

News Release

For Immediate Release

October 1, 2025

Ontario Auditor General Releases Four Special Reports

(Toronto) The Office of the Auditor General of Ontario today released four Special Reports: Canada-wide Early Learning and Child Care Program; Home Construction Regulatory Authority; Report on Progress to Reduce Greenhouse Gas Emissions; and Skills Development Fund Training Stream.

Auditor General Shelley Spence says the reports outline areas where recommended actions are needed. "These programs touch the daily lives of Ontarians — from affordable child-care to protecting buyers of new homes, tackling Ontario's progress toward reducing greenhouse gas emissions, and investments made in skills training. We found opportunities for improvement," Spence says.

The Ministry Has Not Yet Achieved the Key Commitments in the Canada-wide Early Learning and Child Care

In March 2022, Ontario and Canada signed the Canada-wide Early Learning and Child Care (CWELCC) Agreement, ending on March 31, 2026. The Province was allocated \$10.23 billion over five years to support its CWELCC objectives, including reducing child-care fees paid by families (parent fees) for children under age six to an average of \$10 per day and increasing access to child-care spaces. The federal and provincial governments are currently in negotiations to extend the agreement.

Several of the commitments in the Agreement need to be met by 2026, and they have not yet been achieved. For example, the Province committed to create 86,000 new spaces by the end of 2026, but has added about 36,000 spaces or about 75% of the child-care spaces it had targeted to create by the end of 2024.

Compared to 2019, child-care enrolment has decreased by 31% for typically lower-income families that are receiving the child-care fee subsidy. The CWELCC program has reduced child-care costs, causing the overall demand for spaces to increase threefold. This has made it more difficult for families, including those eligible for the fee subsidy, to find available child-care spaces.

The Auditor General also noted a sustainable child-care system is important to families and the economy of Ontario. The Ministry of Education agreed with all 11 of the recommendations.

Buyers of New Homes Rely on Home Construction Regulatory Authority (HCRA) to Regulate Builders and Vendors

A home is typically the largest purchase an individual will make in their lifetime. Ontario homebuyers took possession of almost 60,000 new homes in 2024, at an average price of over \$790,000. Ontarians purchasing new homes rely on the effective regulation of new home builders and vendors to protect their investment.

The audit found that HCRA's systems, processes and policies to license and regulate new home builders and vendors were not consistently effective in protecting consumers when purchasing a new home. HCRA's review of a licensee's past conduct and financial position was limited when approving licence applications, and HCRA conducted limited verification of the information an applicant submitted.

HCRA's oversight and enforcement processes were not proactive or risk-based and were not focused on prevention. Instead, enforcement activities were primarily initiated in response to complaints received.

The audit made 10 recommendations for improvement and HCRA agreed with all of them, while the Ministry of Public and Business Service Delivery and Procurement agreed with or conditionally accepted three of the four recommendations addressed to it.

Ontario Is Not On Track to Meet Its 2030 Climate Commitments

Ontario set a legislated target in 2018 to reduce greenhouse gas (GHG) emissions by 30% below 2005 levels by 2030. The review found the Province is projected to miss this target by at least 3.5 megatonnes — and the gap could be even larger.

Although emissions have fallen 22% since 2005, largely due to the elimination of coal-fired electricity, no finalised plan exists for future GHG reductions. Ontario's climate change plan is still in draft and has not been updated since 2018. No progress report has been released since 2021, despite legislated requirements. The Province also has no targets for GHG reductions past 2030.

The Ministry of Environment Conservation and Parks did not agree with three of four of the review's recommendations.

The Skills Development Fund Training Stream Application Selection Process Was Not Fair, Transparent or Accountable

Established during the COVID-19 pandemic, the Skills Development Fund Training Stream (SDF) offers funding to organizations for projects that address challenges to hiring, training or retaining workers.

The audit found that 549 applications, more than half (54%) of the applications approved for funding by the Minister's Office, were rated "Poor," "Low," or "Medium" against stated program objectives and other program criteria. These lower-ranked applications received \$742 million, or 56% of total funding across the first five rounds of the fund. There were 670 applications that ranked "High" that were not selected for funding, with little rationale to explain why they were not chosen. The audit found the selection process was not fair, transparent or accountable.

The audit confirmed that the Ministry of Labour, Immigration, Training and Skills Development had sound processes for evaluating applications and monitoring the recipients.

The Ministry agreed with all four of the audit's recommendations.

Read the full reports at www.auditor.on.ca

For more information, please contact:

Media@auditor.on.ca

416-504-1981