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ANNUAL NORTHERN EXPENDITURE PLAN

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KLONDIKE



HUNDRED



YEARS



Canada

ANNUAL NORTHERN EXPENDITURE PLAN



Data Operations
Information Quality and Research Directorate
Information Management Branch
Department of Indian Affairs and Northern Development

December 1997



Cover Credit

Klondike Hundred Years

The cover is a composite of photos representing both the 100th Anniversary of the RCMP in Yukon, celebrated in 1995 and the 100th Anniversary of the Klondike Gold Rush also known as the Trail of '98 and being celebrated during 1998.

The two events are historically linked since the first small contingent of 19 Mounted Police who arrived on July 24, 1895 were sent to police the Gold Rush "stampedeers," provide protection to the Aboriginals and establish Canadian sovereignty in this remote and sparsely populated land. The Gold Rush and the chance to "strike it rich" captured international imagination and enticed, by land and water, a multitude of gold seekers to the gold-bearing creeks such as Bonanza and rapidly growing Dawson City.

Photo on left

Courtesy of RCMP
M Division
Whitehorse, Yukon Territory

Other Photos

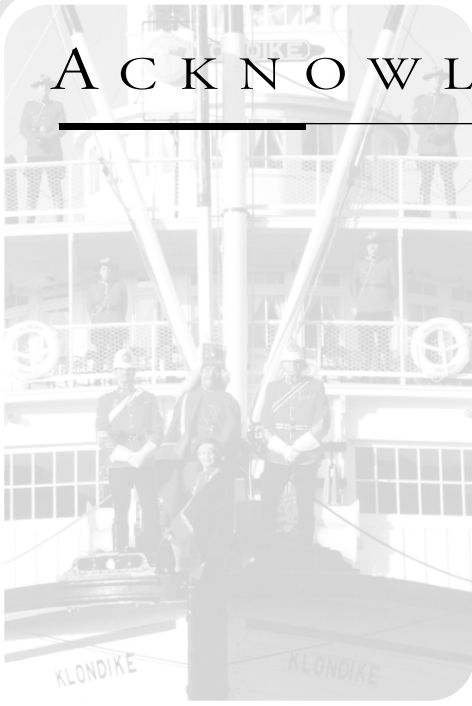
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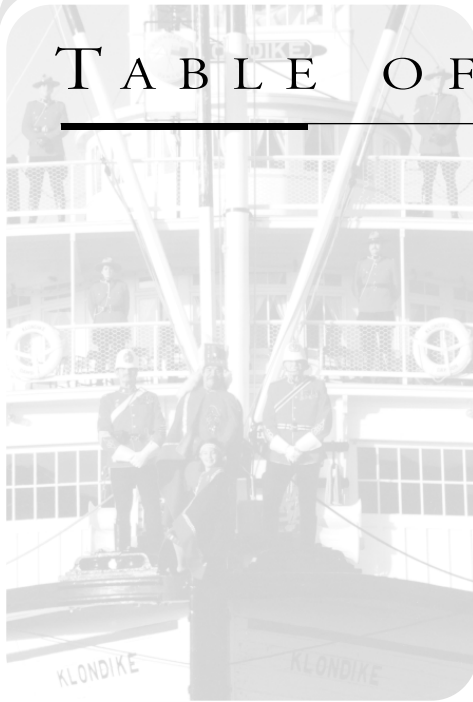


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TABLE OF CONTENTS



Acknowledgements	iii
Introduction	1
BACKGROUND.....	1
POLICY FRAMEWORK	1
1995/96 UPDATE.....	1
Federal Government Restructuring	1
Aboriginal Land Claims	1
Devolution of Provincial-Type Responsibilities	1
Changes to Contributing Agencies	2
SCOPE AND NATURE OF THE DATA SURVEY.....	2
Source of Data	2
Methodology	3
DISTRIBUTION.....	3
ORGANIZATION	3
Trend In Government Northern Expenditure	4
Trend In Government Northern Employment	6
Expenditure By Final Spending Agency	8
Expenditure By Government	8
Expenditure By Federal Agency	8
Employment By Agency	11
Federal Transfers To The Territorial Governments	14
Formula Transfers	14
Other Transfers	15
Total Federal Expenditure Including Transfers	15
Expenditure By Regional Location Of Responsibility Centre	17
Employment By Regional Location Of Responsibility Centre	20
Expenditure By Function	22
Expenditure By Location Of Principal Benefit	28
Expenditure By Object	30
SALARIES AND WAGES	31
OTHER OPERATING	32
CAPITAL.....	32
GRANTS AND CONTRIBUTIONS.....	32
Glossary	34

Appendices	36
1. Status of Comprehensive Claims in the North.....	36
2. Completed Transfers to the Territorial Governments	37
3. Expenditure Function Classification	38
4. Other References	40

Illustrations

Map 1 The North.....	2
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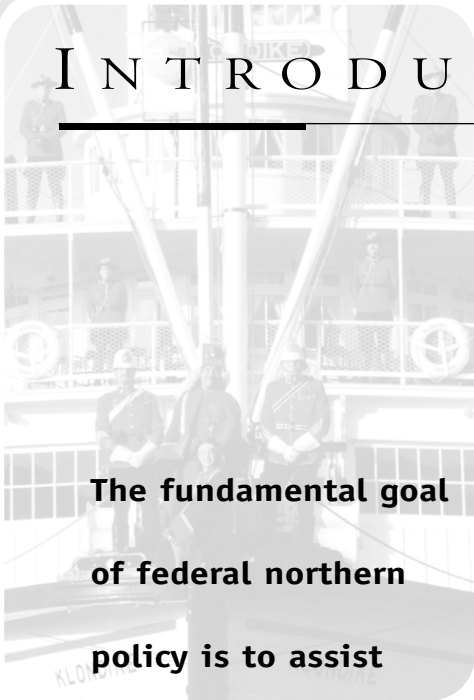
Graphs

1. Trend in Total Government Northern Expenditure	4
2. Trend in Northern Expenditure by Government.....	5
3. Trend in Total Government Northern Employment.....	6
4. Trend in Northern Employment by Government	7
5. 1995/96 Expenditure by Government	8
6. 1995/96 Federal Expenditure by Agency	8
7. 1995/96 Employment by Government	11
8. 1995/96 Federal Employment by Agency.....	11
9. Trend in Federal Formula Funding Grants to Territorial Governments	14
10. 1995/96 Other Federal Transfers to Territorial Governments.....	15
11. Trend in Expenditure by Government in the Northwest Territories	17
12. Trend in Expenditure by Government in Yukon	18
13. Trend in Federal Expenditure by Regional Location in Southern Canada	18
14. Trend in Employment by Government in the Northwest Territories.....	20
15. Trend in Employment by Government in Yukon	21
16. Trend in Federal Employment by Regional Location in Southern Canada.....	21
17. 1995/96 Total Government Expenditure by Function.....	23
18. 1995/96 Federal Government Direct Northern Expenditure by Function.....	24
19. 1995/96 Government of Northwest Territories Expenditure by Function	25
20. 1995/96 Government of Yukon Expenditure by Function	26
21. 1995/96 Total Expenditure by Location of Principal Benefit	28
22. Trend in Federal Expenditure by Location of Principal Benefit.....	28
23. Federal Government Expenditure Trend by Object	30
24. Government of the Northwest Territories Expenditure Trend by Object	31
25. Government of Yukon Expenditure Trend by Object.....	31

Tables

1. Trend in Total Government Northern Expenditure	5
2. Trend in Total Government Northern Employment.....	6
3. Trend in Expenditure and Percentage Distribution by Final Spending Agency	10
4. Trend in Employment and Percentage Distribution by Agency	13
5. Trend in Federal Transfers to Territorial Governments	16
6. Trend in Expenditure by Regional Location of Responsibility Centre	19
7. Trend in Employment and Percentage Distribution by Regional Location	21
8. Trend in Expenditure and Percentage Distribution by Expenditure Function.....	26
9. 1995/96 Planned Expenditure by Agency and Expenditure Function	27
10. Trend in Expenditure and Percentage Distribution by Location of Principal Benefit.....	29
11. Trend in Expenditure and Percentage Distribution by Object.....	33

INTRODUCTION



The fundamental goal of federal northern policy is to assist Northerners to develop durable political and economic institutions, enabling them to assume increasing responsibility for decisions that affect them directly.

BACKGROUND

The Annual Northern Expenditure Plan (ANEP) is a regional overview of government expenditures and related government employment for the Northwest Territories and Yukon. With the exception of fiscal years 1991/92 and 1992/93, the Plan has been published consecutively since 1973/74. The Plan consolidates information on expenditures and full-time equivalents (FTEs)¹ using planned, forecast and actual utilization by the governments of the Northwest Territories and Yukon and by federal departments and agencies with expenditures on programs and activities in, or related to, the North.

POLICY FRAMEWORK

The Northern Affairs Program provides the federal government's focus for formulation, co-ordination and implementation of programs in the territories of Canada's North. The Government of Canada is committed to the continued political evolution of strong northern public governments and their economic institutions within the Canadian federation. The fundamental goal of federal northern policy is to assist Northerners to develop durable political and economic institutions, enabling them to assume increasing responsibility for decisions that affect them directly. The essential objectives of federal northern policy are:

- finalizing and implementing northern Aboriginal claims;
- working with northern governments and Aboriginal people to further the political evolution of public government, including division of the Northwest Territories and devolution of remaining provincial-type responsibilities to the territorial governments;
- protecting the northern environment, through initiatives like the

Arctic Environmental Strategy (AES) and the circumpolar Arctic Environmental Protection Strategy (AEPS);

- supporting sustainable economic development; and
- fostering international Arctic co-operation.

1995/96 UPDATE

Federal Government Restructuring

The federal government underwent a major departmental restructuring during the 1993/94 fiscal year. This edition of ANEP is the second to present the data according to the new departments. All five years of expenditure and full-time equivalent (FTE) data in the publication were adjusted to the 1993/94 structure in the 1994/95 publication. Changes that took place in 1995/96 have not been adjusted and are visible in this publication. Although some departmental trends are different from those of prior years, government-wide totals remain consistent.

Aboriginal Land Claims

No new comprehensive land claim agreements were signed in 1995/96; however, this report includes for the first time the statutory payments for the Tungavik Federation of Nunavut Land Claims Agreement that began in 1993/94. For a complete list of northern claims, see Appendix 1.

Devolution of Provincial-Type Responsibilities

The following devolution agreements were implemented from 1994/95 to 1995/96. The agreed-upon budgets are normally incorporated into the federal formula funding transfer payment and paid directly to the territorial governments on a yearly basis.

¹ The term "full-time equivalent" (FTE) has replaced "person-year" as the measure for government employment. It refers to the employment of one person for one full year or the equivalent thereof. For example, one person employed for one full year, or three persons each employed for four months in one year, equals one full-time equivalent.

- Implementation of the Whitehorse General Hospital transfer agreement to the Yukon Territorial Government (YTG) was initiated in 1993/94 and completed in 1994/95.
- The “A” Airports (larger airports with longer runways) were transferred from the Department of Transport to the Government of Northwest Territories (GNWT) on July 1, 1995. Because of the timing of the transfer, only the Department of Transport adjusted the data to account for the change. The GNWT data will be adjusted in the next publication.

For a complete list of program transfers since 1986/87, see Appendix 2.

Discussions are continuing for the following transfers:

- All remaining provincial-type responsibilities from DIAND to the GNWT and YTG.
- All remaining health services from Health Canada to the YTG.

Changes to Contributing Agencies

- The Canadian Coast Guard was transferred from the Department of Transport to the Department of Fisheries and Oceans effective April 1, 1995 and the 1995/96 expenditure and FTE data reflect this change.
- Canada Post Corporation last contributed to ANEP in 1991/92. Consequently, federal spending was approximately \$33 million less per year after 1991/92.

SCOPE AND NATURE OF THE DATA SURVEY

Source of Data

Federal departments and agencies and the governments of Yukon and the Northwest Territories are surveyed each year on their annual expenditures in, or related to, the two territories. The expenditure and employment data collected constitute the northern expenditure plans of the federal and territorial governments. For this report, the terms *northern*, the *North* and *North of 60°* all refer to Yukon and the Northwest Territories. Expenditures for Arctic Quebec and Labrador, also North of 60°, are not included in the data (see Map 1).



Map 1

THE NORTH

Agencies were requested to provide data for a four-year period on planned expenditures for 1995/96, an updated forecast of expenditures for 1994/95 and actual expenditures for 1993/94 and 1992/93. The data for 1995/96 are based on expenditure plans contained in the *Main Estimates* series published by the federal and territorial governments and contributing Crown corporations. The earlier data for 1991/92 are printed from the ANEP computer system.

Methodology

- The northern expenditures of 26 federal agencies and the two territorial governments are reported. Together they provide a reasonably comprehensive account of government spending on the North. It should be noted, however, that certain northern expenditures, such as the former Petroleum Incentives Program grants, have never been included in ANEP.
- Agencies report only on their direct northern expenditures which are defined as those that are undertaken North of 60°N, those made to achieve departmental or program objectives exclusively for the North and those that involve the North in a national program provided that the northern component of the program can be realistically identified in the expenditures. In this way, the Plan includes not only expenditures *in* the North, but also those undertaken in the south when the expenditure is *for* the North.
- ANEP is designed to report on northern expenditures by the agency that has final responsibility for managing them. Because of the working relationships between some agencies and the movement of funds, expertise and services among these agencies, procedures to minimize double-counting of funds have been incorporated into the Plan.

Two types of adjustments are built into the computer program to minimize double-counting: interagency transfers of funds and interagency sales and purchases.

- Interagency transfers take place when funds are sent from one reporting agency to another. The receiving agency has responsibility for administering the final disposition of the funds. In most cases, such transfers are from federal government departments to the territorial governments. In keeping with the final responsibility principle, these expenditures in ANEP are allocated to the territorial government administering the final expenditure.
- Interagency sales and purchases occur when one reporting agency purchases goods and services from another. Ideally, the amounts reported as purchases by one agency would be balanced by sales reported by the selling agency, but limitations in financial systems make a certain amount of double-counting unavoidable in this situation.

The Expenditure Function classification, used in Statistics Canada's System of Government Financial Management Statistics, has been applied to the financial data in the *Annual Northern Expenditure Plan 1995/1996*. Within the system, there are 18 expenditure functions, 14 of which are represented in the final northern expenditure data reported here. A description of the classification, and examples, are found in Appendix 3.

DISTRIBUTION

The Minister of Indian Affairs and Northern Development, by publishing comprehensive data on federal and territorial resources allocated to the

North, seeks to increase public understanding of the trends and magnitude of government expenditures on the North. The 1995/1996 Plan has been prepared in accordance with this purpose. It is published and distributed to those interested in the Canadian North, including members of the federal and territorial governments, Aboriginal organizations, northern communities, schools, universities, libraries, research organizations in Canada and abroad, businesses and the news media.

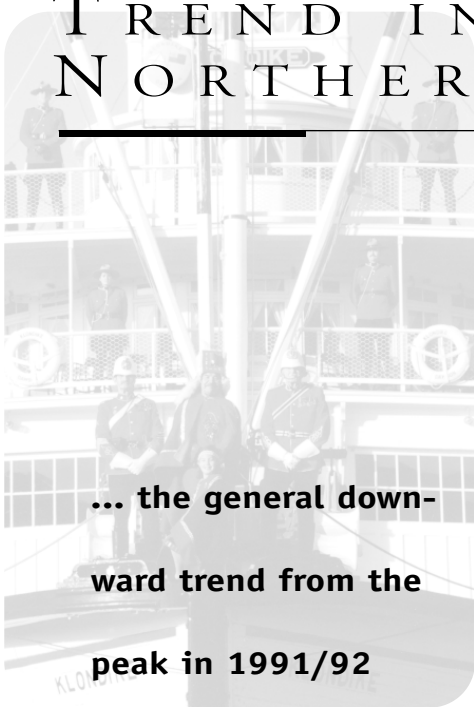
ORGANIZATION

The 1995/96 publication contains the same graphs, tables and text as in previous years, but they are presented in a new order in response to reader suggestions.

The first grouping includes the 10-year trend information by total government and contains chapters on northern government expenditures and employment. The second group of three chapters deals with the delivery of northern programs and includes chapters on direct expenditures by department, agency and government, employment by the same subjects and the federal transfers of funds to the territorial governments. The final grouping contains five chapters that review northern expenditures and employment from different viewpoints. These viewpoints include expenditure and employment by regional location, expenditure by function, expenditure by principal benefit and expenditure by financial object.

Four appendices are included: a list of Aboriginal comprehensive land claims, a list of completed transfers of provincial-type programs to the territorial governments from 1986/87 to 1995/96, a description of the expenditure function classification and a selection of additional reference sources on the North.

TREND IN GOVERNMENT NORTHERN EXPENDITURE



... the general downward trend from the peak in 1991/92 has continued as program reductions, particularly at the federal level, have offset the new expenditures on claims that began in 1993/94.

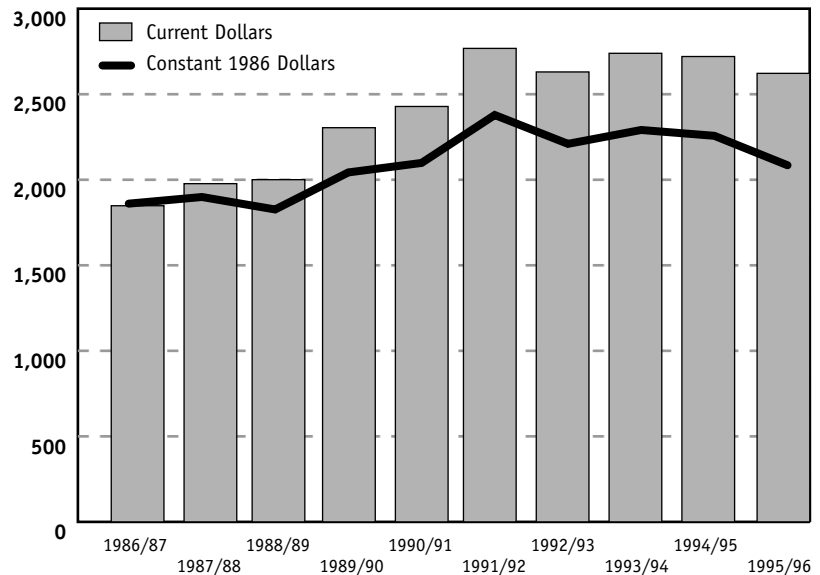
The trend in annual northern expenditure is shown in two graphs and a table. Graph 1 and Table 1 show the trend in total government expenditures both in current dollars and constant dollars. In this edition, constant dollars² are calculated using 1986 dollars equal to 100 and the results show constant dollars as a deflated value from 1987/88 on. Graph 2 illustrates the expenditure trend of each government in current dollars.

- **1994/95 Update:** The 1994/95 total government forecast expenditure was \$2,720.4 million (Table 1) and \$171.3 million or 6.7% greater than the 1994/95 planned expenditure of \$2,549.1 million. Starting in 1993/94, the new statutory expenditure required by the federal government to implement the Tungavik Federation of Nunavut Land Claim Agreement total expenditures had an impact on total government expenditures (Graph 1). Expenditures on this land claim amounted to \$121.7 million in 1993/94 and \$70.1 million in 1994/95. Also affecting the

1994/95 forecast was a GNWT increase of \$81.9 million over the 1994/95 planned amount. Major factors in this change included capital increases for educational facilities, housing, other public works and a \$20.5 million increase in operation and maintenance expenditures resulting from the serious forest fires and damage in that year.

- Total planned expenditures for 1995/96 were \$2,622.0 million, down \$98.4 million or 3.6% from the 1994/95 expenditure forecast. Once again, the general downward trend from the peak in 1991/92 has continued as program reductions, particularly at the federal level, have offset the new expenditures on claims that began in 1993/94. The expenditures in constant 1986 dollars (Graph 1), combined with low inflation levels have been tracking the current dollars at a relatively uniform level since 1991/92.

GRAPH 1
Trend in Total Government Northern Expenditure (\$ millions)



² The constant dollar series was derived from the Gross Domestic Product Implicit Price Index (1986 = 100).

- As shown in Graph 2, the federal government expenditures have declined each year after 1991/92 except for 1993/94. The main factor which accounted for the reductions in direct federal expenditures was the completion of the North Warning System project and other reductions by National Defence. Other factors during the period included: the improvement of the economy and reduced Employment Insurance payments by Human Resources Development; expenditure reductions by most federal organizations; and the devolution of federal programs to the

YTG such as the Alaska Highway from Public works (1992/93), and the Whitehorse General Hospital from Health Canada (1993/94) and (1994/95). Finally, on July 1, 1995, Transport Canada devolved the "A" airports to the GNWT. The exception in 1993/94 resulted from the first statutory payment of \$121.8 million from DIAND to implement the Tungavivut Federation of Nunavut Land Claims Agreement. By 1994/95 and 1995/96, the reductions once again offset the increase because of the Nunavut claim.

- Graph 2 shows that the GNWT expenditures increased each year until 1995/96 when a decrease of \$39.1 million was planned. In previous years, when a decrease in direct expenditures was planned, it has not been achieved. Expenditures may increase again in 1996/97 when the "A" airports, transferred from Transport Canada, can be included in the budget. This is the first major federal transfer of responsibilities to the GNWT since 1991 (Appendix 2).
- The YTG expenditures have risen in each year of the 10 year trend (Graph 2), although there was only a marginal increase in 1993/94. The major federal transfers that have taken place to date were implemented between 1990 and 1994 (Appendix 2) and these programs have contributed to the increases in YTG direct expenditure trend. The federal government, however, continues to pay the costs for the transferred programs through the Formula Funding Transfer Grants.

GRAPH 2
Trend in Northern Expenditure by Government (\$ millions)

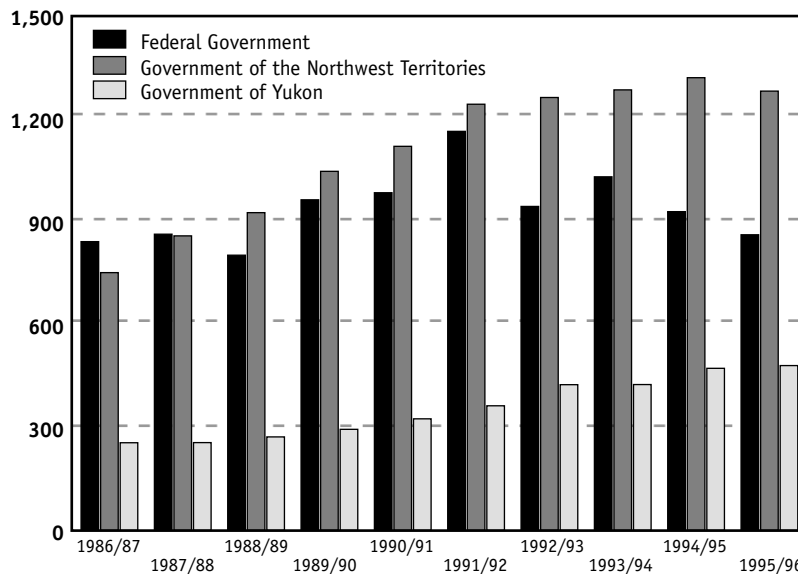
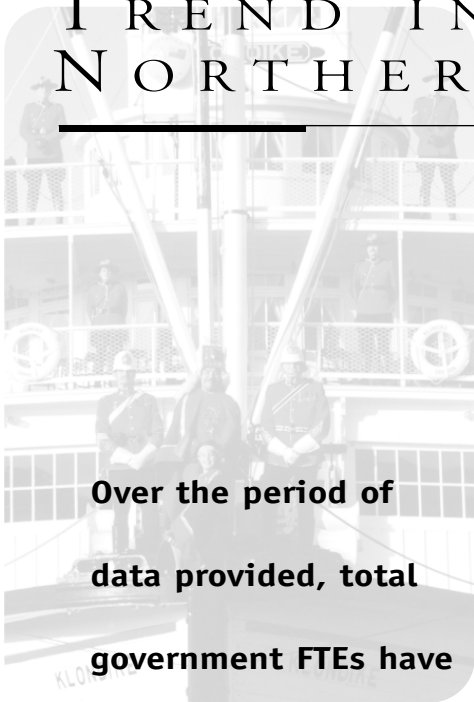


TABLE 1
Trend in Total Government Northern Expenditure (\$ millions)

	1986/87 Actual	1987/88 Actual	1988/89 Actual	1989/90 Actual	1990/91 Actual	1991/92 Actual	1992/93 Actual	1993/94 Actual	1994/95 Forecast	1995/96 Planned
Current \$	1,848.1	1,977.2	2,000.5	2,304.3	2,428.4	2,767.9	2,630.2	2,739.2	2,720.4	2,622.0
Constant 1986 \$	1,833.9	1,866.2	1,805.5	1,986.0	2,032.1	2,265.6	2,125.1	2,192.7	2,164.3	2,050.8

TREND IN GOVERNMENT NORTHERN EMPLOYMENT



Over the period of data provided, total government FTEs have declined from 11,694 in 1986/87 to 8,934 in 1995/96, a drop of 2,760 or 23.6%.

The full-time equivalent (FTE) totals for the 1995/96 Plan include all the full-time equivalents identified by the individual agencies. In the editions of the Annual Northern Expenditure Plan before 1988/89, special agency full-time equivalents were excluded from the total. While all FTE totals in the Plan have been adjusted to include these items, care should be taken when making comparisons to earlier editions.

The term "government employment" refers to government employees in the direct employ of the federal or the two territorial governments when the FTEs are reported in the *Main Estimates* of their respective governments. As a result, territorial expenditures for municipal governments, regional or local school boards, health boards or other institutions created by the territorial governments and funded through block funding grants are reported by the territory, but the FTE allotment is not.

GRAPH 3

Trend in Total Government Northern Employment (full-time equivalents)

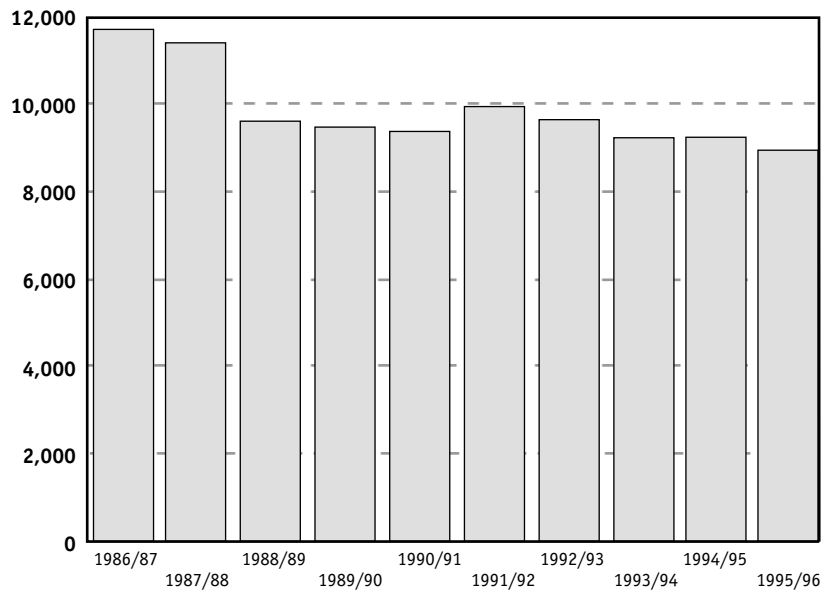
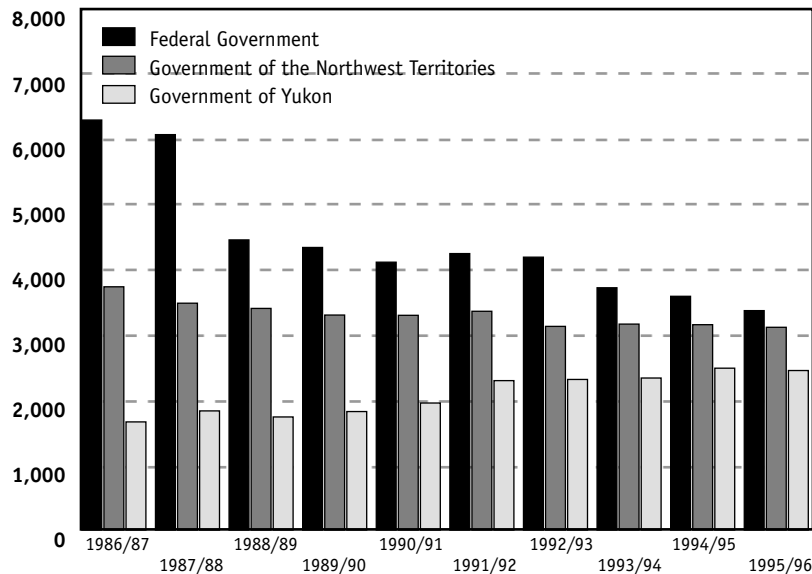


TABLE 2

Trend in Total Government Northern Employment (full-time equivalents)

1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Planned
11,694	11,387	9,597	9,462	9,363	9,931	9,632	9,219	9,230	8,934

GRAPH 4
Trend in Northern Employment by Government
 (full-time equivalents in thousands)



- 1994/95 Update:** The planned reduction in employment by all three governments was not fully realized. Total government employment of 9,188 FTEs, planned for 1994/95 rose by 42 to reach 9,230 FTEs in the forecast for 1994/95. Although the federal government and the GNWT continued to forecast reductions in employment of 73 and 36 FTEs respectively, the YTG forecasted an increase of 151 FTEs rather than the planned decrease of 81 FTEs.
- In 1995/96 (Graph 3 and Table 2), there was a total decrease of 296 FTEs as all three governments again planned reductions in personnel. The largest decrease of 161 FTEs was planned by Transport Canada as a result of transferring the Canadian Coast Guard to Fisheries and Oceans on April 1, 1995 and the "A" airports to the GNWT on July 1, 1995. The transfer of the airports, however, was not completed in time to be included in the GNWT *Estimates* for that year and the GNWT FTEs will increase accordingly in the next publication.
- Over the period of data provided (Table 2), total government FTEs have declined from 11,694 in 1986/87 to 8,934 in 1995/96, a drop of 2,760 or 23.6%. A number of factors contributed to this overall reduction including devolution of provincial-type responsibilities from the federal government to the territorial governments, program reductions and territorial devolution of responsibilities to local boards and corporations. Not all territorial changes in FTEs are readily apparent.
- The largest federal decline took place in 1988/89 (Graph 4) when National Defence shifted emphasis to areas other than the North and Health Canada devolved the remaining health services to the GNWT. Although approximately 391 FTEs from Health Canada were involved, no corresponding impact on FTEs for the GNWT can be seen. The GNWT, on its part, created regional health boards and the transferred staff became employees of these boards rather than the GNWT. Grants and contributions are provided by the GNWT to fund the boards, but

the FTEs are no longer reported in the GNWT *Estimates* or this document. A similar situation occurred in Yukon during 1993/94 and 1994/95 when the Whitehorse General Hospital was devolved from Health Canada to the Yukon Hospital Corporation. The declines are visible on the federal graph, but the FTE increases for the YTG do not include the hospital transfer.

- Some territorial devolution such as the creation of school boards also affected the FTEs, but does not show on the graphs. In the late 1980s and early 1990s, the GNWT devolved teachers from the Department of Education to the new school boards. Again, these boards are funded by grants and contributions for operation and maintenance budgets, including salaries, and the FTEs are no longer reported for this document. Although a substantial number of territorial FTEs were devolved, the GNWT total FTEs on the graph were minimally affected. The decline that would have occurred was offset, for the most part, by new FTEs spread throughout the government. With the creation of these boards, however, the GNWT is moving closer to a province-type administration.
- Some devolution of federal programs to both territories, such as the interterritorial roads from DIAND in 1990/91, the "B" and the "C" airports from Transport Canada to Yukon in 1990/91 and to the GNWT in 1991/92, and the Alaska Highway to Yukon in 1992/93 have followed a more transparent pattern. In each case, the federal employees became territorial employees and the results are included in the federal and territorial graphs.

EXPENDITURE BY FINAL SPENDING AGENCY

Between 1991/92 and 1995/96 the federal proportion of Northern expenditures decreased by 9.1%, while the GNWT proportion increased by 3.9% and the YTG by 5.2%.

The two territorial governments, along with 26 federal departments and agencies, reported data for inclusion in the 1995/96 Expenditure Plan. All expenditures are by final spending agency and are net of transfers and sales to other reporting agencies.

EXPENDITURE BY GOVERNMENT

- The proportion of Northern expenditures by government is shown in Graph 5. For 1995/96, the reduction of federal direct expenditures and share from both devolution of responsibilities and program decreases continued while the share of the territories increased. The change can be seen more readily in Table 3 and over the five year period. Between 1991/92 and 1995/96 the federal proportion of Northern expenditures decreased by 9.1%, while the GNWT proportion increased by 3.9% and the YTG by 5.2%.

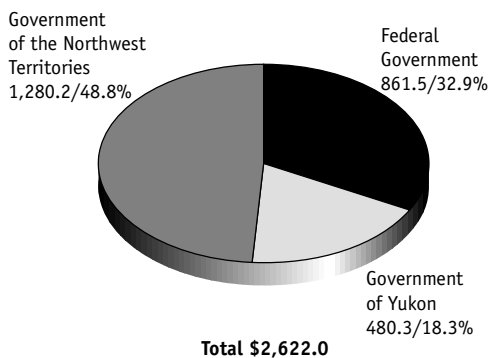
EXPENDITURE BY FEDERAL AGENCY

Federal agency expenditures for 1995/96 are displayed in Graph 6 and in Table 3, in descending order of expenditure by the agency carrying out the work. This is the

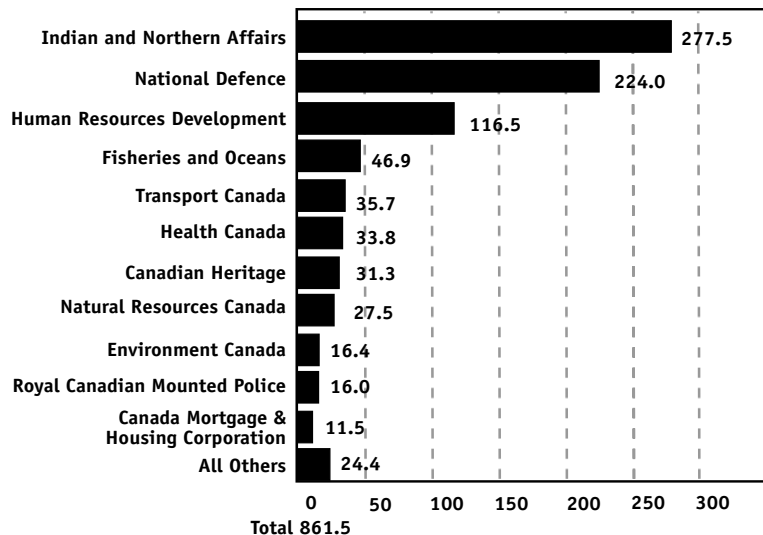
second year that all agencies reported the data according to the federal structure approved in 1993/94. All the data for earlier years have been updated accordingly.

- Federal expenditures have declined in four of the five years for which data is provided in Table 3. The single exception was in 1993/94 when expenditures increased by \$86.3 million. New statutory funding from DIAND of \$121.8 million required to implement the Tungavik Federation of Nunavut Land Claim accounted for the increase. By 1994/95 and again in 1995/96, total expenditures declined as reductions were greater than increases. Planned 1995/96 federal expenditures were \$861.5 million, down \$67.4 million or 7.3% from the forecast expenditures for 1994/95. Those with the largest decreases were Transport Canada, National Defence, Canadian Heritage and Human Resources Development (Table 3). The major increases were Fisheries and Oceans which assumed responsibility for the Canadian Coast Guard from Transport Canada, and

GRAPH 5
1995/96 Expenditure by Government (\$ millions)



GRAPH 6
1995/96 Federal Expenditure by Agency (\$ millions)



DIAND which had an increase in obligations for Aboriginal land claims.

- For the last number of years National Defence had the largest direct northern expenditure, but it now has the second largest behind DIAND. Since the completion of the major capital input for the North Warning System in 1991/92, National Defence expenditures have decreased each year from a high of \$562.9 million in 1991/92 to \$224.0 million in 1995/96, a reduction of 60.2% (Graph 6 and Table 3).
- In 1994/95 and 1995/96, DIAND had the largest direct northern expenditures. DIAND direct expenditures more than doubled in 1993/94 primarily on account of payments related to signed Aboriginal land claim agreements, especially the Nunavut claim. Since 1993/94, land claims have become the largest component of DIAND's northern expenditures, making up \$144.3 million or 48.5% of the total in 1993/94. In 1995/96, with the addition of the Sahtu Dene Métis Agreement and some smaller commitments, a total of \$133.8

million or 48.2% of the planned \$277.5 million was related to claims. Other programs such as the Arctic Environmental Strategy continued in 1995/96. With the support of Aboriginal organizations, this program will proceed until the end of March, 1997 when it is scheduled to be phased out.

- Human Resources Development, with the third largest northern expenditures, has had reduced expenditures for the last three years. The 1993/94 decrease was related to the change of family allowance payments from a direct expenditure to the Child Tax Benefit. Tax benefits are not a direct expenditure and do not appear in this publication. The 1994/95 reductions, on the other hand, were directly related to the improving labour market in both territories and to reduced Employment Insurance and other employment program expenditures.
- Fisheries and Oceans rose to the fourth largest spending agency in 1995/96 with expenditures of \$46.9 million, an increase of \$32.1 million over the fore-

cast for 1994/95. The transfer of the Canadian Coast Guard from Transport Canada on April 1, 1995, with its planned expenditure of \$33.0 million, accounted for the significant increase.

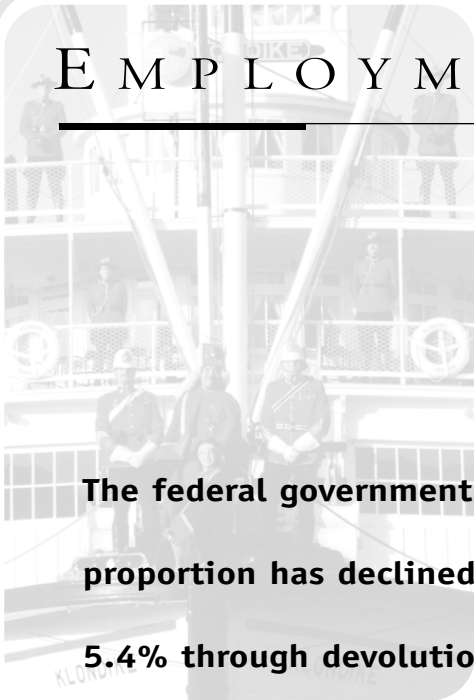
- Transport Canada had expenditures of \$35.7 million in 1995/96, down \$55.9 million from the \$91.6 million forecast for 1994/95. In addition to transferring the Canadian Coast Guard, Transport Canada devolved the "A" airports, the larger airports with longer runways to the GNWT on July 1, 1995. A corresponding increase in the GNWT, however, will not occur until the next publication because the transfer date followed the publication of the GNWT Estimates.

All expenditures in Table 3 are net of transfers and sales among governments and agencies, reported according to the agency having the final responsibility for administering the funds and organized by agency in descending order of expenditure in 1995/96.

Table 3**Trend in Expenditure (\$ millions) and Percentage Distribution by Final Spending Agency**

Agency	1991/92		1992/93		1993/94		1994/95		1995/96	
	Actual		Actual		Actual		Forecast		Planned	
	\$	%	\$	%	\$	%	\$	%	\$	%
Indian Affairs and Northern Development	124.2	10.7	140.2	14.8	297.8	28.9	264.8	28.5	277.5	32.2
National Defence	562.9	48.4	360.9	38.2	305.3	29.6	256.6	27.6	224.0	26.0
Human Resources Development	129.6	11.1	141.2	15.0	137.0	13.3	125.7	13.5	116.5	13.5
Fisheries and Oceans	16.1	1.4	16.1	1.7	16.7	1.6	14.7	1.6	46.9	5.4
Transport Canada	86.6	7.4	105.5	11.2	97.3	9.4	91.6	9.9	35.7	4.1
Health Canada	21.3	1.8	23.0	2.4	25.4	2.5	28.5	3.1	33.8	3.9
Canadian Heritage	39.2	3.4	31.5	3.3	33.8	3.3	41.8	4.5	31.3	3.6
Natural Resources Canada	28.7	2.5	28.8	3.1	28.3	2.7	31.6	3.4	27.5	3.2
Environment Canada	31.9	2.7	33.3	3.5	32.9	3.2	16.8	1.8	16.4	1.9
Royal Canadian Mounted Police	19.9	1.7	23.0	2.4	20.9	2.0	22.3	2.4	16.0	1.9
Canada Mortgage and Housing Corporation	8.5	0.7	9.0	1.0	8.5	0.8	9.5	1.0	11.5	1.3
Industry Canada	10.5	0.9	9.8	1.0	6.0	0.6	5.8	0.6	5.8	0.7
Public Works and Government Services	36.7	3.2	7.5	0.8	5.5	0.5	5.7	0.6	5.5	0.6
Justice Canada	3.6	0.3	4.8	0.5	4.8	0.5	5.0	0.5	5.0	0.6
Public Service Commission	3.7	0.3	3.7	0.4	2.5	0.2	1.9	0.2	1.6	0.2
Federal Judicial Affairs	1.2	0.1	1.0	0.1	1.2	0.1	1.3	0.1	1.3	0.1
National Energy Board	0.0	0.0	0.0	0.0	1.8	0.2	1.0	0.1	1.1	0.1
Canadian Polar Commission	0.0	0.0	1.1	0.1	1.1	0.1	1.1	0.1	1.1	0.1
National Museums	1.3	0.1	1.5	0.2	1.2	0.1	1.0	0.1	1.0	0.1
Revenue Canada	1.5	0.1	0.8	0.1	0.9	0.1	0.8	0.1	0.9	0.1
Veterans Affairs Canada	0.7	0.1	0.7	0.1	0.7	0.1	0.7	0.1	0.7	0.1
Citizenship and Immigration Canada	0.3	0.0	0.3	0.0	0.2	0.0	0.2	0.0	0.3	0.0
Agriculture and Agri-Food Canada	0.2	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.2	0.0
National Research Council	0.5	0.0	0.2	0.0	0.6	0.1	0.6	0.1	0.0	0.0
Finance Canada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Canada Post Corporation	33.9	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Total	1,162.9	100.0	944.1	100.0	1,030.4	100.0	928.9	100.0	861.5	100.0
Federal Government	1,162.9	42.0	944.1	35.9	1,030.4	37.6	928.9	34.1	861.5	32.9
Government of the Northwest Territories	1,242.0	44.9	1,261.6	48.0	1,283.8	46.9	1,319.3	48.5	1,280.2	48.8
Government of Yukon	363.1	13.1	424.6	16.1	425.0	15.5	472.3	17.4	480.3	18.3
Total Government	2,767.9	100.0	2,630.2	100.0	2,739.2	100.0	2,720.4	100.0	2,622.0	100.0

EMPLOYMENT BY AGENCY



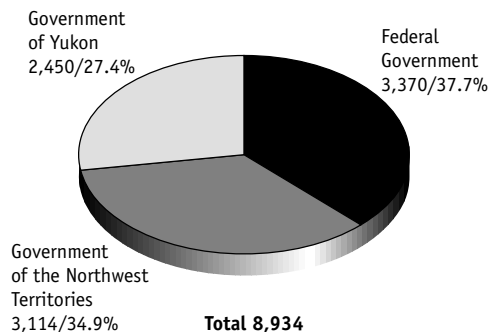
The federal government proportion has declined 5.4% through devolution to the territories and program reductions while the YTG has increased its share by 4.3% and the GNWT by 1.1%.

Graphs 7 and 8 and Table 4 illustrate the distribution of total direct employment on the North by the federal and territorial governments.

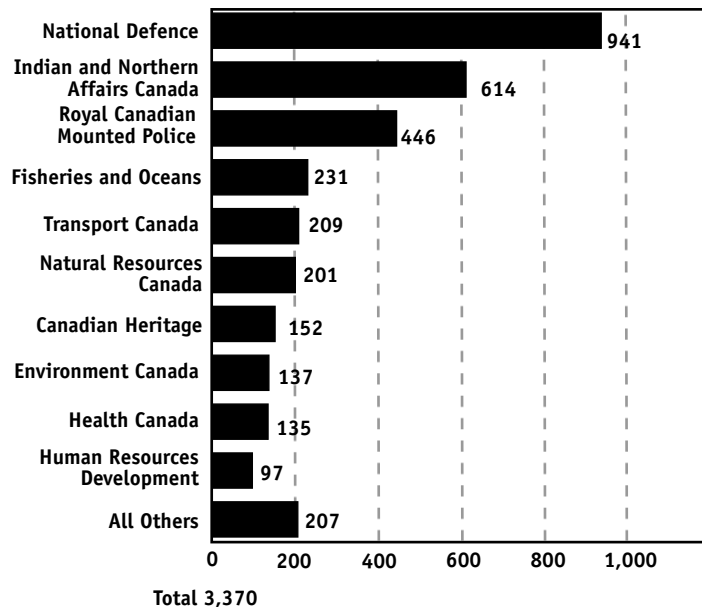
- Graph 7 shows the number of FTEs and the percentage distribution of employment by government for 1995/96. Only small percentage changes have taken place since the 1994/95 forecast: a 1.2% decrease by the federal government, a 0.7% increase by the GNWT and a 0.5% increase by the YTG. Over the five years of data provided, these changes are more noticeable (Table 4). The federal government proportion has declined 5.4% through devolution to the territories and program reductions while the YTG has increased its share by 4.3% and the GNWT by 1.1%. The territorial data are less transparent, however, due to the creation of health boards and school boards, for example, and the transfer of territorial employees and the devolved federal employees to these new administrative units which do not provide FTE data to this publication.

- Table 4 documents the total planned federal and territorial employment for 1995/96 and, for the third successive time, all three governments have planned a decrease in employment. The 1995/96 reduction totalled 296 FTEs with a federal decrease of 220 FTEs or 74.3% of the total decrease, a GNWT decrease of 40 FTEs and 36 FTEs by the YTG. The majority of the federal decrease reflected program reductions by a number of departments, including National Defence, Environment Canada, DIAND and Natural Resources Canada. The largest decrease, 161 FTEs by Transport Canada, included 59 FTEs related to the devolution to the GNWT of the "A" airports in the Northwest Territories (N.W.T.) and 112 FTEs to Fisheries and Oceans with the transfer of the Canadian Coast Guard to that department. The GNWT had a net decrease of 40 FTEs that included a total of 72 FTEs from the functional areas of general services, social services, transportation and education. These were offset by a 32-FTE combined

GRAPH 7
1995/96 Employment by Government (full-time equivalents)



GRAPH 8
1995/96 Federal Employment by Agency (full-time equivalents)



increase in protection and housing. The YTG had a net reduction of 36 FTEs that included a decrease of 78 FTEs, primarily in education, and a net increase totalling 42 from most other functional areas. Since YTG expenditures on education increased in 1995/96, it appears that the education reduction of FTEs was a transfer of education employees to local jurisdictions rather than a program reduction.

- Graph 8 illustrates the 1995/96 federal employment ranked in descending order from the agency with the highest employment. National Defence, DIAND and the Royal Canadian Mounted Police (RCMP) continued as the largest employers with northern responsibilities. The major change was the movement by Fisheries and Oceans from ninth to fourth due to the addition of 112 FTEs from Transport Canada in accordance with the transfer of the Canadian Coast Guard on April 1, 1995. Transport Canada also devolved 59 FTEs in the N.W.T. to the GNWT as part of the "A" airport devolution and moved down

from fourth to fifth. The devolved FTEs, however, were not included in the GNWT data because of the timing of the transfer. The adjustment will be made by the GNWT for the next publication, but may change the planned 1995/96 reduction to an increase.

- Two broad federal government policies had an impact on the reported FTEs in Table 4. The first, a part of the Northern Policy Framework, was the stated objective to devolve provincial-type programs and the second a national policy to reduce government size. The impact of these policies can be found in Table 4.
- **Devolution:** Between 1992/93 and 1995/96, approximately 242 FTEs were devolved from three departments to the territorial governments. In 1992/93, with the devolution of the Alaska Highway, Public Works and Government Services reduced by 13 FTEs. In 1993/94 and 1994/95, with devolution of the Whitehorse General Hospital to the YTG, Health Canada decreased by 190 FTEs. Most of the affected employees joined the Yukon Hospital Corporation.

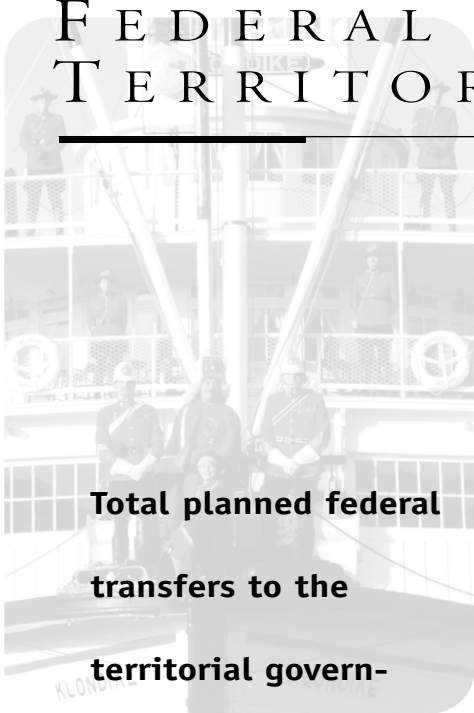
Transport Canada, in 1995/96, devolved the "A" airports to the GNWT and with them some 59 FTEs. Most of these former federal FTEs were already located in the territories and relocation costs were not a factor.

- **Program Reductions:** From 1992/93 to 1995/96, the majority of federal employment reductions, approximately 597 FTEs, resulted from program reductions. The majority of the reductions were spread over nine departments and agencies and included both northern and southern locations. National Defence declined by 254 FTEs or 43% of the total, while DIAND and Environment Canada declined by 88 and 86 FTEs respectively and accounted for another 15% each. The remainder of the reductions occurred at Canadian Heritage; 52, Public Service Commission; 32, Human Resources Development; 31, Natural Resources Canada; 28, Fisheries and Oceans; 16, and National Energy Board; 10.

TABLE 4
Trend in Employment (full-time equivalents) and Percentage Distribution by Agency

	1991/92		1992/93		1993/94		1994/95		1995/96	
	Actual		Actual		Actual		Forecast		Planned	
	#	%	#	%	#	%	#	%	#	%
Department of National Defence	1,176	27.5	1,173	28.0	982	26.4	1,060	29.5	941	27.9
Indian Affairs and Northern Development	591	13.8	638	15.2	596	16.0	628	17.5	614	18.2
Royal Canadian Mounted Police	441	10.3	430	10.3	449	12.1	444	12.4	446	13.2
Fisheries and Oceans	135	3.2	131	3.1	125	3.4	119	3.3	231	6.9
Transport Canada	471	11.0	503	12.0	387	10.4	370	10.3	209	6.2
Natural Resources Canada	219	5.1	229	5.5	220	5.9	219	6.1	201	6.0
Canadian Heritage	204	4.8	194	4.6	190	5.1	152	4.2	152	4.5
Environment Canada	222	5.2	223	5.3	210	5.6	156	4.3	137	4.1
Health Canada	307	7.2	316	7.5	234	6.3	126	3.5	135	4.0
Human Resources Development	124	2.9	128	3.1	113	3.0	109	3.0	97	2.9
Public Works and Government Services	60	1.4	47	1.1	43	1.2	57	1.6	61	1.8
Justice Canada	35	0.8	42	1.0	45	1.2	46	1.3	46	1.4
Public Service Commission	74	1.7	74	1.8	52	1.4	48	1.3	42	1.2
Canada Mortgage and Housing Corporation	22	0.5	23	0.5	20	0.5	19	0.5	19	0.6
National Energy Board	0	0.0	0	0.0	22	0.6	12	0.3	12	0.4
Industry Canada	15	0.4	13	0.3	10	0.3	7	0.2	7	0.2
Canadian Polar Commission	0	0.0	6	0.1	6	0.2	5	0.1	6	0.2
Revenue Canada	21	0.5	8	0.2	9	0.2	5	0.1	5	0.1
Citizenship and Immigration	5	0.1	4	0.1	3	0.1	3	0.1	4	0.1
National Museums	5	0.1	6	0.1	3	0.1	3	0.1	3	0.1
Agriculture and Agri-Food Canada	3	0.1	2	0.0	2	0.1	2	0.1	2	0.1
Canada Post Corporation	143	3.3	0	0.0	0	0.0	0	0.0	0	0.0
National Research Council	3	0.1	1	0.0	0	0.0	0	0.0	0	0.0
Federal Total	4,276	100.0	4,191	100.0	3,721	100.0	3,590	100.0	3,370	100.0
Federal Government	4,276	43.1	4,191	43.5	3,721	40.4	3,590	38.9	3,370	37.7
Government of the Northwest Territories	3,360	33.8	3,128	32.5	3,163	34.3	3,154	34.2	3,114	34.9
Government of Yukon	2,295	23.1	2,313	24.0	2,335	25.3	2,486	26.9	2,450	27.4
Total Government	9,931	100.0	9,632	100.0	9,219	100.0	9,230	100.00	8,934	100.00

FEDERAL TRANSFERS TO THE TERRITORIAL GOVERNMENTS



Total planned federal transfers to the territorial governments amounted to \$1,519.9 million in 1995/96, an increase of 1.3% over the forecast for 1994/95.

Federal transfers to each territorial government are identified separately in the *Annual Northern Expenditure Plan*. Funds for these transfers were a part of individual federal agency estimates, but were transferred to the territorial government delivering the service. When these transactions occurred, the territorial governments were considered the final spending agency. Transfer payments are deducted from federal expenditures and included with territorial expenditures to avoid double-counting.

- Total planned federal transfers to the territorial governments amounted to \$1,519.9 million in 1995/96 an increase of 1.3% over the forecast for 1994/95.
- Federal transfers represented 86.3% of the total territorial government expenditures for 1995/96.
- Estimated revenues generated by the territorial governments in 1995/96 were 12.3% of the \$1,760.5 million in planned total direct territorial

government expenditures. These revenues are calculated from the total direct territorial expenditures, less total federal transfers, less the \$25.0 million for the Shakwak portion of the Alaska Highway in Yukon that was provided by the United States government via Public Works and Government Services Canada.

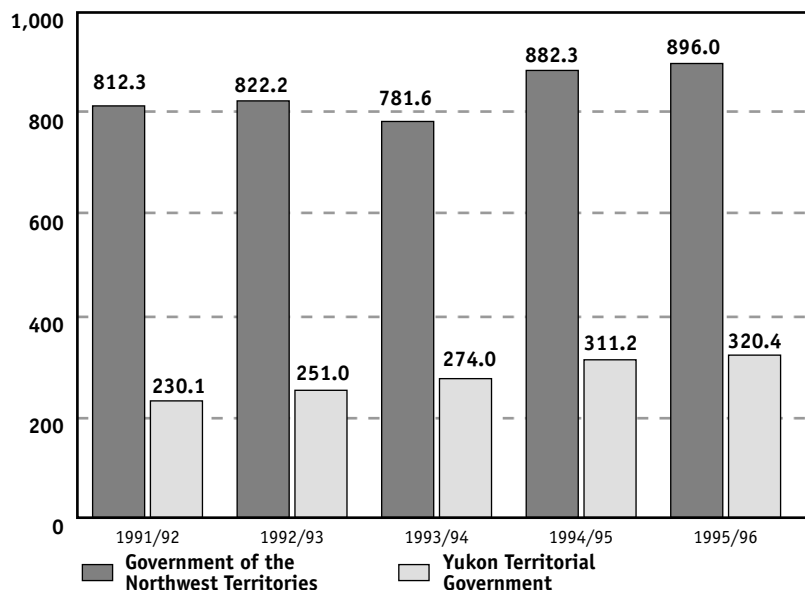
Graph 9 and Table 5 identify the federal formula transfer grants to each territory.

FORMULA TRANSFERS

Formula transfers were budgeted by DIAND through its Transfer Payments to the Territorial Governments Program (see the publication, *Indian and Northern Affairs, Canada and Canadian Polar Commission 1995-96 Estimates, Part III, Expenditure Plan*) and were transferred to the territorial governments for the provision of a full complement of government services. The transfers were based on a formula that includes growth in provincial-local

GRAPH 9

Trend in Federal Formula Funding Grants to Territorial Governments (\$ millions)



expenditures; population growth of the territories relative to national growth; the capacity of the territories to generate their own revenues; and the funds required to operate programs transferred from the federal government. The existing five-year agreement began in 1990/91. Starting with the 1996/97 publication, Formula Transfers will be shown under the Department of Finance as the responsibility has been transferred from DIAND.

- For 1995/96, the planned formula transfer grants totalled \$1,216.4 million, a modest overall increase of 1.9%. These percentages reflect formula-driven changes only as the "A" airports were transferred too late in the fiscal year to be included.

- Planned formula transfers to the GNWT were \$896.0 million in 1995/96, 1.6% over the forecast for 1994/95 (see Table 5). The transfer represented 70.0% of the total planned GNWT expenditures for 1995/96.
- Planned formula transfers to the YTG were \$320.4 million, an increase of 3.0% over the 1994/95 forecast. The transfer represented 66.7% of the total YTG expenditures for 1995/96.

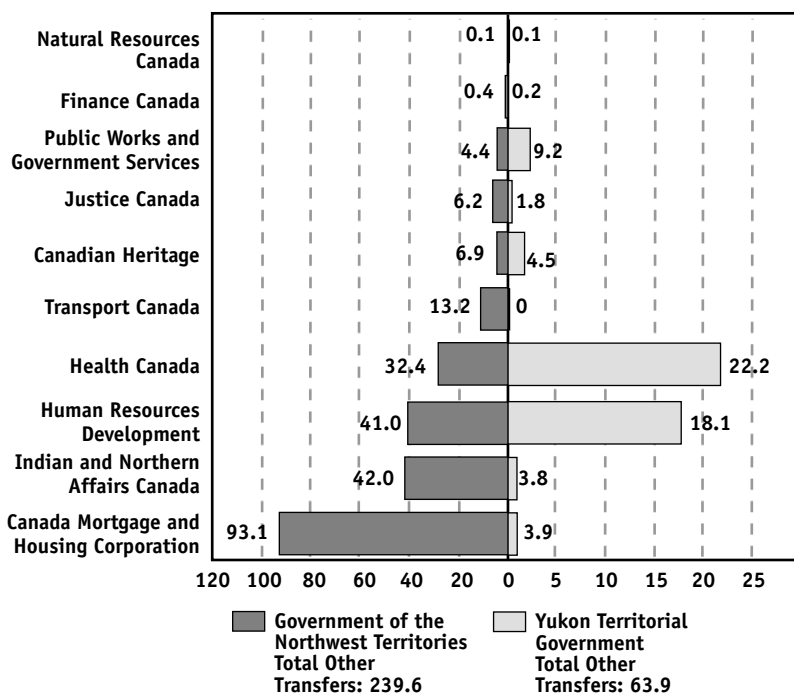
OTHER TRANSFERS

Funds are transferred from the federal government to the territorial governments for education, health care, housing, social services, economic development and employment

programs. The amounts transferred from each federal agency are shown in Graph 10 and Table 5.

- Other transfers to the GNWT in 1995/96 totalled \$239.6 million, a decrease of \$5.6 million (Table 5). Reductions by Canada Mortgage and Housing, Human Resources Development and DIAND offset increases by Health Canada, Public Works and Government Services and Transport Canada (Table 5). The \$13.2 million transferred from Transport Canada to the GNWT included the funds required to operate the "A" airports from July 1, 1995, to the end of the fiscal year. In 1996/97, the expenditures to operate these airports will be incorporated into the federal Formula Funding Grant.
- Other transfers to the YTG totalled \$63.9 million, an increase of \$2.5 million over the forecast for 1994/95 (Table 5). The main reason for the increase in 1995/96 was the Health Canada payment for the construction of the new Whitehorse General Hospital agreed to by the federal government in conjunction with the transfer of responsibilities to the YTG.

GRAPH 10
1995/96 Other Federal Transfers to Territorial Governments
(\$ millions)

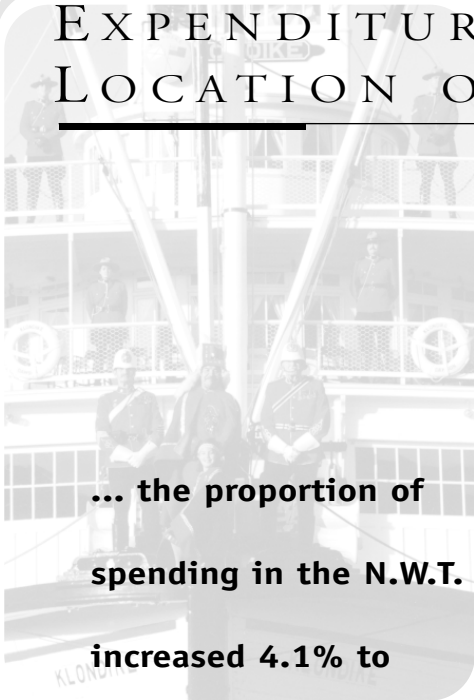


TOTAL FEDERAL EXPENDITURE INCLUDING TRANSFERS

If the funds transferred to the territorial governments (Table 5) were included as federal expenditures and the federal direct expenditures (Table 3) were added, the federal government's planned expenditure on the North in 1995/96 would increase to \$2,381.4 million, or 90.8% of the total planned expenditure on the North.

TABLE 5**Trend in Federal Transfers (\$ thousands) to Territorial Governments**

Type of Transfer & Federal Agency	Territorial Government	1991/92 Actual	1992/93 Actual	1993/94 Actual	1994/95 Forecast	1995/96 Planned
Formula Transfer:						
Indian Affairs and Northern Development	N.W.T.	812,277	822,244	781,608	882,265	895,950
	Yukon	230,097	251,020	273,954	311,156	320,447
Other Transfers:						
Canada Mortgage and Housing Corp.	N.W.T.	74,809	90,174	97,850	107,997	93,097
	Yukon	1,527	3,271	3,102	3,922	3,883
Canadian Heritage	N.W.T.	5,983	10,647	10,102	8,283	6,949
	Yukon	2,385	3,947	3,904	3,874	4,548
Environment Canada	N.W.T.	0	0	0	0	0
	Yukon	9	0	0	0	0
Finance Canada	N.W.T.	256	108	629	275	387
	Yukon	324	471	635	947	186
Health Canada	N.W.T.	30,604	31,301	30,268	31,883	32,400
	Yukon	7,592	12,143	17,640	16,647	22,197
Human Resources Development	N.W.T.	39,816	40,633	44,026	44,753	40,972
	Yukon	15,430	17,884	18,186	15,996	18,079
Indian Affairs and Northern Development	N.W.T.	30,512	52,699	42,533	43,250	41,982
	Yukon	9,404	13,998	3,346	4,025	3,829
Justice Canada	N.W.T.	8,537	7,808	6,464	6,297	6,222
	Yukon	1,887	2,031	2,159	1,861	1,815
Natural Resources Canada	N.W.T.	65	127	114	79	70
	Yukon	0	306	279	335	148
Public Works and Government Services	N.W.T.	3,326	3,951	2,511	2,362	4,362
	Yukon	2,683	3,753	9,405	13,790	9,221
Transport Canada	N.W.T.	0	0	0	0	13,158
	Yukon	0	0	0	0	0
Sub-total (Other Transfers)	N.W.T.	193,908	237,448	234,497	245,179	239,599
	Yukon	41,241	57,804	58,656	61,397	63,906
Total Transfers	N.W.T.	1,006,185	1,059,692	1,016,105	1,127,444	1,135,549
	Yukon	271,338	308,824	332,610	372,553	384,353



... the proportion of spending in the N.W.T. increased 4.1% to 56.2% and the proportion in Yukon increased 4.3% to 24.3%. Spending in southern Canada, meanwhile, decreased by 8.4% to 19.5%.

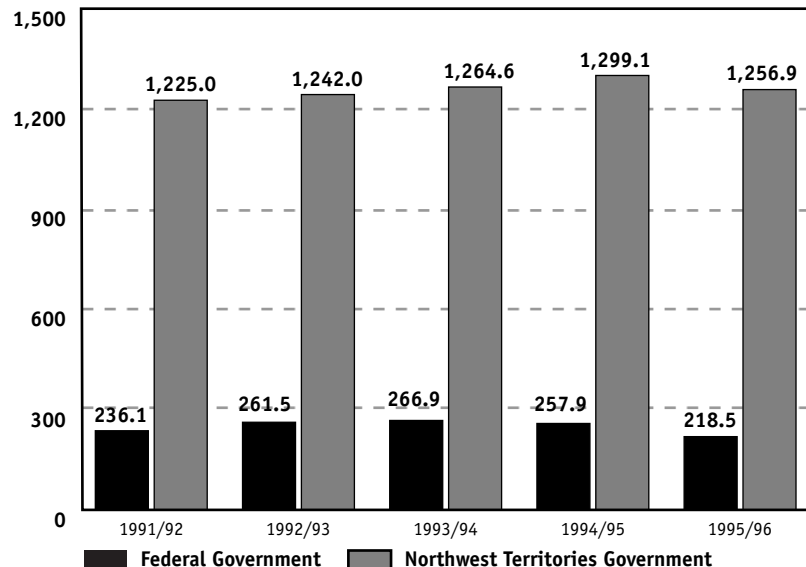
The term “regional location of responsibility centre” refers to the broad geographical area where the office responsible for administering an expenditure is located. Yukon and the Northwest Territories are the regions used for responsibility centres located in the North, and southern Canada is the region for responsibility centres that have primary responsibilities for the northern work, but are located in the south. Offices range across Canada with some representation in most provinces. The total 1995/96 government expenditures and percentage distribution by regional location of responsibility centre are shown in Graphs 11, 12 and 13, and Table 6.

- Table 6 shows the distribution of total government expenditures by regional location from 1991/92 to 1995/96. On a yearly basis there have been only small movements in the distribution of the expenditures by the three governments. Over five years, however, the trend has been more noticeable as the proportion of spending in the N.W.T. increased

4.1% to 56.2% and the proportion in Yukon increased 4.3% to 24.3%. Spending in southern Canada, meanwhile, decreased by 8.4% to 19.5%.

- In the N.W.T. (Graph 11), GNWT expenditures increased from 1991/92 until 1994/95 while federal expenditures peaked in 1993/94 and then declined the next two years. The recession in the early 1990s caused both governments to expend more for social service payments over the period. Federal government Employment Insurance payments and training program expenditures grew until 1993/94. Then in 1994/95 and 1995/96 these expenditures gradually declined as the recession eased. Expenditures on social services by the GNWT peaked in 1994/95 and have continued at a high level into 1995/96. From 1991/92 to 1995/96, the GNWT also increased expenditures by \$53.8 million in education and \$11.3 million in transportation,

GRAPH 11
Trend in Expenditure by Government in the Northwest Territories
(\$ millions)

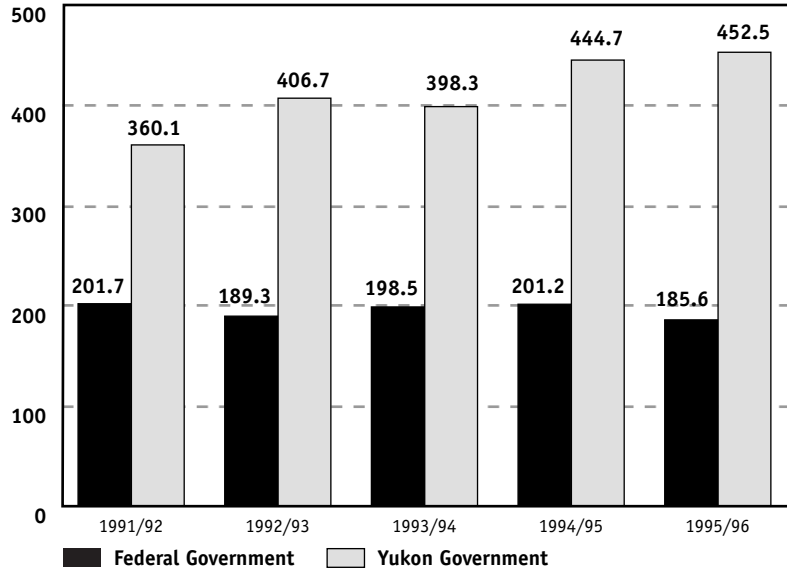


primarily for capital expenditures on airports. Expenditures in both these areas declined in 1995/96, as part of the planned GNWT reduction. The reduced federal expenditures of 1994/95 came from the improved economy, reduced Employment Insurance payments and federal program cutbacks. In 1995/96, these factors plus the devolution of the "A" airports from Transport Canada to the GNWT again reduced federal expenditures. When the airport transfer is incorporated into the GNWT data, in the next publication, the planned 1995/96 territorial reduction could change to an increase.

- In Yukon (Graph 12), the YTG has, with the exception of a small decrease in 1993/94, increased expenditures in each year. Devolution of federal programs has played a part in these territorial government expenditure increases as the Alaska Highway was devolved from Public Works and Government Services in 1992/93. This transfer, plus other increases across most of the YTG, accounts for the \$44.6 million expenditure increase in 1992/93. Devolution of the Whitehorse General Hospital from Health Canada to the Yukon Hospital Corporation took place over two years, 1993/94 and 1994/95 and modified the expenditures of both governments. The small YTG decrease in 1993/94 took place because expenditure reductions in education and general services combined to offset the increase due to the hospital transfer. Little evidence of the impact of hospital devolution on federal expenditures can be seen on Graph 12 for two reasons: additional expenditures

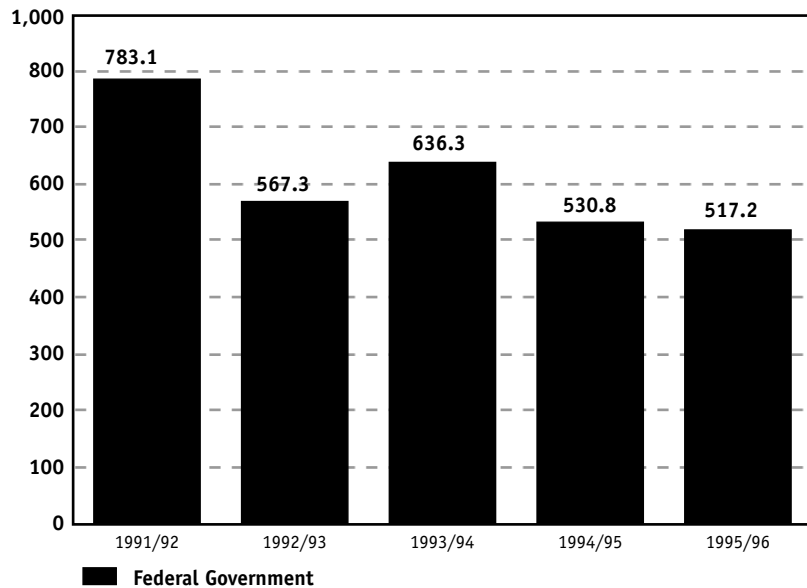
GRAPH 12

Trend in Expenditure by Government in Yukon (\$ millions)



GRAPH 13

Trend in Federal Expenditure by Regional Location in Southern Canada (\$ millions)



were needed by DIAND to implement the Arctic Environmental Strategy and clean up Arctic wastes and by Human Resources Development to combat the early 1990s recession. Here, as in the N.W.T., federal expenditures on Employment Insurance and training programs by Human Resources Development rose for three years to peak in 1993/94. Although Human Resources Development expenditures declined in 1994/95 and 1995/96, YTG social service payments continued to rise in 1994/95 and remained high in 1995/96.

- In southern Canada (Graph 13), fluctuations in federal expenditures were influenced by three main factors: the expenditure reductions of National Defence following completion of the major capital input of the North Warning System in 1991/92, the new statutory

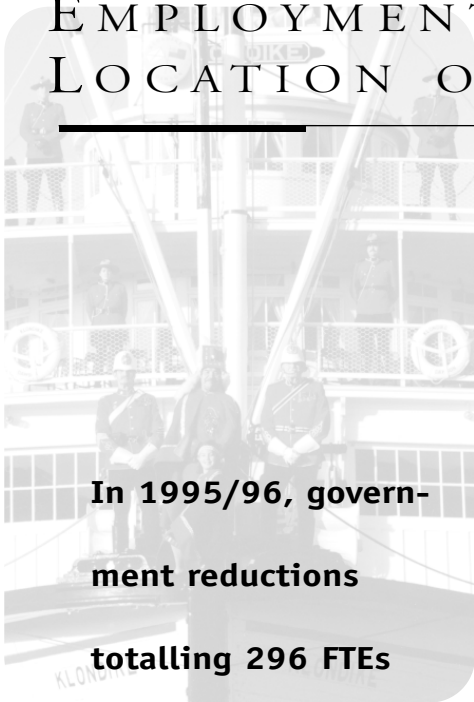
expenditures of DIAND for land claim settlements in accordance with federal legislation and the program reductions of various departments. Given these factors, the difference in federal expenditures between 1991/92 and 1995/96 was a reduction of \$270.4 million or 34.5% (Table 6). The large decline in 1992/93 was primarily attributed to the National Defence reduction of \$203.6 million, related to the North Warning System, and represented 94.5% of the total federal decrease. In 1993/94, there was a net increase of \$69.0 million that was directly related to a DIAND increase of \$146.2 million. Some \$136.8 million of the increase was related to statutory payments to settle Aboriginal land claims, including a \$15.0 million increase for the existing Inuvialuit Final Agreement and a \$121.8 million initial

payment for the Tungavik Federation of Nunavut Land Claims Agreement. Offsetting the DIAND increase were program reductions by National Defence, \$55.7 million, Human Resources Development, \$6.9 million, Transport Canada, \$6.8 million and Canadian Heritage, \$5.2 million. In 1994/95, program reductions accounted for the \$105.5 million decrease. Although there were new expenditures for the Gwich'in Land Claim, a lower payment for the Nunavut settlement, and reductions by National Defence, Environment Canada and Canadian Heritage resulted in an overall decrease. In 1995/96, program reductions by National Defence, Natural Resources Canada and Transport Canada offset the DIAND increase for the Nunavut settlement and the addition of the Sahtu Dene and Métis Agreement.

TABLE 6
Trend in Expenditure (\$ millions) by Regional Location of Responsibility Centre

	1991/92		1992/93		1993/94		1994/95		1995/96	
	Actual		Actual		Actual		Forecast		Planned	
	\$	%	\$	%	\$	%	\$	%	\$	%
Total Government Expenditures:										
Northwest Territories	1,461.1	52.1	1,503.5	56.4	1,531.5	55.4	1,557.0	57.0	1,475.4	56.2
Yukon	561.8	20.0	596.0	22.3	596.8	21.6	645.8	23.6	638.0	24.3
Southern Canada	783.1	27.9	567.3	21.3	636.3	23.0	530.8	19.4	512.7	19.5
Total	2,806.0	100.0	2,666.8	100.0	2,764.6	100.0	2,733.6	100.0	2,626.1	100.0
Federal Expenditures:										
Northwest Territories	236.1	19.3	261.5	25.7	266.9	24.2	257.8	26.1	218.5	23.8
Yukon	201.7	16.5	189.3	18.6	198.5	18.0	201.2	20.3	185.6	20.2
Southern Canada	783.1	64.2	567.3	55.7	636.3	57.8	530.8	53.6	512.7	56.0
Total	1,220.9	100.0	1,018.1	100.0	1,101.7	100.0	989.8	100.0	916.8	100.0

EMPLOYMENT BY REGIONAL LOCATION OF RESPONSIBILITY CENTRE



In 1995/96, government reductions totalling 296 FTEs were planned with 143 in the N.W.T., 20 in Yukon and 133 in southern Canada.

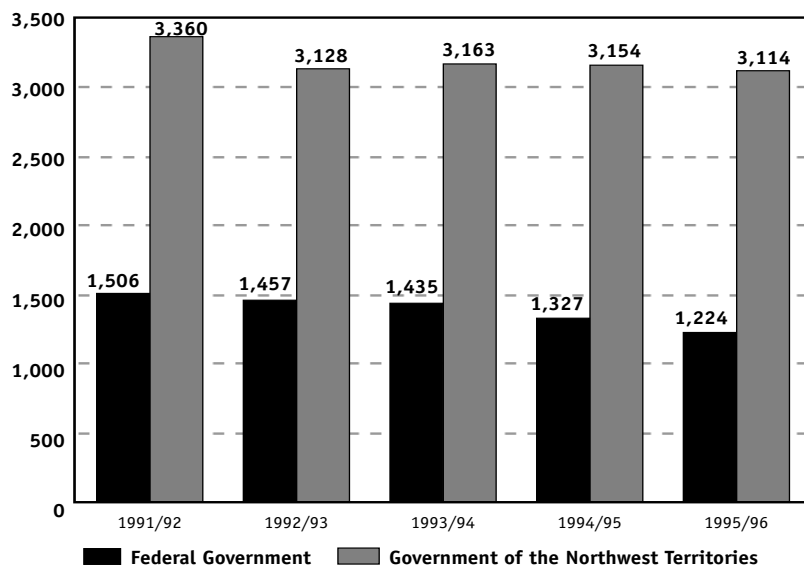
Table 7 and Graphs 14, 15 and 16 show the planned northern employment by regional location.

- In 1995/96, government reductions totalling 296 FTEs were planned with 143 in the N.W.T., 20 in Yukon and 133 in southern Canada (Table 7). Because planned employment for 1995/96 reduced in all three locations, there was little change in the overall distribution: 38.6% in the N.W.T., 37.8% in Yukon and 13.7%, all federal, in southern Canada. The trend in proportional change is more evident in the five years of data provided. In southern Canada, reduced federal employment, particularly in 1993/94 and 1995/96, has lowered the proportion in this region by 2.0%. The proportion in Yukon has increased by 3.0% between 1991/92 and 1995/96 (Table 7) as decreases by the federal government from devolution and program reductions have been more than offset by increases in YTG employment. YTG increases from devolution were not a major factor as the transferred employees from Health Canada are

employed by the Yukon Hospital Corporation rather than the YTG and no longer reported by the YTG. The N.W.T. proportion at 48.6% in 1995/96 has varied within narrow limits from the high of 49.9% in 1993/94.

- In the N.W.T., (Graph 14 and Table 7) federal and territorial employment have decreased by a total of 528 FTEs, or 10.9%, between 1991/92 and 1995/96. This included 282 FTEs, 5.8% by the federal government and 246 FTEs, 5.1% by the GNWT. Most of the GNWT decline took place in 1992/93 when a decrease of 232 FTEs took place. Since then, the FTE count has remained relatively stable although continuing reductions in education suggest devolution to school boards rather than cuts as education expenditures continue to rise. Federal government employment in the N.W.T. has decreased each year since 1991/92 (Graph 14). All were program reductions, until 1995/96. During this period, National Defence reduced by 89 FTEs; Environment Canada, 38 FTEs; DIAND, 33 FTEs; Human Resources Development, 25 FTEs; and Canadian Heritage and the Public Service Commission, 16 FTEs each. In 1995/96, nearly half of the 103 FTE federal reduction was devolved to the GNWT due to the Transport Canada transfer of the "A" airports. Because of the timing of the transfer (July 1, 1995) the GNWT data do not include this change, but the data will be updated for the next publication.
- In Yukon, overall employment decreased by a net 83 FTEs between 1991/92 and 1995/96, but the federal and Yukon governments moved in opposite directions (Graph 15). The federal government

GRAPH 14
Trend in Employment by Government in the Northwest Territories (full-time equivalents)

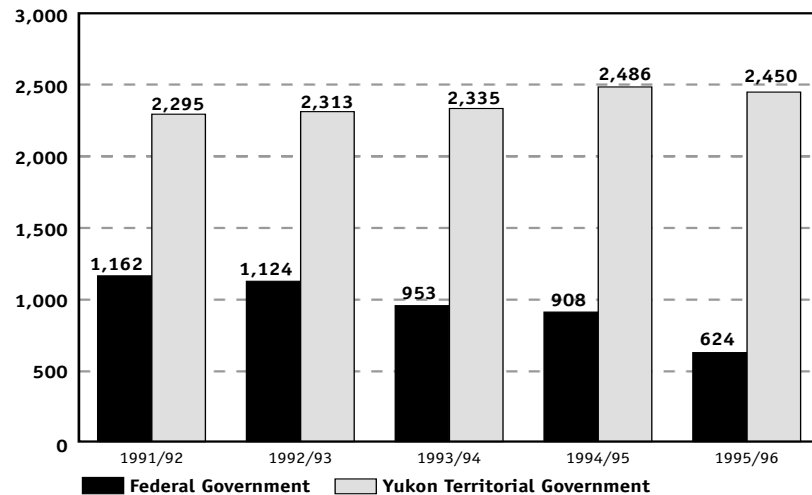


decreased by 238 FTEs, 20.5%, over the period and devolved the Alaska Highway and 18 FTEs from Public Works and Government Services in 1992/93 and the Whitehorse General Hospital and 188 FTEs from Health Canada over two years, 1993/94 and 1994/95. The remainder were from program reductions by DIAND and Transport Canada. The small increase of FTEs in 1995/96 resulted from a short-term planned increase by National Defence. The YTG increased FTEs in each year for a total of 191 or 5.7% by 1994/95 and then planned a decrease of 36 for 1995/96 for a net 155 increase over the complete period. As explained above, staff from the Whitehorse General Hospital transfer were not included in these increases.

- Federal employment in southern Canada also decreased by 386 FTEs or 24.0% since 1991/92 (Graph 16). The leader in the reductions was National Defence with a total decrease of 194 FTEs or 12.1% between 1992/93 and 1995/96. Five other departments, Canadian Heritage, DIAND, Environment, Human Resources Development and Transport Canada, had reductions in the 30 plus range and Natural Resources reduced by 26.

GRAPH 15

Trend in Employment by Government in Yukon (full-time equivalents)



GRAPH 16

Trend in Federal Employment by Regional Location in Southern Canada (full-time equivalents)

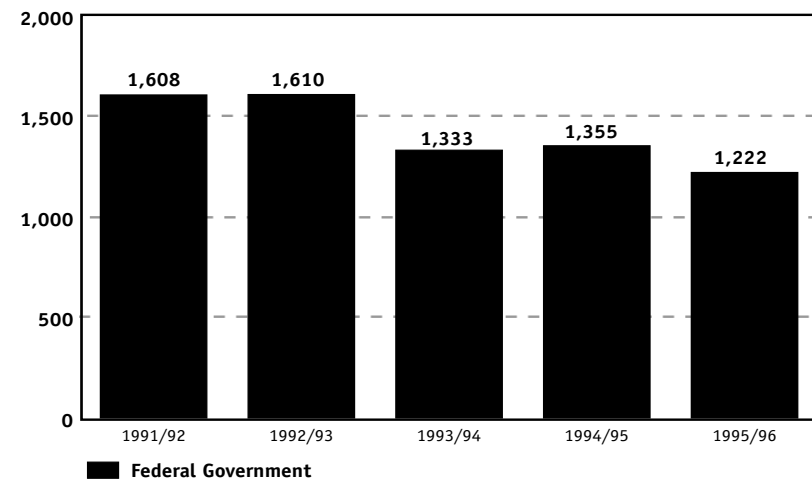
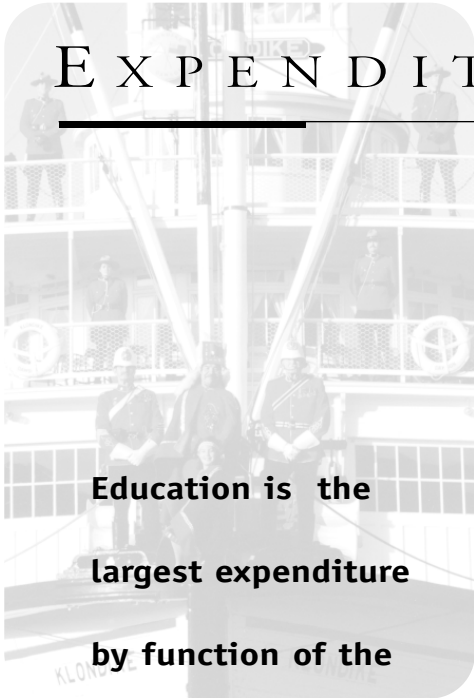


TABLE 7

Trend in Employment (full-time equivalents) and Percentage Distribution by Regional Location

Location of Employment	1991/92		1992/93		1993/94		1994/95		1995/96	
	Actual #	%	Actual #	%	Actual #	%	Forecast #	%	Planned #	%
Total Government Employment:										
Northwest Territories	4,866	49.0	4,585	47.6	4,598	49.9	4,481	48.5	4,338	48.6
Yukon	3,457	34.8	3,437	35.7	3,288	35.7	3,394	36.8	3,374	37.8
Southern Canada	1,608	16.2	1,610	16.7	1,333	14.5	1,355	14.7	1,222	13.7
Total	9,931	100.0	9,632	100.0	9,219	100.0	9,230	100.0	8,934	100.0
Federal Employment:										
Northwest Territories	1,506	35.2	1,457	34.8	1,435	38.6	1,327	37.0	1,224	36.3
Yukon	1,162	27.2	1,124	26.8	953	25.6	908	25.3	924	27.4
Southern Canada	1,608	37.6	1,610	38.4	1,333	35.8	1,355	37.7	1,222	36.3
Total	4,276	100.0	4,191	100.0	3,721	100.0	3,590	100.0	3,370	100.0

EXPENDITURE BY FUNCTION



Education is the largest expenditure by function of the GNWT, and the second largest of the YTG.

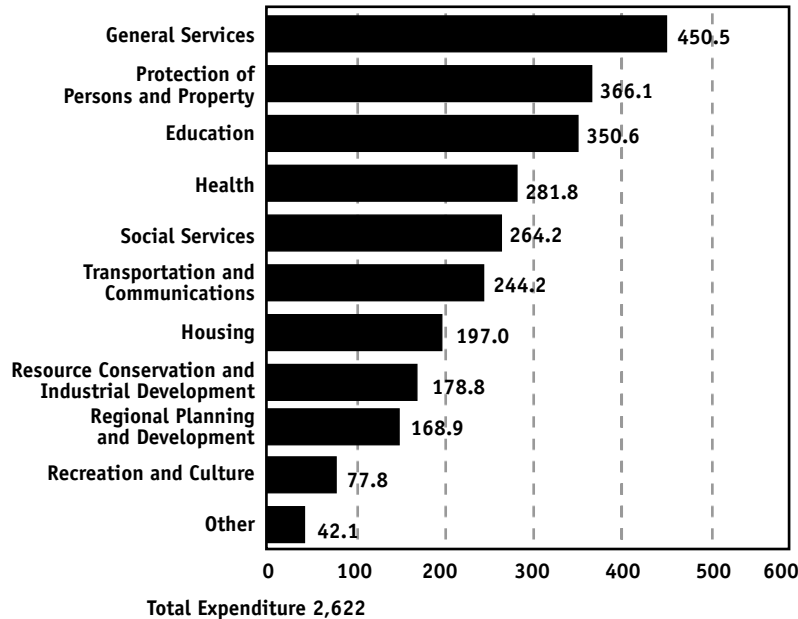
The Statistics Canada System of Government Financial Management Statistics is used to represent the expenditure functions of the federal, provincial and territorial governments (See Appendix 3 for a brief description and examples of this system). Expenditures for 14 of the 18 expenditure functions used in the system were made on the North. The distribution of 1995/96 planned expenditures by expenditure function is displayed in Graphs 17, 18, 19 and 20, and Tables 8 and 9, and organized in descending order of expenditure.

- **1994/95 Update:** A comparison between the 1994/95 planned and forecast expenditures showed total government expenditures increased to \$2,720.4 million, a net \$171.3 million more than the planned amount of \$2,549.1 million. All three government forecast expenditures exceeded those planned: the federal government by \$76.7 million, the GNWT by \$81.9 million and the YTG by \$12.7 million. The federal increase affected the general services function and resulted from new approved funding, not previously included in the estimates, to implement the Tungavik Federation of Nunavut Land Claims Agreement. The 1994/95 forecast allocation for this claim was \$70.1 million. The 1994/95 increase by the GNWT covered four functions: resource conservation and industrial development \$24.3 million, housing \$18.7 million, social services \$14.9 million and education \$15.8 million. The YTG increase included transportation \$14.7 million, education \$3.2 million and an offsetting decrease in health of \$7.6 million.
- The 1995/96 total planned expenditures were \$2,622.0, a reduction of \$98.4 million from the total forecast for 1994/95 (Table 8). There was a decrease in 10 of the functions and

an increase in four. The increases were in general services by \$16.3 million mainly due to the Nunavut claim, housing \$10.2 million, shared among all three governments, health \$9.3 million by the federal and Yukon governments and foreign affairs and international assistance by \$0.1 million. Although planned transportation and communication expenditures for 1995/96 also decreased, expenditures related to the "A" airports in the N.W.T. were deducted from federal expenditures, but were unable to be reported in the GNWT expenditures. Consequently, transportation expenditures are under-reported in this publication, but will be adjusted in the next.

- Total government expenditures by function for 1995/96 are shown on Graph 17 and Tables 8 and 9 and are organized in descending order. General services, due to the statutory funding approved for settled Aboriginal land claim agreements, became the largest government expenditure by function, exceeding protection of persons and property. The direct expenditures on Aboriginal claims implementation planned by DIAND for 1995/96 amounted to \$133.8 million. If these claims expenditures were deducted from the remainder of the general services function, the more administrative components of the function would still amount to the second highest expenditures because of the GNWT emphasis in this function. Expenditures on the protection of persons and property function, after many years as the largest northern expenditure, have become the second highest northern expenditure. Yearly reductions by National Defence since 1991/92 have amounted to \$338.9 million or 60.2% between 1991/92

GRAPH 17
1995/96 Total Government Expenditure by Function (\$ millions)



and 1995/96 (Table 3) and have driven the protection function downward. This accounts for most of the total function reduction of \$329.2 million or 47.3% over the same period. The housing function moved up to seventh position because of the additional \$10.2 million in direct expenditures planned for housing by all three governments. A reduction in resource conservation and industrial development of \$30.9 million took place, including a \$23.7 million decrease by the GNWT, a \$9.5 million decrease by the federal government and an offsetting increase of \$2.3 million by the YTG.

FEDERAL GOVERNMENT

The 1995/96 federal expenditures by function are shown on Graph 18.

- **Protection of Persons and Property** continued to be the largest federal expenditure by function and National Defence with expenditures of \$224.0 million or 88.2% of the \$254.1 million protection total,

continued to have the largest share. The RCMP who planned to spend \$16.0 million on federal responsibilities had an additional 6.3% and Federal Judicial Affairs, Justice Canada and Natural Resources Development, through its legal surveys, shared the remainder.

- **General Services** at \$178.0 million was the second highest federal expenditure by function having moved up from fifth in previous publication. Expenditures for the implementation of Aboriginal land claim agreements at \$133.8 million were 75.2% of the federal expenditures in this function. More specifically, these 1995/96 expenditures by DIAND on implementation included the Tungavik Federation of Nunavut Land Claim with \$94.5 million, the Inuvialuit Final Agreement, \$24.5 million, the Sahtu Dene Métis Agreement, \$9.5 million and the Gwitch'in Comprehensive Land Claim Agreement, \$5.3 million. If land claims were not included within the general services category,

the remaining more administrative services were only \$44.2 million and general services would have remained in fifth place.

- **Social Services** expenditures at \$127.0 million are the third highest federal expenditure by function and represent 48.1% of the total government expenditures on social services of \$264.2 million. Total social services expenditures peaked in 1993/94 at \$283.4 million and have slowly declined to the 1995/96 planned expenditure of \$264.2 million (Table 8). The decline that has occurred is mostly at the federal level in Employment Insurance payments by Human Resources Development, but territorial government social assistance payments still remain high, well above the pre-recession expenditures. Three federal departments have identified expenditures on social services: Human Resources Development, DIAND and Veterans Affairs (Table 9). Human Resources Development was the largest contributor at \$101.9 million, 80.2% of the federal expenditures, and provided programs for income security, Old Age Security, Canada Pension and social welfare in addition to Employment Insurance. DIAND expenditures totalled \$24.5 million and included social development programs for Indians and Inuit and the Northern Air Stage Program payments to Canada Post. This program pays Canada Post to reduce the cost of shipping nutritious food by air to isolated communities which lack year-round road access. Veterans Affairs planned to spend \$0.7 million on veterans' allowances and disability pensions.
- **Environment** is the sixth highest federal expenditure at \$32.5 million, but one which 95.6% of the reported expenditures are federal (Table 9). Total expenditures on the

environment function peaked in 1993/94 at \$51.4 million (Table 8) following implementation of the Arctic Environmental Strategy approved in 1991/92. DIAND expenditures rose from 1991/92 to 1994/95 as programs to clean up the environment were put in place in both territories. Much has been accomplished and nearly all Yukon and Northwest Territories communities have been involved and Aboriginal organizations were full partners with this initiative. Canadian leadership in the international control of Arctic contaminants was established. The program has continued into 1995/96 when \$17.3 million was planned, \$8.4 million less than in 1994/95. The program is scheduled to be phased out by the end of the 1996/97 fiscal year. Environment Canada expenditures on the environment function were \$13.9 million in 1995/96 (Table 9) down \$11.5 million in program reductions from 1992/93. The

Atmospheric Environmental Service absorbed the majority of the reduction, while environmental protection increased from \$1.0 million in 1992/93 to \$1.5 million in 1995/96.

TERRITORIAL GOVERNMENTS

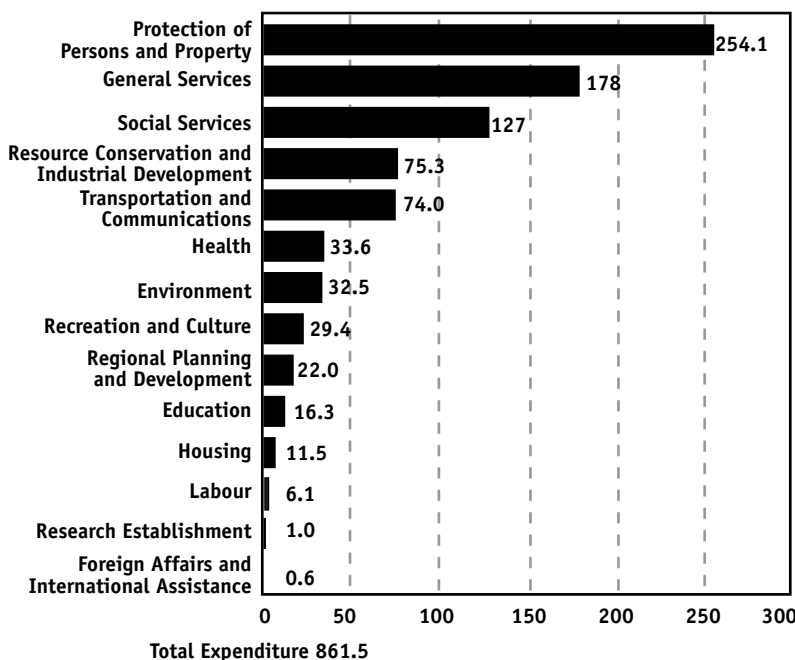
The territorial government expenditures by function are shown on Graphs 19 and 20. Each government has its own pattern and priorities.

- **Education** expenditures are primarily the responsibility of the territorial governments and, in 1995/96, this amounted to 95.3% of the total. Total expenditures on education have risen each year from \$295.6 million in 1991/92 to a high of \$359.1 million in 1994/95, with a small decrease totalling \$8.1 million planned for 1995/96 by the N.W.T. and federal governments. Education is the largest expenditure by function of the GNWT, and the second largest of the YTG. In 1995/96 the

GNWT planned to spend \$250.2 million on education or 19.5% of the territorial budget. The major expenditures included \$140.1 million in contributions to boards of education for operation and maintenance expenditures for primary and secondary education, \$28.2 million in contributions to Arctic College for adult and post-secondary education, \$10.2 million for grants to students taking post-secondary education, \$33.9 million for capital improvements across the system and \$5.1 million for administration. Planned expenditures by the YTG in 1995/96 have increased to \$84.0 million, with \$67.0 million on basic education, public and high school, \$15.5 million on post-secondary education and \$1.5 million on administration. The federal government planned to spend \$16.3 million on education on 1995/96 (Table 9): Human Resources Development with \$8.7 million on job retraining programs, DIAND with \$6.1 million on programs to encourage Indian and Inuit students to stay in school and reach higher levels of education, and the Public Service Commission with \$1.5 million on the Northern Careers Program.

- **Transportation** is the largest functional expenditure of the Yukon government at \$88.7 million (Graph 20), the seventh of the GNWT at \$81.4 million (Graph 19) and the 5th of the federal government at \$74.0 million (Graph 18). Until the 1990s, transportation was primarily a federal function, but with the devolution of roads and some airports to the territorial governments, it is gradually becoming a territorial function (see Appendix 2). To date, the interterritorial roads have been transferred to the territories from DIAND, the Alaska Highway to the YTG from Public Works and Government Services and

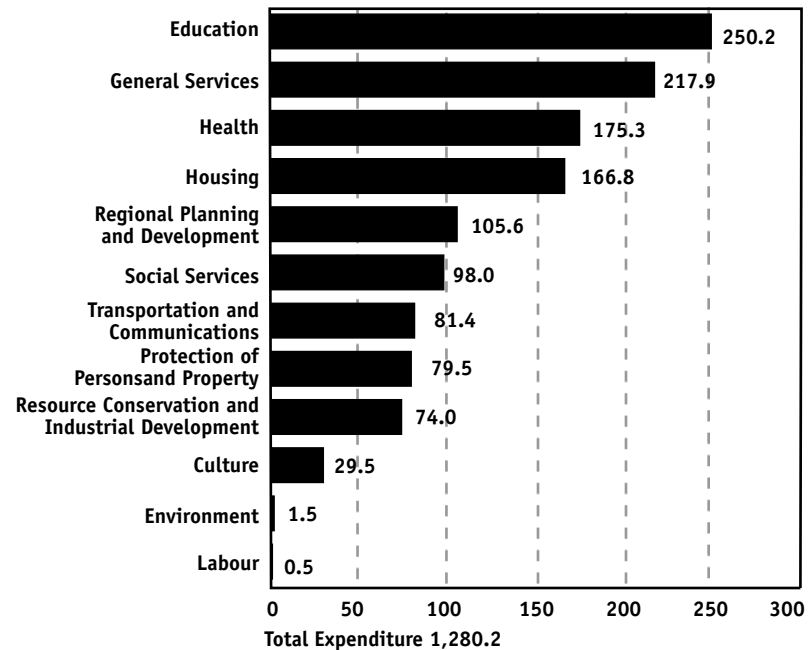
GRAPH 18
1995/96 Federal Government Direct Northern Expenditure by Function (\$ millions)



the "B" and "C" smaller airports to both territories from Transport Canada. With the transfer of the larger "A" airports to the GNWT on July 1, 1995, and the planned transfer of those in Yukon later, responsibility for roads and airports will be completely devolved to the territorial governments. As indicated in other sections, the GNWT planned expenditures for 1995/96 did not include the data for the "A" airports because of the timing of the transfer. According to Transport Canada, \$13.2 million was transferred to the GNWT to cover the operation of the airports for the remainder of 1995/96. Differences in expenditure between the two territories were seen in the distribution of their respective transportation budgets. Yukon, although smaller in area, has a larger road system and planned to spend in \$83.5 million in 1995/96 or 94.1% on roads and \$1.9 million on airports. Included in the road expenditures are \$7.0 million in transfers for the Alaska Highway from Public Works and Government Services and approximately \$25.0 million from the United States government for the improvement of the Shakwak Alaska Highway project north of Haines Junction. The GNWT, on the other hand, with more airports and fewer roads, planned to spend \$53.4 million or 65.6% on highway and marine work and \$23.9 million or 29.4% on airports. Federal responsibilities remain in the marine area where the Canadian Coast Guard, transferred from Transport Canada to Fisheries and Oceans in 1995/96, planned to spend \$33.0 million.

- **Health** expenditures in 1995/96, as shown on the graphs, were the fourth highest total expenditure by function at \$281.8 million and the third highest for both territories at

GRAPH 19
1995/96 Government of Northwest Territories Expenditure by Function (\$ millions)



\$175.3 million for the GNWT and \$72.8 million for the YTG. The federal government expended \$33.6 million on health, the sixth largest federal expenditure, and the Department of Health continued to negotiate the devolution of health services to the YTG. Prior to 1986/87 responsibility for health was almost entirely a federal function. Then in 1986/87, the nursing stations in Baffin Island were transferred from Health Canada to the GNWT and, in 1988/89, agreement was reached to transfer the remainder of health services in the N.W.T. In 1993/94 and 1994/95, the agreement to transfer the responsibility for the Whitehorse General Hospital to the YTG was implemented. As a part of the transfer agreement, construction of the new \$47.9 million Whitehorse General Hospital is being paid for by the federal government through transfers to the YTG. Health

expenditures have risen since 1994/95, largely because of the capital construction costs required for this new hospital. Although the territorial governments had the majority of the direct expenditures on health in 1995/96, the federal government contributed to these expenditures through transfers. In 1995/96, federal transfers to the GNWT for the health function totaled \$67.9 million and came from Health Canada and DIAND. This equaled 38.7% of the GNWT expenditures. Health Canada and DIAND also contributed a total of \$27.2 million or 37.4% in health transfers to the YTG.

- **Housing** is the function which showed the greatest difference in emphasis between the two territories. In 1995/96, total expenditure on housing (Graph 17) was the seventh largest at \$197.0 million, up \$10.9 million from the forecast

for 1994/95. The GNWT housing expenditures, at \$166.8 million were the fourth highest for that territory and accounted for 84.7% of the total function. In contrast, Yukon

government direct expenditures on housing were \$18.7 million or 9.5% of the function and the smallest functional expenditure of the government. On its part, the

federal government, through Canada Mortgage and Housing Corporation, planned direct expenditures of \$11.5 million on housing and accounted for the remaining 5.8% of the function. In addition, Canada Mortgage and Housing Corporation also transferred \$93.1 million to the GNWT and \$3.9 million to the YTG. These transfers, which were included in the territorial direct expenditures, together amounted to \$97.0 million or 52.3% of the territorial housing expenditures. Over the long term, from 1986/87 to 1995/96, the GNWT Housing Corporation reported direct expenditures on housing that totaled \$1.5 billion. This included a total of \$729.6 million or 47.7% in transfers from Canada Mortgage and Housing Corporation. The YTG, over the same term, reported housing expenditures that totaled \$138.9 million. This amount included \$28.5 million or 20.5% in transfers from Canada Mortgage and Housing Corporation.

GRAPH 20

1995/96 Government of Yukon Expenditure by Function (\$ millions)

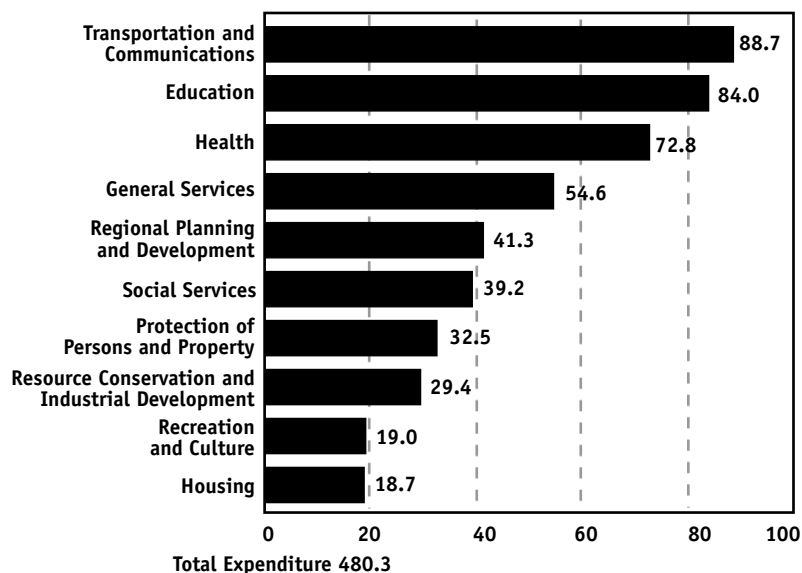


TABLE 8

Trend in Expenditure (\$ millions) and Percentage Distribution by Expenditure Function

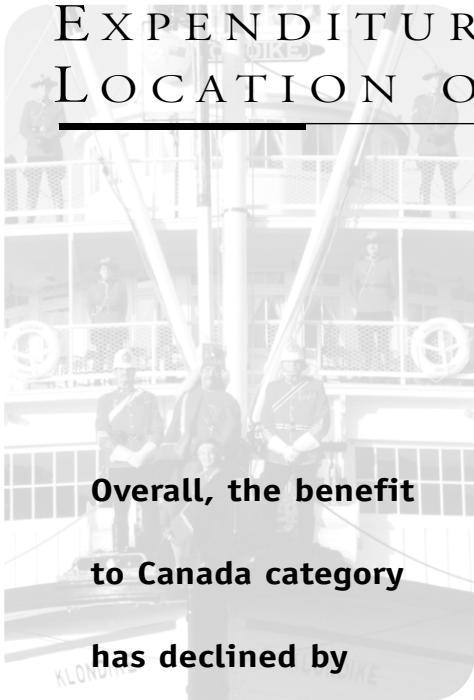
Expenditure Function	1991/92 Actual		1992/93 Actual		1993/94 Actual		1994/95 Forecast		1995/96 Planned	
	\$	%	\$	%	\$	%	\$	%	\$	%
General Services	334.4	12.1	327.1	12.4	485.1	17.7	434.2	16.0	450.5	17.2
Protection of Persons and Property	695.3	25.1	497.1	18.9	447.0	16.3	403.4	14.8	366.1	14.0
Education	295.6	10.7	323.5	12.3	332.7	12.1	359.1	13.2	350.6	13.4
Health	258.8	9.3	295.7	11.2	268.3	9.8	272.5	10.0	281.8	10.7
Social Services	234.6	8.5	254.1	9.7	283.4	10.3	270.7	10.0	264.2	10.1
Transportation and Communications	261.6	9.5	258.4	9.8	255.8	9.3	273.3	10.0	244.2	9.3
Housing	197.6	7.1	200.9	7.6	184.2	6.7	186.8	6.9	197.0	7.5
Resource Conservation and Industrial Development	210.5	7.6	192.0	7.3	203.0	7.4	209.7	7.7	178.8	6.8
Regional Planning and Development	139.5	5.0	149.3	5.7	142.5	5.2	170.5	6.3	168.9	6.4
Recreation and Culture	80.6	2.9	72.6	2.8	74.4	2.7	86.9	3.2	77.8	3.0
Environment	36.0	1.3	45.2	1.7	51.4	1.9	43.2	1.6	34.0	1.3
Labour, Employment and Immigration	19.1	0.7	10.2	0.4	8.6	0.3	7.9	0.3	6.6	0.3
Research Establishments	3.7	0.1	3.2	0.1	2.1	0.1	1.7	0.1	0.9	0.0
Foreign Affairs and International Assistance	0.6	0.0	0.9	0.0	0.7	0.0	0.5	0.0	0.6	0.0
Total	2,768.0	100.0	2,630.2	100.0	2,739.2	100.0	2,720.4	100.0	2,622.0	100.0

TABLE 9

1995/96 Planned Expenditure (\$ thousands) by Agency and Expenditure Function

Agency	General Services	Protection of Persons and Property	Education	Health	Social Services	Transportation and Communication	Housing	Resource Conservation and Industrial Development	Regional Planning and Development	Recreation and Culture	Environment	Labour, Employment and Immigration	Research Establishments	Foreign Affairs International Assistance	Total
Agriculture and Agri-food Canada	0	0	0	0	0	0	0	190	0	0	0	0	0	0	190
Canada Mortgage and Housing Corporation	0	0	0	0	0	0	11,522	0	0	0	0	0	0	0	11,522
Canadian Heritage	0	0	0	0	0	3,100	0	0	0	28,190	0	0	0	0	31,290
Canadian Polar Commission	0	0	0	0	0	0	0	1,051	0	0	0	0	0	0	1,051
Citizenship and Immigration Canada	0	0	0	0	0	0	0	0	0	0	0	270	0	0	270
Environment Canada	0	0	0	0	0	0	0	2,481	0	0	13,874	0	0	0	16,355
Federal Judicial Affairs	0	1,277	0	0	0	0	0	0	0	0	0	0	0	0	1,277
Finance Canada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fisheries and Oceans	0	0	0	0	0	34,786	0	11,026	0	0	1,039	0	0	0	46,851
Health Canada	200	0	0	33,647	0	0	0	0	0	0	0	0	0	0	33,847
Human Resources Development	0	0	8,750	0	101,874	0	0	0	0	0	0	5,868	0	0	116,492
Indian Affairs and Northern Development	170,019	0	6,083	0	24,492	0	0	41,262	16,641	169	17,324	0	936	580	277,506
Industry Canada	0	0	0	0	0	432	0	0	5,347	0	0	0	0	0	5,779
Justice Canada	0	5,035	0	0	0	0	0	0	0	0	0	0	0	0	5,035
National Defence	0	224,015	0	0	0	0	0	0	0	0	0	0	0	0	224,015
National Energy Board	0	0	0	0	0	0	0	826	0	0	244	0	0	0	1,070
National Museums	0	0	0	0	0	0	0	0	0	1,022	0	0	0	0	1,022
Natural Resources Canada	1,276	7,722	0	0	0	0	0	18,489	0	0	0	0	31	0	27,518
Public Service Commission	141	0	1,497	0	0	0	0	0	0	0	0	0	0	0	1,638
Public Works and Government Services	5,545	0	0	0	0	0	0	0	0	0	0	0	0	0	5,545
Revenue Canada	867	0	0	0	0	0	0	0	0	0	0	0	0	0	867
Royal Canadian Mounted Police	0	16,046	0	0	0	0	0	0	0	0	0	0	0	0	16,046
Transport Canada	0	0	0	0	0	35,680	0	0	0	0	0	0	0	0	35,680
Veterans Affairs Canada	0	0	0	0	670	0	0	0	0	0	0	0	0	0	670
Federal Total	178,048	254,095	16,330	33,647	127,036	73,998	11,522	75,325	21,988	29,381	32,481	6,138	967	580	861,536
Government Of															
The Northwest Territories	217,862	79,473	250,233	175,330	97,960	81,444	166,796	74,028	105,585	29,482	1,507	504	0	0	1,280,204
Government Of Yukon	54,568	32,537	84,034	72,803	39,227	88,744	18,669	29,427	41,293	18,998	0	0	0	0	480,300
Territorial Total	272,430	112,010	334,267	248,133	137,187	170,188	185,465	103,455	146,878	48,480	1,507	504	0	0	1,760,504
Total Government	450,478	366,105	350,597	281,780	264,223	244,186	196,987	178,780	168,866	77,861	33,988	6,642	967	580	2,622,040

EXPENDITURE BY LOCATION OF PRINCIPAL BENEFIT



Overall, the benefit to Canada category has declined by \$349.4 million or 57.2% since the peak expenditures during 1991/92.

This classification of spending indicates the geographical area which, in the opinion of the respective reporting agency, benefits most from its expenditures. All expenditures by the YTG and GNWT are considered to benefit their respective territory. Federal expenditures are classified as benefiting Yukon or the Northwest Territories, but when this distinction cannot be made with precision, the North generally category is used. The fourth category, when Canada is the beneficiary, applies to programs where the prime focus is national in scope. Some examples in this category are National Defence, the Atmospheric Environment Service weather stations and Parks Canada's national parks and historic parks and sites.

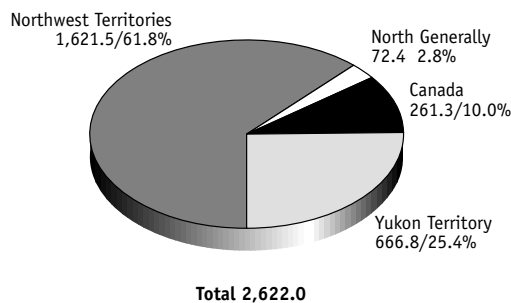
These assessments of benefit are shown in Graphs 21 and 22 and Table 10.

- The total government expenditure distribution by location of principal benefit is illustrated in Graph 21. When compared to the data shown in the 1994/95 publication, total expenditures are considerably higher from 1993/94 onwards, primarily because of the new funding for the

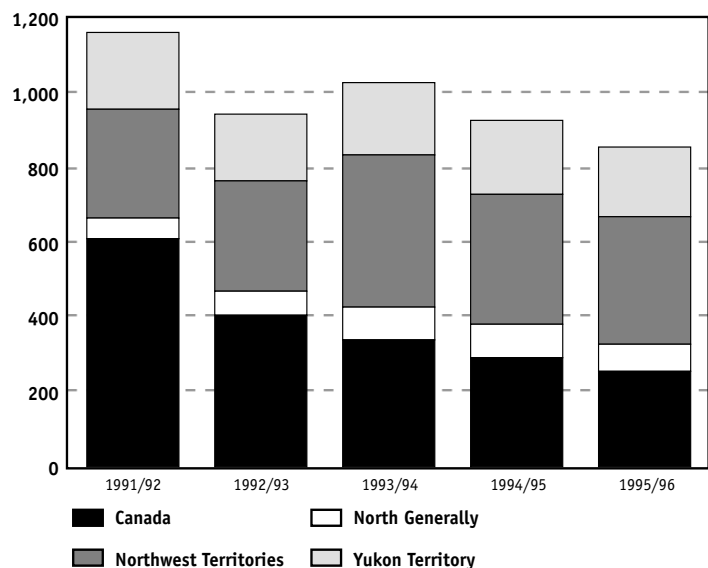
Tungavik Federation of Nunavut Land Claim implementation. This has increased the planned benefit to the N.W.T. in 1995/96 by some 2.5% over the planned 1994/95 expenditure.

- The benefit to Canada category expenditures, as shown in Graph 22 and Table 10 have continued to decline. Expenditures in this category, in 1995/96 were \$39.0 million or 13% lower than the forecast for 1994/95. Overall, the benefit to Canada category has declined by \$349.4 million or 57.2% since the peak expenditures during 1991/92. The main reason for this decline has been the completion of the North Warning System and other operating reductions by National Defence whose expenditures were 85.7% of the category. Other program reductions in the benefit to Canada category were by Environment Canada and Natural Resources Canada.
- The North generally category, containing only federal contributors, had a planned decrease of \$10.5 million in 1995/96. The

GRAPH 21
1995/96 Total Expenditure by Location of Principal Benefit (\$ millions)



GRAPH 22
Trend in Federal Expenditure by Location of Principal Benefit (\$ millions)



majority of this decrease occurred in DIAND where reductions in expenditures for northern renewable resources, environmental protection and the statutory requirements for the Gwich'in Land Claim took place. The 1995/96 decrease reversed the trend from 1991/92 until 1994/95, when north generally expenditures had risen (see Graph 22 and Table 10). The main reasons for these increases were additional geological survey expenditures in 1992/93 by Natural Resources Canada and a greater emphasis on northern environmental protection by DIAND in response to the Northern Environmental Protection Strategy from 1992 to 1994. Starting in 1993/94, statutory expenditures to implement land claims with land in both the N.W.T. and Yukon increased. In 1993/94, DIAND payments to the Inuvialuit were \$15.0 million more per year and in 1994/95 a new payment of \$9.5 million commenced for the Gwich'in Land Claim.

- Expenditures where the N.W.T. was considered the beneficiary included the GNWT expenditures and those federal departments and agencies that were able to identify expenditures for this territory. Expenditures benefitting the N.W.T. increased

dramatically starting in 1993/94 with a statutory payment by DIAND of \$121.7 million in new funding to implement the Tungavik Federation of Nunavut Land Claim. Payments for this claim of \$70.1 million and \$94.5 million were included in 1994/95 and 1995/96 respectively. Also in 1995/96, a \$9.5 million expenditure was planned to implement the Sahtu Dene Métis Land Claim Settlement. If DIAND's expenditures were extracted from federal expenditures for this category, however, the overall trend of federal expenditures is downward as the majority of federal departments and agencies have reduced expenditures. Although the GNWT has planned a reduction in expenditures for 1995/96 of \$39.1 million (see Table 3), the trend from 1991/92 to 1994/95 is one of increase. The forecast for 1995/96 will also increase because of adjustments to include the transfer of responsibilities of the "A" airports from Transport Canada which was not included in the 1995/96 planned expenditure.

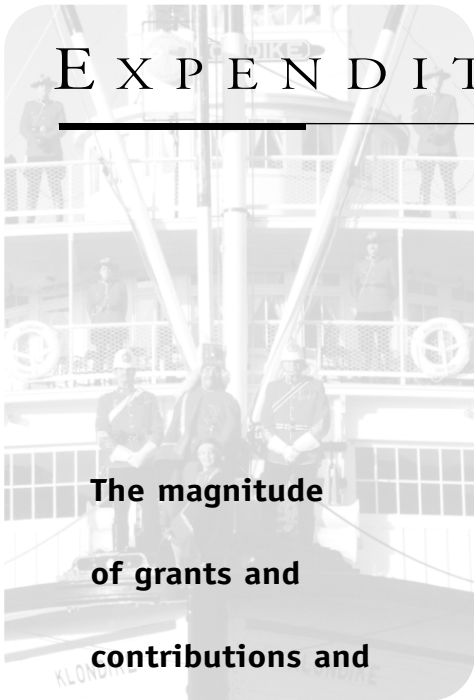
- Total government benefit to the Yukon (Graph 22 and Table 10) increased each year from 1991/92 to 1994/95 and then declined by a modest \$3.4 million in 1995/96.

The decrease resulted from a federal reduction of \$11.5 million which offset a YTG increase of \$8.1 million. YTG expenditures have increased in each year, in part because of programs transferred from the federal government and increased social services costs from the recession. The Alaska Highway was transferred in 1992/93 and the Whitehorse General Hospital in 1993/94. Although costs for the new Whitehorse hospital are shown in YTG expenditures, the funds come from the federal government. The trend in federal benefit to Yukon declined by \$26.9 million during 1992/93 and then increased again in 1993/94 and 1994/95. The 1992/93 decrease of \$26.9 million was primarily the result of transferring responsibility for the Alaska Highway from Public Works and Government Services Canada to the Yukon government. This decrease offset a \$5.2 million increase by Human Resources Development for Employment Insurance payments as the recession continued. Human Resources Development again increased expenditures on Employment Insurance in 1993/94, the last year of the recession, but these payments were less in 1994/95 and 1995/96 as economic conditions improved.

TABLE 10
Trend in Expenditure (\$ million) and Percentage Distribution by Location of Principal Benefit

	1991/92		1992/93		1993/94		1994/95		1995/96	
	Actual		Actual		Actual		Forecast		Planned	
	\$	%	\$	%	\$	%	\$	%	\$	%
Total Government Expenditure:										
Northwest Territories	1,533.4	55.4	1,556.8	59.2	1,691.3	61.7	1,667.0	61.3	1,621.5	61.8
Yukon Territory	568.7	20.5	603.4	22.9	618.5	22.6	670.2	24.6	666.8	25.4
North Generally	55.1	2.0	64.3	2.4	81.9	3.0	82.9	3.0	72.4	2.8
Canada	610.7	22.1	405.7	15.4	347.5	12.7	300.3	11.0	261.3	10.0
Total:	2,767.9	100.0	2,630.2	100.0	2,739.2	100.0	2,720.4	100.0	2,622.0	100.0
Federal Expenditure:										
Northwest Territories	291.4	25.1	295.3	31.3	407.4	39.5	347.8	37.4	341.3	39.6
Yukon Territory	205.7	17.7	178.8	18.9	193.5	18.8	197.0	21.3	186.5	21.6
North Generally	55.1	4.7	64.3	6.8	81.9	7.9	82.9	8.9	72.4	8.4
Canada	610.7	52.5	405.7	43.0	347.6	33.7	300.2	32.3	261.3	30.3
Total:	1,162.9	100.0	944.1	100.0	1,030.4	100.0	928.9	100.0	861.5	100.0

EXPENDITURE BY OBJECT



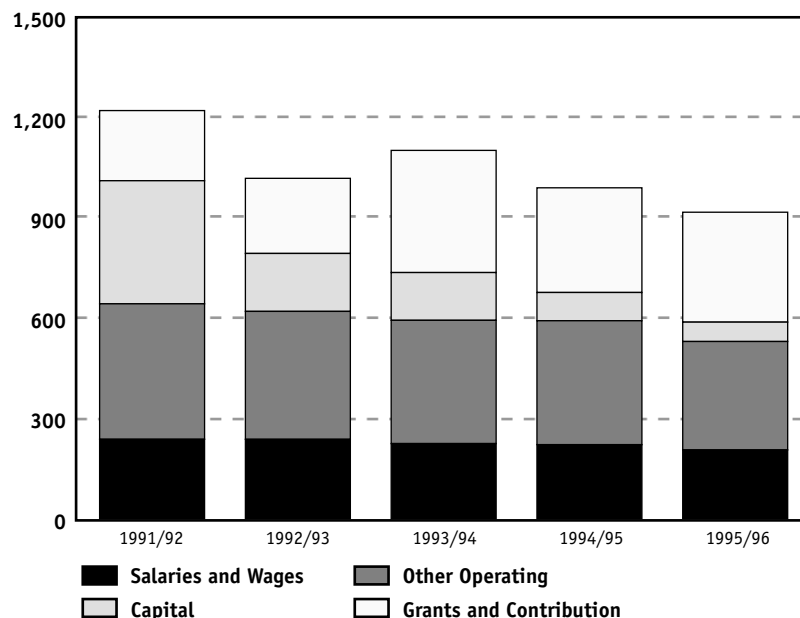
The magnitude of grants and contributions and the proportion of the federal budget allocated to these agreements changed dramatically with the signing of the Tungavik Federation of Nunavut Land Claim.

Graphs 23, 24 and 25, and Table 11 each illustrate five years of government expenditure by object. There are four categories of expenditures. Salaries and wages include the money paid to agency employees directly associated with northern activities. Other operating expenditures cover a variety of items including expenditures for travel, supplies, maintenance, rentals and the purchase of professional and special services. Capital include the acquisition of land, equipment and projects related to new construction and the reconstruction of buildings, roads and other facilities, and grants and contributions include payments to individuals or private organizations, school boards, municipalities, Indian bands or Inuit organizations to further program objectives.

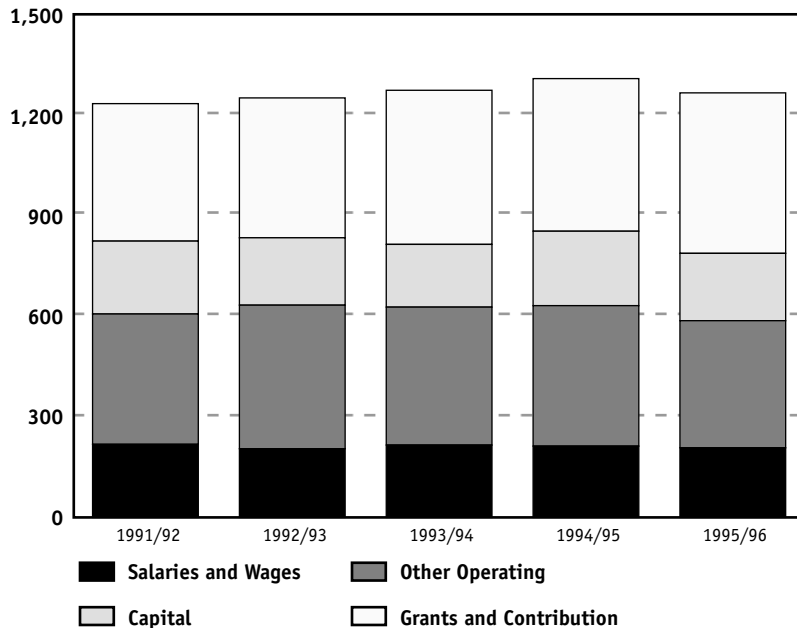
- Total planned expenditures by object for 1995/96 were \$107.5 million less than the forecast for 1994/95 (see

Table 11). This net decrease included reductions in salaries and wages, other operating and capital expenditures. Conversely, a substantial increase in grants and contributions began in 1993/94. Since 1991/92, total salaries and wages have declined \$23.4 million or 4.0% although most of this took place in 1995/96. Other operating expenditures peaked in 1992/93 at \$907.4 million, but were down to \$797.0 million, by 1995/96, a decrease of \$110.4 million or 12.2%. Between 1991/92 and 1995/96, total capital expenditures declined each year for a total reduction of \$267.8 million or 40.0%, primarily at the federal level. On the other hand, total grants and contributions have grown 29.0% since 1991/92 to reach \$865.5 million in 1995/96. The implementation of land claim agreements impacted on this area.

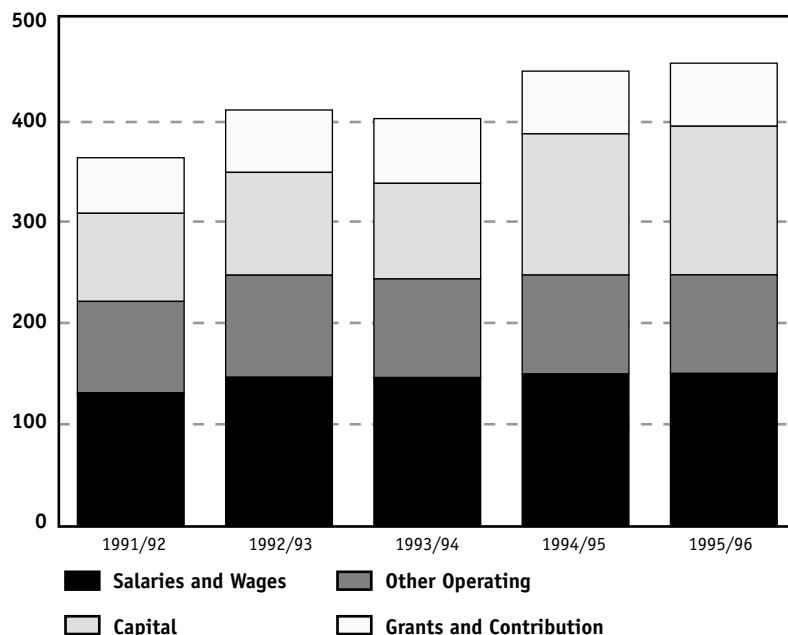
GRAPH 23
Federal Government Expenditure Trend by Object (\$ millions)



GRAPH 24
Government of the Northwest Territories Expenditure Trend by Object (\$ millions)



GRAPH 25
Government of Yukon Expenditure Trend by Object (\$ millions)



SALARIES AND WAGES

- Total government salaries and wages (Table 11) have remained relatively constant in the \$580.0 million range from 1991/92 to 1994/95. In 1995/96, there was a planned decrease of \$20.3 million to \$561.2 million with the federal government accounting for \$15.8 million and the GNWT \$5.0 million. Transport Canada, in 1995/96, transferred responsibility of the "A" airports to the GNWT and accounted for approximately 66% of the federal decrease. Because of the timing of the airport transfer, however, the impact on GNWT expenditures will not be seen until the next year. YTG salaries and wages have climbed slowly since 1991/92.
- Since 1991/92, each government has exhibited a different trend (Table 11). The federal government trend has been consistently downward partly from the transfer of provincial-type programs to the territorial governments and partly from program reductions. The GNWT expenditures have fluctuated, but since the 1993/94 increase, two consecutive years with downward movement occurred. The YTG trend is upward, with a \$15.0 million increase in 1992/93 primarily because of increases in education and health and more gradual growth till 1995/96. The transfer of the Whitehorse General Hospital affected grants and contributions rather than salaries and wages because staff were transferred from Health Canada to the Whitehorse Hospital Corporation rather than the territorial government. The Corporation was funded by a YTG contribution of \$16.1 million in 1995/96.

OTHER OPERATING

- **1994/95 Update:** The planned expenditure of \$832.2 million for 1994/95 was not realized as the 1994/95 forecast expenditure of \$883.1 million rose by \$50.9 million. The difference was accounted for by the GNWT and the federal government with a \$31.1 million and \$21.3 million increase respectively and the YTG with a \$1.6 million decrease.
- The total planned government other operating expenditures for 1995/96 were \$797.0 million, a reduction of \$86.1 million from the forecast for 1994/95. The federal government accounted for \$46.3 million of the reduction and the GNWT for \$39.6 million while the YTG was unchanged. Most federal contributors planned a decrease while the Fisheries and Oceans increase in 1995/96 resulted from the transfer of the Canadian Coast Guard from Transport Canada.
- Over the five years of data provided, other operating expenditures of the federal government declined each year with a total decrease since 1991/92 of \$80.9 million or 20.0%. This decrease was achieved both through the devolution of federal programs and program reductions. The GNWT 1994/95 other operating forecast rose by \$20.0 million following the forest fire season. In 1995/96, a planned reduction in forest fire management of \$17.8 million accounted for nearly half of the planned GNWT decrease of \$39.6 million. YTG other operating expenditures remained constant for the last three years as expenditures for the Whitehorse Hospital Corporation are covered under grants and contributions.

CAPITAL

- **1994/95 Update:** The total forecast capital expenditure for 1994/95 was \$442.8 million or a net \$20.3 million higher than the \$422.5 million planned. Included in this net increase was a capital expenditure increase by the GNWT of \$35.7 million including \$17.6 million by the NWT Housing Corporation, \$9.2 million by the Department of Education and \$7.7 million by Municipal and Community Affairs. The YTG also increased capital spending by \$16.2 million with \$12.5 million for the Alaska Highway and \$2.7 million in capital maintenance repairs for education facilities. The federal government, on the other hand, offset some of the increase with a 1994/95 forecast reduction of \$31.6 million primarily by National Defence.
- Total planned capital expenditures for 1995/96 were \$402.4 million, down \$40.4 million from the 1994/95 forecast. The federal government and the GNWT planned decreases of \$26.6 million and \$21.0 million respectively, while the YTG planned an increase of \$7.2 million. Reductions by the federal government included \$19.4 million by National Defence, \$3.4 million by the RCMP and \$3.2 million by Transport Canada. The GNWT reductions were spread over a number of departments with the \$9.9 million by Education, Culture and Employment covering nearly half. The YTG increase included \$3.7 million by the Department of Education toward school construction and \$3.4 million by Health and Social Services toward construction of the new Whitehorse Hospital. Funds for the hospital come from Health Canada as part of the transfer agreement.

- Although the trend in total capital expenditure has been downward since 1991/92, each government has its own trend. Federal capital expenditures in 1991/92 were the second highest by object at \$368.3 million. By 1995/96, however, capital expenditures were the smallest federal expenditure by object at \$57.9 million, a decline of \$310.4 million or 84.3%. National Defence has led the reductions following completion of the major capital input to the North Warning System in 1991/92. By 1995/96, National Defence capital expenditures were \$31.6 million, down 90.3% from the \$324.2 million of 1991/92. Other reasons for the federal reductions in direct capital expenditures have been the devolution to the territorial governments of capital-intensive programs such as interterritorial roads, the Alaska Highway and airports.

GRANTS AND CONTRIBUTIONS

- **1994/95 Update:** The 1994/95 forecast expenditure total of \$826.2 million for grants and contributions was up \$90.5 million over the planned \$735.7 million. This increase became necessary because of the signing of the Tungavik Federation of Nunavut Land Claim Agreement in 1993/94. Statutory payments for the claim commenced in 1993/94 and all previous data have been adjusted accordingly.
- The magnitude of grants and contributions and the proportion of the federal budget allocated to these agreements changed dramatically with the signing of the Tungavik Federation of Nunavut Land Claim. Payments toward this claim were \$121.8 million in 1993/94, \$70.1 million in 1994/95 and \$95.5

million in 1995/96. Also in 1995/96, there was a new payment of \$9.0 million for the Sahtu Dene and Métis Agreement. When taken together, Aboriginal land claims accounted for \$129.9 million or 39.5% of the \$328.8 million in federal grant and contribution expenditures in 1995/96.

- Total planned grants and contributions for 1995/96 were \$865.5 million, up \$39.3 million from the 1994/95 forecast. Most of the increase is accounted for by the

federal government and the GNWT, while the grant and contributions of the YTG have remained relatively stable since 1992/93. The federal government increased by a net \$15.3 million with payments by DIAND to the Tungavik Federation of Nunavut Land Claim and the Sahtu Dene and Métis Comprehensive Land Claim accounting for the increase. A reduction of \$8.3 million by Human Resources Development partially offset the DIAND increase.

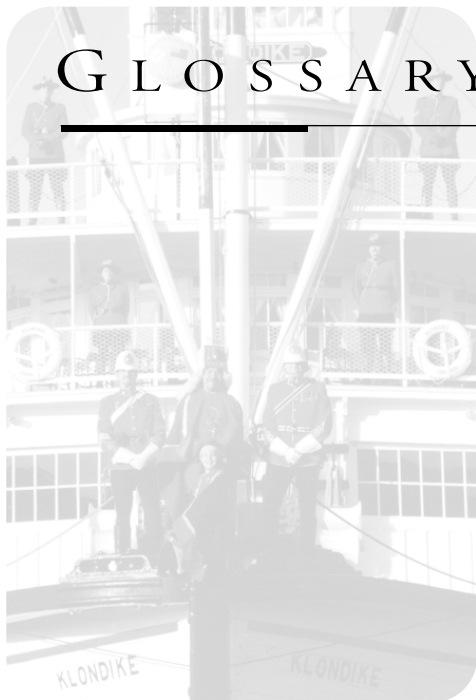
The net GNWT increase of \$23.3 million included increases of \$5.0 million by the NWT Housing Corporation, \$7.8 million by Health and Social Services primarily to health and hospital boards and \$10.7 million by Education Culture and Employment primarily for student grants, a cost-shared program with Human Resources Development and boards of education to sponsor academic preparation courses and work skills projects.

TABLE 11
Trend in Expenditure (\$ millions) and Percentage Distribution by Object

Object of Expenditure	1991/92		1992/93		1993/94		1994/95		1995/96	
	Actual		Actual		Actual		Forecast		Planned	
	\$	%	\$	%	\$	%	\$	%	\$	%
Total Government:										
Salaries and Wages	584.6	20.8	586.4	22.0	584.3	21.1	581.5	21.3	561.2	21.4
Other Operating	880.1	31.4	907.4	34.0	873.4	31.6	883.1	32.3	797.0	30.3
Capital	670.2	23.9	473.2	17.7	422.0	15.3	442.8	16.2	402.4	15.3
Grants and Contributions	671.1	23.9	699.8	26.2	884.9	32.0	826.2	30.2	865.5	33.0
Total Government	2,806.0	100.0	2,666.8	100.0	2,764.6	100.0	2,733.6	100.0	2,626.1	100.0
Federal:										
Salaries and Wages	237.4	19.4	237.3	23.3	224.6	20.4	221.4	22.4	205.6	22.4
Other Operating	405.3	33.2	382.7	37.6	368.7	33.5	370.7	37.5	324.4	35.4
Capital	368.3	30.2	173.4	17.0	142.9	13.0	84.5	8.5	57.9	6.3
Grants and Contributions	209.9	17.2	224.7	22.1	365.5	33.2	313.2	31.6	328.8	35.9
Total Federal:	1,220.9	100.0	1,018.1	100.0	1,101.7	100.0	989.8	100.0	916.8	100.0
Northwest Territories:										
Salaries and Wages	216.5	17.7	203.4	16.4	214.3	16.9	211.2	16.3	206.2	16.4
Other Operating	385.7	31.5	425.0	34.2	408.3	32.3	415.8	32.0	376.2	29.9
Capital	215.8	17.6	199.5	16.1	185.7	14.7	220.4	17.0	199.4	15.9
Grants and Contributions	407.0	33.2	414.1	33.3	456.2	36.1	451.8	34.8	475.1	37.8
Total Northwest Territories	1,225.0	100.0	1,242.0	100.0	1,264.6	100.0	1,299.1	100.0	1,256.9	100.0
Yukon:										
Salaries and Wages	130.7	36.3	145.7	35.8	145.4	36.5	148.9	33.5	149.4	33.0
Other Operating	89.1	24.7	99.7	24.5	96.3	24.2	96.6	21.7	96.3	21.3
Capital	86.0	23.9	100.4	24.7	93.4	23.4	137.9	31.0	145.1	32.1
Grants and Contributions	54.3	15.1	60.9	15.0	63.2	15.9	61.2	13.8	61.6	13.6
Total Yukon	360.1	100.0	406.7	100.0	398.3	100.0	444.7	100.0	452.5	100.0

Note: The total expenditure data shown above and in the Location of Responsibility Centre section differ slightly from those in the other sections. This is due to the adjustments for interagency sales and purchases to reduce double-counting.

GLOSSARY



AEPS. Arctic Environmental Protection Strategy

AES. Arctic Environmental Strategy

Agency. For the purposes of this report *agency* is most often used as a general term referring to all those federal departments, Crown corporations and the two territorial governments that contribute data to the Annual Northern Expenditure Plan. Federal Crown corporations can also be considered as federal agencies.

ANEP. The Annual Northern Expenditure Plan is a summary of federal and territorial government expenditures and employment on or for the North. It includes not only the expenditures that take place from offices located in the North, but also those expenditures taking place in federal, headquarters or regional offices located in southern Canada where the expenditure and full-time equivalents are related to services or projects for the North.

DIAND. Department of Indian Affairs and Northern Development.

Direct expenditure. An expenditure made by the contributing agency that delivers the service or product.

Final spending agency. The contributing agency that actually manages the expenditure and delivers the product. When a federal agency transfers the funds to a territorial government to do the work, the territorial government delivers the product and becomes the final spending agency.

FTE. A *full-time equivalent* is the term that has replaced *person-year* as the measure of government employment. It refers to the employment of one person for one full year or the equivalent. For example, one person employed for one full year or three persons employed for four months in one year equals one *full-time equivalent*.

Function. The Statistics Canada System of Government Financial Management Statistics is used to present the expenditure functions of the federal and territorial governments. For example, some of these functions are education, health, social services, transportation and communication, and general services. A brief description and examples are included in Appendix 3. Expenditures for 14 of the 18 functions used in this system apply to the North.

GNWT. Government of the Northwest Territories.

Object of Expenditure. This term refers to a financial classification of expenditures into four types: salaries and wages, other operating, capital, and grants and contributions as follows:

- 1) *Salaries and Wages* — These expenditures include the money paid to employees who are employed on northern work.
- 2) *Other Operating* — These expenditures cover a range of items including: expenditures for travel, supplies, maintenance, rentals and the purchase of professional services. The sales and purchases transactions are normally found in this type of expenditure.
- 3) *Capital* — These expenditures include the acquisition of land, the purchase of equipment, and projects related to new construction and the reconstruction of buildings, roads or other facilities.
- 4) *Grants and Contributions* — These expenditures include payments to individuals or organizations for the purpose of furthering program objectives or, in the case of Aboriginal land claims, a statutory obligation.

Purchases from contributing agencies.

Purchases take place between contributing agencies when one agency purchases goods or services from the other. The total purchases are included with the purchasing agency expenditures and, in most tables, the purchasing agency is credited with the final expenditure in order to avoid double-counting. The expenditures by *regional location* and by *object*, however, are reported less purchases. Because more sales than purchases are reported, these two expenditure series are higher than those of the *expenditure by agency*, *expenditure by function* and the *expenditure by principal benefit series*. Ideally, the amounts reported by the selling agency and the purchasing agency would be the same, but limitations in financial systems make a certain amount of double-counting unavoidable.

Regional Location of Responsibility

Centre. The term refers to the broad geographical area where the office responsible for the expenditure and associated employment is located. Three regions are used: Yukon and the Northwest Territories for offices located in the North, and southern Canada for offices located in the south. Although the governments of the Northwest Territories and Yukon have small offices, with approximately four staff, located in southern Canada (Ottawa), they are too small to be shown separately on the graphs or tables, and are included with the Yukon and Northwest Territories data.

Sales to contributing agencies. Sales take place between contributing agencies when one agency sells goods or services to the other. The total sales are deducted from the selling agency and only the purchasing agency is credited with the final expenditure in order to avoid double-counting. Ideally, the amounts reported by the selling agency and the purchasing agency would be

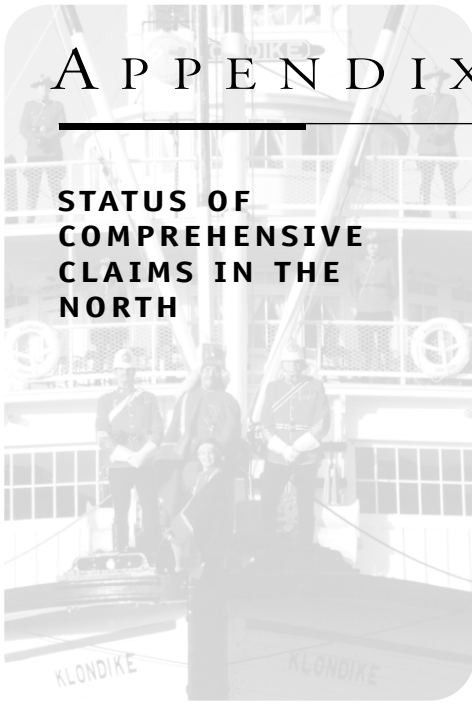
the same, but limitations in financial systems make a certain amount of double-counting unavoidable. Usually more sales than purchases are reported making the expenditures, less sales, somewhat more accurate.

Transfers. Transfers take place when funds are sent from one reporting agency to another in the form of a transfer payment (grant or contribution) and the receiving agency has the responsibility for delivering the service or product. In most cases, the transfers are from federal departments to the territorial governments and the expenditure is deducted from the federal department making the transfer and allocated to the territorial government administering the final expenditure.

- 1) *Formula Transfers* — These transfers are the substantial funds transferred from the federal government (formerly DIAND, now the Department of Finance) to the territorial governments to enable them to provide a full complement of government services. The amount of the transfer is based on a formula that includes growth in territorial-local expenditures; population growth of the territories relative to national growth; the capacity of the territories to generate their own revenues; and the funds required to operate programs transferred from the federal government.
- 2) *Other Transfers* — These transfers come from various federal agencies and enable the territorial governments to deliver, for example, specified services for education, housing, social services, health care, economic development and employment programs.

APPENDIX 1

STATUS OF COMPREHENSIVE CLAIMS IN THE NORTH



The following comprehensive claim settlements in the North have been concluded since the establishment of the federal government's claims policy in 1973:

- The Inuvialuit Final Agreement (effective date July 25, 1984);
- Tungavik Federation of Nunavut Land Claims Agreement (effective date July 9, 1993).

Regional Final Agreements were concluded based on the April 1990 agreement with two of the Dene and Métis regional groups:

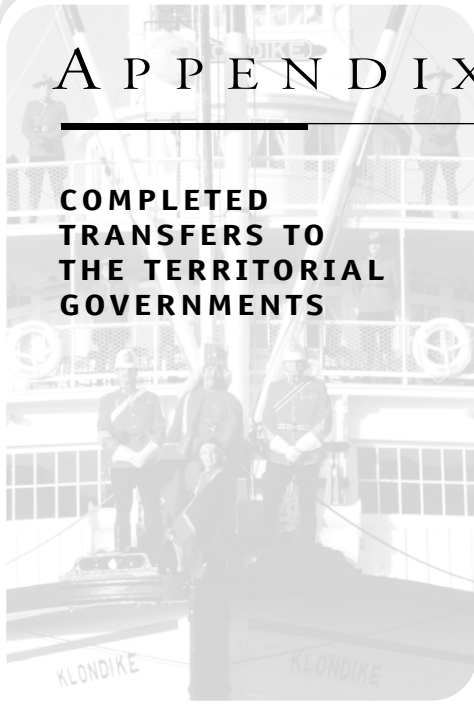
- The Gwich'in Comprehensive Land Claim Agreement (effective date December 22, 1992);
- The Sahtu Dene and Métis Agreement (effective date June 23, 1994).

Four Yukon First Nation final agreements (1994) were concluded based on the Council for Yukon Indians Umbrella Final Agreement (1993) and corresponding self-government agreements for:

- The Vuntut Gwich'in First Nation (effective date February 14, 1995);
- The First Nation of Nacho Nyak Dun (effective date February 14, 1995);
- The Teslin Tlingit Council (effective date February 14, 1995);
- The Champagne and Aishihik First Nations (effective date February 14, 1995).

APPENDIX 2

COMPLETED TRANSFERS TO THE TERRITORIAL GOVERNMENTS



Yukon

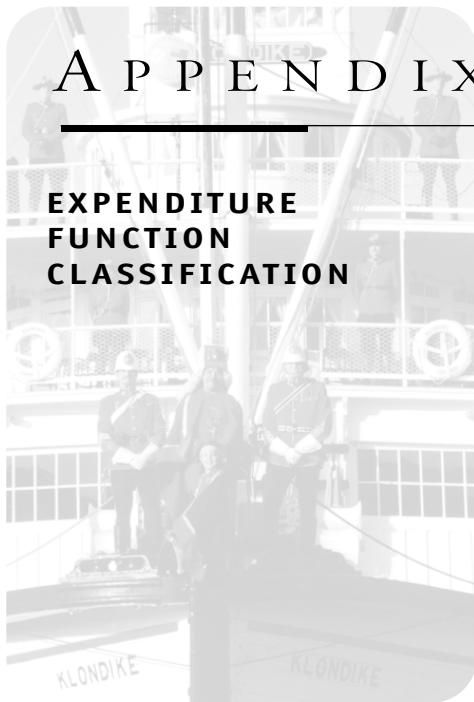
- 1986 Toponymy (DIAND)
- 1987 Northern Canada Power Commission (DIAND)
- 1989 Inland Fisheries (Fisheries and Oceans)
- 1989 Mine Safety (DIAND)
- 1990 Interterritorial Roads (DIAND)
- 1990 "B" & "C" Airports (Transport Canada)
- 1992 Alaska Highway (Public Works and Government Services)
- 1993 Whitehorse General Hospital (Health Canada)
- 1993 Northern Oil and Gas Accord (DIAND)
- 1993 Hospital and Medical Care for Indians and Inuit (DIAND)
- 1993 Low Income Housing Program for Indians and Inuit (DIAND)

Northwest Territories

- 1986 Nursing Stations and Health Services in Baffin (Health Canada)
- 1986 Toponymy (DIAND)
- 1987 Forestry Management and Fire Suppression (DIAND)
- 1988 Northern Canada Power Commission (DIAND)
- 1988 Health Services — All remaining Health and Hospital Services (Health Canada)
- 1988 Scientific Resource Centres (DIAND)
- 1990 Interterritorial Roads (DIAND)
- 1991 "B" & "C" Airports (Transport Canada)
- 1993 Land Titles Registration (DIAND)
- 1995 "A" Airports (Transport Canada)

APPENDIX 3

EXPENDITURE FUNCTION CLASSIFICATION



The ANEP uses the Expenditure Function classification based on the standard categories of the Statistics Canada System of Financial Management Statistics. This classification is used to make the ANEP data more useful and comparable with other government statistical reports.

Eighteen expenditure functions are identified, each of which describes the general nature and type of activity on which expenditures are made. Fourteen of the 18 functions (numbers one to 14) are found within the northern expenditures. General purpose transfers (number 15) do take place, but they only appear in the transfer tables because of the final spending agency principle used in ANEP. All transfers are deducted from federal agency expenditures and reported by the territorial government which actually performs the work. For a summary of transfers, see the section Federal Transfers to the Territorial Governments.

The expenditure functions are described below, along with examples of the types of expenditure which are included in each function.

- (1) **General Services:** This classification includes expenditures for executive, legislative and law enactment functions, administration expenditures such as central accounting, auditing, staffing, tax administration and others such as intergovernmental services, insurance, court litigations and general grants to organizations and individuals which cannot be more specifically allocated. Native land claim expenditures have been included in this category.
- (2) **Protection of Persons and Property:** This classification includes all outlays for services

provided to ensure the security of persons and property, including safeguards from external aggression, criminal action, negligence and abuse, and for activities to ensure the orderly transaction of the affairs of the community. Functions such as national defence, policing, firefighting, courts of law, correction and rehabilitation services are included here.

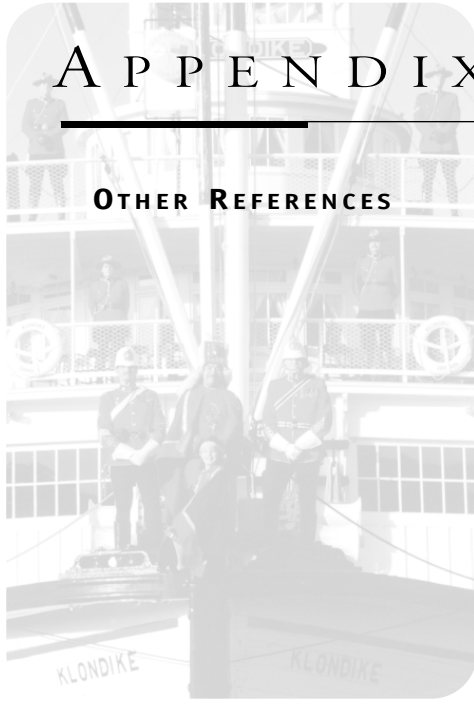
- (3) **Transportation and Communications:** This classification covers outlays for the acquisition, construction, operation and maintenance of transportation and communication facilities and equipment and for related engineering and technical surveys. It includes air, road, rail, water, telecommunications and postal services.
- (4) **Health:** This classification covers expenditures related to the control and prevention of disease, hospital and medical insurance schemes, and the delivery of hospital and medical services.
- (5) **Social Services:** This function covers actions taken by government, either alone or in co-operation with the citizenry, to offset or forestall situations where the well-being of individuals or families is threatened by circumstances beyond their control. It includes services such as social security, Employment Insurance, veterans' benefits, social welfare and other assistance, research, planning and counselling.
- (6) **Education:** This function includes the costs of developing, improving and operating educational systems and the provision of specific

educational services. It includes elementary, secondary, post-secondary and special retraining services for the purpose of upgrading skills.

- (7) **Resource Conservation and Industrial Development:** This classification makes no distinction between conservation and development, but rather is subdivided according to types of resources or sectors: agriculture, fish and game, forests, mines, oil and gas, hydro-electric power, water storage and flood control, tourism, trade and industry.
- (8) **Environment:** The following sub-functions have the common aim of ensuring the most favourable environment for people and of minimizing the deleterious environmental effects of modern living: water purification and supply, sewage collection and disposal, garbage collection and disposal, and pollution control.
- (9) **Recreation and Culture:** This function includes expenditure on developing, improving and operating leisure facilities and assistance payments to individuals and organizations engaged in promoting leisure activities. It includes sports and recreational facilities, parks and historic sites, museums, art galleries and performing arts.
- (10) **Labour, Employment and Immigration:** This function is related to the development and promotion of labour relations and fair employment conditions, as well as various immigration programs.
- (11) **Housing: Government expenditures on housing are of two kinds:** those arising from the operations of departments and agencies as builders and real estate operators together with ancillary activities and those to assist others to carry out similar activities.
- (12) **Foreign Affairs and International Assistance:** This function provides for expenditures pertaining to the formal relations of Canada with other sovereign states, the fostering of economic development and the improvement of social conditions in foreign lands. Expenditures on trade promotion abroad and cultural exchanges with foreign countries are classified under trade and industry and culture, respectively.
- (13) **Regional Planning and Development:** This function includes expenditures related to planning and zoning, community development, regional economic development, municipal affairs and commissions, and boards and authorities established to plan and promote the development of particular regions.
- (14) **Research Establishments:** This function covers expenditures of major research organizations such as the National Research Council and similar provincial or territorial establishments whose primary purpose is pure or applied scientific research and the promotion of developments resulting from such activities. Also included are grants to individuals and non-government establishments engaged in similar types of research.
- (15) **General Purpose Transfers to Other Levels of Government:** Included are payments under federal-territorial fiscal arrangements and the Public Utilities Income Tax Transfer Act and grants-in-lieu of property taxes.
- (16) **Transfers to Own Enterprises:** These include amounts paid to cover the deficits of a government's own enterprises. Subsidies paid to public and private concerns to help achieve certain economic or social objectives are not included here, but are under the expenditure functions to which they are related. Consequently, there were no northern expenditures in this category.
- (17) **Debt Charges:** This classification contains interest paid in respect to all forms of borrowing and other expenditures related to servicing the public debt. There were no northern expenditures allocated to this category.
- (18) **Other:** No expenditures were allocated to this category.

APPENDIX 4

OTHER REFERENCES



Readers requiring more information for research purposes may order copies of more detailed Annual Northern Expenditure Plan 1995/1996 data and tables by writing to: Information Quality and Research Directorate, Room 530, Department of Indian Affairs and Northern Development, Ottawa, Ontario, K1A 0H4.

Readers interested in additional information on the range of government activities and programs in the North might also send for the following publications:

by contacting:

Publication and Public Enquiries
(Kiosk)
Department of Indian Affairs and
Northern Development
Ottawa, Ontario
K1A 0H4
Phone: (819) 997-0380
Facsimile: (819) 997-0380
Internet address:
<http://www.inac.gc.ca>
E-mail: InfoPub@inac.gc.ca

*Looking North: Canada's Arctic
Commitment*

Mines and Mineral Activities 1993

Northern Mineral Policy

*The Arctic Environmental Strategy:
An Action Plan*

The Inuit

The North

by writing to and purchasing from:

Canada Communication Group
Publications
Public Works and Government
Services Canada
Ottawa, Ontario
K1A 0S9

*Canada's North: The Reference
Manual*

*Indian and Northern Affairs
Canada Estimates, Part III:
Expenditure Plan**

* DIAND no longer produces a departmental annual report. Much of this information is now included in the *Estimates, Part III*.

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We hope the *Annual Northern Expenditure Plan 1995/1996* has provided you with useful and timely data. Please feel free to contact our Statistical Enquiries Line at (819) 953-9999 if you require additional information.
