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Government Expenditures in Alberta

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Ministers

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Correction notice

On April 11th, 2018, the chart on GDP per capita in chained 2007 dollars was replaced by GDP per capita, at current prices, which is the appropriate per capita measure.



Outline

1

Introduction

- Who we are: Statistics Canada

2

Government Finances in Alberta

- Reviewing the economic and demographic context
- Impact on government finances
- Government expenses by functions

3

Summary

- Opportunities
- Modernization
- Questions



Who we are: Statistics Canada

Connecting quality statistics to Canadians' decision making

- Leader in providing quality indicators and supporting responsible use of data
- Capacity building nationwide and government-wide on the use of statistics





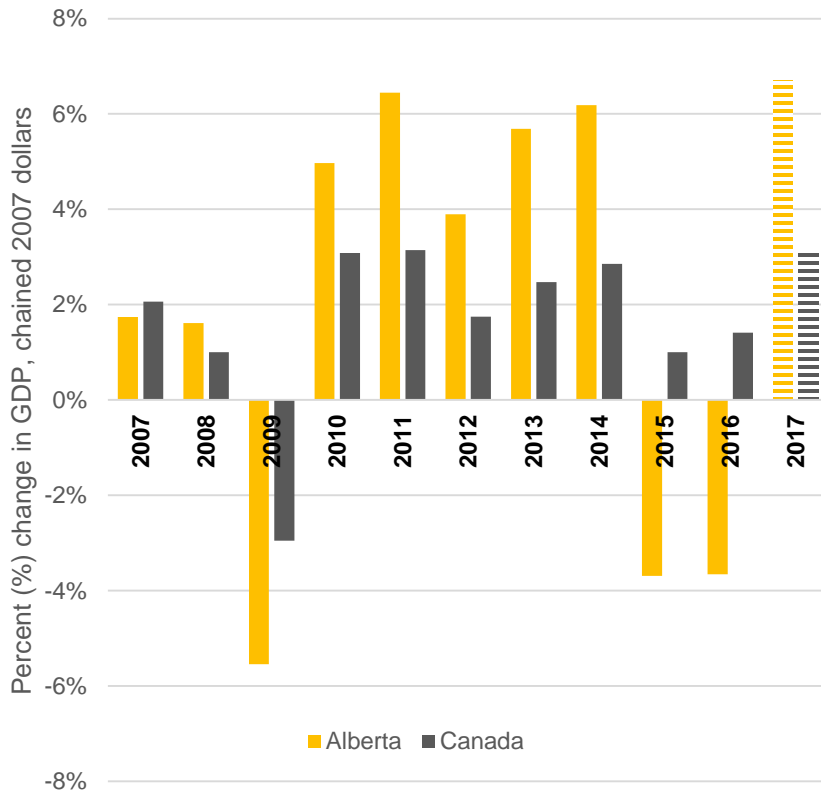
Reviewing the economic and demographic context



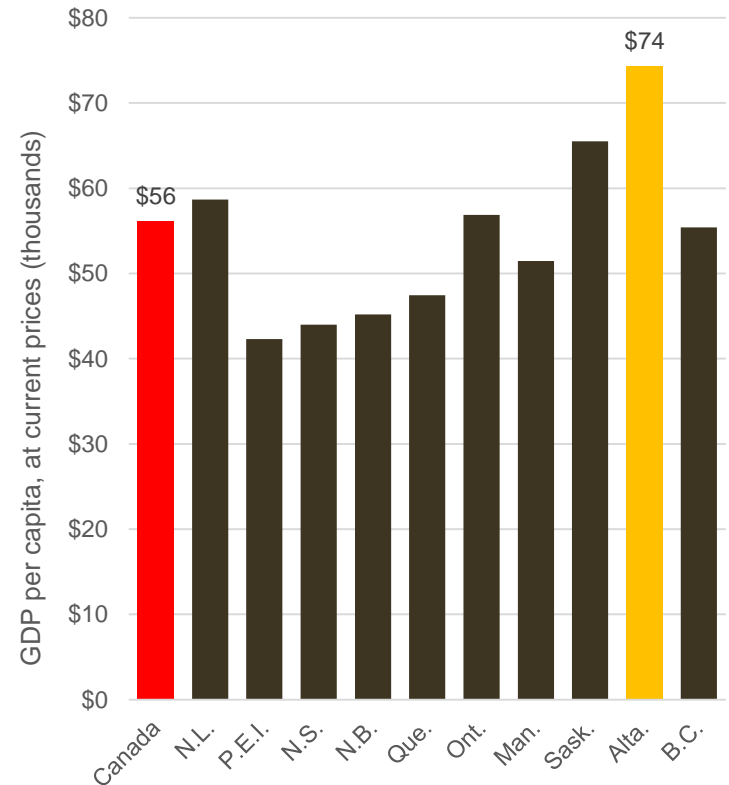


Alberta is an economic force in Canada

Even as declining oil prices led to an economic downturn...



... it had the highest provincial GDP per capita in 2016



Sources:

CANSIM table 384-0038;
The Conference Board of Canada, *Canadian Outlook Economic Forecast: Autumn 2017*,
and *Provincial Outlook: Autumn 2017*.

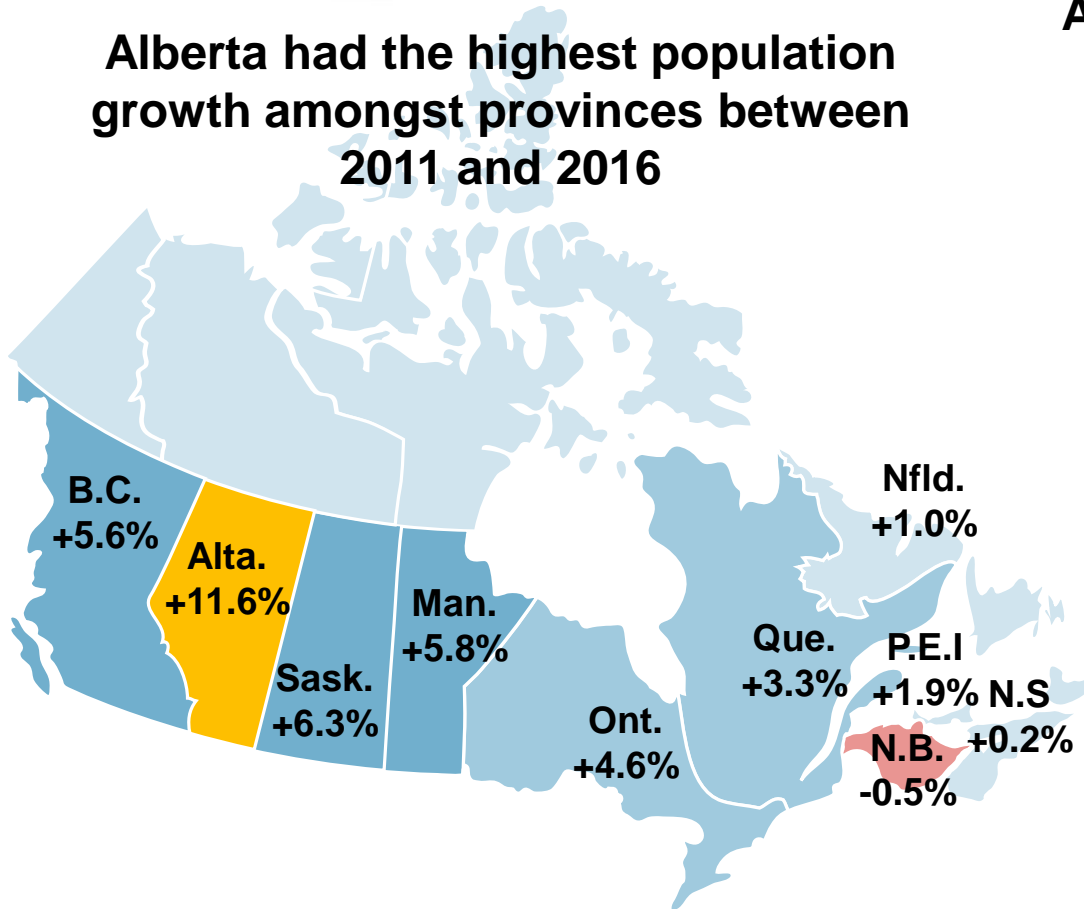


Rich in economic assets



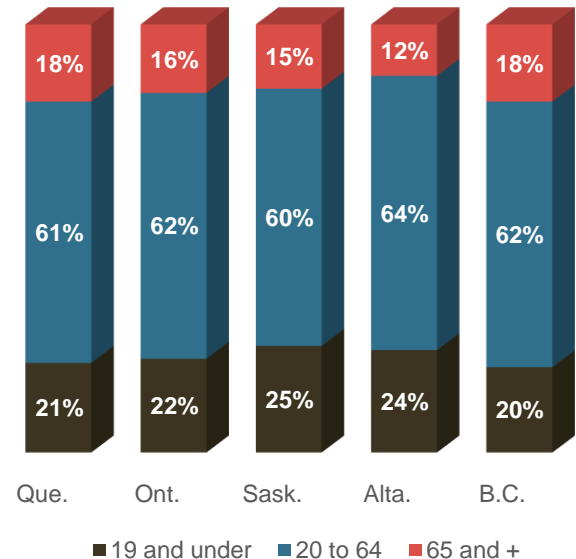
A young and growing population

Alberta had the highest population growth amongst provinces between 2011 and 2016



Alberta has a young population

Age Distribution, 2016

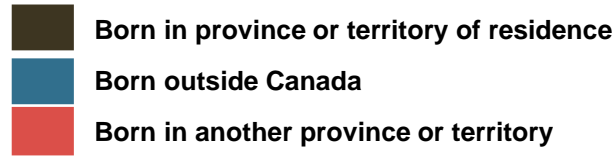


Sources: Statistics Canada, 2011 and 2016 Census of Population.

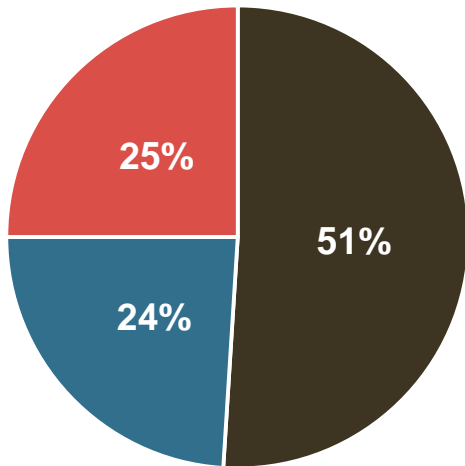


A diverse population

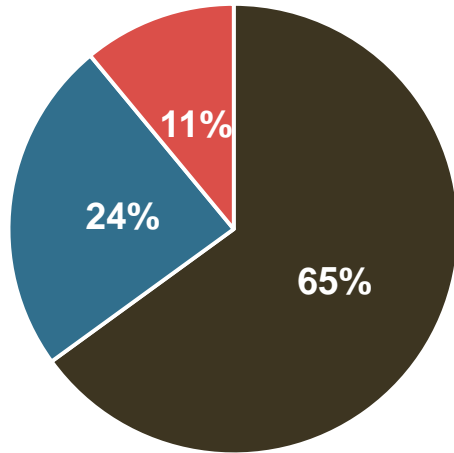
Half of the population living in Alberta was born outside the province



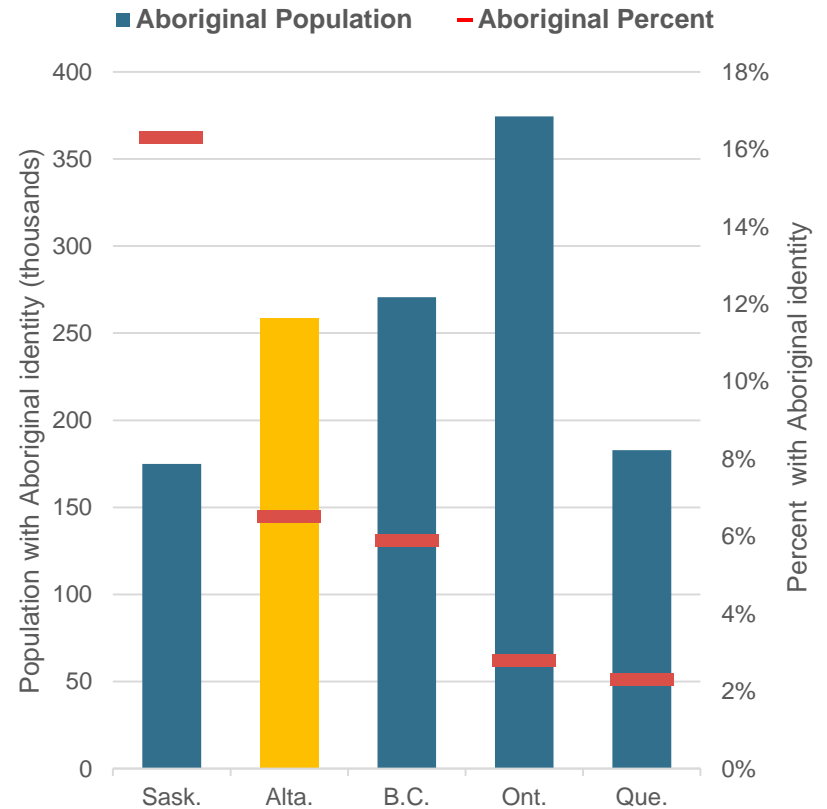
Alberta



Canada



Alberta has a sizeable aboriginal population

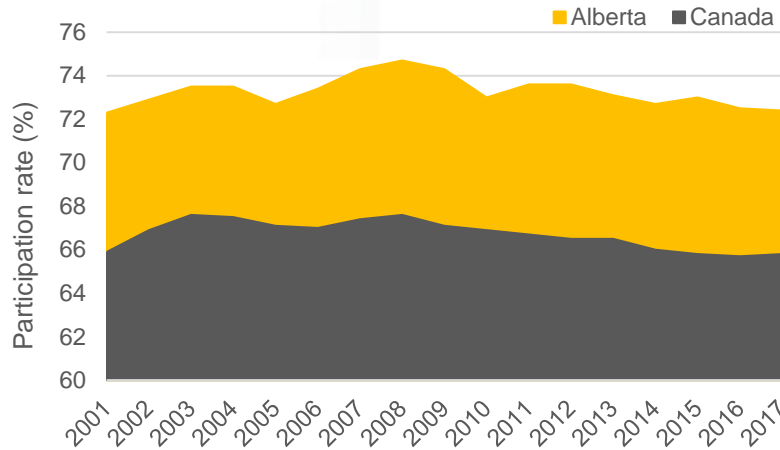


Source: Statistics Canada, 2016 Census of Population.

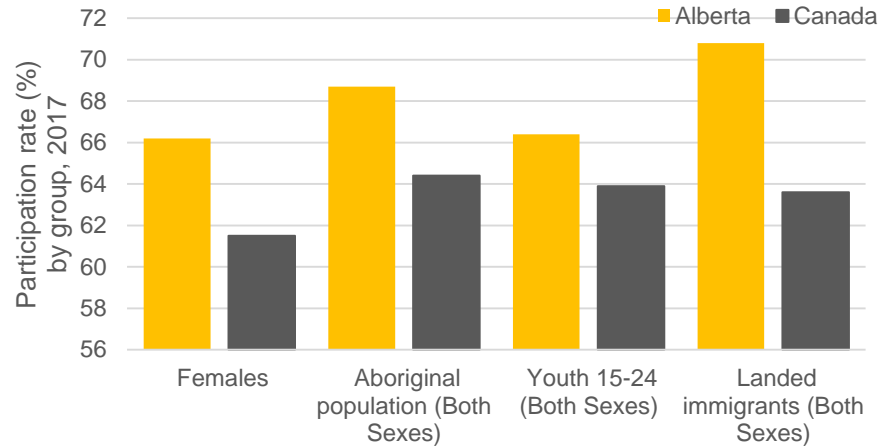


A highly engaged labour force

High participation rate



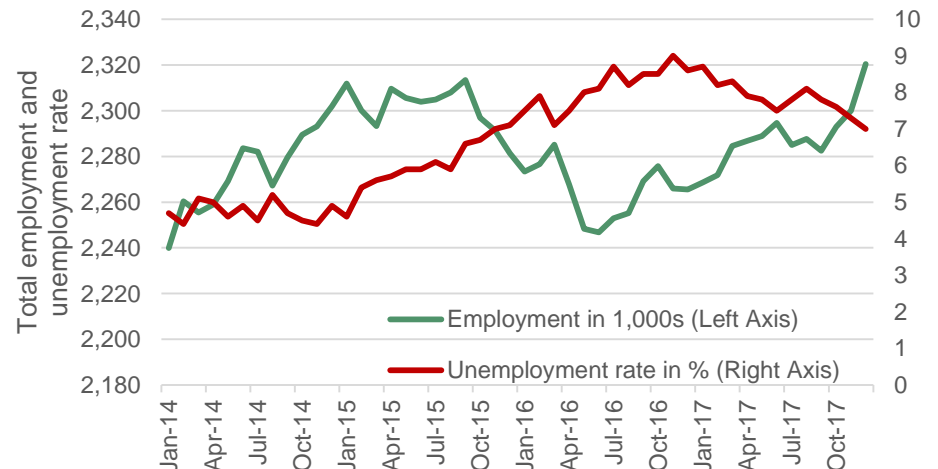
High involvement



Recent challenges



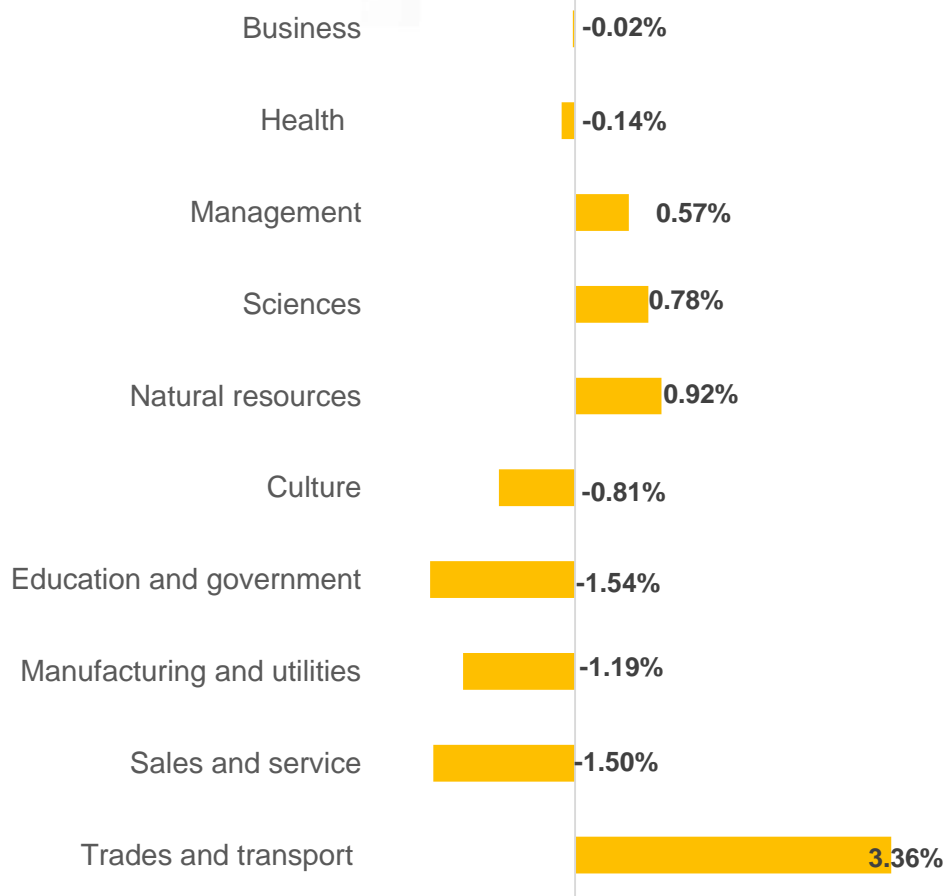
Recent improvements



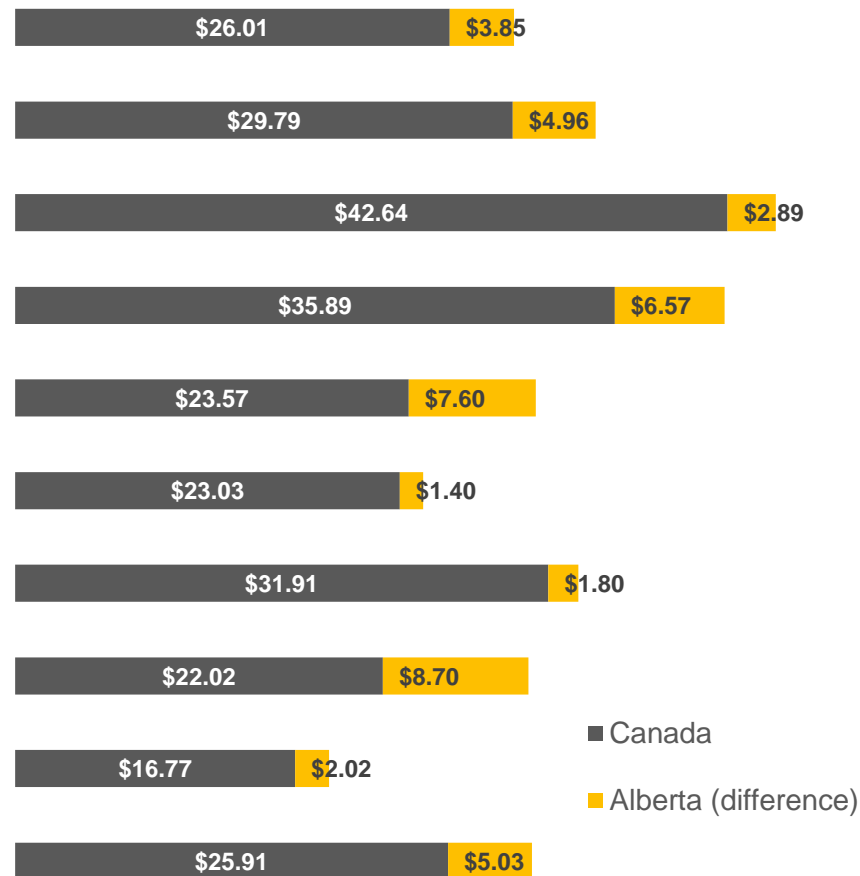
Sources: Statistics Canada, CANSIM tables 282-0002, 282-0102, 282-0226 and 282-0087 and Labour Force Survey.

More employment in higher paid occupations

Employees by occupation, Alberta variance from Canada, 2015



Average hourly wage rate, 2017



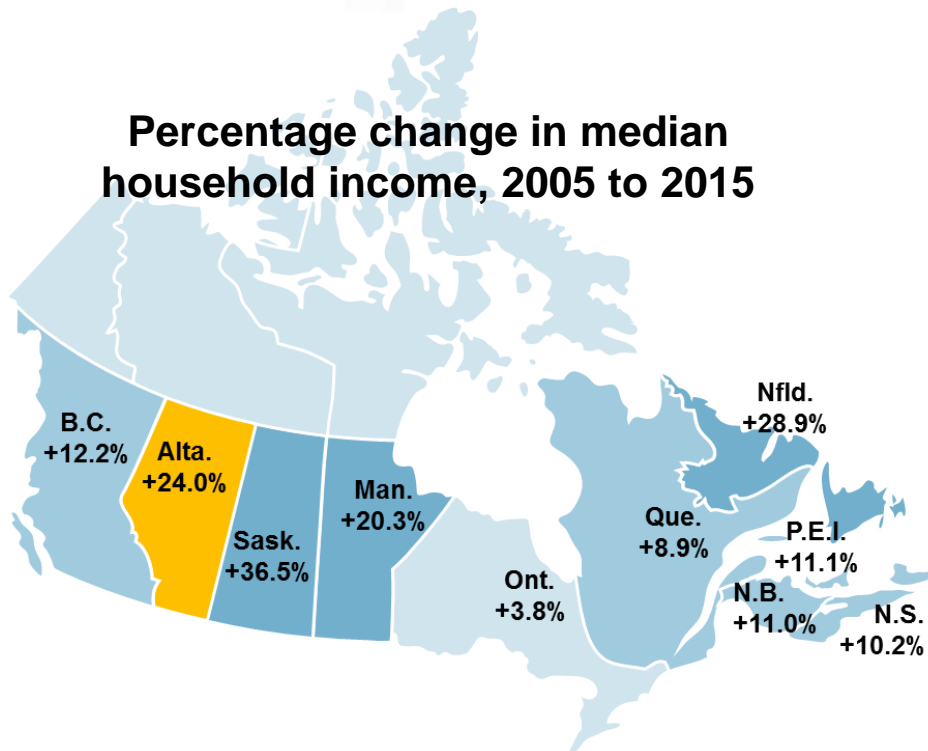
Source: Statistics Canada, 2016 Census of Population.

Source: CANSIM table 282-0152.



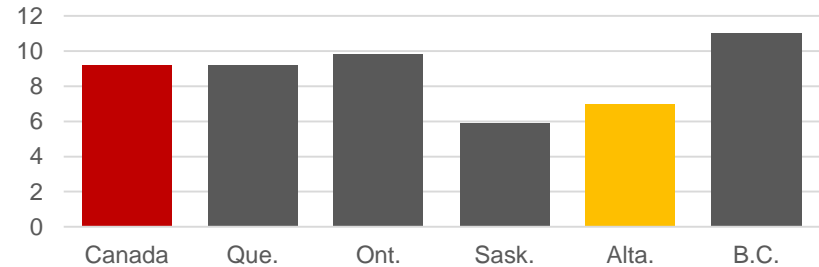
Alberta's economic assets and skilled workforce support wealth creation

Percentage change in median household income, 2005 to 2015



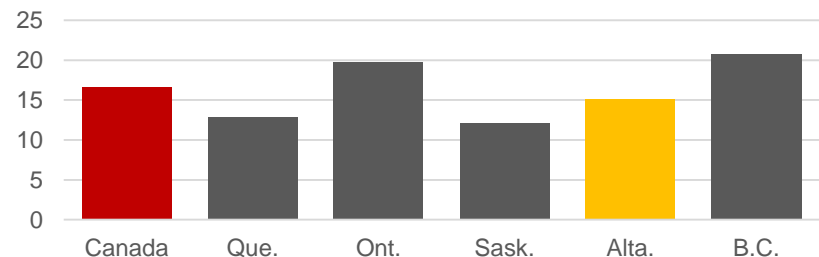
Lower prevalence of individuals with low income

Prevalence (%) of low income, 2015



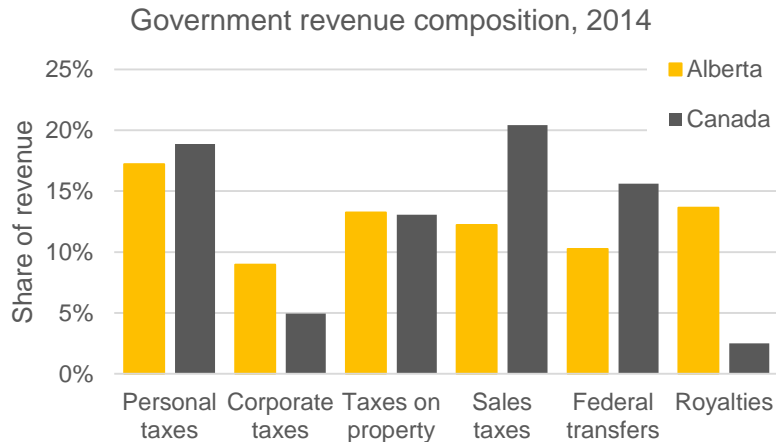
Albertans spend less of their income on shelter

Owner spending 30% or more on shelter costs, 2016

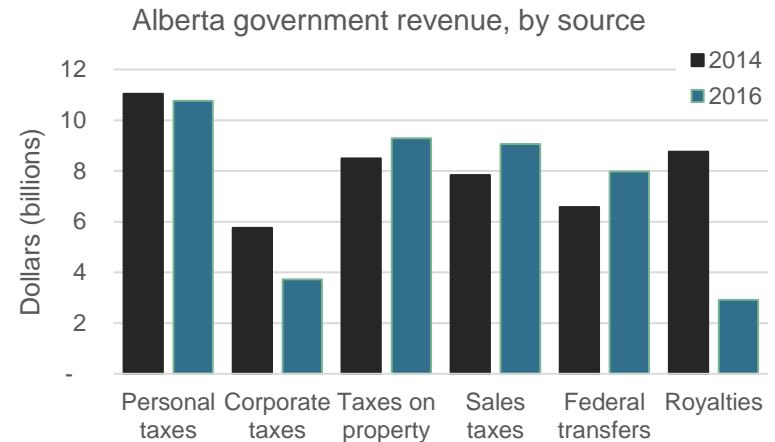


The Alberta government has a revenue profile that reflects its natural resource economy

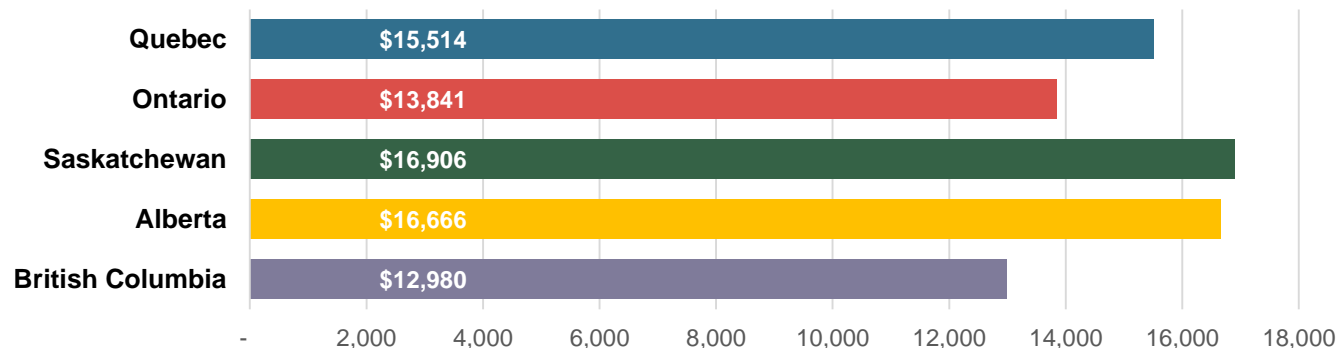
Receives more royalties, but less sales tax and federal transfers



Royalties and corporate tax revenues decreased due to decline in oil prices

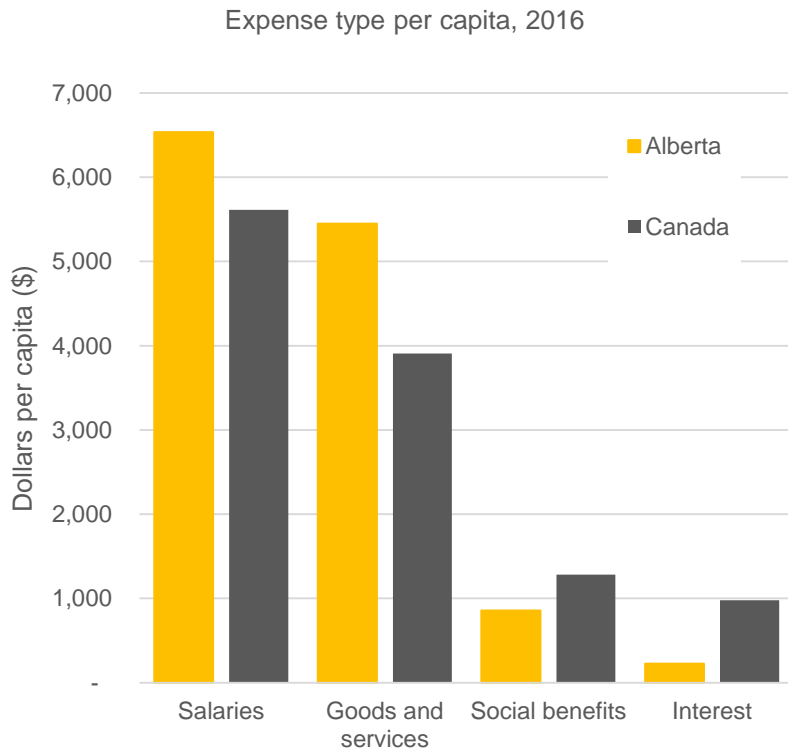


Government expense per capita in 2016 are higher than in most provinces



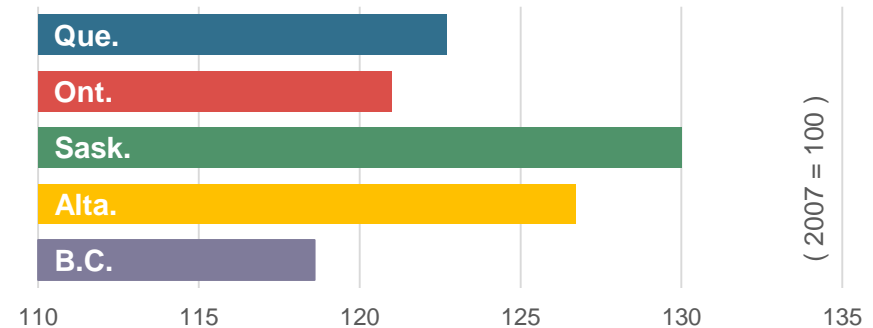
Alberta spends more on labour, goods and services than other provincial governments

Alberta government spends less on interest and social benefits

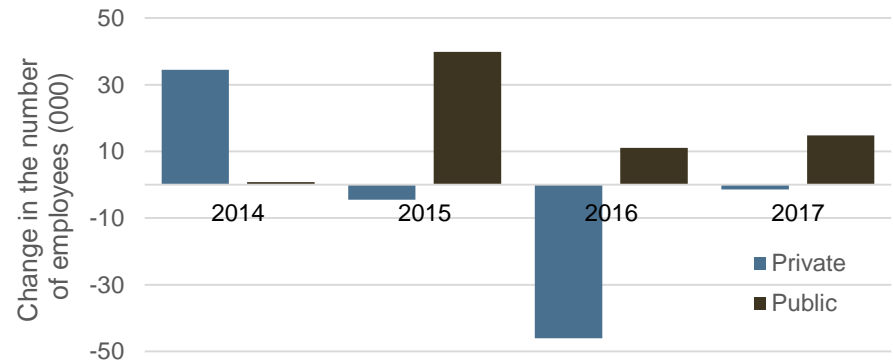


The increase in the price of labour and goods and services for government was strong in Alberta

General government final consumption expenditure, implicit price indexes, 2016



Public sector employment continues to grow



Source: CANSIM table 385-0042, 384-0039 and Labour Force Survey



Government Expense by Function

Canadian
Classification of
Functions of
Government

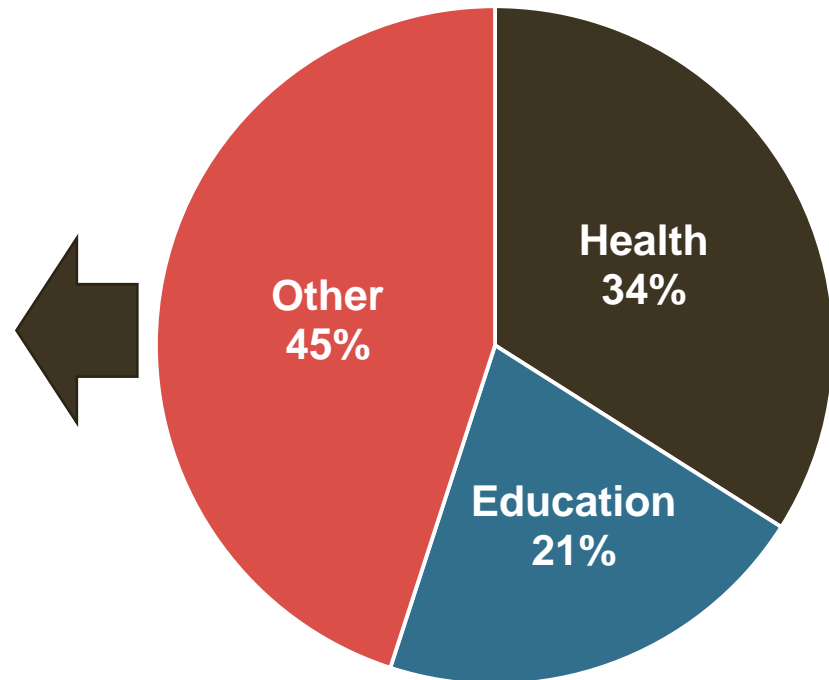




Over half of Alberta's public expenses are for health and education

Alberta expense by functions, 2016

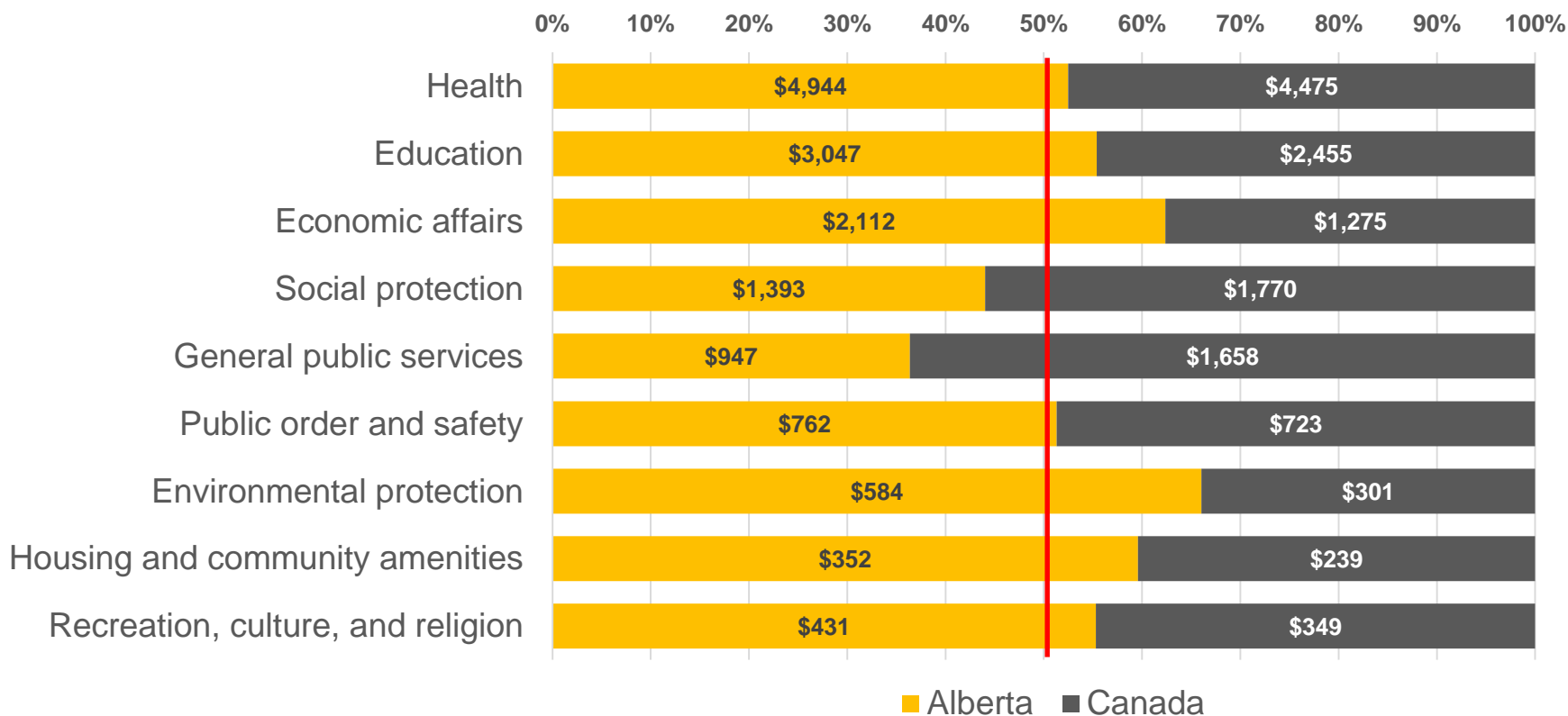
Economic affairs	14%
Social protection	10%
General public services	7%
Public order and safety	5%
Environmental protection	4%
Recreation, culture, and religion	3%
Housing and community amenities	2%



A similar proportion to other jurisdictions

Alberta spends more on health and education per capita than the Canadian average

Expense by function per capita, 2016

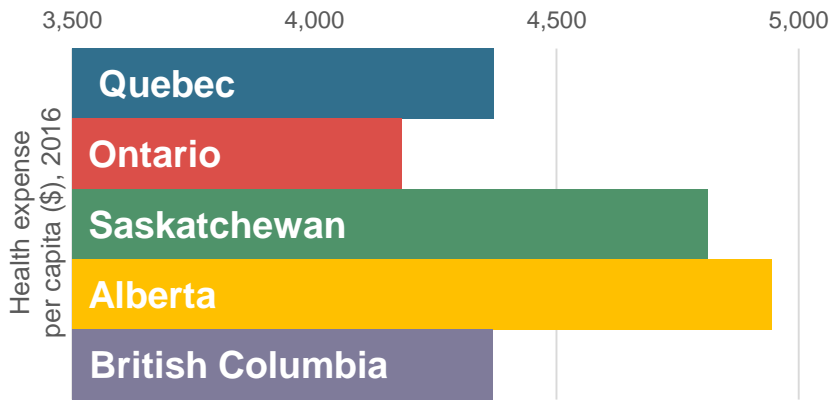


While paying less on social protection and general public services

Source: CANSIM table 385-0041.

Wages and payments to physicians are driving health expenses in Alberta

Higher per capita expense on health in Alberta



Payments to physicians in Alberta are the highest in the country¹

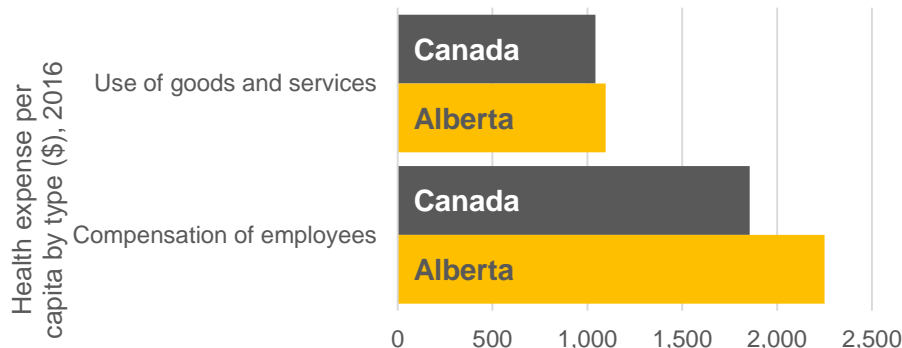


9,026 additional jobs in health in 2016, 32,335 since 2011²



Health building permits value of \$2.1 billion since 2010³

Largest difference for wages and salaries



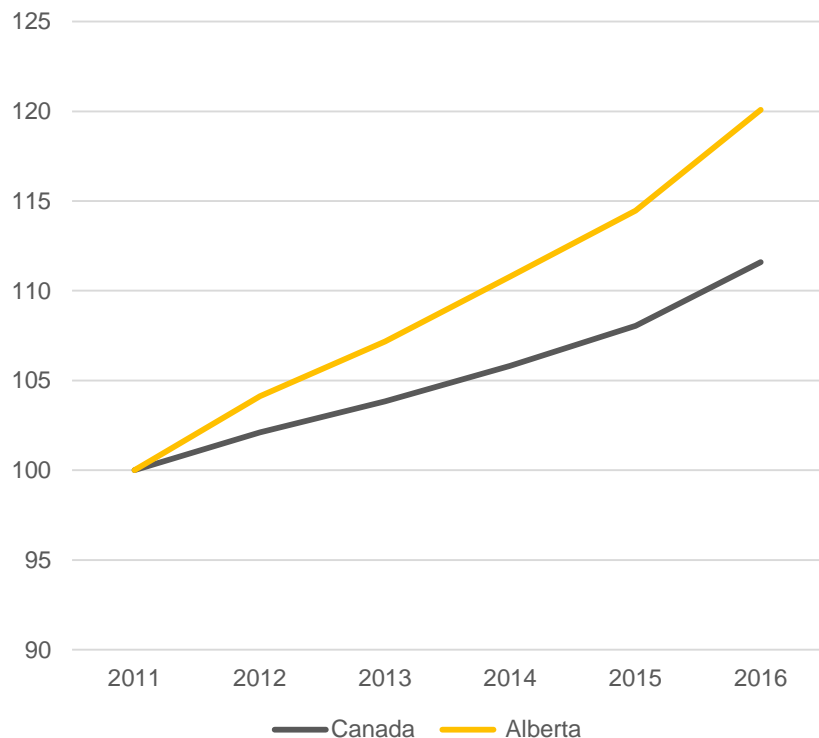
Sources:

1. CIHI National Physician Database
2. CANSIM table 281-0024
3. ISTD custom tabulation

Health employment and wages continue to increase

Alberta's employment in health grew at a faster pace than Canada

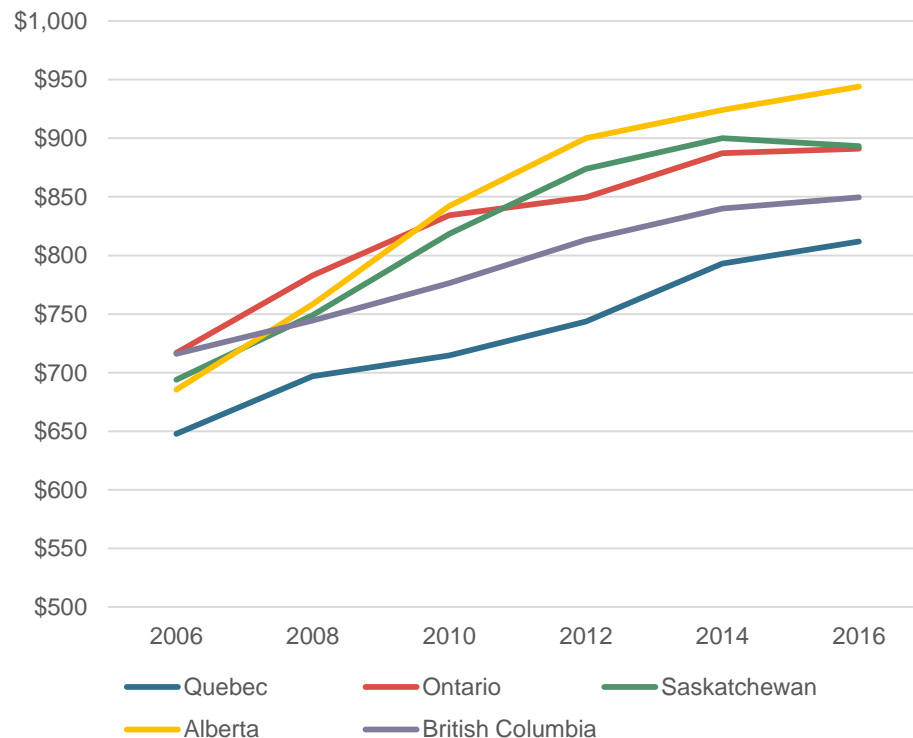
Employment in health care and social assistance (2011 = 100)



Sources: CANSIM tables 281-0024

Wages in health and social assistance are higher in Alberta

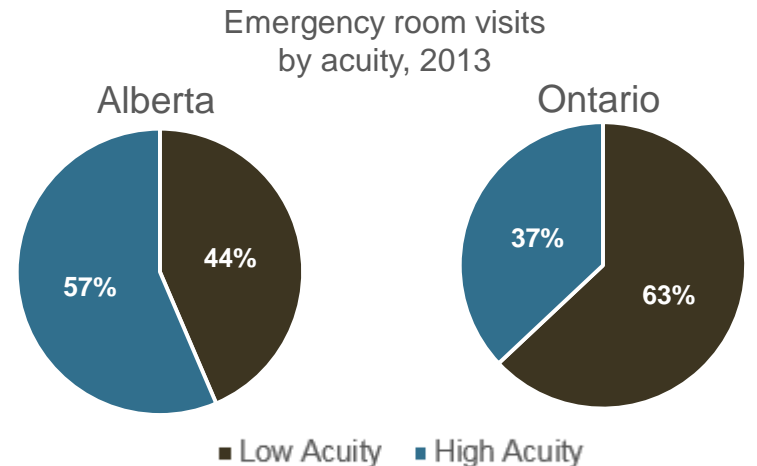
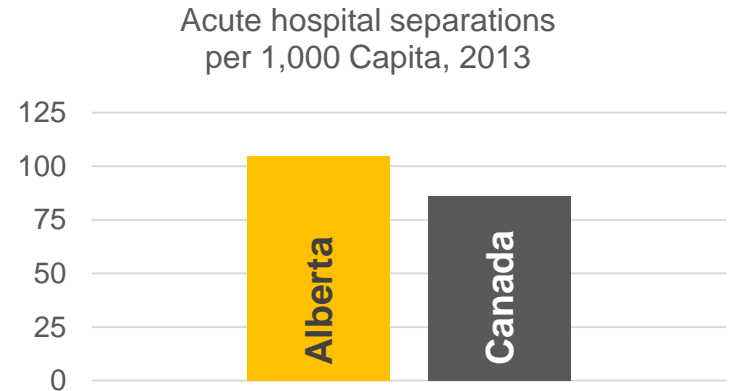
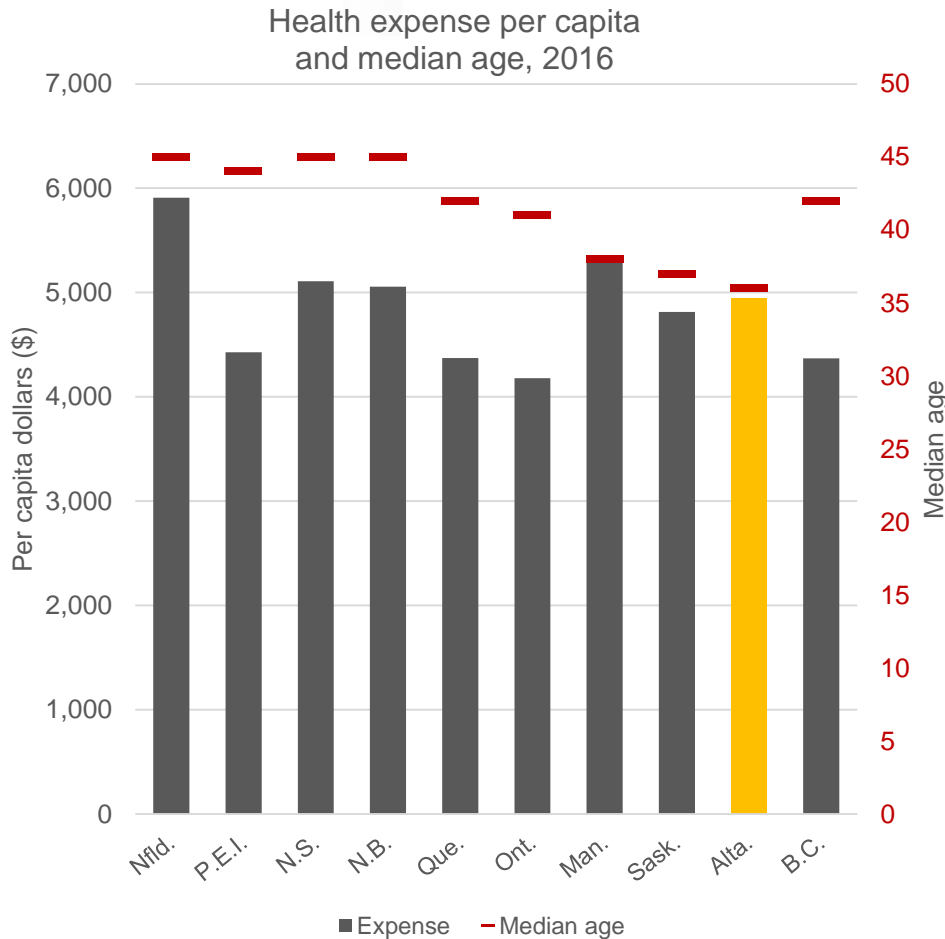
Average weekly earnings, health and social assistance



Sources: CANSIM tables 281-0027



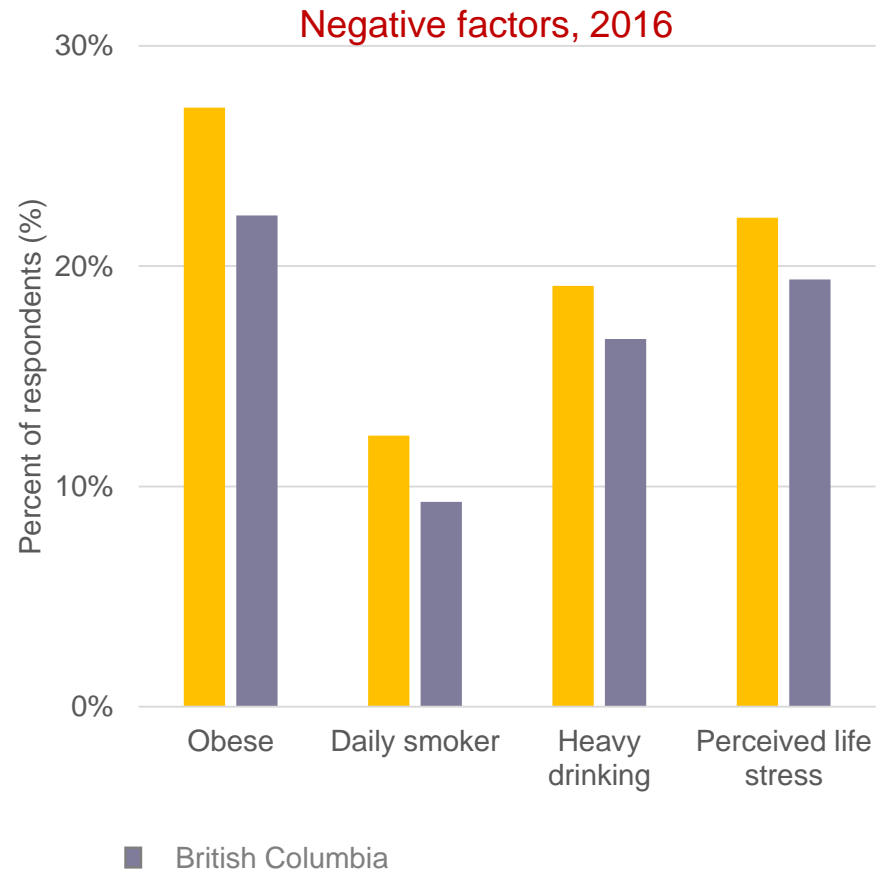
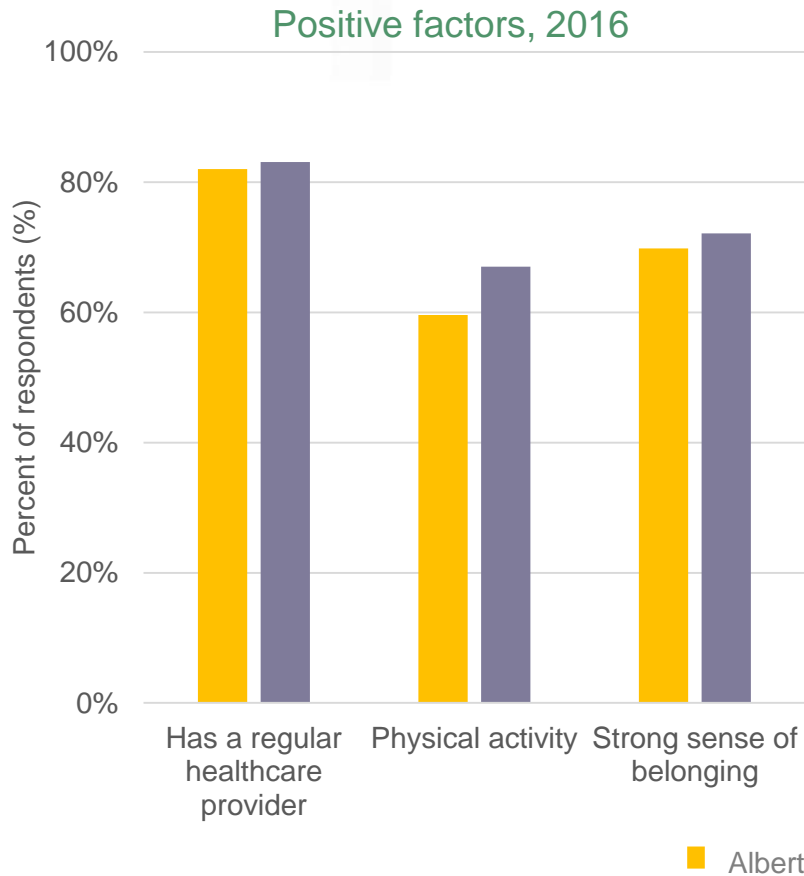
Despite a younger population, health expenses and demand for services are high in Alberta



Sources: CANSIM table 385-0041; Canadian Institute for Health Information (CIHI), Discharge Abstract Database.



Albertans have higher health risk factors



compared to British Columbians who have the best health report card in Canada



Alberta Ranks 5th on the Health Report Card

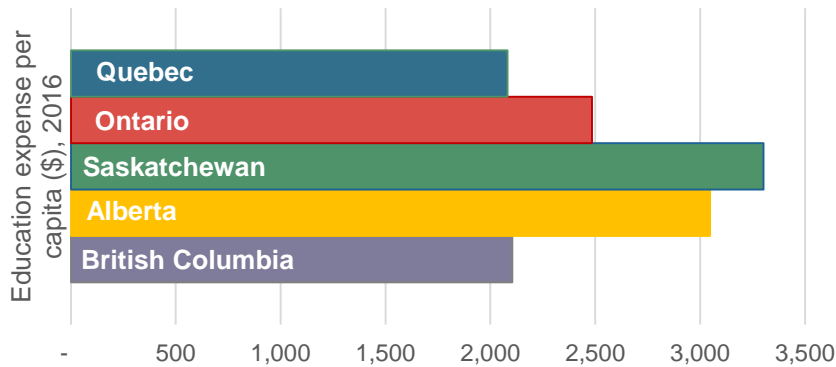
Health Indicator	B.C.	Ont.	Que.	P.E.I.	Alta.	N.B.	N.S.	Man.	Sask.	Nfld.	Canada
Life Expectancy	A	A	B	C	B	B	C	C	D	C	B
Premature Mortality	A	A	A	B	B	B	B	D	D	B	B
Infant Mortality	B	C	C	B	D	B	C	D-	D-	D	C
Self-Reported Health	A	A+	A+	A	A+	A	A	A+	A	A	A
Self-Reported Mental Health	B	A	A	B	A	B	B	A	A	A	A
Mortality Due to Cancer	A	B	C	C	A	C	D	C	B	D	B
Mortality Due to Heart Disease and Stroke	B	B	A	C	C	B	B	B	B	C	B
Mortality Due to Respiratory Diseases	B	B	B	C	B	C	C	B	B	C	B
Mortality Due to Diabetes	C	C	B	B	B	C	C	D	D	D-	C
Mortality Due to Nervous System Diseases	B	B	B	B	B	B	B	B	B	B	B
Suicides	B	A	B	A	B	B	B	B	C	B	B

Source: Adapted from The Conference Board of Canada, "How Canada Performs: Health", February 2012.



The majority of education expense occurs in primary and secondary education

Higher per capita expense on education in Alberta

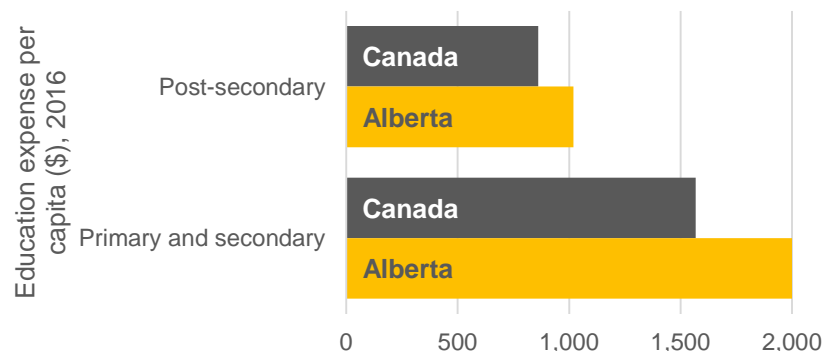


Primary and secondary teachers in Alberta have the second highest salary amongst the provinces
Alberta: \$94,103 Canada: \$87,202



3,455 additional jobs in education in 2016, 16,626 since 2011

Large difference in primary and secondary education

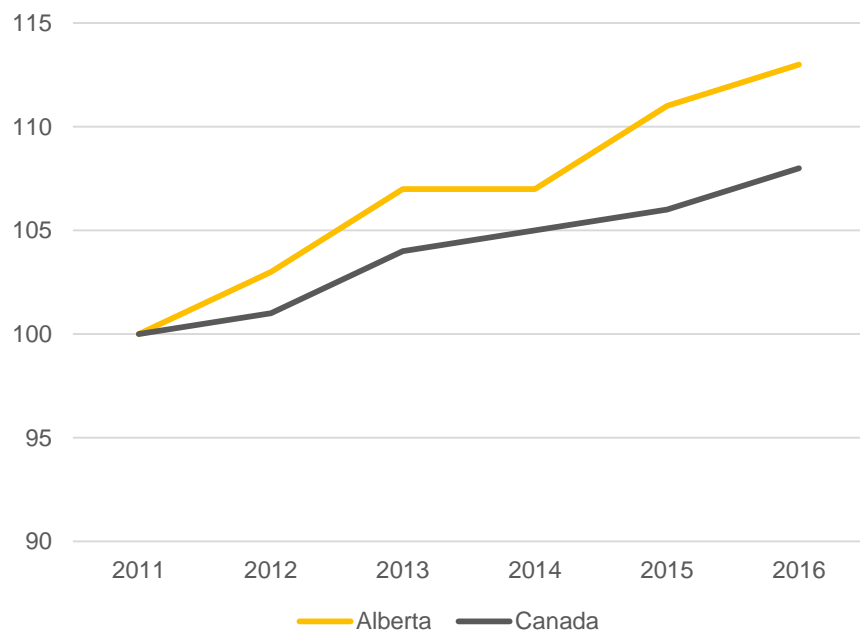


Education building permits value of \$5.4 Billion since 2010

Employment and wages in education are on the rise

Alberta's employment in education grew at a faster pace than Canada

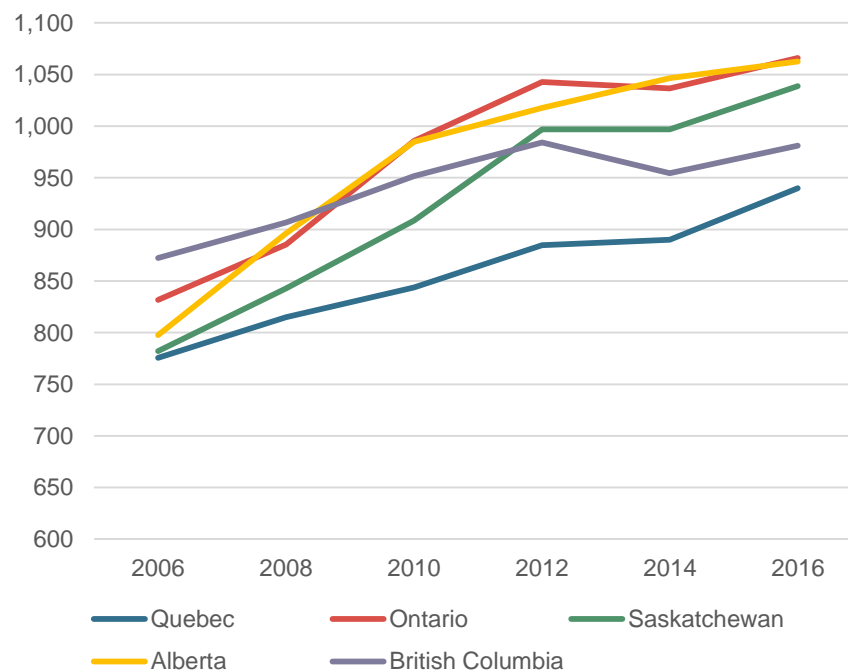
Employment in education (2011 = 100)



Source: CANSIM table 281-0024.

Wages in educational services are higher in Alberta

Average weekly earnings (\$), educational services

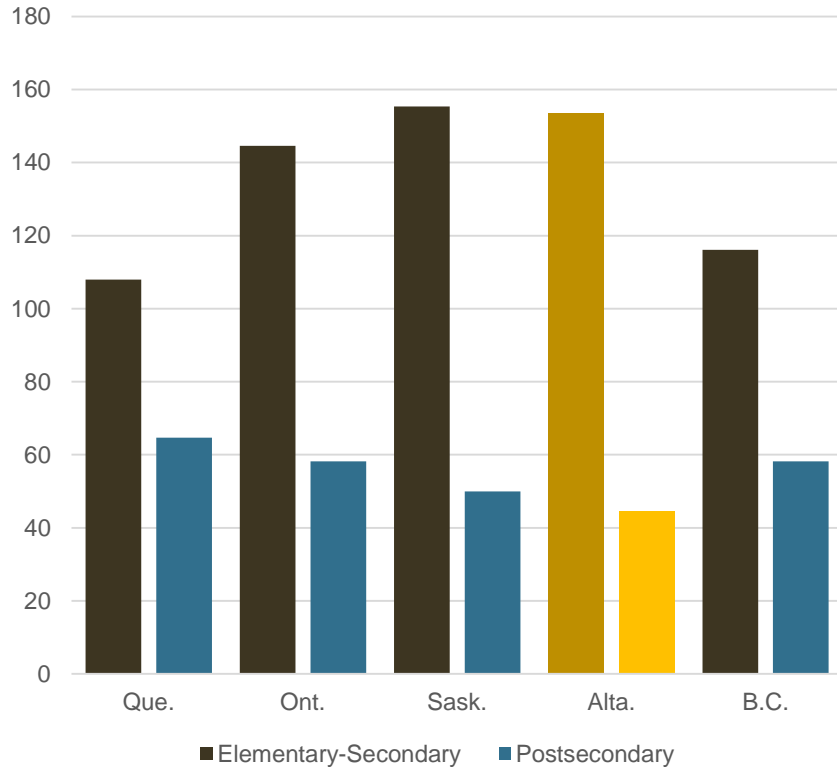


Source: CANSIM table 281-0027.

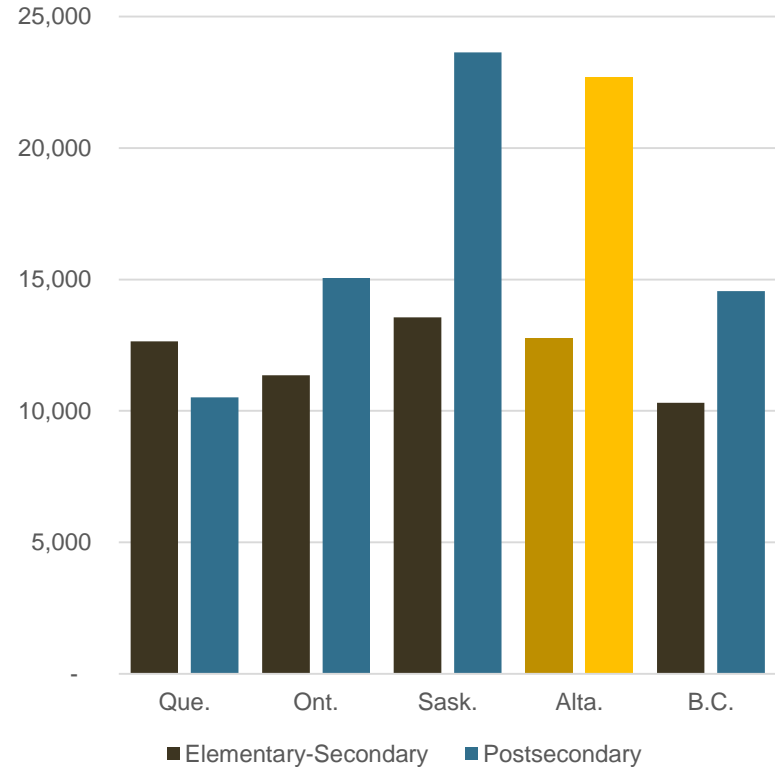


There are more primary and secondary students in Alberta

Number of students per 1,000 capita, 2015



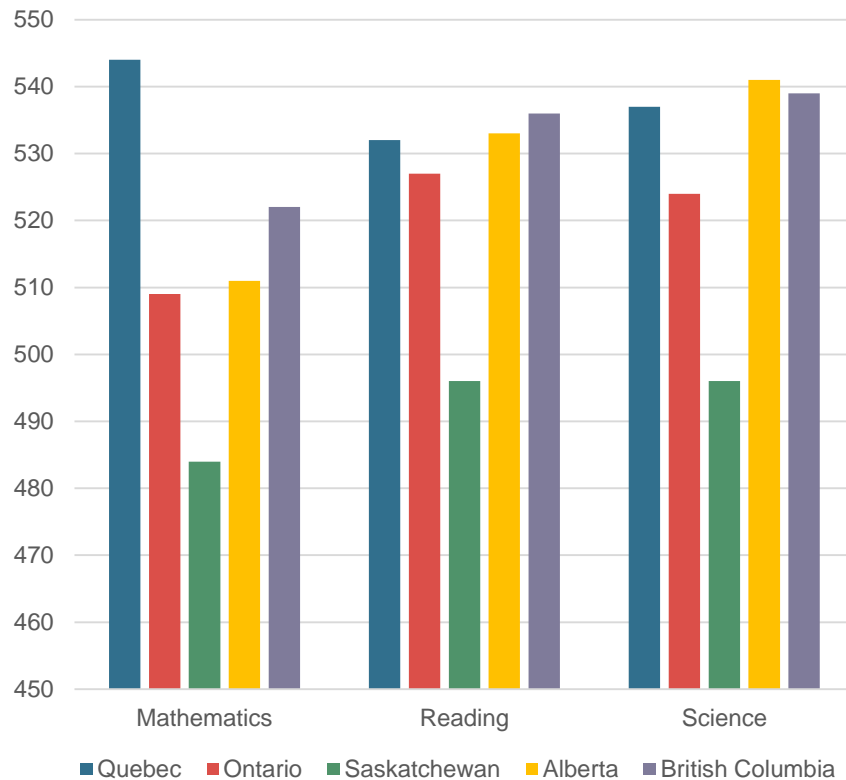
Education expense per student (\$), 2015



Source: CANSIM tables 385-0041, 477-0025 and 477-0029.

Alberta students rank among the highest in science and reading

Estimated average scores, Programme for International Student Assessment (PISA), 2015



Among 72 countries and economies, Alberta students were outperformed only by students in Singapore in Science



Alberta has the third-highest proportion of population with a bachelor's degree or higher in Canada, at 28%



Alberta has the second-highest percentage of men with apprenticeship certificate in Canada, at 17%



Alberta (74%) has one of the lowest high school graduation rates in Canada (87%)

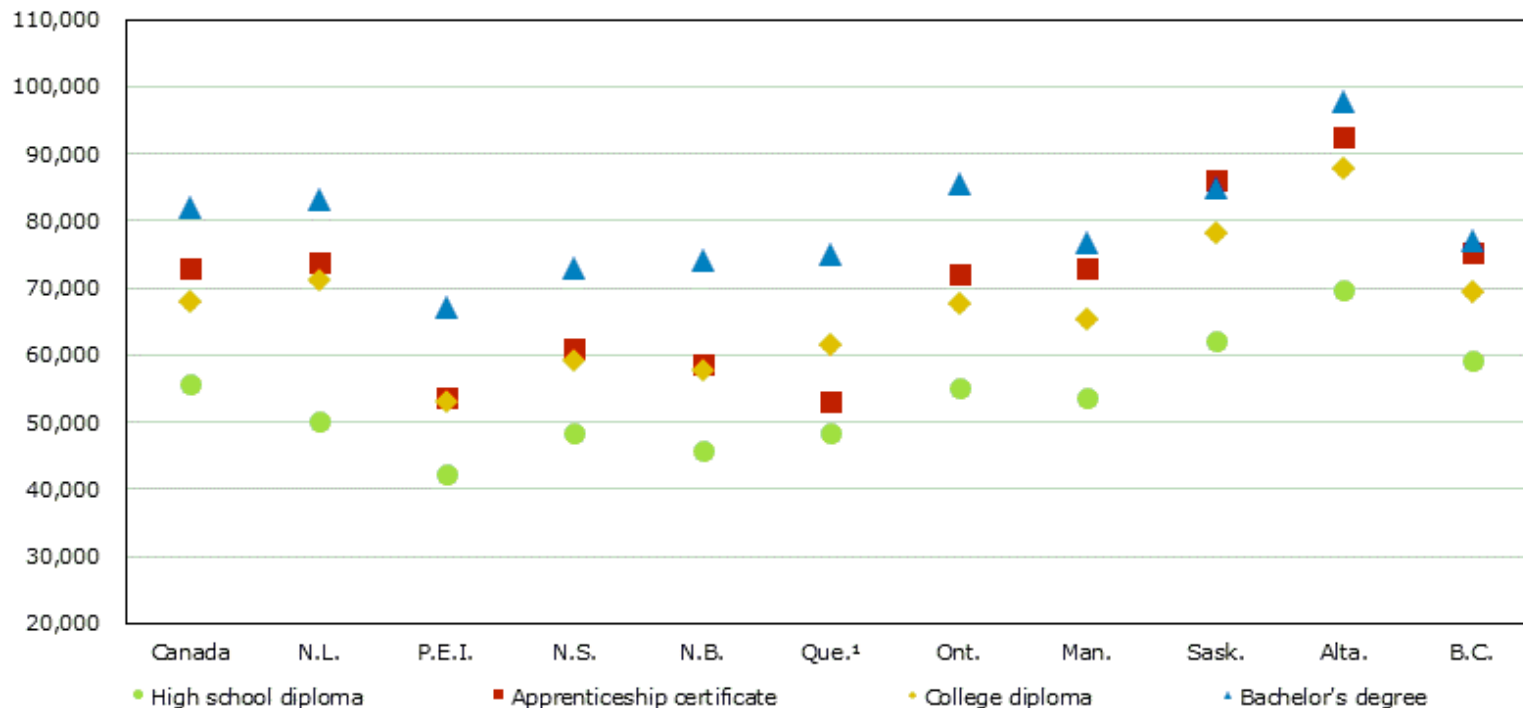
Source: CANSIM table 479-0002.

Men in Alberta with an apprenticeship certificate have high earnings

Earning more than men with a bachelor's degree in all other provinces

Median annual earnings of men aged 25 to 64 who worked full time and full year as paid employees, by highest level of education, the provinces and Canada overall, 2015

median annual earnings (\$)



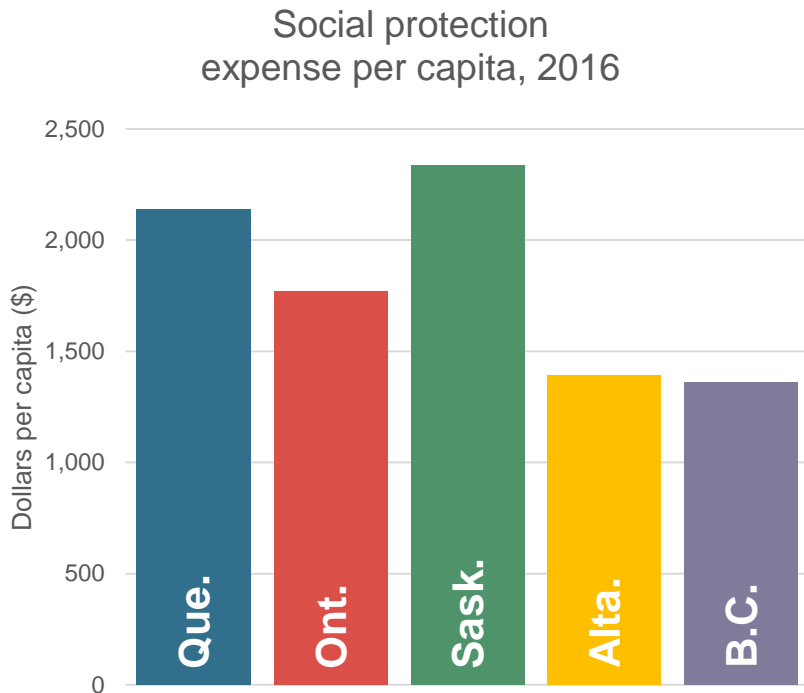
1. Quebec provides vocational trades training and issues a trades certificate called DEP/DVS (*Diplôme d'études professionnelles/Diploma of vocational studies*) offered at the high school level.

Source: Statistics Canada, Census of Population, 2016.

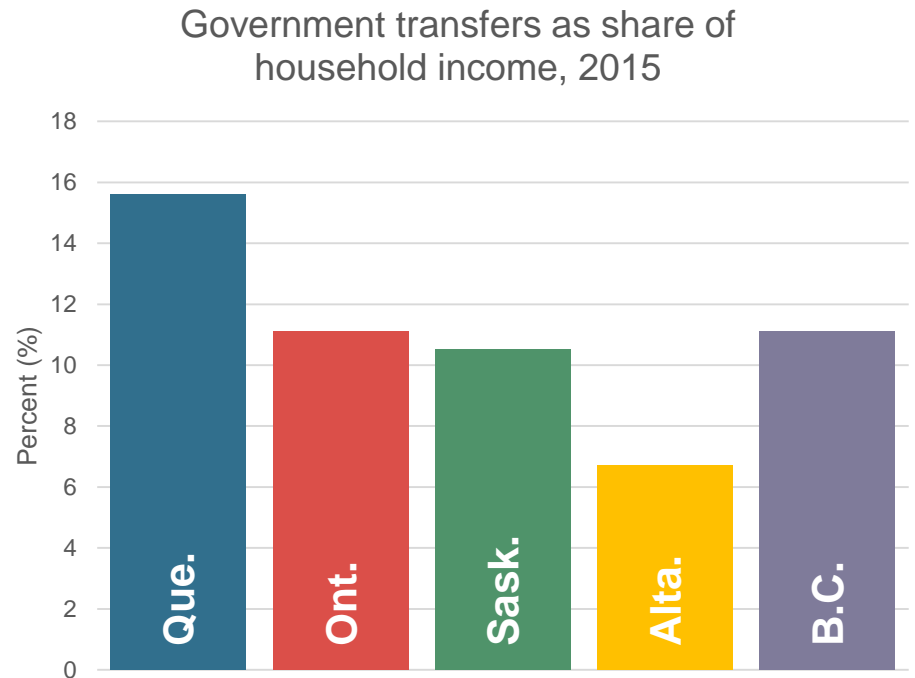


Alberta spends less on social protection

Low expense on social protection



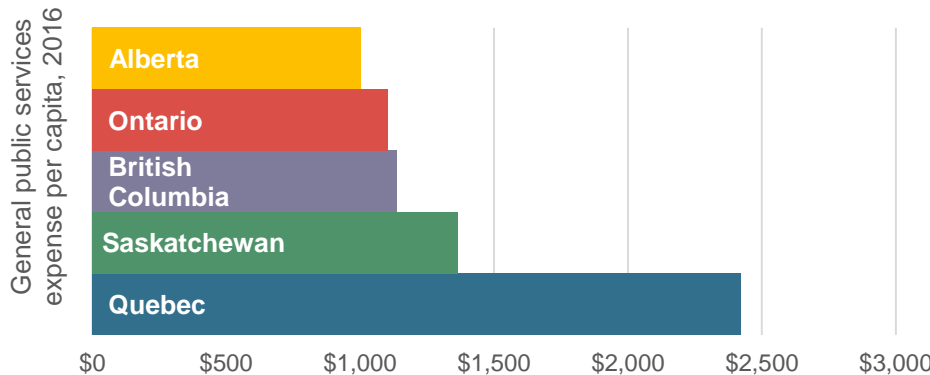
Alberta households depend less on government transfers



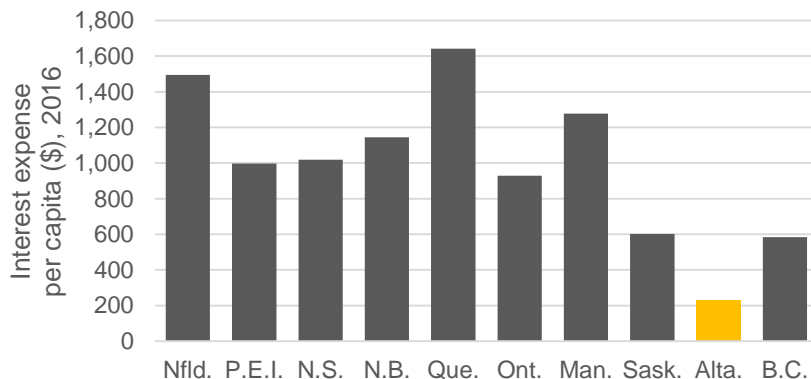
Sources: Statistics Canada, 2016 Census of Population and CANSIM table 385-0041.

Alberta spends less on general public services

Low expense on general public services



Largely due to lower interest expense



Source: CANSIM table 385-0042.



Alberta dedicates 2% of its revenue to pay interest on public debt, much below the Canada average of 7%



Alberta is the only province with more financial assets than debts: \$5.5 billion in 2016



Since 2008, Alberta interest expense increased 143% compared to 23% in Canada

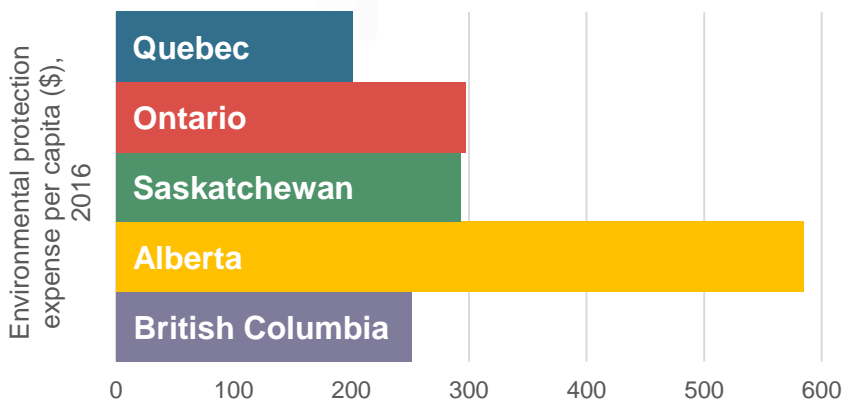


Since 2008, Alberta debt increased 94% compared to 68% in Canada



Alberta spends more on environmental protection

Exceptionally high expense in 2016 due to CLP



Alberta's Climate Leadership Plan (CLP): \$1.1 billion in 2016



Alberta has the highest per capita capital and operating expenses on environmental protection in 2014: \$1,597¹



Alberta emitted 38% of Canada's greenhouse gas emissions in 2015²

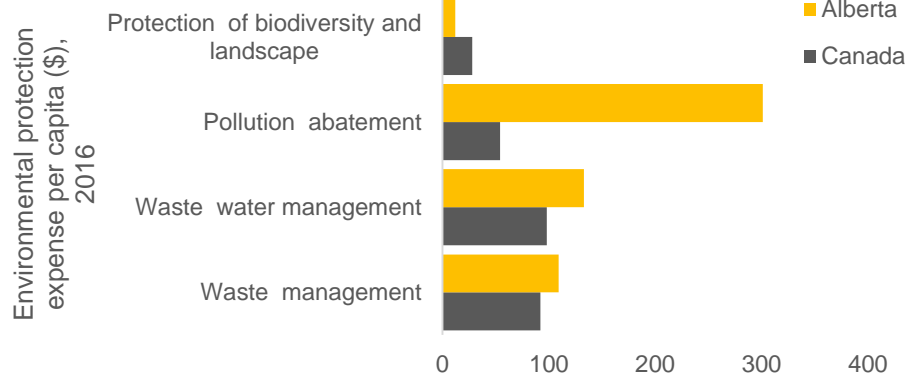


Alberta has the highest waste per capita in Canada in 2014: 1 tonne³



Alberta has the highest energy consumption per household in 2015: 118 gigajoules⁴

Alberta spends more on other environment functions



Sources: CANSIM tables 153-0053 and 385-0041.

Sources:

1. CANSIM table 153-0053
2. Environment and Climate Change Canada (2017) National Inventory Report 1990–2015: Greenhouse Gas Sources and Sinks in Canada
3. CANSIM table 153-0041
4. CANSIM table 153-0161

Opportunities

Collaborative Engaged

Results-oriented Accountable

Modernized Innovative

Accessible Low respondent burden

Examples of our partnerships with Alberta



Service Alberta
Driver's licenses, land registry data



Alberta Municipal Affairs
Property assessment data, municipal census



Alberta Advanced Education
Pathways through the education system



Edmonton, Red Deer, Regional Municipality of Wood Buffalo
Access to general ledger files



Alberta Treasury and Finance
Quarterly provincial general ledger files, energy use data



Alberta Health
Health records



Leveraging the expertise of...



**Data quality and
confidentiality**



**Builder of
statistical
capacity**



**International
leader**



Data integrator

a modernized Statistics Canada



A modern, responsive statistical agency



Moving beyond a survey-first approach with **new methods** and **integrating data** from a variety of existing sources



Making our data **easier to access** and use by adopting **new tools** to analyze and visualize data



Helping more Canadians use data to make **evidence-based decisions**



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