



Sectoral Profile

Public Administration

Region of Western Canada and the Territories

2018-2020



EXECUTIVE SUMMARY

In Western Canada¹, Public administration accounted for 4.5% of total employment and 5.1% of GDP in 2017. By province, the industry is least significant in Alberta where it represents 4.5% of employment and 4.1% of provincial GDP. Public administration is much more significant in the three federal territories though, where the industry makes up more than 20% of employment and around 18% of GDP. Continued growth and investment in public administration depends largely on government revenues. Employment in the industry only recently began trending upwards again after contracting for several years as the federal government looked to find efficiencies and balance budgets following the 2009 recession. Looking ahead, it is expected that prairie province governments will restrain their spending in light of lower commodity prices and resulting reduced tax review.

BACKGROUND

Overall employment in public administration has trended upward. Thirty years ago, there were 226,400 people directly employed in this industry across the four Western provinces. In 2017, there were 267,000 people employed in public administration. However, the industry's share of overall employment fell over that same period; public administration accounted for 6.4% of all Western Canada employment in 1987 compared to 4.5% in 2017.²

Employment growth in public administration is more apparent in the territories, as the northern economy is more dependent on the industry. Share of employment in the public administration industry is up slightly over the last decade despite efforts to diversify the northern economy; increasing from 21.3% in 2007 to 22.2% in 2017.³

Beyond civil servants and government officials, the industry also includes members of the Canadian armed forces, policemen, and firefighters. Major occupations include: police officers and firefighters (NOC 626); administrative and regulatory occupations (NOC 122); policy and program officers, researchers and consultants (NOC 416); and administrative support clerks (NOC 144).

The public administration industry is comprised of three main levels of government: federal; provincial and territorial; and local, municipal, regional, Indigenous and other administration. In Western Canada, employment in the public administration industry is split more or less evenly among the three levels of government.⁴

Composition of public administration employment by level of government, 2017



Federal

The federal government's political authority extends over all of Canada. The central government imposes taxes on Canadian citizens and businesses, and on non-resident businesses engaged in activities within Canada. The federal government provides collective services such as national defence. It also provides services that benefit individual households and helps fund health and education through major transfers to the other levels of government. Though its share of employment has declined over the last decade, the federal government accounted for 1.4% of all employment in Western Canada in 2017.

Provincial and Territorial

A provincial and territorial government uses its fiscal authority to tax citizens and businesses that live in or engage in economic activities within its jurisdiction. Provincial and territorial public administration accounted for 1.3% of all employment in Western Canada in 2017. As with the federal public service, the provincial sub-industry's share of total employment has fallen over the last decade.

Local, Municipal, Regional and Indigenous

The local, municipal and regional government's authority is restricted to the smallest geographic areas classified for administrative and political purposes. Indigenous general government is also distinguished at this regional level; including all First Nations governments and tribal councils, Métis settlement governments, and government groups associated with the Métis and Inuit. Such governments may or may not be entitled to levy taxes on resident citizens and businesses or economic activities taking place in their areas. Notably, employment in Alberta's local, municipal, and regional public administration has grown significantly over the last decade, now reaching almost 50% of all public administration employment in the province.⁵ Local governments in Alberta employed nearly 50,000 people in 2017; more than any level of government in any Western province.⁶ In comparison, Manitoba's local governments employed just 8,400 people, or 26% of all public administration jobs in the province.⁷

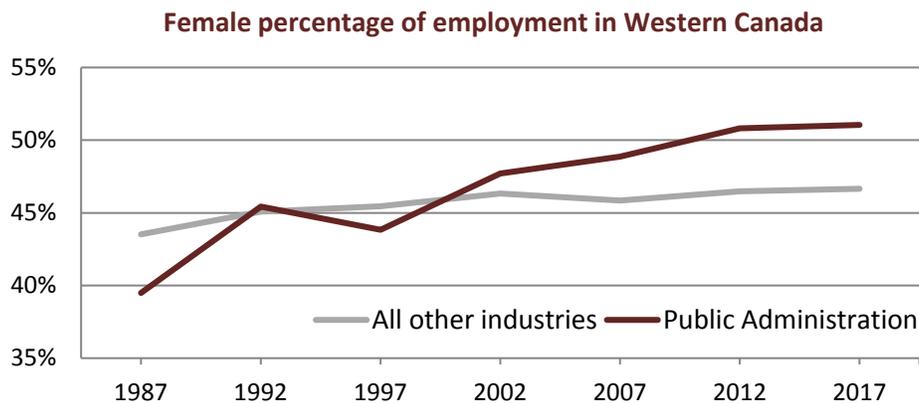
Public Administration Employment by Level of Government, 2017

	Western Canada	Manitoba	Saskatchewan	Alberta	British Columbia
Federal Public Administration (including Defence Services)	31%	39%	29%	24%	36%
Provincial Public Administration	30%	35%	35%	27%	30%
Local, Municipal & Regional Public Administration and Aboriginal, Inter & Other Extra-Territorial Public Administration	39%	26%	37%	49%	34%

Source: Statistics Canada, Labour Force Survey custom table

Demographics

Women are well represented in Western Canada's public administration industry, making up 51% of total employment⁸. By comparison, women accounted for an average 46.7% of employment in all other industries in 2017. Representation of women in Western Canada's public administration industry has grown at a more rapid pace than other industries over the last few decades.



Source: Statistics Canada, Labour Force Survey

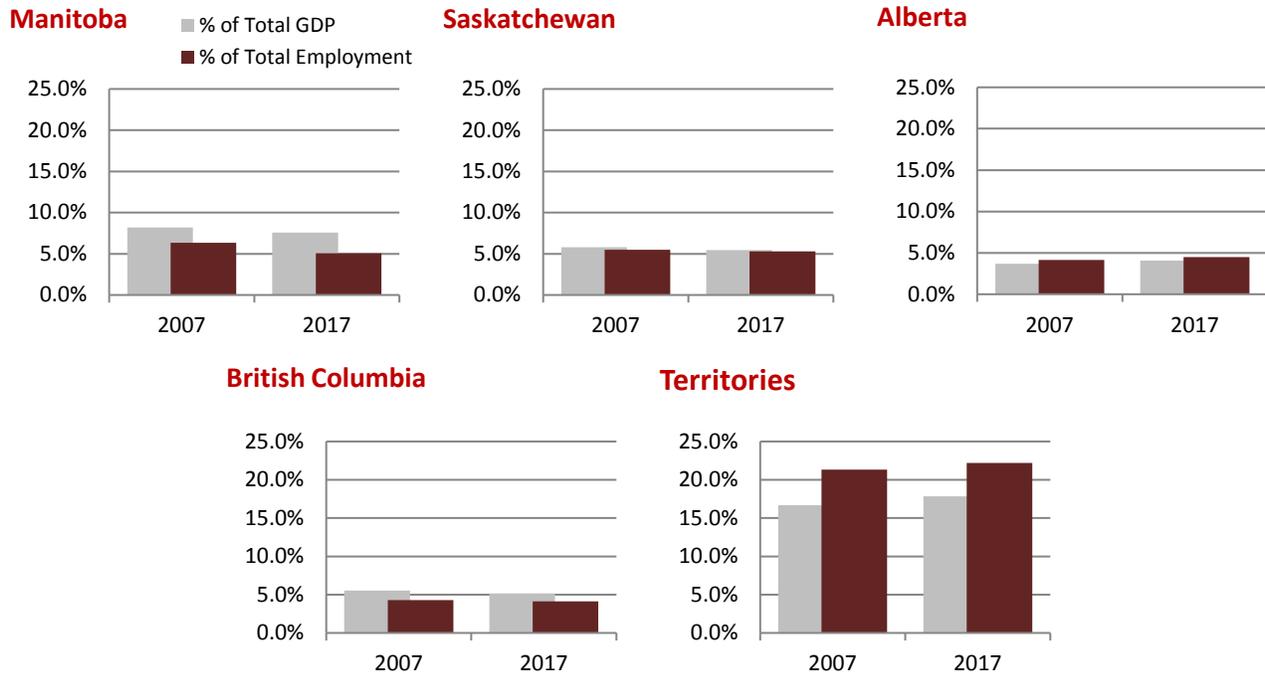
According to 2017 data, the wage gap between men and women was narrower in public administration compared to other industries.⁹ Across Western Canada last year, on average a woman earned 85 cents for every dollar earned by a man.¹⁰ In public administration, a woman earned 88¢ for every dollar.¹¹ Among Western provinces, Manitoba's public administration boasted the lowest gender wage gap in 2017 with women making 91 cents.¹²

The age composition of the public administration industry in Western Canada is largely weighted toward core-aged workers (25-54 years). More than three out of every four employees were in this age category in 2017. The public administration sector has a smaller share (19%) of older workers (55 years and older) in Western Canada compared to other industries in the region (21%). The distribution of older workers is consistent across Western Canada, with Alberta having the lowest share at 18.2%.¹³

The public administration industry is heavily unionised. In 2017, 72.1% of workers in the industry were covered by a union compared to only 30.4% across all industries in Canada.¹⁴ In Western Canada, the level of union

coverage within the public sector is slightly lower (69.4%). Among Western provinces, the lowest level of union coverage in public administration was found in Alberta (64.8%) and the highest in Manitoba (78.9%).¹⁵

Public Administration Provincial % Share of Employment and GDP, 2007 vs. 2017



Sources : 1. Statistics Canada CANSIM Table 379-0030 - Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS), provinces and territories, annual (dollars)
2. Statistics Canada Labour force estimates by detailed industry, age, sex, class of worker.

INDUSTRY TRENDS

- Manitoba tabled another deficit budget in 2018 as its elected government continues to pursue cost control efforts. The Manitoba government intends to balance its books by 2024 by limiting spending to levels not seen in over 20 years. As a result, the public administration industry is unlikely to see significant growth in the near term. This is evidenced by a 4.3% decrease in industry employment since the new government took control in 2016. According to a 2018 strategic plan, the province still plans to look for efficiencies in its public service, although their focus has now switched to rebuilding a more dynamic, collaborative workforce.¹⁶
- Low commodity prices and falling royalties over the past few years have compelled Saskatchewan to control spending and deal with short term budget deficits. The Saskatchewan government plans to halt growth in total program spending until they reach their goal of a balanced budget in 2020. The provincial deficit in 2018-19 is expected to reach \$306M, a decrease from the \$365M originally projected.¹⁷
- Alberta has made major investments in infrastructure to counter the effects of the recession. Nonetheless, it is anticipated that government expenditures will fall by 5% both in 2018 and 2019.¹⁸ Consequently, the public administration industry will likely be held to 0.1% growth in 2019.¹⁹ The Conference Board of Canada

forecasts overall real government investments to contract 1.2% in 2018, despite strong federal investments.²⁰

EMPLOYMENT OUTLOOK

Average annual employment growth in the public administration industry is expected to be positive in most sub-provincial economic regions in Western Canada.²¹ Among provinces and territories, only British Columbia and the Northwest Territories are expected to see an overall decrease during the 2018-2020 projection period. Alberta leads growth projections with an estimated 1,500 jobs to be added by 2020.

Projected employment change for the public administration sector during the 2018-2020 forecast period

Economic Region	Projected Change in Employment	Projected Annual Growth
Manitoba	300	0.3%
Southern Manitoba		0.3%
Winnipeg		0.4%
Northern Manitoba		-0.1%
Saskatchewan	800	0.9%
Regina & Southern Saskatchewan		0.9%
Saskatoon & Northern Saskatchewan		0.9%
Alberta	1,500	0.5%
Calgary & Southern Alberta		0.5%
Edmonton, Red Deer, Camrose, & Drumheller		0.5%
Northern Alberta and Banff		0.5%
British Columbia	-100	0.0%
Vancouver Island & Coast		0.3%
Lower Mainland - Southwest		-0.2%
Okanagan - Kootenay		-0.1%
Northern BC		-0.2%
Yukon	100	0.9%
Northwest Territories	-140	-1.0%
Nunavut	150	1.3%

Source: Service Canada Regional Occupational Outlooks in Canada, 2018-2020

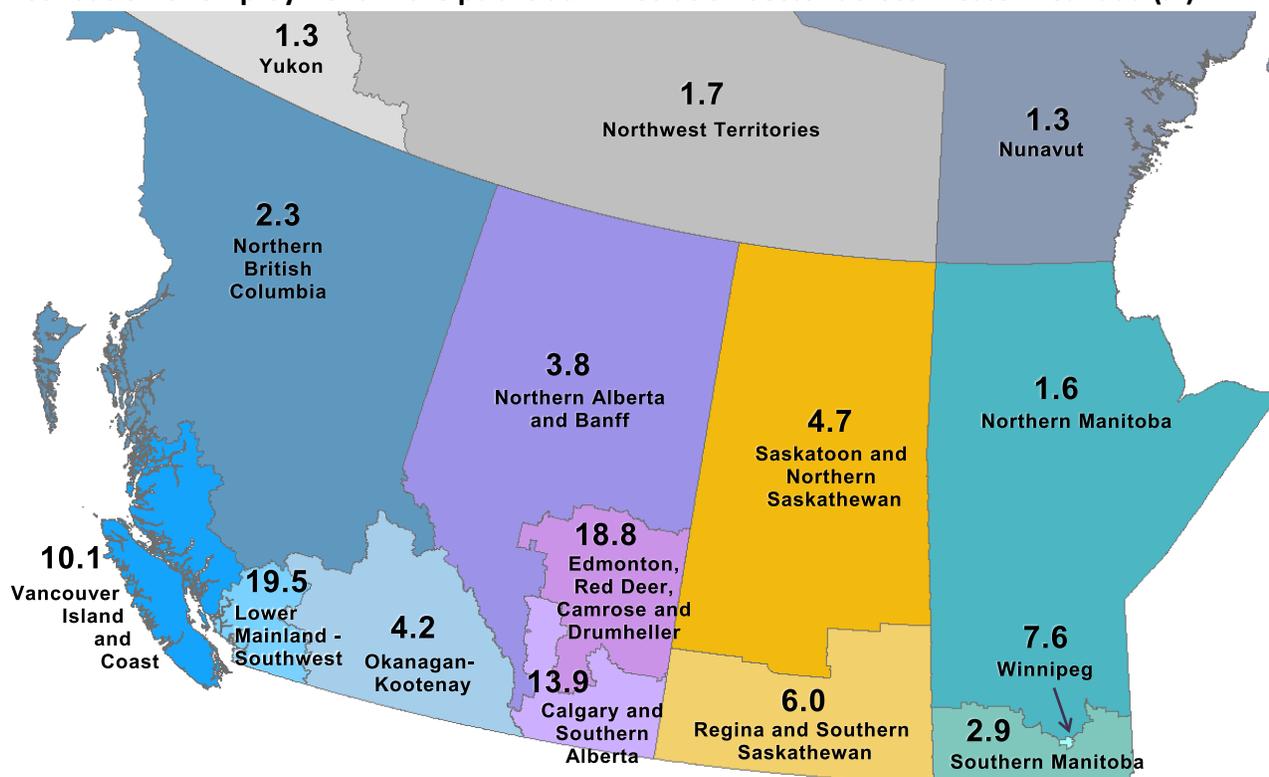
Note: The territorial forecast represents employment for public administration and defense.

Regional Employment Trends

- In 2017, only two of British Columbia's seven regions saw employment growth in public administration. Lower Mainland-Southwest saw the largest decrease in employment (-2,700) among British Columbia regions, while Thompson-Okanagan experienced the highest growth (+2,500).

- The largest shares of public administration employment in Alberta are found in Edmonton (45,400) and Calgary (32,100). Employment in Edmonton dropped 7,200 over the last year, while growing rapidly in Calgary (+8,100). Calgary's large employment gains allowed Alberta to lead total public administration job growth among Western provinces in 2017.
- Public administration employment was stable across all Saskatchewan regions in 2017. The only noticeable growth occurred in Regina-Moose Mountain (+1,000).²²
- Nearly two-thirds of Manitoba's public administration jobs are located in Winnipeg. Sectoral employment in the region has generally trended downwards over the last decade, though 2017 saw an increase of 700 people employed.²³

Distribution of employment in the public administration sector across Western Canada (%)



Source: Service Canada Regional Occupational Outlooks in Canada, 2018-2020

Note: The territorial forecast represents employment for public administration and defence.

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.

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¹ For the purposes of the profile, Western Canada is made up of Alberta, British Columbia, Manitoba, Saskatchewan, and the Northwest Territories, Nunavut, and Yukon.

² Statistics Canada. Table 282-0008 - Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group, annual (persons unless otherwise noted), CANSIM (database). (accessed: August 28, 2018)

³ Statistics Canada. LFS Custom tables

⁴ Ibid

⁵ Ibid

⁶ Ibid

⁷ Ibid

⁸ Ibid

⁹ The method of calculating the gender pay gap is widely considered a contentious practice. In this profile, average weekly earnings are used to calculate the difference in hourly pay between men and women. For more detail, see Statistics Canada's explanation of why this method is preferable. <https://www150.statcan.gc.ca/n1/pub/89-503-x/2015001/article/14694-eng.htm#a4>

¹⁰ Statistics Canada. Table 282-0072 - Labour force survey estimates (LFS), wages of employees by type of work, North American Industry Classification System (NAICS), sex and age group, annual (current dollars unless otherwise noted), CANSIM (database). (accessed: September, 2018)

¹¹ Ibid

¹² Ibid

¹³ Ibid

¹⁴ Statistics Canada. Table 14-10-0070-01 Union coverage by industry, annual (x 1,000) (accessed: September 5, 2018)

¹⁵ Ibid

¹⁶ Province of Manitoba. Transforming the Manitoba Public Service. 2018. http://www.gov.mb.ca/asset_library/en/proactive/transformation_2018.pdf

¹⁷ <https://www.cbc.ca/news/canada/saskatchewan/sask-budget-deficit-1st-quarter-update-1.4800298> (accessed September 21, 2018)

¹⁸ The Conference Board of Canada. Provincial Outlook Economic Forecast, Summer 2018. Ottawa: The Conference Board of Canada, 2018

¹⁹ Ibid

²⁰ Ibid

²¹ Service Canada 3-year Occupational Outlooks 2018-2020.

²² Ibid

²³ Ibid