



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER OF 2024-2025

As of June 30, 2024 (Unaudited)

Presented to the Board of Internal Economy

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Section 1 – Overview

The *Quarterly Financial Report* is presented to the Board of Internal Economy (Board) in support of the effective oversight of public funds. It compares the year-to-date financial information of the current fiscal year with that of the previous fiscal year.

This current report, covering the three-month period ended June 30, 2024, is prepared on an accrual basis and includes reasonable estimates.

Section 2 – Executive summary

The year-to-date net cost of operations totalled **\$181.5M**, up **\$14M (8.3%)** from the same period last year. This is primarily due to an increase in:

- salaries and benefits due to cost-of-living adjustments for Members, House Officers, and some House Administration employees, alongside additional staffing for Member support projects and parliamentary modernization;
- transportation and telecommunications, mainly due to an increase in Member travel to carry out parliamentary functions;
- professional and special services to sustain and enhance security support for Members and IT support for various projects; and
- greater employer contributions to health and dental plans driven by a change in methodology, as well as higher salaries and contribution rate.

The House's net approved budget for 2024-2025 is **\$657.3M**, up **\$40.3M (6.5%)** from 2023-2024.

The net approved budget includes:

- \$623.7M from the Main Estimates;
- \$33.6M approved by the Board for:
 - \$21.2M for the 2023-2024 operating budget carry-forward;
 - \$7.7M for security support for Members;
 - \$19M for economic increases for certain House Administration employees; and
 - \$0.9M for employee benefit plans.

As of June 30, 2024, the funding available in the corporate reserve, including the operating budget carry-forward, has been allocated for specific initiatives such as the transformation of parliamentary proceedings, the replacement of the Members' Financial Portal, and the implementation of initiatives that are part of the House's *Accessibility Plan 2023-2025*. A portion of the costs for the transformation of parliamentary proceedings will be absorbed by surpluses under the Members and House Officers program. The House Administration will continue to monitor the current environment, and when feasible, mitigate risks through strong financial planning and management practices that support strategic priorities and effective resource utilization.

The House is operating within its approved authorities and there are no other material items of concern to bring to the Board's attention.

Section 3 – Comparative financial information

Financial results of operations by program

The net cost of operations as of June 30, 2024 totals **\$181.5M** compared to **\$167.5M** in the same period last year, resulting in an overall increase of **\$14M** or **8.3%**. The following table shows a breakdown of net cost of operations by program as of June 30 of fiscal years 2024-2025 and 2023-2024.

Table 1. Year-over-year net cost of operations by program as of June 30

(in thousands of dollars)

Program	YTD June 30		\$ Variance	% Variance
	2024-2025 Actuals	2023-2024 Actuals		
Members and House Officers	83,231	76,705	6,526	8.5
Committees, Parliamentary Associations and Parliamentary Exchanges	1,060	1,265	(205)	(16.2)
Members and House Officers program	84,291	77,970	6,321	8.1
House Administration program	68,389	63,547	4,842	7.6
Total net operating expenses	152,680	141,517	11,163	7.9
Services received without charge ¹	28,822	26,032	2,790	10.7
Total net cost of operations	181,502	167,549	13,953	8.3

Note: Figures may not add up to total due to rounding.

¹For details on services received without charge, see Table 2.

Financial results of operations by expense and revenue category

The following table presents the net cost of operations by expense and revenue category as of June 30 of fiscal year 2024-2025.

Table 2. Year-over-year net cost of operations by expense and revenue category as of June 30

(in thousands of dollars)

Expense and revenue category	YTD June 30		\$ Variance	% Variance
	2024-2025 Actuals	2023-2024 Actuals		
Operating expenses				
Salaries and benefits	116,244	108,170	8,074	7.5
Transportation and telecommunications	12,726	11,315	1,411	12.5
Professional and special services	4,225	3,531	694	19.7
Rentals and licences	7,510	7,103	407	5.7
Computer and office equipment, furniture and fixtures	3,918	3,368	550	16.3
Utilities, materials and supplies	2,889	2,706	183	6.8
Advertising and printing services	2,570	2,120	449	21.2
Amortization of tangible capital assets	2,181	2,524	(342)	(13.6)
Repairs and maintenance	1,595	1,172	423	36.1
Transfer payments to international associations	65	239	(174)	(72.8)
Net loss (gain) on disposal of tangible capital assets	23	-	23	-
Other	239	175	63	36.0
Total operating expenses	154,186	142,422	11,763	8.3
Revenues				
Cost recoveries	(136)	(66)	(70)	107.0
Food Services sales	(1,275)	(768)	(508)	66.1
Other	(94)	(72)	(23)	31.9
Total revenues	(1,506)	(905)	(601)	66.4
Total net operating expenses	152,680	141,517	11,163	7.9
Other expenses: services received without charge				
Accommodations	19,650	19,369	281	1.4
Employer's contribution to health and dental insurance plans	9,134	6,613	2,521	38.1
Workers' compensation payments	38	49	(12)	(23.5)
Total other expenses	28,822	26,032	2,790	10.7
Total net cost of operations	181,502	167,549	13,953	8.3

Note: Figures may not add up to total due to rounding.

The year-over-year increase of **\$14M** is mainly due to the following items:

- **Salaries and benefits:** The increase is primarily due to cost-of-living adjustments and a higher number of employees for Members and House Officers, and statutory increases in Members' session allowance and additional salaries under the *Parliament of Canada Act*. For the House Administration, the rise is attributed to cost-of-living adjustments for employees, additional staffing for the transformation of parliamentary proceedings, and support for Member-focused projects.
- **Transportation and telecommunications:** Increase in number of trips by Members as well as by employees. The increase in per diem rates, mileage reimbursement rates, and secondary residence rental rates contributed to the overall spending increase.
- **Professional and special services:** Mainly due to initiatives to sustain and enhance security support for Members, IT support for projects to address the needs of the House and its Members, as well as an increase in Members' hospitality events.
- **Services received without charge:** The increase in the employer's contribution to health and dental insurance plans is primarily driven by a change in methodology, as well as higher salaries and contribution rate.

Approved annual budget (authorities)

The House's 2024-2025 approved budget is **\$657.3M**, up **\$40.3M (6.5%)** from last year, primarily due to:

- \$19M for economic increases for House Administration employees;
- \$7.7M for enhanced security support for Members;
- \$5.6M for cost-of-living increases in Members' and House Officers' budgets, including allocations for travel and constituency office leases;
- \$3.6M for lifecycle and maintenance of disaster recovery technologies and facilities; and
- \$1.8M for Members' session allowance and additional salaries.

For more details on the year-over-year changes by program and by initiative, see appendices A and B respectively.

Important events and current operating environment

Impacts on spending trends

Inflation: Although the adjusted consumer price index (CPI)¹ dropped from 3.2% in June 2023 to 1.9% in June 2024, the cost of living continues to be high due to ongoing price increases in goods and services. The House Administration does not factor in non-salary inflationary adjustments in the Main Estimates. The House Administration continues to monitor and assess these impacts and will seek additional funding if required.

¹ The adjusted consumer price index (CPI) excludes volatile components like fruits and vegetables, gasoline, mortgage interest rates, and tobacco products.

Business transformation initiatives

Accessibility: The House officially published its [Accessibility Plan 2023-2025](#) in December 2022. Prepared in accordance with the [Accessible Canada Act](#), this plan outlines the steps the House will take to identify, remove and prevent barriers that limit the full and equal participation of persons with disabilities. The House recognizes that every person has their own strengths and challenges, and it values this diversity.

This year will see the completion of most of the Accessibility Plan's initiatives, including the launch of mandatory training for managers, accessibility guidelines for procurement and improvements in digital accessibility and the built environment.

Enhancements to the security environment: Continued advancement on various initiatives regarding security enhancements for Members, which began in 2020-2021, will continue into 2024-2025 and beyond. Those initiatives are to provide a safe and secure environment to Members and their staff when they are in the parliamentary precinct, their residences and their constituencies.

Infrastructure investment: The investment needed to modernize and rehabilitate Centre Block (now known as the Parliament Building) through its Long-Term Vision and Plan continued this year. The objective is to provide parliamentarians with modernized accommodations to meet their needs in terms of technology, broadcasting and videoconferencing, physical security, cybersecurity, as well as accessibility and sustainability.

Section 4 – Appendices

Appendix A. Annual budget (authorities) by program

The table below reflects the Board-approved authorities in the amount of **\$657.3M** for 2024-2025.

(in thousands of dollars)

Program	2024-2025 Budget	2023-2024 Budget	\$ Variance	% Variance
Members and House Officers	374,995	360,228	14,767	4.1
Committees, Parliamentary Associations and Parliamentary Exchanges	10,047	9,280	767	8.3
Members and House Officers program	385,042	369,508	15,534	4.2
House Administration program	272,242	247,388	24,854	10.0
Authorities approved by the Board	657,284	616,896	40,338	6.5

Note: Figures may not add up to total due to rounding.

Appendix B. Year-over-year changes to approved annual budget (authorities) by initiative as of June 30

(in thousands of dollars)

Description	\$ Budget
2023-2024 Board-approved authorities (incl. Supplementary Estimates B 2023-2024)	616,896
Economic increases approved for certain House Administration employees	15,180
Cost-of-living increases for Members' and House Officers' budgets, including allocations for travel and constituency office leases	5,632
Lifecycling and maintenance of disaster recovery technologies and facility services	3,637
Members' session allowance and additional salaries	1,770
Conferences and assemblies (OSCE, APF, NATO) ¹	779
Members' pensions plans (MPRA and MPRCA accounts) ²	400
Accessibility Plan 2023-2025	(458)
Employee benefit plans (EBPs)	(380)
Supplementary Estimates 2024-2025 vs. 2023-2024 ³	13,829
Total approved budget	657,284

Note: Figures may not add up to total due to rounding.

¹ OSCE: Organization for Security and Co-operation in Europe, APF: Assemblée Parlementaire de la Francophonie, NATO: North Atlantic Treaty Organization

² MPRA: Members of Parliament Retiring Allowances, MPRCA: Members of Parliament Retirement Compensation Arrangements

³ The amount includes economic increases of \$3.8M for House Administration employees, \$7.7M for the sustainment and enhancement of security support for Members, and \$0.9M for EBPs.