

# Sector Profile

## Public Administration

### Atlantic Region

2024

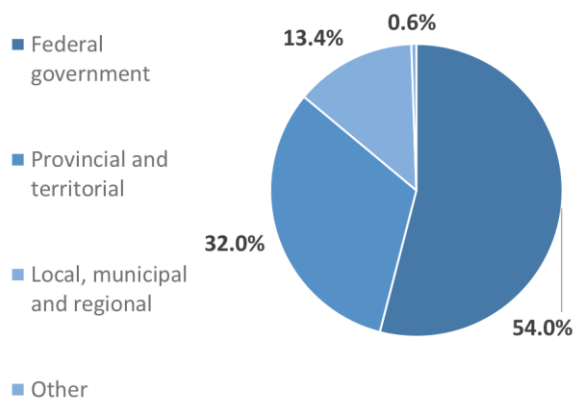


#### HIGHLIGHTS

- Public administration comprised 11.6% of Atlantic Canada’s total economic output in 2023, at \$13.3 billion. Employment within the federal government comprises roughly half (54%) of the public administration workforce in Atlantic Canada.
- The workforce in the public administration sector is characterized as being relatively younger and having a larger share of workers with post-secondary education.
- Employment in the sector in Atlantic Canada has significantly increased since a low in 2016, except for a period during the COVID-19 pandemic in which employment remained stagnant.
- Over 2024 and 2026, the pace of employment growth in public administration is expected to weaken to an average 0.3% per year, well below projected growth across all industries in the region.

#### ABOUT THE INDUSTRY

##### Employment Share by sub-industry



Source: Statistics Canada, Labour Force Survey 2023

##### 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: 1/ federal, 2/ provincial and territorial, 3/ local, municipal and regional, 4/ indigenous, and 5/ international. These subindustries are further organized by activity or purpose.

Employment within the federal government comprised over half (54%) of the public administration workforce in Atlantic Canada in 2023. This was followed by provincial governments at 32% and local, municipal and regional governments at 13.4%. The public administration sector represented 11.6% of Atlantic Canada’s total Gross Domestic Product (GDP) in 2023 at \$13.3 billion.



## Geographic Distribution of Employment

The public administration sector represented 8.4% of Atlantic Canada's employment in 2023, employing 101,800 people. The sector was most significant in the province of Prince Edward Island, where it made up 12.0% of employment with 10,700 workers. New Brunswick had the highest number of workers in the sector among Atlantic provinces, with 35,900 workers. There were 21,000 workers in Newfoundland and Labrador, accounting for 8.9% of employment in the province. While public administration represented only 6.9% of total employment in Nova Scotia, the number of people employed in the sector was nearly as large as in New Brunswick.

	Employed 2023	Industry Share (%)
Atlantic Canada	101,800	8.4%
Newfoundland and Labrador	21,000	8.9%
Prince Edward Island	10,700	12.0%
Nova Scotia	34,200	6.9%
New Brunswick	35,900	9.3%

Source: Statistics Canada, Labour Force Survey

## WORKFORCE

### Workforce Characteristics

The workforce in the public administration sector in 2023 was characterized as being relatively younger and having a larger share of workers with post-secondary education. Male workers accounted for 47.8% of employed individuals in the sector, compared to 50.7% in all industries. Female workers represented 52.2% in the sector, while across the overall workforce they accounted for 49.3%. The sector also employed a higher share of people aged 25-54, which consisted of 74.6% of its workforce versus 63.3% for all industries. Workers nearing retirement (those aged 55 and older) made up 20.3% of the sector, while they represented 23.4% of total employment in the region.

Most workers in public administration were employed full-time (96.4%) and in permanent positions (83.3%) during 2023. A small share of workers (16.7%) were employed in a temporary basis. The sector had higher levels of post-secondary education compared to other industries. The largest difference can be seen among those with a university degree, representing 48.6% of public administration employment versus 30.4% for all industries. Workers with a postsecondary certificate or diploma represented 39.0% of employed individuals in the sector, comparable to the all-industry average (38.4%).

### Main Occupations

The largest occupation in public administration was employment insurance and revenue officers, making up 7.9% of employed individuals in the sector in 2023. Police officers (except commissioned) followed as the second largest occupation, comprising 4.9% of total employment. Employment in this occupation has grown by 10% since 2013. Another occupation of increasing importance in the last ten years is social policy researchers, consultants, and program officers, representing 2.9% of the sector.

Top 5 largest occupations	Employed 2023	% Share of Industry
Employment insurance and revenue officers	8,075	7.9%
Police officers (except commissioned)	4,950	4.9%
Human resources professionals	4,050	4.0%
Correctional service officers	3,125	3.1%
Social policy researchers, consultants and program officers	2,975	2.9%

Source: ESDC/Service Canada



## RECENT HISTORY

Employment in the public administration sector in Atlantic Canada has increased since a low in 2016, except 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. Hiring in the sector has increased significantly since the pandemic, at an average of 7.2% per year. This is 4.6 p.p. higher than the pre-pandemic growth average.

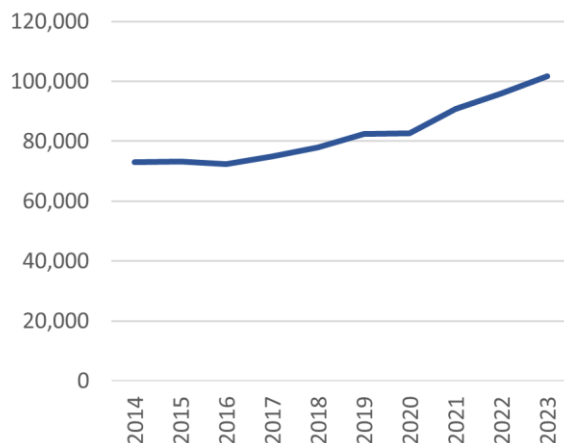
The federal budget released in spring 2024 highlighted the government’s intention to exercise fiscal restraint. The size of Canada’s federal public service is expected to decrease by about 5,000 in the next four years as the government looks to find savings through attrition. Moreover, direct program operating expenses are still projected to fall \$8 billion (or 6%) this year and then be frozen for three years.

In the fiscal year 2023-2024, the federal government ran a \$40 billion deficit, compared to a deficit of \$35.3 billion the year before and \$90.3 billion in 2021-2022. This reflects the ongoing robust population growth which increases tax revenues but also raises the demand for public services.

According to the Atlantic Economic Council (AEC), over the last five years, provincial spending has grown faster than own-source revenues in three Atlantic provinces, despite relatively high tax brackets and federal transfers. All four provinces are estimated to have worse fiscal balances this year compared to five years ago. In addition, the AEC states that deficits and high capital spending are pushing up provincial debt levels.

In Nova Scotia’s public accounts, the province posted a \$143.6 million surplus for the 2023-2024 fiscal year, which is a large improvement on the forecasted \$278.9 million deficit in the original budget. This was achieved by higher-than-expected tax revenues, ordinary recoveries, as well as \$529.4 million in one-time Prior Year Adjustments for provincial tax revenues.

### Historical Employment Trend Atlantic Canada



Source: Statistics Canada, Labour Force Survey

New Brunswick’s surplus in the 2023-2024 fiscal year was over twelve times larger than the budgeted amount, sitting at \$500.8 million. The main source of growth came from unforeseen increase in sales tax revenue. The province has had larger than anticipated surpluses for the past three years.

Newfoundland and Labrador’s public accounts show the province ran a \$433 million deficit in the 2023-24 fiscal year, up from \$160 million at last year’s budget. The higher deficit was due to lower oil-related revenues, inflation, and higher spending on healthcare.

Prince Edward Island’s public accounts project that the provincial government ran an \$85.5 million deficit in the 2023-2024 fiscal year. The budget for 2023-2024 anticipated a \$97.6 million deficit, as the province expected increased spending on social priorities without any increase in revenue.



## OUTLOOK

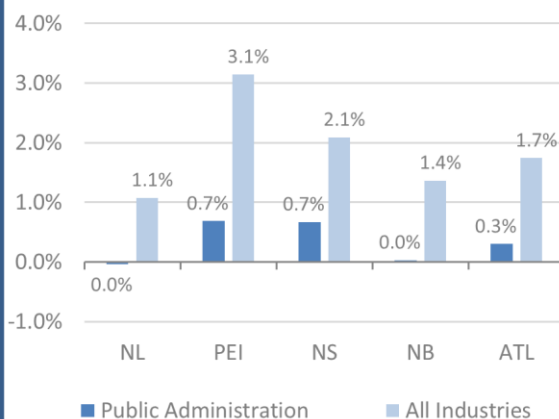
Based on analysis conducted by Service Canada, employment in public administration is expected to increase slightly over 2024 to 2026, with growth averaging 0.3% per year. The sector is expected to grow at a lower average rate than all industries, which is projected to be 1.7% per year.

In Prince Edward Island, employment is expected to increase by an average of 0.7% per year. The federal government's message around becoming more efficient and scaling back hiring could lead to losses by attrition and lack of replacement. The provincial government, on the hand, has budgeted new program spending which should reinforce the overall level of employment in the sector.

Employment is expected to grow by 0.7% on average per year in Nova Scotia. The number of federal government workers is expected to experience a gentle decline due to the government's commitment to attrition-based reductions. The provincial government is expecting a 2% increase in 2024 per the budget, with smaller increases in subsequent years. Most of the government's funding priorities are in health care.

In New Brunswick, employment is expected to remain stable. The federal government is forecasted to have a slight loss in employment 2024-26 due to attrition and lack of replacement. The provincial government is expecting a slight employment gain, as there is some new program spending and low chances for the workforce to contract. Local and municipal governments are forecasting growth in line with population projections.

**Projected Average Annual Employment Growth Rate (%), Atlantic Provinces, 2024-2026**



Source: ESDC/Service Canada

Another Atlantic province expecting no employment growth in the sector is Newfoundland and Labrador. Due to the federal government's pressure to curb spending, the forecast suggests losses in 2024 and slight losses through 2026. The province's government is focused on providing services while also controlling expenditures. Year-to-date analysis for 2024 suggests that growth is quite likely to occur during the year. However, over the remainder of the forecast period, growth is expected to be fairly low given the historical trend of decline.

**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, 2024.

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## APPENDIX

## Real GDP (2023) and Employment (2023) for Atlantic Canada

	Public Administration			All Industries		
	Number	Share of Total	AAGR*	Number	Share of Total	AAGR*
Real GDP (M\$)	\$13,342.1	100.0%	1.3%	\$114,774.4	100.0%	0.9%
Newfoundland and Labrador	\$2,584.4	19.4%	1.4%	\$28,950.2	25.2%	-0.5%
Prince Edward Island	\$911.3	6.8%	2.4%	\$7,267.1	6.3%	2.5%
Nova Scotia	\$5,636.3	42.2%	1.2%	\$43,765.1	38.1%	1.5%
New Brunswick	\$4,210.1	31.6%	1.1%	\$34,792.0	30.3%	1.1%
Employment (000s)	101.8	100.0%	3.4%	1210.0	100.0%	0.8%
Male	48.6	47.8%	3.1%	613.0	50.7%	0.8%
Female	53.2	52.2%	3.6%	597.0	49.3%	0.8%
15-24 years old	5.2	5.1%	3.6%	161.8	13.4%	0.8%
25-54 years old	75.9	74.6%	3.7%	765.4	63.3%	0.5%
55 years and older	20.7	20.3%	2.4%	282.7	23.4%	1.6%
Worked full-time	98.1	96.4%	3.5%	1015.6	83.9%	0.9%
Worked part-time	3.6	3.6%	-0.2%	194.4	16.1%	0.2%
Self-employed	0.0	0.0%	0.0%	124.5	10.3%	-0.7%
Employees	101.8	100.0%	3.4%	1085.4	89.7%	1.0%
Permanent job	84.8	83.3%	3.6%	923.3	76.3%	1.4%
Temporary job	17.0	16.7%	2.5%	162.1	13.4%	-1.1%
Less than high school	1.1	1.1%	-5.5%	92.1	7.6%	-2.6%
High school graduate	11.5	11.3%	-0.5%	284.9	23.5%	-0.4%
Postsecondary cert. or diploma	39.7	39.0%	2.9%	465.0	38.4%	0.6%
University degree	49.5	48.6%	5.5%	367.9	30.4%	3.3%
Newfoundland and Labrador	21.0	20.6%	1.9%	236.8	19.6%	-0.1%
Prince Edward Island	10.7	10.5%	4.5%	89.0	7.4%	2.0%
Nova Scotia	34.2	33.6%	2.8%	497.8	41.1%	1.1%
New Brunswick	35.9	35.3%	4.7%	386.5	31.9%	0.8%

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 2014-23 and Employment 2014-23)

