

ANNEX Country by Country analysis, and methodology

Measurement methodology

Care should always be taken to interpretation of data, but some particular health warnings apply when comparing earnings and salaries.

- There is no standard measurement; reasonable assumptions and judgements have to be made to be able to do any comparison. These are set out where appropriate.
- Clinical activity probably does not vary much overall, but the organisation within a system of tasks and responsibilities of roles will vary. Where responsibilities do obviously differ, this has been noted.
- For each country, attempts have been made to find the most recent and best quality information possible. Where this dates from previous years, have attempted to uplift to 2004 levels by assuming annual modest growth. But even where systems are stable, earnings may rise or fall at a significantly different rate to prices and earnings depending on how they are decided.
- Have attempted to compare gross earnings before tax, social security and pension deduction. This is the fairest comparison, because these deductions are made from the whole workforce in any country, and will vary depending on considerations in each country.
- Reforms often make it hard to predict the ultimate impact upon earnings. This will be particularly true for professionals paid on a fee per service basis, and who are self employed.
- In systems with a mixture of public and private paid for care, often significantly less is known about private activity. Have attempted to include this in estimates where it is significant, or note the omission. However, it will not change the overall conclusions that follow significantly.
- Comparing on a Purchasing Power Parity basis is the fairest comparison, as it these exchange rates attempt to removes differences between the price levels in a country. Prevailing exchange rates between countries are not set by the whole bundle of goods, but only those tradable between countries, which can make some countries expensive, although those living their earn enough to afford the high price levels. In other words, when earnings appear to be 20% higher in PPP terms, that individual is 20% better off in real terms.¹

¹ There are legitimate questions about whether the bundle of goods used by the OECD in calculating PPP rates is truly representative of the typical bundle of goods consumed by medical professionals, but the PPP rates applied would have to change very significantly, to change the analysis that follows.

EU15

Austria

Data Source: Data sources are particularly scarce mainly due to the federal nature of the system in Austria and diversity of provision in provinces.

FCO Berlin was able to find two sources. Firstly the doctors association provided estimates of average annual turnover of GPs, Specialists and Radiologists with high investment equipment. An assumption of the expenses levels is required for earnings level estimates. The expense ratio for specialists in Germany has been used. The estimate for radiologists is particularly sensitive to this assumption given the high assumed expense proportion level.

Alternative figures from a National Audit Office report from 1999 provide average incomes for specialists, dentists and GPs for men and women. These have been raised 10% to give a 2004 estimate.

An overall average for doctors can be derived by using OECD figures for the % of female doctors. 31.6% 1998, 33.9% 2001. No basis exists to calculate for dentists, a 60:40 split has been assumed to provide an purely illustrative figure.

No data source has been found for nurses

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
48695-58854 ²	~54000	74203	-

Belgium

Data Source Very limited information. We have the gross level of fees received from social insurance before expenses from National Sickness and Invalidity Insurance Institute (INAMI). These suggest very low earnings after expenses, assuming an expense ratio broadly in line with France. What is unknown is the level of private earnings.

This uncertainly means more than very broad estimates, so a best guess for GPs to one significant figure would be £40 000– which would place it a little way behind French levels and is quite possibly an overestimate. Given the higher numbers of doctors, and lower level of expenditure than France, this seems reasonable.

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
~40000?	~60000?	~40000?	-

² Alternative calculations, first is GP association estimate

Denmark

Data Sources:

For GP estimate, 2002 figures from the association of GPs, 2001 figure from the National Statistical Office. NSO estimate used but consistent with Association of GPs estimate.

For Dentist estimate, 2001 figure from National Statistical Office. There is also a PWC estimate for 2001, but they estimate that the figures of their sample for turnover are 27% higher than the average. This would bring their estimate in line with those from the National Statistical Office.

The salary averages come from [employers organisation] which collect data on local government employees. They are from March 2005, include overtime, holiday bonus payments and pension contributions and have been multiplied by 12 to give annual approximations.

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
62903	59422	53104	25500

Finland

Data Sources:

Total income figures including bonus and overtime, 2003 figures, from Statistics Finland (Tilastokeskus) 2003.

Further information on doctors' salaries from the Finnish Medical Association survey 2003

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
36117	44873	34859	17688
Chief 43489	Chief 52280	Chief 42973	

France

Data Sources:

www.unasa.org

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
47994	49188 (Range by speciality from 40053-88117)	51999	24594

Germany

Data Sources:

Hospital staff are paid according to collective contracts called *Bundesangestelltentarifvertrag*, or BAT. There are two, one for former West Germany and one for former East Germany. This is likely to be reformed over next few years as 2 Lander have dropped out of BAT to pay lower salaries, and a negotiated reform is underway.

Information on Hospital doctors are examples of doctor's salaries in Church run hospitals in North Rhine Westphalia (NRW), the most populous Land in Germany. Broadly representative as Church-Run hospitals run around 60% of NRW's hospitals. Supplied by *Marburger Bund* a trade union-style organisation.

The BAT does not cover the most senior consultants who head a hospital department. They can negotiate more than the top rate with the hospital and carry out private work.

Nurses pay is on the same basis, and progression is primarily by length of service. Figures used for comparison are for Nurses with 20 years of service. No data exists on average length of service, but 20 years is more likely to overstate the median length of service.

Self employed doctors data for 2002 supplied by *Kassenarzteilche Bundesvereinigung* (KBV) an organisation representing the interests of self-employed doctors in Germany. These do not include income from treatment of private patients.

Therefore a true estimate of earnings has to include an estimate of private earnings. Data from 1999 show that for GPs in West Germany, private income profit accounted for 14-19% of earnings. For Radiologists this ranged between 21-25%.

According to the European Observatory Health Care Systems in Germany 2004, In 2002 9.3% of the whole population had full private cover, and although they use less services on average (as they are healthier), these services cost more than the social insurance rate by a factor of 1.7 or 2.3.

Estimates assume 15% of total income from private work, although a case can be made for a higher assume figure, perhaps 20%.

Dentist figures are from [source –FCO Berlin purchased information]

2004 estimate PPP basis

GP	Specialist	Dentist	Nurse
62521	63515 (Ambulatory) 40000	72569	19050

Greece

Data Sources: [Nothing yet]

Ireland

Data Sources:

Average Pay rates 2002. Report of the Commission on Financial Management and Control Systems in the Health Service, January 2003, page 90-91.

Public Sector pay rates by grade are set out in the Public Service Benchmarking report June 2002. Health chapter 9

GPs. Figures for gross fee income from public funds, expenses estimate of 45% - possibly below the true figure - used to calculate net income. Then private income of €32500 added to this with no deduction for expenses (based on ballpark estimate from Irish College of GPs of €50 average fee x 600-700 consultations a year). The estimate therefore probably overstates the true level of earnings as there are likely to be some additional expenses arising from private work.

No data found on Dentists

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
67580	85000 ³	-	25242

Italy

Data Sources All information taken from letter from FCO Rome.

For GPs, collective agreement decree n.270, 2000. Formula details supplied. The 2003 collective agreement has been agreed, but not implemented as Treasury say there is no money to pay for it.

Illustrative figure assumes €35000, which would require a high number of patients (maximum is 1000), and generous expense and bonus payments. So it is quite likely that the mean average is below this figure. No private earnings added as no one has any idea what these are, but not thought to be significant for GPs.

Hospital Doctors salary levels are from the new doctor's contract.

Nursing salary levels from same letter [source?]

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
25761	43447 ⁴	-	13000 ⁵

³ UK estimate used given similarity in hospital pay on grade by grade basis

⁴ Consultant with 15 years experience

⁵ Ranges from low of £11482-26397 Judgement made for typical figure.

Netherlands

Data Sources:

GP data comes from Dutch government. Hospital salaries come from the collective Labour agreement for Hospital employees.

Dentist pay - average gross annual income 2002 from the Dutch Society for the development of dental care

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
57157	55000 ⁶	64688	18000

Portugal

Data Sources

Official data with averages from the General Directorate for Health in the Health Ministry. Monthly figures (2005) for those working exclusively in the public sector, multiplied by 14 as salaries are paid 14 times a year in Portugal. No data available on size of private sector earnings.

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
46297 ⁷	50000 ⁸	-	18000 ⁹

Spain

Data Sources

Ministry of Health and Consumer Affairs supplied approximate 2005 pay levels for newly employed staff. These include bonuses but not overtime or private work. The ranges are not thought to be lengthy.

Figures below are all doctor averages including increments for those working exclusively for SNS with no allowed private work. Source: Doctors Union Granada 2004 Study.

2004 estimate PPP basis

GP	Specialist	Dentist	Nurse
43182	43182	-	22504

Sweden

⁶ Range is from 37656 to 67243.

⁷ Payscale 30865-68589, GPs believed to be concentrated in lower grades.

⁸ As for 12

⁹ Payscale 12146-37654, very similar to Netherlands for range so same figure used

Data Sources

Estimates from the Doctor's Union by grade, Dentist Union for public sector dentists. Further source from Central Statistics Bureau showing mean and median average by job.

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
40952 ¹⁰	40952	28865	18369

Norway

Data Sources

Average for doctors supplied by BMA equivalent include overtime and other payments. Average almost identical to Statistics Norway 2004 figures, these are the source for nursing estimate based upon figures for professional and specialised nurses.

Ballpark estimate of approximate figures for Dentists from FCO Oslo.

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
-	46947	26088	~23000 ¹¹

Switzerland

Data Sources

Some figures have recently arrived for doctors earnings – long document in German. It is not clear whether they include expenses or not. If they do, Switzerland is expensive, although still probably cheaper than the UK for GPs if they do not, Switzerland is not possibly too far off German figures.

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse

Australia

Data Sources

Figures for doctors leaked government memo reported in Australian press in 2002, doctors protested figures were on the high side and must have made favourable assumptions to produce these figures.

Nurse estimate average taken from Australian Hospital Statistics Chapter 4. Data contained for salaried medical officers, which are hospital doctors, look

¹⁰ Chief Physician figure used from doctors association estimate so overestimates true average. GP is a specialism like any other in Sweden so figure for GP identical to Specialist.

¹¹ Averages of 21185 and 24341 for two grades of Nurse, so 23000 assumed for combined.

significantly lower than out of hospital specialists paid fee per service, with salaries around £55000 on PPP basis.

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
53635	70-126000	-	27868

New Zealand

Data Sources

Information only recently arrived so not looked at in detail. Contains detailed information on hospital salaries

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
52793			20300

Canada

Data source

Average payment per Fee per service Physician 02-03 from CIHI (Canadian Institute for Health Information). These are for gross fees, so calculation of net earnings needs expense ratio. Estimates of these supplied by health Canada from 2003 Canadian Medical Association Physician Resource Questionnaire reports on physician overhead expenses.

Nurse data has average minimum and maximums for 2005 based on hourly pay rates from Canadian Federation of Nursing Unions database.

A second source is from 2001 Census reports for professional incomes for 2000. These figures are in line with other estimates which suggests that hospital doctors salaries are in line with those paid fee per service.

2004 estimate £PPP basis

GP	Specialist	Dentist	Nurse
60885	74563-90413 ¹²	62322	25000 ¹³

United States.

Data source

Figures used are those quoted by the US department of Labor, Bureau of Labor Statistics in the "Occupational Outlook Handbook" 2004-05 Edition.

Of note, using PPP exchange rates increases US figures by 12%, which is the estimated difference for GP earnings between US and UK.

¹² Fee per service doctors only – salaries in hospitals not known

¹³ Average figures range from 22265-28502

2004 estimate PPP basis

Doctor	Specialist	Dentist	Nurse
96545	98101-197220	79161	30897

UK

Data source

GP pay estimates use cautious figures from GP pay note supplied by DH, but add 17%, as this was the difference between past years NHS outturn (from the same note) and actual incomes reported to the Inland Revenue in 2001. This may still be an underestimate as these IR results only relate to GMS GPs and will not highlight the average increased earning of PMS GPs.

Difference is likely to be primarily private GP income, and is consistent with other estimates.

£80-85000 used as 2004 estimate

Net Profit					
	DH note NHS earnings only (actuals)	IR surveys. All earnings. (actuals)	Difference %		
1997/98	46031	51,119	5,088	11.1%	
1998/99	48037	51,455	3,418	7.1%	
1999/00	52606	57,620	5,014	9.5%	
2000/01	54219	64,041	9,822	18.1%	
2001/02 ¹	56510	66,114	9,604	17.0%	
2002/03	61618	72,093		17.0% (a)	
2003/04	67040(f)	78,437		17.0% (a)	
2004/05	74586(f)	87,266		17.0% (a)	
2005/06	83562(f)	97,768		17.0% (a)	

(f)= forecast

(a) assumed uplift based on 2001/02 difference

Hospital salaries contained in Summary: NHS Costs and earnings per employee'.

	2000/01	2001/02	2002/03	2003/04
Average earnings per employee (after NI and Pension contribution- £'s)				
Medical & Dental Consultants	77,836	83,085	86,287	98,675
Medical & Dental Other Career Grades	53,326	60,293	62,940	68,962
Medical & Dental Registrars & Senior Registrars	44,669	50,947	55,904	61,207
Medical & Dental SHOs & HOs	35,627	40,561	43,210	46,179
Medical & Dental Other Hospital Medical Grades	52,528	52,200	54,755	62,164
Qualified nursing	22,305	23,466	24,366	24,810
Unqualified nursing, HCA and support	10,798	11,378	11,991	12,366

Consultant private earnings are considerable, last available information is from 2001/02.

	1999/00	2000/01	2001/02

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Full time					
E (salaried earnings)	£ 62,738	£ 67,419	£ 74,026		
D (private earnings)	£ 28,864	£ 18,935	£ 19,344		
% Private	32%	22%	21%		
Total Earnings	£ 91,602	£ 86,354	£ 93,370		
Part time					
E (salaried earnings)	49,612	49,383	57,649		
D (private earnings)	38,018	30,567	48,874		
% Private earnings	43%	38%	46%		
Total Earnings	87,630	79,950	106,523		
Max Part time					
E (salaried earnings)	61,682	68,231	72,624		
D (private earnings)	67,668	66,536	72,468		
% Private earnings	52%	49%	50%		
Total Earnings	129,350	134,767	145,092		
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A weighted average for consultant earnings in 2001/02 would be £112024

This would be above £132000, applying 18% rise in NHS earnings to all earnings for 2001/02.

For illustrative purposes, an average figure for all specialists of £85000 can be used for comparison. This is cautious given estimate for all doctors of £81589 in 2002.¹⁴

¹⁴ NERA Comparing Physicians Earnings: Current Knowledge and Challenges: Report for the Department of Health. Calculation made using DH data.