

economic outlook & fiscal review



2005 Ontario Economic Outlook and Fiscal Review

ANNEX V

Fiscal Tables and Graphs

 Medium-Term Fiscal Plan and Outlook
 (\$ Billions)

Table 1

	Actual 2004-05	Outlook [*]			
		2005-06	2006-07	2007-08	2008-09
Revenue	77.8	82.1	84.8	88.5	92.2
Expense					
Programs	67.0	71.3	73.4	76.0	77.9
Capital	3.0	2.7	2.5	2.1	2.1
Interest on Debt	9.4	9.6	9.9	10.3	10.7
Total Expense	79.4	83.5	85.7	88.5	90.7
Surplus/(Deficit) Before Reserve	(1.6)	(1.4)	(0.9)	0.0	1.5
Reserve	-	1.0	1.5	1.5	1.5
Surplus/(Deficit)	(1.6)	(2.4)	(2.4)	(1.5)	0.0
Net Debt	140.7	144.0	147.7	150.7	151.8
Accumulated Deficit[†]	125.7	128.1	130.5	132.0	132.0
Gross Domestic Product (GDP) at Market Prices	516.8	538.0	562.2	589.2	618.7
Net Debt as a per cent of GDP	27.2	26.8	26.3	25.6	24.5
Accumulated Deficit as a per cent of GDP	24.3	23.8	23.2	22.4	21.3

* Second-quarter fiscal forecast as at September 30, 2005.

† Net Debt is calculated as the difference between liabilities and financial assets. The annual change in Net Debt is equal to the Surplus/Deficit plus the change in tangible capital assets. Accumulated Deficit is calculated as the difference between liabilities and financial and tangible capital assets. The annual change in the Accumulated Deficit is equal to the Surplus/Deficit.

Numbers may not add due to rounding.

 2005-06 Fiscal Outlook—In-Year Change
 (\$ Millions)

Table 2

	Budget Plan 2005-06	Outlook [*] 2005-06	In-Year Change
Revenue	81,687	82,132	445
Expense			
Programs	71,014	71,257	243
Capital	2,673	2,673	-
Interest on Debt	9,796	9,571	(225)
Total Expense	83,483	83,501	18
Surplus/(Deficit) Before Reserve	(1,796)	(1,369)	427
Reserve	1,000	1,000	-
Surplus/(Deficit)	(2,796)	(2,369)	427

* Second-quarter fiscal forecast as at September 30, 2005.

Source: Ontario Ministry of Finance.

Revenue (\$ Millions)					Table 3
					Actual Outlook*
					2001-02 2002-03 2003-04 2004-05 2005-06
Taxation Revenue					
Personal Income Tax	19,097	18,195	18,301	19,320	20,251
Retail Sales Tax	13,803	14,183	14,258	14,855	15,475
Corporations Tax	6,646	7,459	6,658	9,883	9,488
Employer Health Tax	3,502	3,589	3,753	3,886	4,033
Ontario Health Premium	-	-	-	1,737	2,422
Gasoline Tax	2,192	2,306	2,264	2,277	2,288
Fuel Tax	659	682	681	727	733
Tobacco Tax	703	1,183	1,350	1,453	1,511
Land Transfer Tax	665	814	909	1,043	1,056
Electricity Payments-In-Lieu of Taxes	387	711	627	511	656
Other Taxes	371	429	347	283	258
	48,025	49,551	49,148	55,975	58,171
Government of Canada**					
Canada Health and Social Transfer (CHST)	5,831	7,346	7,345	-	-
Canada Health Transfer (CHT)	-	-	-	5,640	7,127
Canada Social Transfer (CST)***	-	-	-	2,912	3,311
CHST Supplements	380	191	577	775	584
Social Housing	524	525	528	522	520
Infrastructure Programs	-	97	150	209	293
Wait Times Reduction Fund	-	-	-	242	243
Medical Equipment Funds	190	-	192	387	194
Other Government of Canada	829	735	1,101	1,195	901
	7,754	8,894	9,893	11,882	13,173
Income from Investment in Government Business Enterprises					
Ontario Lottery and Gaming Corporation	2,255	2,288	2,106	1,992	1,941
Liquor Control Board of Ontario	904	939	1,045	1,147	1,186
Ontario Power Generation Inc. and Hydro One Inc.	179	717	(17)	444	887
Other Government Enterprises	7	(2)	(64)	(5)	5
	3,345	3,942	3,070	3,578	4,019
Other Non-Tax Revenue					
Reimbursements	1,592	1,111	1,206	1,241	1,319
Electricity Debt Retirement Charge		889	1,000	997	1,018
Vehicle and Driver Registration Fees	941	982	985	976	1,017
Power Sales	815	635	510	610	961
Other Fees and Licences	474	606	594	506	510
Liquor Licence Revenue	530	530	488	489	502
Net Reduction of Power Purchase Contract Liability		161	104	236	396
Sales and Rentals	344	560	532	352	369
Royalties	224	304	248	278	236
Miscellaneous Other Non-Tax Revenue	2,490	726	622	721	441
	7,410	6,504	6,289	6,406	6,769
Total Revenue	66,534	68,891	68,400	77,841	82,132

* Second-quarter fiscal forecast as at September 30, 2005.

** Health Reform Fund included in CHST in 2003-04 and CHT in 2004-05.

*** Includes 2005 Federal Budget additional Early Learning and Child Care revenues of \$272 million in 2005-06.

Revenue—In-Year Change	Table 4
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(\$ Millions)

	Budget Plan 2005-06	Outlook [*] 2005-06	In-Year Change
Taxation Revenue			
Personal Income Tax	20,026	20,251	225
Retail Sales Tax	15,475	15,475	-
Corporations Tax	9,248	9,488	240
Employer Health Tax	4,033	4,033	-
Ontario Health Premium	2,422	2,422	-
Gasoline Tax	2,308	2,288	(20)
Fuel Tax	733	733	-
Tobacco Tax	1,511	1,511	-
Land Transfer Tax	1,056	1,056	-
Electricity Payments-In-Lieu of Taxes	656	656	-
Other Taxes	258	258	-
	57,726	58,171	445
Government of Canada			
Canada Health and Social Transfer (CHST)	-	-	-
Canada Health Transfer (CHT)	7,127	7,127	-
Canada Social Transfer (CST) ^{**}	3,311	3,311	-
CHST Supplements	584	584	-
Social Housing	520	520	-
Infrastructure Programs	293	293	-
Wait Times Reduction Fund	243	243	-
Medical Equipment Funds	194	194	-
Other Government of Canada	901	901	-
	13,173	13,173	-
Income from Investment in Government Business Enterprises			
Ontario Lottery and Gaming Corporation	1,941	1,941	-
Liquor Control Board of Ontario	1,186	1,186	-
Ontario Power Generation Inc. and Hydro One Inc.	887	887	-
Other Government Enterprises	5	5	-
	4,019	4,019	-
Other Non-Tax Revenue			
Reimbursements	1,319	1,319	-
Electricity Debt Retirement Charge	1,018	1,018	-
Vehicle and Driver Registration Fees	1,017	1,017	-
Power Sales	961	961	-
Other Fees and Licences	510	510	-
Liquor Licence Revenue	502	502	-
Net Reduction of Power Purchase Contract Liability	396	396	-
Sales and Rentals	369	369	-
Royalties	236	236	-
Miscellaneous Other Non-Tax Revenue	441	441	-
	6,769	6,769	-
Total Revenue	81,687	82,132	445

^{*} Second-quarter fiscal forecast as at September 30, 2005.^{**} Includes 2005 Federal Budget additional Early Learning and Child Care revenues of \$272 million in 2005-06.

Operating Expense Table 5

(\$ Millions)

Ministry	2001-02	2002-03	2003-04	Actual 2004-05	Outlook [*] 2005-06
Agriculture, Food and Rural Affairs ^{**}	456	598	703	699	605
One-Time and Extraordinary Assistance	319	18		458 [†]	-
Attorney General	995	1,052	1,199	1,175	1,199
Board of Internal Economy	124	146	196	145	167

Children and Youth Services	2,244	2,431	2,640	2,831	3,196
Citizenship and Immigration **	61	55	55	65	76
Community and Social Services **	5,812	5,846	5,999	6,372	6,603
Community Safety and Correctional Services	1,513	1,656	1,666	1,718	1,753
Culture	279	331	303	280	275
Democratic Renewal Secretariat	-	-	-	2	4
Economic Development and Trade **	88	102	87	80	448
Education **	8,419	9,071	9,733	10,565	11,340
Teachers Pension Plan (TPP)	42	238	235	240	290
Energy	367	144	116	142	148
Environment	265	237	261	300	314
Executive Offices	19	20	24	19	19
Finance Own Account **	1,182	1,074	1,229	1,049	1,092
Interest on Debt	10,337	9,694	9,604	9,368	9,571
Community Reinvestment Fund/Ontario Municipal Partnership Fund	557	622	651	626	662
Community Reinvestment Fund One-Time Transition Funding	-	-	-	233	-
Electricity Consumer Price Protection Fund	-	665	253	-	-
Power Purchases	815	786	797	840	961
Contingency Fund **	-	-	-	-	450
Government Services **	471	327	457	889	663
Pension and Other Employee Future Benefits **	63	102	309	458	735
Health and Long-Term Care **	23,793	25,660	27,880	30,797	32,718
SARS-Related and Major One-Time Health Costs	-	-	824	-	-
Health Promotion **	143	157	172	198	254
Intergovernmental Affairs	6	9	6	13	9
Labour	110	123	117	129	146
Municipal Affairs and Housing **	1,136	636	632	701	643
Natural Resources	438	454	516	484	584
Northern Development and Mines	75	73	76	78	116
Office of Francophone Affairs	5	3	3	3	4
Public Infrastructure Renewal **††	(22)	89	(16)	29	51
Research and Innovation **	132	139	165	191	235
Secretariat for Aboriginal Affairs	13	16	15	19	45
Tourism **	130	118	193	146	139
Training, Colleges and Universities **	3,218	3,392	3,808	4,187	4,688
Transportation	664	814	800	848	975
Year-End Savings	-	-	-	-	(350)
Total Operating Expense	64,269	66,898	71,708	76,377	80,828

* Second-quarter fiscal forecast as at September 30, 2005.

** Preliminary allocations and historical restatements reflecting new ministry structure, pending finalization of restructuring currently underway.

†One-time and Extraordinary Assistance refers to spending above normal levels due to unforeseen events. In 2004-05, low commodity prices and other unforeseen events resulted in one-time assistance totalling \$458 million to producers including grain and oil seed producers and tobacco producers.

†† Credit expense amounts relate to consolidation adjustments between Ontario Realty Corporation (ORC) and ministries to reflect the net capital spending for the year.

Operating Expense In-Year Change (\$ Millions)			Table 6
Ministry	Budget Plan 2005-06	Outlook * 2005-06	In-Year Change
Agriculture, Food and Rural Affairs **	605	605	-
Attorney General	1,199	1,199	-
Board of Internal Economy	167	167	-

Children and Youth Services	3,196	3,196	-
Citizenship and Immigration**	76	76	-
Community and Social Services**	6,603	6,603	-
Community Safety and Correctional Services	1,753	1,753	-
Culture	275	275	-
Democratic Renewal Secretariat	4	4	-
Economic Development and Trade**	448	448	-
Education**	11,340	11,340	-
Teachers Pension Plan (TPP)	290	290	-
Energy	148	148	-
Environment	314	314	-
Executive Offices	19	19	-
Finance Own Account**	1,092	1,092	-
Interest on Debt	9,796	9,571	(225)
Ontario Municipal Partnership Fund	662	662	-
Power Purchases	961	961	-
Contingency Fund**	557	450	(107)
Government Services**	663	663	-
Pension and Other Employee Future Benefits**	514	735	221
Health and Long-Term Care**	32,718	32,718	-
Health Promotion**	254	254	-
Intergovernmental Affairs	8	9	1
Labour	146	146	-
Municipal Affairs and Housing**	643	643	-
Natural Resources	492	584	92
Northern Development and Mines	111	116	5
Office of Francophone Affairs	4	4	-
Public Infrastructure Renewal**	51	51	-
Research and Innovation**	235	235	-
Secretariat for Aboriginal Affairs	14	45	31
Tourism**	139	139	-
Training, Colleges and Universities**	4,688	4,688	-
Transportation	975	975	-
Year-End Savings	(350)	(350)	-
Total Operating Expense	80,810	80,828	18

* Second-quarter fiscal forecast as at September 30, 2005.

** Budget Plan and Outlook reflect new ministry structure, pending finalization of restructuring currently underway.

Capital Expense (\$ Millions)					Table 7
Ministry	2001-02	2002-03	2003-04	Actual 2004-05	Outlook* 2005-06
Agriculture, Food and Rural Affairs**	29	68	204	243	271
Attorney General	46	43	24	34	75
Children and Youth Services	6	7	-	4	109
Community and Social Services**	25	16	10	20	33
Community Safety and Correctional Services	88	66	47	32	48
Culture	14	42	24	64	115
Economic Development and Trade**	1	2	2	5	2
Education**	20	13	19	54	10
Energy	50	46	53	52	49
Environment	20	13	4	7	13
Finance**	11	8	5	25	4
Government Services**	3	4	5	8	12

Health and Long-Term Care **	205	339	358	535	339
Health Promotion **	-	-	-	-	5
Municipal Affairs and Housing **	12	20	3	34	132
Natural Resources	70	72	111	79	53
Northern Development and Mines ††	371	229	113	242	264
Public Infrastructure Renewal **†, †††	25	4	(19)	43	33
Capital Contingency Fund	-	-	-	-	117
Research and Innovation **	18	19	29	71	80
Secretariat for Aboriginal Affairs	3	2	-	2	3
Tourism **	9	55	51	65	88
Training, Colleges and Universities **	46	68	116	417	131
Transportation ††	818	740	1,016	983	837
Year-End Savings	-	-	-	-	(150)
Total Capital Expense ***	1,890	1,876	2,175	3,019	2,673

* Second-quarter fiscal forecast as at September 30, 2005.

** Preliminary allocations and historical restatements reflecting new ministry structure, pending finalization of restructuring currently underway.

*** Starting in 2002-03, major tangible capital assets owned by Provincial ministries (land, buildings and transportation infrastructure) are accounted for on a full accrual accounting basis. Other tangible capital assets owned by Provincial ministries will continue to be accounted for as expense in the year of acquisition or construction. All capital assets owned by consolidated government organizations are accounted for on a full accrual basis.

† Ministries' contributions for investments in Provincially owned land and buildings are recorded as an expense by the contributing ministries. Starting in 2002-03, any resulting adjustment to expense from the capitalization and amortization of most of these Provincially owned land and buildings is recorded in the Ministry of Public Infrastructure Renewal.

†† Prior year expenses restated to reflect the change in accounting treatment introduced in the 2004-05 Public Accounts, to disclose spending on northern highways in the ministry that carries out these activities.

††† Credit expense amounts relate to consolidation adjustments between Ontario Realty Corporation (ORC) and ministries to reflect the net capital spending for the year.

Sources: Ontario Ministry of Finance and Ontario Ministry of Public Infrastructure Renewal.

Capital Expense In-Year Change (\$ Millions) Table 8

Ministry	Budget Plan 2005-06	Outlook * 2005-06	In-Year Change
Agriculture, Food and Rural Affairs **	271	271	-
Attorney General	75	75	-
Children and Youth Services	109	109	-
Community and Social Services **	33	33	-
Community Safety and Correctional Services	48	48	-
Culture	115	115	-
Economic Development and Trade **	2	2	-
Education **	10	10	-
Energy	49	49	-
Environment	13	13	-
Finance **	4	4	-
Government Services **	12	12	-
Health and Long-Term Care **	339	339	-
Health Promotion **	5	5	-
Municipal Affairs and Housing **	132	132	-
Natural Resources	53	53	-
Northern Development and Mines	421	264	(157)
Public Infrastructure Renewal **	33	33	-
Capital Contingency Fund	175	117	(58)
Research and Innovation **	80	80	-
Secretariat for Aboriginal Affairs	3	3	-
	88	88	-

Tourism ^{**}			
Training, Colleges and Universities ^{**}	131	131	-
Transportation [†]	622	837	215
Year-End Savings	(150)	(150)	-
Total Capital Expense	2,673	2,673	-

* Second-quarter fiscal forecast as at September 30, 2005.

** Budget Plan and Outlook reflect new ministry structure, pending finalization of restructuring currently underway.

†Prior year expenses restated to reflect the change in accounting treatment introduced in the 2004-05 Public Accounts, to disclose spending on northern highways in the ministry that carries out these activities.

Sources: Ontario Ministry of Finance and Ontario Ministry of Public Infrastructure Renewal.

Schedule of Net Investment in Capital Assets

Table 9

(\$ Millions)

	2005-06 Outlook [*]			Total
	Land and Buildings	Transportation Infrastructure	Government Organizations' Capital Assets	
Acquisition/Construction of Major Tangible Capital Assets	160	1,131	526	1,817
Amortization of Provincially Owned Major Tangible Capital Assets	(84)	(534)	(206)	(824)
Net Investment in Capital Assets	76	597	320	993

* Second-quarter fiscal forecast as at September 30, 2005.

Source: Ontario Ministry of Public Infrastructure Renewal.

Gross Capital Investment (\$ Millions)

Table 10

	Outlook [*] 2005-06
Transportation	
Transit	571
Highways	1,135
Other Transportation	110
	1,816
Health	354
Postsecondary Education	131
Water/Environment	292
Municipal and Local Infrastructure ^{**}	535
Justice	123
Other	415
Total Gross Capital Investment^{***}	3,666
Less: Net Investment in Capital Assets	993
Total Capital Expense	2,673

* Second-quarter fiscal forecast as at September 30, 2005.

** Municipal and local water and wastewater infrastructure investments are included in the Water/Environment sector.

*** Total gross capital investment includes flow-throughs of \$531 million.

Source: Ontario Ministry of Public Infrastructure Renewal.

Ten-Year Review of Selected Financial and Economic Statistics
(\$ Millions)

	1996-97	1997-98	1998-99
Financial Transactions			
Revenue	49,714	52,782	56,050
Expense			
Programs	45,400	45,568	46,821
Capital **	2,612	2,451	2,215
Interest on Debt	8,607	8,729	9,016
Total Expense	56,619	56,748	58,052
Surplus/(Deficit) Before Reserve	(6,905)	(3,966)	(2,002)
Reserve	-	-	-
Surplus/(Deficit)	(6,905)	(3,966)	(2,002)
Net Debt †	108,769	112,735	114,737
Accumulated Deficit	108,769	112,735	114,737
Gross Domestic Product (GDP) at Market Prices	338,173	359,353	377,897
Personal Income	276,303	289,537	304,652
Population—July (000s)	11,083	11,228	11,367
Net Debt per Capita (dollars)	9,814	10,041	10,094
Personal Income per Capita (dollars)	24,930	25,787	26,801
Total Expense as a per cent of GDP	16.7	15.8	15.4
Interest on Debt as a per cent of Revenue	17.3	16.5	16.1
Net Debt as a per cent of GDP	32.2	31.4	30.4
Accumulated Deficit as a per cent of GDP	32.2	31.4	30.4

* Second-quarter fiscal forecast as at September 30, 2005.

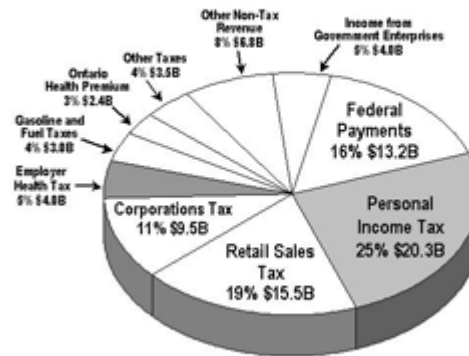
** Starting in 2002-03, major tangible capital assets owned by Provincial ministries (land, buildings and transportation infrastructure) are accounted for on a full accrual accounting basis. Other tangible capital assets owned by Provincial ministries will continue to be accounted for as expense in the year of acquisition or construction. All capital assets owned by consolidated government organizations are accounted for on a full accrual basis.

† Net Debt is calculated as the difference between liabilities and financial assets. The annual change in Net Debt is equal to the Surplus/Deficit plus the change in tangible capital assets. Accumulated Deficit is calculated as the difference between liabilities and financial and tangible capital assets. The annual change in the Accumulated Deficit is equal to the Surplus/Deficit.

Sources: Ontario Ministry of Finance and Statistics Canada.

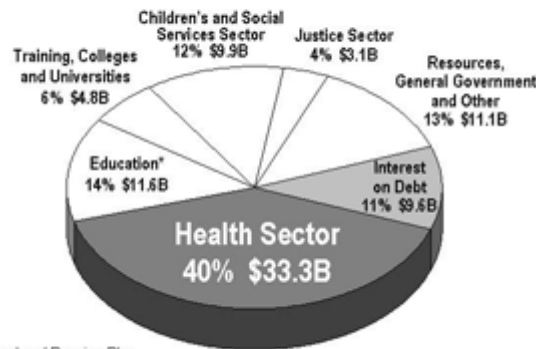
						Table 11
1999-00	2000-01	2001-02	2002-03	2003-04	Actual 2004-05	Actual 2005-06
65,042	66,294	66,534	68,891	68,400	77,841	82,132
48,460	51,396	53,932	57,204	62,104	67,009	71,257
4,887	2,123	1,890	1,876	2,175	3,019	2,673
11,027	10,873	10,337	9,694	9,604	9,368	9,571
64,374	64,392	66,159	68,774	73,883	79,396	83,501
668	1,902	375	117	(5,483)	(1,555)	(1,369)
-	-	-	-	-	-	1,000
668	1,902	375	117	(5,483)	(1,555)	(2,369)
134,398	132,496	132,121	132,647	138,557	140,662	144,024
134,398	132,496	132,121	118,705	124,188	125,743	128,112
409,020	440,759	453,959	477,911	493,802	516,844	538,035
321,702	347,653	361,189	370,153	381,245	395,600	412,112
11,506	11,685	11,898	12,102	12,260	12,407	12,541
11,681	11,339	11,104	10,961	11,302	11,337	11,484
27,959	29,752	30,357	30,586	31,097	31,885	32,861
15.7	14.6	14.6	14.4	15.0	15.4	15.5
17.0	16.4	15.5	14.1	14.0	12.0	11.7
32.9	30.1	29.1	27.8	28.1	27.2	26.8
32.9	30.1	29.1	24.8	25.1	24.3	23.8

Composition of Revenue \$82.1B in 2005-06



Note: Numbers may not add due to rounding.

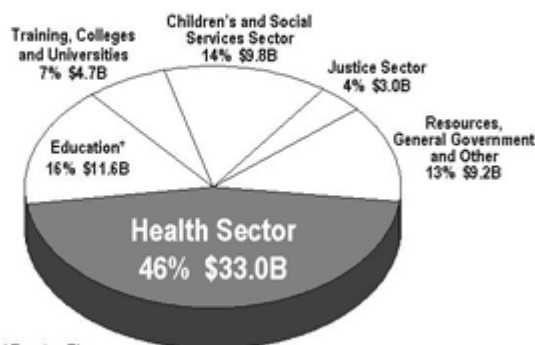
Composition of Total Expense \$83.5B in 2005-06



* Includes Teachers' Pension Plan

Note: Numbers may not add due to rounding.

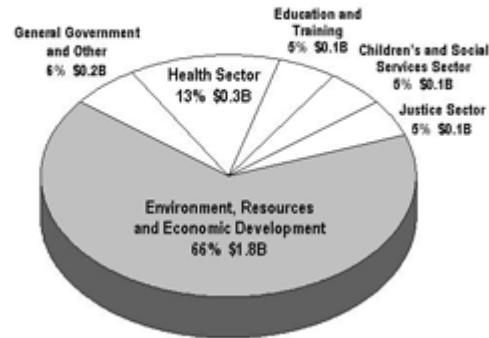
Composition of Program Expense \$71.3B in 2005-06



* Includes Teachers' Pension Plan

Note: Numbers may not add due to rounding.

Composition of Capital Expense \$2.7B in 2005-06



Note: Numbers may not add due to rounding.



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