

CHAPTER 22

GOVERNMENT FINANCE

Statistics Canada produces two sets of data on government finance: **estimates data** derived from the budgets and financial estimates of the various levels of government, and **actual data** derived from audited public accounts after they are published.

The estimates data are less detailed but apply to the current fiscal year and are available on CANSIM (Canadian Socio-economic Information Management System) Statistics Canada's machine-readable data base. In this electronic form they can be readily revised and are updated as soon as information becomes available. In a fiscal year, which in the federal, provincial and territorial governments runs from April 1 to March 31 of the following calendar year, the current information is available by July. Data on local governments are compiled for the calendar year from budgets and other sources and are also released through CANSIM. Beginning in 1985-86, the information available will include revenue and expenditure forecasts for federal, provincial and territorial, and local governments plus a consolidation of all three levels.

The actual data are extracted from audited public accounts of the various jurisdictions and are issued in printed reports. The preparation and release dates of these publications depend on the availability of public accounts information from each level of government.

Both of these sets of data are produced in accord with the financial management system (FMS) of government statistics. Only through use of FMS-based data can accurate comparisons be made between governments or between levels of government. FMS data are also used to calculate equalization payments and other federal-provincial financial arrangements.

The system of government financial management statistics (Statistics Canada 68-507) reflects changes in government operations and changes in statistical formats implemented since the system was last updated in 1972. For example, a number of new taxes are now identified particularly in the area of natural resources.

The FMS conceptual framework is the basis employed in preparing statistical information for the annual consultation between federal and provincial ministers of finance, pertaining to the co-ordination of budgetary policies.

Statistics Canada has been publishing financial data for the three levels of government according to the concepts and classifications of the FMS for over 60 years. Efforts are currently under way to expand the scope of the financial management system to include non-government institutions such as universities, hospitals and cultural agencies, which constitute a major portion of the public sector.

This chapter is based on the actual data as published. Users wanting more current information should access the CANSIM data.

22.1 Review of revenue and expenditure

Gross general revenue of the federal government amounted to \$72.5 billion and gross general expenditure to nearly \$78.8 billion in 1981-82, thus showing an excess of expenditure over revenue of over \$6.2 billion on a financial management basis. Tables 22.2 and 22.3 provide summaries for the fiscal years ending March 31, 1978-82.

22.1.1 Gross general revenue

Gross general revenue (Table 22.2), increased by \$14.2 billion (24.3%) in 1981-82. The major portion (96%) of the increase can be attributed to a growth in the yield from the following sources: miscellaneous taxes, up \$5.5 billion (200.6%); income taxes, up \$4.1 billion (13.5%); health and social insurance levies, up \$2.0 billion (34.5%); consumption taxes, up \$1.1 billion (10.4%); and return on investments, up \$858 million (19.9%).

Miscellaneous taxes. The increase in miscellaneous taxes was mainly due to substantial growth in the yield from the petroleum levy (up nearly \$2.4 billion), the natural gas and gas liquids tax (\$811 million) and the new petroleum and gas revenue tax (\$811 million).

The petroleum levy consists of the petroleum compensation charge which is in essence an expanded syncrude levy. The syncrude levy started in January 1979 and was originally imposed on domestic petroleum, imported petroleum and designated petroleum products to compensate refiners using oil from the Athabasca Tar Sands. It was replaced in the fall of 1981 by the petroleum compensation charge which, in contrast to the