



Sectoral Profile

Public Administration

Atlantic Region

2018



KEY HIGHLIGHTS

- Public administration accounts for 6.9% of employment in the Atlantic region. Over the past 10 years, industry employment has declined slowly, while modest growth is expected during the 2018-2020 period.
- The employment level in public administration is strongly influenced by the size of the population and the fiscal capacities of the national, provincial, and municipal governments. During the past decade, the federal government and three of the four Atlantic provinces have announced staffing reduction plans to assist with deficit reduction.
- In Atlantic Canada, public administration comprises a larger share of gross domestic product (GDP) and employment than elsewhere in the country. This is partially explained by a very high prevalence of defense services in the region.
- Relative to the overall labour market, public administration tends to employ fewer youths and older workers. Employment in this industry is divided very evenly between males and females, however Census data indicates that distribution by sex is very uneven in certain occupations.

INDUSTRY PROFILE

Public administration is comprised of government bodies whose responsibilities and activities are purely governmental in nature. Examples include legislatures, government departments that regulate and administer policy, taxation, courts of law, immigration services, and police and fire-fighting services.

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. Certain activities are the exclusive domain of a specific level of government (such as national defence at the federal level) while others, such as police services, exist in multiple subsectors, spanning different levels of government.

Public administration employed 77,100 individuals in the Atlantic Region in 2018, accounting for 6.9% of the region's total workforce. This percentage is notably higher than at the national level, which was just 5.2%.

According to the 2016 Census, there is a higher prevalence of both federal and provincial government employees in the Atlantic Region than in the rest of Canada. There are proportionately fewer local, municipal, and regional public administration workers, though this difference is not great enough to fully offset the higher shares of workers in the other two levels of government.

Wages in public administration are relatively high. While the median hourly wage for all workers in the Atlantic region were between \$19.49 and \$22.00 in 2018 depending on province, the median wages in public administration were approximately 40% to 60% higher, ranging from \$29.74 to \$32.31.

The 2016 Census indicates that defence services alone accounted for 1.8% of the region's total employment (compared to 0.6% nationally) and over 20% of public administration employment. The region is home to the Canadian Army's 5th Canadian Division Support Base Gagetown, the Royal Canadian Navy's Atlantic fleet at CFB Halifax, as well as Royal Canadian Air Force bases in Goose Bay, Gander, Shearwater, and Greenwood. According to the 2016 Census, the most common public administration occupational group in the Atlantic Region was non-commissioned ranks of the Canadian Forces, due to the large number of personnel in Nova Scotia (N.S.) and New Brunswick (N.B.). In Newfoundland and Labrador (N.L.) and Prince Edward Island (P.E.I.), the most common occupational group in this industry was general office support workers.

In terms of GDP, public administration comprises just over one-tenth of the Atlantic Region's economy, a larger share than in the rest of the country (from 5.4% in Alberta to 8.7% in Manitoba). Much of this discrepancy is the result of activities of the federal government: the prevalence of defence personnel is about three times higher in the region than nationally, and there is a disproportionately high concentration of non-forces federal public servants in the region as well. This large discrepancy does not extend to lower levels of government—provincial and local, municipal, and regional public administration combined account for 4.0% of employment in the region, compared to 3.8% nationally.

| Table One | | |
|---|-----------------|---------------|
| Employed Labour Force - Public Administration | | |
| Atlantic Canada and Canada | | |
| | Atlantic | Canada |
| Public administration | 100% | 100% |
| Federal government public administration | 53.6% | 38.8% |
| Defence services | 20.8% | 9.4% |
| Other federal government public administration | 32.8% | 29.3% |
| Provincial and territorial public administration | 29.1% | 25.0% |
| Local, municipal and regional public administration | 16.0% | 34.1% |
| Aboriginal public administration | 1.2% | 1.8% |
| International and other extra-territorial public administration | 0.1% | 0.3% |

Source: Statistics Canada, 2016 Census of Canada, Table 98-400-X2016290

Workers in public administration are highly concentrated in the prime working age bracket (25 to 54 years). Across all industries in the Atlantic Region, the percentage of workers who were youth (15 to 24 years of age) in 2018 was 12.9%, while in public administration, the same figure was just 5.1%. This is likely due to the larger proportion of occupations in public administration which require a college or university education—according to the 2016 Census, nearly two-thirds of public administration workers possessed these credentials, compared to half of the general population. Of the youth who work in this industry, an outsized share are in the armed forces, correctional services, or are survey interviewers or labourers.

Overall, public administration has a very balanced distribution of males and females. In the Atlantic region, females accounted for 49.3% of employment in all industries, while in public administration they were slightly overrepresented at 50.2%. By occupation, however, many of the largest occupational groups remain highly concentrated by sex. The top occupations for females in public administration are general office support, administrative assistants, administrative officers, and social workers. On average, females outnumber males in these occupations by more than four-to-one. Conversely, males make up a majority (roughly 80%) of employees in the armed forces, law enforcement, correctional services, or as firefighters.

RECENT HISTORY

Employment in public administration is determined largely by the demand for government-provided services, subject to political and fiscal constraints. Changes in overall public administration employment in the Atlantic region are the net result of staffing decisions made by the Government of Canada and the four provincial governments, as well as hundreds of local and aboriginal governments. Industry employment in the region has varied in response to economic conditions throughout the past decade without trending up or down in any meaningful way.

In 2018, public administration in the Atlantic Region employed 1,300 fewer individuals than 10 years prior, a decline of 1.7%. However, during that period employment rose to a peak of 81,900 in 2009 before declining for several consecutive years, dipping below 74,000 from 2014 to 2016. During the past two years, it has begun to increase again.

A substantial portion of the employment decline prior to 2014 is the result of austerity measures implemented by the federal government in 2012. As part of a broader effort to reduce the national deficit, approximately 20,000 public service positions were eliminated. Data from the Treasury Board of Canada Secretariat indicates that the population of the federal public service in the Atlantic region declined by 2,245 (or more than 7%) from 2012 to 2014. Thereafter, the number of federal public servants in the region remained roughly constant until 2018, at which point it increased by approximately 1,400. Changes within departments with a large presence in the region can have a sizeable impact on the industry's employment. For example, one third of layoff notices given to Department of Fisheries and Oceans and Coast Guard workers in 2012 were in the Atlantic Region. Further, the centralization of pay services for 46 federal departments and agencies in Miramichi, N.B. resulted in the creation of new positions along with the relocation of several hundred existing positions to that community. The implementation of the Phoenix pay system resulted in the further hiring of several hundred workers.

With the exception of N.L., public administration employment changes at the provincial level have been moderate in recent years, though some reductions have occurred as a result of fiscal restraint. For example, in 2015 N.S. announced the elimination of 320 provincial public administration positions.¹ The deficit was eliminated the next fiscal year, and subsequent budget estimates have indicated that small annual increases in the size of the provincial civil service have occurred since then. In N.B., with the release of the 2016 budget a plan was announced to eliminate 1,300 civil service jobs over a five-year period. However, it is unclear what proportion of the targeted jobs fall within public administration (core civil service positions) or under other industries such as health care or education.

Beginning in 2015, provincial public administration in N.L. has undergone more severe employment reductions. In recent decades, the provincial public administration in N.L. employed a larger share of workers than in most

¹ "Nova Scotia government delivers hard-line budget, cuts 320 jobs," *CBC News*, April 10, 2015, <https://www.cbc.ca/news/canada/nova-scotia/nova-scotia-government-delivers-hard-line-budget-cuts-320-jobs-1.3026488>

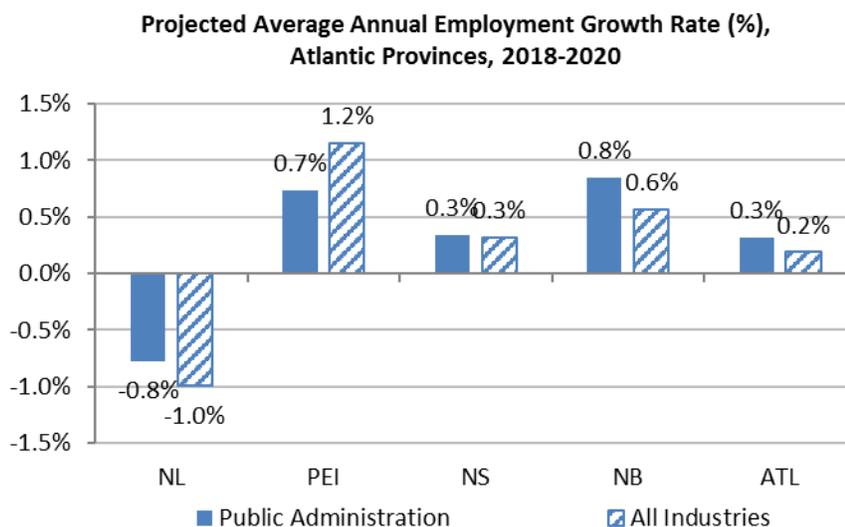
other provinces. At this time, the province was earning substantial offshore royalties, which comprised nearly one-third of government revenue in the 2013-14 fiscal year. Following the sharp decline of oil prices in 2014 and 2015, the provincial government announced plans to phase out 435 positions over five years through attrition,² while in subsequent years hundreds of additional core civil service positions were eliminated.

Employment in local, municipal, and regional public administration is less susceptible to economic and political changes than in the two higher levels of administration. As workers in this subindustry are spread across hundreds of local governments, individual hiring and layoff announcements tend to be small. Many workers in this subindustry are in occupations relating to policing, firefighting, or the construction and maintenance of municipal infrastructure; when facing a shortfall or surplus in revenue, many municipalities opt to adjust their tax rate to maintain services and employment rather than engage in layoffs as a cost-cutting measure.

EXPECTED OUTLOOK

During the 2018-2020 period, public administration is expected to add several hundred jobs, increasing at an average annual growth rate of 0.3%. By province, the change in industry employment loosely reflects the expected employment growth for all industries. Modest population and employment growth in the Maritime provinces should sustain a similar expansion of public administration needed to maintain current service levels. The growing economy also provides a larger tax base to fund increases in civil service staffing. Meanwhile, the economic headwinds in N.L. have resulted in both negative overall employment growth and reduced revenue for the provincial government, triggering layoffs to control expenses.

The three Maritime provincial governments (N.B., N.S., and P.E.I.) have achieved fiscal balance, and in recent years have made small adjustments to staffing levels. However, from 2017 to 2018, the Government of Canada added over 1,400 workers in the region, increasing the population of federal public servants by 5.5%. There is no indication that this rate of growth will continue—a report by the Parliamentary Budget Officer has stated that the number of full-time equivalent positions in the public service will be flat for the next several years.



Source: *Employment and Social Development Canada / Service Canada, Regional Occupational Outlooks in Canada, 2018-2020*

² “Ross Wiseman: 1,420 jobs to be removed from public service by 2020,” *CBC News*, April 27, 2015, <https://www.cbc.ca/news/canada/newfoundland-labrador/ross-wiseman-1-420-jobs-to-be-removed-from-public-service-by-2020-1.3050079>.

SUB-REGIONAL DYNAMICS

Newfoundland and Labrador

- In N.L., public administration comprised 7.5% of employment in 2018 and 7.5% of GDP in 2017. Prior to the fiscal pressure created by the decline in oil prices, industry employment in the province peaked at 20,500 in 2013. It has since declined to 18,000 in 2018.
- Compared to the other Atlantic provinces, the prevalence of workers in federal public administration is lower in N.L. The province has the second-highest percentage of employment at the provincial level of government in the country. According to the 2016 Census, local, municipal, and regional public administration accounted for 1.8% of all employment, the highest share in the Atlantic provinces. The province has the largest number of municipal administrations in the Atlantic Region, despite having the second-smallest population and workforce.

Prince Edward Island

- With 6,700 workers in 2018, public administration accounted for 8.8% of employment in P.E.I., the largest share among provinces, as well as 11.7% of GDP. Across provinces, the number of civil servants is roughly proportional to population size. However, an absolute minimum staffing level is required to administer provincial areas of jurisdiction, which results in a higher number of civil servants per capita in smaller provinces.
- Industry employment has trended slowly downwards since reaching a high of 7,900 in 2009.
- Despite having very little employment in defense services, P.E.I. has the highest prevalence of workers in both federal and provincial public administration among provinces, while local, municipal, and regional public administration employs the smallest percentage of workers of any Canadian province. The Island hosts a few large offices of the Canadian government, such as the headquarters of Veterans Affairs and as well as a Canada Revenue Agency tax centre.

Nova Scotia

- Public administration contributes more to GDP in N.S. than in any other Canadian province, at 12.4%. The industry employed 6.4% of the province's workforce in 2018, the lowest share in the region but still high relative to non-Atlantic provinces.
- The shares of the workforce employed in provincial and federal administration in N.S. (outside of defense services) are the lowest in the region. However, defense services is a major employer in the province, employing nearly one third of workers in public administration and 2.8% of all workers in the province, the highest proportion in the country. In fact, 12.2% of all defense services workers in the country are in N.S., despite the province having just 2.6% of the country's overall workforce.

New Brunswick

- In 2018, 6.9% of employment in N.B. was in public administration, while the industry comprised 11.2% of provincial GDP in 2017. Industry employment was 24,500 in 2018, up from 22,100 in 2013.

- The proportion of the N.B. workforce in defense services was 1.7% at the time of the 2016 Census, the second-highest share in the country after N.S. The majority of workers in this subindustry are located at CFB Gagetown, which is a major local employer in nearby counties. For example, more than one-quarter of employment in Sunbury County is in defense services.
- Employment among other public administration subindustries is concentrated in pockets throughout the province, with an outsized share of federal public servants located in Moncton and Miramichi, while nearly 40% of provincial public administration employees are situated in and around the provincial capital of Fredericton.

APPENDIX

Table Two
Real GDP (2017) and Employment (2018) for Atlantic Canada

| | Public Administration | | | All Industries | | |
|--------------------------------|-----------------------|----------|-------|----------------|----------|-------|
| | Number | Share of | | Number | Share of | |
| | | Total | AAGR* | | Total | AAGR* |
| Real GDP (M\$) | \$10,507.6 | 100.0% | 0.8% | \$103,262.4 | 100.0% | 0.4% |
| Newfoundland and Labrador | \$2,119.3 | 20.2% | 1.2% | \$31,585.2 | 30.6% | -0.3% |
| Prince Edward Island | \$687.8 | 6.5% | 0.8% | \$5,540.0 | 5.4% | 1.5% |
| Nova Scotia | \$4,400.2 | 41.9% | 0.4% | \$35,955.4 | 34.8% | 0.8% |
| New Brunswick | \$3,300.3 | 31.4% | 0.9% | \$30,181.8 | 29.2% | 0.4% |
| Employment (000s) | 77.2 | 100.0% | -0.1% | 1111.0 | 100.0% | 0.1% |
| Male | 38.5 | 49.9% | -0.1% | 562.8 | 50.7% | 0.1% |
| Female | 38.7 | 50.1% | -0.2% | 548.2 | 49.3% | 0.1% |
| 15-24 years old | 4.0 | 5.2% | -1.8% | 143.3 | 12.9% | -1.4% |
| 25-54 years old | 56.0 | 72.5% | -0.8% | 709.4 | 63.9% | -0.7% |
| 55 years and older | 17.2 | 22.3% | 2.8% | 258.3 | 23.2% | 3.7% |
| Worked full-time | 74.7 | 96.8% | 0.1% | 930.8 | 83.8% | 0.1% |
| Worked part-time | 2.5 | 3.2% | -4.3% | 180.2 | 16.2% | -0.2% |
| Self-employed | n/a | n/a | n/a | 131.1 | 11.8% | -0.2% |
| Employees | 77.2 | 100.0% | -0.1% | 979.9 | 88.2% | 0.1% |
| Permanent job | 63.5 | 82.3% | -0.1% | 804.9 | 72.4% | 0.3% |
| Temporary job | 13.7 | 17.7% | -0.4% | 175.0 | 15.8% | -0.5% |
| Less than high school | 1.9 | 2.5% | -2.7% | 106.6 | 9.6% | -4.4% |
| High school graduate | 10.5 | 13.6% | -4.1% | 278.9 | 25.1% | -1.0% |
| Postsecondary cert. or diploma | 33.4 | 43.3% | -0.1% | 435.8 | 39.2% | 0.6% |
| University degree | 31.4 | 40.7% | 1.9% | 289.6 | 26.1% | 2.9% |
| Newfoundland and Labrador | 16.8 | 21.8% | -0.7% | 225.3 | 20.3% | 0.2% |
| Prince Edward Island | 6.7 | 8.7% | -1.0% | 76.0 | 6.8% | 1.0% |
| Nova Scotia | 29.1 | 37.7% | -0.1% | 455.9 | 41.0% | 0.1% |
| New Brunswick | 24.5 | 31.7% | 0.3% | 353.8 | 31.8% | -0.2% |

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 2008-17 and Employment 2009-18)

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.

Prepared by: Labour Market Analysis Directorate, Service Canada, Atlantic Region

For further information, please contact the Labour Market Analysis Directorate at:

ATL-LMI-IMT-GD@servicecanada.gc.ca

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2019, all rights reserved