending versus planned spending by sector, as of September 30, 2024, \$ millions

Sector	Revised 2024-25 Spending Plan	Planned Spending at end of Q2	Unaudited Spending at end of Q2	Unaudited vs. Planned at end of Q2	Unaudited vs. Planned (%)
Health	84,978	39,520	42,148	2,628	6.7
Education	39,321	17,832	17,710	-123	-0.7
Postsecondary Education	12,192	5,977	5,767	-211	-3.5
Children, Community and Social Services	19,976	9,755	10,034	278	2.9
Justice	6,186	2,738	2,718	-20	-0.7
Other Programs	37,100	15,182	13,440	-1,742	-11.5
Unallocated Funds:					
Contingency Fund	745	-	-	-	-
Interest on Debt	13,913	6,841	6,486	-356	-5.2
Total	214,411	97,846	98,302	456	0.5

Source: FAO analysis of information provided by Treasury Board Secretariat.

The rest of this section highlights key program spending that was above and below plan in the first half of 2024-25. For information on spending by all of the Province's programs and ministries, visit the FAO's website at: <https://fao-on.org/EM-2024-25-Q2-Spending>.

Health sector spending: \$2,628 million (6.7 per cent) more than planned. Highlights include:

- \$1,278 million more than planned in Health Services (Vote-Item 1416-1), which funds the operation of hospitals, home care, community services and other services.
- \$1,059 million more than planned in Ontario Health Insurance (Vote-Item 1405-1), which administers payments to physicians and practitioners.
- \$387 million more than planned in Drug Programs (Vote-Item 1405-2), which funds a number of provincial drug programs, the largest of which is the Ontario Drug Benefit Program.
- \$111 million more than planned in Long-Term Care Homes Program (Operating) (Vote-Item 4502-1), which funds the operation and development of long-term care homes.
- \$172 million less than planned in Health Capital Program (Vote-Item 1407-1), which provides capital funding to hospitals and other health care facilities.

Education sector spending: \$123 million (-0.7 per cent) less than planned. Highlights include:

- \$120 million less than planned in Elementary and Secondary Education Program -- Policy and Program Delivery (Vote-Item 1002-1), which mainly funds school boards.

Postsecondary education sector spending: \$211 million (-3.5 per cent) less than planned. Highlights include:

- \$229 million less than planned in Colleges, Universities and Student Support (Vote-Item 3002-1), which provides operating grants for colleges and universities, and student financial assistance programs.

Children, community and social services sector spending: \$278 million (2.9 per cent) more than planned.

Highlights include:

- \$279 million more than planned in Financial and Employment Supports (Vote-Item 702-3), which includes the Ontario Disability Support Program, Ontario Works and the Ontario Drug Benefit Plan.

Other programs sector spending: \$1,742 million (-11.5 per cent) less than planned. Highlights include:

- \$155 million more than planned in Ministry of Transportation, Transit (Operating) (Vote-Item 2702-2), which provides operating funding for Metrolinx and public transit funding to municipalities.
- \$97 million more than planned in Ministry of Energy and Electrification, Electricity Price Mitigation (Vote-Item 2905-1), which includes electricity subsidy programs such as the Ontario Electricity Rebate and Comprehensive Electricity Plan.
- \$151 million less than planned in Treasury Board Secretariat, Supply Chain Transformation Office (Vote-Item 3416-1).
- \$162 million less than planned in Ministry of Infrastructure, Government Infrastructure Projects (Capital) (Vote-Item 4007-2), which mainly provides capital funding for East Harbour Transit-Oriented Communities.
- \$163 million less than planned in Ministry of Tourism, Culture and Sport, Ontario Cultural Media Tax Credits (Vote-Item 3808-1), which provides subsidies to Ontario-based companies in film, television, interactive digital media or publishing industries.
- \$479 million less than planned in Ministry of Economic Development, Job Creation and Trade, Economic Development and Innovation (Vote-Item 902-13), which funds a number of business support programs.
- \$923 million less than planned in Ministry of Transportation, Transit (Capital) (Vote-Item 2702-3), which mainly provides capital funding for Metrolinx and municipal transit infrastructure projects.
- \$958 million less than planned in Ministry of Infrastructure, Infrastructure Programs – Capital (Vote-Item 4003-2), which funds infrastructure programs, such as Broadband and Cellular Infrastructure and various Federal-Provincial programs.
- A net \$841 million more than planned in the remaining vote-items and consolidation adjustments in the 'other programs' sector.

Interest on Debt spending: \$356 million (-5.2 per cent) less than planned.

2024-25 Spending versus 2023-24 Spending

This report also compares 2024-25 unaudited spending against 2023-24 spending to provide context for provincial spending trends and to identify significant year-over-year spending changes.

In the first half of 2024-25, the FAO estimates that the Province spent \$98.3 billion. This was \$7.1 billion (7.7 per cent) more than was spent in the first half of 2023-24. The largest year-over-year spending increase was in health (\$3,092 million, 7.9 per cent), followed by 'other programs' (\$1,476 million, 12.3 per cent), education (\$1,155 million, 7.0 per cent), interest on debt (\$893 million, 16.0 per cent), children, community and social services (\$703 million, 7.5 per cent) and justice (\$157 million, 6.1 per cent). The postsecondary education sector experienced a year-over-year decline (-\$425 million, -6.9 per cent).

Table 3

Unaudited spending through the end of the second quarter by sector, 2024-25 vs. 2023-24, \$ millions

Sector	2023-24 Spending at end of Q2	2024-25 Spending at end of Q2	2024-25 vs. 2023-24	2024-25 vs. 2023-24 (%)
Health	39,056	42,148	3,092	7.9
Education	16,555	17,710	1,155	7.0
Postsecondary Education	6,192	5,767	-425	-6.9
Children, Community and Social Services	9,330	10,034	703	7.5
Justice	2,561	2,718	157	6.1
Other Programs	11,964	13,440	1,476	12.3
Interest on Debt	5,593	6,486	893	16.0
Total	91,251	98,302	7,051	7.7

Source: FAO analysis of information provided by Treasury Board Secretariat.

- The **health sector** spent \$3,092 million (7.9 per cent) more in the first half of 2024-25 compared to the same period in 2023-24, largely due to higher spending for:
 - Operation of Hospitals (\$1,457 million);
 - payments to physicians and practitioners (\$910 million);
 - Home Care (\$257 million);
 - the operation of long-term care homes (\$155 million); and
 - Drug Programs (Vote-Item 1405-2) (\$143 million).



- The **education sector** spent \$1,155 million (7.0 per cent) more in the first half of 2024-25 compared to the same period in 2023-24, largely due to higher spending for:
 - operating grants to school boards (\$986 million);⁶ and
 - the Child Care and Early Years program (\$103 million).
- The **postsecondary education sector** spent \$425 million (-6.9 per cent) less in the first half of 2024-25 compared to the same period in 2023-24, largely due to lower operating spending by colleges (-\$752 million).
- The **children, community and social services sector** spent \$703 million (7.5 per cent) more in the first half of 2024-25 compared to the same period in 2023-24, largely due to higher spending for:
 - Ontario Works – Financial Assistance (\$308 million);
 - Ontario Disability Support Program – Financial Assistance (\$193 million); and
 - Developmental Services – Supportive Living (\$91 million).
- The **justice sector** spent \$157 million (6.1 per cent) more in the first half of 2024-25 compared to the same period in 2023-24, due to higher spending on a variety of programs.
- The **'other programs sector'** spent \$1,476 million (12.3 per cent) more in the first half of 2024-25 compared to the same period in 2023-24, largely due to higher spending for:
 - Ministry of Energy and Electrification, the Ontario Electricity Rebate (\$523 million);
 - Ministry of Transportation, Metrolinx operating subsidies (\$185 million);
 - Ministry of Municipal Affairs and Housing, Building Faster Fund (Capital) (\$143 million); and
 - Ministry of Transportation, Metrolinx infrastructure projects (\$118 million);offset by lower spending on:
 - Ministry of Municipal Affairs and Housing, Homelessness Programs (Operating) (-\$144 million).
- **Interest on debt** spending was \$893 million (16.0 per cent) more in the first half of 2024-25 compared to the same period in 2023-24.

⁶ Operating grants to school boards includes the School Board Operating Grants, School Board Debt Service Costs, Education Property Tax Non-Cash Expense and Responsive Education programs.

Status of the Contingency Fund

The Contingency Fund is used to address spending pressures or fund program changes during the fiscal year. The funds within the Contingency Fund cannot be spent directly by the Province but must be transferred to government programs through Treasury Board Orders.

The Province started the 2024-25 fiscal year with a total of \$1.5 billion in the Contingency Fund. In the first quarter, the Province transferred \$96 million from the Contingency Fund to various programs. In the second quarter, the Province transferred \$665 million from the Contingency Fund to various programs. This results in a remaining balance in the Contingency Fund, as of September 30, 2024, of \$0.7 billion.

In the 2024 Ontario Economic Outlook and Fiscal Review, the Province added \$0.9 billion to the Contingency Fund. The FAO expects that this top-up will be reflected in the government's financial accounts in the third quarter of 2024-25.

Table 4
2024-25 transfers from the Contingency Fund, as of September 30, 2024, \$ millions

Ministry/Program	\$ millions
Opening Contingency Fund Balance as of April 1, 2024	1,505
First Quarter Transfers to Ministries	
Ministry of Northern Development	
Northern Development (Operating Asset)	9
Ministry of Finance	
Government Business Enterprise – Other Transactions	87
Less: Total First Quarter Transfer to Ministries	-96
Second Quarter Transfers to Ministries	
Ministry of Agriculture, Food and Agribusiness	
Agricultural Drainage Infrastructure Program	14
Salaries and Wages – Various Programs	7
Ministry of the Attorney General	
Salaries and Wages – Various Programs	83
Cabinet Office	
Salaries and Wages – Main Office	4
Ministry of Children, Community and Social Services	
Salaries and Wages – Various Programs	43
Capital Grants	8



Ministry of Citizenship and Multiculturalism

Ontario Heritage Trust	1
Salaries and Wages – Various Programs	1

Ministry of Colleges and Universities

Salaries and Wages – Various Programs	3
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Ministry of Economic Development, Job Creation and Trade

Salaries and Wages – Various Programs	5
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Ministry of Education

Salaries and Wages – Various Programs	16
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Ministry of Energy and Electrification

Salaries and Wages – Various Programs	2
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Ministry of Environment, Conservation and Parks

Salaries and Wages – Various Programs	31
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Ministry of Finance

Salaries and Wages – Various Programs	9
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Ministry of Francophone Affairs

Salaries and Wages – Francophone Affairs Co-ordination	<1
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Ministry of Health

Salaries and Wages – Various Programs	30
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Ministry of Indigenous Affairs

Salaries and Wages – Various Programs	1
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Ministry of Infrastructure

Salaries and Wages – Various Programs	6
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Ministry of Labour, Immigration, Training and Skills Development

Salaries and Wages – Various Programs	20
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Ministry of Long-Term Care

Salaries and Wages – Various Programs	9
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Ministry of Mines

Salaries and Wages – Various Programs	2
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Ministry of Municipal Affairs and Housing

Salaries and Wages – Various Programs	4
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Ministry of Natural Resources and Forestry	
Salaries and Wages – Various Programs	26
Forestry Initiatives	10
Ministry of Northern Development	
Northern Development (Operating Asset)	15
Salaries and Wages – Various Programs	1
Office of the Lieutenant Governor	
Salaries and Wages – Office of the Lieutenant Governor	<1
Ministry of Public and Business Service Delivery	
Salaries and Wages – Various Programs	32
Ministry for Seniors and Accessibility	
Salaries and Wages – Various Programs	1
Ministry of the Solicitor General	
Salaries and Wages – Various Programs	224
Ministry of Tourism, Culture and Sport	
Agencies and Attractions Sector Support	4
Salaries and Wages – Various Programs	2
St. Lawrence Parks Commission	1
Ontario Tourism Marketing Partnership Corporation	1
Ontario Media Development Corporation	1
Ministry of Transportation	
Salaries and Wages – Various Programs	18
Transportation Infrastructure Management (Capital Asset)	7
Transportation Safety (Capital Asset)	<1
Treasury Board Secretariat	
Salaries and Wages – Various Programs	22
Less: Total Second Quarter Transfer to Ministries	-665
Contingency Fund Balance as of September 30, 2024	745

Source: FAO analysis of information provided by Treasury Board Secretariat.

About this Document

Established by the *Financial Accountability Officer Act, 2013*, the Financial Accountability Office of Ontario (FAO) provides independent analysis on the state of the Province's finances, trends in the provincial economy and related matters important to the Legislative Assembly of Ontario.

This report has been prepared with the benefit of publicly available information and information provided by Treasury Board Secretariat.

All dollar amounts are in Canadian, current dollars (i.e., not adjusted for inflation) unless otherwise noted.

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