Office of the Provincial Controller Division

2016-17 Public Accounts Preliminary Results

July 10, 2017

Confidential – For Internal Discussion Purposes

Expenses

2016-17 Preliminary Actual Results								
$ Millions	Budget	Interim	2016-17 Actual (Prelim)	2015-16 Actual	Change from Budget	%	Change from Interim	%
Expense								
Program Expense	129,377	130,952	**130,107**	128,074	730	0.6%	(845)	-0.6%
Interest on Debt	12,335	11,908	**11,709**	11,589	(626)	-5.1%	(199)	-1.7%
Total Expenses	141,712	142,860	**141,816**	139,663	104	0.1%	(1,044)	-0.7%

Possible Range of Impact of Outstanding Items

Areas under Review:	Impact (+/- Deficit)
Contaminated Sites, including Grassy Narrows	+
Accounting for Affordability Fund	-
Remedy Accrual	+/-
Tax Revenue Accruals	+
ELHT Expense Recognition	+/-
WSIB Benefits	+
Land Claims	+
Federal Capital TP (flow-through)	-

Consolidated Expense By Ministry: Interim vs. Prelim. Actual

Preliminary Analysis (Interim vs. Prelim. Actual)

- Aboriginal Affairs: $29M higher expense reflects the land claim settlement with Lac Dec Mille Lacs First Nation (Ministry got TBS approval in June to make additional payment of $29M)
- Economic Development, Employment and Infrastructure (MEDEI): $160M lower expense is mainly due to $129M unspent amount of Clean Water and Wastewater Fund (CWWF) allocated in 2017 budget (Provincial contribution - $47M and Federal Contribution - $82M)
- Education: School boards expense is lower than expected.
- Teachers' Pension: $125M higher expense is mainly due to edits in the pension plan model.
- Interest on Debt: The $199M lower interest expense is due to a multitude of factors including higher than anticipated consolidation adjustments and investment income, as well as lower than anticipated interest rate impacts.
- Health: Hospitals and agency expense is lower than expected, offset by higher spending on transfer payments to other health providers (details to follow).
- Power Supply Contract Costs: $99M higher expense offset by equal revenue – fiscally neutral adjustment
- Training, Colleges and Universities: TBD.
- Employee and Pensioner Benefits: WSIB did change their estimation method. The reduction in the provision rate of 6.10% from 34.3% was a result of WSIB excluding first year claims administration expenses from the expense provision as a review concluded that first year claims administration expenses are part of the in-year expenses for the next year rather than part of the benefit liabilities of the current year end.