

# Government spending by function, 2021

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Spending by all levels of government in Canada declined in 2021 after reaching an all-time high of over \$1 trillion in 2020 because of COVID-19 pandemic response spending. Spending decreased by 7.8%, or \$81.9 billion, in 2021, with total spending at \$969.5 billion. Government spending in 2021, although a decline from the previous year, remained higher than pre-pandemic spending levels, with \$969.5 billion in 2021 well above \$799.7 billion in 2019.

Social protection and economic affairs were the largest contributors to spending decreases in 2021. Governments in Canada spent \$9,616 per person in 2021 in these two categories, compared with \$12,727 in 2020. Health spending, which rose 14.2% in 2020, increased by another 6.5% in 2021.

## Unemployment spending declines following spike in 2020

The consolidated Canadian general government—that is, the federal, provincial, territorial, local and other government entities combined—decreased spending on social protection by 19.2% in 2021, to \$261.0 billion. Social protection remained the largest expense of the Canadian general government, at over one-quarter (26.9%) of total spending.

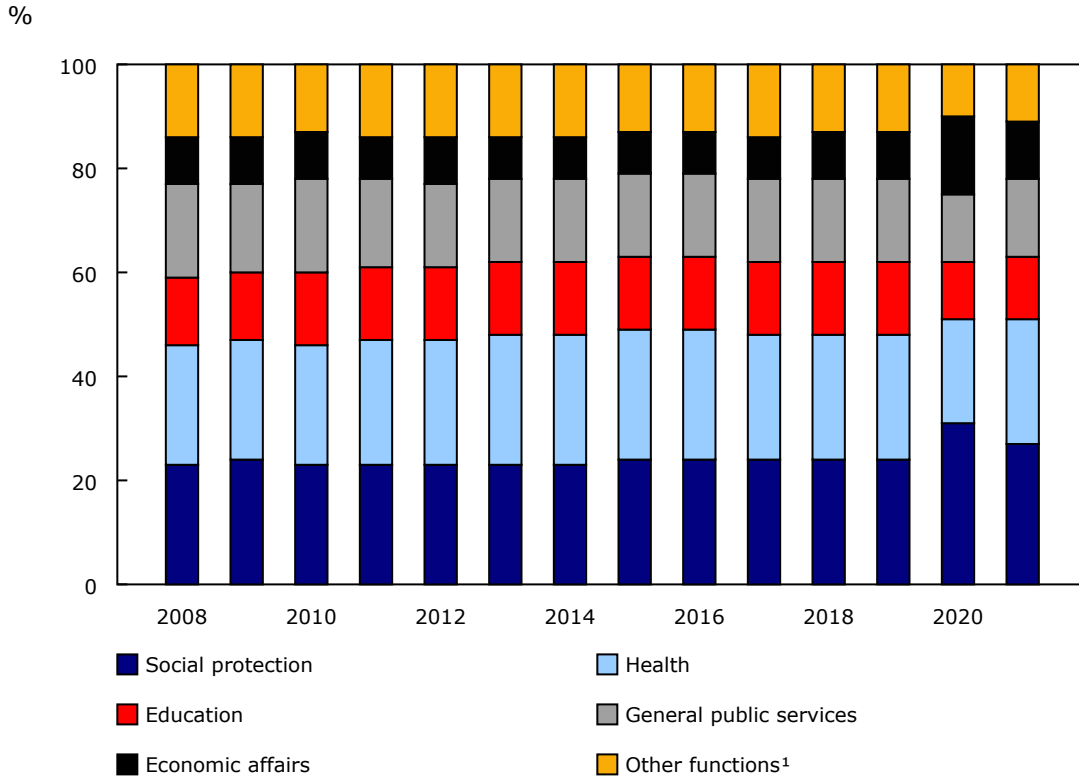
Social protection includes programs such as Old Age Security, family benefits, disability payments and unemployment benefits. The decrease in 2021 (-\$62.0 billion) was driven by lower spending on unemployment (-\$67.6 billion)—which was largely because of the decline in federal pandemic response programs such as the Canada Emergency Response Benefit and the subsequent Canada Recovery Benefit.

## Canada Emergency Wage Subsidy tapers off in 2021

Spending on economic affairs—which refers to economic activities such as agriculture, energy, mining or transport—fell 31.8% from 2020 to \$110.6 billion. This category was the second-largest contributor to decreased government spending in 2021. The 2021 decrease was attributable to spending on general economic, commercial and labour affairs, which decreased 60.2% from \$99.9 billion in 2020 to \$39.7 billion in 2021. The Canada Emergency Wage Subsidy was responsible for this decrease as payments under the program declined in 2021.



**Chart 1**  
**Share of consolidated Canadian general government expenses, by function, 2008 to 2021**



1. The category "other functions" includes defence, public order and safety, environmental protection, housing and community amenities, as well as recreation, culture, and religion.  
 Source(s): Table 10-10-0005-01.

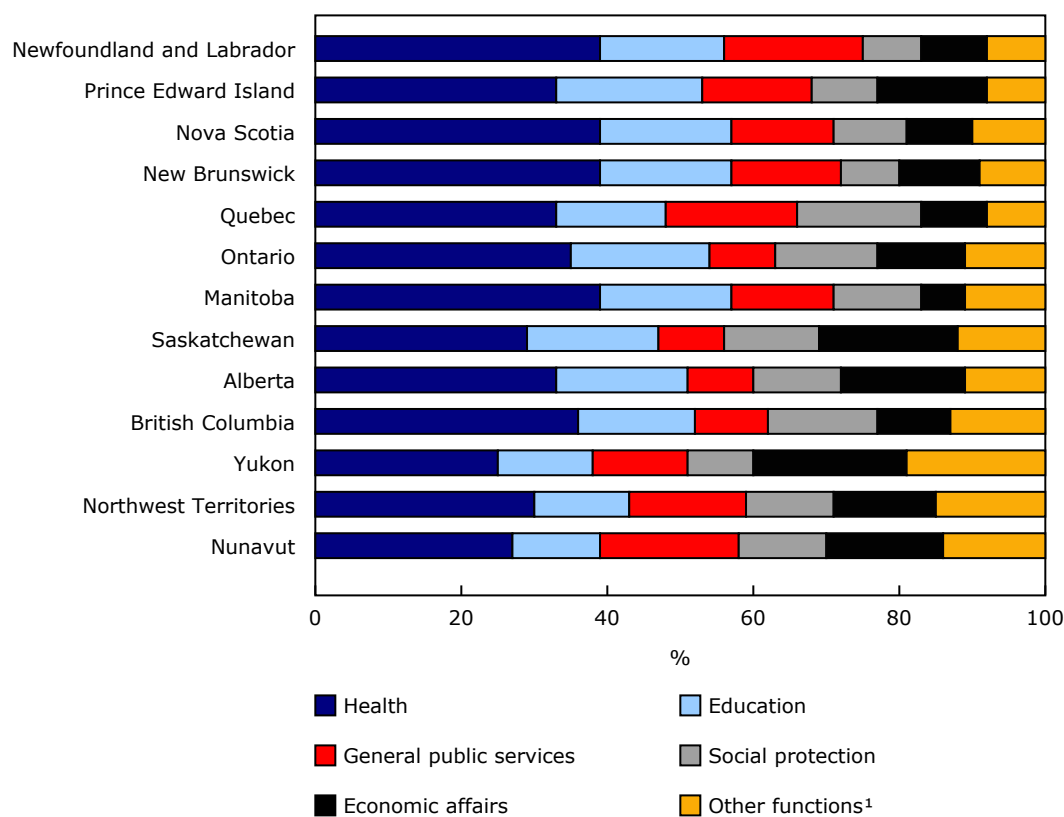
## Health care accounts for over a third of provincial, territorial and local government spending

Spending on health care by provincial, territorial and local governments combined grew 4.5% in 2021, maintaining its position as their largest expense, at over one-third (34.5%) of their total spending.

Per capita spending on health care was the highest provincially in Newfoundland and Labrador (\$6,913), Manitoba (\$6,162), and New Brunswick (\$5,929). The lowest health care expenses per capita were in Prince Edward Island (\$5,209), Alberta (\$5,340) and Ontario (\$5,358).

Provincially, hospital services accounted for the largest proportion of health care expenses, at two-thirds (65.7%), followed by outpatient services (15.4%) and medical products, appliances and equipment (7.1%).

**Chart 2**  
**Share of consolidated provincial, territorial and local government expenses, by function, 2021**



1. The category "other functions" includes public order and safety, environmental protection, housing and community amenities, as well as recreation, culture, and religion.

Source(s): Table 10-10-0005-01.

### Economic affairs spending driven by agriculture and transport

Total provincial, territorial and local government spending on economic affairs rose 16.0% to \$73.5 billion in 2021. This increase in economic affairs (+\$10.1 billion) accounted for 29.5% of the total spending increase by provincial, territorial and local governments. This increase was largely attributable to higher spending on agriculture, forestry, fishing, and hunting (+\$6.3 billion) and transport (+\$3.2 billion).

The increase in spending on agriculture, forestry, fishing, and hunting was driven by the provinces of Alberta (+\$2.7 billion) and Saskatchewan (+\$2.7 billion). In both provinces, their respective provincial crop insurance corporation paid out unusually high indemnities caused by unfavourable growing conditions in 2021, namely drought.

Transport spending increases were because of Ontario (+\$1.8 billion) and British Columbia (+\$1.1 billion). The growth in Ontario was mainly attributable to transfers for "The Ontario Line," a new Toronto subway line that is under construction. British Columbia's increased transport spending was primarily because of costs associated with the removal of tolls on the Golden Ears Bridge.

## **Quebec increases social protection measures in 2021**

In 2021, provincial and local governments increased their spending on social protection by \$5.8 billion. Quebec was responsible for the majority of this increase (+\$5.3 billion), primarily because it issued a one-time cost of living tax credit.

Among provincial and local governments, spending on social protection on a per capita basis was highest in Quebec (\$3,027) and Saskatchewan (\$2,648), and lowest in New Brunswick (\$1,260) and Newfoundland and Labrador (\$1,342).

**Table 1**  
**Consolidated per capita spending by selected Canadian Classification of Functions of Government, 2021**

	Canadian general government	Federal government <sup>1</sup>	Provincial- territorial and local governments	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
	dollars							
<b>General public services</b>	<b>3,714</b>	<b>3,020</b>	<b>1,973</b>	<b>3,409</b>	<b>2,412</b>	<b>2,082</b>	<b>2,272</b>	<b>3,280</b>
Executive and legislative organs, financial and fiscal affairs and external affairs	586	422	270	860	202	223	333	397
Foreign economic aid	161	161	0	0	0	0	0	0
General services	1,104	577	558	1,388	1,437	676	960	967
Basic research	7	72	1	0	0	17	0	2
Public debt transactions	1,680	619	1,065	1,141	754	802	978	1,752
General public services n.e.c. <sup>2</sup>	175	1,169	79	19	12	365	1	162
<b>Defence</b>	<b>482</b>	<b>491</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Military defence	427	436	0	0	0	0	0	0
Civil defence	16	16	0	0	0	0	0	0
Foreign military aid	34	34	0	0	0	0	0	0
Defence n.e.c. <sup>2</sup>	5	6	0	0	0	0	0	0
<b>Public order and safety</b>	<b>1,123</b>	<b>398</b>	<b>790</b>	<b>675</b>	<b>552</b>	<b>735</b>	<b>788</b>	<b>598</b>
Police services	538	227	364	298	208	350	404	284
Fire protection services	134	0	135	88	59	113	98	84
Law courts	154	29	126	117	101	150	27	143
Prisons	139	66	74	86	107	54	72	43
Public order and safety n.e.c. <sup>2</sup>	158	75	91	86	77	68	188	45
<b>Economic affairs</b>	<b>2,861</b>	<b>1,268</b>	<b>1,902</b>	<b>1,564</b>	<b>2,352</b>	<b>1,431</b>	<b>1,591</b>	<b>1,592</b>
General economic, commercial and labour affairs	1,028	828	320	465	636	573	323	293
Agriculture, forestry, fishing and hunting	409	122	319	168	552	156	201	211
Fuel and energy	303	18	299	105	12	119	11	5
Mining, manufacturing and construction	12	0	13	15	12	0	0	36
Transport	866	205	797	727	754	502	915	674
Economic affairs n.e.c. <sup>2</sup>	243	94	155	84	392	81	141	373
<b>Environmental protection</b>	<b>437</b>	<b>127</b>	<b>318</b>	<b>187</b>	<b>374</b>	<b>325</b>	<b>177</b>	<b>310</b>
Waste management	113	15	99	124	154	151	73	94
Waste water management	97	0	98	21	6	34	67	65
Pollution abatement	85	36	50	6	190	37	9	95
Protection of biodiversity and landscape	51	18	34	13	12	35	16	19
Environmental protection n.e.c. <sup>2</sup>	92	57	37	23	12	68	11	36
<b>Housing and community amenities</b>	<b>303</b>	<b>73</b>	<b>233</b>	<b>243</b>	<b>131</b>	<b>199</b>	<b>207</b>	<b>135</b>
Housing and community development	119	39	81	73	12	59	87	42
Water supply	158	28	131	130	89	89	85	72
Street lighting	14	0	14	29	12	40	34	11
Housing and community amenities n.e.c. <sup>2</sup>	12	6	7	11	12	11	1	10
<b>Health</b>	<b>5,920</b>	<b>1,442</b>	<b>5,596</b>	<b>6,913</b>	<b>5,209</b>	<b>5,856</b>	<b>5,929</b>	<b>5,892</b>
Medical products, appliances and equipment	406	8	397	336	261	265	320	477
Outpatient services	878	56	866	748	707	629	810	849
Hospital services	3,681	6	3,677	4,822	3,403	4,299	4,518	4,097
Public health services	411	44	368	220	125	517	122	123
Health n.e.c. <sup>2</sup>	544	1,328	287	786	713	146	158	346
<b>Recreation, culture and religion</b>	<b>509</b>	<b>148</b>	<b>365</b>	<b>258</b>	<b>172</b>	<b>330</b>	<b>210</b>	<b>426</b>
Recreational and sporting services	163	19	146	136	101	144	108	135
Cultural services	184	69	118	78	65	70	69	208
Broadcasting and publishing services	105	58	47	0	0	0	0	10
Recreation, culture, and religion n.e.c. <sup>2</sup>	56	2	54	44	6	115	34	73
<b>Education</b>	<b>2,983</b>	<b>263</b>	<b>2,752</b>	<b>3,032</b>	<b>3,166</b>	<b>2,705</b>	<b>2,731</b>	<b>2,580</b>
Primary and secondary education	1,806	17	1,791	1,971	1,954	1,547	1,838	1,767
College education	361	46	315	243	380	223	189	367
University education	661	45	617	749	772	916	575	418
Education n.e.c. <sup>2</sup>	156	154	29	69	59	19	128	28
<b>Social protection</b>	<b>6,755</b>	<b>4,715</b>	<b>2,289</b>	<b>1,342</b>	<b>1,354</b>	<b>1,461</b>	<b>1,260</b>	<b>3,027</b>
Sickness and disability	945	221	729	405	879	557	607	523
Old age	1,734	1,668	67	2	6	3	41	6
Family and children	1,861	1,240	721	310	160	221	201	1,588
Unemployment	1,273	1,244	32	0	0	0	0	26
Housing	215	94	207	176	232	212	135	135
Social exclusion n.e.c. <sup>2</sup>	597	242	403	438	65	467	197	721
Social protection n.e.c. <sup>2</sup>	131	8	129	11	18	1	81	29
	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut

	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut
	dollars							
<b>General public services</b>	<b>1,399</b>	<b>2,129</b>	<b>1,818</b>	<b>1,510</b>	<b>1,473</b>	<b>5,055</b>	<b>8,447</b>	<b>11,757</b>
Executive and legislative organs, financial and fiscal affairs and external affairs	84	262	229	325	432	1,494	3,633	4,356
Foreign economic aid	0	0	0	0	0	0	0	0
General services	322	382	694	491	359	3,332	4,005	4,208
Basic research	0	0	0	2	0	0	0	0
Public debt transactions	961	1,414	860	664	607	184	700	347
General public services n.e.c. <sup>2</sup>	32	71	35	28	75	23	131	2,846
<b>Defence</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Military defence	0	0	0	0	0	0	0	0
Civil defence	0	0	0	0	0	0	0	0
Foreign military aid	0	0	0	0	0	0	0	0
Defence n.e.c. <sup>2</sup>	0	0	0	0	0	0	0	0
<b>Public order and safety</b>	<b>821</b>	<b>927</b>	<b>1,082</b>	<b>791</b>	<b>887</b>	<b>2,574</b>	<b>2,976</b>	<b>3,292</b>
Police services	392	379	473	355	391	138	810	1,361
Fire protection services	150	113	121	182	158	689	197	25
Law courts	114	98	144	122	142	414	591	693
Prisons	72	271	172	67	50	368	810	1,015
Public order and safety n.e.c. <sup>2</sup>	94	66	173	65	146	965	547	223
<b>Economic affairs</b>	<b>1,890</b>	<b>974</b>	<b>3,772</b>	<b>2,801</b>	<b>1,501</b>	<b>8,249</b>	<b>7,309</b>	<b>9,653</b>
General economic, commercial and labour affairs	336	353	172	266	297	689	1,028	1,782
Agriculture, forestry, fishing and hunting	54	185	2,800	876	304	230	1,072	322
Fuel and energy	446	19	181	898	11	804	875	4,950
Mining, manufacturing and construction	3	6	14	0	11	597	175	0
Transport	961	338	332	700	816	4,573	3,808	2,426
Economic affairs n.e.c. <sup>2</sup>	89	73	276	60	62	1,356	372	149
<b>Environmental protection</b>	<b>313</b>	<b>304</b>	<b>340</b>	<b>295</b>	<b>369</b>	<b>1,907</b>	<b>1,707</b>	<b>495</b>
Waste management	89	36	90	125	122	92	219	25
Waste water management	120	72	131	64	144	115	241	25
Pollution abatement	30	69	5	43	48	414	131	0
Protection of biodiversity and landscape	58	32	19	8	12	735	372	173
Environmental protection n.e.c. <sup>2</sup>	16	95	94	55	43	551	744	272
<b>Housing and community amenities</b>	<b>208</b>	<b>286</b>	<b>490</b>	<b>298</b>	<b>297</b>	<b>1,999</b>	<b>2,145</b>	<b>3,490</b>
Housing and community development	78	86	132	86	104	1,746	1,138	2,079
Water supply	120	165	305	180	173	230	919	1,386
Street lighting	9	18	18	19	17	23	66	25
Housing and community amenities n.e.c. <sup>2</sup>	1	19	36	14	2	0	22	0
<b>Health</b>	<b>5,358</b>	<b>6,162</b>	<b>5,771</b>	<b>5,340</b>	<b>5,480</b>	<b>9,490</b>	<b>15,712</b>	<b>16,657</b>
Medical products, appliances and equipment	471	324	392	186	313	115	284	99
Outpatient services	858	1,760	626	565	1,014	1,011	2,517	6,509
Hospital services	3,230	3,125	3,502	4,109	3,655	5,492	8,031	7,178
Public health services	576	440	472	320	207	184	350	718
Health n.e.c. <sup>2</sup>	223	513	780	161	290	2,689	4,508	2,178
<b>Recreation, culture and religion</b>	<b>313</b>	<b>230</b>	<b>379</b>	<b>388</b>	<b>451</b>	<b>965</b>	<b>1,379</b>	<b>1,559</b>
Recreational and sporting services	134	65	196	220	141	506	744	495
Cultural services	95	125	130	96	66	345	284	619
Broadcasting and publishing services	61	34	0	2	143	0	44	0
Recreation, culture, and religion n.e.c. <sup>2</sup>	23	6	52	70	100	92	306	421
<b>Education</b>	<b>2,837</b>	<b>2,863</b>	<b>3,444</b>	<b>2,865</b>	<b>2,390</b>	<b>4,872</b>	<b>6,696</b>	<b>7,499</b>
Primary and secondary education	1,823	2,038	2,284	1,953	1,384	2,964	4,749	4,455
College education	346	222	285	238	261	115	1,269	1,856
University education	648	591	835	639	727	988	131	149
Education n.e.c. <sup>2</sup>	20	13	40	34	19	781	547	1,040
<b>Social protection</b>	<b>2,071</b>	<b>1,825</b>	<b>2,648</b>	<b>1,965</b>	<b>2,368</b>	<b>3,585</b>	<b>6,565</b>	<b>7,524</b>
Sickness and disability	701	583	1,935	1,076	691	942	1,794	297
Old age	131	0	2	100	13	253	153	50
Family and children	462	857	430	458	517	804	1,225	1,337
Unemployment	14	103	6	121	17	0	219	124
Housing	182	152	152	117	456	965	2,166	4,505
Social exclusion n.e.c. <sup>2</sup>	310	121	36	73	605	574	438	1,139
Social protection n.e.c. <sup>2</sup>	271	9	87	20	69	23	569	74

1. Federal government data are not consolidated.

2. n.e.c. = not elsewhere classified.

Source(s): Tables 17-10-0009-01, 10-10-0024-01 and 10-10-0005-01.

## Note to readers

The Canadian Classification of Functions of Government (CCOFOG) organizes government expenses into their main socioeconomic functions. This information provides an important picture of how governments spend money and the role governments play in delivering services.

The CCOFOG is a variant of the international functional expenditure classification that was developed by the Organisation for Economic Co-operation and Development. The CCOFOG replaced the Financial Management System that was used by Statistics Canada until 2008.

Currently, CCOFOG data exclude the acquisitions of non-financial assets and the consumption of fixed capital expenses. Future data improvements may include the functionalization of capital expenditures and the consumption of fixed capital.

The consolidated provincial, territorial and local government (PTLG) estimates are recommended for provincial and territorial comparisons since there can be different delineations of responsibilities between levels of government in various jurisdictions. These estimates combine provincial and territorial governments, health and social service institutions, universities and colleges, municipalities and other local public administrations, and school boards, while removing interparty transactions. The consolidated Canadian general government estimates combine the federal government data with PTLG data. They exclude data for the Canada Pension Plan and the Quebec Pension Plan, and for federal and provincial government business enterprises.

The constitutional framework of PTLGs in the territories differs from the framework in the provinces. This leads to differences in the roles and financial authorities of government. These differences, as well as other geographic, demographic and socioeconomic dissimilarities between the North and the rest of Canada, give rise to significant differences in government finance statistics.

Since the size of PTLG estimates varies significantly across jurisdictions because of different population sizes, per capita data are used for expense comparisons. Per capita data are based on population estimates for Canada, the provinces and the territories, available in [Table 17-10-0009-01](#).

Annual data correspond to the end of the fiscal year closest to December 31. For example, data for the federal government fiscal year ending on March 31, 2022, (fiscal year 2021/2022) are reported as the 2021 reference year.

**Available tables:** [10-10-0005-01](#) and [10-10-0024-01](#).

**Definitions, data sources and methods:** survey number [5218](#).

The infographic "[Overview of Government Spending by Function, 2021/2022](#)," which is part of *Statistics Canada – Infographics* ([11-627-M](#)), is now available.

The [Canadian Classification of Functions of Government](#) classification structure and descriptions are now available under the related information module of the Statistics Canada website.

Additional information can be found in the *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)). The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is also available. This publication has been updated with [Chapter 9. Government Finance Statistics](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).