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Health Canada Quarterly Financial Report for the quarter ended June 30, 2026



Health Canada is the federal department responsible for helping the people of Canada maintain and improve their health. Health Canada is committed to improving the lives of all of Canada's people and to making this country's population among the healthiest in the world as measured by longevity, lifestyle and effective use of the public health care system.

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Introduction

Health Canada is the federal department responsible for helping Canadians maintain and improve their health. In keeping with the Department's commitment to making this country's population among the healthiest in the world as measured by longevity, lifestyle and effective use of the public health care system, its main responsibilities are as a regulator, a service provider, a catalyst for innovation, a funder, and an information provider. Health Canada administers the [Canada Health Act](#), which embodies national principles to ensure a universal and equitable publicly funded health care system. A summary of Health Canada's programs may be found in [Part II of the Main Estimates](#).

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

This quarterly report has not been subject to an external audit or review.

Basis of presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of authorities includes the Department's spending authorities granted by Parliament, and those used by the Department consistent with the Main Estimates and Supplementary Estimates for the 2026-27 fiscal year. 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 money 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.

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

Highlights of fiscal quarter and fiscal year-to-date results

This quarterly financial report reflects the results of the current fiscal period in comparison to the authorities provided in the Main Estimates and Supplementary Estimates (A) for fiscal year 2026-27, as well as budget adjustments approved by Treasury Board up to June 30, 2026.

The following graph provides a comparison of net budgetary authorities available for spending and year-to-date expenditures for the first quarter of the current and previous fiscal years.

Figure 1. Comparison of net budgetary authorities and expenditures for the quarter ended June 30 of fiscal years 2025-26 and 2026-27 (in millions of dollars)

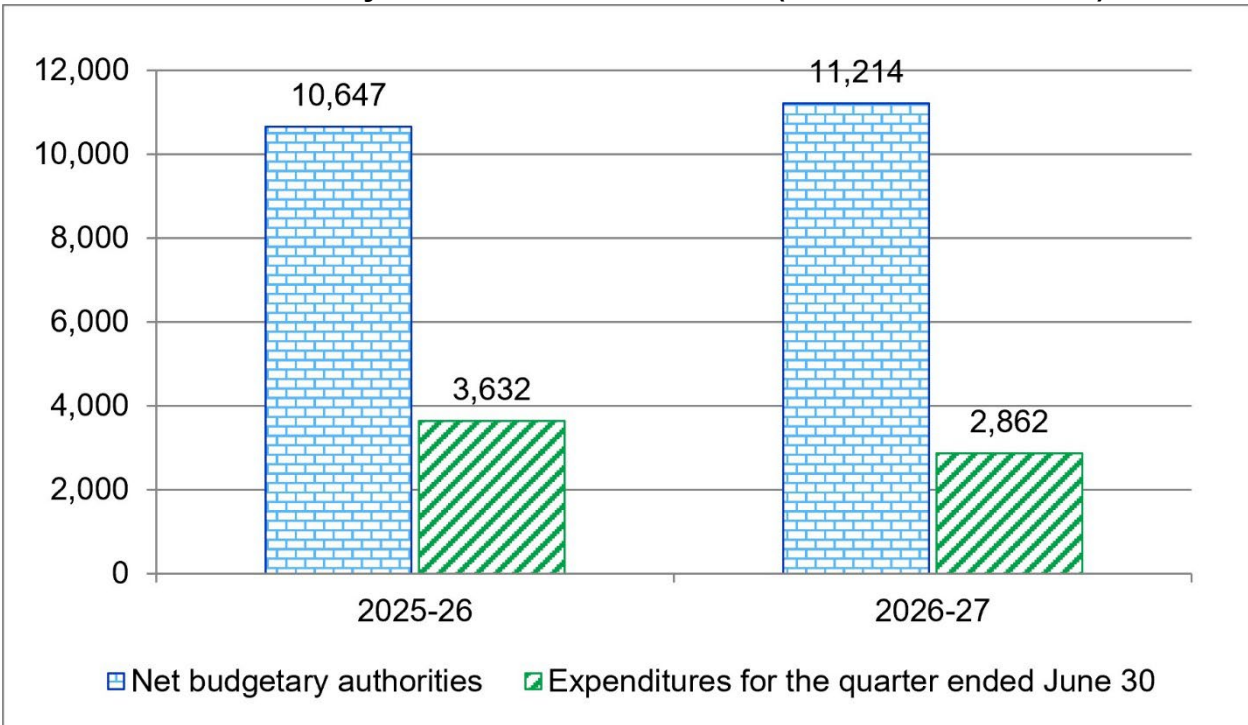


Figure 1: text description

Bar chart showing a comparison of net budgetary authorities and expenditures for the quarter ended June 30 of fiscal years 2025-26 and 2026-27 in millions of dollars.

2025-26 Net budgetary authorities = 10,647; 2025-26 Expenditures for the quarter ended June 30 = 3,632;

2026-27 Net budgetary authorities = 11,214; 2026-27 Expenditures for the quarter ended June 30 = 2,862.

A. Significant changes to authorities

The following table provides a comparison of total authorities available by vote at the end of the first quarter of the current and previous fiscal years.

Comparison of authorities available for spending as at June 30 of fiscal years 2025-26 and 2026-27 (in millions of dollars)

Authorities available	2025-26	2026-27	Variance
Vote 1 - Operating expenditures	4,261	4,677	416
Vote 5 - Capital expenditures	32	23	(9)
Vote 10 - Grants and contributions	6,003	5,953	(50)
Statutory	351	561	210
Total authorities	10,647	11,214	567

Authorities available for spending in fiscal year 2026-27 were \$11.2 billion at the end of the first quarter as compared with \$10.6 billion at the end of the first quarter of 2025-26, representing a net increase of \$567 million, or 5%. This variance is primarily attributable to increases in funding related to the following:

- \$449.8 million for the Canadian Dental Care Plan (CDCP);
- \$219.1 million in statutory authority for payments to provinces and territories under section 6 of the Pharmacare Act;
- \$23.8 million for building a world-class health data system for Canadians; and
- \$17.4 million for the Diabetes Devices and Supplies Fund.

These increases in authorities are partially offset by decreases in funding related to the following:

- \$72.4 million in reference level funding resulting from the comprehensive expenditure review;
- \$21.3 million in statutory authority for payments pursuant to the Dental Benefit Act for the interim Canada Dental Benefit;
- \$20.8 million related to the Emergency Treatment Fund;

- \$17.7 million related to the administration of the Cannabis Act and its regulations; and
- \$10.0 million for Canada Health Infoway.

The fluctuations in authorities available for spending are most notable in the following standard objects: Transfer payments; Professional and special services; Other subsidies and payments; Personnel; and Acquisition of machinery and equipment.

B. Significant changes in year-to-date expenditures

The following table provides a comparison of year-to-date spending by vote at the end of the first quarter of the current and previous fiscal years.

Comparison of year-to-date expenditures for the quarter ended June 30 of fiscal years 2025-26 and 2026-27 (in millions of dollars)

Year-to-date expenditures	2025-26	2026-27	Variance
Vote 1 - Operating expenditures	915	1,311	396
Vote 5 - Capital expenditures	-	1	1
Vote 10 - Grants and contributions	2,609	1,353	(1,256)
Statutory	108	197	89
Total year-to-date expenditures	3,632	2,862	(770)

At the end of the first quarter of 2026-27, total budgetary expenditures were \$2,862 million compared with \$3,632 million reported for the same period of 2025-26, representing a decrease of \$770 million, or 21%.

Year-to-date net operating expenditures have increased by \$396 million or 43% when compared to the first quarter of 2025-26. The increase is a result of the following significant factors:

- \$361.4 million increase in benefit payments to Sun Life Assurance Company of Canada in relation to the CDCP, due to an increase in the number of Canadians accessing the program; and
- \$37.2 million increase in Personnel expenditures primarily due to a timing difference in the number of pay periods recorded to the end of the first quarter as compared

with the prior year, and annual salary increments for inflation and step increases, partially offset by a reduction in full-time equivalents (FTEs) following the comprehensive expenditure review exercise.

There was a decrease in Vote 10 – Grants and contributions year-to-date expenditures of \$1,256 million or 48% as a result of several offsetting factors including timing of payments made to recipients and changes in amount of funding available. Significant variances from the prior year are as follows:

- \$1,240.7 million decrease in contributions to provinces and territories for Shared Health Priorities;
- \$14.7 million decrease in contributions to the Canadian Agency for Drugs and Technologies in Health; and
- \$10.7 million decrease in contributions to the Improving Affordable Access to Prescription Drugs Program.

Statutory year-to-date expenditures have increased by \$89 million or 82% from \$108 million in 2025-26 to \$197 million in 2026-27, primarily as a result of the following significant and partially offsetting factors:

- \$105.1 million increase in statutory payments to provinces and territories under section 6 of the Pharmacare Act; and
- \$21.3 million decrease in statutory spending for payments to recipients and advance payments to Canada Revenue Agency through an administrative arrangement to provide payments to recipients pursuant to the Dental Benefit Act under the interim Canada Dental Benefit, which ended on June 30, 2024.

Risks and uncertainties

Health Canada operates in a complex and dynamic environment where multiple factors can affect its ability to deliver results for Canadians. These include health workforce shortages, the availability and affordability of health services, substance use-related harms and the illegal drug crisis, global supply chain disruptions, misinformation and disinformation, the rapid pace of technological change, and the impacts of climate change, many of which lie outside the Department's sole authority or direct control. Navigating this complex and dynamic environment requires close collaboration with federal partners, provincial and territorial (P/T) governments, Indigenous organizations, non-governmental stakeholders, industry, and international regulators.

Health Canada works to foster sustainable health care systems with the goal of ensuring that Canadians have access to appropriate and effective health care. However, these systems continue to face significant challenges related to sustainability, access to services, and service delivery. Although health care delivery is primarily under P/T jurisdiction, with funding administered through the [Canada Health Transfer](#), the Department plays an important role in supporting P/Ts in advancing their health care and

health system priorities. This includes upholding the Canada Health Act, advancing the Government's [Working Together to Improve Health Care for Canadians Plan](#), which provides funding to support P/Ts on shared priorities. In addition, the Department continued supporting eligible Canadian residents in accessing affordable oral health care services.

The Department also works with domestic and international partners to assess, manage, and communicate the health and safety risks and benefits associated with health and consumer products, food, chemicals, pesticides, environmental factors, tobacco and vaping products, cannabis, and controlled substances. Addressing the need for increased access to health products, responding to the illegal drug crisis, global supply chain disruptions, and emerging health and environmental risks underscores the importance of maintaining and adapting regulatory frameworks.

Health Canada continues to modernize its regulatory approaches, strengthen partnerships, and support innovative initiatives to respond to health risks more effectively, efficiently, and with greater agility, as outlined in the [Report on Red Tape Reduction](#). In parallel, the increasing use of artificial intelligence (AI) in science, data analysis, and regulatory environments is expected to influence how the Department conducts monitoring, oversight, and decision-making. This evolution presents both opportunities and considerations for ensuring regulatory systems remain robust, transparent, and aligned with the [Government of Canada's AI Strategy](#) and related policies.

Health Canada's priorities remain focused on ensuring that government investments and the regulatory frameworks protect the health and safety of Canadians. In this complex environment, the Department manages both corporate- and program-level risks associated with delivering on its mandate and implementing government commitments, programs and services. As per its Risk Management Policy, the Department applies a consistent approach to risk management and maintains a comprehensive, up-to-date Corporate Risk Profile to support risk-informed decision-making.

Health Canada manages risks and uncertainty through effective engagement across the organization with agile and sound governance structures, as well as long-term planning. The executive-level committee on Finance, Investment Projects and Transformation recommends overall direction for financial management and control, and ensures alignment of investments with departmental strategies and transformation initiatives.

Significant changes in relation to operations, personnel and programs

There have been no significant changes in relation to operations, personnel and programs during this quarter.

Approved by:

Original signed by Shalene Curtis-Micallef
Shalene Curtis-Micallef
Deputy Minister

Ottawa, Canada
Date: August 14, 2026

Original signed by Ryan Higgs
Ryan Higgs
Acting Assistant Deputy Minister and Chief Financial Officer
Ottawa, Canada
Date: August 11, 2026

Statement of authorities (unaudited)

**Statement of authorities for fiscal year 2026-27
(in thousands of dollars)**

Authority	Total available for use for the year ending March 31, 2027 ^{Footnote1}	Used during the quarter ended June 30, 2026	Year-to- date used at quarter- end
Vote 1 - Operating expenditures	4,676,987	1,310,917	1,310,917
Vote 5 - Capital expenditures	22,983	1,543	1,543
Vote 10 - Grants and contributions	5,953,284	1,352,777	1,352,777
(S) ^{Footnote2} Contributions to employee benefit plans	164,380	39,015	39,015
(S) Minister's salary and motor car allowance	106	27	27
(S) Spending of proceeds from the disposal of surplus Crown assets	217	-	-
(S) Spending of revenues pursuant to section 4.2 of the Department of Health Act	51,463	-	-

Statement of authorities for fiscal year 2026-27
(in thousands of dollars)

Authority	Total available for use for the year ending March 31, 2027 Footnote 1	Used during the quarter ended June 30, 2026	Year-to-date used at quarter-end
(S) Payments to provinces and territories pursuant to section 103 of the Patent Act	24,425	22,840	22,840
(S) Payments to provinces and territories under section 6 of the Pharmacare Act	320,066	134,752	134,752
Total authorities	11,213,911	2,861,871	2,861,871

Footnote 1

Includes only Authorities available for use and granted by Parliament at quarter end

[Return to footnote1referrer](#)

Footnote 2

(S) – Statutory Vote

[Return to footnote2referrer](#)

Statement of authorities for fiscal year 2025-26
(in thousands of dollars)

Authority	Total available for use for the year ending March 31, 2026 Footnote 1	Used during the quarter ended June 30, 2025	Year-to-date used at quarter-end
Vote 1 - Operating expenditures	4,260,687	914,803	914,803
Vote 5 - Capital expenditures	32,094	131	131

Statement of authorities for fiscal year 2025-26
(in thousands of dollars)

Authority	Total available for use for the year ending March 31, 2026^{Footnote1}	Used during the quarter ended June 30, 2025	Year-to-date used at quarter-end
Vote 10 - Grants and contributions	6,003,338	2,608,843	2,608,843
(S) ^{Footnote2} Contributions to employee benefit plans	153,692	38,423	38,423
(S) Ministers' salary and motor car allowance	204	17	17
(S) Spending of proceeds from the disposal of surplus Crown assets	470	-	-
(S) Spending of revenues pursuant to section 4.2 of the Department of Health Act	51,463	-	-
(S) Payments to provinces and territories pursuant to section 103 of the Patent Act	22,940	18,940	18,940
(S) Payments related to the Dental Benefit Act	21,278	21,278	21,278
(S) Payments to provinces and territories under section 6 of the Pharmacare Act	100,939	29,653	29,653
Total authorities	10,647,105	3,632,088	3,632,088

Footnote 1

Includes only Authorities available for use and granted by Parliament at quarter end

Statement of authorities for fiscal year 2025-26
(in thousands of dollars)

Authority	Total available for use for the year ending March 31, 2026 Footnote 1	Used during the quarter ended June 30, 2025	Year-to- date used at quarter- end
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[Return to footnote 1 referrer](#)

(S) – Statutory Vote

[Return to footnote 2 referrer](#)

Departmental budgetary expenditures by standard object (unaudited)

Budgetary expenditures by standard object for fiscal year 2026-27
(in thousands of dollars)

Standard Object	Planned expenditures for the year ending March 31, 2027	Expended during the quarter ended June 30, 2026	Year-to-date used at quarter-end
Expenditures:			
Personnel	1,173,846	266,197	266,197
Transportation and communications	12,458	1,563	1,563
Information	42,192	2,114	2,114
Professional and special services	408,094	55,001	55,001
Rentals	23,153	7,110	7,110
Repair and maintenance	20,989	1,365	1,365
Utilities, materials and supplies	22,431	1,835	1,835

Budgetary expenditures by standard object for fiscal year 2026-27
(in thousands of dollars)

Standard Object	Planned expenditures for the year ending March 31, 2027	Expended during the quarter ended June 30, 2026	Year-to-date used at quarter-end
Acquisition of land, buildings and works	235	13	13
Acquisition of machinery and equipment	23,624	1,804	1,804
Transfer payments	9,726,213	2,597,154	2,597,154
Other subsidies and payments	13,841	42	42
Total gross budgetary expenditures	11,467,076	2,934,198	2,934,198
Less revenues netted against expenditures:			
Rights and privileges	65,021	4,297	4,297
Services of a non- regulatory nature	41,786	2,934	2,934
Services of a regulatory nature	140,659	65,096	65,096
Services to other government departments	5,699	-	-
Total revenues netted against expenditures	253,165	72,327	72,327

Budgetary expenditures by standard object for fiscal year 2026-27
(in thousands of dollars)

Standard Object	Planned expenditures for the year ending March 31, 2027	Expended during the quarter ended June 30, 2026	Year-to-date used at quarter-end
Total net budgetary expenditures	11,213,911	2,861,871	2,861,871

Budgetary expenditures by standard object for fiscal year 2025-26
(in thousands of dollars)

Standard Object	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended June 30, 2025	Year-to-date used at quarter-end
Expenditures:			
Personnel	1,185,380	228,466	228,466
Transportation and communications	14,260	1,305	1,305
Information	36,605	987	987
Professional and special services	463,881	58,529	58,529
Rentals	21,764	5,699	5,699
Repair and maintenance	30,013	1,121	1,121
Utilities, materials and supplies	25,119	756	756
Acquisition of land, buildings and works	1,105	-	-

Budgetary expenditures by standard object for fiscal year 2025-26
(in thousands of dollars)

Standard Object	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended June 30, 2025	Year-to-date used at quarter-end
Acquisition of machinery and equipment	33,860	554	554
Transfer payments	9,052,217	3,382,843	3,382,843
Other subsidies and payments	29,590	21,704	21,704
Total gross budgetary expenditures	10,893,794	3,701,964	3,701,964
Less revenues netted against expenditures:			
Rights and privileges	63,784	4,460	4,460
Services of a non-regulatory nature	39,281	4,942	4,942
Services of a regulatory nature	137,925	60,474	60,474
Services to other government departments	5,699	-	-
Total revenues netted against expenditures	246,689	69,876	69,876

Budgetary expenditures by standard object for fiscal year 2025-26
(in thousands of dollars)

Standard Object	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended June 30, 2025	Year-to-date used at quarter-end
Total net budgetary expenditures	10,647,105	3,632,088	3,632,088