



# Alberta Taxpayers are Paying for Inflated Health-Care Salaries and Benefits

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# ABOUT THE CANADIAN TAXPAYERS FEDERATION



## **Canadian Taxpayers Federation**

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The Canadian Taxpayers Federation (CTF) 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 over 202,000 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. Each week CTF offices send out Let's Talk Taxes commentaries to more than 800 media outlets and personalities across Canada.

Any Canadian taxpayer committed to the CTF's mission is welcome to join at no cost and receive issue and Action Updates. 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 2017-18 the CTF raised \$5.1 million on the strength of 31,205 donations. Donations to the CTF are not deductible as a charitable contribution.

# OVERVIEW

The Blue Ribbon Panel’s report on Alberta’s finances found that the Alberta government would spend \$10 billion less annually if it brought its per-person spending levels down to the averages of British Columbia, Ontario and Quebec.<sup>1</sup>

One of the areas the Alberta government overspends is on health care. Alberta spends more per-person on health care than every other province except Newfoundland and Labrador.<sup>2</sup> Albertans would save \$3.6 billion every year if the provincial government brought its health-care spending in line with Canada’s three largest provinces.<sup>3</sup>

Although the Alberta government runs a high-cost health-care system, there are areas where Albertans are not receiving the best results.

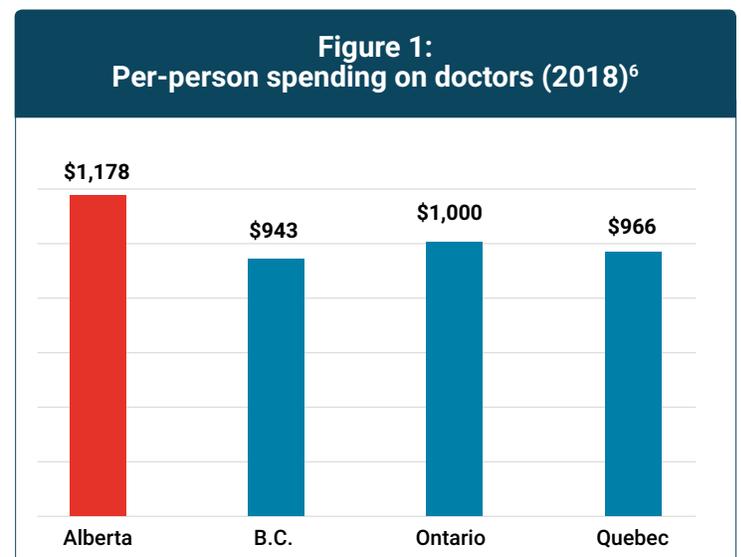
“[Alberta’s health care] outcomes are no better and are often worse than comparable provinces ... Albertans wait an average of 26 weeks [from referral by a general practitioner until they receive treatment], more than 10 weeks longer than in Ontario which has the shortest wait times,” noted the panel.<sup>4</sup>

Based on publicly available documents and [freedom of information requests](#) obtained by the Canadian Taxpayers Federation, this report confirms that high salaries and benefits are a reason that the Alberta government has a high-cost health-care system, but doesn’t deliver the best health-care services. Out of the 26 health professionals analyzed, 24 are paid more than the average of the other provinces examined.

The rest of the report compares compensation for Alberta’s doctors, nurses and other health-care professionals with those in other provinces, and concludes with a comparison between private-sector and government-sector trends.

## DOCTORS

The Alberta government’s spending on doctors is its second highest health-care expense.<sup>5</sup> As Figure 1 illustrates, Albertans spend more per-person on doctors than taxpayers in Canada’s three largest provinces – ranging from 15 per cent more than Ontario to 20 per cent more than B.C.



Taxpayers would save over \$900 million every year if the Alberta government matched per-person spending on doctors in the other large provinces.<sup>7</sup>

<sup>1</sup> Blue Ribbon Panel on Alberta’s Finances, Report and Recommendations (2019), pg 4, <https://open.alberta.ca/dataset/081ba74d-95c8-43ab-9097-cef17a9fb59c/resource/257f040a-2645-49e7-b40b-462e4b5c059c/download/blue-ribbon-panel-report.pdf>

<sup>2</sup> Fraser Institute, Health Care Reform Options for Alberta (2019), pg. 13, <https://www.fraserinstitute.org/sites/default/files/health-care-reform-options-for-alberta.pdf>

<sup>3</sup> Blue Ribbon Report, pg. 24, <https://open.alberta.ca/dataset/081ba74d-95c8-43ab-9097-cef17a9fb59c/resource/257f040a-2645-49e7-b40b-462e4b5c059c/download/blue-ribbon-panel-report.pdf>

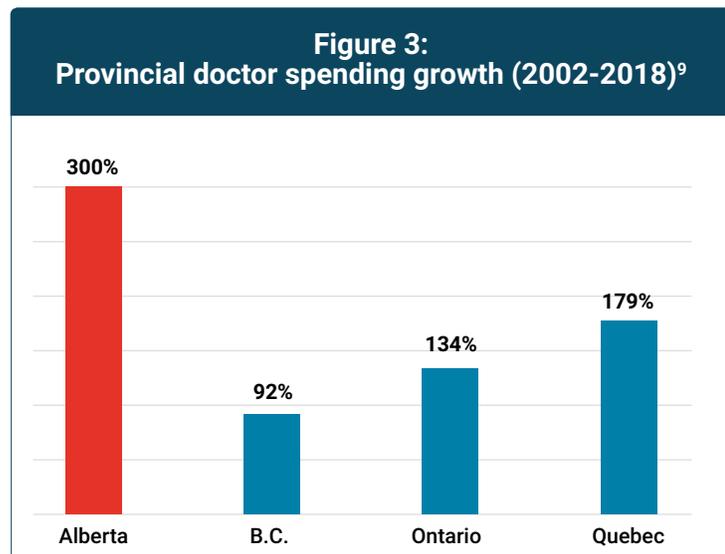
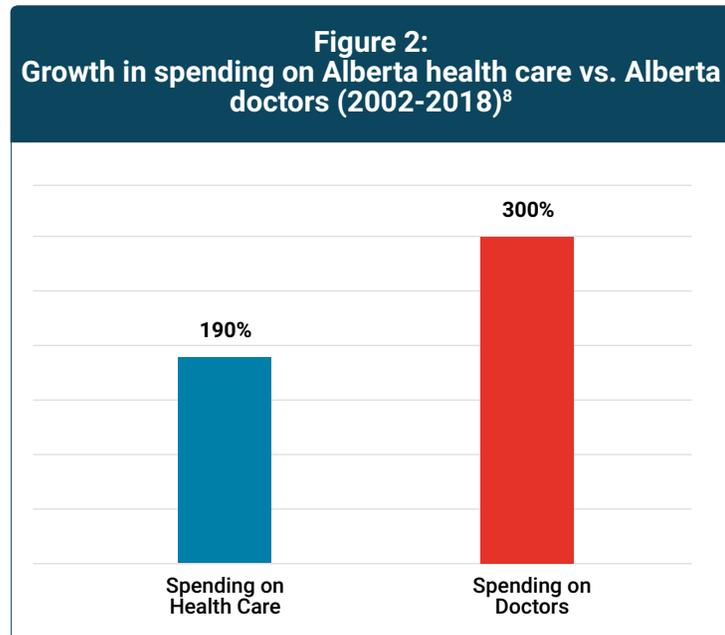
<sup>4</sup> Blue Ribbon Report, pg. 25,26, <https://open.alberta.ca/dataset/081ba74d-95c8-43ab-9097-cef17a9fb59c/resource/257f040a-2645-49e7-b40b-462e4b5c059c/download/blue-ribbon-panel-report.pdf>

<sup>5</sup> Blue Ribbon Report, pg. 29, <https://open.alberta.ca/dataset/081ba74d-95c8-43ab-9097-cef17a9fb59c/resource/257f040a-2645-49e7-b40b-462e4b5c059c/download/blue-ribbon-panel-report.pdf>

<sup>6</sup> KPMG, Research and Analysis for the Blue Ribbon Panel on Alberta’s Finances, pg. 58 (2019), <https://open.alberta.ca/dataset/108ec686-9c62-4a55-b531-00ad3e12ba7f/resource/cfdb1bc3-3a6d-49e8-8cf1-8318796f6ff2/download/kpmg-report.pdf>

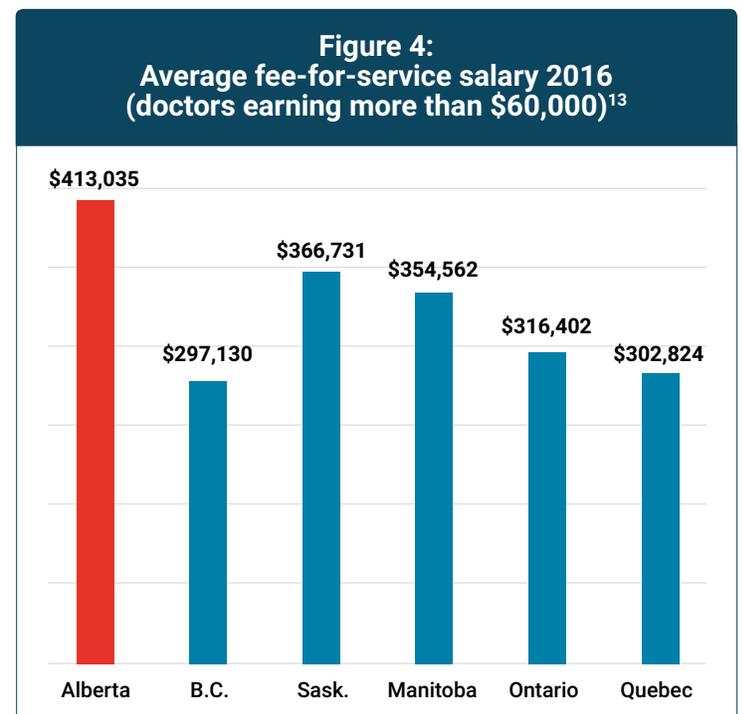
<sup>7</sup> Based on physician costs in KPMG report and population statistics in Blue Ribbon report.

Alberta's spending on doctors has outpaced growth in total provincial health-care spending (Figure 2) and is higher than the growth in other provinces (Figure 3).



While spending on doctors has increased, the number of services provided by an average doctor has declined. From 2009 to 2016, the number of services provided per Alberta family doctor fell by 7 per cent while the average cost per service increased by 37 per cent.<sup>10</sup>

A key factor driving this high spending is the way doctors are paid. In Alberta, the majority of doctors are paid on a fee-for-service basis. As noted by the Blue Ribbon Panel, this is a very expensive way to pay doctors. Furthermore, Alberta's fee-for-service doctor salaries are significantly higher than those in other provinces.<sup>11</sup> Figure 4 shows that salaries for Alberta doctors (fee-for-service) are much higher than those in other provinces. In addition to these salaries, doctors also receive a number of other benefits, which are expected to cost taxpayers \$337 million in 2019.<sup>12</sup>



<sup>8</sup> KPMG, Research for Blue Ribbon pg. 68, <https://open.alberta.ca/dataset/108ec686-9c62-4a55-b531-00ad3e12ba7f/resource/cfdb1bc3-3a6d-49e8-8cf1-8318796f6ff2/download/kpmg-report.pdf>

<sup>9</sup> KPMG, Research for Blue Ribbon pg. 68, <https://open.alberta.ca/dataset/108ec686-9c62-4a55-b531-00ad3e12ba7f/resource/cfdb1bc3-3a6d-49e8-8cf1-8318796f6ff2/download/kpmg-report.pdf>

<sup>10</sup> KPMG, Research for Blue Ribbon pg. 71, <https://open.alberta.ca/dataset/108ec686-9c62-4a55-b531-00ad3e12ba7f/resource/cfdb1bc3-3a6d-49e8-8cf1-8318796f6ff2/download/kpmg-report.pdf>

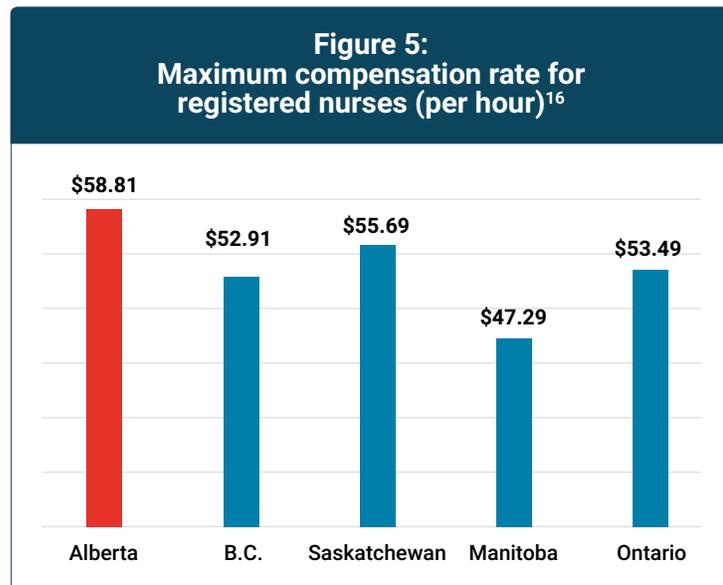
<sup>11</sup> Blue Ribbon Report, pg. 31, <https://open.alberta.ca/dataset/081ba74d-95c8-43ab-9097-cef17a9fb59c/resource/257f040a-2645-49e7-b40b-462e4b5c059c/download/blue-ribbon-panel-report.pdf>

<sup>12</sup> KPMG, Research for Blue Ribbon pg. 75, <https://open.alberta.ca/dataset/108ec686-9c62-4a55-b531-00ad3e12ba7f/resource/cfdb1bc3-3a6d-49e8-8cf1-8318796f6ff2/download/kpmg-report.pdf>

<sup>13</sup> Blue Ribbon Report, pg. 45, <https://open.alberta.ca/dataset/081ba74d-95c8-43ab-9097-cef17a9fb59c/resource/257f040a-2645-49e7-b40b-462e4b5c059c/download/blue-ribbon-panel-report.pdf>

## NURSES

As illustrated in Figure 5, the maximum compensation rate (maximum salary rate plus benefits) for Alberta’s Registered Nurses’ is 12.4 per cent higher than the Ontario-West average<sup>14</sup> and over \$11 more per hour than Manitoba’s maximum compensation rate. To put that into perspective, Alberta’s maximum compensation rate translates into an annual salary of \$112,974 for these eligible nurses,<sup>15</sup> which is more than \$20,000 more than the same nurse in Manitoba who works the same number of hours.



Alberta’s Licensed Practical Nurses’ maximum compensation rate is more than every other province examined, with the exception of Saskatchewan. As illustrated in Figure 6, Alberta’s Licensed Practical Nurses make 8.8 per cent more than the Ontario-West average. To put that into perspective, Alberta’s maximum compensation rate translates into an annual salary of \$84,379 for these eligible nurses,<sup>17</sup> which is \$11,652 more than the same nurse in B.C. who works the same number of hours.

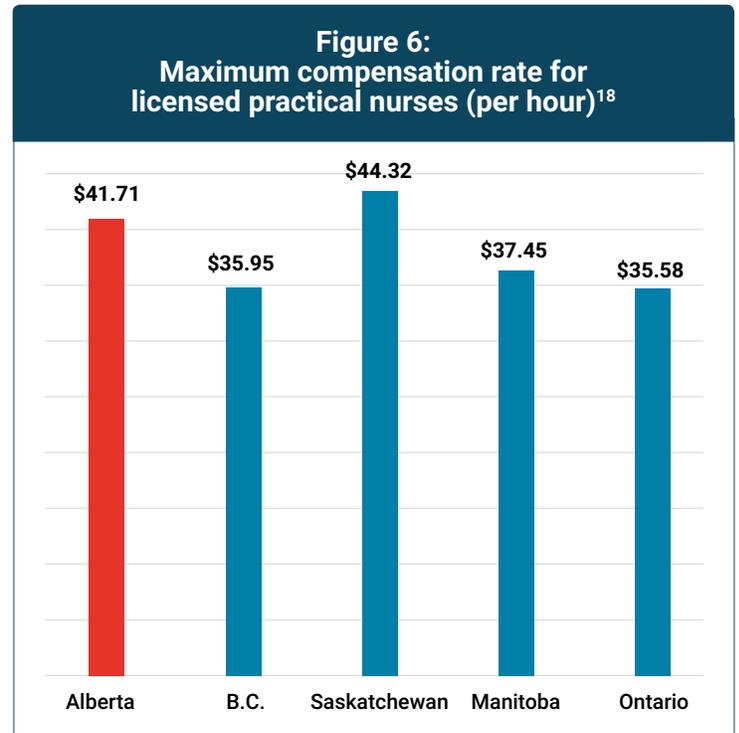


Table 1 shows that for all five nursing position examined, Alberta’s maximum salaries are all higher than salaries in B.C. and Quebec, and are only lower than one type of position in Ontario (Graduate Nurse).

**Table 1: Maximum hourly nursing salary rates<sup>19</sup>**

	Alberta	B.C.	Ontario	Quebec
Registered Nurse	\$48	\$44	\$46	\$44
Licensed Practical Nurse	\$35	\$30	\$29	\$30
Head Nurse/Supervisor	\$51	N/A	\$48	\$42
Clinical Nurse Specialist	\$57	N/A	\$54	\$49
Graduate Nurse	\$41	N/A	\$43	\$22

<sup>14</sup> Ontario-West average excludes Alberta (include B.C., Saskatchewan, Manitoba, Ontario) to better compare Alberta with other provinces.

<sup>15</sup> Calculation based on annual hours for RN nurses, based on data released in KPMG report, pg. 39, <https://open.alberta.ca/dataset/108ec686-9c62-4a55-b531-00ad3e12ba7f/resource/cfdb1bc3-3a6d-49e8-8cf1-8318796f6ff2/download/kpmg-report.pdf>

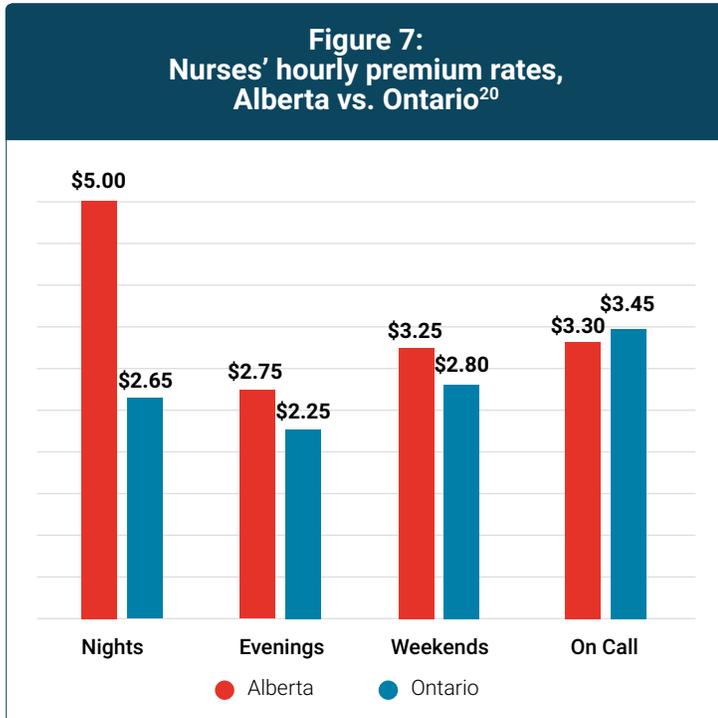
<sup>16</sup> Canadian Taxpayers Federation, Freedom of Information Request (2019) <http://www.taxpayer.com/media/TBF2019-G-0138ApplicantCopy.pdf>

<sup>17</sup> Calculation based on annual hours for LPN nurses, based on data released in KPMG report, pg. 39, <https://open.alberta.ca/dataset/108ec686-9c62-4a55-b531-00ad3e12ba7f/resource/cfdb1bc3-3a6d-49e8-8cf1-8318796f6ff2/download/kpmg-report.pdf>

<sup>18</sup> Canadian Taxpayers Federation, Freedom of Information Request (2019), <http://www.taxpayer.com/media/TBF2019-G-0138ApplicantCopy.pdf>

<sup>19</sup> KPMG, Research for Blue Ribbon pg. 38, <https://open.alberta.ca/dataset/108ec686-9c62-4a55-b531-00ad3e12ba7f/resource/cfdb1bc3-3a6d-49e8-8cf1-8318796f6ff2/download/kpmg-report.pdf>

Alberta’s nurses receive premiums and benefits in addition to these relatively high salaries. As illustrated in Figure 7, Alberta’s nurses receive premium pay that is higher than it is in Ontario for all but one type of premium.



Alberta’s nurses also receive costlier overtime and holiday pay compared to those working in Ontario and Quebec. Alberta’s nurses receive double time while nurses in Ontario and Quebec receive 1.5 time for most events and scenarios.<sup>21</sup> Table 2 also shows that Alberta’s nurses are receiving costlier holiday benefits.

**Table 2: Nurses’ holiday benefits<sup>22</sup>**

	Alberta	B.C.	Ontario
Named Holidays	2.5X	2X	2X
Christmas	3X	2.5X	2X

## OTHER HEALTH PROFESSIONALS

Of the 23 other health-care professionals the CTF has received data for (not including doctors and nurses analyzed above), 21 are paid more than the average of comparator provinces.

Table 3 shows how much more money Alberta government health-care employees receive every year (based on maximum compensation rates) compared to the those working in other provinces (B.C., Saskatchewan, Manitoba and Ontario).

The two Alberta professions that are underpaid compared to the Ontario-West average are relatively lower income positions and never received more than \$2,000 below the average.

In contrast, many of Alberta’s government employees receive relatively high income and make significantly more than their counterparts in other provinces. More than half of all positions examined in the report earn over \$10,000 more than the average of the other provinces every year.

<sup>20</sup> KPMG, Research for Blue Ribbon pg. 38, <https://open.alberta.ca/dataset/108ec686-9c62-4a55-b531-00ad3e12ba7f/resource/cfdb1bc3-3a6d-49e8-8cf1-8318796f6ff2/download/kpmg-report.pdf>

<sup>21</sup> KPMG, Research for Blue Ribbon pg. 38, <https://open.alberta.ca/dataset/108ec686-9c62-4a55-b531-00ad3e12ba7f/resource/cfdb1bc3-3a6d-49e8-8cf1-8318796f6ff2/download/kpmg-report.pdf>

<sup>22</sup> Blue Ribbon Report, pg. 46, <https://open.alberta.ca/dataset/081ba74d-95c8-43ab-9097-cef17a9fb59c/resource/257f040a-2645-49e7-b40b-462e4b5c059c/download/blue-ribbon-panel-report.pdf>

**Table 3: Alberta government employee compensation vs. Ontario-West averages<sup>23</sup>**

Occupation	Annual Alberta Government Salary	Annual Difference (% Above Ontario-West Average)	Annual Difference (\$ Above Ontario-West Average) <sup>24</sup>
Unit Clerk	\$71,820	35.4%	\$18,760
Administrative Support – Intermediate	\$71,820	27.2%	\$15,370
Social Workers	\$115,160	26.0%	\$23,755
Dietician	\$118,000	25.1%	\$23,700
Pharmacy Technician	\$87,000	23.4%	\$16,480
Speech Language Pathologist	\$129,760	22.6%	\$23,900
Health Information Management Professional	\$87,000	20.3%	\$14,675
Occupational Therapist	\$116,360	20.1%	\$19,510
Diagnostic Sonographer	\$118,740	19.5%	\$19,365
Medical Lab Technologist	\$104,640	18.5%	\$16,360
Physiotherapist	\$116,360	16.2%	\$16,255
Therapy Assistant	\$69,760	16.0%	\$9,600
Pharmacist	\$141,820	14.4%	\$17,855
Sterile Processing Technician	\$60,520	12.1%	\$6,555
Laboratory Assistant	\$65,360	11.5%	\$6,725
EMTs (Paramedic)	\$104,820	11.2%	\$10,560
Health Care Aide	\$59,660	10.7%	\$5,740
Pharmacy Assistant	\$58,500	10.5%	\$5,550
Service Worker	\$50,400	4.4%	\$2,120
Psychologist	\$129,760	3.0%	\$3,820
Therapy Aide	\$53,220	1.6%	\$840
EMTs (Ambulance)	\$80,060	-0.8%	-\$625
Food Services Worker	\$45,240	-3.7%	-\$1,740

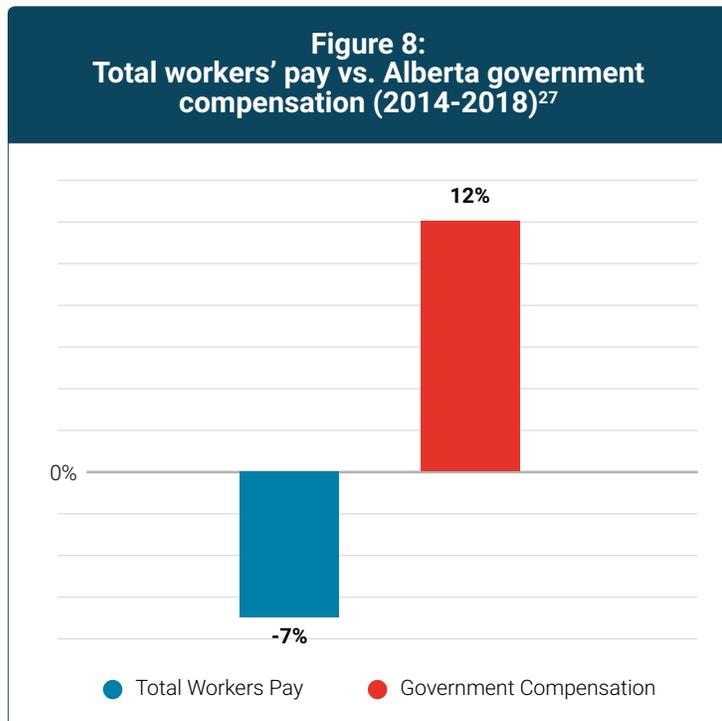
<sup>23</sup> Canadian Taxpayers Federation, Freedom of Information Request, <http://www.taxpayer.com/media/TBF2019-G-0138ApplicantCopy.pdf>

<sup>24</sup> All annual salary calculations based on 2,000 hours worked in a year. This was used as a baseline because it is more than Alberta's RN's work and less than LPN work, according to KPMG report cited above.

## PRIVATE VS. GOVERNMENT WAGES IN ALBERTA

While many Albertans outside of government have faced pay cuts or layoffs, with many being currently unemployed or underemployed, over 10,000 Alberta government jobs have been added since 2014.<sup>25</sup>

In addition, total workers' pay in the province has declined since 2014 highs, while total government compensation costs have increased by \$2.9 billion.<sup>26</sup> Figure 8 contrasts the decline in total workers' pay in the province with growing government labour costs.



Although the Alberta government has touted so-called pay freezes for employees, these freezes still cost taxpayers millions of dollars.

For thousands of government employees, pay freezes over the last few years weren't actually pay freezes. While government employees may not have been rewarded with a new [pay grid](#), they could still receive a raise by moving up their current grid. A freedom-of-information request filed by the CTF shows that the so-called pay freeze for nurses cost taxpayers \$17 million in 2017.<sup>28</sup> The Blue Ribbon Panel made the same observation noting that "even when salary increases remain at zero, unionized employees are eligible to receive annual merit/in-range increases as they move through the grid, which means that they are eligible for increases as high as 16 per cent over four years."<sup>29</sup>

For more on growing government labour costs, please see this [CTF analysis](#).

<sup>25</sup> Blue Ribbon Report, pg. 47, <https://open.alberta.ca/dataset/081ba74d-95c8-43ab-9097-cef17a9fb59c/resource/257f040a-2645-49e7-b40b-462e4b5c059c/download/blue-ribbon-panel-report.pdf>

<sup>26</sup> Blue Ribbon Report, pg. 48, <https://open.alberta.ca/dataset/081ba74d-95c8-43ab-9097-cef17a9fb59c/resource/257f040a-2645-49e7-b40b-462e4b5c059c/download/blue-ribbon-panel-report.pdf>

<sup>27</sup> Blue Ribbon Report, pg. 48, <https://open.alberta.ca/dataset/081ba74d-95c8-43ab-9097-cef17a9fb59c/resource/257f040a-2645-49e7-b40b-462e4b5c059c/download/blue-ribbon-panel-report.pdf>; Statistics Canada, Table: 36-10-0205-01 (2019, Alberta, Seasonally Adjusted), <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3610020501#timeframe>.

<sup>28</sup> Canadian Taxpayers Federation, Freedom of Information Request (2018), [https://www.taxpayer.com/media/FOI%20-%E2%80%93%20AHS%20Nurse%20Pay%20Increases\(2\).pdf](https://www.taxpayer.com/media/FOI%20-%E2%80%93%20AHS%20Nurse%20Pay%20Increases(2).pdf).

<sup>29</sup> Blue Ribbon Report, pg. 48, <https://open.alberta.ca/dataset/081ba74d-95c8-43ab-9097-cef17a9fb59c/resource/257f040a-2645-49e7-b40b-462e4b5c059c/download/blue-ribbon-panel-report.pdf>