

# Housing, Infrastructure and Communities Canada (HICC)

## Quarterly Financial Report for the quarter ended September 30, 2024

Pursuant to the Royal Assent of Bill C-59 and effective June 20, 2024, Infrastructure Canada (INFC) became Housing, Infrastructure and Communities Canada (HICC). The 2024-25 Q2 Quarterly Financial Report (QFR) is the first reported under HICC.

### Statement outlining results, risks and significant changes in operations, personnel and programs

#### Introduction

This quarterly report has been prepared by management as required by Section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board. This quarterly report should be read in conjunction with [Supplementary Estimates B](#).

The key to building Canada for the 21<sup>st</sup> century is helping all communities thrive by making housing more available and affordable while making public infrastructure more sustainable, inclusive and climate-resilient. HICC makes significant investments in housing and public infrastructure, addresses homelessness needs, builds public-private-partnerships, and delivers programs that improve Canadians' quality of life while creating jobs and supporting economic growth.

Further information on HICC's mandate, responsibilities, and programs can be found on [HICC's Website](#).

#### Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes HICC's spending authorities granted by Parliament and those used by HICC consistent with the Main Estimates and Supplementary Estimates for the 2024-25 fiscal year (FY). This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before monies can be spent by the government. Approvals are given in the form of annually approved limits through *Appropriation Acts* or through legislation in the form of statutory spending authority for specific purposes.

HICC uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

HICC works in collaboration with other federal departments and agencies to deliver some of its transfer payment programs (collectively known as federal delivery partners).

It should be noted that this quarterly report has not been subject to an external audit or review.

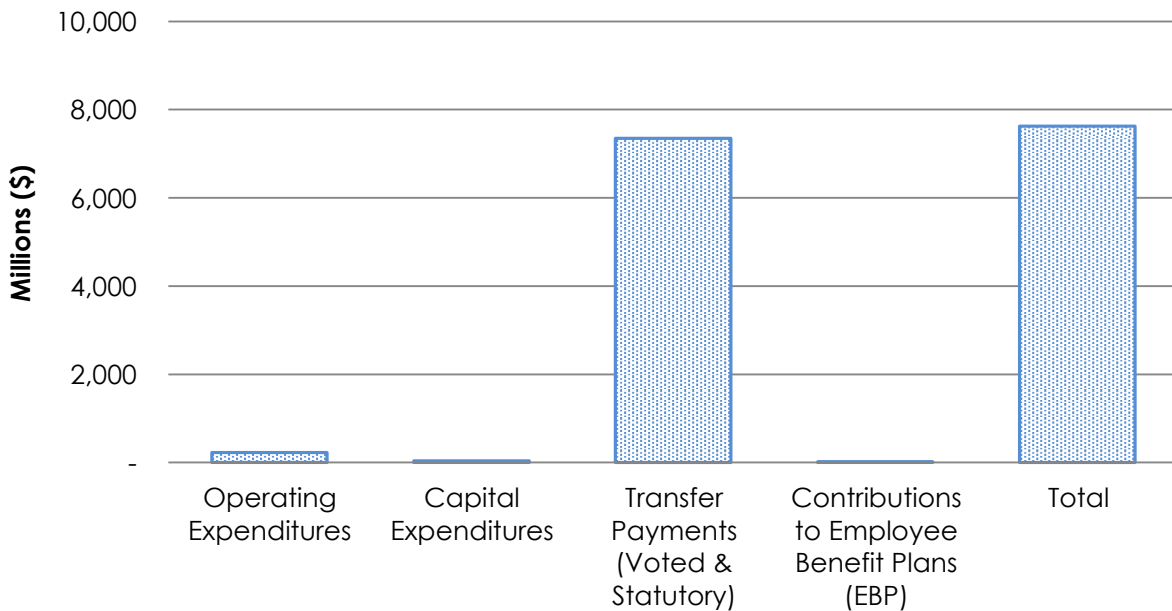
### Highlights of Fiscal Quarter and Fiscal Year-to-Date Results

HICC was created on June 20, 2024, therefore no historical comparative data is presented. Historical data is being retained beginning the second quarter of fiscal year 2024-25 and will provide a comparative for the 2025-26 fiscal year.

This section presents HICC's available authorities as of the second quarter of fiscal year 2024-25. Any unspent appropriations by INFC (Vote 1, 5, and 10) have been deemed appropriated to HICC. This QFR reports expenditures recorded under authorities appropriated to HICC for the quarter ended September 30, 2024.

### Authorities

**Graph 1: Authorities Available as of September 30, 2024**



As shown in the Statement of Authorities, HICC's total authorities available for 2024-25 are \$7.6 billion as of the end of the second quarter (Q2).

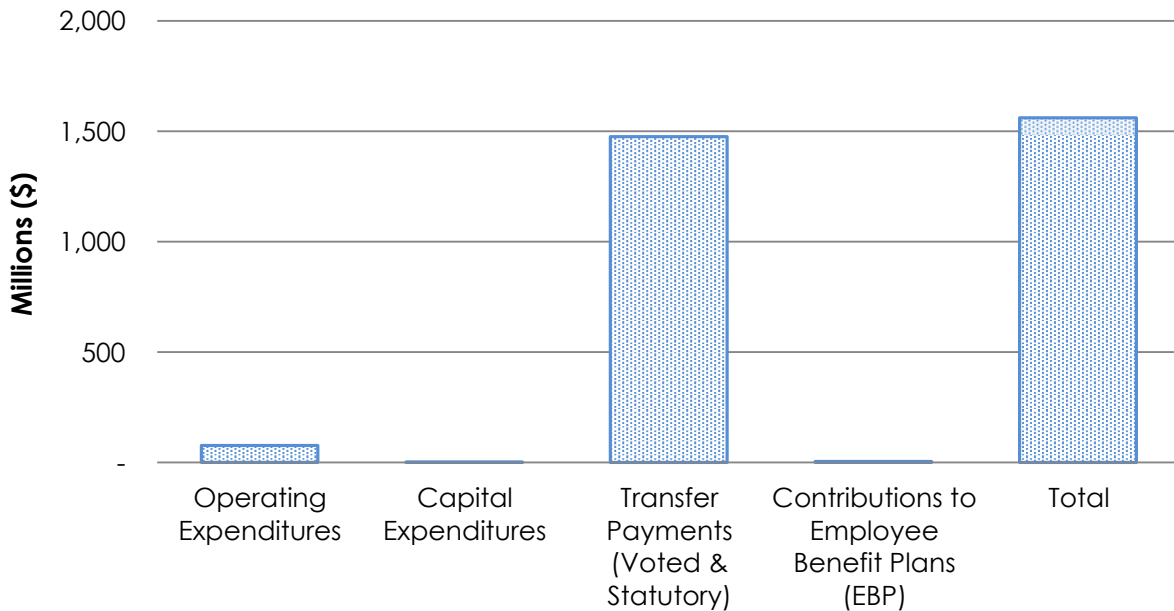
HICC's available authorities are summarized in the table below:

<b>Table 1: Total available authorities as of September 30, 2024</b>	
<b>Authorities</b>	<b>Available Amount (000's)</b>
Operating Expenditures	226,786
Capital Expenditures	36,781
Transfer Payments (Voted and Statutory)	7,350,758
Contributions to Employee Benefit Plans (EBP)	14,420

### **Expenditure Analysis**

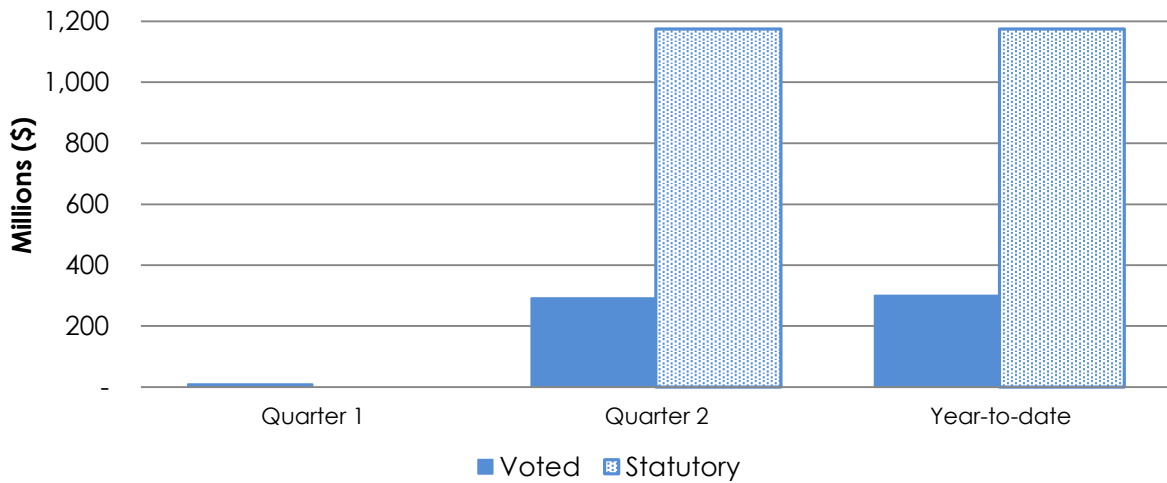
HICC year-to-date expenditures (from June 21, 2024 to the end of the second quarter) represent \$1.6 billion. Total expenditures by type are summarized in the graphs and tables below.

**Graph 2: Total Expenditures as of September 30, 2024**



<b>Table 2: Total expenditures as of September 30, 2024</b>	
<b>Year-to-date expenditures</b>	<b>Amount Spent (000's)</b>
Operating Expenditures	78,548
Capital Expenditures	2,073
Transfer Payments (Voted and Statutory)	1,475,164
Contributions to Employee Benefit Plans	4,808

**Graph 3: Authorities used for Transfer Payments (Voted and Statutory) as of September 30, 2024**



Significant year-to-date transfer payment expenditures as of September 30, 2024 were as follows:

<b>Program Fund</b>	<b>Amount Spent (000's)</b>
Canada Community-Building Fund <sup>[1]</sup>	1,175,079
Green and Inclusive Community Buildings	49,411
Investing in Canada Infrastructure Program – Public Transit Infrastructure Stream	40,372
Investing in Canada Infrastructure Program – COVID-19 - Resilience Stream	36,464
Investing in Canada Infrastructure Program – Green Infrastructure Stream	34,322
New Building Canada Fund – Provincial-Territorial Infrastructure Component – National and Regional Projects	31,329
Permanent Public Transit Program – Zero Emission Transit Fund	20,417
Investing in Canada Infrastructure Program – Rural and Northern Infrastructure Stream	17,850
Disaster Mitigation and Adaptation Fund	13,822

[1] Canada Community-Building Fund is HICC's only Statutory program.

## **Departmental Budgetary Expenditures by Standard Object**

The planned Departmental Budgetary Expenditures by Standard Object are set out in the table at the end of this report. As mentioned above, year-to-date expenditures as of Q2 2024-25 were \$1.6 billion. The largest single factor was transfer payments as detailed in Table 3 above.

Year-to-date expenditures by standard object are summarized in the table below:

<b>Table 4: Total expenditures by standard object as of September 30, 2024</b>	
<b>Expenditures by Standard Object</b>	<b>Amount Spent (000's)</b>
Personnel	58,737
Transportation and communications	342
Information	1,537
Professional and special services	6,455
Rentals	559
Repair and maintenance	5,271
Utilities, materials and supplies	33
Acquisition of land, buildings and works	1,975
Acquisition of machinery and equipment	39
Transfer payments	1,475,164
Public debt charges	10,469
Other subsidies and payments	12

Overall, HICC has spent 20% of its current Total Authorities as of September 30, 2024. This is mainly due to the late materialization of Transfer Payments. The majority of HICC G&C spending typically occurs in the final quarter of the fiscal year. The influx of claims submitted for reimbursement at year-end is driven by several factors, including the timing of construction seasons, which has a direct impact on the finalization of claims.

Other material expenditures for HICC include:

- personnel expenditures representing employee wages;
- public debt charges due to interest payments for the Samuel de Champlain Bridge Corridor (SDCBC) project.
- professional and special services mainly due to consultant fees (engineering, management & IT) and legal services.

## **Risks and Uncertainties**

As part of its corporate risk management function, the Department is monitoring and identifying strategic and department-wide risks that may affect the delivery of its mandate and expected results. HICC integrates risk management principles into strategic business planning, results-based management, decision-making and organizational processes to support the achievement of departmental priorities. Risk management at HICC is carried out in accordance with the Treasury Board Secretariat's (TBS) Framework for the Management of Risk, TBS's Guide to Integrated Risk Management.

The Corporate Risk Profile (CRP) is an important component of risk management as it is the primary document that describes the key risk information that should be considered in organizational decision-making and the achievement of departmental priorities. This document also serves as a cornerstone for implementing and monitoring risk responses to effectively address risks that could impede the success of HICC's priorities. HICC is to update its CRP yearly and revise it every three years or when warranted as a result of significant changes in risk to the Department. This may include significant changes in mandate, changes to priorities and departmental direction, operational objectives, and other factors such as changing economic, political and environmental conditions that directly impact the Department.

The Department is currently developing its 2025-28 CRP, which is expected to be completed in Q4 2024-25. The new CRP will investigate whether there are any important financial risks to be managed considering the ambitious plan for the Department to develop, implement, and deliver on the new and renewed programming that was announced in Budget 2024.

## **Significant Changes in Relation to Operations, Personnel and Programs**

As stated above, pursuant to the Royal Assent of Bill C-59 on June 20, 2024, the Department's applied title changed from Infrastructure Canada to Housing, Infrastructure and Communities Canada (HICC).

In recognition of the important link between housing and infrastructure, the new legislation formalizes the mandate and role of the Department to advance national housing outcomes, reduce and prevent homelessness, and support and promote public infrastructure to foster inclusive, sustainable, and prosperous communities. This marks an important milestone in the Department's history. Integrating the mandate for housing and infrastructure under one department supports the alignment of the work across HICC, increasing the ability to address the most urgent priorities for Canadians.

As stated at the beginning of this report, the Quarterly Financial Report for Q2 of 2024-25 is the first report for this department as HICC. All unspent authorities have been deemed appropriated to HICC.

As a result of its expanded mandate, we have begun building new capacities and functions within the Department to deliver on housing policy, and are working closely

with the Canada Mortgage and Housing Corporation (CMHC) to advance a new partnership. This partnership includes the onboarding of CMHC employees to align human resource capacity to the recalibrated responsibilities between both organizations. The transition of the housing policy and program development to HICC is strengthening the government's overall capacity to provide advice and support on housing and homelessness issues.

The following significant changes have taken place within the Department during Q2:

Pursuant to Budget 2024, the Department secured funding for the following initiatives:

- Funding to establish the Canada Housing Infrastructure Fund - \$6 billion over ten years beginning in 2024-25.
- Funding to address Unsheltered Homelessness and Encampments - \$250 million over two years beginning in 2024-25.

To deliver the new programming in a timely way, it is essential that HICC continue its efforts to attract and recruit employees through adaptable and innovative talent sourcing strategies and retain employees by investing in their professional development to meet business requirements, all while focusing on employee well-being. Initiatives to create an inclusive and barrier-free workplace will continue to be supported in order to ensure HICC remains a workplace of choice, made up of a workforce that is representative of the Canadians we serve.

The role and profile of the Department has grown over the last few years and Budget 2024 positions it well to deliver on the expanded and integrated portfolio. In the face of evolving challenges and growing housing needs, the mandate to design meaningful policies and provide communities with the tools they require to access HICC programs has never been more crucial.

The Department is committed to moving forward on the Budget 2024 measures referenced above in a timely manner as well as those in which it will play a collaborative role, in an effort to deliver results for Canadians.

### **Approval by Senior Officials**

Approved by:

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Kelly Gillis  
Deputy Head

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Michelle Baron  
Chief Financial Officer

Signed at Ottawa, Canada