



Department of Finance
Canada

Ministère des Finances
Canada



The Fiscal Monitor

A publication of the Department of Finance

Financial Results for November 2023

Canada 

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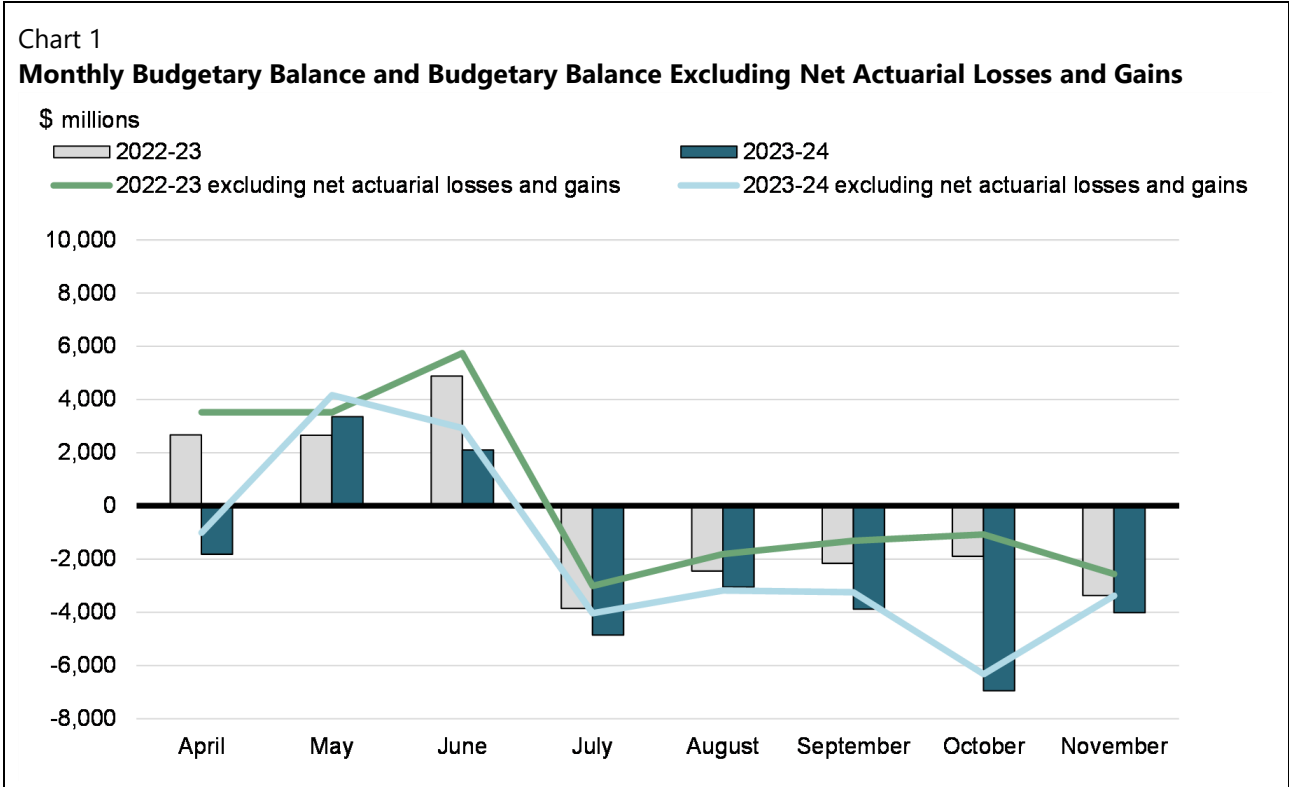
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Highlights

November 2023

There was a budgetary deficit of \$4.0 billion in November 2023, compared to a deficit of \$3.4 billion in November 2022. The budgetary deficit before net actuarial losses and gains was \$3.4 billion, compared to a deficit of \$2.6 billion in the same period of 2022-23. The budgetary balance before net actuarial losses and gains is intended to supplement the traditional budgetary balance and improve the transparency of the government’s financial reporting by isolating the impact of the amortization of net actuarial losses and gains arising from the revaluation of the government’s pension and other employee future benefit plans.



Compared to November 2022:

- Revenues increased by \$4.1 billion, or 13.3 per cent, largely reflecting higher revenue from other taxes and duties and personal income tax revenue.
- Program expenses excluding net actuarial losses were up \$3.9 billion, or 12.9 per cent, primarily driven by increases in direct program expenses and major transfers to other levels of government.
- Public debt charges were up \$1.0 billion, or 35.1 per cent, largely reflecting higher interest rates, offset in part by lower Consumer Price Index adjustments on Real Return Bonds.
- Net actuarial losses were down \$0.2 billion, or 23.2 per cent, largely reflecting the amortization of gains due to higher discount rates arising from actuarial valuations prepared for the *Public Accounts of Canada 2023*.

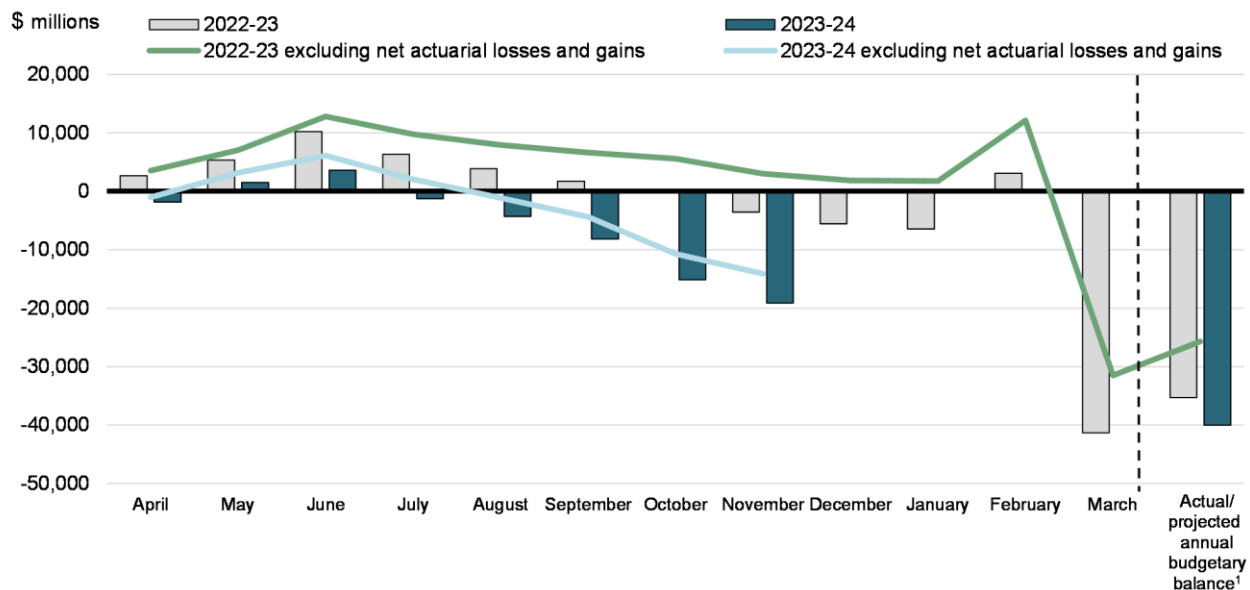
April to November 2023

The government posted a budgetary deficit of \$19.1 billion for the April to November period of the 2023-24 fiscal year, compared to a deficit of \$3.6 billion reported for the same period of 2022-23. The budgetary deficit before net actuarial losses was \$14.1 billion, compared to a surplus of \$3.0 billion in the April to November period of 2022-23.

Compared to 2022-23:

- Revenues were up \$7.1 billion, or 2.6 per cent, largely reflecting higher personal income tax revenue, revenue from other taxes and duties, and other non-tax revenues. These increases are partially offset by lower corporate income tax revenues.
- Program expenses excluding net actuarial losses were up \$15.7 billion, or 6.3 per cent, reflecting increases across all major categories of spending.
- Public debt charges increased by \$8.5 billion, or 37.7 per cent, largely reflecting higher interest rates, offset in part by lower Consumer Price Index adjustments on Real Return Bonds.
- Net actuarial losses decreased by \$1.5 billion, or 23.2 per cent, largely reflecting the amortization of gains arising from actuarial valuations prepared for the *Public Accounts of Canada 2023*.

Chart 2

Year-to-Date Budgetary Balance and Budgetary Balance Excluding Net Actuarial Losses and Gains

¹ Sources: Annual Financial Report of the Government of Canada 2022-2023; 2023 Fall Economic Statement.

Table 1

Summary statement of transactions

\$ millions

	November		April to November	
	2022	2023	2022-23	2023-24
Budgetary transactions				
Revenues	30,832	34,944	274,712	281,812
Expenses				
Program expenses, excluding net actuarial losses	-30,552	-34,492	-249,180	-264,895
Public debt charges	-2,839	-3,835	-22,526	-31,018
Budgetary balance, excluding net actuarial losses	-2,559	-3,383	3,006	-14,101
Net actuarial losses	-820	-630	-6,560	-5,040
Budgetary balance (deficit/surplus)	-3,379	-4,013	-3,554	-19,141
Non-budgetary transactions	-2,690	2,409	-33,754	-29,696
Financial source/requirement	-6,069	-1,604	-37,308	-48,837
Net change in financing activities	-24,440	-3,252	9,126	55,538
Net change in cash balances	-30,509	-4,856	-28,182	6,701
Cash balance at end of period			64,080	48,497

Note: Positive numbers indicate net source of funds. Negative numbers indicate net requirement for funds.

Revenues

Revenues in November 2023 totalled \$34.9 billion, up \$4.1 billion, or 13.3 per cent, from November 2022.

- Tax revenues increased by \$3.2 billion, or 12.4 per cent, compared to the same period in 2022-23, as a result of higher Goods and Services Tax (GST) and personal income tax revenue. The increase in GST revenue reflects the one-time doubling of the GST credit in November 2022.
- Proceeds from the pollution pricing framework were up \$0.2 billion, or 29.5 per cent, reflecting higher carbon pollution pricing in 2023.
- Employment Insurance (EI) premium revenues were up \$0.1 billion, or 10.2 per cent, reflecting better labour market conditions and a higher premium rate.
- Other revenues were up \$0.5 billion, or 18.8 per cent, reflecting higher interest revenues and net profits from enterprise Crown corporations.

Revenues for the April to November period of 2023-24 totalled \$281.8 billion, up \$7.1 billion, or 2.6 per cent, from the same period in 2022-23.

- Tax revenues increased by \$1.7 billion, or 0.7 per cent, compared to the same period in 2022-23, owing largely to higher revenue from other taxes and duties.
- Proceeds from the pollution pricing framework were up \$1.3 billion, or 27.4 per cent, reflecting higher carbon pollution pricing in 2023.
- EI premium revenues were up \$1.4 billion, or 9.2 per cent, reflecting better labour market conditions in the current year and a higher premium rate.
- Other revenues were up \$2.7 billion, or 12.4 per cent, largely reflecting higher interest revenues and net foreign exchange revenues, offset in part by lower net profits from enterprise Crown corporations.

Table 2

Revenues

	November		Change	April to November		Change
	2022	2023		2022-23	2023-24	
	(\$ millions)		(%)	(\$ millions)		(%)
Tax revenues						
Income taxes						
Personal	15,238	17,232	13.1	123,717	132,790	7.3
Corporate	6,578	5,093	-22.6	54,507	44,912	-17.6
Non-resident	1,161	1,008	-13.2	8,632	8,010	-7.2
Total income tax revenues	22,977	23,333	1.5	186,856	185,712	-0.6
Other taxes and duties						
Goods and Services Tax	1,405	4,096	191.5	33,449	36,497	9.1
Energy taxes	581	639	10.0	3,778	3,686	-2.4
Customs import duties	500	471	-5.8	4,387	3,809	-13.2
Other excise taxes and duties	480	626	30.4	4,220	4,663	10.5
Total excise taxes and duties	2,966	5,832	96.6	45,834	48,655	6.2
Total tax revenues	25,943	29,165	12.4	232,690	234,367	0.7
Proceeds from the pollution pricing framework	736	953	29.5	4,824	6,144	27.4
Employment Insurance premiums	1,265	1,394	10.2	15,759	17,206	9.2
Other revenues	2,888	3,432	18.8	21,439	24,095	12.4
Total revenues	30,832	34,944	13.3	274,712	281,812	2.6

Note: Totals may not add due to rounding.

Expenses

Program expenses excluding net actuarial losses and gains in November 2023 were \$34.5 billion, up \$3.9 billion, or 12.9 per cent, from November 2022.

- Major transfers to persons, consisting of elderly benefits, EI benefits, COVID-19 income support for workers, and children's benefits, were up \$0.7 billion or 7.4 per cent.
 - Elderly benefits increased by \$0.4 billion, or 7.0 per cent, largely reflecting changes in consumer prices, to which benefits are fully indexed, and growth in the number of recipients.
 - EI benefits increased by \$0.4 billion, or 31.2 per cent, reflecting a higher unemployment rate in November 2023 compared to this period last year.
 - COVID-19 income support for workers decreased \$0.3 billion, reflecting redeterminations of benefits in November 2023.
 - Children's benefits were up \$0.2 billion, or 9.4 per cent, reflecting in part the indexation of benefits to consumer prices.
- Major transfers to other levels of government were up \$1.1 billion, or 14.6 per cent, in large part due to legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories. November 2023 transfers also include the payment of Canada's yearly net revenue from the Hibernia offshore oil project Net Profits Interest and Incidental Net Profits Interest to Newfoundland and Labrador.
- Proceeds from the pollution pricing framework returned increased by \$15 million.
- Direct program expenses were up \$2.1 billion, or 15.7 per cent. Within direct program expenses:
 - Other transfer payments increased by \$2.1 billion, or 64.5 per cent, largely due to downward adjustments in November 2022 to provisions for disaster assistance that had been recorded in prior periods.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$32 million, or 0.3 per cent, as higher personnel costs were largely offset by lower public health expenses.

Public debt charges increased \$1.0 billion, or 35.1 per cent, largely reflecting higher interest rates, offset in part by lower Consumer Price Index adjustments on Real Return Bonds.

Net actuarial losses and gains, which represent the amortization of changes in the value of the government's obligations for pensions and other employee future benefits accrued in previous fiscal years and related assets, were down \$0.2 billion, or 23.2 per cent, largely reflecting the amortization of gains arising from actuarial valuations prepared for the *Public Accounts of Canada 2023*.

For the April to November period of 2023-24, program expenses excluding net actuarial losses were \$264.9 billion, up \$15.7 billion, or 6.3 per cent, from the same period the previous year.

- Major transfers to persons were up \$2.6 billion or 3.5 per cent.
 - Elderly benefits increased by \$4.9 billion, or 11.0 per cent, largely reflecting growth in the number of recipients and changes in consumer prices, to which benefits are fully indexed. In addition, as of July 2022, the Old Age Security pension has permanently increased by 10 per cent for seniors aged 75 and over.
 - EI benefits decreased by \$0.3 billion, or 2.3 per cent, largely reflecting the expiry of temporary pandemic-related measures to facilitate access to EI.
 - COVID-19 income support for workers decreased \$3.0 billion, due to the wind-down of these benefits in the prior year, and the redetermination of benefits in the current year.
 - Children's benefits were up \$1.0 billion, or 6.1 per cent, mainly reflecting the indexation of benefits to consumer prices.
- Major transfers to other levels of government were up \$4.9 billion, or 8.5 per cent, largely reflecting legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories.
- Proceeds from the pollution pricing framework returned increased by \$2.4 billion, or 48.9 per cent, largely reflecting an increase in the rate of the Climate Action Incentive and, starting July 2023, the inclusion of Newfoundland and Labrador, New Brunswick, Nova Scotia, and Prince Edward Island in the framework for the fuel charge. Direct proceeds continue to be fully returned in the provinces or territories where they are generated.
- Direct program expenses were up \$5.7 billion, or 5.2 per cent. Within direct program expenses:
 - Other transfer payments increased by \$2.8 billion, or 7.1 per cent, largely reflecting downward adjustments to provisions for disaster assistance in November 2022 as well as disbursements for the third round of the Rapid Housing Initiative and higher payments with respect to Indigenous Peoples in the current year. This was offset in part by a decrease in international assistance, as well as the one-time, non-taxable grant provided by the government in 2022-23 to alleviate the financial hardship of Guaranteed Income Supplement and Allowance recipients who received pandemic benefits in 2020.
 - Operating expenses of the government's departments, agencies, and consolidated Crown corporations and other entities increased by \$3.0 billion, or 4.1 per cent, reflecting a number of factors, including higher personnel expenses, year-over-year timing differences of consolidated Crown corporations' expenses, and higher bad debt expense, offset in part by lower public health expenses.

Public debt charges increased by \$8.5 billion, or 37.7 per cent, largely reflecting higher interest rates, offset in part by lower Consumer Price Index adjustments on Real Return Bonds.

Net actuarial losses decreased by \$1.5 billion, or 23.2 per cent, largely reflecting the amortization of gains arising from actuarial valuations prepared for the *Public Accounts of Canada 2023*.

Table 3

Expenses

	November			April to November		
	2022	2023	Change	2022-23	2023-24	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Major transfers to persons						
Elderly benefits	6,022	6,444	7.0	45,159	50,106	11.0
Employment Insurance benefits	1,322	1,735	31.2	13,750	13,429	-2.3
COVID-19 income support for workers ¹	2	-334	-16,800.0	246	-2,747	-1,216.7
Children's benefits	2,095	2,292	9.4	16,300	17,294	6.1
Total major transfers to persons	9,441	10,137	7.4	75,455	78,082	3.5
Major transfers to other levels of government						
Canada Health Transfer	3,767	4,118	9.3	30,138	32,947	9.3
Canada Social Transfer	1,328	1,368	3.0	10,625	10,944	3.0
Equalization	1,827	1,997	9.3	14,613	15,975	9.3
Territorial Formula Financing	310	329	6.1	3,314	3,519	6.2
Canada-wide early learning and child care	-	-	n/a	2,219	1,788	-19.4
Canada Community-Building Fund	683	796	16.5	1,817	1,980	9.0
Health agreements with provinces/territories ²	133	209	57.1	269	209	-22.3
Other fiscal arrangements ³	-615	-297	51.7	-4,875	-4,295	11.9
Total major transfers to other levels of government	7,433	8,520	14.6	58,120	63,067	8.5
Proceeds from the pollution pricing framework returned	66	81	22.7	4,902	7,297	48.9
Direct program expenses						
Other transfer payments ⁴	3,270	5,380	64.5	39,342	42,131	7.1
Operating expenses	10,342	10,374	0.3	71,361	74,318	4.1
Total direct program expenses	13,612	15,754	15.7	110,703	116,449	5.2
Total program expenses, excluding net actuarial losses	30,552	34,492	12.9	249,180	264,895	6.3
Public debt charges	2,839	3,835	35.1	22,526	31,018	37.7
Total expenses, excluding net actuarial losses	33,391	38,327	14.8	271,706	295,913	8.9
Net actuarial losses	820	630	-23.2	6,560	5,040	-23.2
Total expenses	34,211	38,957	13.9	278,266	300,953	8.2

Note: Totals may not add due to rounding.

¹ COVID-19 income support for workers includes the Canada Emergency Response Benefit, the Canada Recovery Benefit, the Canada Recovery Caregiving Benefit, the Canada Recovery Sickness Benefit, and the Canada Worker Lockdown Benefit.

² Health agreements with provinces/territories include Home and Community Care and Mental Health and Substance Use Agreements.

³ Other fiscal arrangements include the Quebec Abatement (Youth Allowances Recovery and Alternative Payments for Standing Programs), which represents a recovery from Quebec of a tax point transfer; statutory subsidies; and other items.

⁴ Comparative figures have been reclassified to reflect the current year's presentation.

The following table presents total expenses by main object of expense.

Table 4

Total expenses by object of expense

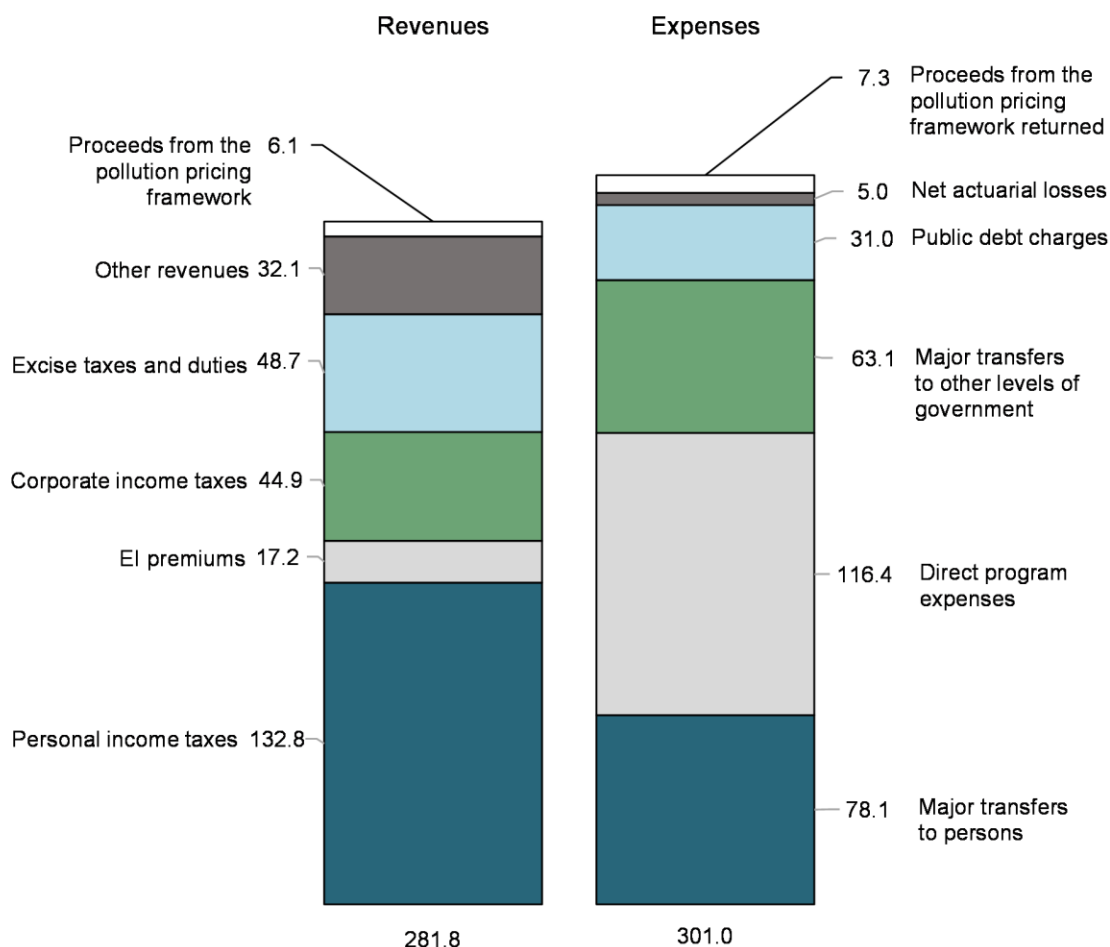
	November			April to November		
	2022	2023	Change	2022-23	2023-24	Change
	(\$ millions)		(%)	(\$ millions)		(%)
Transfer payments	20,210	24,118	19.3	177,819	190,577	7.2
Other expenses						
Personnel, excluding net actuarial losses	5,611	6,461	15.1	41,670	44,420	6.6
Transportation and communications	258	302	17.1	1,773	1,884	6.3
Information	63	29	-54.0	247	224	-9.3
Professional and special services	1,669	1,820	9.0	9,576	10,733	12.1
Rentals	249	336	34.9	2,662	2,984	12.1
Repair and maintenance	385	406	5.5	2,431	2,518	3.6
Utilities, materials and supplies	1,347	530	-60.7	5,720	3,192	-44.2
Other subsidies and expenses	318	90	-71.7	3,782	4,860	28.5
Amortization of tangible capital assets	433	390	-9.9	3,425	3,426	0.0
Net loss on disposal of assets	9	10	11.1	75	77	2.7
Total other expenses	10,342	10,374	0.3	71,361	74,318	4.1
Total program expenses, excluding net actuarial losses	30,552	34,492	12.9	249,180	264,895	6.3
Public debt charges	2,839	3,835	35.1	22,526	31,018	37.7
Total expenses, excluding net actuarial losses	33,391	38,327	14.8	271,706	295,913	8.9
Net actuarial losses	820	630	-23.2	6,560	5,040	-23.2
Total expenses	34,211	38,957	13.9	278,266	300,953	8.2

Note: Totals may not add due to rounding.

Chart 3

Revenues and expenses (April to November 2023)

\$ billions



Note: Totals may not add due to rounding.

Financial requirement of \$48.8 billion for April to November 2023

The budgetary balance is presented on an accrual basis of accounting, recording government revenues and expenses when they are earned or incurred, regardless of when the cash is received or paid. In contrast, the financial source/requirement measures the difference between cash coming in to the government and cash going out. This measure is affected not only by changes in the budgetary balance but also by the cash source/requirement resulting from the government's investing activities through its acquisition of capital assets and its loans, financial investments and advances, as well as from other activities, including payment of accounts payable and collection of accounts receivable, foreign exchange activities, and the amortization of its tangible capital assets. The difference between the budgetary balance and financial source/requirement is recorded in non-budgetary transactions.

With a budgetary deficit of \$19.1 billion and a requirement of \$29.7 billion from non-budgetary transactions, there was a financial requirement of \$48.8 billion for the April to November 2023 period, compared to a financial requirement of \$37.3 billion for the same period of the previous year.

Table 5

The budgetary balance and financial source/requirement

\$ millions

	November		April to November	
	2022	2023	2022-23	2023-24
Budgetary balance (deficit/surplus)	-3,379	-4,013	-3,554	-19,141
Non-budgetary transactions				
Accounts payable, accrued liabilities and accounts receivable	-3,962	1,438	-20,465	-20,353
Pensions, other future benefits, and other liabilities	865	1,076	8,582	7,201
Foreign exchange accounts and derivatives	892	896	-13,380	-9,779
Loans, investments and advances	22	-19	-6,899	-4,462
Non-financial assets	-507	-982	-1,592	-2,303
Total non-budgetary transactions	-2,690	2,409	-33,754	-29,696
Financial source/requirement	-6,069	-1,604	-37,308	-48,837

Note: Totals may not add due to rounding.

Net financing activities up \$55.5 billion

The government financed this financial requirement of \$48.8 billion and increased cash balances by \$6.7 billion by increasing unmatured debt by \$55.5 billion. The increase in unmatured debt was achieved primarily through the issuance of treasury bills.

Cash balances at the end of November 2023 stood at \$48.5 billion, down \$15.6 billion from their level at the end of November 2022.

Table 6

Financial source/requirement and net financing activities

\$ millions

	November		April to November	
	2022	2023	2022-23	2023-24
Financial source/requirement	-6,069	-1,604	-37,308	-48,837
Net increase (+)/decrease (-) in financing activities				
Unmatured debt transactions				
Canadian currency borrowings				
Marketable bonds	-21,551	200	8,347	-2,398
Treasury bills	1,043	-3,668	-829	51,335
Total Canadian currency borrowings	-20,508	-3,468	7,518	48,937
Foreign currency borrowings	-3,911	240	1,791	6,775
Total market debt transactions	-24,419	-3,228	9,309	55,712
Obligations related to capital leases and other unmaturred debt	-21	-24	-183	-174
Net change in financing activities	-24,440	-3,252	9,126	55,538
Change in cash balance	-30,509	-4,856	-28,182	6,701
Cash balance at end of period			64,080	48,497

Note: Totals may not add due to rounding.

Federal debt

The federal debt, or accumulated deficit, is the difference between the government's total liabilities and total assets. The year-over-year change in the accumulated deficit reflects the year-to-date budgetary balance plus remeasurement gains and losses.

Remeasurement gains and losses include:

- changes in the fair value of derivatives, such as swap agreements and foreign exchange forward agreements, which are used by the government to manage financial risks, and
- certain unrealized gains and losses on financial instruments and certain actuarial gains and losses related to pensions and other employee future benefits reported by consolidated Crown corporations, enterprise Crown corporations, and other government business enterprises.

Remeasurement gains and losses are not reflected in the budgetary balance but are instead charged directly to the accumulated deficit. The government began accounting for remeasurement gains and losses in 2022-23 with the adoption of a new standard of the Public Sector Accounting Board regarding financial instruments.

The accumulated deficit increased by \$20.5 billion over the April to November 2023 period, reflecting the \$19.1-billion budgetary deficit and \$1.4 billion in net remeasurement losses.

Table 7

Condensed statement of assets and liabilities

\$ millions

	March 31, 2023	November 30, 2023	Change
Liabilities			
Accounts payable and accrued liabilities	259,440	242,376	-17,064
Interest-bearing debt			
Unmatured debt			
Payable in Canadian currency			
Marketable bonds	1,044,997	1,042,599	-2,398
Treasury bills	198,899	250,234	51,335
Subtotal	1,243,896	1,292,833	48,937
Payable in foreign currencies	16,034	22,809	6,775
Obligations related to capital leases and other unmaturing debt	5,110	4,936	-174
Total unmaturing debt	1,265,040	1,320,578	55,538
Pension and other liabilities			
Public sector pensions	166,425	162,431	-3,994
Other employee and veteran future benefits	177,949	190,292	12,343
Other liabilities	7,339	6,191	-1,148
Total pension and other liabilities	351,713	358,914	7,201
Total interest-bearing debt	1,616,753	1,679,492	62,739
Foreign exchange accounts liabilities	44,151	44,322	171
Derivatives ¹	4,689	1,601	-3,088
Total liabilities	1,925,033	1,967,791	42,758
Financial assets			
Cash and accounts receivable	243,520	253,510	9,990
Foreign exchange accounts assets	169,390	178,213	8,823
Derivatives ¹	3,260	33	-3,227
Loans, investments, and advances (net of allowances) ²	213,110	217,432	4,322
Public sector pension assets	12,996	12,996	-
Total financial assets	642,276	662,184	19,908
Net debt	1,282,757	1,305,607	22,850
Non-financial assets	109,744	112,047	2,303
Federal debt (accumulated deficit)	1,173,013	1,193,560	20,547

Note: Totals may not add due to rounding.

¹ November 30, 2023 net balance of derivative assets and derivative liabilities includes net remeasurement losses of \$1.3 billion resulting from the change in their fair values over the April to November 2023 period.² November 30, 2023 amount includes \$0.1 billion in net remeasurement losses from enterprise Crown corporations and other government business enterprises, and from changes in the fair value of investments held by consolidated Crown corporations, for the April to November 2023 period.

Notes

1. *The Fiscal Monitor* is a report on the consolidated financial results of the Government of Canada, prepared monthly by the Department of Finance Canada. The government is committed to releasing *The Fiscal Monitor* on a timely basis in accordance with the International Monetary Fund's Special Data Dissemination Standards Plus, which are designed to promote member countries' data transparency and promote the development of sound statistical systems.
2. The financial results reported in *The Fiscal Monitor* are drawn from the accounts of Canada, which are maintained by the Receiver General and used to prepare the annual *Public Accounts of Canada*.
3. *The Fiscal Monitor* is generally prepared in accordance with the same accounting policies as used to prepare the government's annual consolidated financial statements, which are summarized in Section 2 of Volume I of the *Public Accounts of Canada*, available through the Public Services and Procurement Canada website.
4. The financial results presented in *The Fiscal Monitor* have not been audited or reviewed by an external auditor.
5. There can be substantial volatility in monthly results due to the timing of revenue receipts and expense recognition. For instance, a large share of government spending is typically reported in the March *Fiscal Monitor*.
6. The April to March results reported in *The Fiscal Monitor* are not the final results for the fiscal year as a whole. The final results are published in the annual *Public Accounts of Canada* and incorporate post-March end-of-year adjustments made once further information becomes available, including the accrual of tax revenues reflecting assessments of tax returns and valuation adjustments for assets and liabilities. Post-March adjustments may also include the accrual of measures announced in the budget that are recorded upon receipt of Royal Assent of enabling legislation.
7. Table 7, Condensed Statement of Assets and Liabilities, is included in the monthly *Fiscal Monitor* following the finalization and publication of the government's financial results for the preceding fiscal year, typically in the fall.

Note: Unless stated otherwise, changes in financial results are presented on a year-over-year basis.

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