

Shrinking the federal bureaucracy

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Canadian Taxpayers Federation

About the Canadian Taxpayers Federation

The Canadian Taxpayers Federation is a federally incorporated, not-for-profit citizen's group dedicated to lower taxes, less waste and accountable government. The CTF was founded in Saskatchewan in 1990 when the Association of Saskatchewan Taxpayers and the Resolution One Association of Alberta joined forces to create a national organization. Today, the CTF has hundreds of thousands of supporters nation-wide.

The CTF maintains a federal office in Ottawa and regional offices in British Columbia, Alberta, Prairie (SK and MB), Ontario, Quebec and Atlantic. Regional offices conduct research and advocacy activities specific to their provinces in addition to acting as regional organizers of Canada-wide initiatives.

CTF offices field hundreds of media interviews each month, hold press conferences and issue regular news releases, commentaries, online postings and publications to advocate on behalf of CTF supporters. CTF representatives speak at functions, make presentations to government, meet with politicians, and organize petition drives, events and campaigns to mobilize citizens to affect public policy change.

Any Canadian taxpayer committed to the CTF's mission is welcome to join at no cost and receive Action Update emails. Financial supporters can additionally receive the CTF's flagship publication *The Taxpayer* magazine published three times a year.

The CTF is independent of any institutional or partisan affiliations. All CTF staff, board and representatives are prohibited from holding a membership in any political party. In 2023-24 fiscal year, the CTF raised \$6.3 million on the strength of 74,858 donations. Donations to the CTF are not deductible as a charitable contribution. The CTF does not accept foreign funding.

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Overview

To fix the federal finances, the federal government must significantly cut the size and cost of its bureaucracy. That's because the federal bureaucracy currently consumes about [54 per cent](#) of the government's day-to-day operating spending.

The Canadian Taxpayers Federation's report outlines how the size and cost of the federal bureaucracy ballooned over the decade, critiques Budget 2025's plan to rein in labour costs and provides insight on ways the government can make the bureaucracy more affordable for taxpayers.

Key findings of the report:

- **The cost of the bureaucracy increased 80 per cent in 10 years**
- **The government added 99,000 bureaucrats in 10 years**
- **The government rubberstamped \$1.5 billion in bonuses since 2015**
- **Average compensation per full-time federal bureaucrat is \$148,000**
- **There are 146,786 federal employees with a six-figure salary (nearly 40 per cent of the bureaucracy)**
- **Half of Canadians say federal services have gotten worse since 2016, despite increase in bureaucracy**
- **Budget 2025 entrenches previous bureaucrat hiring spree**

Cost of federal bureaucracy increased 80 per cent in 10 years

The federal bureaucracy cost taxpayers [\\$71.4 billion](#) in 2024–25, according to the Public Accounts. The cost of the federal bureaucracy increased by \$6 billion, or more than nine per cent, over the [last year](#).

The federal bureaucracy cost taxpayers [\\$39.6 billion](#) in 2015–16, according to the Public Accounts.

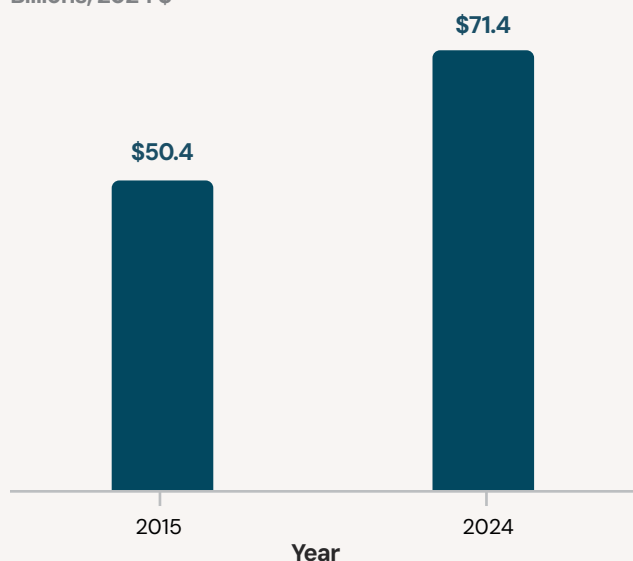
That means the cost of the federal bureaucracy increased 80 per cent over the last 10 years.

Canadian taxpayers are paying about \$20 billion more per year for the federal bureaucracy now than they were in 2015, even after [adjusting](#) for inflation. The figure below illustrates this large increase in the cost of the federal bureaucracy.

FIGURE 1

Bureaucracy cost 2024–25 vs 2015–16

Billions, 2024 \$



The table below shows the increase in the federal bureaucracy between 2015 and 2024, according to the public accounts.

TABLE 1

Cost of the federal bureaucracy

Not inflation adjusted | Per public accounts

Year	Bureaucracy
2024–25	\$71,369,677,000
2023–24	\$65,326,643,000
2022–23	\$56,467,851,000
2021–22	\$60,676,243,000
2020–21	\$52,984,272,000
2019–20	\$46,349,166,000
2018–19	\$46,131,628,000
2017–18	\$45,262,821,000
2016–17	\$38,909,594,000
2015–16	\$39,616,656,000

Not only are Canadian taxpayers paying way more for in-house government bureaucrats, but they're also paying significantly more for outside help.

The federal government spent [\\$23.1 billion](#) on “professional and special services” last year, which is a broad category that captures government spending on consultants, contractors and outsourcing. That’s an 11 per cent increase over the [previous year](#). The government’s spending on professional and special services more than doubled since [2015–16](#).

Federal government added 99,000 employees in 10 years

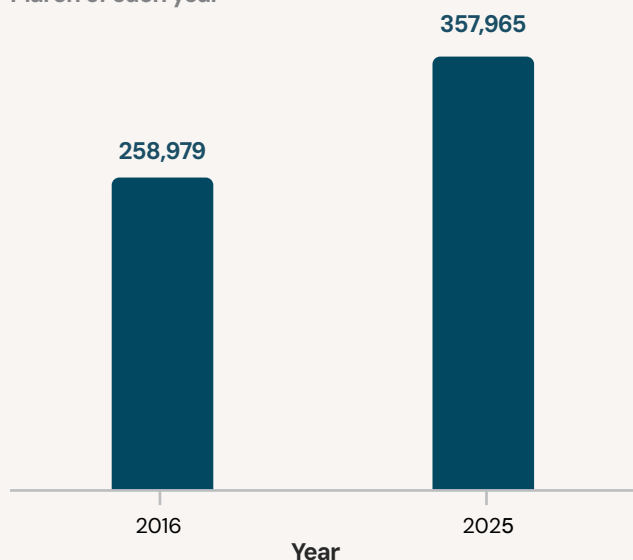
A key reason for the massive increase in labour costs is the federal hiring spree that took place.

As the figure below illustrates, the federal government added [99,000](#) extra bureaucrats between March 2016 and March 2025 – a 38 per cent increase.

FIGURE 2

Number of federal bureaucrats

March of each year

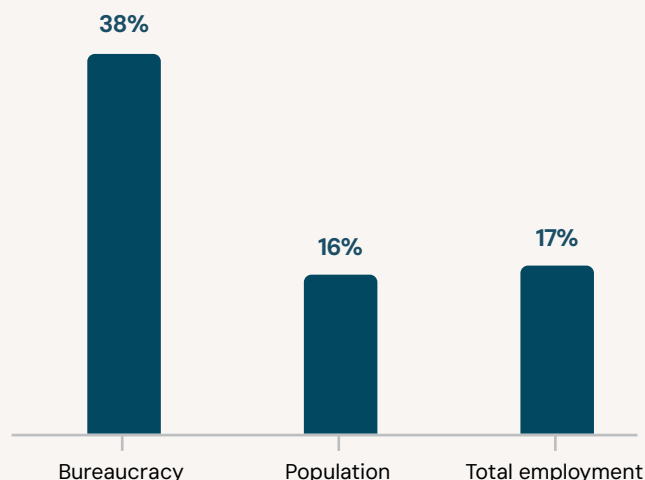


The growth in the federal bureaucracy significantly outpaced Canada's population growth and the growth in Canada's total employment. While the federal bureaucracy grew by 38 per cent over those 10 years, Canada's population grew by [16 per cent](#) and total Canadian employment grew by [17 per cent](#), as illustrated in the next figure.

FIGURE 3

Federal bureaucracy, population and total Canadian employment growth

March 2016 – 2025



There are seven [federal departments and agencies](#) that have more than doubled their number of employees since 2016, including:

- Housing, Infrastructure and Communities Canada (375 per cent)
- Women and Gender Equality Canada (334 per cent)
- RCMP External Review Committee (229 per cent)
- Elections Canada (173 per cent)

- Immigration and Refugee Board of Canada (158 per cent)
- Financial Consumer Agency of Canada (154 per cent)
- Impact Assessment Agency of Canada (127 per cent)

Employment and Social Development Canada added the greatest number of employees since 2016. The department added 16,842 employees since 2016 – a 75 per cent increase.

The Canada Revenue Agency added the second greatest number of employees over the decade. The CRA added 13,015 employees since 2016 – a 33 per cent increase.

Pay and perks for federal bureaucrats increase sharply

The average compensation for a full-time federal bureaucrat was \$148,000 in 2023 when including salary, bonus, pension and all forms of compensation, according to the [Parliamentary Budget Officer](#). For comparison, the annual wage paid to the average Canadian worker in 2023 was less than \$70,000, according to [Statistics Canada](#).

The PBO forecasts that the compensation per full-time federal bureaucrat will reach [\\$172,000](#) per year by 2030.

The federal government has a long history of rewarding failure with taxpayer-funded bonuses.

The government rubberstamped [\\$406 million](#) in bonuses in 2023–24, the last year in which records are available for both federal departments and Crown corporations. Bureaucrats employed by federal departments and agencies took home about \$211 million in taxpayer-funded bonuses in 2023–24. Meanwhile, bureaucrats employed by federal Crown corporations took more than \$195 million bonuses.

This pushes total bonuses for bureaucrats employed by federal departments to more than [\\$1.5 billion](#) since 2015. About 90 per cent of government executives receive an annual bonus, despite a [report](#) from the PBO finding that “less than 50 per cent of [performance] targets are consistently met” each year.

The government of Canada also publishes its own data summarizing department [performance results](#) for the past five years. In two of those years, departments failed to meet half of their own targets. Their best year was 2024, when departments met less than 54 per cent of their own targets. The results are summarized in the table below.

TABLE 2

Percentage of performance targets met each year

Year	Percentage of performance targets met
2020	44.8%
2021	48.3%
2022	50.3%
2023	51.9%
2024	53.6%

In addition to the bonuses, the federal government also handed out more than [one million pay raises](#) between 2020 and 2023.

The compensation of government employees is out of line with what their counterparts in the private sector earn.

"After controlling for factors like gender, age, marital status, education, tenure, size of firm, job permanence, immigrant status, industry, occupation, province, and city, the authors found that Canada's government-sector workers (from federal, provincial, and local governments) enjoyed a 4.8 per cent wage premium, on average, over their private-sector counterparts," according to the [Fraser Institute](#).

The Fraser Institute also found that government employees are more likely to receive a workplace pension, a defined benefit pension, retire earlier, have more job security and take more personal days than workers outside of government. The table below highlights the Fraser Institute's key findings on the compensation gap between government employees and their counterparts outside of government.

TABLE 3

Government vs private sector on pay and benefits

Category	Business	Government
Salary differential	–	+4.8%
Employees with workplace pension	21.8%	86.7%
Employees with defined benefit pension	8.9%	79.3%
Lost work for personal days	9.3 days	15.7 days
Retirement	–	2.2 years earlier

Six figure government salaries balloon

There are now [146,786](#) federal bureaucrats taking a salary of more than \$100,000 a year – approximately a 33 per cent jump in just one year, according to access-to-information records obtained by the CTF.

The federal government employed 374,465 bureaucrats as of Dec. 31, 2024, according to the records. That means that 39 per cent of the federal bureaucracy took a six-figure salary.

In the last decade, the number of federal bureaucrats taking six-figure salaries more than tripled. In 2015, [43,424](#) employees cleared the \$100,000 mark; by 2024, that figure climbed to 146,786 – a 238 per cent spike. The table shows the number of federal employees taking a six-figure salary between 2015 and 2024, according to access-to-information records.

The CTF has called on the federal government to implement an annual “sunshine list” to proactively disclose the number of employees taking a six-figure salary.

TABLE 4

Federal bureaucrats with a six-figure salary

Year	Federal employees receiving \$100K+ annual salary
2015	43,424
2016	42,518
2017	61,165
2018	71,534
2019	69,007
2020	74,925
2021	114,433
2022	102,761
2023	110,593
2024	146,786

Canadians want to shrink the federal bureaucracy

Most Canadians support cutting the size and cost of the federal bureaucracy.

A Leger poll, commissioned by the CTF, asked Canadians what they think should happen to the size and cost of the federal bureaucracy. The results of the [poll](#) show:

- **54 per cent say reduce**
- **24 per cent say maintain**
- **4 per cent say increase**
- **17 per cent don't know**

Among those who are decided on the issue, 66 per cent of Canadians want to reduce the size and cost of the federal bureaucracy.

The Leger poll also asked Canadians if they feel federal services have gotten better or worse with the increase in the size and cost of the bureaucracy since 2016.

Results of the [poll](#) show:

- **50 per cent say services are worse**
- **23 per cent say services are about the same as 2016**
- **11 per cent say services are better**
- **16 per cent don't know**

Among those decided on the issue, 60 per cent of Canadians say federal services have gotten worse since 2016.

Half of Canadians say federal services have gotten worse since 2016 even though the cost of the bureaucracy massively increased over those years. It's clear that adding more bureaucrats does not mean better services.

Ottawa not serious about making bureaucracy affordable for taxpayers

Prime Minister Mark Carney's first budget entrenches Ottawa's decade-long bureaucrat hiring spree.

"From a peak of almost 368,000 in 2023-24, the public service population is expected to reach roughly 330,000 by the end of 2028-29 – a decline of about 40,000 positions or 10 per cent," according to [Budget 2025](#).

The goal of cutting 40,000 federal bureaucrats by 2028 may sound lofty. But it falls flat once you add context.

Carney is promising that in a few years he plans to bring Ottawa's headcount down to the number it was near the [end of 2021](#) – right in the middle of the Trudeau government's pandemic spending spree.

And that's assuming the government cuts the number of total bureaucrats, which is a big assumption given the government's long history of missing its own spending targets. The government's last three departmental plans all targeted reductions in payroll. But it failed to meet those targets each year.

"Relative to the 2024-25 departmental plans, the planned number of [full-time equivalents] from the latest departmental plans was revised upward by roughly 31,000 for 2025-26 and 25,000 for 2026-27," according to the [Parliamentary Budget Officer](#).

And it's not just the size of the bureaucracy that matters, it's also the cost.

The PBO forecasts the compensation per full-time federal employee to increase to [\\$169,900](#) in 2028-29. Even if Carney cuts the [total number of bureaucrats](#) by 10 per cent, but doesn't stop increases to salaries and perks, the federal bureaucracy will cost taxpayers about \$67 billion in 2028. That means Carney's bureaucracy in 2028 will cost taxpayers about \$3 billion more than Trudeau's bureaucracy in [2022](#), after adjusting for inflation.

A key taxpayer takeaway from Carney's budget is that the federal government is not taking meaningful action to reduce the size and cost of its bureaucracy. Rather, the government is entrenching Trudeau's bureaucrat hiring spree.

The first step to making the bureaucracy affordable is bringing its costs back down to the pre-pandemic levels of 2019, adjusted upwards for inflation. This would put the government's bureaucracy costs back to the track it was on before costs spiralled out of control. Bringing the government's bureaucracy back down to 2019 levels, adjusted upwards for inflation, would save taxpayers almost \$18 billion this fiscal year.

TABLE 5

Recommended savings in the bureaucracy

2025-26 Bureaucracy costs	\$74.0 billion
2019-20 bureaucracy costs, inflation adjusted	\$56.2 billion
Taxpayer savings	\$17.8 billion