

## Overview

Our three levels of government provide Canadians with many services that cannot be easily provided by private companies—the federal government is responsible for national defence and international diplomacy, for example. The provinces and territories, meanwhile, ensure that Canadians have access to essential services such as health care and education. Local governments take care of keeping our streets clean and our communities safe.

The constitution spells out the responsibilities of each level of government. But governments' accounting books shows where their priorities lie and where they spend taxpayers' dollars. All told, in 2005/2006 our governments spent \$516.9 billion providing Canadians with goods and services.

In 2005/2006, on a per capita basis, the federal government spent \$6,794 for every

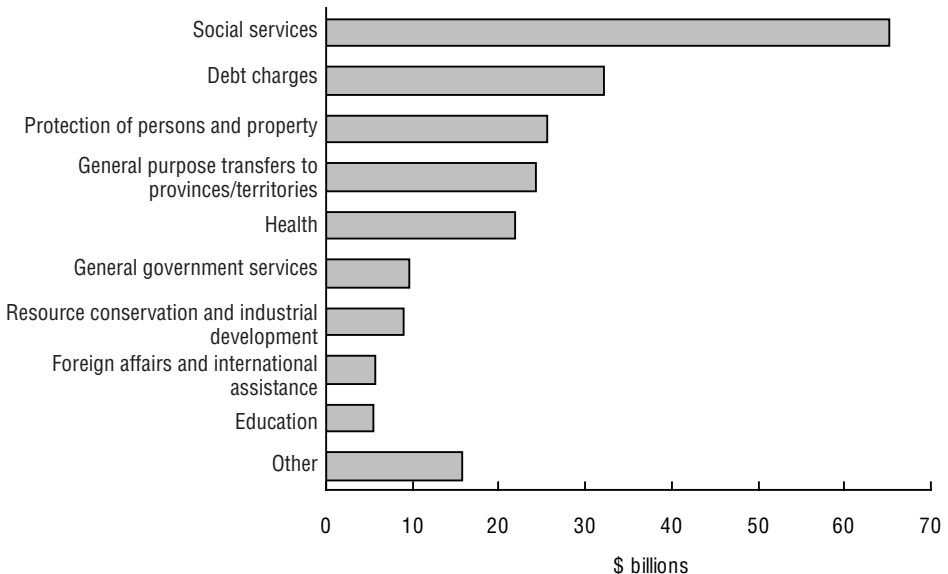
man, woman and child in the country, and the provincial, territorial and local governments spent another \$10,839 per capita.

But these averages vary widely, particularly among the provinces and territories. The high cost of providing services in Canada's North means that Nunavut spent \$38,859 per capita, while the provincial per capita spending ranged between \$10,000 and \$15,000.

## Where the federal money goes

The single largest expense for the federal government is social assistance. In 2005/2006, social security payments, family allowances and income maintenance programs cost just over \$57.4 billion, a 9.6% increase since 2001/2002.

**Chart 16.1**  
Selected federal general government expenditures, 2006



**Note:** Fiscal year ending March 31.

**Source:** Statistics Canada, CANSIM table 385-0002.

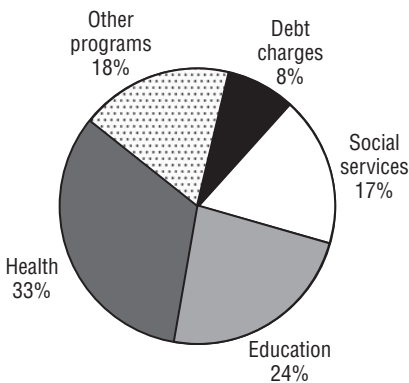
Federal expenditures for health care services jumped to \$23.8 billion in 2004/2005 from \$6.8 billion in 2003/2004. In 2005/2006, it was \$21.8 billion. The increase in 2004/2005 was mainly because of the new Canada Health Transfer—a specific transfer payment for health care to the provinces and territories—which amounted to \$14.0 billion in 2004/2005. Prior to 2004, the federal transfers for health care were part of a general purpose transfer called the Canada Health and Social Transfer. Accordingly, general purpose transfers declined from \$29.6 billion in 2003/2004 to \$21.0 billion in 2004/2005.

The protection of persons and property is another big-ticket spending item for the federal government—the military, federal policing, prisons and courts cost \$25.5 billion in expenditures in 2005/2006.

### Provincial and territorial spending

Providing hospital and medical care is the primary responsibility of the provinces and territories, and they collectively spent \$93.8 billion on health care in 2005/2006. The combination of increased federal

**Chart 16.2**  
**Consolidated provincial and territorial government expenditures, 2006**



Note: Fiscal year ending March 31.  
 Source: Statistics Canada, CANSIM table 385-0001.

**Table 16.a**  
**Public sector employment, wages and salaries**

	2005	2006
	number	
Employees	3,082,690	3,142,270
	\$ thousands	
Wages and salaries	143,312,467	151,186,092

Source: Statistics Canada, CANSIM table 183-0002.

transfers for health care, an aging population and the rising cost of medical services has pushed spending in this area up by over one quarter since 2001/2002.

Schooling Canadians is the second largest expense for the provincial and territorial governments—to the tune of \$70.6 billion in 2005/2006. Elementary, secondary and postsecondary education absorbs 96% of this spending.

### The local level

Elementary and secondary education, keeping neighbourhoods clean and secure and providing local infrastructure are the biggest expenditures at the local level. In 2005, elementary and secondary education amounted to \$40.1 billion. Municipal governments spent \$10.5 billion on environmental programs—such as water purification and garbage collection—and another \$9.8 billion on protection of persons and property.

Building and maintaining roads and streets and providing other transportation services cost local governments another \$11.8 billion.

### Taxes and other revenue sources

Running the country is expensive. Without collecting taxes from the population, our governments could not provide the services that Canadians have come to expect. In 2005/2006, all levels of government raised

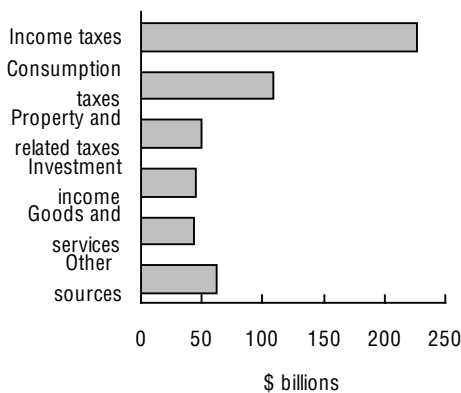
a total of \$403.7 billion in taxes, about \$70.0 billion more than in 2001/2002.

More than half of that total (56.3%) came from income taxes: personal income taxes totalled \$169.2 billion and corporate income taxes amounted to \$51.1 billion. Consumption taxes, such as gasoline taxes, customs duties and those on alcohol, tobacco and gambling—added another \$108.0 billion; the provinces and territories collected more than half of these taxes. Property taxes totalled \$49.6 billion—most of this money goes directly to local governments.

Governments also collect revenue from other sources. In 2005/2006, they collectively earned \$45.3 billion from investment activities and sold \$43.1 billion worth of goods and services—such as student tuition fees and municipal water.

Together, Canada's three levels of government and the Canada and Quebec Pension Plan accounts have pulled in more money than they have spent in every year since 1999/2000. This followed a string of deficits. However, much of this surplus is occurring at

**Chart 16.3**  
Consolidated federal, provincial, territorial and local government revenue, 2006



**Note:** Data for consolidated federal, provincial and territorial governments are as at March 31. Local government data are as at December 31.

**Source:** Statistics Canada, CANSIM table 385-0001.

the federal level, in Alberta, and within the Canada and Quebec Pension Plan accounts. Moreover, while the federal government has seen successive surpluses since 1997/1998, the 13 provincial and territorial governments together have posted only four surplus years during the last decade.

## Public sector employees

Of Canada's 16.5 million workers in 2006, just over 3.1 million worked in the public sector. About 1.1 million of these public sector employees worked for the governments themselves, while 976,000 worked for educational institutions and 780,000 were employed with health care and social services providers.

Collectively, these public sector employees—our policemen, postal workers, diplomats, sanitation workers, health care workers, bureaucrats and other government service providers—earned \$151.2 billion in wages in 2006. The public sector wage bill was flat or falling from 1994 to 1997, but then climbed by nearly 50% by the end of 2006.

## Selected sources

### Statistics Canada

- *Analysis in Brief*. Occasional. 11-621-MIE
- *Canada's Retirement Income Programs*. Irregular. 74-507-XCB
- *Labour Force Historical Review*. Annual. 71F0004XCB
- *Public Sector Statistics*. Annual. 68-213-XIE
- *The Control and Sale of Alcoholic Beverages in Canada*. Annual. 63-202-XIE

## More Canadians choosing wine

Beer is by far the bestselling alcoholic beverage in Canada—\$8.4 billion in sales or just more than half of all alcohol sold. But for the first time ever wine overtook spirits as the second bestseller in 2004/2005. Spirits and wine each account for about one-quarter of all alcohol sold.

Changing Canadian tastes are reflected in the growth of wine sales, which have consistently grown faster than those of beer and spirits in recent years. Wine sales rose 6.5% in 2004/2005 from the previous year, about twice the growth rate for beer and nearly three times that for spirits. Wine sales have grown at an annual average rate of 8.0% over the past decade.

Canadians also like sampling what the world has to offer and are increasingly buying imported drinks. Imported brands continue to expand their share of sales in Canada,

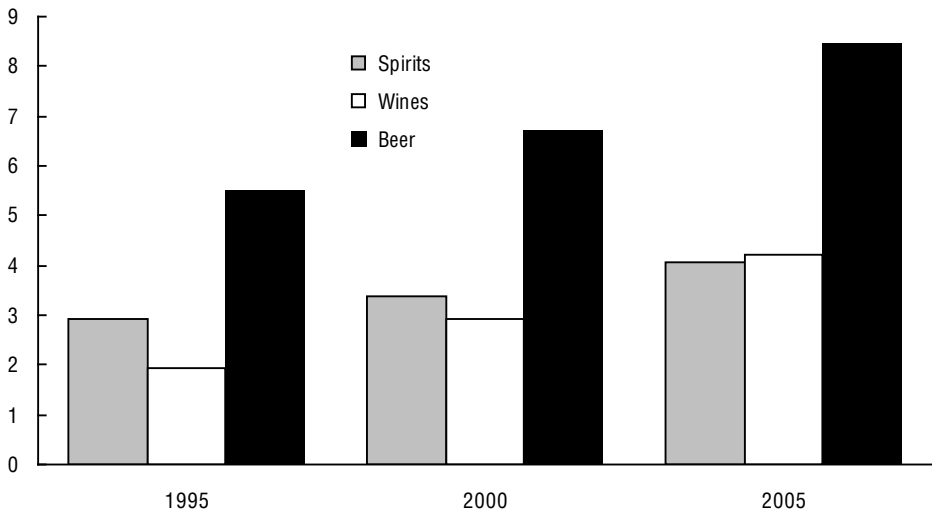
capturing 34% market share in 2004/2005, compared to 22% a decade earlier. Domestic brands—particularly in the beer market—have seen much slower sales growth than imported brands.

Canadians often purchase their alcohol at a government outlet. Government regulates the sale of alcohol in most provinces and territories. In 2004/2005, Canada's beer and liquor stores and agencies sold \$16.8 billion worth of alcohol to consumers, bars, restaurants and other establishments.

Provincial and territorial liquor authorities collectively posted net income of \$4.5 billion in 2004/2005. Net income increased most in British Columbia, 7.1%, and in Ontario, 6.7%. A three-month strike at Quebec's liquor authority resulted in a 4.4% decline there.

**Chart 16.4**  
Sales of alcoholic beverages

\$ billions



Source: Statistics Canada, CANSIM table 183-0006.

## Canada's government debt challenge

Despite the surpluses the three levels of government have collectively posted since the late 1990s, Canada still has a debt challenge to face. The government spending legacy from the 1970s to the mid-1990s has left Canadians shouldering a debt burden of \$798.4 billion as of March 2004, or \$25,044 for every person in the country.

The federal government has had the best success drawing down its debt. Yet it also carries the largest share of liabilities, \$523.3 billion worth as of March 2005.

On a per capita basis, net federal financial debt shrank from \$18,850 to \$16,270 in the decade since 1995.

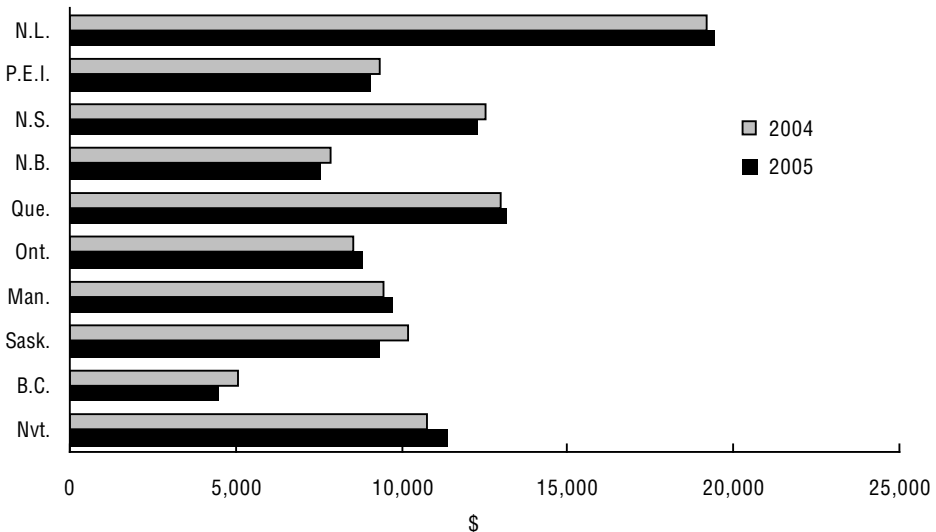
In 2006, 15 cents of every dollar the federal government spends goes to interest charges on the debt. Still, this is an improvement over 1995, when Ottawa spent nearly 27 cents of every dollar on debt charges.

The provincial and territorial governments have had varying experiences managing their debt burdens. Over the past decade, Canada's biggest provinces—Quebec, Ontario and British Columbia—have also incurred the largest annual deficits, increasing their overall debt burden every year. However, Manitoba, Saskatchewan and New Brunswick have mostly seen annual surpluses and have been reducing their debt. Alberta has posted large surpluses in recent years and has completely eliminated its debt.

As of March 2004, all provinces except Alberta were carrying debt. Yukon and the Northwest Territories have been debt free over much of the past decade.

Canada's villages, towns and cities are also debtors, although they owe far less than the other levels of government—a net total of \$11.4 billion in 2003.

**Chart 16.5**  
Net financial debt per capita, by province and territory



**Notes:** Does not include federal and local government debts.  
Alberta, Yukon and the Northwest Territories are debt-free.  
Population estimates as of April 1.

**Source:** Statistics Canada, CANSIM tables 051-0005 and 385-0014.

## Investing in infrastructure

Imagine never re-investing in your home's infrastructure. After 15 years, your roof would need repairs. After 20 years, your furnace and air conditioning systems would begin breaking down, and plumbing and electrical networks start deteriorating. Soon enough, your house would be unliveable.

Governments face the same challenges with our public infrastructure—our roads, sewers, water treatment systems and bridges. Indeed, Canada's water treatment facilities, sewers and roads and highways are more than halfway through their expected useful lives. However, thanks to recent increases in government investment, the average age of Canada's public infrastructure dropped in 2003—the first decline since 1973.

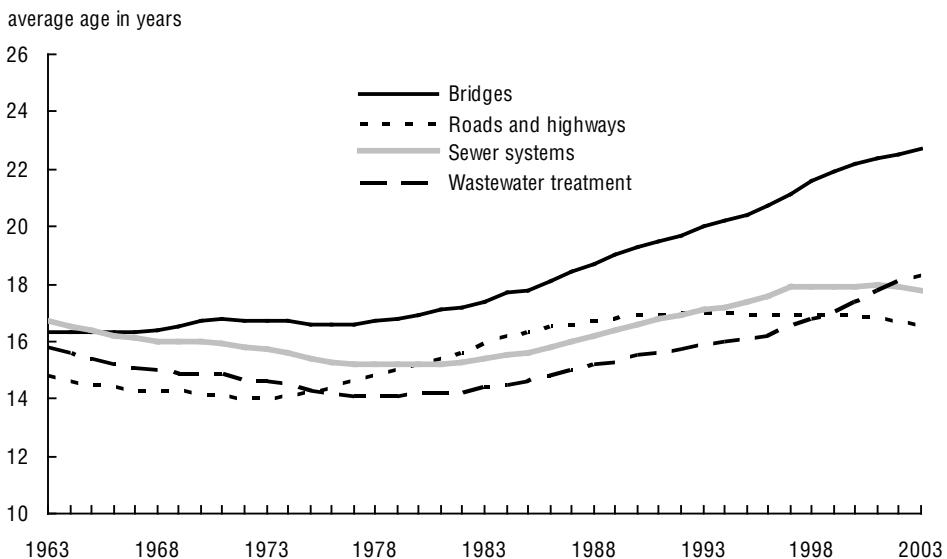
Although Canadian drivers still curse potholes and summer construction, our road networks have been getting younger since 1995,

reaching an average age of 16.6 years in 2003. But roads and highways are expected to last about 28 years; this still puts them beyond the mid-point of their useful lives.

Since 1997, the average age of our municipal sewer systems has been getting younger. Huge investment by municipalities in sewer systems in recent years has helped triple the value of this category of infrastructure over the last 40 years, to \$18.5 billion.

Of all infrastructure categories, wastewater treatment facilities are closest to the end of their service lives. Here, too, municipal governments have been investing heavily, accounting for 95% of all investment from 1997 to 2003. Provincial investment has been lower, and the average age of their facilities has ballooned from 14.2 years to 22.1 years from 1963 to 2003.

**Chart 16.6**  
Age of public infrastructure



Source: Statistics Canada, Catalogue no. 11-621-MIE.

## Public pension plans

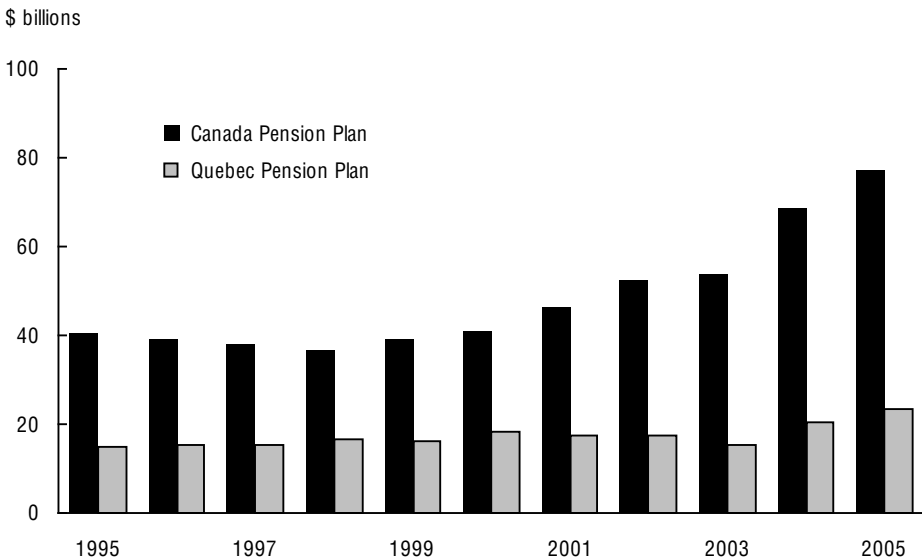
Most Canadians look forward to retirement for many years—no more commuting to work, no more bosses and no more deadlines. But there's a flip side to all that freedom: regular paycheques stop coming in. While many have pensions they can draw on for income, all Canadians supplement their post-retirement income by receiving payments from government-run pension plans.

Established in 1966, the Canada Pension Plan (CPP) covers Canadians in all provinces and territories except Quebec, which runs its own plan—the Quebec Pension Plan (QPP). It is mandatory for nearly all employed persons to make contributions to these plans, which are heavily invested in bonds and investment funds. In March 2006, the combined financial assets of the two plans totalled just over \$100.4 billion. The CPP accounted for \$77.0 billion of this, and the QPP, \$23.4 billion.

The two pension plans have grown tremendously since 2001, when their combined value was \$64.1 billion. Despite shaky market conditions in the first years of the new century, concerns about declining balances in the CPP/QPP led to a change in the investment strategy for their growth. This, combined with rising contribution rates for both plans, has greatly improved their holdings.

Annual contributions to the CPP have grown by more than one-quarter from \$23.5 billion in 2001/2002 to nearly \$29.9 billion in 2005/2006. Coupled with pension payments growing at a slower pace (21%), and steady investment income, the CPP has generated strong surpluses over this period. The same trends are roughly mirrored in the QPP, although contributions to this plan have grown even faster, at 33%. CPP and QPP contribute almost one-fifth of total income for Canadians 65 and older.

**Chart 16.7**  
Net financial wealth of public pension plans



Source: Statistics Canada, CANSIM table 385-0019.

Table 16.1 Consolidated federal, provincial, territorial and local government revenue and expenditures, 1992 to 2007

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	\$ millions															
<b>Revenue</b>	<b>293,731</b>	<b>299,232</b>	<b>305,105</b>	<b>321,073</b>	<b>337,869</b>	<b>351,459</b>	<b>373,531</b>	<b>385,460</b>	<b>414,170</b>	<b>446,959</b>	<b>437,288</b>	<b>447,861</b>	<b>468,557</b>	<b>499,072</b>	<b>535,469</b>	<b>558,817</b>
Income taxes	117,709	113,434	115,128	123,417	134,343	143,578	160,203	164,592	178,423	191,144	188,011	178,173	188,619	207,219	227,275	246,232
Personal income taxes	101,935	99,514	98,426	102,144	108,649	113,750	123,029	127,763	138,443	143,116	144,746	139,836	145,324	155,172	169,193	180,757
Corporation income taxes	14,417	12,606	15,240	19,525	23,604	26,758	33,896	33,620	36,155	43,262	38,819	33,608	38,925	46,695	51,094	57,859
Mining and logging taxes	96	123	191	308	479	223	304	307	326	454	297	352	215	530	759	710
Taxes on payments to non-residents	1,261	1,191	1,272	1,439	1,611	2,847	2,973	2,901	3,499	4,312	4,150	4,377	4,156	4,822	6,229	6,907
Consumption taxes	59,554	61,112	63,268	65,647	66,951	69,372	73,065	76,696	80,088	87,870	88,987	96,431	98,918	104,685	108,026	107,300
General sales tax	33,608	35,204	37,517	40,050	40,320	42,222	44,619	47,566	51,323	55,523	56,076	60,210	62,169	66,566	69,549	68,538
Alcoholic beverages and tobacco taxes	7,992	7,450	6,592	5,389	5,459	5,581	5,800	6,234	6,190	6,203	7,201	8,800	9,260	9,650	9,027	8,867
Amusement tax	248	270	208	309	351	411	485	626	630	598	592	592	552	561	565	567
Gasoline and motive fuel taxes	8,485	9,064	9,578	9,984	10,710	10,873	11,227	11,602	11,789	11,745	11,743	12,337	12,760	12,699	13,088	13,252
Custom duties	3,999	3,811	3,652	3,576	2,971	2,677	2,765	2,359	2,104	2,807	3,018	3,189	2,804	3,041	3,429	3,606
Liquor profits	2,428	2,402	2,408	2,356	2,658	2,519	2,726	2,806	2,747	3,475	3,144	3,334	3,544	3,703	3,940	4,129
Remitted gaming profits	1,495	1,739	2,158	2,814	3,200	3,517	3,730	4,174	4,183	6,315	5,926	6,095	5,969	6,395	6,483	6,476
Other consumption taxes	1,299	1,171	1,156	1,170	1,282	1,573	1,708	1,325	1,121	1,205	1,288	1,873	1,860	2,071	1,945	1,864
Property and related taxes	30,619	33,092	34,225	35,491	35,846	36,935	38,545	38,556	40,255	41,063	41,730	42,529	44,244	46,710	49,639	51,417
Other taxes	11,028	11,431	12,030	12,455	13,039	13,080	13,333	14,054	14,334	15,157	14,940	16,083	17,037	17,788	18,747	19,702
Health and drug insurance premiums	1,144	1,199	1,236	1,589	1,579	1,648	1,699	2,017	1,950	2,178	2,282	3,000	3,132	3,206	3,258	3,327
Contributions to social security plans	25,731	27,617	28,048	29,034	29,423	30,448	29,359	30,424	29,957	30,087	29,723	31,013	31,547	31,995	32,677	33,952
Sales of goods and services	22,413	23,094	24,082	25,208	25,993	28,036	27,723	29,112	32,217	34,689	34,913	37,653	39,130	41,010	43,076	46,329
Investment income	22,303	22,718	22,733	23,621	25,338	25,340	25,623	23,850	28,859	37,749	31,258	33,406	35,984	38,402	45,327	44,999
Other revenue from own sources	3,230	5,534	4,357	4,609	5,357	3,022	3,976	6,154	8,088	7,020	5,443	9,574	9,946	8,057	7,445	5,559
<b>Expenditures</b>	<b>356,372</b>	<b>365,336</b>	<b>368,752</b>	<b>373,760</b>	<b>381,158</b>	<b>371,693</b>	<b>372,695</b>	<b>387,438</b>	<b>401,520</b>	<b>424,557</b>	<b>437,568</b>	<b>455,442</b>	<b>474,712</b>	<b>487,552</b>	<b>516,910</b>	<b>540,339</b>
General government services	11,896	12,179	12,234	12,227	12,157	12,255	12,495	13,238	13,752	15,968	15,765	17,520	18,633	18,802	19,685	19,956
Protection of persons and property	27,569	28,195	29,538	29,248	29,330	28,501	27,984	29,366	31,749	32,978	35,218	37,193	39,154	41,175	43,725	45,301
Transportation and communication	18,588	18,133	17,156	18,150	19,680	17,422	17,061	17,822	18,117	17,979	18,628	19,148	20,258	21,385	25,390	26,051
Health	49,019	50,893	51,597	51,753	53,105	53,427	56,761	59,377	64,317	70,465	76,935	83,315	89,479	94,565	99,017	106,850
Social services	92,692	97,838	101,106	97,324	97,215	98,392	99,329	102,408	105,044	110,145	114,753	117,020	121,058	125,315	132,186	137,809
Education	51,193	54,125	54,268	55,644	55,602	54,269	55,389	57,970	60,457	63,522	66,559	70,533	74,246	77,225	83,324	87,726
Resource conservation and industrial development	18,987	16,685	15,777	15,473	15,029	13,072	11,670	12,991	14,354	15,713	16,329	18,784	19,430	18,444	19,749	19,908
Environment	7,263	7,441	7,849	8,398	8,666	8,381	8,703	8,566	8,672	9,222	9,853	10,259	11,391	11,929	13,313	14,355
Recreation and culture	8,805	9,077	8,832	8,906	9,189	9,010	8,751	9,277	9,909	10,871	11,347	11,690	13,143	13,736	14,350	14,584
Labour, employment and immigration	3,255	3,556	2,628	2,575	2,805	2,237	2,929	2,996	2,951	2,882	3,019	3,395	3,440	2,328	2,514	2,582
Housing	3,981	4,113	3,976	3,885	3,948	4,053	3,732	3,816	3,519	3,723	3,420	3,624	3,833	3,900	4,525	4,782
Foreign affairs and international assistance	3,862	4,128	3,600	4,634	3,954	3,761	3,675	4,034	4,291	4,477	4,562	5,128	4,611	5,556	5,585	6,654
Regional planning and development	1,594	1,671	1,514	1,564	1,558	1,527	1,561	1,687	1,762	1,847	2,099	2,111	2,133	2,035	2,168	2,475
Research establishments	1,655	1,932	1,904	2,135	1,933	1,623	1,521	1,724	1,951	1,419	1,767	1,881	1,890	1,855	1,986	1,995
Debt charges	55,671	55,119	56,079	61,409	66,432	63,232	59,960	60,825	60,173	61,490	55,335	52,380	49,514	47,640	47,703	48,349
Other expenditures	343	251	694	436	556	530	1,166	1,333	501	1,857	1,979	1,463	2,499	1,662	1,689	964
<b>Surplus/deficit (-)</b>	<b>-62,641</b>	<b>-66,104</b>	<b>-63,647</b>	<b>-52,687</b>	<b>-43,289</b>	<b>-20,234</b>	<b>835</b>	<b>-1,978</b>	<b>12,650</b>	<b>22,401</b>	<b>-280</b>	<b>-7,581</b>	<b>-6,156</b>	<b>11,520</b>	<b>18,559</b>	<b>18,477</b>

Notes: Data do not include Canada Pension Plan or Quebec Pension Plan.

Data for the federal, provincial and territorial governments are as of March 31 and the local government data are as of December 31.

Source: Statistics Canada, CANSIM table 385-0001.



Table 16.2 Government transfer payments to individuals, 1991 to 2004

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	\$ millions													
<b>All levels of government</b>	<b>83,830</b>	<b>93,077</b>	<b>98,323</b>	<b>98,495</b>	<b>98,512</b>	<b>98,865</b>	<b>100,431</b>	<b>104,558</b>	<b>106,006</b>	<b>110,487</b>	<b>117,633</b>	<b>121,047</b>	<b>124,738</b>	<b>129,956</b>
Federal government	45,385	49,317	51,600	50,166	48,879	48,752	49,234	50,739	51,575	53,479	57,965	60,857	62,949	65,436
Family and youth allowances	2,824	2,870	37	37	38	39	43	58	84	99	116	133	140	157
Child Tax Benefit or Credit	598	658	5,252	5,259	5,214	5,228	5,310	5,600	5,939	6,577	7,379	7,824	8,051	8,549
Pensions (First and Second World Wars)	777	856	848	864	909	914	921	918	910	973	1,196	1,398	1,463	1,527
War veterans' allowances	439	443	441	417	397	383	387	387	414	404	267	212	223	266
Grants to Aboriginal people and organizations	2,376	2,573	2,886	3,027	3,566	3,564	3,730	4,447	4,271	4,511	4,448	4,800	4,951	5,191
Goods and Services Tax Credit	1,805	2,557	2,655	2,833	2,810	2,866	2,905	2,924	2,943	2,974	3,099	3,140	3,264	3,346
Employment Insurance benefits	17,323	18,648	17,591	15,012	12,889	11,859	10,874	10,713	10,150	9,615	11,361	12,837	13,361	13,269
Old Age Security payments	17,955	18,776	19,479	20,170	20,622	21,221	21,798	22,398	22,907	23,790	24,789	25,747	26,931	27,992
Scholarships and research grants	691	726	727	780	687	686	700	519	519	531	560	585	612	668
Miscellaneous and other transfers	597	1,210	1,684	1,767	1,747	1,992	2,566	2,775	3,438	4,005	4,750	4,181	3,953	4,471
Provincial governments	20,937	23,651	24,603	24,815	25,406	25,576	25,945	26,717	27,170	28,574	29,662	29,781	30,039	31,021
Social assistance, income maintenance	7,960	9,371	9,660	9,863	9,854	9,258	8,723	8,050	7,048	6,538	6,547	6,603	6,642	6,739
Social assistance, other	1,230	1,213	2,239	2,316	2,308	2,371	2,408	2,241	2,546	2,906	2,966	2,936	3,130	3,229
Workers' Compensation benefits	3,982	4,091	3,925	3,811	3,992	4,198	4,067	3,886	4,073	4,434	4,840	5,150	5,034	5,117
Grants to benevolent associations	5,571	6,848	5,506	5,577	5,962	6,123	6,714	7,196	7,322	7,953	8,406	8,500	8,593	8,868
Miscellaneous transfers	2,194	2,128	3,273	3,248	3,290	3,626	4,033	5,344	6,181	6,743	6,903	6,592	6,640	7,068
Local governments	2,700	3,410	3,899	3,949	3,738	2,950	2,640	3,523	2,990	3,248	3,641	2,637	2,737	2,870
Canada Pension Plan	11,298	12,808	14,058	15,132	15,777	16,559	17,327	18,054	18,540	19,183	20,023	21,076	21,986	23,129
Quebec Pension Plan	3,510	3,891	4,163	4,433	4,712	5,028	5,285	5,525	5,731	6,003	6,342	6,696	7,027	7,500

Source: Statistics Canada, CANSIM table 384-0009.

Table 16.3 Federal government debt, 1992 to 2006

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	\$ millions														
<b>Gross federal debt</b>	<b>476,104</b>	<b>514,357</b>	<b>557,604</b>	<b>595,877</b>	<b>634,939</b>	<b>651,124</b>	<b>645,725</b>	<b>648,389</b>	<b>648,212</b>	<b>644,900</b>	<b>640,526</b>	<b>629,638</b>	<b>628,830</b>	<b>626,217</b>	<b>619,701</b>
Unmatured debt	352,905	383,798	414,942	441,991	470,581	477,940	468,024	461,004	457,331	447,741	444,058	441,366	437,946	432,996	428,354
Marketable bonds	161,499	181,322	208,464	233,621	262,279	295,022	309,256	315,421	315,854	316,651	314,685	303,689	292,145	276,676	269,577
Treasury bills	152,300	162,050	166,000	164,450	166,100	135,400	112,300	96,950	99,850	88,700	94,201	104,600	113,400	127,200	131,600
Notes and loans	7	2,552	5,649	9,046	7,296	10,557	12,533	16,353	11,302	12,570	7,765	7,124	7,720	6,705	6,740
Canada Savings Bonds	35,598	34,369	31,331	31,386	31,428	33,493	30,479	28,217	26,899	26,416	24,021	22,584	21,330	19,080	17,342
Bonds issued to the Canada Pension Plan	3,501	3,505	3,498	3,488	3,478	3,468	3,456	4,063	3,426	3,404	3,386	3,369	3,351	3,335	3,095
Superannuation accounts	81,881	87,911	94,097	101,033	107,882	114,205	117,456	122,407	128,346	129,185	126,921	125,708	127,560	129,579	131,062
Dominion notes and coins in circulation	2,295	2,374	2,464	2,570	2,805	3,243	3,346	3,428	3,601	3,763	3,914	4,122	4,193	4,310	4,533
Other liabilities	39,023	40,274	46,101	50,283	53,671	55,736	56,899	61,550	58,934	64,211	65,633	58,442	59,131	59,332	55,752
Unmatured debt payable in foreign currencies	3,444	5,409	10,668	16,921	16,809	23,016	27,183	36,000	32,589	33,664	27,547	21,603	20,827	16,543	14,333
Financial assets	47,422	43,296	44,385	45,192	56,221	62,722	64,144	73,921	86,479	99,600	105,836	103,146	105,182	102,873	105,609
<b>Net federal debt<sup>1</sup></b>	<b>428,682</b>	<b>471,061</b>	<b>513,219</b>	<b>550,685</b>	<b>578,718</b>	<b>588,402</b>	<b>581,581</b>	<b>574,468</b>	<b>561,733</b>	<b>545,300</b>	<b>534,690</b>	<b>526,492</b>	<b>523,648</b>	<b>523,344</b>	<b>514,089</b>

Note: Fiscal year ending March 31.

1. Net federal debt equals gross federal debt minus financial assets.

Source: Statistics Canada, CANSIM table 385-0010.

**Table 16.4 General local government revenue and expenditures, 1991 to 2005**

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	\$ thousands														
<b>Revenue</b>	<b>34,960,527</b>	<b>37,313,812</b>	<b>37,911,249</b>	<b>39,289,875</b>	<b>41,133,761</b>	<b>39,340,577</b>	<b>39,830,426</b>	<b>44,329,474</b>	<b>46,681,044</b>	<b>45,707,480</b>	<b>47,914,279</b>	<b>49,529,673</b>	<b>52,088,450</b>	<b>54,873,078</b>	<b>56,375,316</b>
Own-source revenue	26,270,406	27,609,032	28,277,839	29,310,874	30,582,415	30,515,429	31,612,035	35,447,971	37,514,492	38,470,120	40,344,645	41,427,165	43,459,745	45,711,851	46,714,178
Property and related taxes	16,806,435	17,936,420	18,500,589	19,055,608	19,158,680	19,545,258	20,156,358	23,202,176	24,166,067	24,347,710	25,216,004	26,066,057	27,561,288	28,936,177	29,705,281
Consumption taxes	71,049	60,916	46,897	50,055	51,119	53,752	54,984	57,688	77,824	83,450	91,430	96,387	102,279	97,668	101,099
Other taxes	324,040	349,796	341,474	374,643	368,840	388,478	439,999	457,849	511,083	513,055	555,742	619,738	631,634	693,747	721,902
Sales of goods and services	6,619,034	6,900,550	7,039,517	7,398,971	7,887,476	7,943,709	8,497,302	9,131,215	10,006,389	10,503,975	11,217,092	11,641,456	11,804,220	12,311,861	12,515,841
Investment income	2,094,570	1,988,056	1,941,689	1,988,419	2,691,690	2,153,561	2,017,827	2,108,481	2,206,737	2,363,079	2,535,109	2,260,957	2,545,493	2,864,104	2,858,336
Other revenue from own sources	355,278	373,294	407,673	443,178	424,610	430,671	445,565	490,562	546,392	658,851	729,268	742,570	814,831	808,294	811,719
Transfers	8,690,121	9,704,780	9,633,410	9,979,001	10,551,346	8,825,148	8,218,391	8,881,503	9,166,552	7,237,360	7,569,634	8,102,508	8,628,705	9,161,227	9,661,138
General-purpose transfers	1,737,648	1,916,222	1,504,938	1,405,870	1,358,395	1,520,974	1,238,912	1,424,893	1,183,535	1,165,153	1,335,653	1,474,235	1,540,818	1,617,394	1,618,974
Specific-purpose transfers	6,952,473	7,788,558	8,128,472	8,573,131	9,192,951	7,304,174	6,979,479	7,456,610	7,983,017	6,072,207	6,233,981	6,628,273	7,087,887	7,543,833	8,042,164
Federal government	200,258	213,794	214,862	326,895	560,015	497,538	369,127	292,967	225,439	207,188	331,767	645,828	647,329	729,673	841,009
Provincial and territorial governments	6,752,215	7,574,764	7,913,610	8,246,236	8,632,936	6,806,636	6,610,352	7,163,643	7,757,578	5,865,019	5,902,214	5,982,445	6,440,558	6,814,160	7,201,155
<b>Expenditures</b>	<b>36,700,754</b>	<b>38,388,959</b>	<b>39,175,489</b>	<b>39,830,832</b>	<b>41,422,310</b>	<b>39,531,850</b>	<b>40,005,727</b>	<b>42,247,792</b>	<b>43,396,277</b>	<b>44,911,636</b>	<b>46,724,396</b>	<b>48,669,333</b>	<b>53,658,124</b>	<b>55,559,653</b>	<b>58,531,338</b>
General government services	3,734,926	3,751,067	3,724,583	3,759,375	4,006,555	3,876,999	4,014,048	4,237,621	4,711,618	3,836,904	4,359,578	5,165,139	5,688,639	5,719,359	6,062,095
Protection of persons and property	5,379,143	5,625,165	5,759,405	5,849,975	6,049,580	6,113,280	6,195,067	6,767,336	6,819,085	7,194,115	7,707,272	8,096,465	8,632,608	9,225,001	9,665,621
Transportation and communications	7,364,948	7,603,564	7,727,202	7,970,965	8,415,181	7,936,934	8,390,914	8,492,782	8,822,465	8,918,128	9,094,338	9,245,703	10,078,677	10,980,749	11,545,112
Health	733,081	804,429	776,316	760,058	812,004	723,213	674,411	860,300	763,441	914,879	1,142,819	1,248,668	1,358,072	1,468,330	1,517,110
Social services	4,119,790	4,860,749	5,376,493	5,396,899	5,186,296	4,263,112	4,213,551	5,171,253	4,982,959	5,532,077	5,187,874	5,285,551	5,510,649	5,704,180	5,493,263
Education	180,069	151,561	149,150	149,669	148,372	148,294	182,891	183,812	176,403	190,711	223,890	202,385	202,342	205,221	198,149
Resource conservation and industrial development	795,391	765,319	757,393	812,597	808,144	720,586	796,395	813,459	912,009	940,118	970,859	937,830	1,054,767	1,124,402	1,152,578
Environment	5,303,036	5,560,787	5,627,471	5,957,365	6,419,277	6,299,724	6,442,329	6,250,761	6,388,056	6,797,043	7,168,290	7,432,848	8,351,000	8,981,743	10,135,087
Recreation and culture	4,237,428	4,453,275	4,382,103	4,474,516	4,821,431	4,846,078	4,649,903	4,741,202	5,003,778	5,538,033	5,846,720	5,751,152	6,472,763	7,015,622	7,050,286
Housing	777,657	735,781	664,941	634,745	575,561	550,909	558,536	1,098,613	1,142,914	1,481,658	1,721,882	1,901,034	2,005,897	1,879,764	1,958,357
Regional planning and development	693,106	701,830	662,301	624,732	693,551	623,945	648,769	696,463	742,136	780,654	859,517	903,391	877,434	989,182	1,066,274
Debt charges	3,083,493	3,220,211	3,364,485	3,197,402	3,219,343	3,109,192	2,908,177	2,803,772	2,668,034	2,448,319	2,328,317	2,291,318	2,207,397	2,215,020	2,196,839
Other expenditures	298,686	155,221	203,646	242,534	267,015	319,584	330,736	130,418	263,379	338,997	113,040	207,849	1,217,879	51,080	490,567
<b>Surplus/deficit (-)</b>	<b>-1,740,227</b>	<b>-1,075,147</b>	<b>-1,264,240</b>	<b>-540,957</b>	<b>-288,549</b>	<b>-191,273</b>	<b>-175,301</b>	<b>2,081,682</b>	<b>3,284,767</b>	<b>795,844</b>	<b>1,189,883</b>	<b>860,340</b>	<b>-1,569,674</b>	<b>-686,575</b>	<b>-2,156,022</b>

Note: Year ending December 31.

Source: Statistics Canada, CANSIM table 385-0004.

**Table 16.5 Public sector employment, wages and salaries, 2002 to 2006**

	2002	2003	2004	2005	2006
	number				
<b>Employment<sup>1</sup></b>	<b>2,953,012</b>	<b>3,024,090</b>	<b>3,038,693</b>	<b>3,082,690</b>	<b>3,142,270</b>
Government	2,689,111	2,756,850	2,773,734	2,819,229	2,879,547
Federal general government <sup>2</sup>	359,477	366,428	366,654	370,601	386,685
Provincial and territorial general government	333,193	345,684	344,384	347,828	350,756
Health and social service institutions, provincial and territorial	723,854	752,279	753,425	766,773	780,390
Universities, colleges, vocational and trade institutions, provincial and territorial	309,735	320,542	328,985	334,720	340,289
Local general government	359,271	367,627	368,123	377,603	385,621
Local school boards	603,581	604,290	612,162	621,703	635,806
Government business enterprises	263,901	267,240	264,958	263,461	262,723
Federal government business enterprises	88,429	88,366	87,911	87,502	87,138
Provincial and territorial government business enterprises	125,185	127,292	123,988	121,243	119,028
Local government business enterprises	50,287	51,582	53,060	54,717	56,558
	\$ thousands				
<b>Wages and salaries<sup>3</sup></b>	<b>126,127,906</b>	<b>132,087,438</b>	<b>136,860,265</b>	<b>143,312,467</b>	<b>151,186,092</b>
Government	113,719,389	119,301,395	123,990,420	130,297,376	137,984,277
Federal general government <sup>2</sup>	20,384,178	21,018,975	21,349,471	23,641,853	24,804,604
Provincial and territorial general government	16,126,533	17,047,909	17,284,858	17,718,811	18,689,994
Health and social service institutions, provincial and territorial	27,442,889	28,663,440	30,375,029	31,614,224	33,976,066
Universities, colleges, vocational and trade institutions, provincial and territorial	12,231,426	13,174,934	14,049,578	14,662,942	15,394,780
Local general government	13,831,226	14,826,207	15,468,000	16,328,820	17,173,727
Local school boards	23,703,134	24,569,925	25,463,486	26,330,725	27,945,103
Government business enterprises	12,408,518	12,786,045	12,869,841	13,015,090	13,201,815
Federal government business enterprises	3,720,828	3,776,196	3,831,447	3,909,689	3,990,372
Provincial and territorial government business enterprises	6,239,806	6,447,641	6,349,344	6,276,102	6,227,527
Local government business enterprises	2,447,884	2,562,206	2,689,052	2,829,299	2,983,915

**Notes:** As of August 24, 2005, minor revisions were brought to some estimates prior to 2005: the Nunavut general government data have been revised from 2000 on; the federal government business enterprise data for Nova Scotia and Manitoba have been revised from 2003 on; the Ontario provincial government business enterprise data have been revised from 2003 on. The corresponding totals have changed for total government, total government business enterprises and total public sector.

As at December 31.

1. Employment data are not in full-time equivalent and do not distinguish between full-time and part-time employees. Includes employees both in and outside of Canada.
2. Federal general government data includes reservists and full-time military personnel.
3. Wages and salaries data are an annual sum. Includes employees both in and outside of Canada.

**Source:** Statistics Canada, CANSIM table 183-0002.

Table 16.6 Military personnel and pay, 2002 to 2006

	2002	2003	2004	2005	2006
	average annual number of employees				
<b>Canada and outside Canada</b>	<b>82,217</b>	<b>83,766</b>	<b>84,059</b>	<b>85,706</b>	<b>87,728</b>
Newfoundland and Labrador	1,240	1,295	1,402	1,375	1,226
Prince Edward Island	263	262	266	284	213
Nova Scotia	10,526	10,598	10,696	10,830	10,520
New Brunswick	4,852	4,949	4,959	5,084	5,300
Quebec	15,569	15,384	15,402	16,121	17,663
Ontario	26,907	27,751	27,681	28,413	29,741
Manitoba	3,800	3,960	3,908	3,927	3,824
Saskatchewan	1,103	1,100	1,104	1,150	1,108
Alberta	8,887	9,052	9,209	9,078	9,090
British Columbia	7,461	7,741	7,776	7,793	7,298
Yukon	x	x	x	x	x
Northwest Territories	134	148	153	150	165
Nunavut	x	x	x	x	x
Outside Canada	1,470	1,521	1,496	1,494	1,577
	total annual wages and salaries (\$ thousands)				
<b>Canada and outside Canada</b>	<b>3,949,221</b>	<b>4,072,576</b>	<b>4,131,026</b>	<b>4,635,783</b>	<b>4,862,433</b>
Newfoundland and Labrador	42,203	44,635	45,623	55,668	54,956
Prince Edward Island	4,722	4,516	4,838	6,299	4,643
Nova Scotia	560,373	571,509	577,835	645,756	651,303
New Brunswick	214,374	218,997	224,536	257,565	271,461
Quebec	652,574	667,067	691,186	777,348	868,205
Ontario	1,310,586	1,365,989	1,377,555	1,552,523	1,656,817
Manitoba	192,432	200,137	196,820	220,550	221,301
Saskatchewan	44,146	45,867	47,793	50,570	51,221
Alberta	417,826	426,726	433,678	483,977	504,057
British Columbia	387,656	399,413	406,287	448,902	424,966
Yukon	x	x	x	x	x
Northwest Territories	11,040	11,920	12,102	13,807	15,083
Nunavut	x	x	x	x	x
Outside Canada	111,003	115,550	112,388	122,103	137,954

**Notes:** Employment data are not in full-time equivalents and do not distinguish between full-time and part-time employees. Civilian employees are excluded.

**Source:** Statistics Canada, CANSIM table 183-0004.

**Table 16.7 Health and social services institutions' revenue and expenditures, 2003 to 2007**

	2003	2004	2005	2006	2007
	\$ thousands				
<b>Revenue</b>	<b>53,363,118</b>	<b>57,163,948</b>	<b>60,362,742</b>	<b>63,712,802</b>	<b>69,039,362</b>
Own-source revenue	8,066,583	8,417,204	8,985,511	9,508,376	10,326,873
Sales of goods and services	6,742,844	7,236,310	7,748,671	8,202,267	8,909,139
Investment income	122,103	146,341	115,278	120,579	130,779
Other revenue from own sources	1,201,636	1,034,552	1,121,562	1,185,531	1,286,956
Transfers from all levels of government	45,296,535	48,746,744	51,377,231	54,204,425	58,712,489
Federal government	857	6,334	6,868	5,282	5,848
Provincial governments	45,105,809	48,475,693	51,148,536	53,962,320	58,449,620
Local governments	189,869	264,718	221,827	236,823	257,022
<b>Expenditures</b>	<b>55,064,854</b>	<b>59,121,941</b>	<b>61,907,633</b>	<b>63,972,758</b>	<b>69,301,721</b>
Health	48,856,865	52,582,587	55,037,326	56,800,899	61,568,320
Hospital care	25,624,256	27,357,155	28,647,459	30,126,928	32,716,547
Medical care	11,272,160	12,110,118	13,164,745	12,842,837	13,902,999
Preventive care	953,514	1,077,248	1,167,437	1,224,864	1,327,722
Other health services	11,006,935	12,038,066	12,057,686	12,606,270	13,621,052
Social services	5,998,135	6,315,931	6,641,924	6,938,575	7,484,622
Social assistance	58,051	47,541	41,312	4,471	4,906
Other social services	5,940,084	6,268,390	6,600,611	6,934,104	7,479,716
Debt charges	205,220	218,531	224,545	233,223	248,713
Housing	4,634	4,893	3,838	61	67
<b>Surplus/deficit (-)</b>	<b>-1,701,734</b>	<b>-1,957,994</b>	<b>-1,544,891</b>	<b>-259,957</b>	<b>-262,359</b>

Note: Fiscal year ending March 31.

Source: Statistics Canada, CANSIM table 385-0008.

**Table 16.8 Distribution of House of Commons seats, 39th general election, 2006**

	All seats	Conservative Party of Canada	Liberal Party of Canada	Bloc Québécois	New Democratic Party	Independent
	number					
<b>Canada</b>	<b>308</b>	<b>124</b>	<b>103</b>	<b>51</b>	<b>29</b>	<b>1</b>
Newfoundland and Labrador	7	3	4	0	0	0
Prince Edward Island	4	0	4	0	0	0
Nova Scotia	11	3	6	0	2	0
New Brunswick	10	3	6	0	1	0
Quebec	75	10	13	51	0	1
Ontario	106	40	54	0	12	0
Manitoba	14	8	3	0	3	0
Saskatchewan	14	12	2	0	0	0
Alberta	28	28	0	0	0	0
British Columbia	36	17	9	0	10	0
Yukon	1	0	1	0	0	0
Northwest Territories	1	0	0	0	1	0
Nunavut	1	0	1	0	0	0

Source: Elections Canada.

# Abbreviations and symbols



## Provinces and territories

Newfoundland and Labrador	N.L.
Prince Edward Island	P.E.I.
Nova Scotia	N.S.
New Brunswick	N.B.
Quebec	Que.
Ontario	Ont.
Manitoba	Man.
Saskatchewan	Sask.
Alberta	Alta.
British Columbia	B.C.
Yukon	Y.T.
Northwest Territories	N.W.T.
Nunavut	Nvt.

## Measurements

centimetre	cm
metre	m
kilometre	km
gram	g
kilogram	kg
litre	L
millilitre	mL
hour	h
watt	W
kilowatt	kW
degrees Celsius	°C

The symbols described in this document apply to all data published by Statistics Canada from all origins, including surveys, censuses and administrative sources, as well as straight tabulations and all estimations.

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 <sup>s</sup>	value rounded to zero where there is a meaningful distinction between true zero and the value that was rounded
P	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

**Note:** In some tables, figures may not add to totals because of rounding.

When the figure is not accompanied by a data quality symbol, it means that the quality of the data was assessed to be 'acceptable or better' according to the policies and standards of Statistics Canada.

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