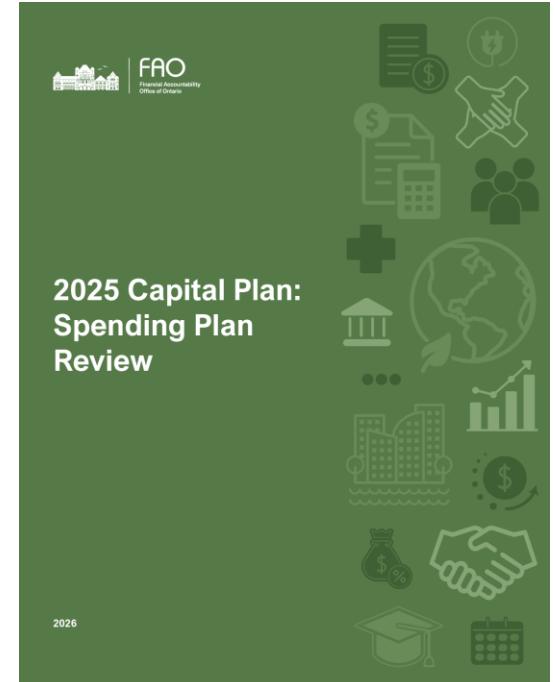


2025 Capital Plan: Spending Plan Review

Presentation

Purpose and Overview

- This report reviews the Province's 2025 capital plan in the 2025 Ontario Budget, including:
 - A review of the 2025 capital plan by type of spending, funding source, function and sector.
 - A discussion of capital plan trends, including a breakdown of the 2025 capital plan by time period, a comparison of the 2025 capital plan to capital plans in recent Ontario Budgets, and a comparison to actual infrastructure spending over the previous 10 years.
 - The appendix of the report provides additional details on the 2025 capital plan by sector: health, transit, provincial highways and other transportation, education, postsecondary education, justice, social and 'other'.



2025 Capital Plan



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What is the Capital Plan?

- The 2025 capital plan is a 10-year projection of funding for infrastructure that is owned and consolidated by the Province, as well as for non-consolidated entities (such as municipalities and long-term care homes).
- It represents the outcome of an annual planning and budgeting process between ministries and Treasury Board Secretariat, in which ministries first identify their infrastructure funding needs and then obtain spending approval from Treasury Board Secretariat.
- The capital plan contains discrete costs for specific projects but also more general funding envelopes.
 - When ministries identify a new project, funding may be allocated from existing general envelopes, so the amounts budgeted in the capital plan may not change.
 - However, for other types of projects, funding may be added to future capital plans as the project progresses through various stages. This means that the full cost for some projects may not be included in the 2025 capital plan.

Breakdown by Type of Spending

2025 capital plan by type of spending

	\$ billions	Share (%)
Investment in Capital Assets	191.1	86
Capital Expenses	31.9	14
Total Infrastructure Expenditures (Capital Plan)	223.1	100

Source: FAO analysis of information provided by the Province.

- The 2025 capital plan includes total planned infrastructure expenditures of \$223.1 billion over the 10-year period from 2025-26 to 2034-35.
- \$191.1 billion (86%) is for investments in capital assets (infrastructure that is owned or controlled by the Province, such as hospitals, colleges, schools and highways) and \$31.9 billion (14%) is for capital expenses (mostly transfer payments to outside entities that are not owned or controlled by the Province, such as municipalities, long-term care homes and universities).

Breakdown by Funding Source

2025 capital plan by source of funding

	\$ billions	Share (%)
Province	184.6	83
Federal & Municipal Contributions	16.3	7
Third-Party Contributions	22.2	10
Total Infrastructure Expenditures (Capital Plan)	223.1	100

Note: Third-party contributions include planned infrastructure expenditures by hospitals, school boards and colleges.

Source: FAO analysis of information provided by the Province.

- The Province plans to contribute \$184.6 billion (83%) of the total cost of the 2025 capital plan, the federal and municipal governments are expected to contribute \$16.3 billion (7%), and third parties (primarily colleges, hospitals and schools) are expected to contribute \$22.2 billion (10%) from their own sources, such as fees and donations.

Breakdown by Function

2025 capital plan by spending function

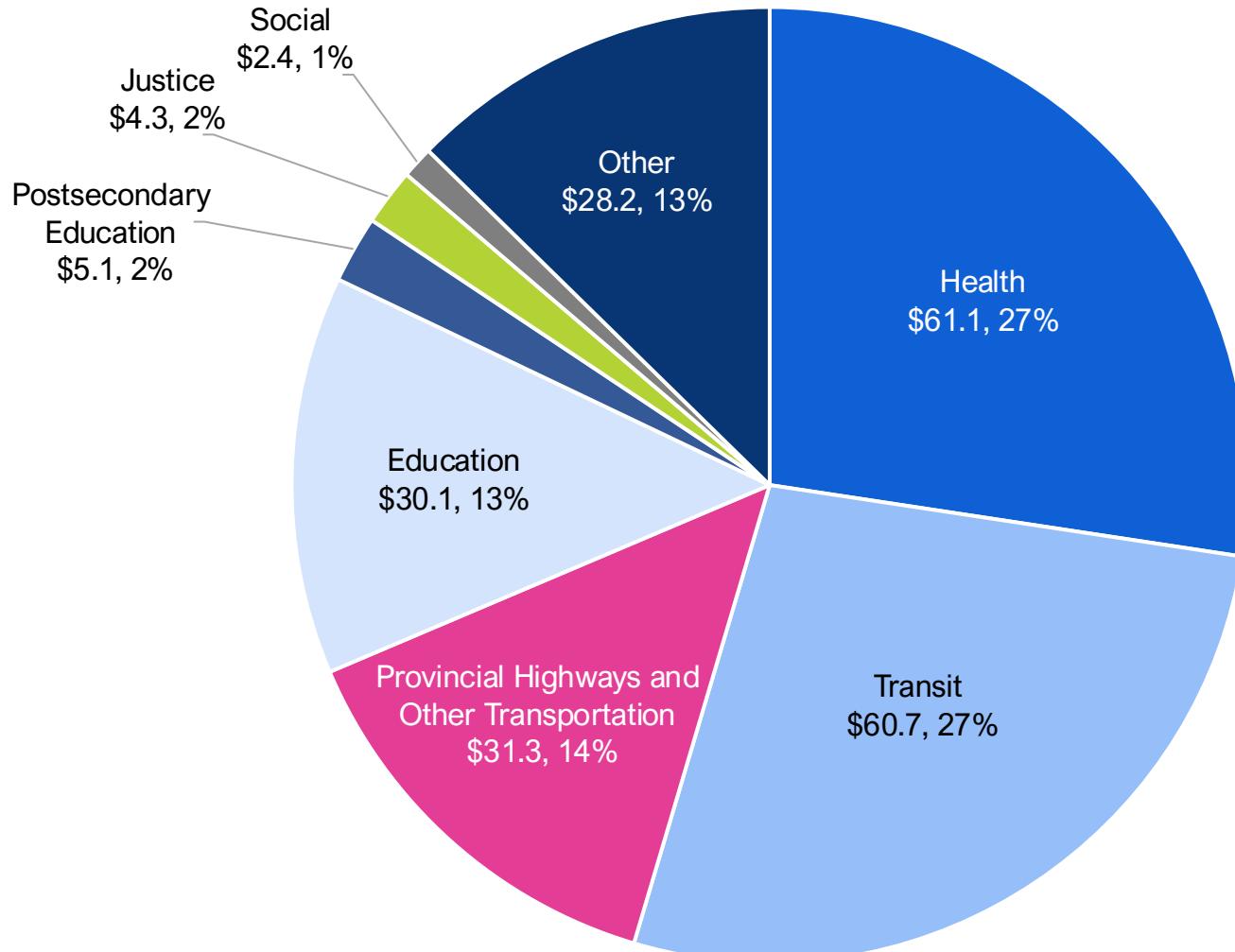
	\$ billions	Share (%)
Expansion	128.2	57
Renewal & Modernization	94.9	43
Total Infrastructure Expenditures (Capital Plan)	223.1	100

Source: FAO analysis of information provided by the Province.

- The FAO estimates that \$128.2 billion (57%) is allocated for expansion (building new assets or expanding existing ones) and \$94.9 billion (43%) is allocated for the renewal and modernization of existing assets. This includes replacing an asset with a brand new one or making improvements to an existing asset without increasing its capacity.

Breakdown by Sector

2025 capital plan by sector,
\$ billions



Source: FAO analysis of information provided by the Province.



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Capital Plan Trends



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Breakdown by Period

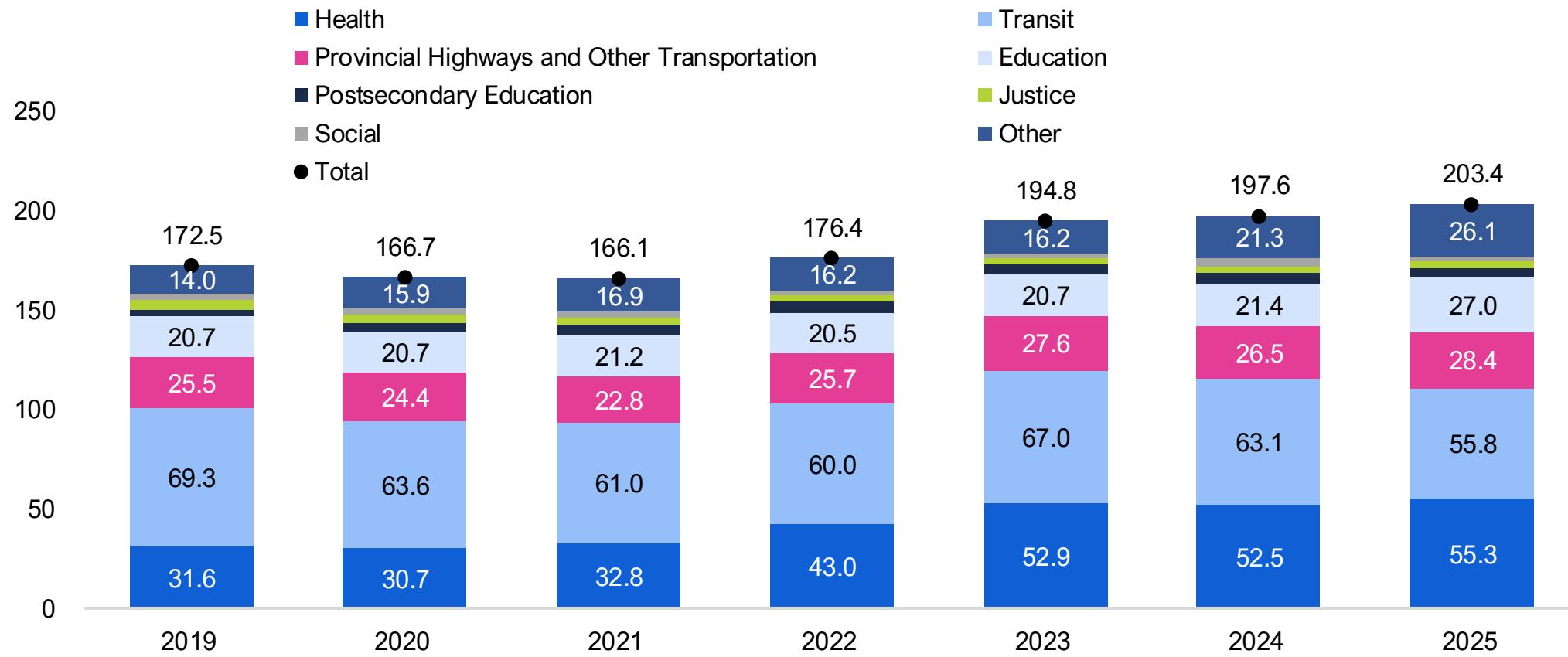
2025 capital plan by period and sector, in real 2025 dollars

Sector	Total Real Planned Spending (\$ billions)		Average Annual Real Planned Spending (\$ billions)	
	2025-26 to 2027-28	2028-29 to 2034-35	2025-26 to 2027-28	2028-29 to 2034-35
Health	20.3	35.0	6.8	5.0
Transit	28.8	26.9	9.6	3.8
Provincial Highways and Other Transportation	12.2	16.2	4.1	2.3
Education	10.2	16.9	3.4	2.4
Postsecondary Education	2.1	2.5	0.7	0.4
Justice	2.5	1.5	0.8	0.2
Social	1.7	0.5	0.6	0.1
Other	15.4	10.7	5.1	1.5
Total	93.2	110.1	31.1	15.7

Source: FAO analysis of information provided by the Province.

Comparison to Previous Capital Plans

10-year capital plans from the last seven Ontario budgets, billions of real 2025 dollars



Source: FAO analysis of information provided by the Province.



Comparison to Historical Spending

2025 capital plan compared to historical spending, in real 2025 dollars

Sector	Total Real Spending (\$ billions)		Real Planned versus Real Historical	
	Historical 2015-16 to 2024-25	Planned 2025-26 to 2034-35	\$ billions	Per Cent (%)
Health	37.6	55.3	17.7	47.0
Transit	67.1	55.8	-11.4	-16.9
Provincial Highways and Other Transportation	34.4	28.4	-6.0	-17.5
Education	28.4	27.0	-1.4	-4.9
Postsecondary Education	9.6	4.6	-5.0	-52.3
Justice	3.2	4.0	0.8	25.1
Social	5.6	2.2	-3.4	-60.0
Other	19.0	26.1	7.1	37.3
Total	205.0	203.4	-1.6	-0.8

Source: FAO analysis of information provided by the Province.

Thank you!



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Financial Accountability
Office of Ontario

2 Bloor Street West, Suite 900
Toronto, Ontario, M4W 3E2
416.644.0702

info@fao-on.org

fao-on.org

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