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From: Brigid Waddingham and Eugene Lang
To: Federal Public Service Observers
Re: BUDGET 2025 AND THE WORSENING PUBLIC SERVICE EXECUTIVE TO RANK AND FILE RATIO

“As the size of the public service adjusts, so too, must the leadership” declares Budget 2025, pledging to cut 1,000 executive positions within two years.

This accompanies a commitment to reduce the public service overall by about 40,000 people – to 330,000 in 2028/29, from the 2023/24 peak of 367,772. The result is a worsening of the ratio of executives to non-executives.

Since 2015, the federal public service has grown by more than 100,000 positions. Executives have multiplied faster than anyone else. Across the **core** public administration executive positions have increased by 52 percent – well above the 43-percent growth of non-executive ranks. In fiscal 2024/25, while the federal public service population shrank by about 10,000, executive ranks continued to grow – by 185 positions – to a staggering 9,340. The Carney government’s commitment to cut a total of 1,000 executive jobs beginning this year amounts to an 8.9 percent reduction from 2023/24, as compared to the planned 10.3-percent reduction of non-executive positions over the same period.

Seventy years ago, historian C. Northcote Parkinson coined “Parkinson’s Law,” to explain the growth of the public service and its executive class. Observing the expansion of the British Colonial Office during the decline of the British Empire, Parkinson noted the ranks of the public service tend to grow regardless of the volume of work to be done.

He based this on two assertions: “An official wants to multiply subordinates, not rivals” and “officials make work for each other.” Bureaucracy expands to sustain the rise of officials, which in turn creates demand for ever more officials.

As Parkinson put it, “Far more people have taken far longer to produce the same result. No one has been idle. All have done their best.”

As the government aims to return the public service to “sustainable” levels, the top-heavy, inefficient structure of the public service must be tackled at the same time. The federal public service loses an average of 10,000 to 12,000 employees each year to retirements and voluntary departures, a rate of about 4 percent annually. At that pace, the government could meet its reduction target without lifting a finger. As the budget itself admits, “attrition has, and will continue to be, a driver.” But attrition is not reform. It avoids the hard questions that are necessary to restructure for a sustainable future.

Since 2015, assistant deputy minister (ADM) positions – roughly equivalent to a vice-president in a corporation – have climbed nearly 50 percent, while senior ADM roles increased almost 79 per cent. At Transport Canada the ADM cadre doubled, far outpacing the 27-percent growth of non-executives. At the Privy Council Office – the Prime Minister’s department and once the preserve of a small number of Ottawa’s bureaucratic elite – senior ADM jobs increased 267 percent, while non-executive positions grew by 68 percent.

Ottawa’s bureaucracy knows the problem. Chief Human Resources Officer Jacqueline Bogden warned ADM ranks have “ballooned” to 421, a full 66 executives beyond approved positions.

A **report** by the Public Service Management Advisory Committee could have been lifted from Parkinson’s playbook: “New [executive] jobs at all levels are created, in many cases without a significant change in the organization’s mandate.” The result is “dilution and duplication,” leading to “unnecessary layers of decision-making and unclear accountabilities. It slows productivity and creates workplace conflicts.”

Businesspeople will recognize the pathology. As companies add vice-presidents, decisions slow, accountability blurs, and egos multiply faster than outcomes. But in the private sector, profit and loss eventually impose discipline. In government, the taxpayer funds the experiment until someone says enough is enough.

Budget 2025 creates an illusion of confronting executive bloat. It references the Comprehensive Expenditure Review’s “estimated reduction of 16,000 . . . roughly 4.5 percent of the workforce,” including 650 executives, “representing about 7 percent of the executive population.”

Presenting these figures as a share of the total gives the impression that similar ratios apply more broadly. Instead, as discussed, the net effect of all planned cuts is the opposite: executives are proportionally spared (a smaller 8.9-percent reduction versus 10.3 percent overall).

Only two departments, Housing, Infrastructure and Communities Canada, and Public Safety and Emergency Preparedness, commit to trimming their executive cadre, citing “streamlining management” and “rightsizing leadership.” Ironically, both are among the few departments where executive growth lagged non-executive growth over the last decade.

Today’s public service needs highly competent leaders, especially given the major challenges facing Canada and Mark Carney’s grand ambitions. But competence does not scale infinitely. Beyond a certain point, multiplying executives produces duplication and paralysis, not efficiency.

Parkinson saw it in the British Admiralty, whose officials almost doubled while its fleet shrank by two-thirds. When Alessandro Natta, Secretary of the Italian Communist Party, complained of bureaucratic bloat in 1986 to Mikhail Gorbachev, the Soviet president responded: “Parkinson’s Law works everywhere.” Ottawa is no exception.

Budget 2025 was a missed opportunity to impose change on a complacent, top-heavy public service executive.

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