

Sector Profile

Public Administration

Atlantic Region

2023

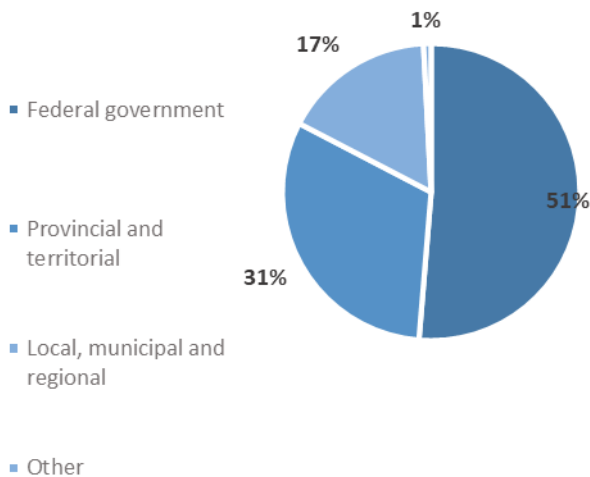


HIGHLIGHTS

- The public administration industry comprised 10.7% of Atlantic Canada's total economic output in 2022 at \$11.7 billion. Employment within the federal government comprises the majority (51%) of the public administration workforce in Atlantic Canada.
- The workforce in the public administration sector is characterized by being relatively younger and having a larger share of workers with post-secondary education.
- Employment in the public administration sector in Atlantic Canada has increased since a low in 2016, but for a period during the COVID 19 pandemic in which employment remained stagnant.
- Between 2023 and 2025, employment in the public administration industry is expected to grow on average 0.2% per year, a lower average growth rate compared to all industries.

ABOUT THE INDUSTRY

Employment Share by sub-industry



Source: Statistics Canada, Labour Force Survey 2022

Composition and Importance of the Sector

Public administration is composed of government bodies whose responsibilities and activities are purely governmental in nature. There are five subindustries within public administration, which correspond to various levels of government: federal, provincial and territorial, local, municipal and regional, aboriginal, and international. These subindustries are further organized by activity or purpose.

Employment within the federal government comprises the majority (51%) of the public administration workforce in Atlantic Canada. This is followed by provincial governments at 31% and local, municipal and regional governments at 17%. The public administration industry represented 10.7% of Atlantic Canada's total economic output in 2022 at \$11.7 billion.



Geographic Distribution of Employment

The public administration sector represents 8.2% of Atlantic Canada's employment, employing 96,000 people. The sector is most significant in the province of Prince Edward Island, where it makes up 12.2% of employment with 10,300 workers. In Newfoundland and Labrador and New Brunswick, the sector makes up slightly less than 9% of total employment in both provinces. Public administration in Nova Scotia represents a lower share of employment (6.6%) than any other Atlantic province.

	Employed 2022	Industry Share (%)
Atlantic Canada	96,000	8.2%
Newfoundland and Labrador	20,800	8.9%
Prince Edward Island	10,300	12.2%
Nova Scotia	32,100	6.6%
New Brunswick	32,800	8.8%

Source: Statistics Canada, Labour Force Survey

WORKFORCE

Workforce Characteristics

The workforce in the public administration sector is characterized by being relatively younger and having a larger share of workers with post-secondary education. Male workers account for 49.9% of employed individuals in the sector, compared to 50.7% in all industries. Female workers represent 50.1% in the sector, while in all industries they account for 49.3% of the workforce. The workforce in this sector has a higher share of people aged 25-54, consisting of 71.2% of its workforce versus 62.5% for all industries. Workers nearing retirement, those aged 55 and older, make up 22.9% of the sector, while they represent 24% of total employment in the region.

Most workers in public administration were employed full-time (96.1%) and in permanent positions (81.2%) during 2022. A small share of workers (18.8%) were employed in a temporary basis. The sector has higher levels of post-secondary education compared to other industries. Workers with a postsecondary certificate or diploma represented 40.6% of employed individuals in the sector, slightly higher than 38.8% for all industries. The largest difference was for those with a university degree, representing 44.8% of public administration employment versus 29.6% for all industries.

Main Occupations

The largest occupation in the public administration sector is employment insurance and revenue officers, making up 8.9% of employed individuals in the sector in 2022. The number of workers in this occupation has increased by 789% since 2012. Police officers (except commissioned) follow as the second largest occupation, comprising 5.1% of total employment. Employment in this occupation has grown by 23% since 2012. Another occupation of increasing importance in the last ten years is social policy researchers, consultants, and program officers, which has grown by 223% since 2012 and represents 3.1% of the sector.

Top 5 largest occupations	Employed 2022	% Share of Industry
Employment insurance and revenue officers	8,600	8.9%
Police officers (except commissioned)	4,900	5.1%
Human resources professionals	3,100	3.2%
Social policy researchers, consultants and program officers	2,975	3.1%
Correctional service officers	2,800	2.9%

Source: ESDC/Service Canada



RECENT HISTORY

Employment in the public administration sector in Atlantic Canada has increased since a low in 2016, but for a period during the COVID 19 pandemic in which employment remained stagnant. At the beginning of the COVID-19 pandemic, most government organizations refrained from laying off staff. At the federal and provincial levels of government in the Atlantic Region, there were no announcements of major layoffs due to the pandemic, but some seasonal and temporary hiring was suspended.

While employment has increased in recent years, the federal budget released in spring 2023 highlighted the government's intention to exercise fiscal restraint. This might dampen employment growth in 2023 and in upcoming years. The budget outlined a \$7.1 billion cut in spending over five years on consultants, travel and professional services; as well as a \$7 billion cut of departmental spending over four years.

In the fiscal year 2022-2023, the federal government ran a \$41.3 billion deficit, compared to a deficit of \$90.2 billion the year before and \$327.7 in 2020-2021. This improvement reflects the recovery of the Canadian economy from the effects of the pandemic, as well as the winding down of programs that aimed to support laid-off individuals, businesses, and provincial governments.

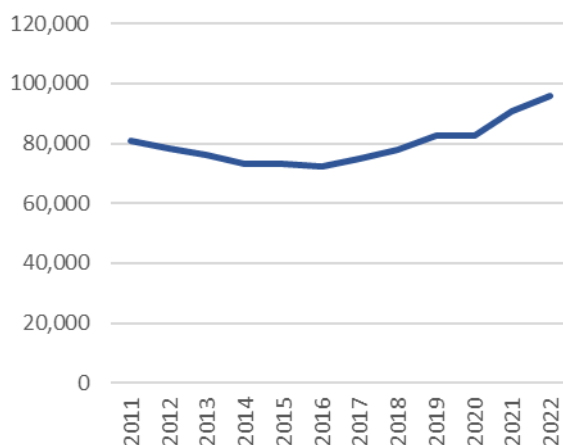
According to the Conference Board of Canada, output in the public administration sector grew in the month of June as it recovers from the effect of strike action by federal government workers in April and May. The strike encompassed over 100,000 workers from 28 different departments and agencies including Transport Canada, Veteran affairs, and Immigration, Refugees and Citizenship. They were demanding higher wages, protection for remote jobs, and more harassment and anti-racism training. A tentative agreement was reached on May 1st.

According to the Atlantic Economic Council (AEC), over the last five years, provincial spending has grown about 50% faster than own-source revenues in three Atlantic provinces and about 25% faster in New Brunswick.

In Nova Scotia's public accounts, the province posted a \$116 million surplus for the 2022-2023 fiscal year, which is a large improvement on the forecasted \$500 million deficit in the original budget. This was achieved by \$2 billion in extra revenue and despite a record amount of

Historical Employment Trend

Atlantic Canada



Source: Statistics Canada, Labour Force Survey

spending by the provincial government.

New Brunswick ran a \$777.3 million surplus in the 2021-2022 fiscal year. The budget for 2022-2023 called for a \$35.2 million surplus. It anticipated a 5.5% increase in spending on higher wages and health care costs. In fact, six out of ten additional dollars spent this year are for higher public sector wages.

Newfoundland and Labrador's public accounts show the province ran a \$271.9 million deficit in the 2021-22 fiscal year. The budget for 2022-2023 anticipated a \$351 million deficit, as spending grows by 4% supported by childcare, workforce development and offshore oil.

Prince Edward Island's public accounts show that their provincial government ran an \$83.4 million surplus in the 2021-2022 fiscal year. The budget for 2022-2023 anticipated a \$92.9 million deficit, as the province foresees increased spending on social priorities without any increase in revenue.



OUTLOOK

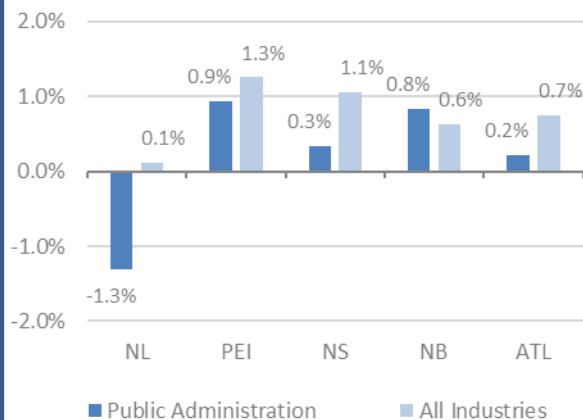
By 2025, employment in the public administration industry is expected to grow on average 0.2% per year. The sector is expected to grow at a lower average rate than all industries, which is projected to be 0.7% per year.

Growth is anticipated to be strongest in Prince Edward Island, where employment will increase by an average of 0.9% per year. Employment growth accelerated in the federal government as a response to the pandemic to deal with pandemic related workflows. But as demand for support continues to dissipate, it will temper growth over the forecast period. However, increased processing activity is expected for programs such as Old Age Security, and Temporary Foreign Worker visas. Therefore, employment is expected to continue to grow moderately at the federal level. Provincial public administration hiring is foreseen to be tempered by some degree of fiscal tightening; the forecast anticipates a slight growth in employment.

Employment is expected to grow by 0.3% on average per year in Nova Scotia. Employment in the federal government has increased in recent years, and is expected to peak in 2023-2024, and then decline in following years. The government has proposed a spending cut to be phased in over the next few years. Due to the provincial government's emphasis on fiscal restraint, it is presumed that only modest increases will continue as population growth is sustained.

In New Brunswick, employment will grow on average by 0.8% per year. In the federal public service, limited growth is anticipated as hiring is projected to be scaled-back, following massive hiring sprees during the pandemic. Limited growth in public administration is anticipated as

Projected Average Annual Employment Growth Rate (%), Atlantic Provinces, 2023-2025



Source: ESDC/Service Canada

governments are looking to tighten their budgets in the face of a slowing economy.

The only Atlantic province expecting employment losses is Newfoundland and Labrador, with a decrease of 1.3% on average annually. Employment in the federal government has grown considerably in recent years, so it is expected to level off in 2023, and decline slightly over the following two years. However, employment in 2025 is expected to remain higher than pre-pandemic levels. The provincial government is forecasted to experience employment losses through attrition as government deals with fiscal challenges.

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

The analysis in this report was finalized as of **September 2023**.

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APPENDIX

Real GDP (2022) and Employment (2022) for Atlantic Canada						
	Public Administration			All Industries		
	Number	Share of Total	AAGR*	Number	Share of Total	AAGR*
Real GDP (M\$)	\$11,716.6	100.0%	0.9%	\$109,227.1	100.0%	1.0%
Newfoundland and Labrador	\$2,319.5	19.8%	1.0%	\$30,150.3	27.6%	0.1%
Prince Edward Island	\$811.6	6.9%	1.6%	\$6,542.6	6.0%	2.5%
Nova Scotia	\$4,959.1	42.3%	0.9%	\$40,011.5	36.6%	1.5%
New Brunswick	\$3,626.4	31.0%	0.8%	\$32,522.7	29.8%	1.1%
Employment (000s)	96.0	100.0%	2.1%	1175.2	100.0%	0.4%
Male	47.9	49.9%	1.9%	596.0	50.7%	0.4%
Female	48.1	50.1%	2.3%	579.2	49.3%	0.5%
15-24 years old	5.7	5.9%	5.5%	158.7	13.5%	0.4%
25-54 years old	68.4	71.2%	1.2%	734.4	62.5%	-0.2%
55 years and older	21.9	22.9%	4.2%	282.1	24.0%	2.2%
Worked full-time	92.3	96.1%	2.1%	990.6	84.3%	0.6%
Worked part-time	3.7	3.9%	1.7%	184.6	15.7%	-0.4%
Self-employed	0.0	0.0%	n/a	123.2	10.5%	-1.0%
Employees	96.0	100.0%	2.1%	1052.0	89.5%	0.6%
Permanent job	78.0	81.2%	2.0%	884.4	75.3%	1.0%
Temporary job	18.0	18.8%	2.6%	167.6	14.3%	-1.4%
Less than high school	1.9	2.0%	-1.5%	95.5	8.1%	-3.9%
High school graduate	12.1	12.6%	0.2%	275.3	23.4%	-0.5%
Postsecondary cert. or diploma	39.0	40.6%	1.0%	456.3	38.8%	0.3%
University degree	43.0	44.8%	4.0%	348.2	29.6%	3.3%
Newfoundland and Labrador	20.8	21.7%	0.7%	232.5	19.8%	-0.3%
Prince Edward Island	10.3	10.7%	2.8%	84.3	7.2%	1.5%
Nova Scotia	32.1	33.5%	1.6%	484.9	41.3%	0.6%
New Brunswick	32.8	34.2%	3.2%	373.5	31.8%	0.5%

Source: Statistics Canada, Labour Force Survey - Custom Table; Table 36-10-0402-01

*Average annual growth rate for last ten years of available data (GDP 2013-22 and Employment 2013-22)

