

Expenditure Monitor 2024-25: Q2

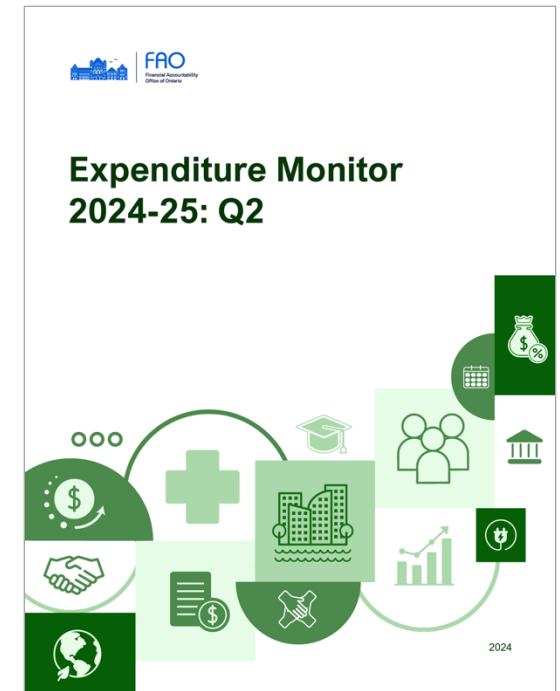
Briefing Deck



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Purpose and Overview

- 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).
- 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.
- The information in this report is based on the FAO's analysis of transactions recorded in the Province's financial accounting system 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.



2024-25 Spending Plan Changes



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2024-25 Spending Plan Down \$0.1 Billion

Sector (\$ millions)	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

Note: 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.

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



Key Spending Plan Changes in Q1 & Q2

- 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:
 - **\$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 payments to The Beer Store related to the expansion of alcohol sales.



Unaudited Spending vs. Planned Spending



Unaudited Spending was \$0.5 Billion More than Planned

Sector (\$ millions)	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.



Key Programs with Higher / Less than Planned Spending

- Key programs with higher than planned spending include:
 - Health Services (hospitals, home care, community services) (**\$1,278 million**)
 - Payments to physicians and practitioners (**\$1,059 million**)
 - Ministry of Health Drug Programs (**\$387 million**)
 - Ministry of Children, Community and Social Services Financial and Employment Supports programs (**\$279 million**)

- Key programs with less than planned spending include:
 - Ministry of Infrastructure capital programs (**-\$958 million**)
 - Metrolinx and municipal transit infrastructure projects (**-\$923 million**)
 - Ministry of Economic Development, Job Creation and Trade business support programs (**-\$479 million**)
 - Interest on Debt (**-\$356 million**)
 - Colleges, Universities and Student Support (**-\$229 million**)



2024-25 Spending vs. 2023-24 Spending



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2024-25 Spending Up \$7.1 Billion versus 2023-24

Sector (\$ millions)	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.



Key Programs with Year-Over-Year Spending Increases

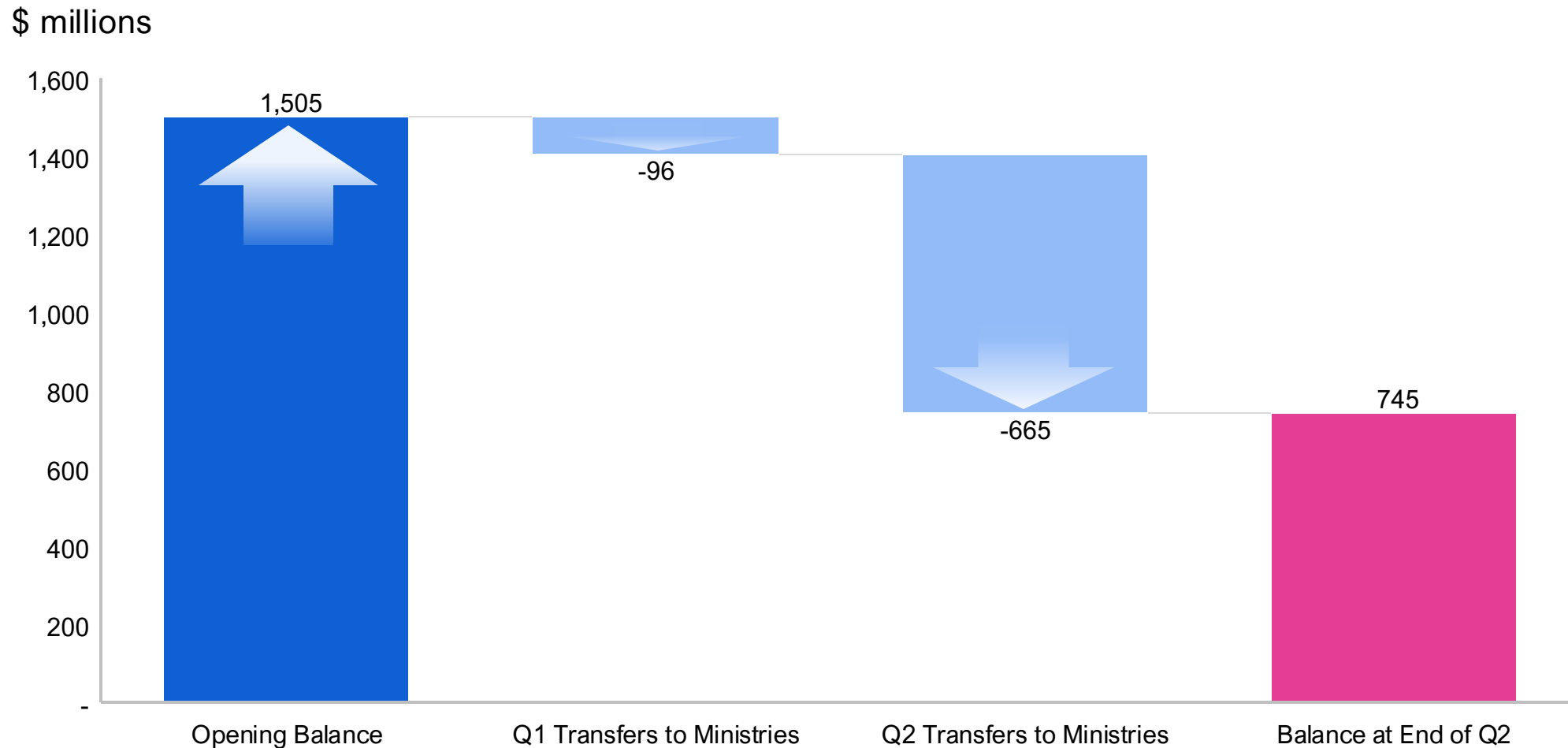
- Operation of Hospitals (\$1,457 million)
- Operating grants to school boards (\$986 million)
- Payments to physicians and practitioners (\$910 million)
- Interest on debt (\$893 million)
- Ontario Electricity Rebate (\$523 million)
- Ontario Works – Financial Assistance (\$308 million)
- Home Care (\$257 million)
- Ontario Disability Support Program – Financial Assistance (\$193 million)
- Metrolinx Operating Subsidies (\$185 million)



Status of the Contingency Fund



Contingency Fund Balance was \$0.7 Billion as of the End of Q2



Note: In the 2024 Ontario Economic Outlook and Fiscal Review, the Province added \$0.9 billion to the Contingency Fund. However, this top-up occurred after the end of the second quarter, September 30, 2024. It is expected to be reflected in the government's financial accounts in the third quarter of 2024-25.
Source: FAO analysis of information provided by Treasury Board Secretariat.



Thank you!



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