

Government spending by function, 2022

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Total federal, provincial, territorial and local government spending fell by \$7.1 billion in 2022

Spending by all levels of government in Canada, excluding consumption of fixed capital, totalled \$962.7 billion in 2022, a decline of 0.7% or \$7.1 billion from 2021. This was the second consecutive year government spending decreased since reaching an all-time high of \$1,049.3 billion in 2020 due to spending in response to the COVID-19 pandemic.

Social protection and economic affairs were the drivers of the spending decrease in 2022 as governments concluded the remaining pandemic response measures. While spending decreased significantly in these two categories, spending in every other category increased, most notably in general public services (+\$18.5 billion or +14.2%).

Canadian general government spends less on social protection, more on health

The consolidated Canadian general government—that is, the federal, provincial, territorial, local, and other government entities combined—decreased spending on social protection by 8.2% from 2021 to \$235.5 billion in 2022. This made social protection the second largest expense category of government, just behind health, for the first time since 2017. Health spending increased by 3.0% to \$235.9 billion in 2022.

Social protection includes programs such as Old Age Security, family benefits, disability payments and unemployment benefits. The decrease in social protection spending in 2022 was driven by lower spending on unemployment (-\$31.4 billion) due to the conclusion of federal pandemic response programs.

Government interest payments increase

General public services increased by \$18.5 billion or 14.2% in 2022, reaching \$149.4 billion. General public services include spending on items like executive and legislative branches of government, fiscal affairs, foreign aid, and public debt transactions.

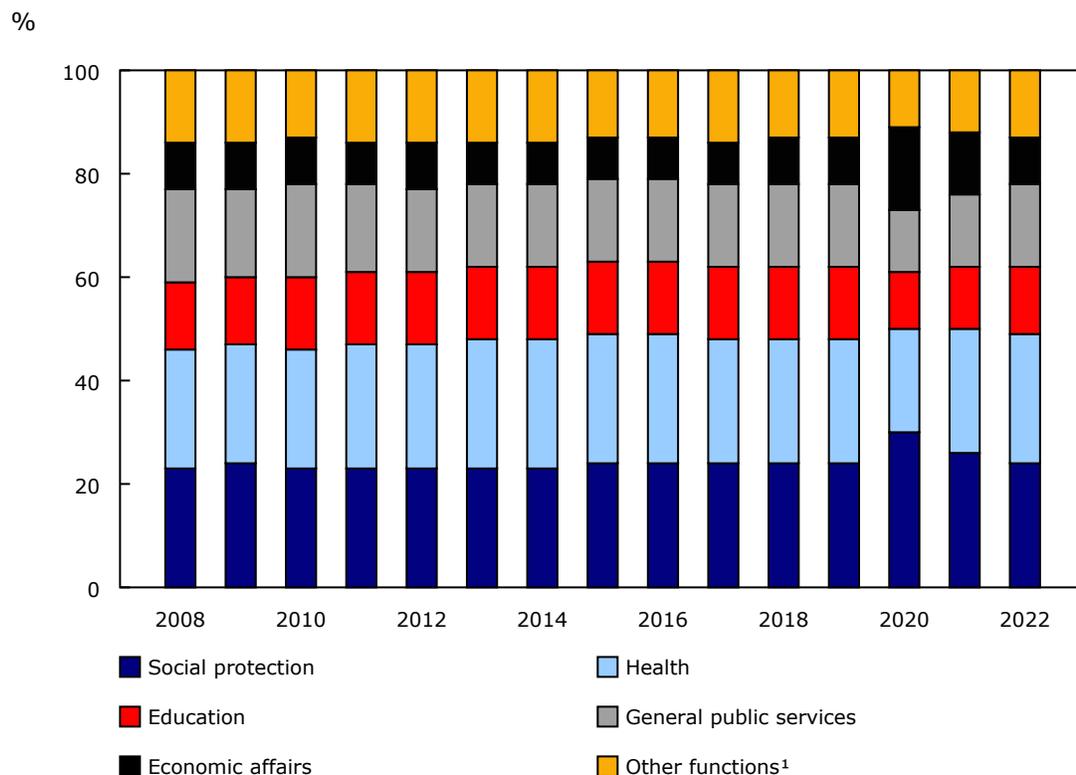
Of the \$18.5 billion increase, interest payments accounted for \$12.0 billion. This was an 18.6% increase in interest payments by all levels of government in Canada in 2022. This increase coincides with the Bank of Canada's key policy rate increases throughout 2022 which put upward pressure on borrowing costs. In 2022, interest payments accounted for 7.9% or \$76.4 billion of total government expenses.

Canada Emergency Wage Subsidy ends

Spending on economic affairs—which refers to economic activities such as agriculture, energy, mining, or transport—fell 22.9% from \$117.4 billion in 2021 to \$90.5 billion in 2022 and was the largest contributor to the decline in government spending in 2022. The decrease was mainly attributable to the end of the Canadian Emergency Wage Subsidy (CEWS) program.



Chart 1
Share of consolidated Canadian general government expenses, by function, 2008 to 2022



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.

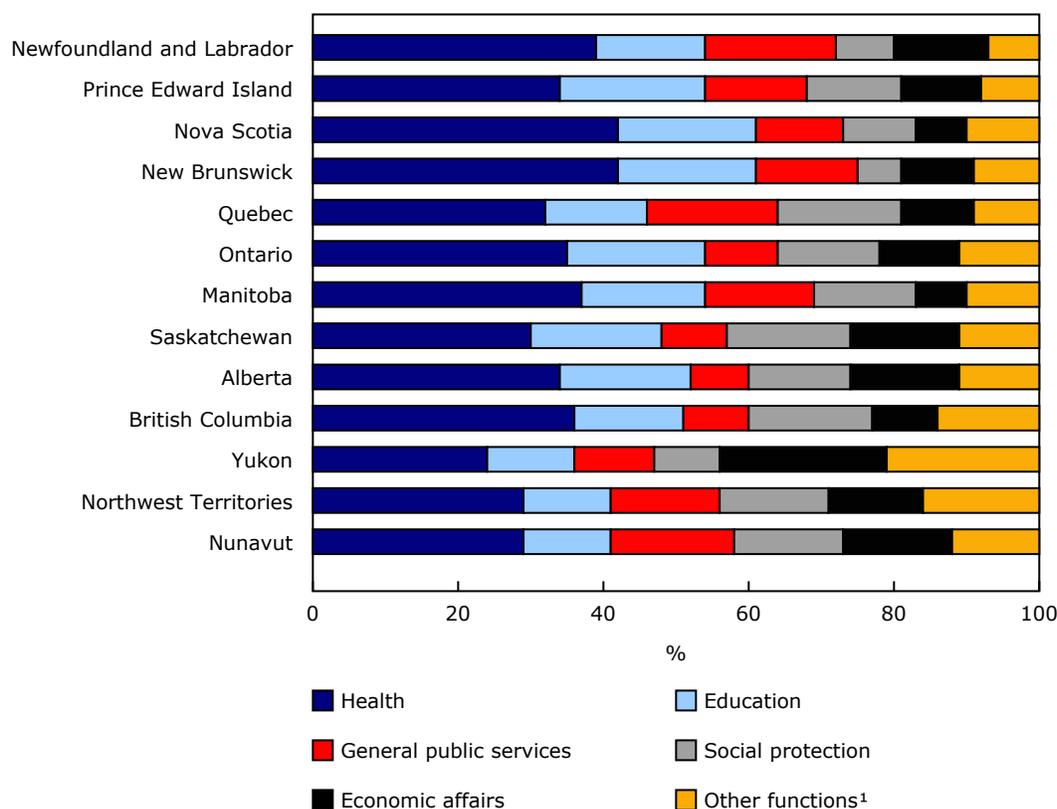
Health care accounts for over one-third of provincial, territorial and local government spending

Spending on health care by provincial, territorial, and local governments combined grew 4.5% from 2021 to \$225.8 billion in 2022, maintaining its position as the largest expense of these governments, at over one-third (34.4%) of total spending.

Per capita spending on health care was the highest provincially in Newfoundland and Labrador (\$7,080), Nova Scotia (\$6,851) and New Brunswick (\$6,727). The lowest health expenses per capita were in Prince Edward Island (\$5,239), Ontario (\$5,270) and Alberta (\$5,378).

Provincially, hospital services accounted for the largest proportion of health care expenses, at just over two-thirds (67.1%), followed by outpatient services (15.8%) and medical products, appliances and equipment (7.0%).

Chart 2
Share of consolidated provincial, territorial and local government expenses, by function, 2022



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.

Provincial, territorial and local governments increase social protection measures in 2022

Provincial, territorial and local governments increased spending on social protection by 7.9% from 2021 to \$96.3 billion in 2022. This increase was largely a result of higher spending on the protection of vulnerable persons (+\$3.7 billion) and family and children (+\$1.7 billion).

British Columbia's low-income climate action tax credit and Quebec's seniors' assistance tax credit were the two primary contributors to the increase in spending on vulnerable persons. Meanwhile, every province and territory across Canada had an increase in their spending on family and children in 2022. This is largely explained by provincial and territorial spending on day care as result of receiving transfers from the federal government for the "\$10-a-day" child-care initiative.

Among provincial and local governments, spending on social protection on a per capita basis in 2022 was highest in Saskatchewan (\$3,307) and Quebec (\$3,178), and lowest in New Brunswick (\$1,063) and Newfoundland and Labrador (\$1,384).

Table 1
Consolidated per capita spending by selected Canadian Classification of Functions of Government, 2022

	Canadian general government	Federal government ¹	Provincial-territorial and local governments	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
	dollars							
General public services	3,759	3,024	1,999	3,231	2,247	1,886	2,207	3,475
Executive and legislative organs, financial and fiscal affairs and external affairs	535	308	280	494	221	362	352	433
Foreign economic aid	165	165	0	0	0	0	0	0
General services	887	380	533	1,428	1,112	545	924	920
Basic research	7	72	2	0	0	14	0	5
Public debt transactions	1,923	815	1,111	1,303	896	727	904	1,940
General public services n.e.c. ²	242	1,284	73	6	23	237	25	177
Defence	534	543	0	0	0	0	0	0
Military defence	482	491	0	0	0	0	0	0
Civil defence	14	14	0	0	0	0	0	0
Foreign military aid	33	33	0	0	0	0	0	0
Defence n.e.c. ²	5	5	0	0	0	0	0	0
Public order and safety	1,179	459	821	634	559	591	835	675
Police services	572	251	372	267	204	221	437	316
Fire protection services	138	0	139	88	58	104	125	92
Law courts	162	31	131	108	99	139	28	160
Prisons	140	66	75	82	105	51	57	45
Public order and safety n.e.c. ²	168	110	105	88	87	75	190	61
Economic affairs	2,276	716	1,790	2,439	1,775	1,097	1,563	1,838
General economic, commercial and labour affairs	499	347	273	817	582	316	377	281
Agriculture, forestry, fishing and hunting	325	116	237	125	378	127	195	222
Fuel and energy	300	16	296	800	12	89	12	6
Mining, manufacturing and construction	12	0	12	17	12	0	0	34
Transport	874	136	801	625	600	476	837	898
Economic affairs n.e.c. ²	267	101	172	56	192	90	140	397
Environmental protection	636	305	336	213	378	328	218	323
Waste management	117	17	102	127	163	141	64	96
Waste water management	99	0	101	32	6	29	83	73
Pollution abatement	263	210	54	6	186	26	8	104
Protection of biodiversity and landscape	57	23	35	19	12	49	19	15
Environmental protection n.e.c. ²	99	56	45	32	12	84	42	34
Housing and community amenities	370	132	241	196	146	324	208	177
Housing and community development	123	44	80	35	12	52	98	45
Water supply	209	81	129	121	105	99	75	80
Street lighting	15	0	15	28	12	40	34	12
Housing and community amenities n.e.c. ²	23	6	17	9	12	131	1	41
Health	5,937	1,376	5,682	7,080	5,239	6,851	6,727	6,049
Medical products, appliances and equipment	408	9	398	356	233	301	398	495
Outpatient services	907	43	897	826	739	779	1,010	859
Hospital services	3,815	6	3,811	4,852	3,562	4,775	4,728	4,390
Public health services	377	28	350	276	140	586	317	124
Health n.e.c. ²	431	1,290	227	770	559	410	275	180
Recreation, culture and religion	540	159	388	257	198	392	202	450
Recreational and sporting services	170	20	151	138	140	124	110	157
Cultural services	189	75	117	76	58	59	68	203
Broadcasting and publishing services	120	61	59	0	0	0	0	9
Recreation, culture, and religion n.e.c. ²	62	3	60	43	6	210	24	81
Education	3,068	279	2,821	2,818	3,172	3,035	3,069	2,631
Primary and secondary education	1,813	18	1,797	1,771	1,991	1,660	1,944	1,779
College education	386	45	342	246	396	294	271	364
University education	696	44	652	742	728	1,059	725	459
Education n.e.c. ²	173	172	31	58	52	22	129	29
Social protection	5,926	3,741	2,424	1,384	2,020	1,576	1,063	3,178
Sickness and disability	959	202	760	431	902	600	325	508
Old age	1,881	1,806	76	2	6	7	38	7
Family and children	1,585	989	735	354	704	320	246	1,560
Unemployment	386	351	35	0	0	0	0	36
Housing	246	90	232	196	297	266	135	153
Social exclusion n.e.c. ²	747	297	466	367	76	384	192	886
Social protection n.e.c. ²	122	7	121	32	29	0	127	28
	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut

	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut
	dollars							
General public services	1,443	2,370	1,799	1,323	1,435	4,373	8,841	10,845
Executive and legislative organs, financial and fiscal affairs and external affairs	97	325	280	286	425	1,839	3,917	2,940
Foreign economic aid	0	0	0	0	0	0	0	0
General services	309	558	596	427	372	2,310	3,827	5,064
Basic research	0	0	0	2	0	0	0	0
Public debt transactions	1,010	1,460	911	580	575	179	962	346
General public services n.e.c. ²	28	28	12	29	63	22	134	2,470
Defence	0	0	0	0	0	0	0	0
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. ²	0	0	0	0	0	0	0	0
Public order and safety	842	930	1,028	783	966	2,803	3,536	3,607
Police services	397	376	441	360	398	807	1,321	1,408
Fire protection services	152	104	111	180	169	830	201	0
Law courts	116	93	138	119	153	426	582	741
Prisons	75	259	174	65	52	359	806	963
Public order and safety n.e.c. ²	103	98	163	58	193	381	604	469
Economic affairs	1,663	1,206	2,941	2,416	1,383	9,104	7,655	9,511
General economic, commercial and labour affairs	189	280	121	255	433	605	1,030	1,877
Agriculture, forestry, fishing and hunting	42	404	1,836	447	269	224	1,186	395
Fuel and energy	399	33	147	956	16	269	1,074	4,644
Mining, manufacturing and construction	3	6	12	0	8	583	179	0
Transport	907	376	645	692	581	6,032	3,850	2,421
Economic affairs n.e.c. ²	123	106	181	65	77	1,390	358	198
Environmental protection	309	242	301	319	475	3,453	1,992	494
Waste management	101	33	76	110	123	90	157	49
Waste water management	127	68	104	51	147	135	67	25
Pollution abatement	5	16	5	96	96	1,816	134	0
Protection of biodiversity and landscape	59	33	20	8	16	897	425	148
Environmental protection n.e.c. ²	16	93	97	54	92	516	1,186	272
Housing and community amenities	219	272	365	277	304	1,211	2,149	1,877
Housing and community development	82	81	94	89	109	1,009	1,074	395
Water supply	123	155	232	154	173	179	1,052	1,457
Street lighting	12	17	23	19	19	22	0	25
Housing and community amenities n.e.c. ²	3	19	16	15	3	0	22	0
Health	5,270	6,185	5,729	5,378	5,741	9,642	17,279	17,737
Medical products, appliances and equipment	456	274	391	187	325	135	291	124
Outpatient services	833	1,928	646	674	1,062	1,166	3,268	7,707
Hospital services	3,259	3,360	3,793	3,990	3,913	5,628	8,931	8,325
Public health services	453	412	556	353	330	224	381	667
Health n.e.c. ²	270	212	342	173	111	2,467	4,409	914
Recreation, culture and religion	320	236	416	375	548	830	1,410	1,507
Recreational and sporting services	135	60	197	206	159	426	806	543
Cultural services	93	136	159	94	74	359	224	593
Broadcasting and publishing services	70	35	0	1	208	0	45	25
Recreation, culture, and religion n.e.c. ²	22	6	60	73	108	45	336	346
Education	2,927	2,808	3,443	2,926	2,433	4,754	7,319	7,411
Primary and secondary education	1,845	1,958	2,203	1,974	1,359	2,332	4,857	4,447
College education	390	219	318	280	269	179	1,522	1,680
University education	672	619	880	635	788	1,099	134	173
Education n.e.c. ²	21	12	41	37	18	1,166	783	1,112
Social protection	2,054	2,367	3,307	2,154	2,680	3,453	8,572	9,511
Sickness and disability	782	747	2,047	1,126	629	583	2,596	222
Old age	143	0	1	131	13	224	157	74
Family and children	465	843	594	524	526	1,188	1,321	1,433
Unemployment	15	93	2	144	6	0	179	124
Housing	186	179	163	134	543	897	2,261	6,373
Social exclusion n.e.c. ²	287	168	42	64	876	538	761	1,186
Social protection n.e.c. ²	176	338	456	32	87	22	1,276	99

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 excludes the acquisition of non-financial assets and the consumption of fixed capital. 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 different 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, 2023 (fiscal year 2022/2023) are reported as the 2022 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, 2022/2023](#)," 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) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).