



The Daily

Statistics Canada

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MAJOR RELEASES

- **Government finance: Revenue, expenditure and surplus, 2001/02**

The first decline in overall government revenues in four decades, combined with a rise in overall spending, resulted in significant shifts in the distribution of deficits and surpluses in the fiscal year 2001/02, according to new consolidated estimates of government finances.

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- **Distance to school and university participation, 1995 to 1999**

High school students who lived beyond commuting distance of a university were far less likely to attend university than those living within commuting distance, according to a new study. Commuting distance had a much greater negative impact on university access for students from families with lower income.

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NEW PRODUCTS



MAJOR RELEASES

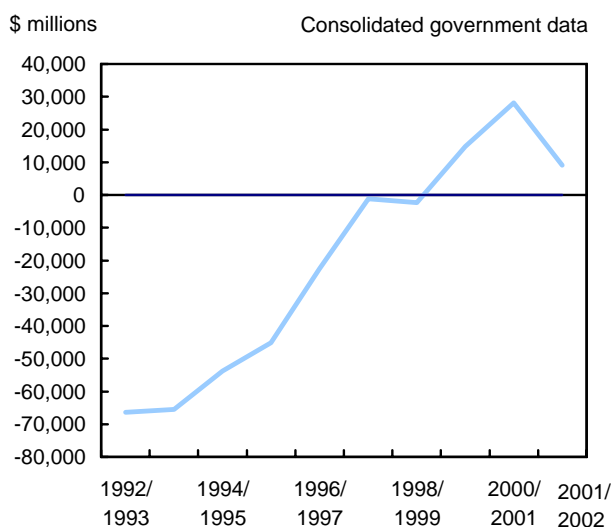
Government finance: Revenue, expenditure and surplus

2001/02

The first decline in overall government revenues in four decades, combined with a rise in overall spending, resulted in significant shifts in the distribution of deficits and surpluses in the fiscal year 2001/02, according to new consolidated estimates of government finances.

Revenues earned by all levels of government fell 2.3% from 2000/01 to \$463.1 billion, the first decline since data were first compiled in 1961. At the same time, combined spending by all levels rose 1.9% to just over \$454.0 billion.

Surplus/deficit



The resulting surplus of just under \$9.1 billion was less than one-third the record surplus of \$28.2 billion in 2000/01. Deficits replaced surpluses in several provinces.

In 1992/93, governments collectively incurred a record total deficit of \$66.4 billion, according to consolidated results. In subsequent years, the deficit gradually declined, shifting to a \$14.7 billion surplus in 1999/2000. This level doubled in 2000/01.

Note to readers

The Financial Management System (FMS) is used to produce the government financial statistics presented in this release. FMS standardizes individual government accounts to provide consistent and comparable statistics. As a result, FMS statistics may differ from the figures published in individual government financial statements.

Consolidated government is the general term used to describe the consolidation of the federal government, the provincial and territorial governments, local governments and the Canada and Quebec pension plans. Consolidation serves to eliminate the transactions between the different components of government in order to avoid the double counting that would otherwise occur when statistics are produced covering more than one component or level of government. For example, without consolidation, federal transfers to the provinces and territories would be counted twice, once as federal expenditures, and again when the provincial and territorial governments spend those funds.

The consolidated and federal government debt charges for 2000/01 included \$870 million of interest paid on amounts owed as a result of the pay equity settlement to federal government employees. This fell to \$29 million in 2001/02.

Fiscal years end at March 31 for the federal, provincial and territorial governments; local governments operate on a calendar-year basis (December 31). For example, consolidated government figures for 2001/02 incorporate local governments' calendar-year data for 2001.

All the statistics in this release are in current dollars.

Oil, gas prices major factor in revenue declines

In 2001/02, revenues — and particularly royalties — declined because of a number of factors, including fluctuations over the past two years in oil and, more importantly, gas prices. These fluctuations were factors for the federal government and the oil- and gas-producing provinces, and they coincided with a widespread decline in corporate profits. A reduction in federal corporate tax rates further lowered revenues for the federal government.

In the provinces and territories (including local governments), revenues declined in four provinces and one territory, for a total decline of \$9.9 billion. Revenues increased in the remaining six provinces and two territories by an aggregate \$1.6 billion.

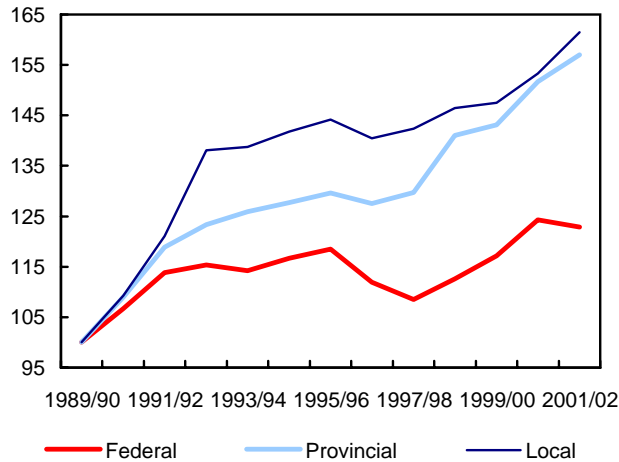
Only the federal government reduces total expenditures

Federal expenditures decreased \$2.2 billion (-1.2%) in 2001/02 from 2000/01, in contrast to the consolidated provincial, territorial and local government expenditures, which rose \$9.7 billion (+3.6%). This is

consistent with the trend observed over the past seven years. As of 2001/02, the federal government spent only \$6.5 billion (+3.6%) more than in 1995/96, while collectively, provincial, territorial and local expenditures stood \$45.7 billion (+19.4%) higher.

Trends in expenditures by level of government

Index (1989/90=100)



Health, social services and education drive expenditure increases

Provincial, territorial and local health and social services expenditures advanced 4.6% from 2000/01 and 30.5% from 1995/96. By 2001/02, they accounted for 41.8% of these governments' expenditures. Over the past seven years, health and social services spending growth has ranged from a low of -0.4% in 1996/97 to a high of 9.9% in 2000/01.

In light of population growth, the 30.5% increase in health and social services expenditures translated, on a per capita basis, into a growth rate of 23.5% from 1995/96.

Education costs grew as well, rising 5.2% from 2000/01 and 17.2% from 1995/96.

Expenditures on debt charges decline unevenly

Costs of supporting the debt declined for the federal, provincial, territorial and local governments in 2001/02, reflecting both declining interest rates and other influences. The cost of debt charges (interest on the debt) fell \$5.8 billion (-9.3%) to \$56.7 billion in 2001/02.

The federal government enjoyed almost three-quarters of this \$5.8 billion reduction; the major provincial beneficiaries were Ontario and Quebec.

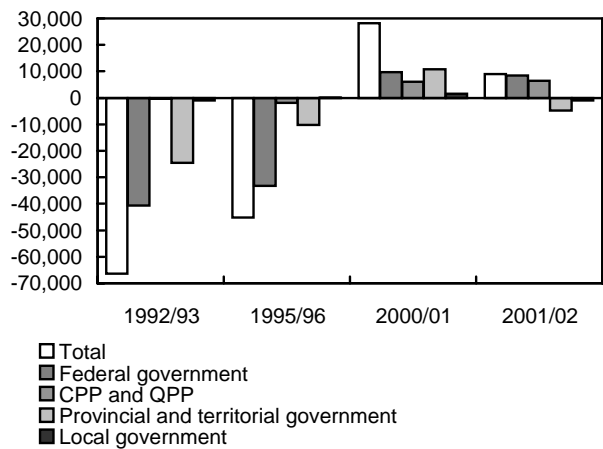
In 2001/02, debt charges for the federal government represented 15.3% of its total spending, down from 17.4% in 2000/01, and down substantially from the record high of 22.0% in 1990/91.

A return to deficit for some jurisdictions

While the federal government managed to remain in surplus, the provincial governments moved from a collective \$10.7 billion surplus to a \$4.8 billion deficit, a swing of \$15.5 billion from 2000/01.

Surplus/deficit by level of government

\$ millions



Nine of Canada's provincial and territorial governments recorded deficits in the 2001/02 fiscal year compared with only four in 2000/01.

Quebec registered the largest deficit at almost \$2.4 billion, followed by British Columbia at \$2.1 billion.

The largest shift in government finances over the last year occurred in Alberta, going from a surplus of just under \$7 billion to a deficit of almost \$1.6 billion. This was its largest deficit since 1993/94.

Among the four provinces and territories posting surpluses, Ontario's surplus accounted for 94.6% of the \$1.8 billion total.

Available on CANSIM: tables 183-0002 to 183-0004 and 385-0001 to 385-0009. (Tables will be available soon.)

Data are available through custom and special tabulations. For more information, or to enquire about the concepts, methods or data quality of

this release, contact Joanne Rice (613-951-0767;
joanne.rice@statcan.ca), Public Institutions Division.

Revenue, expenditures and surplus/deficit by level of government

	Revenue			Expenditures			Surplus/Deficit	
	2000/01	2001/02	2000/01 to 2001/02	2000/01	2001/02	2000/01 to 2001/02	2000/01	2001/02
	\$ millions		% change	\$ millions		% change	\$ millions	
Federal government	197,200	193,665	-1.8	187,511	185,311	-1.2	9,689	8,354
Provincial and territorial governments	236,702	229,128	-3.2	225,970	233,925	3.5	10,731	-4,797
Newfoundland and Labrador	4,443	4,672	5.2	4,505	4,802	6.6	-62	-130
Prince Edward Island	1,105	1,129	2.2	1,126	1,153	2.4	-21	-23
Nova Scotia	6,674	6,841	2.5	6,601	6,802	3.0	72	39
New Brunswick	5,709	5,945	4.1	5,889	5,994	1.8	-179	-49
Quebec	60,983	59,859	-1.8	60,080	62,246	3.6	903	-2,386
Ontario	77,160	78,342	1.5	76,066	76,682	0.8	1,093	1,660
Manitoba	9,316	9,333	0.2	8,998	9,303	3.4	317	30
Saskatchewan	8,614	7,704	-10.6	7,573	7,882	4.1	1,040	-178
Alberta	30,538	24,195	-20.8	23,564	25,784	9.4	6,973	-1,589
British Columbia	30,148	28,984	-3.9	29,628	31,123	5.0	519	-2,139
Yukon	581	572	-1.5	547	614	12.2	33	-42
Northwest Territories	1,003	1,111	10.8	939	1,086	15.7	64	25
Nunavut	762	792	3.9	788	805	2.2	-26	-13
Local governments	79,222	80,798	2.0	77,617	81,754	5.3	1,605	-956
Newfoundland and Labrador	937	928	-1.0	967	976	0.9	-30	-48
Prince Edward Island	206	209	1.4	197	200	1.7	9	8
Nova Scotia	1,710	1,670	-2.3	1,720	1,710	-0.5	-10	-41
New Brunswick	614	635	3.3	635	654	3.0	-21	-19
Quebec	17,841	17,232	-3.4	17,150	17,824	3.9	691	-591
Ontario	35,880	36,770	2.5	34,997	36,921	5.5	883	-152
Manitoba	2,571	2,599	1.1	2,500	2,540	1.6	71	59
Saskatchewan	2,234	2,307	3.3	2,254	2,348	4.2	-21	-41
Alberta	8,477	9,430	11.2	7,965	8,896	11.7	512	534
British Columbia	8,427	8,688	3.1	8,899	9,318	4.7	-472	-631
Yukon	51	49	-5.0	55	55	1.2	-4	-7
Northwest Territories	162	163	0.6	153	158	3.3	9	5
Nunavut	112	120	6.7	126	153	20.6	-14	-33
Canada and Quebec Pension Plans	32,163	33,799	5.1	25,998	27,329	5.1	6,164	6,470

Debt charges

	1995/96	2000/01	2001/02	1995/96 to 2001/02	2000/01 to 2001/02
	\$ millions			% change	
Federal government	36,211	32,614	28,354	-21.7	-13.1
Consolidated provincial, territorial and local governments	30,221	29,819	28,299	-6.4	-5.1
Newfoundland and Labrador	678	642	645	-4.9	0.5
Prince Edward Island	124	117	115	-7.3	-1.7
Nova Scotia	1,026	1,171	1,139	11.0	-2.7
New Brunswick	910	947	970	6.6	2.4
Quebec	7,294	7,599	7,198	-1.3	-5.3
Ontario	10,518	11,009	10,159	-3.4	-7.7
Manitoba	1,812	1,761	1,719	-5.1	-2.4
Saskatchewan	1,410	1,062	1,021	-27.6	-3.9
Alberta	2,856	1,970	1,733	-39.3	-12.0
British Columbia	3,580	3,492	3,551	-0.8	1.7
Yukon	5	3	3	-40.0	0.0
Northwest Territories	...	16	17	...	6.3
Nunavut	...	23	23	...	0.0

... Figures not appropriate or not applicable.

Health and social services expenditures

	1995/96	2000/01	2001/02	1995/96 to 2001/02	2000/01 to 2001/02
	\$ millions			% change	
Consolidated provincial, territorial and local governments	89,818	112,043	117,245	30.5	4.6
Newfoundland and Labrador	1,515	2,005	2,165	42.9	8.0
Prince Edward Island	264	416	443	67.8	6.5
Nova Scotia	2,400	2,878	2,950	22.9	2.5
New Brunswick	1,994	2,222	2,351	17.9	5.8
Quebec	25,147	30,473	31,848	26.6	4.5
Ontario	34,794	42,282	43,463	24.9	2.8
Manitoba	2,994	4,126	4,338	44.9	5.1
Saskatchewan	2,409	3,439	3,538	46.9	2.9
Alberta	6,202	9,089	10,207	64.6	12.3
British Columbia	11,826	14,734	15,510	31.2	5.3
Yukon	130	149	160	23.1	7.4
Northwest Territories	...	291	352	...	21.0
Nunavut	...	212	212	...	0.0

... Figures not appropriate or not applicable.

Distance to school and university participation

1995 to 1999

High school students who lived beyond commuting distance of a university were far less likely to attend university than those living within commuting distance, according to a new study. Commuting distance had a much greater negative impact on university access for students from families with lower income.

This study uses data from the Survey of Labour and Income Dynamics, obtained during the mid-1990s, to examine distance to school as a factor in university access. Students are classified as living within commuting distance if there is a university less than 40 kilometres away, and beyond commuting distance if the nearest university is more than 80 kilometres away.

Students raised in a family living near a university have the obvious cost-saving alternative of staying at home while attending classes locally. This avoids the costs of moving and living out of town. However, students who live beyond commuting distance do not have this option. Consequently, they may be less likely to attend university, especially if they are from a family with lower income.

According to the study, high school students living within commuting distance were almost twice as likely to pursue a university education as those living beyond commuting distance. This was the case, even after differences in family income, parental education, gender and province were taken into account.

Students from families with lower income hardest hit by distance

The study showed that the impact of distance on university participation hits students from families with lower income the hardest.

Commuting distance had a large negative impact on the likelihood that a student from a family in the lower income tier (the bottom one-third of the income distribution) would pursue a university education. However, it only had a small negative effect on students from families in the upper income tier, after accounting for differences in parental education, gender and province.

Among students from families in the lower income tier, those living within commuting distance were 4.4 times more likely to attend university than those living beyond commuting distance.

Note to readers

This release is based on a research paper that examines the effects of the distance between high school students and the nearest university on the likelihood that students will participate in university shortly after high school.

The results are based on the Survey of Labour and Income Dynamics. The analysis covered students who, from 1993 to 1997, were a minimum of two years away from possibly attending university. Their probability of attending university in the period 1995 to 1999 is reported in this study.

Distance to school is based on the postal code of a student's home while in high school, and the postal codes of universities and university colleges. The distance calculated refers to the straight-line distance between two points, and may correspond to a drive that is considerably longer.

In contrast, students from families in the upper income tier who lived within commuting distance were only 1.4 times as likely to attend university as their counterparts who lived beyond commuting distance.

Access gap between students from richer and poorer families much wider in outlying areas

Students from families with higher income were far more likely to attend university than those from families with lower income, especially if they lived beyond commuting distance from a university.

Among students living beyond commuting distance, those from families in the upper income tier were almost six times as likely to pursue a university education as students from families in the lower income tier, after accounting for differences in parental education, gender and province.

When living within commuting distance, students from families in the upper income tier were only about twice as likely to pursue university as those from families in the lower income tier.

Combined effect of lower family income and living beyond commuting distance is substantial

The combined effect of a lower family income and living beyond commuting distance was substantial, according to the study.

Only 3% of students from families in the lower income tier and living beyond commuting distance pursued a university education, but 27% of students from families in the upper income tier and living within commuting distance went to university. This was the case even after accounting for differences in parental education, gender and province.

One in five Canadians lives beyond commuting distance of a university

Of all Canadians, one in five lived beyond commuting distance of a university in 1996. This proportion varied substantially from one province to another.

About 52% of Saskatchewan residents and 42% of Newfoundland and Labrador residents lived beyond commuting distance.

Conversely, only 9% of Ontario residents, 13% of Nova Scotia residents and 14% of Prince Edward Island residents lived beyond commuting distance.

The research paper *Too far to go on? Distance to school and university participation*, no. 191 (11F0019MIE, free) is now available on Statistics Canada's Web site (www.statcan.ca). From the *Our products and services* page, choose *Research papers (free)*, then *Social conditions*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Marc Frenette (613-951-4228), Business and Labour Market Analysis Division. ■

OTHER RELEASES

Pipeline transportation of crude oil and refined petroleum products

January 2002

Net receipts of crude oil and equivalent hydrocarbons totalled 14 250 300 cubic metres in January, up 1.0% from January 2001. Net receipts of liquefied petroleum gases and refined petroleum products in January were 7 326 599 cubic metres, up 7.3% from January 2001.

Pipeline exports of crude oil totalled 6 120 998 cubic metres, down 2.1% from January 2001; pipeline imports totalled 1 779 782 cubic metres, down 21.0%.

January deliveries of crude oil by pipeline to Canadian refineries totalled 6 240 882 cubic metres, up 0.3% from January 2001. January deliveries of liquefied petroleum gases and refined petroleum products fell 56.2% to 231 825 cubic metres.

Available on CANSIM: tables 133-0001 to 133-0005.

The January 2002 issue of *Pipeline transportation of crude oil and refined petroleum products*, Vol. 52, no. 1 (55-001-XIB, \$9/\$86) is now available. See *How to order products*.

For general information or to order data, contact the dissemination officer (1-866-873-8789; 613-951-9497; energ@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Gerry

Desjardins (613-951-4368; desjger@statcan.ca), Manufacturing, Construction and Energy Division. ■

Architectural services

2000

Revenues earned by architects climbed 21% in 2000 to reach \$1.4 billion. The increase was fuelled by the near-record expansion of construction intentions in the residential and non-residential sectors in 2000.

Ontario accounted for more than half of architectural revenue growth in 2000, with an increase of \$134 million.

Institutional projects, primarily for health and education, accounted for nearly 40% of fees earned in 2000. Commercial projects, led by office buildings and retail facilities, generated one-third of total fee income. Fees from residential housing projects contributed less than 15%.

The industry's before-tax profit margin was 15.8% in 2000, relatively unchanged from 1999.

Available on CANSIM: table 360-0004.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Randy Smadella (613-951-3472; randy.smadella@statcan.ca), Service Industries Division. ■

NEW PRODUCTS

Too far to go on? Distance to school and university participation, no. 191
Catalogue number 11F0019MIE2002191
(free).

Monthly Survey of Manufacturing, April 2002, Vol. 56, no. 4
Catalogue number 31-001-XIB (\$15/\$147).

Pipeline transportation of crude oil and refined petroleum products, January 2002, Vol. 52, no. 1
Catalogue number 55-001-XIB (\$9/\$86).

Broadcasting and telecommunications, June 2002, Vol. 32, no. 1
Catalogue number 56-001-XIE (\$10/\$32).

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Statistics Canada

Thursday, June 6, 1997
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MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1995, each Canadian took an average of about 4.5 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4
Growth in productivity among Canadian businesses was relatively weak again in 1995, accompanied by sluggish gains in employment and slow economic growth during the year.

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