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Committee
Washington, D.C.

**Best Practices for Defining the
Public Sector in Canada**

Prepared by Philippe Samborski

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Government Finance Statistics Advisory Committee (IMF)

Best Practices for Defining the Public Sector in
Canada

September 2019

Delivering insight through data, for a better Canada



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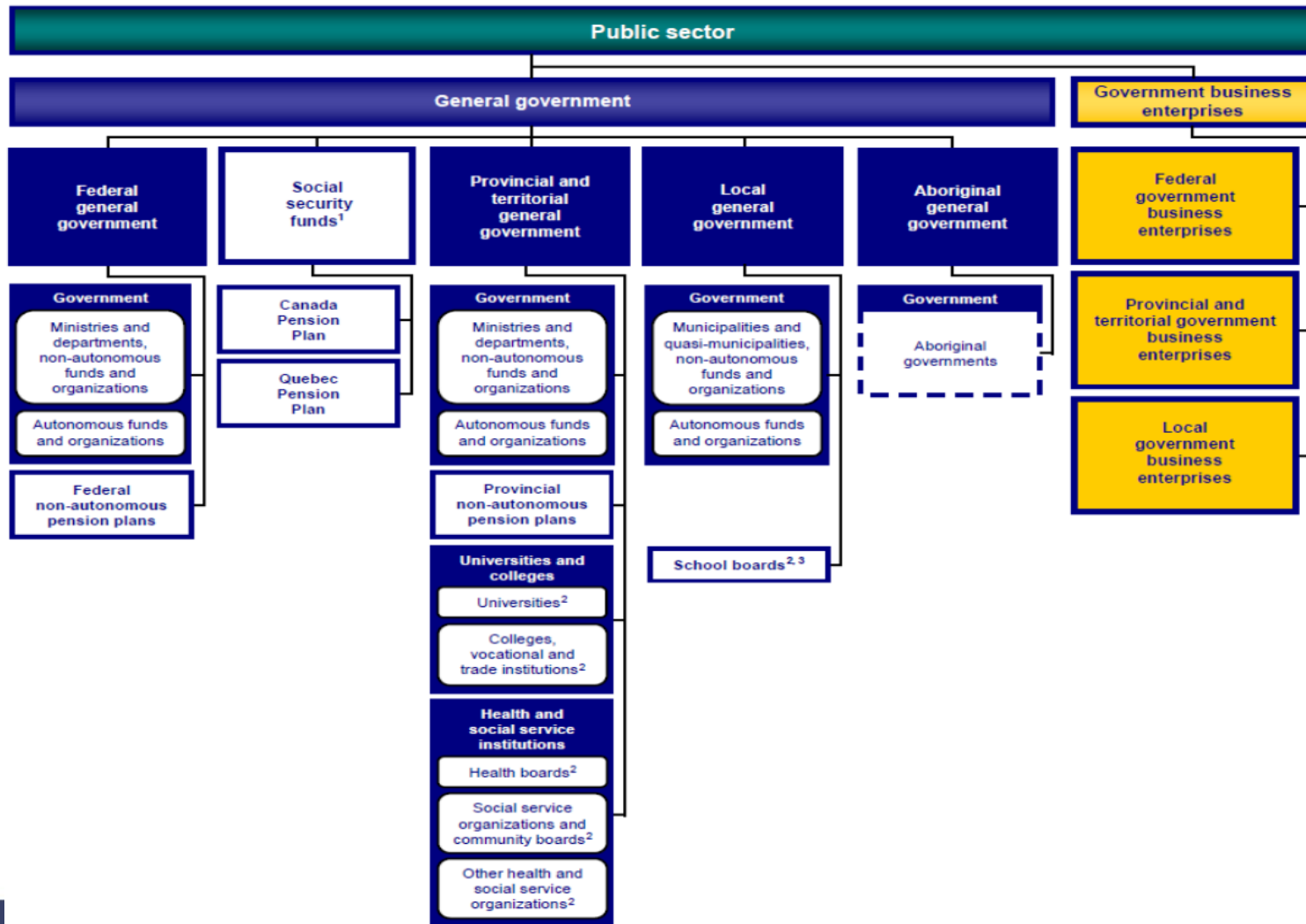
Introduction

- Strong compilation and dissemination practices ensure the overall **quality** of fiscal reporting
 - Supports fiscal transparency and sound policies
- Data should be **comprehensive, reliable, accessible, coherent, and intelligible**
- Institutional units are the building blocks of macroeconomic statistics



- Typically, institutional and instrument **coverage** have the greatest impact on data quality.

GFS Institutional Units: Canada's Public Sector and its Subsectors



Canada's Public Sector Financial Overview (2017)

% of GDP	Federal (Central)	Provincial and Territorial (State)	Local Government	Social Security	Consolidation	General	Public Corporations	Consolidation	Public Sector
	Government	Government		Funds		Government			
	(CG)	(SG)		(SSF)		(CGG)			
	(A)	(B)		(D)		(F)=A+B+C+D+E			
	(C)	(E)	(G)	(H)	(I)=F+G+H				
Transactions									
Revenue	14.7	21.4	8.2	3.4	-7.9	39.8	6.6	-2.3	44.0
Expense	15.0	22.3	7.3	2.9	-7.9	39.7	6.7	-2.3	44.1
Net operating balance	-0.3	-0.9	0.8	0.5	0.0	0.0	-0.1	0.0	-0.1
Stocks									
Assets	23.4	53.6	25.1	23.7	-8.5	117.4	46.6	-26.6	137.3
Nonfinancial	3.5	24.4	19.1	0.0	0.0	47.0	11.0	0.0	58.0
Financial	19.9	29.1	6.0	23.7	-8.5	70.4	35.6	-26.6	79.4
Liabilities	48.5	52.3	7.5	3.4	-8.5	103.3	45.2	-26.6	121.9
Net financial worth	-28.6	-23.1	-1.5	20.3	0.0	-32.9	-9.6	0.0	-42.5
Net worth	-25.2	1.3	17.6	20.3	0.0	14.1	1.4	0.0	15.5
Number of units	65	1172	4858	3		6098	358		6456

Source: Statistics Canada, Tables 36-10-0222-01 (GDP), 10-10-0016-01 (CG), 10-10-0017-01 (SG), 10-10-0020-01 (LG), 10-10-0022-01 (SSF), 10-10-0147-01 (CGG), 10-10-0023-01 (GBEs)

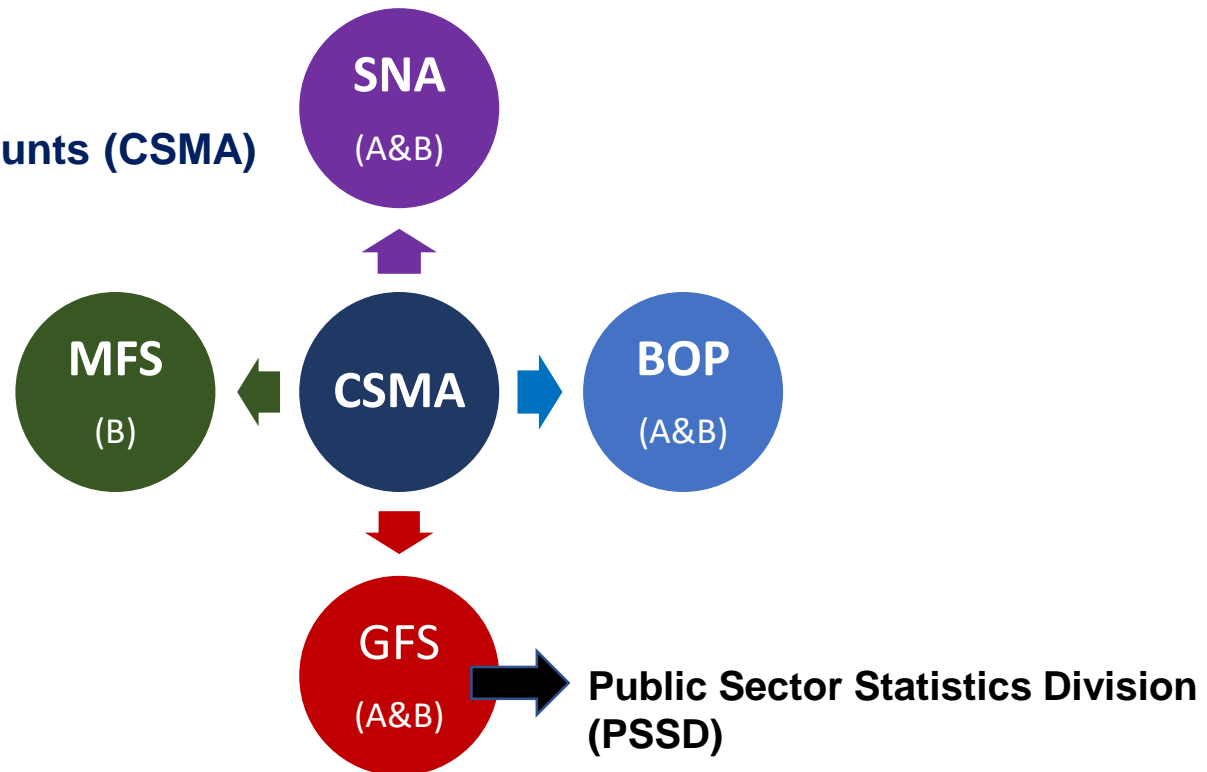
Best Practices – Introduction (1/2)

- The Canadian public sector produces a large number of fiscal reports that **lack standardization**
- Source data is based on organizational structures and reporting practices of individual entities
 - **Lack of consistency and uniformity** across jurisdictions, and over time
 - Affect the comparability of data and complicate the analysis of **fiscal policy**
- GFS in Canada is a **legislated input** for the administration of the Fiscal Arrangement Act
 - GFS estimates, and the sector classification of public sector units are closely **scrutinized** by data users

Best Practices – Introduction (2/2)

- **Statistics Canada** is mandated to compile/disseminate data for the core macroeconomic statistical frameworks:

Canadian System of Macroeconomic Accounts (CSMA)





Best Practices - Institutional Arrangements and Legal Framework

Canada has a strong and well-organized institutional setting to support and develop the compilation of comprehensive GFS

- **PSSD has been the central GFS compiler** for more than **50 years**
- Compilation of core macroeconomic statistics grouped under the **same direction** at Statistics Canada (CSMA)
 - **Activities covered and supported by the *Statistics Act***
- Significant efforts have been made to improve the **integration and the harmonization of government data within the CSMA**
 - Concepts, classifications, methodologies, systems
 - **Close collaboration among GFS, SNA, BOP, and MFS compilers**



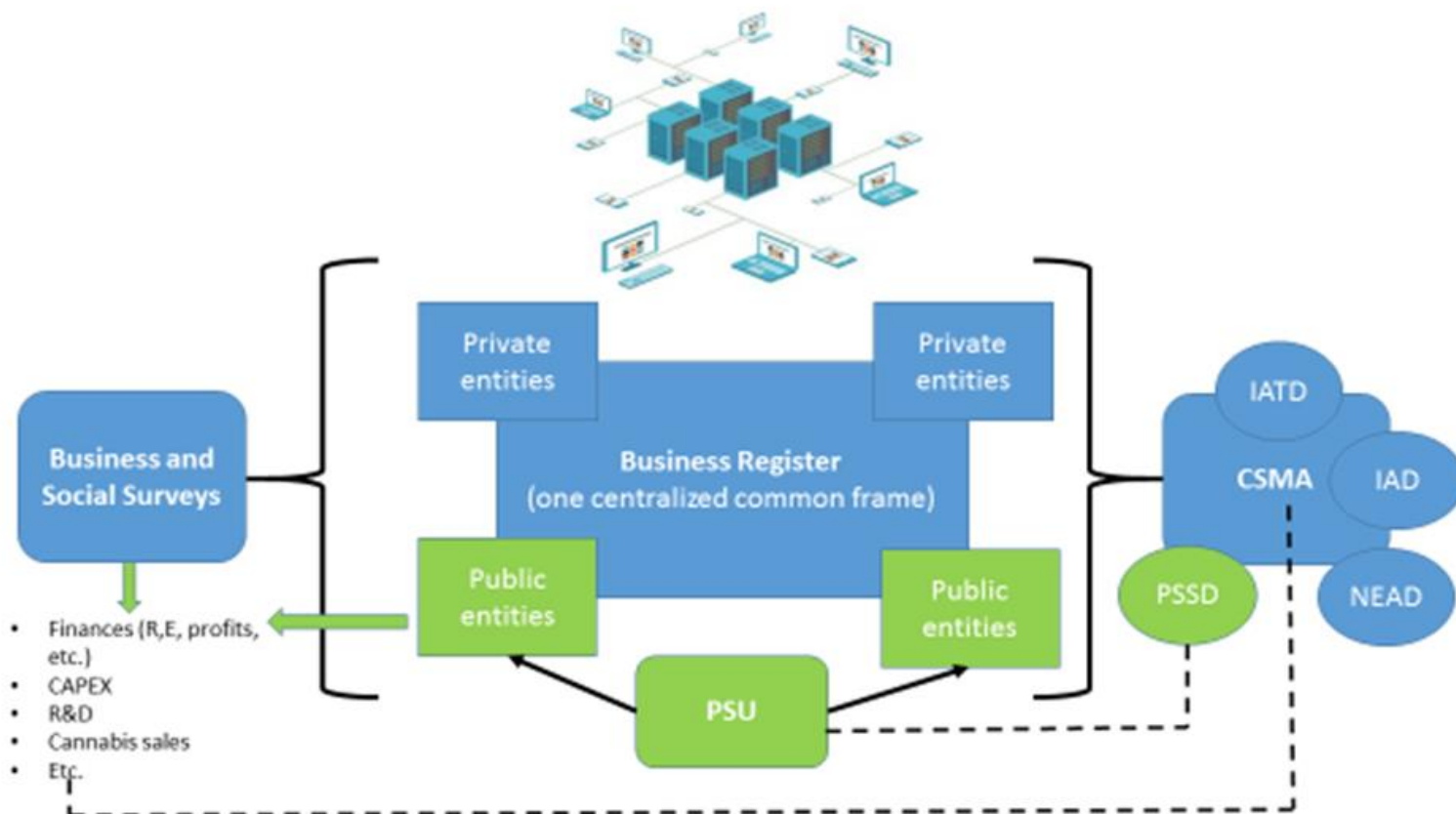
Best practices – Resources and Operations (1/2)

- Team in the CSNA dedicated to updating, maintaining, classifying, and disseminating the public sector universe (PSU), the register of public sector units
 - Frame specialists (gatekeepers) and advisors hosted in PSSD
 - All entities in the PSU reviewed through a classification process based on:
 - i. Residence
 - ii. Institutional unit test
 - iii. Control
 - iv. Market vs non market producer
- All public sector entities' **classification decisions are documented in a standardized template**
 - Also provides useful information for other statistical programs
 - Important metadata on the methodology used for the PSU

Best practices – Resources and Operations (2/2)

- PSU is the **one-stop shop for the official list of all public sector entities**
 - Maintain up-to-date public sector institutional coverage in:
 - **KEYNES**: GFS compilation system in Canada
 - **BRS**: Business Register System, the central repository for all businesses
- The integrated BRS and PSU establishes a **centralized common frame for surveys and administrative data**
 - Feeds the compilation of the main CSMA aggregates
 - Improves the overall data consistency
 - Example: GFCF in the CSMA

The PSU and the BRS



Best Practices – Dissemination

As part of best dissemination practices, GFS statistics should be accompanied with relevant metadata that is:

- **Accessible** to all data users
- **Disseminated** at regular intervals

For the **institutional coverage and sectorization** of public sector units, PSSD disseminates the following information:

- The **PSU list of entities**
 - Including an **advanced release to key stakeholders**
- Sectorization principles and methodology about the GFS program housed in Statistics Canada's **Integrated Metadatabase (IMDB)**
- **Overview of the Canadian GFS**, in the CSMA publication *Latest Developments in the Canadian Economic Accounts*
- Canada's National Summary Data Page (NSDP for SDDS+)

The Canadian PSU 'to the World'

Public Sector Universe, 2017

Release date: November 20, 2018

Filters

Public sector components

Federal Government ✕

Province

Select ✕

NAICS

Select ✕

Year

Select ✕

✕ Reset filters

Institutional Unit list

✕ Copy

Institutional Unit Name:

✕ Clear

Showing 1 to 20 of 65 entries

Atlantic Pilotage Authority
 Atomic Energy of Canada Limited
 Blue Water Bridge Authority
 Canada Council for The Arts
 Canada Deposit Insurance Corporation
 Canada Employment Insurance Financing Board
 Canada Foundation for Innovation
 Canada Foundation for Sustainable Development Technology
 Canada Health Infoway
 Canada Media Fund
 Canada Millennium Scholarship Foundation
 Canadian Agency for Drugs and Technologies in Health
 Canadian Agri-Food Policy Institute
 Canadian Air Transport Security Authority
 Canadian Broadcasting Corporation
 Canadian Commercial Corporation

📄 About the PSU

? How to use

i More information

Institutional Unit details

🖨️ Print

✕ Copy

Institutional Unit Name

English Canada Deposit Insurance Corporation

French Société d'assurance-dépôts du Canada

Public Sector Universe

First year in 2008

Last year in

Province

Ontario

SGC

Ottawa

Public sector components

Federal Government

NAICS

524129 - Other Direct Insurance (except Life, Health and Medical) Carriers

Comments

Summary of Best Practices

Summary of Best Practices in Canada: Coverage and Sectorization of the Public Sector

Institutional arrangements and legal framework

- GFS compilation is covered and supported by the *Statistics Act*
- PSSD is the central compiler of GFS
- GFS compilation is integrated with the other macroeconomic statistical systems (CSMA)
- Close collaboration among the GFS, SNA, BOP, and MFS compilers

Resources and operations

- Team of experts dedicated to the classification and sectorization of public sector entities
- All public sector entities reviewed through a systematic classification process harmonized with the *2008 SNA/GFSM 2014* (residence, institutional unit, control, market vs nonmarket producer)
- All classification decisions documented in a standardized template
- One list of public sector entities (PSU) maintained by PSSD and used for all statistical programs
- PSU and BRS integrated as one centralized common frame for surveys and administrative data

Dissemination and other

- PSU released to the general public and updated annually
- Advanced release of the PSU to the main GFS stakeholders
- Classification and sectorization principles and methodology available in metadata
- Collaboration and consultation with the international community of GFS compilers/users

Considerations and Discussion Questions

- Other **best practices** to recommend for coverage and sectorization?
- Can these practices be implemented in other countries?
 - **Main challenges?**
- How can we encourage **greater** inter-agency **collaboration** in countries and amongst GFS compilers on the coverage, sectorization of units and other related GFS issues?
 - **Improve data quality and comparability**