

# Alberta's Top Bureaucrat Report

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# About the Canadian Taxpayers Federation

The Canadian Taxpayers Federation is a federally incorporated, not-for-profit citizens' 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. At the end of 2019, the CTF had 235,000 supporters nationwide.

The CTF maintains a federal office in Ottawa and regional offices in British Columbia, Alberta, Prairie (Saskatchewan and Manitoba), Ontario, Québec and Atlantic Canada. 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 effect 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 emailed 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 members and representatives are prohibited from donating to or holding a membership in any political party. In 2018-19 the CTF raised \$5.1 million on the strength of 30,517 donations. Donations to the CTF are not tax deductible as a charitable contribution.



## **Canadian Taxpayers Federation**

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# Alberta's Top Bureaucrat Premium

Labour costs make up more than half of the Alberta government's day-to-day spending and is a key area the government must address to balance the budget and begin repaying the debt. And the first place to begin reining in these costs is top management positions within the bureaucracy, such as deputy and assistant deputy ministers.

The Canadian Taxpayers Federation is proposing a 20 per cent reduction to deputy and assistant deputy ministers' compensation. For context, a 20 per cent reduction would bring the average annual compensation for deputy and assistant deputy ministers to about \$260,000 and \$187,000 respectively and save taxpayers about \$6 million per year (Table 1).

	Deputy Ministers	Assistant Deputy Ministers
<b>Current Total Annual Compensation</b>	\$327,297	\$234,084
<b>Total Compensation CTF proposal</b>	\$261,838	\$187,268

When comparing Alberta's top bureaucrats with their counterparts in other provinces and with the realities facing Albertans working outside of government, it's clear that cuts are not only needed, they are warranted.

Alberta's top bureaucrats are receiving a 30 per cent compensation premium compared to the Ontario-West average (British Columbia, Saskatchewan, Manitoba and Ontario). And as Table 2 illustrates, a Deputy Minister in the Alberta government can expect to receive about \$100,000 more per year than a counterpart working for the Saskatchewan government.

	Average Annual Compensation (base salary + cash benefits, excludes pension payments)	Alberta Compensation Premium (% above other province)
<b>Alberta<sup>3</sup></b>	<b>\$300,620</b>	
<b>British Columbia<sup>4</sup></b>	<b>\$263,714</b>	<b>14%</b>
<b>Saskatchewan<sup>5</sup></b>	<b>\$202,551</b>	<b>48%</b>
<b>Manitoba<sup>6</sup></b>	<b>\$168,544</b>	<b>78%</b>
<b>Ontario<sup>7</sup></b>	<b>\$287,196</b>	<b>5%</b>
<b>ON-West Average (excluding Alberta)</b>	<b>\$230,501</b>	<b>30%</b>

Assistant Deputy Ministers in the Alberta government also receive a compensation premium, receiving 12 per cent more than the Ontario-West average (see table below).

<sup>1</sup> Data retrieved from Alberta's sunshine list (2019) and includes regular salary, cash benefits, non-cash benefits and severance payments: <https://www.alberta.ca/salary-and-severance-disclosure-table.aspx>

<sup>2</sup> 2018 was used as it was the most recent year for all provinces. The calculations for other provinces best align with Alberta's base salary + cash benefits (overtime, vacation payout, northern allowance, vehicle allowance and lump-sum payments). These calculations are not total compensation because they do not consider non-cash benefits, such as employer contributions to employee pension plans.

<sup>3</sup> Alberta calculation uses regular salary plus cash benefits for Alberta employees, which includes overtime, vacation payout, northern allowance, vehicle allowance and lump-sum payments: <https://www.alberta.ca/salary-and-severance-disclosure-table.aspx>

<sup>4</sup> B.C. discloses total compensation paid to employees that would be on Box 14 of their T4. This includes base salary and cash benefits (e.g., bonuses, vacation pay), but does not include non-cash benefits such as pension payments: <https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/government-finances/public-accounts/2018-19/pa-2018-19-crf-detailed-schedules-of-payments.pdf>

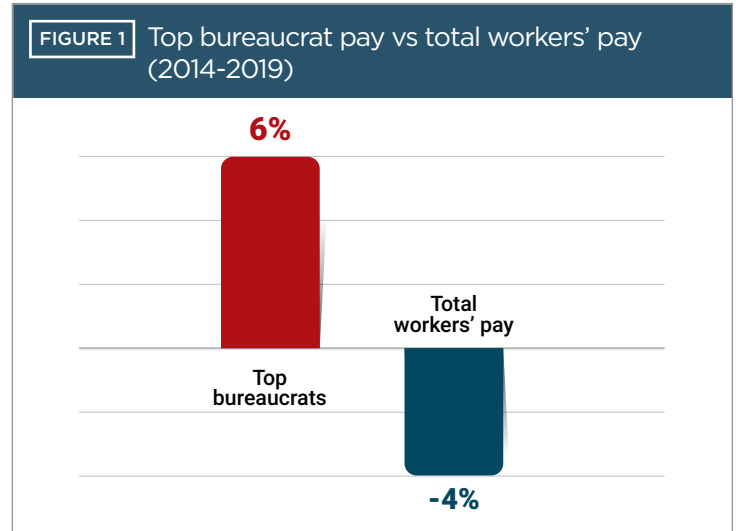
<sup>5</sup> Saskatchewan calculation includes compensation paid directly to employees from the General Revenue Fund, including salary, overtime, vacation pay and vehicle allowances (does not include pension payments): <http://publications.saskatchewan.ca/api/v1/products/103098/formats/114259/download>

<sup>6</sup> Manitoba calculation includes the total value of all cash and non-cash salary or payments, allowances, bonuses, severance, commissions and perquisites (does not include pension payments): [https://www.gov.mb.ca/finance/publications/pubs/annualreports/pubacct\\_2\\_19.pdf](https://www.gov.mb.ca/finance/publications/pubs/annualreports/pubacct_2_19.pdf)

<sup>7</sup> Ontario includes base salary, bonuses, retroactive salary adjustments, overtime and grievance awards, but doesn't include severance or employer pension contributions. This most closely aligns with Alberta's salary + cash benefits disclosure used in the calculation: <https://www.ontario.ca/page/public-sector-salary-disclosure#section-1>

**TABLE 3** Assistant Deputy Ministers 2018<sup>8</sup>

	Average Annual Compensation (base salary + cash benefits, excludes pension payments)	Alberta Compensation Premium (% above other province)
Alberta	\$192,566	
British Columbia	\$167,056	15%
Saskatchewan	\$160,628	20%
Ontario	\$186,747	3%
<b>ON-West Average (excluding Alberta)</b>	<b>\$171,477</b>	<b>12%</b>



Not only are Alberta's top bureaucrats receiving compensation that is out of line with comparable provinces, but they are receiving pay that is out of touch with the realities facing struggling Alberta taxpayers who are footing the bill. Total compensation costs for Alberta's top bureaucrats (deputy and assistant deputy ministers) increased by six per cent to \$32 million between 2014 and 2019, driven by the addition of 10 top bureaucrats. This occurred during difficult economic times where total compensation paid to Alberta employees declined by four per cent, according to Statistics Canada data.<sup>9</sup> Figure 1 highlights the difference between total compensation costs for Alberta's top bureaucrats and total compensation paid to Alberta employees.

<sup>8</sup> See methodology and source notes for Table 1.

<sup>9</sup> Statistics Canada, Wages, salaries and employers' social contributions, <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3610020501>