

# 2011, SUMMARY OF EXPLORING SOUTHEAST ALBERTA INDUSTRY



9/27/2013

Regional Analysis of Southern Alberta Industry, 2011

This report contains information on the newly released community data for Southeast Alberta. Information provided is only provided under a summary capacity. The final version of the Exploring Southeast Alberta Industry will be made available by the end of the 2013 year.

# 2011, Summary of Exploring Southeast Alberta Industry

## REGIONAL ANALYSIS OF SOUTHERN ALBERTA INDUSTRY, 2011

### LETTER TO THE READER

This document is formatted using similar methodologies produced for the 2006 Report on Exploring Southeast Alberta Industry. This document provides a statistical and analytical summary of industry as a means to assess and understand the importance of industry within Southeast Alberta and Particularly, the local Newell economy. It is important to realize that this document has been created to suit the needs of the Newell Regional Economic Development Initiative (NREDI) first and foremost utilizing a statistical methodology as a means of providing a broader understanding of the region on an “As Presented Basis”. Due to the nature of the data and limitations on collecting current data from a municipal level, this assessment is based on an “Economic Snapshot” that details the economic relevance and significance at the time of statistical collection (for this report, using Federal Census Data from the 2011 National Household Survey).

NREDI takes no responsibility for the use of the numbers presented in this report, and those using the numbers in this report shall hold NREDI harmless for any damages incurred while using these numbers in either a planning or development capacity. These numbers represent a best scenario analysis of industry using quality statistics as the means of rationalization. The effects of using aggregates as a means to estimate productivity suggests caution when using these numbers for purposes other than general information.

NREDI will provide a summary of the 2011 Summary of Exploring Southeast Alberta Industry report to interested stakeholders and groups. NREDI will collaboratively work with others who would choose to work with our department in creating a better statistical process. We extend this invitation to local government and to the Province of Alberta if such stakeholders are interested.

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## DEFINITIONS

**Annual Total Employment Payable** – The total value of all employees working in the industry of analysis in provincial, regional, or community information

**Estimated Industry Revenues** – The summation of all identified NAICS industry revenue categories of analysis in provincial, regional, or community information

**Inclusive Regions** – All communities (i.e. Rural, Hamlet, Village, Town, City) within a set of identified municipal boundaries

**Industry Leader** – An identified community or region with greater than Alberta Average industry operations as compared to other regions around South East Alberta

**Industry Revenue per Capita** – A standardized analysis of all industry revenues as compared to provincial, regional or local populations

**Industry Revenue per Labourer** – An analysis of total industry revenues as compared to provincial, regional, or local employment participation rates

**NAICS** – North American Industry Classification System

**NREDI** – Newell Regional Economic Development Initiative

**ROE** – Return on Economy

- Defined as the multiplying effect of labour where the value of a workers employment creates value to the economy. Measured by Total Industry Revenues and Total Employment Payable. This is a labour assessment ONLY. This metric does not account for productivity or INPUT costs but provides insight into potential input availability to the region of operations

**ROP** – Return on Production

- Defined as the measure of industry productivity. This measure can also be used as a preliminary measure of Value Added or Vertical Industry analysis. Measured by Total Industry Revenues and Total Labour Force Participation in a province, region, or community.

**Total Value of Industry Revenues Productivity** – The total percentage value of that particular industry to the inclusive region of the NAICS analysis

*The Report on Southeast Alberta is an exploratory analysis of conducting scenario based investigation. Terms and concepts are based in theoretical implications in order to provide insightful applied statistics for regional assessment.*

*With the new methodology of the regional assessment, some concepts required a new approach to analysis. It is the recommendation of the authors of this report that questions first be directed back to this definitions sheet. If more explanation is required, a text block will be located next to the information in the report. This will allow the reader to fully understand the concept or definition that is currently taking place in the report.*

*For more information about individual questions in the report, or about the calculations found inside the report, please use the contact information found in the Letter to the reader, or in the author's bio section located at the end of this report.*

## PURPOSE

The *Exploring Southeast Alberta Industry* report is designed to provide comparative information about the economic valuation of local and regional industry on three different appraisals of information:

- Provincial analysis of all NAICS industry revenues
- Inclusive regional analysis with NAICS industry revenue and return comparisons
- Local community analysis of revenues and returns<sup>1</sup>

The intended purpose of this report is to provide an economic snapshot of Southeast Alberta in the year of its measurement. Identifying local industry strengths and weaknesses, as determined through labour estimates and industry revenues, gives municipalities the opportunity to compare their key industries to other municipalities or regions of similar size. The purpose is to create discussion potential regarding a region or community's current status, and possible future directions for potential development. The report explores how the Region of Newell and its individual municipalities compare to provincial data, as well as other regions and municipalities within the Southeast Alberta Economy.

## LIMITATIONS

This analysis is dependent upon information from Statistics Canada. Apparent in the collection issues of Statistics Canada, are the miss-reporting of smaller communities like villages where data consistency errors have been locally identified<sup>2</sup>. This has been identified by the comparison of data through the Newell Regional Economic Development Initiative's Business Database System. Statistics Canada Community Profiles show a significant difference in labour force participation rates, along with differences in municipal and Statistics Canada census population numbers. These differences can have significant effects on the outcomes of the regional/community placement in regards to other regions. Data consistency is a significant factor which has to be addressed for current analytical assessment.

Another limitation is the use of aggregates to estimate the earned revenues of a region or community. Without smaller collections of information from Canada Revenue Agency (CRA), it will be impossible to determine the industry surplus/deficit for the area/community. As a means of creating a tool for policy making, aggregate assessments of industry from the province have been considered normally distributed to ensure that data quality is not compromised regardless of region. This will continue to provide added benefits to the local identification of regional strengths and weaknesses.

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<sup>1</sup> Due to data limitations on the Statistics Canada 2011 National Household Survey, Data is limited to much larger community centers or to Census Agglomerated regions.

<sup>2</sup> Data errors have been identified by local mayors and industry leaders as being misreported. This data consistency error could be the result as too few industry operators where statistics could identify business activities and could not be reported according to FOIP.

## PART A - PROVINCIAL ANALYSIS

## 2011 Provincial Industry Revenue and Labour

NAICS Codes	Total Revenues	Total Labour
11 - Agriculture, Forestry, Fishing and Hunting	\$ 13,567,861,287.00	59,840
21 - Mining, Quarrying, and Oil and Gas Extraction	\$ 120,119,349,049.00	119,065
22 - Utilities	\$ 64,114,916,496.00	15,003
23 - Construction	\$ 56,065,908,033.00	167,221
31-33 - Manufacturing	\$ 83,248,934,348.00	132,036
41 - Wholesale Trade	\$ 198,950,261,945.00	90,638
44-45 - Retail Trade	\$ 66,825,079,699.00	235,491
48-49 - Transportation and Warehousing	\$ 32,319,695,366.00	86,513
51 - Information and Cultural Industries	\$ 12,661,364,610.00	31,179
52 - Finance and Insurance	\$ 43,150,289,444.00	59,321
53 - Real Estate and Rental and Leasing	\$ 15,023,154,668.00	37,180
54 - Professional, Scientific and Technical Services	\$ 27,691,337,244.00	117,640
55 - Management of Companies and Enterprises	\$ 10,406,159,046.00	20,380
56 - Administrative and Support, Waste Management and Remediation Services	\$ 12,220,269,421.00	79,673
61 - Educational Services	\$ 2,322,185,246.00	132,920
62 - Health Care and Social Assistance	\$ 11,511,971,877.00	163,588
71 - Arts, Entertainment and Recreation	\$ 4,045,314,354.00	28,925
72 - Accommodation and Food Services	\$ 9,834,736,646.00	147,071
81 - Other Services (except Public Administration)	\$ 11,231,782,041.00	75,587
91 - Public Administration	\$ 27,245,419,512.00	102,560
<b>Total</b>	<b>\$ 822,555,990,332.00</b>	<b>1,901,831</b>

## 2011 Provincial Industry Return on Production and Return on Economy

NAICS Codes	Return on Production	Return on Economy
11 - Agriculture, Forestry, Fishing and Hunting	0.52	\$3.02
21 - Mining, Quarrying, and Oil and Gas Extraction	2.33	\$10.32
22 - Utilities	9.88	\$47.94
23 - Construction	0.78	\$4.84
31-33 - Manufacturing	1.46	\$10.42
41 - Wholesale Trade	5.08	\$33.87
44-45 - Retail Trade	0.66	\$9.79
48-49 - Transportation and Warehousing	0.86	\$6.51
51 - Information and Cultural Industries	0.94	\$7.22
52 - Finance and Insurance	1.68	\$12.33
53 - Real Estate and Rental and Leasing	0.93	\$7.68
54 - Professional, Scientific and Technical Services	0.54	\$3.32
55 - Management of Companies and Enterprises	1.18	\$5.65
56 - Administrative and Support, Waste Management and Remediation Services	0.35	\$3.23
61 - Educational Services	0.04	\$0.34
62 - Health Care and Social Assistance	0.16	\$1.57
71 - Arts, Entertainment and Recreation	0.32	\$4.80
72 - Accommodation and Food Services	0.15	\$3.15
81 - Other Services (except Public Administration)	0.34	\$3.45
91 - Public Administration	0.61	\$4.37
<b>Industry Aggregates</b>		<b>\$7.39</b>
<b>Total</b>		

Please See Appendix A-1 and A-2 for a detailed change between 2011 and 2006 Industry Revenues and Labour

## PART B – INCLUSIVE COMMUNITY ANALYSIS BY TOTAL REVENUES GENERATED

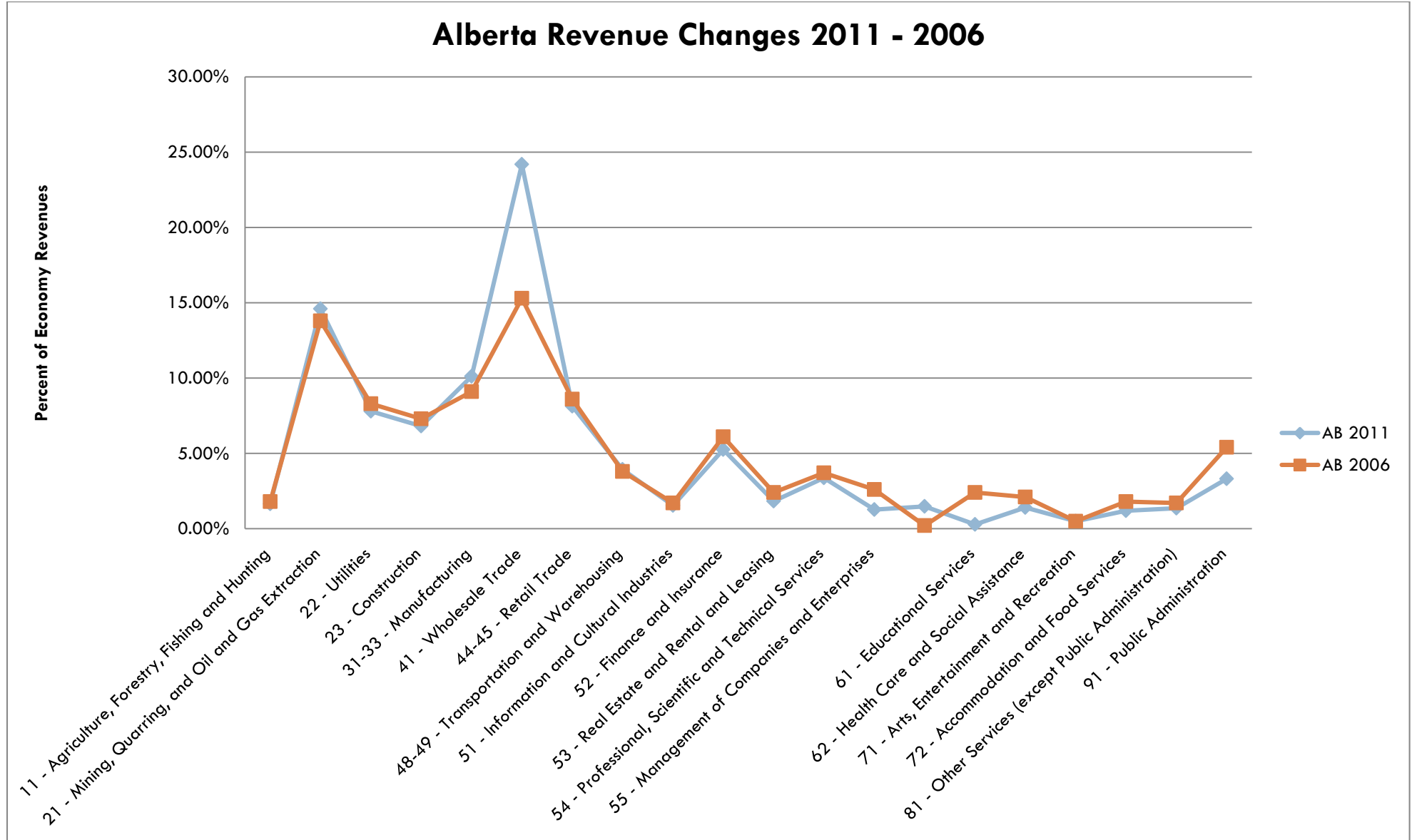
Region	Estimated Revenues	Population	Community Workforce	Industry Revenues / Capita	Industry Revenues / Worker
Division 1	\$14,785,788,840	83,143	39,295	\$177,835	\$376,276
Division 2	\$31,410,860,666	160,434	80,200	\$195,786	\$391,656
Division 4	\$2,797,046,593	10,560	5,505	\$264,871	\$508,092
Division 5	\$11,071,845,733	55,914	26,095	\$198,015	\$424,289
<b>Average SE Alberta Revenue/ Capita</b>	<b>\$60,065,541,833</b>	<b>310,051</b>	<b>151095</b>	<b>\$193,727</b>	<b>\$397,534</b>
Brooks	\$4,070,251,131	13,325	8,065	\$305,459	\$504,680
Calgary	\$284,630,894,890	1,082,235	646,455	\$263,002	\$440,294
Edmonton	\$190,471,428,207	795,675	473,185	\$239,383	\$402,530
Lethbridge	\$15,969,629,055	81,390	47,385	\$196,211	\$337,018
Medicine Hat	\$12,178,401,806	58,640	32,285	\$207,680	\$377,215
Red Deer	\$22,382,678,811	88,735	52,470	\$252,241	\$426,580
Strathmore	\$3,277,911,007	12,165	6,870	\$269,454	\$477,134
<b>Alberta</b>	<b>\$822,555,990,332</b>	<b>3,567,980</b>	<b>1,901,831</b>	<b>\$230,538</b>	<b>\$432,507</b>

Community/ Region	Return on Economy
City of Brooks	8.61
City of Calgary	7.91
City of Edmonton	7.71
City of Lethbridge	6.74
City of Medicine Hat	7.06
City of Red Deer	7.93
Town of Strathmore	8.67
Alberta Division #1	6.88
Alberta Division #2	7.25
Alberta Division #4	7.92
Alberta Division #5	7.34
<b>Province of Alberta</b>	<b>7.39</b>

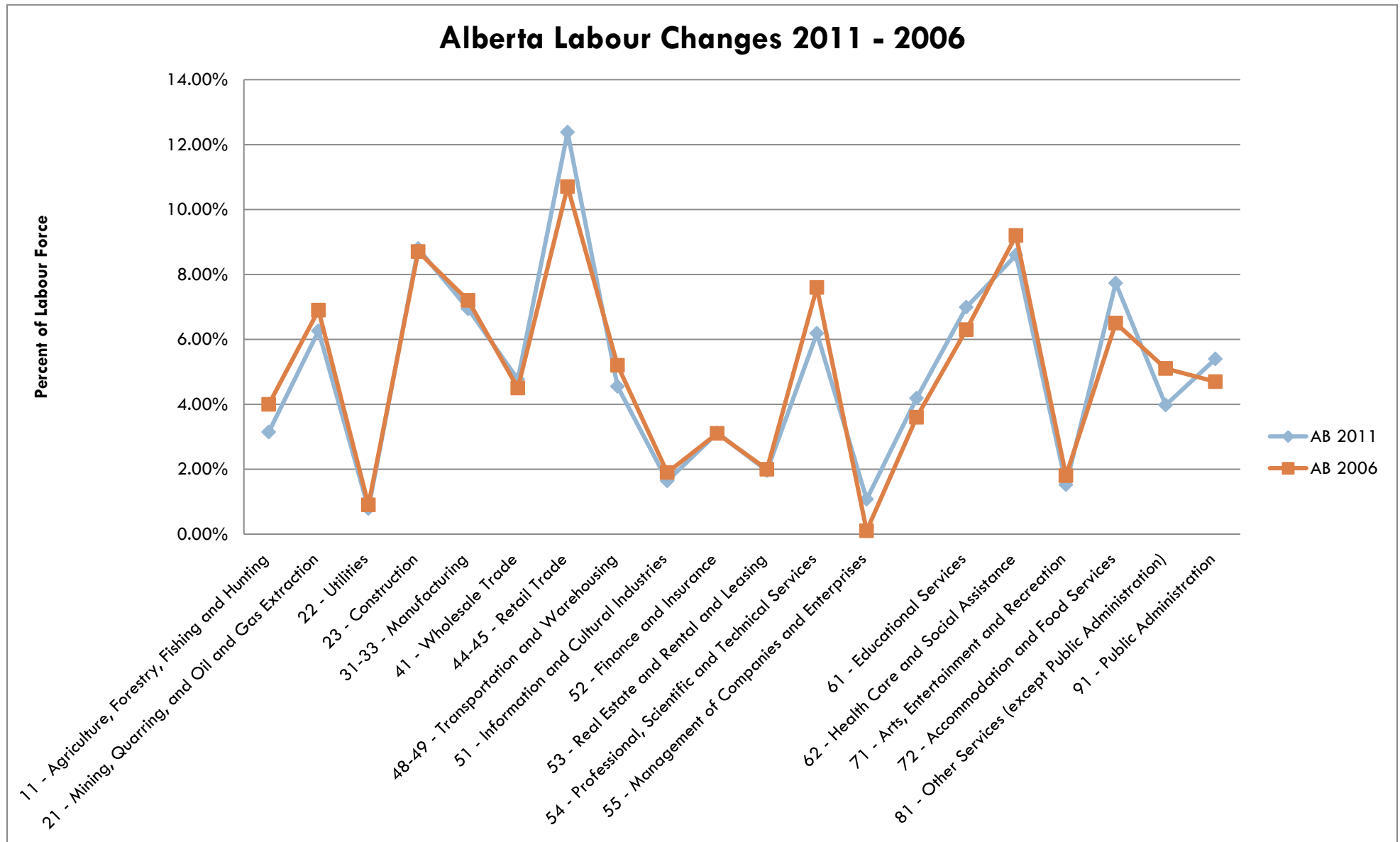


# APPENDIX A

## Alberta Revenue Changes 2011-2006



Alberta Labour Changes 2011-2006



APPENDIX B

Alberta Top Industry Comparisons

<b>Alberta Top 5 Industry Comparisons</b>	<b>2011 \$ (Billions)</b>	<b>2006 \$ (Billions)</b>
41 - Wholesale Trade	\$199.00	\$72.78
21 - Mining, Quarrying, and Oil and Gas Extraction	\$120.12	\$65.39
31-33 - Manufacturing	\$83.25	\$43.05
44-45 - Retail Trade	\$66.83	\$40.96
22 - Utilities	\$64.11	\$39.59
All Alberta Industry	\$822.56	\$474.32
48-49 - Transportation and Warehousing	\$32.32	\$17.98

Alberta Top 5 Industry Comparisons	2011 ROE	2006 ROE
41 - Wholesale Trade	\$33.87	\$17.08
21 - Mining, Quarrying, and Oil and Gas Extraction	\$10.32	\$6.96
31-33 - Manufacturing	\$10.42	\$6.38
44-45 - Retail Trade	\$9.79	\$8.12
22 - Utilities	\$47.94	\$32.61
All Alberta Industry	\$7.39	\$5.95
48-49 - Transportation and Warehousing	\$6.51	\$4.08

APPENDIX C

Alberta Census Divisions Communities

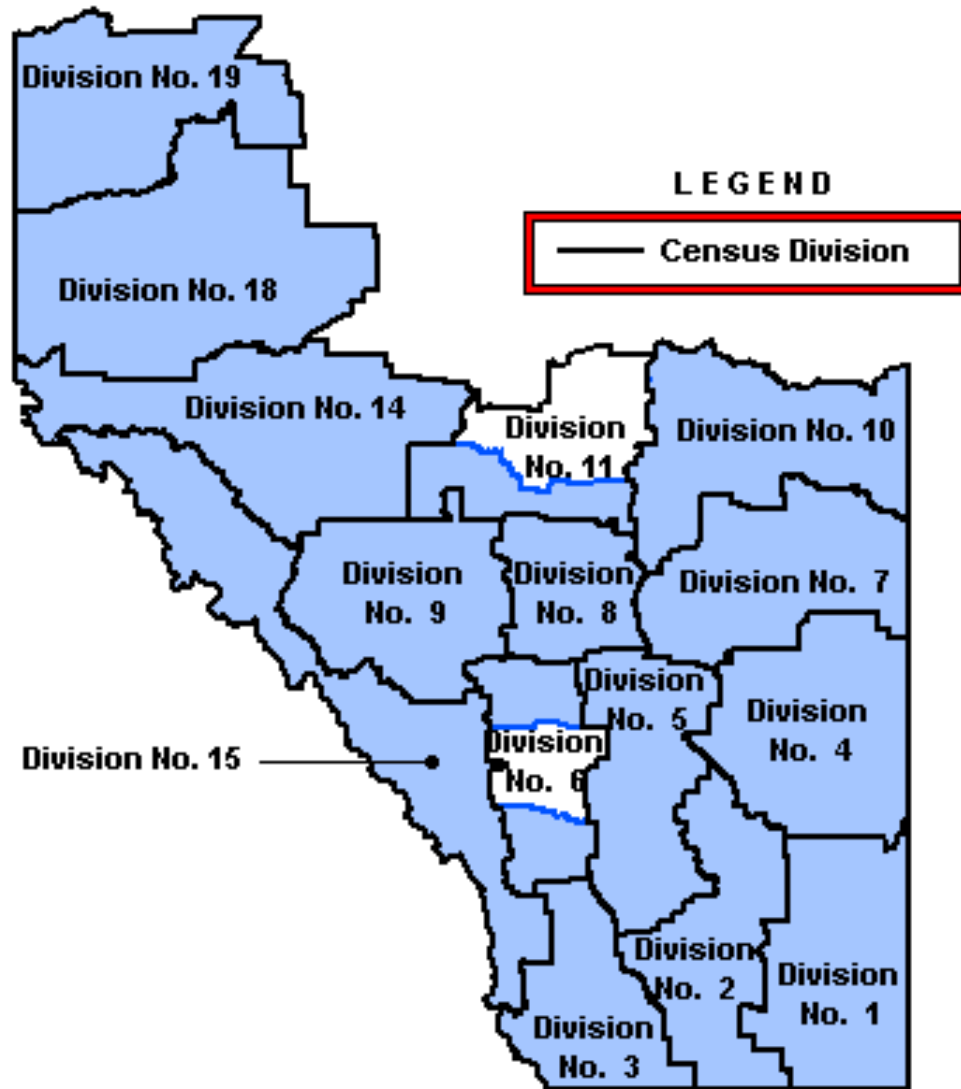
<u>Division 2</u>	<u>Division 2</u>	<u>Division 4</u>	<u>Division 5</u>
<p><b>Cities:</b> Medicine Hat</p> <p><b>Towns:</b> Bow Island Redcliff</p> <p><b>Villages:</b> Foremost</p> <p><b>Municipal Districts:</b> Cypress County County of Forty Mile</p>	<p><b>Cities:</b> Lethbridge Brooks</p> <p><b>Towns:</b> Bassano Coaldale Coalhurst Milk River Picture Butte Raymond Taber Vauxhall</p> <p><b>Villages:</b> Barnwell Barons Coutts Duchess Nobleford Rosemary Stirling Warner</p> <p><b>Municipal Districts:</b> County of Lethbridge County of Newell Municipal District of Taber County of Warner</p>	<p><b>Towns:</b> Hanna Oyen</p> <p><b>Villages:</b> Cereal Consort Empress Veteran Youngstown</p> <p><b>Municipal Districts:</b> Municipal District of Acadia</p> <p><b>Special Areas:</b> Special Area No. 2 Special Areas No. 3 Special Areas No. 4</p>	<p><b>Towns:</b> Drumheller Strathmore Three Hills Trochu Vulcan</p> <p><b>Villages:</b> Acme Arrowwood Carbon Carmangay Champion Della Hussar Linden Lomond Milo Morrin Munson Rockyford Standard</p> <p><b>Municipal Districts:</b> Kneehill County Starland County Vulcan County Wheatland County</p> <p><b>First Nations:</b> Siksika</p>

## Map of Alberta Census Divisions

This report considers Divisions:

- Division No. 1
- Division No. 2
- Division No. 4
- Division No. 5

Located in the Southeast of the province, as the metric for benchmarking Southeast Alberta Industry.



## APPENDIX D

### Community Profiles

The community profiles for the Region of Newell can be found below.  
The Region of Newell contains:

**Cities:**

Brooks

**Towns:**

Bassano

**Villages:**

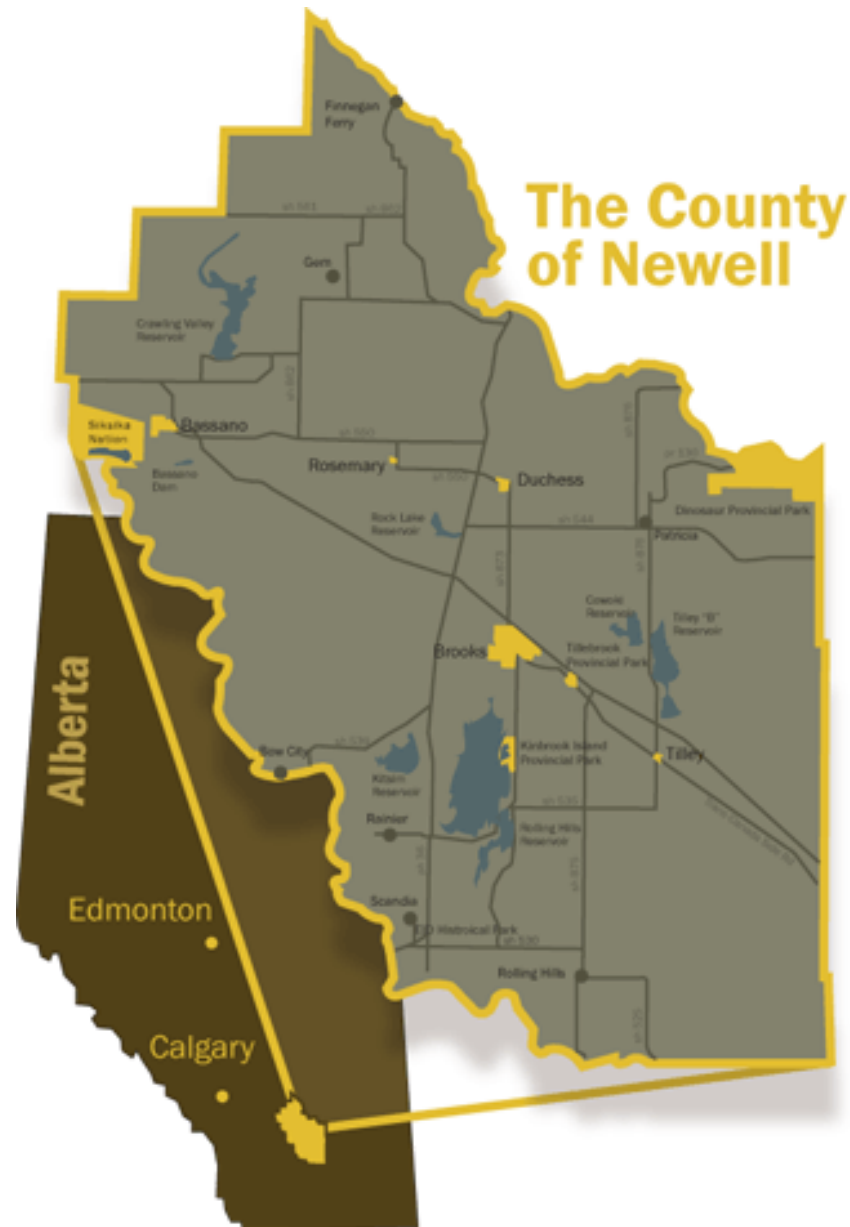
Duchess

Rosemary

**Municipal Districts:**

County of Newell

Due to the data limitations present in Statistics Canada information, data is only available by the City of Brooks, and by Census Agglomerations. Information can be found below.



## CITY OF BROOKS

## NAICS Codes

	Total Estimated Revenues	Total Labour	Annual Total Employment Payable	Return on Production	Return on Economy
<b>11 - Agriculture, Forestry, Fishing and Hunting</b>	\$ 27,208,277.98	120	\$ 8,993,088.00	0.45	3.02
<b>21 - Mining, Quarrying, and Oil and Gas Extraction</b>	\$ 1,346,821,744.26	1,335	\$ 149,974,968.00	2.00	10.32
<b>22 – Utilities</b>	\$ 149,571,557.51	35	\$ 3,648,736.00	8.47	47.94
<b>23 - Construction</b>	\$ 132,435,720.83	395	\$ 33,406,256.00	0.66	4.84
<b>31-33 - Manufacturing</b>	\$ 977,277,774.54	1,550	\$ 119,513,680.00	1.25	10.42
<b>41 - Wholesale Trade</b>	\$ 614,599,542.63	280	\$ 20,844,096.00	4.35	33.87
<b>44-45 - Retail Trade</b>	\$ 184,449,944.18	650	\$ 32,637,280.00	0.56	9.79
<b>48-49 - Transportation and Warehousing</b>	\$ 87,791,758.59	235	\$ 16,575,208.00	0.74	6.51
<b>51 - Information and Cultural Industries</b>	\$ 36,547,766.60	90	\$ 5,896,800.00	0.80	7.22
<b>52 - Finance and Insurance</b>	\$ 134,569,605.15	185	\$ 13,252,512.00	1.44	12.33
<b>53 - Real Estate and Rental and Leasing</b>	\$ 54,548,840.24	135	\$ 9,044,568.00	0.80	7.68
<b>54 - Professional, Scientific and Technical Services</b>	\$ 62,378,479.85	265	\$ 19,826,664.00	0.47	3.32
<b>55 - Management of Companies and Enterprises</b>	\$ -	0	\$ -	0	0
<b>56 - Administrative and Support, Waste Management and Remediation Services</b>	\$ 24,540,849.56	160	\$ 10,130,432.00	0.30	3.23
<b>61 - Educational Services</b>	\$ 11,093,798.01	635	\$ 42,595,800.00	0.03	0.34
<b>62 - Health Care and Social Assistance</b>	\$ 40,111,890.66	570	\$ 31,785,936.00	0.14	1.57
<b>71 - Arts, Entertainment and Recreation</b>	\$ 4,195,658.79	30	\$ 873,693.60	0.28	4.80
<b>72 - Accommodation and Food Services</b>	\$ 49,818,650.86	745	\$ 31,658,328.00	0.13	3.15
<b>81 - Other Services (except Public Administration)</b>	\$ 51,264,963.61	345	\$ 21,886,800.00	0.29	3.45
<b>91 - Public Administration</b>	\$ 81,024,307.25	305	\$ 24,215,048.00	0.53	4.37
<b>Return on Economy</b>					8.61
<b>Total</b>	\$ 4,070,251,131.12	8,065	\$ 596,759,893.60		



REGION OF NEWELL

NAICS Codes	Total Estimated Revenues	Total Labour	Annual Total Employment Payable	Return on Production	Return on Economy
<b>11 - Agriculture, Forestry, Fishing and Hunting</b>	\$ 232,404,041.10	1,025	\$ 76,815,960.00	0.44	3.02
<b>21 - Mining, Quarrying, and Oil and Gas Extraction</b>	\$ 2,002,577,649.71	1,985	\$ 222,996,488.00	1.95	10.32
<b>22 – Utilities</b>	\$ 854,694,614.36	200	\$ 20,849,920.00	8.28	47.94
<b>23 - Construction</b>	\$ 286,664,661.54	855	\$ 72,309,744.00	0.65	4.84
<b>31-33 - Manufacturing</b>	\$ 1,172,733,329.45	1,860	\$ 143,416,416.00	1.22	10.42
<b>41 - Wholesale Trade</b>	\$ 987,749,264.94	450	\$ 33,499,440.00	4.25	33.87
<b>44-45 - Retail Trade</b>	\$ 282,350,299.16	995	\$ 49,960,144.00	0.55	9.79
<b>48-49 - Transportation and Warehousing</b>	\$ 158,772,329.37	425	\$ 29,976,440.00	0.72	6.51
<b>51 - Information and Cultural Industries</b>	\$ 44,669,492.51	110	\$ 7,207,200.00	0.79	7.22
<b>52 - Finance and Insurance</b>	\$ 189,124,850.48	260	\$ 18,625,152.00	1.41	12.33
<b>53 - Real Estate and Rental and Leasing</b>	\$ 82,833,424.07	205	\$ 13,734,344.00	0.78	7.68
<b>54 - Professional, Scientific and Technical Services</b>	\$ 115,341,340.10	490	\$ 36,660,624.00	0.46	3.32
<b>55 - Management of Companies and Enterprises</b>	\$ -	0	\$ -	0	0
<b>56 - Administrative and Support, Waste Management and Remediation Services</b>	\$ 30,676,061.96	200	\$ 12,663,040.00	0.30	3.23
<b>61 - Educational Services</b>	\$ 18,780,839.15	1,075	\$ 72,111,000.00	0.03	0.34
<b>62 - Health Care and Social Assistance</b>	\$ 66,149,433.73	940	\$ 52,418,912.00	0.14	1.57
<b>71 - Arts, Entertainment and Recreation</b>	\$ 16,782,635.18	120	\$ 3,494,774.40	0.27	4.80
<b>72 - Accommodation and Food Services</b>	\$ 63,192,785.32	945	\$ 40,157,208.00	0.13	3.15
<b>81 - Other Services (except Public Administration)</b>	\$ 87,670,517.47	590	\$ 37,429,600.00	0.29	3.45
<b>91 - Public Administration</b>	\$ 131,498,465.86	495	\$ 39,299,832.00	0.51	4.37
<b>Return on Economy</b>					8.56
<b>Total</b>	\$ 6,824,666,035.45	13,225	\$ 983,626,238.40		

## APPENDIX E

### Industry Competitive Advantages in the Region of Newell

