



University Staff Academic Salaries and Remuneration

A Comparison of New Zealand and Select International (Australia, Canada, UK and USA) Data

Commissioned by Universities New Zealand - Te Pōkai Tara

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Contents

1. Executive Summary	3
2. Introduction	6
3. Comparison of Salaries and Benefits	9
4. Implications for New Zealand	34

1. Executive Summary

1.1. Introduction

Deloitte has been engaged by Universities New Zealand - Te Pōkai Tara (UNZ) to prepare an update on our May 2008 report on university salaries and remuneration. The primary focus of this updated report is the comparison of New Zealand university academic salaries and remuneration with those in four comparable countries (namely Australia, Canada, the United Kingdom (UK) and the United States of America (USA)) and within each country, a selection of comparable universities. In order to provide a meaningful update, the comparable countries and comparable universities are consistent with those used in our May 2008 and December 2005 reports.

As noted in our 2008 report, comparisons between countries and universities pose a number of difficulties. These arise in areas such as:

- The lack of publicly available information;
- Different interpretations of key indicators relating to salaries and remuneration; and
- The existence of different funding systems and the diversity of funding sources for universities.

These differences primarily reflect differences in the environments within which each country university system operates and the evolution of each system. Irrespective of the above concerns, it is considered that the information and analysis in this report provides a robust summary of differences in university staff remuneration.

Data used in this report has been obtained from publicly available sources and data has not been requested from individual universities.

1.2. Comparisons of Salaries and Benefits

The table below compares the academic salaries for each country using data relating to the sample of universities and adjusting the salary data to purchasing power parity (PPP) in US dollars (USD\$). The PPP used for this report is explained in further detail in **Appendix 3**.

Rank	Country (PPP - 2012) (USD\$)				
	Australia	Canada	NZ	UK	USA
Lecturer	63,500	79,300	52,900	54,600	73,100
Senior Lecturer	76,400	x	65,600	66,300	x
Associate Professor	89,900	97,200	85,000	83,800	86,000
Professor*	109,600	121,800	91,500	94,100	118,600

Notes: * Represents minimum for Australia, New Zealand and the UK.

x = Data unable to be calculated

The comparable data included in our 2008 report is shown in the table below.

Rank	Country (PPP - 2008) (USD\$)				
	Australia	Canada	NZ	UK	USA
Lecturer /	59,000	65,500	44,900	50,500	70,700
Senior Lecturer	71,200	x	58,600	60,400	x
Associate Professor	83,700	80,500	71,600	74,200	83,000
Professor*	102,300	100,100	77,700	82,200	113,900

Notes: * Represents minimum for Australia, New Zealand and the UK.

x = No equivalent ranking

The table below shows the percentage movement in academic salaries (adjusted to a PPP) between 2008 and 2012 by rank and by country using data in the two tables above.

Rank	% Movement in Academic Salaries (adjusted to PPP) between 2008 and 2012				
	Australia	Canada	NZ	UK	USA
Lecturer	8%	21%	18%	8%	3%
Senior Lecturer	7%	x	12%	10%	x
Associate Professor	7%	21%	19%	13%	4%
Professor*	7%	22%	18%	14%	4%

Notes: * Represents minimum for Australia, New Zealand and the UK.

x = Data unable to be calculated

The table below shows the percentage movement in Consumer Price Index (CPI) by country between June 2008 and quarter 4 of 2011 (i.e. during a 3.5 year period)¹.

	% Movement in CPI				
	Australia	Canada	NZ	UK	USA
CPI Movement	9%	4%	9%	12%	3%

Source: Reserve Bank of New Zealand (<http://www.rbnz.govt.nz/statistics/0135595.html>)

<http://www.rateinflation.com/consumer-price-index/>

The overall observation is that while New Zealand academic salaries have increased over the course of the previous four years they are still noticeably lower in PPP terms than in Australia, Canada and USA, but are similar to the UK.

Based on CPI movements over the period June 2008 to December 2011 it is apparent that academic salaries in Australia, UK and USA have either moved in line with, or lagged behind, CPI in each respective country. At all ranks, both Canada and New Zealand have experienced increases exceeding CPI.

¹ Australia and New Zealand only release CPI data on a quarterly basis, therefore, the quarter closest to our May 2008 report (i.e. June 2008) and the latest available information (December 2011) has been utilised.

The minimum salary (converted to PPP) for a Professor in New Zealand has grown by 18 percent since our last report in 2008, however, despite this double digit growth, it is still approximately 20 percent lower than the equivalent rank in Australia, and even lower than Canada and the USA.² The gap between Australian and New Zealand average salaries (converted to PPP) is less obvious at the Associate Professor rank.

Salaries in the USA have shown the least growth since our 2008 report, increasing by 3 to 4 percent in PPP terms across the ranks shown. Canada has experienced the largest growth with salaries (converted to PPP) at all ranks analysed increasing by in excess of 20 percent.³ Australia has seen similar growth in all ranks across the board. In the UK academic salaries (converted to PPP) have increased more at the higher ranks.

The gap between salaries in PPP terms in New Zealand and the UK is small – the only rank where New Zealand is higher than the UK is the Associate Professor rank.

Non-salary benefits vary widely and are influenced by factors such as inter-country differences in responsibilities for healthcare and differences in legislative requirements. In general:

- Australia, the UK and Canada have university superannuation schemes that provide for higher employer contribution levels (i.e. 17 percent, 16 percent and 8.5 - 11+ percent respectively) than exist in New Zealand (i.e. 6.75 percent).
- Use of salary loadings is continuing to occur in order to overcome competition (both private sector and university) for staff in a number of disciplines. Specific robust data on non-salary benefits and salary loadings at both aggregated and individual levels is not widely available.

² It should be noted that the PPP shown in the tables above for the Professor rank in Canada and the USA are not minimums, rather they are average salaries.

³ In Canada the terminology for a Lecturer is 'Assistant Professor'.

2. Introduction

2.1. Project Overview

In December 2005 UNZ⁴ and the Tertiary Education Union⁵ engaged Deloitte to prepare a report on university salaries and resourcing. Deloitte was engaged in early 2008 to prepare a “limited scope” update to the academic salaries and remuneration section of our December 2005 report, and we have recently been engaged to complete a similar update as at April 2012.

The data used in this report has been limited to publicly available information and no specific requests for data have been made to individual universities.

2.2. International Comparisons

The New Zealand universities data comprises separate data for all eight universities together with data for the overall New Zealand university sector.

The international comparative data has been derived from four countries with whom New Zealand “competes” for academic staff, namely Australia, Canada, the United Kingdom (UK) and the United States of America (USA). In order to provide a focus for the comparisons, a subset of universities has been selected from the comparable countries. These are summarised in the tables below. In order to provide a meaningful update, the comparable countries and comparable universities are the same as those used in our May 2008 and December 2005 reports.

AUSTRALIA

The sample of universities comprises the Group of Eight “G8” universities. The G8 is a coalition of the leading Australian universities, which are internationally recognised for their excellence in scholarship and research.

Australian National University	University of New South Wales
University of Adelaide	University of Queensland
University of Melbourne	University of Sydney
Monash University	University of Western Australia

These eight Australian universities, along with a further 31 universities in Australia, are represented through the national universities' lobbying body Universities Australia.

⁴ At the relevant time Universities New Zealand was known as the New Zealand Vice Chancellors Committee (NZVCC).

⁵ At the relevant time the entity that jointly engaged Deloitte was known as the Association of University Staff of New Zealand (AUS).

CANADA

The sample of universities was based on identifying the Provinces from which the universities would be selected, and then selecting individual universities. The sample universities are as follows:

Ontario	- Carleton University (comprehensive) - University Guelph (comprehensive) - University of Western Ontario (medical / doctoral)
Alberta	- University of Alberta (medical / doctoral) - University of Calgary (medical doctoral)
British Columbia	- Simon Fraser University (comprehensive)

The selection of universities utilised the Maclean's Guide to Canadian Universities, which is an annual ranking and evaluation of universities in three categories – (1) primarily undergraduate, (2) comprehensive and (3) medical / doctoral. The "comprehensive" category includes universities with a significant amount of research activity and a wide range of programmes at undergraduate and graduate levels, including professional degrees. The medical / doctoral category includes universities with a broad range of doctoral programmes, research and who have medical schools. The universities included in the sample are categorised as comprehensive or medical / doctoral.

USA

The sample of universities for the USA is characterised as providing broad geographical coverage – i.e. the Northeast, the South, the Mid West, the Mountain States and the West Coast. No independent universities are included.

The five institutions selected are:

University of Colorado – Boulder University of Connecticut – Storrs University of Tennessee – Knoxville University of Washington – Seattle University of Wisconsin – Madison	
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The selection was made using the publication America's Best Colleges and the Carnegie classification. The latter classification establishes homogenous categories of universities and the sample are all classified as doctoral / research – extensive universities. In addition, they all rank between 40 – 105 in the listing of the 120 "Top Schools". It is considered that median performances in the top 120 US universities is a good benchmark, as they have a strong impact on the global tertiary market and other USA universities compare themselves with this group. Australia, Canada, UK and New Zealand must compete with these universities to attract and retain academic staff that will influence their international rankings.

UK

In the UK individual universities are required to implement pay and grading arrangements mapped to a national 51 point single pay spine. Universities negotiate with local union representatives in order to determine grading structures that map onto the single national pay spine.

2.3. International Comparisons

A number of major issues exist in obtaining and analysing data from a variety of international sources. Whilst some of these issues relate to accessing the data, the more substantial issues relate to comparability. For example, differences in the definitions of staff categories, and obtaining data on salary loadings. Irrespective of these issues, it is considered that the data and analysis provided is sufficiently robust for the project terms of reference.

2.4. Disclaimer

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We reserve the right to review all comments, analysis and calculations included or referred to in this report should any relevant information existing at the date of the report subsequently become known to us.

While we have taken care in our examination and use of information and explanations obtained or provided to us, we do not accept any responsibility for errors or omissions contained therein. However, we have used our professional judgement in reviewing the reasonableness of all figures and information obtained / provided to us.

3. Comparison of Salaries and Benefits

3.1. Overview

This section of the report provides data on university academic salaries and benefits in New Zealand. International comparisons are made with academic salaries and benefits in Australia, Canada, the UK and USA, particularly in the selected universities. It should be noted that in addition to New Zealand facing competition for academic staff who may be domiciled in those four countries, it also faces competition from those countries for recruiting academic staff who may be domiciled in other countries.

Consistent with our May 2008 and December 2005 reports, salary data for each country and rank (i.e. Lecturer, Senior Lecturer, Associate Professor and Professor) has been converted to Purchasing Power Parity (PPP), expressed in US dollars, using an average of the Economist's Big Mac Index (BMI), the World Bank's PPP index and the OECD PPP. This enables accurate and meaningful inter-country comparisons to be made. The PPP used in this report is explained in further detail in **Appendix 3**.

This conversion mechanism is similar to that adopted by the Association of Commonwealth Universities (ACU) where, in their recent study of academic staff salaries and benefits⁶, they utilised the WDI 2010 PPP and the BMI PPP for 2010 in converting amounts to a PPP.

3.2. ACU Academic Staff Salary Survey 2009 – 2010

The overall salary comparisons in BMI PPP (US\$) terms, and as reported in the ACU 2009–2010 Academic Staff Salary Survey⁷, are summarised in the table below.

Average Salaries (BMI PPP – US\$)	Australia	Canada	New Zealand	UK
Assistant Lecturer	\$51,964	\$52,195	\$41,424	-
Lecturer	\$69,000	\$71,118	\$53,791	\$58,238
Senior Lecturer	\$83,136	-	\$70,544	\$71,791
Associate Professor	\$98,055	\$80,499	\$85,724	\$84,235
Professor (bottom of scale)	\$116,194	\$78,164	\$92,834	\$91,244
GDP Per Capita ⁸	\$40,000	\$38,200	\$27,400	\$34,800

⁶ Emma Falk, The Association of Commonwealth Universities 2009-2010 Academic Staff Salary Survey, p14.

⁷ Emma Falk, The Association of Commonwealth Universities 2009-2010 Academic Staff Salary Survey, p17.

⁸ GDP Per Capita (US\$) PPP as reported in the ACU 2009-10 Academic Staff Salary Survey, p18.

The comparable table from the previous (2006–2007) ACU Academic Staff Salary Survey⁹ is set out in the table below.

Average Salaries (BMI PPP – US\$)	Australia	Canada	New Zealand	UK
Assistant Lecturer (midpoint)	\$50,286	\$47,916	\$33,580	-
Lecturer (midpoint)	\$66,196	\$59,037	\$43,983	\$46,921
Senior Lecturer (midpoint)	\$79,696	-	\$57,632	\$59,118
Associate Professor (midpoint)	\$93,564	\$74,410	\$69,929	\$71,147
Professor (bottom of scale)	\$114,555	\$74,513	\$74,996	\$77,756
GDP Per Capita ¹⁰	\$32,900	\$35,200	\$26,000	\$31,400

The percentage movement in the average salaries calculated in BMI PPP (US\$) terms, between the 2009-2010 and 2006-2007 ACU surveys are summarised in the table below.

% Movement in Average Salaries (BMI PPP – US\$)	Australia	Canada	New Zealand	UK
Assistant Lecturer	3%	9%	23%	x
Lecturer	4%	20%	22%	24%
Senior Lecturer	4%	x	22%	21%
Associate Professor	5%	8%	23%	18%
Professor (bottom of scale)	1%	5%	24%	17%
GDP Per Capita	22%	9%	5%	11%

Note: x = unable to be ascertained due to data missing

The table above illustrates that the growth in academic salaries in New Zealand is consistent across rank. Unlike the percentage movement between the 2004 – 2005 and 2006 – 2007 ACU surveys, the growth in New Zealand academic salaries between the 2006 – 2007 and 2009 – 2010 ACU surveys is consistently more than the growth in GDP per capita over the equivalent period. In comparison, the percentage movement in GDP per capita in Australia is considerably higher than the growth experienced in Australian academic salaries over the period under review.

⁹ Jay Kubler and Mary Catharine Lennon, Association of Commonwealth Universities 2006-07 Academic Staff Salary Survey, p14.

¹⁰ GDP Per Capita (US\$) PPP as reported in the ACU 2006-07 Academic Staff Salary Survey, p14.

The key findings of the ACU 2009 – 2010 study relating to salaries (as summarised in the ACU report) are:

- Australian academics at all levels except Lecturer continue to be above those of the other participating countries. The overall midpoint average of the salary scales for Australia is 6.4 percent higher than South Africa¹¹, who have gone from bottom ranked (in the 2006 – 2007 survey) to second ranking.
- Canada has been overtaken by South Africa in PPP terms, and the UK remains closely behind. The gap between Canada and the UK is less than 0.4 percent.
- The pay differential between participating countries has narrowed since the 2006 – 2007 survey. In the latest survey top ranked Australia has an overall average salary that is 6.4 percent, 9.2 percent and 9.6 percent higher than South Africa, Canada and the UK respectively. In the 2006 – 2007 survey the Australian overall average was 26.4 percent higher than the Canadian overall average and 26.9 percent higher than the UK overall average.
- New Zealand has dropped from fourth ranking to fifth, some 9.8 percent lower than the UK in fourth place. The gap between New Zealand and Australia has narrowed considerably from 44 percent in 2006 – 2007 to 21.5 percent in this survey.

The key findings of the ACU study relating to non-salary benefits (i.e. pension, leave entitlement, medical coverage and other rewards) are as follows:

- Pensions are provided in 93 percent of the institutions included in the survey.
- Most pension schemes are contributory (only South Africa offers non-contributory pension schemes).
- Leave conditions vary, although the majority offer fixed annual leave and parental leave.
- Standard annual leave arrangements tend to be four to six weeks, with a small number of institutions across the countries offering slightly more than this.
- Parental leave tends to be around 52 weeks of combined paid and unpaid leave. The length of paid leave varies across the countries.
- A large majority of institutions (85 percent) offer sabbatical leave, typically six months to a year, accrued after six to seven years' service.
- Medical insurance schemes are offered in the majority of Canadian and South African universities. Australia, New Zealand and the UK tend not to offer medical insurance, each of these countries have state-funded medical provision.

¹¹ Note South Africa are not included as a comparable country for the purposes of this report, however, they are a participating country in the ACU survey.

3.3. Australia – Salaries and Benefits

3.3.1. Overview

The latest review of university salaries and benefits published by the ACU in 2011¹² establishes Australia as having the highest academic salaries¹³ out of the four Commonwealth countries under comparison in this report.

Australian universities use Enterprise Agreements¹⁴ (EAs) (also known as Collective Agreements) to negotiate salary and benefits. An EA is a voluntary and negotiated agreement between employees (or their union representatives) and their employer. For the EA to come into effect it must be approved through a ballot process by a majority of the staff who cast a valid vote.

EAs cannot override state laws which cover occupational health and safety, workers compensation, discrimination, child labour, equal employment opportunity and training arrangements. They are regulated by Australia's new national workplace relations system, Fair Work Australia, which commenced on 1 July 2009.

In Australia, EAs are specific to a particular enterprise or employer, meanwhile awards provide similar standards for all workers in one industry. An EA can "stand alone" by defining all employment conditions or it may supplement an award. EAs often operate in conjunction with union membership.

In Australia the unions, predominantly the National Tertiary Education Union (NTEU), represent over 25,000 academic and general staff in Universities and other tertiary education providers. EAs are usually made for a period of three years. Near the end of each EAs life, NTEU consults members about what should be claimed for the next EA. Negotiating an EA usually takes months and can sometimes take longer than a year.

The major outcomes achieved in the latest round of bargaining included salary increases of between 16 – 18 percent over the life of the EAs, with an average increase of 4.6 percent pa to 2012. The next round of enterprise bargaining in many Australian universities will commence from May 2012. Approximately half of the new Agreements expire in June 2012, with the bulk of the remainder expiring by the end of June 2013.¹⁵

Recently Universities in Australia have experienced budget cuts and some have restructured their workforces in preparation for Prime Minister Julia Gillard's new market-driven funding system¹⁶, whereby Universities will be financed according to the number of students enrolled each year as opposed to receiving block government grants. In order to respond to fluctuating enrolments, it has been suggested that Universities used the latest EAs to create flexible workforces with higher rates of casualization and new categories of short-term contract employment.¹⁷

¹² Emma Falk, The Association of Commonwealth Universities 2009-2010 Academic Staff Salary Survey, p17.

¹³ Based on midpoint averages as reported in the ACU Survey.

¹⁴ The Fair Work Act 2009 renamed Enterprise Bargaining Agreements (EBAs) as "enterprise agreements".

¹⁵ <http://www.universitybargaining.org.au/>

¹⁶ Due to take full effect in 2012.

¹⁷ <http://www.wsws.org/articles/2011/aug2011/macq-a10.shtml>

Australian universities continue to adapt their remuneration arrangements to provide increased flexibility such as salary loadings for specific disciplines and individuals (according to merit, market pressures, or metropolitan cost of living). Salary Packaging, or Flexible Remuneration Packaging as it is also known, allows staff to change the structure of their remuneration package and take non-cash benefits (such as laptop computers, automobile leases, childcare and car parking) in lieu of taxable gross salary.

3.3.2. Academic Salaries

Information collected during this study for the G8 universities is summarised in the tables below. Measures of academic rank have been standardised throughout Australian universities to five levels:

- Associate Lecturer (A)
- Lecturer (B)
- Senior Lecturer (C)
- Reader / Associate Professor (D)
- Professor (E).

The tables below show 2012 and 2008 data and calculate a mean salary for each level at each of the G8 universities. Unless otherwise stated, scales do not include salary loadings.

Full-Time Pay Rates Effective Within 2012 (AUD)								
Level	ANU	Adelaide	Melbourne	Monash	UNSW	Q'land	Sydney	UWA
Assoc Lecturer	\$66,152	\$64,528	\$68,049	\$68,286	\$71,210	\$66,338	\$69,906	\$67,614
Lecturer	\$85,733	\$84,971	\$89,604	\$89,917	\$92,522	\$87,348	\$92,054	\$89,031
Snr Lecturer	\$102,433	\$102,447	\$108,035	\$108,413	\$110,748	\$105,317	\$110,988	\$107,345
Assoc Professor	\$122,500	\$120,413	\$126,979	\$127,424	\$129,481	\$123,784	\$130,448	\$126,170
Professor	\$144,187	\$147,603	\$155,649	\$156,200	\$157,836	\$151,736	\$159,906	\$154,663
Professor	\$152,910	-	-	-	-	-	-	-

Note: The salaries reported for all levels (except Professor) are mean salaries. Salaries for Professors reflect minimum salaries. ANU have two published levels of salaries at Professor Level.

Source: Data for each university was available online.

Salaries are as at March 2012 (i.e. any increase due subsequent to this date is not included)

UNSW salary rates include a superable UNSW academic loading of \$3,000 per annum payable to all academic staff

Full-Time Pay Rates Effective Within 2008 (AUD)								
Level	ANU	Adelaide	Melbourne	Monash	UNSW	Q'land	Sydney	UWA
Assoc Lecturer	\$57,033	\$56,509	\$59,553	\$58,022	\$60,185	\$56,684	\$60,873	\$59,770
Lecturer	\$74,222	\$74,411	\$78,418	\$76,402	\$78,198	\$74,637	\$80,159	\$78,703
Snr Lecturer	\$88,920	\$89,717	\$94,548	\$92,118	\$93,602	\$89,991	\$96,647	\$94,894
Assoc Professor	\$105,640	\$105,450	\$111,127	\$108,272	\$109,434	\$105,771	\$113,594	\$111,534
Professor	\$126,891	\$129,261	\$136,220	\$132,722	\$133,400	\$129,654	\$139,245	\$136,722
Professor	\$134,568	-	-	-	-	-	-	-

Note: The salaries reported for all levels (except Professor) are mean salaries. Salaries for Professors reflect minimum salaries. ANU have two published levels of salaries at Professor Level.

Source: Data for each university was available online.

Salaries are as at May 2008 (i.e. any increase due subsequent to this date is not included)

UNSW salary rates include a superable UNSW academic loading of \$3,000 per annum payable to all academic staff

% Increase in Full-Time Pay Rates between 2008 and 2012								
Level	ANU	Adelaide	Melbourne	Monash	UNSW	Q'land	Sydney	UWA
Assoc Lecturer	16.0%	14.2%	14.3%	17.7%	18.3%	17.0%	14.8%	13.1%
Lecturer	15.5%	14.2%	14.3%	17.7%	18.3%	17.0%	14.8%	13.1%
Snr Lecturer	15.2%	14.2%	14.3%	17.7%	18.3%	17.0%	14.8%	13.1%
Assoc Professor	16.0%	14.2%	14.3%	17.7%	18.3%	17.0%	14.8%	13.1%
Professor	13.6%	14.2%	14.3%	17.7%	18.3%	17.0%	14.8%	13.1%
Professor	13.6%	-	-	-	-	-	-	-

Due to differences in the timing and frequency of salary increases, the percentage increases between the 2008 and 2012 salary rates vary across the eight universities shown above. With the exception of ANU, the percentage increases for the remainder of the G8 Australian universities were consistent across all levels.

The lowest percentage increase in academic salaries between 2008 and 2012 were at UWA, although in our May 2008 report UWA had the second largest percentage increase (18 percent) between the period under review (2005 and 2008). Similarly, the highest percentage increase in academic salaries between 2008 and 2012 were at UNSW, although in our May 2008 report UNSW had the second lowest percentage increase (10 percent) between the period under review (2005 and 2008).

There is no consistency across the G8 universities in terms of frequency of pay increases – some are only once per annum, while others provide for increases more than once in a year, the majority being on a six monthly basis.

3.3.3. Academic Salary Loadings

All of the G8 universities use salary loadings to create more attractive and competitive employment conditions. Loadings are paid in addition to the salary scales shown above. This allows individual institutions and departments the flexibility to recruit/retain the most desirable staff. The conditions for these salary loadings are negotiated at each institution in their EA, or within individual employment arrangements.

It is a widespread university practice to offer clinical loadings to attract and retain medical-dental staff, however, this practice has been widened to include other disciplines where there is greater market competition from other institutions or sectors. Salary loading practices are also applied to individual staff across a range of disciplines in recognition of their particular expertise and comparable market remuneration.

The table below summarises some of the “published” primarily clinical loadings offered by the University of Sydney. The figures across the top of the table indicate incremental increases in salary loadings and the dates at which they have been, or will be, phased in.

The University of Sydney Academic Staff - Annual Loadings							
Loadings	Mar-09	Sep-09	Jan-10	Jul-10	Jan-11	Jul-11	Jan-12
		3.0%	2.0%	2.5%	2.5%	2.5%	2.5%
Full Clinical	\$25,078	\$25,830	\$26,347	\$27,006	\$27,681	\$28,373	\$29,082
Para-Clinical	\$16,742	\$17,244	\$17,589	\$18,029	\$18,480	\$18,942	\$19,416
Pre-Clinical and Dental Clinical	\$12,555	\$12,932	\$13,191	\$13,521	\$13,859	\$14,205	\$14,560
Professional Merit	\$19,635	\$20,224	\$20,628	\$21,144	\$21,673	\$22,215	\$22,770

Source: http://sydney.edu.au/staff/enterprise_agreement/ea_2009-12_schedules/academic_loadings.shtml

Note: Academic Level E is the only scale which does not include the incentive of incremental advancement. However, the agreed pay scales include provision for Level E staff to receive Professorial Merit Loadings. Other universities use these scales to acknowledge the contribution of their Professors.

As indicated above, it is reported that universities operate a range of salary loadings, only some of which are incorporated into published salary scales. The majority appear to form part of employment negotiations which are common across the majority of academic positions within a department and others are customised to individual positions and employees.

3.3.4. Academic Staff – Non Salary Benefits

Superannuation

In Australia university employers are legally required to pay superannuation on behalf of their employees. UniSuper is the largest of Australia's superannuation schemes although there are a number of older State schemes (not open for new membership). UniSuper is the industry super fund dedicated to all who work in Australia's higher education and research sector. All university staff are eligible to participate in the UniSuper superannuation programme.

UniSuper offers two main styles of super - Defined Benefit Division (DBD) and Accumulation 2. Members are encouraged to make standard member contributions equal to 7 percent of their after-tax salary each pay period, although members are able to reduce the level of standard member contributions they make under UniSuper's contribution flexibility arrangements. The majority of universities provide employer contributions of up to 17 percent of an employee's salary.¹⁸

Salary Packaging

Salary Packaging or Flexible Remuneration Packaging as it is also known, represents another important component of salary and benefits in Australian universities. It is a voluntary scheme in which university employees may change the structure of their remuneration package and take non-cash benefits in lieu of salary. Salary packaging has the benefit of allowing employees the flexibility to tailor their remuneration package to best suit their individual financial and personal needs, as well as taking advantage of legitimate taxation laws to maximise benefits.

This practice of salary packaging is common throughout the G8 Universities.

Other Non-Salary Benefits

In an endeavour to offer competitive remuneration and hence to attract and retain staff in areas of recruitment pressure, institutions include in their overall remuneration package items such as housing subsidies, research support, outside earnings, housing loans, reduced interest, personnel development opportunities and flexible work programmes.

However, there appears to be no Australian data that provides comprehensive information on the frequency and extent of non-salary benefits outside of EAs.

¹⁸ The employer contribution will depend on the specific contract type, the duration of the contract and/or the length of time employed. For example, ANU contributes 17% (made up of 14% employer superannuation contribution and 3% award contribution) in relation to Standard Appointments and Fixed-Term Appointments of 12 months or more, whereas for Fixed-Term Appointments less than 12 months and Casual Appointments this reduces to either a 9% Superannuation Guarantee payment or a 3% Award superannuation payment. For more information refer to: http://info.anu.edu.au/hr/Salaries_and_Conditions/Superannuation/UniSuper.asp

Institutional Expenditure on Academic Benefits

The following table contains a breakdown of expenditure on Academic Staff benefits at individual G8 institutions:

Academic Staff Benefits 2010 (\$000 AUD)								
	ANU	Adelaide	Melbourne	Monash	NSW	Q'land	Sydney	UWA
Salaries	159,264	139,554	324,175	368,445	264,794	288,569	355,497	190,183
Non-Salary Benefits:								
- Superannuation & Pension	42,158	20,485	42,359	41,215	36,751	45,499	51,241	28,466
- Other Academic Employee Benefits	-	4,557	13,825	4,212	1,855	7,954	-	1,656
Non-Salary Benefits as % of Salaries	21%	15%	15%	11%	13%	16%	14%	14%

Note: Computations based upon salary and benefits data in DEEWR Finance 2010, which contains financial information including financial performance, financial position and cash flows for higher education providers derived from institutions financial statements for the period ending 31 December 2010.

<http://www.deewr.gov.au/HigherEducation/Publications/FinanceReports/Pages/Finance2010.aspx>

This table is not directly comparable to that included in our May 2008 report in the data shown above we have not included Long Service Leave expense and Annual Leave expense as 'non-salary' benefits.

The breakdown of data in the above table is limited by differences in classification and reporting across universities. However, the data above indicates that "non-salary benefits" for academic staff vary between 11% and 21% of salaries for the G8 universities. The average across all Australian universities is 14%.¹⁹

¹⁹ <http://www.deewr.gov.au/HigherEducation/Publications/FinanceReports/Pages/Finance2010.aspx>

3.4. Canada – Salaries and Benefits

3.4.1. Overview

The latest review of university salaries and benefits published by the ACU establishes Canada as having the second highest academic salaries²⁰, just ahead of the UK, out of the four Commonwealth countries under comparison in this report.

3.4.2. Academic Salaries

The pay scale for academic staff in Canada is determined at provincial rather than national government level. Each provincial government distributes Federal and Provincial education funding to their tertiary systems. Academic staff salaries and benefits are negotiated through the Canadian Association of University Teachers (CAUT), the largest nationwide union of academic faculty, as well as at provincial and institution levels. Salary structures at Canadian universities are the result of continuing negotiations between professors often represented by their union, and administrators acting on behalf of boards of governors ultimately responsible for the business of the university.

The figures below are organised by the standardised academic ranks used throughout the Canadian university system, with average salaries shown in Canadian dollars. The first table sets out data in relation to the 2009 - 2010 period, and the second table covers the 2005 - 2006 period. The third table illustrates the percentage movement by academic rank over these time periods. Note that the tables exclude Medical and Dental faculty.

Canadian Academic Salaries – 2009 – 2010 Excluding Medical and Dental						
Academic Rank	Alberta	Calgary	Carleton	Guelph	Simon Fraser	Western Ontario
Full Professor	\$155,272	\$163,928	\$135,531	\$140,057	\$137,368	\$144,412
With admin. duties	\$168,859	\$187,010	\$135,262	\$154,409	\$140,428	\$152,323
Without admin. duties	\$152,701	\$159,489	\$135,571	\$137,952	\$136,815	\$142,935
Associate Professor	\$113,543	\$125,532	\$114,223	\$116,186	\$111,383	\$118,542
With admin. duties	x	\$132,761	\$124,233	\$137,097	\$120,452	\$125,576
Without admin. duties	x	\$124,687	\$113,319	\$114,975	\$110,609	\$117,952
Assistant Professor	\$90,512	\$105,312	\$90,917	\$96,442	\$93,490	\$93,748
Rank below assistant	-	\$91,809	x	-	\$83,531	x

Note: The 2009/10 salaries data is the most recently available from Statistics Canada. Figures shown above are average salaries at the respective academic rank.

- Not applicable

x Suppressed to meet confidentiality requirements of the Statistics Act

Source: Statistics Canada. <http://www.statcan.gc.ca/pub/81-595-m/81-595-m2011096-eng.pdf>

²⁰ Based on midpoint averages as reported in the ACU Survey.

Canadian Academic Salaries – 2005 – 2006 Excluding Medical and Dental

Academic Rank	Alberta	Calgary	Carleton	Guelph	Simon Fraser	Western Ontario
Full Professor	\$124,295	\$123,445	\$113,471	\$114,307	\$117,361	\$122,005
With admin. duties	\$131,277	\$131,851	\$117,721	\$124,547	\$120,884	\$126,615
Without admin. duties	\$123,255	\$121,647	\$112,817	\$112,702	\$116,675	\$121,282
Associate Professor	\$91,281	\$92,302	\$96,772	\$98,681	\$94,487	\$101,158
With admin. duties	\$99,681	\$98,793	\$101,662	\$113,966	\$98,043	\$106,537
Without admin. duties	\$90,768	\$91,190	\$96,290	\$97,881	\$94,023	\$100,587
Assistant Professor	\$77,327	\$77,543	\$75,707	\$77,946	\$79,398	\$79,911
Rank below assistant	-	\$77,022	-	\$65,315	\$72,212	\$64,561

Note: The 2005/06 salaries data was the latest final available data from Statistics Canada at the date of our May 2008 report. Figures shown above are average salaries at the respective academic rank.

- Not applicable

x Suppressed to meet confidentiality requirements of the Statistics Act

Source: Statistics Canada. <http://www.statcan.ca/english/research/81-595-MIE/81-595-MIE2008061.pdf>

Canadian Academic Salaries – Percentage Increase between 2005 – 2006 and 2009 – 2010

Academic Rank	Alberta	Calgary	Carleton	Guelph	Simon Fraser	Western Ontario	Average % Increase by Rank
Full Professor	25%	33%	19%	23%	17%	18%	23%
With admin. duties	29%	42%	15%	24%	16%	20%	24%
Without admin. duties	24%	31%	20%	22%	17%	18%	22%
Associate Professor	24%	36%	18%	18%	18%	17%	22%
With admin. duties	-	34%	22%	20%	23%	18%	24%
Without admin. duties	-	37%	18%	17%	18%	17%	21%
Assistant Professor	17%	36%	20%	24%	18%	17%	22%
Rank below assistant	-	19%	-	-	16%	-	17%
Average % Increase by University	24%	33%	19%	21%	18%	18%	

It has been suggested that while Canadian universities slid relatively unscathed through the 2008 economic recession, Canadian salaries are likely to come under pressure over the next few years as some provincial governments grapple with budget deficits, and students try to limit increases to tuition fees.²¹

²¹ <http://www.tonybates.ca/2012/03/23/who-has-the-richest-professors-canada/>

3.4.3. Academic Salary Loadings

Canadian Universities pay market differentials, also known as “market supplements” or “market premiums”, in addition to the conventional salary scale. Such payments are discretionary and are made to attract new faculty members and retain those likely to leave. We do not have any specific data on the quantum of market supplements paid.

3.4.4. Academic Staff – Non Salary Benefits

These six Canadian universities offer less diverse benefits than their counterparts in the Australian G8 universities. Pensions, insurance (life and health) and leave are the fundamental benefits around which the others are clustered.

University pension plans are an integral component of the compensation packages that universities provide to their faculty. In Alberta, for example, the Universities of Alberta and Calgary offer the Universities Academic Pension Plan (UAPP), a contributory defined benefit pension plan specifically for academic staff. The final value of this plan does not depend solely on the amount contributed. The employer and employee each contribute at a percentage determined by the salary level. Pension at retirement is calculated according to the employee’s highest average salary and years of credited service while a member of the plan.

The employer and employee contributions to superannuation vary by province and institution. The table below summarises the contribution rates for four of the sample institutions.

Institution	Employer Contribution %	Employee Contribution %
Alberta	The employer matches member contributions	10.55% on earnings up to YMPE ²² (which in 2012 is CAD\$50,100). 13.54% on earnings in excess of YMPE up to the pensionable salary cap (which in 2012 is CAD\$147,364), and 1.015% on earnings in excess of pensionable salary cap
Calgary	As above for Alberta	As above for Alberta
Simon Fraser	Up to 10.0% of salary	No minimum
Western Ontario	8.5% of regular annual earnings	1.5% - 5.5% minimum

The basic categories of insurance offered by Canadian universities are life, medical, dental and disability insurance. Paid holidays, maternity and paternity leave, and sabbaticals make up the leave benefits. In addition, the remission of tuition fees for faculty members and in some cases their families, is an attractive benefit. Access to university health and fitness facilities, and university-based childcare, are also important components of academic benefits. The Australian concept of “Salary Packaging” has no real equivalent in Canada.

²² Year's Maximum Pensionable Earnings.

3.5. UK – Salaries and Benefits

3.5.1. Overview

The latest review of university salaries and benefits published by the ACU establishes UK universities as having the third highest salaries (after Australia and Canada) out of the four Commonwealth countries under comparison in this report. Consistent with the ACU's previous survey (relating to 2006 – 2007 data), the gap between Canada and the UK is minimal (less than 0.4%).

In the UK higher education salary arrangements are mapped to a national 51 point single pay spine. The national single pay spine is negotiated by the academic sub-committee of the Joint Negotiating Committee for Higher Education Staff (JNCHES).

Currently, the amount of pay received by each salary scale point is reviewed annually through negotiations between the higher education institutions and staff trade unions (the largest of which is the University and College Union (UCU)). Each union negotiates on behalf of its own members. The Universities and Colleges Employers Association (UCEA) facilitates these talks, and mediates between employers and each union until a figure has been agreed.

The main features of the national pay framework are that all staff are paid according to rates on a national pay spine and that academic staff are graded according to a national grading structure, which is supported by national role profiles setting out the nature of the roles within each grade. Staff can expect to progress up the spine one point at a time each year, subject to local banding arrangements, though this could be accelerated to reward special effort, skill or experience.

Special provision is made for staff working in London, due to the higher cost of living. Each year unions negotiate a special London weighting figure. This is a lump sum given to all staff on a particular scale regardless of grading.²³

It has been reported that changes in the tuition fees regime in the UK could heap pressure on staff wages and put national pay bargaining under "huge strain".²⁴ Recent below-inflation awards have occurred in higher education and the latest round of negotiating was noted as taking place against a complex and challenging economic and sector backdrop.²⁵

3.5.2. Academic Salaries

A copy of the current Single Pay Spine is set out in **Appendix 1**.

Despite the fact there is a nationally agreed pay spine, universities have an element of flexibility in that they can use their discretion to place academic posts on the pay spine. For the purpose of calculating an average salary for the UK by academic rank we have applied the grading structure to the national pay spine (excluding the London allowance) as utilised by University College London.²⁶

²³ http://www.ucl.ac.uk/hr/salary_scales/final_grades.php. Note the UCL London Allowance from August 2010 is £ 2806.

²⁴ <http://www.timeshighereducation.co.uk/story.asp?storycode=417431>

²⁵ http://www.ucea.ac.uk/en/News/Archived_News.cfm?filteryear=2011&obj_id=72531D13-3A9A-4354-AF563D05895FFD0B&page=1

²⁶ http://www.ucl.ac.uk/hr/salary_scales/final_grades.php

There is no general national salary scale for professors and equivalent staff, rather they negotiate their salaries individually with their institutions. Some universities, such as Cambridge and Leeds, have improved pay-scale transparency and extended the pay spine scale. Leeds University has created a pay band for professors and senior management. The creation of the band for professors and senior management was unique in that it sets pay points for professors who previously only had a professorial minimum salary. The agreement reached at Leeds introduced a 60-point pay spine and provides a process whereby professorial and senior staff can also apply for a salary review as a reward for outstanding contributions or achievements. Cambridge University has set out the full range of its professorial salaries and has extended the scale to point 92.

3.5.3. Academic Salary Loadings

Policy information regarding supplemental salary awards based on expertise and market demand is often difficult to obtain for individual UK universities. Guidelines appear to be present, but they are not always well defined. The University of Leeds has procedures in place relating to the award of discretionary increments, additional scale increments and one-off payments for staff. The procedures booklet notes that the aim is to provide a coherent and practical approach to recurrent and one-off payments made to staff to reward individual contribution within their role, and to ensure transparency, fairness and equality to all staff.²⁷

3.5.4. Academic Staff Non Salary Benefits

Academic benefits in the UK lack the scope of their Australian counterparts, and because of the National Health Service there is less emphasis on medical insurance and disability benefits than in Canada or the United States. Pension and paid leave (annual, research, parental and family) are the primary benefits offered by most UK universities.

Pension

The Universities Superannuation Scheme (USS) is the principal pension scheme in the UK. Introduced on 1 April 1975, USS is designed for academic and equivalent staff in UK universities and certain other institutions engaged in higher education and research. Employers typically contribute 16 percent of salary, with employees contributing 7.5 percent²⁸ until age 65²⁹ or 40 years' pensionable service is completed, whichever is earlier.³⁰

²⁷ http://www.leeds.ac.uk/hr/progression/contribution_pay.htm.

²⁸ A number of changes to the USS came into force on 1 October 2011, including increasing the member contribution rate for the USS pension scheme from 6.35% to 7.5% of salary. The effect of this is mitigated to some degree as pension contributions attract tax relief. New members of the scheme (after 1/10/2011) will no longer be eligible to join the final salary section of the scheme. Instead, new members will join what has been termed the 'career re-valued benefits' section or CRB as it will be known. Employee contribution in the CRB section will be 6.5%.

²⁹ The normal USS pension age will rise in line with any increases in the state pension age, which is scheduled to rise to 66 by 2020. It is important to note that this will only affect pension built up after April 2020.

³⁰ In order to qualify for a pension you must terminate your current pensionable employment. Reaching age 65, or achieving 40 years' service, does not automatically make you eligible for a pension if you haven't stopped working. <http://www.uss.co.uk/SchemeGuide/FinalSalaryBenefitssection/retirement/Pages/default.aspx>

Today USS, which has approximately 395 participating institutions and approximately 260,000 members, is the second largest private sector pension scheme in the UK by fund size.³¹ The 'standard' package of benefits under USS is a pension of 1/80th of your pensionable salary for every year (and part year) of your pensionable service, plus three times this annual pension as a tax-free cash lump sum.³² Life insurance, or "death-in-service benefit", is included in the USS pension plan; the sum is based on three years' annual salary.³³

Health Care and Illness Benefits

Unless employees wish to purchase private insurance, their health care will be provided by the National Health Service. The Social Security Contributions and Benefits Act 1992 provides for up to 28 weeks of paid illness leave. This programme is called Statutory Sick Pay (SSP).

Paid Leave

Workers in the UK, including the tertiary sector, are entitled by law to 28 days of paid annual leave, including eight bank holidays. Paid maternity leave of 39 weeks is a statutory right in the UK.³⁴ Academics may also qualify for research leave after a number of years in service. Some UK universities offer long service leave although this is not the norm in UK universities.

³¹ USS is the second largest private sector pension fund in the United Kingdom and the principal pension scheme for UK universities, acting for 395 universities and academic institutions. It has in excess of £28 billion in assets as of December 31 2009, and approximately 260,000 members.

³² <http://www.uss.co.uk/Factsheet%20List/Factsheet%2024-%20Tax%20Free%20Options%20at%20Retirement%20FS.pdf>

³³ <http://www.uss.co.uk/Factsheet%20List/Factsheet%206-%20Death%20in%20service%20benefits.pdf>

³⁴ www.hmrc.gov.uk/helpsheets/e15.pdf.

3.6. USA – Salaries and Benefits

3.6.1. Overview

Salary changes of faculty members in the USA continue to reflect their troubled economy. Historically, annual average faculty salaries increased three to four percent, however, as reported in the latest Faculty Salaries report³⁵ this increase slowed to 1.4 percent between 2008 – 2009 and 2009 – 2010 and 1.1 percent between 2009 – 2010 and 2010 – 2011.

Although the recession is now technically over, analysis of faculty compensation and forecasts for state revenues undertaken by the American Association of University Professors (AAUP) in their 2010 – 2011 Report on the Economic Status of the Profession indicated that the negative impact on higher education will continue for years in many states.³⁶ The report made reference to the fact that many faculty members and other employees in higher education have endured salary freezes or involuntary unpaid furloughs in the last year, and their analysis revealed that for the second consecutive year, real salary levels fell, and for the fifth time in the last seven years, overall faculty salaries declined in purchasing power.³⁷

The figures below are organised by the standardised academic ranks used throughout the USA university system, with average salaries shown in US dollars. The first table sets out data in relation to the 2010 - 2011 period, and the second table covers the 2006 – 2007 period. The third table illustrates the percentage movement by academic rank over these time periods.

2010 – 2011 National Average Salaries (USD) and % of Faculty		
All full-time faculty members	\$75,461	100%
Professors	\$104,982	27%
Associate Professors	\$75,033	23%
Assistant Professors	\$63,095	24%
No Rank (mostly at community colleges)	\$56,593	7%
Lecturers	\$52,509	5%
Instructors	\$58,180	14%

Source: Clery, S. "Faculty Salaries, 2010–11," *The NEA 2012 Almanac of Higher Education*. Washington, D.C.: National Education Association, 2012. http://www.nea.org/assets/docs/2012_Almanac_Faculty_Salaries.pdf

³⁵ Clery, S. "Faculty Salaries, 2010–11," *The NEA 2012 Almanac of Higher Education*. Washington, D.C.: National Education Association, 2012. http://www.nea.org/assets/docs/2012_Almanac_Faculty_Salaries.pdf

³⁶ <http://www.aaup.org/AAUP/comm/rep/Z/ecstatreport10-11/>

³⁷ Ibid.

2006 – 2007 National Average Salaries (USD) and % of Faculty

All full-time faculty members	\$68,514	100%
Professors	\$94,825	27%
Associate Professors	\$68,077	23%
Assistant Professors	\$57,106	24%
No Rank (mostly at community colleges)	\$52,123	7%
Lecturers	\$47,455	5%
Instructors	\$53,354	14%

Source: Suzanne B. Clery and Barry L. Christopher, "Faculty Salaries: 2006-2007", NEA Almanac of Higher Education 2008

<http://www2.nea.org/he/healma2k8/images/a08p7.pdf>

Percentage movement in National Average Salaries (USD) between 2006 – 2007 and 2010 – 2011

All full-time faculty members	10%
Professors	11%
Associate Professors	10%
Assistant Professors	10%
No Rank (mostly at community colleges)	9%
Lecturers	11%
Instructors	9%

The Rising Percentage of Contingent Faculty

We noted in our 2008 report that there was increasing concern and debate in the US about "contingent faculty". Contingent faculty includes postgraduate student teachers, part-time and full-time faculty on temporary contracts. The 2010 – 2011 AAUP Report on the Status of the Profession reported that based on the most recent available data, the number of contingent appointments among all instructional staff continued to grow between 2007 and 2009 to the point where graduate student employees and faculty members serving in contingent appointments now make up more than 75 percent of the total instructional staff.³⁸ The Report noted that in the 2007 to 2009 period there had been an overall 12 percent increase in higher education enrolment, yet in that same period tenured positions grew by only 2.4 percent.

Public and Independent Universities

There are no national academic or non-academic pay scales in the United States. At public universities, funding and resources for employees' salary and benefits are determined by individual state governments. This budget is supplemented by federal funds, through student borrowing or as direct grants. Independent universities receive no direct state resources per FTE student; however, they do get state, federal and independent-sector research-based funding, plus they benefit from any students who may utilise federal student loans or the Higher Education Act.

³⁸ <http://www.aaup.org/AAUP/comm/rep/Z/ecstatreport10-11/>. It was noted that the pattern of increasing non-tenure-track appointments and decreasing tenure-track appointments was consistent across institutional types (e.g. doctoral universities, Master's, Baccalaureate and Associate's degree categories).

3.6.2. Academic Staff Salaries

The AAUP and the National Education Association (NEA) publish annual statistical analysis of USA academic salaries. In the USA, 87 percent of all full-time faculty members at 3,049 degree-granting institutions are on 9/10 month contracts.³⁹ This salary can be spread over a 12 month period in most cases. Additional income may also be earned and the two most common sources of additional income for faculty members are summer school and consulting outside the university. It has been noted that different funders have slightly different rules about how much salary professors can take, but the basic rule of thumb is that they can take another two months' worth of salary.⁴⁰

Faculty members with collective-bargaining agreements averaged USD \$2,882 more than their non-collective bargaining colleagues in 2010 – 2011.⁴¹

The latest (2010 - 2011) academic salaries for doctoral institutions published by the NEA are summarised in the table below, along with the equivalent information from 2006 – 2007 and the percentage movement over the four year time period.⁴²

Average Salaries (USD\$) for Faculty on 9/10 Month Contracts at Doctoral Institutions 2010 – 2011	Public	Independent
Professor	\$110,668	\$130,851
Associate	\$78,038	\$84,574
Assistant	\$66,453	\$70,950
Instructor	\$44,686	\$52,938
Lecturer	\$50,368	\$59,733
No Rank	\$53,309	\$67,111
Average	\$80,433	\$92,769

Source: The NEA 2012 Almanac of Higher Education

The salary gap between average academic salaries paid by public and independent universities has remained at 13 percent.⁴³

³⁹ <http://www.aaup.org/AAUP/comm/rep/Z/ecstatreport10-11/>

⁴⁰ <http://higheredstrategy.com/data-point-of-the-week-comparing-academic-salaries-3/>

⁴¹ Ibid.

⁴² Data shows average salaries (across all ranks) for faculty at public Doctoral Institutions on 11/12 month contracts are approximately 24% higher than is the case for faculty at public Doctoral Institutions on 9/10 month contracts. The difference in average salaries for faculty on 9/10 month vs. 11/12 month contracts at Independent institutions was minimal.

⁴³ Clery, S. "Faculty Salaries, 2010–11," *The NEA 2012 Almanac of Higher Education*. Washington, D.C.: National Education Association, 2012. http://www.nea.org/assets/docs/2012_Almanac_Faculty_Salaries.pdf

Average Salaries (USD\$) for Faculty on 9/10 Month Contracts at Doctoral Institutions 2006 – 2007		
	Public	Independent
Professor	\$101,360	\$119,384
Associate	\$71,686	\$77,379
Assistant	\$60,796	\$64,276
Instructor	\$41,457	\$46,937
Lecturer	\$46,420	\$53,150
No Rank	\$47,263	\$60,242
Average	\$74,169	\$85,311

Source: The NEA 2008 Almanac of Higher Education

Percentage Movement in Average Salaries (USD\$) for Faculty on 9/10 Month Contracts at Doctoral Institutions between 2006 – 2007 and 2010 – 2011		
	Public	Independent
Professor	9%	10%
Associate	9%	9%
Assistant	9%	10%
Instructor	8%	13%
Lecturer	9%	12%
No Rank	13%	11%
Average	8%	9%

The tables below summarise the average salaries at the US Reference Group universities, for each academic rank, for the 2010 – 2011 year and the 2007 – 2008 year. The percentage change over the three year period is also shown.

Average Salaries (USD\$) – 2010 – 2011 (9/10 month contracts)				
University	Professor	Assoc Professor	Asst Professor	Instructor
University of Colorado – Boulder	\$118,600	\$86,500	\$74,400	\$50,500
University of Connecticut – Storrs	\$139,600	\$93,900	\$74,400	\$68,200
University of Tennessee – Knoxville	\$102,900	\$75,700	\$64,600	\$51,000
University of Washington – Seattle	\$118,300	\$86,800	\$77,400	\$44,100
University of Wisconsin – Madison	\$113,800	\$87,300	\$74,900	\$58,800
Average of USA Reference Group ⁴⁴	\$118,600	\$86,000	\$73,100	\$54,500

Source: <http://chronicle.com/stats/aaup/>

⁴⁴ Rounded to the nearest hundred dollars.

Average Salaries (USD\$) – 2007 – 2008 (9/10 month contracts)				
University	Professor	Assoc Professor	Asst Professor	Instructor
University of Colorado – Boulder	\$116,400	\$84,900	\$72,300	\$48,000
University of Connecticut – Storrs	\$127,500	\$87,900	\$72,500	\$62,900
University of Tennessee – Knoxville	\$104,400	\$78,500	\$65,800	\$49,500
University of Washington – Seattle	\$116,400	\$83,400	\$73,900	\$47,800
University of Wisconsin – Madison	\$104,700	\$80,300	\$69,100	\$50,800
Average of USA Reference Group ⁴⁵	\$113,900	\$83,000	\$70,700	\$51,800

Source: <http://chronicle.com/stats/aaup/>

Percentage Movement in Average Salaries (USD\$) between 2007 – 2008 and 2010 – 2011 (9/10 month contracts)				
University	Professor	Assoc Professor	Asst Professor	Instructor
University of Colorado – Boulder	2%	2%	3%	5%
University of Connecticut – Storrs	9%	7%	3%	8%
University of Tennessee – Knoxville	(1%)	(4%)	(2%)	3%
University of Washington – Seattle	2%	4%	5%	(8%)
University of Wisconsin – Madison	9%	9%	8%	16%

Most USA institutions, including all those in this Report's Reference Group, offer a summer semester of courses. Faculty may choose to earn additional income in the summer session.

⁴⁵ Rounded to the nearest hundred dollars.

3.6.3. Academic Staff – Non Salary Benefits

Academic benefits offered by American universities are complex. This complexity has a great deal to do with the various types and levels of health insurance benefits. In addition to insurance, the variety of choices for pensions and retirement investments adds complexity to benefits in the USA tertiary sector. The AAUP has provided an analysis of academic staff benefits for public institutions (published in 2012).

Benefits	\$ per FTE	% of Salary
Retirement	\$8,388	10.7
Medical Insurance	\$6,399	8.2
Dental Insurance	\$257	0.3
Medical & Dental combined	\$1,978	2.5
Disability	\$169	0.2
Tuition	\$195	0.2
Social Security	\$4,890	6.2
Unemployment	\$129	0.2
Group Life	\$150	0.2
Worker's Compensation	\$400	0.5
Other Benefits	\$148	0.2
All Combined	\$23,103	29.5

Source: <http://www.aaup.org/AAUP/comm/rep/Z/ecstatreport10-11/>

The AAUP defines “benefits” as the institution (or state) contribution on behalf of the individual faculty member (i.e. it does not include the employee contribution). In comparing the cost of benefits shown above, independent institutions spent an average of \$3,108 more than public institutions on faculty benefits in 2010 – 2011. This benefits gap is consistent with the salary gap between independent and public universities.

The AAUP's Annual Report on the Economic Status of the Profession 2010 – 2011 includes analysis in relation to the rate of retirement contribution by institutions. The analysis revealed that while the majority of institutions maintained the rate of retirement contributions during the period 2007-2008 and 2010 – 2011, approximately 21 percent of all institutions decreased the contribution rate by more than half a percentage point.⁴⁶

⁴⁶ <http://www.aaup.org/AAUP/comm/rep/Z/ecstatreport10-11/>

3.7. New Zealand – Salaries and Benefits

3.7.1. Overview

The latest review of university salaries and benefits published by the ACU establishes New Zealand universities as having the lowest salaries⁴⁷ out of the four Commonwealth countries under comparison in this report. Since the ACU's previous survey (relating to 2006 – 2007 data), South Africa (who are not included as a comparable country for the purposes of this report) have risen up the rankings from 5th place in 2006 – 2007, to 2nd place in 2009 – 2010 when using purchasing power conversion rates, and consequently New Zealand has dropped from 4th place to 5th place.

It has been noted in previous ACU survey reports that the wide disparity between salary scales in New Zealand and Australia represents a particular risk to New Zealand, where academics can move freely to work in the much more competitive Australian sector.⁴⁸ That said, the latest 2009 – 2010 survey noted that there has been a significant reduction in the gap between Australia and New Zealand's overall average salaries.⁴⁹ New Zealand has seen a 23 percent increase in overall average⁵⁰ salary scales between the ACU's 2009 – 2010 and 2006 – 2007 data, meanwhile the equivalent Australian salary scales have experienced only a 3 percent increase over this three year period.

3.7.2. Academic Staff Salaries

In New Zealand collective agreements are currently negotiated separately at each of the eight universities. Whilst there have been discussions in recent years around the possibility of developing one national collective employment agreement for academic staff and another for general staff, there has been reluctance from university employers to consider a nationwide collective agreement.⁵¹ Negotiations of collective agreements at New Zealand universities are carried out primarily by the Tertiary Education Union⁵² (TEU), however, the Public Service Association (PSA) are also involved.

With the exception of the University of Auckland, the current collective agreements in New Zealand are all due to expire in 2012, therefore formal negotiations in the next bargaining round will be commencing shortly. The University of Auckland's collective agreement expires in 2013.

The following table shows the academic salary scales for the New Zealand Reference Group (all amounts are in NZD). Note the equivalent table from our 2008 report is set out in **Appendix 2** for comparative purposes.

⁴⁷ Based on midpoint averages as reported in the ACU Survey.

⁴⁸ Jay Kubler and Liam Roberts, Association of Commonwealth Universities 2004-05 Academic Staff Salary Survey, p. 10.

⁴⁹ Emma Falk, The Association of Commonwealth Universities 2009-2010 Academic Staff Salary Survey.

⁵⁰ Overall averages as reported in the ACU surveys are inclusive of the bottom of the Professor scale.

⁵¹ <http://teu.ac.nz/2009/04/teu-members-endorse-university-national-bargaining-again/> <http://teu.ac.nz/2009/08/university-negotiations-break-down/>

⁵² The Tertiary Education Union (TEU) was founded in 2009 after the amalgamation of the Association of University Staff (AUS) and the Association of Staff in Tertiary Education (ASTE).

(NZD\$)	Auckland	Waikato	Massey	Victoria	Canterbury	Lincoln	Otago	AUT	
Start Date	1/02/2012	1/08/2011	1/07/2011	30/05/2011	1/01/2012	1/01/2012	1/07/2011	1/01/2012	
End Date	30/06/2013	30/06/2012	30/06/2012	30/06/2012	30/06/2012	30/06/2012	30/06/2012	30/06/2012	
Professor	No Max	No Max	No Max	159,751	171,986	No Max	169,989	162,258	
	/	/	/	/	167,162	/	166,455	156,989	
					161,202		162,680	151,721	
					155,220		158,891	146,452	
					149,055		154,350	141,183	
					142,470		150,567	135,916	
							146,784	130,647	
							143,001		
		142,229	125,433	126,135	128,679	136,795	122,750	139,219	125,380
	Associate Professor	No Max	122,706	126,283	122,475	128,708	121,740	133,266	132,755
/		/	/	119,376	125,699	/	130,147	129,067	
				116,272	122,551		127,029	125,380	
							123,911	121,691	
								118,005	
	123,928	107,710	108,107	113,169	119,401	106,810	120,796	114,317	
Senior Lecturer above bar	118,768	110,614	115,767	109,291	114,962	108,620	115,783	103,745	
	115,540	/	/	106,189	111,814	/	112,512	99,579	
	112,319			103,090	108,664		109,360	95,858	
		97,368	97,589	99,209		98,440			
Senior Lecturer below bar	108,929	97,367	100,742	96,108	104,083	96,980	106,767	93,307	
	104,496	/	/	93,008	100,933	94,360	103,649	90,379	
	101,271			89,904	98,069	91,750	100,533	87,450	
	98,047			86,805	94,918	89,130	97,416	84,528	
	94,819				91,769	86,510	94,298	81,665	
	82,468	81,809			83,880	92,323	78,794		
Lecturer	89,096	80,441	83,313	82,152	87,188	78,760	87,590	76,473	
	86,675	78,023	81,060	79,822	84,039	76,560	84,399	74,309	
	84,256	75,594	78,804	77,496	81,031	74,410	82,037	72,143	
	81,839	73,168	76,551	75,169	78,026	72,220	79,684	69,977	
	79,419	70,739	74,296	72,846	74,875	70,020	77,328	67,946	
	77,001	68,312	72,044	70,516	71,582	67,820	74,976	65,917	
	74,583	65,886	69,790	68,191		65,640	72,621	63,885	
			67,535						
		65,280							

(NZD\$)	Auckland	Waikato	Massey	Victoria	Canterbury	Lincoln	Otago	AUT
Start Date	1/02/2012	1/08/2011	1/07/2011	30/05/2011	1/01/2012	1/01/2012	1/07/2011	1/01/2012
End Date	30/06/2013	30/06/2012	30/06/2012	30/06/2012	30/06/2012	30/06/2012	30/06/2012	30/06/2012
Assistant Lecturer		56,588	57,017		67,146	59,160	61,327	
		/	54,766		64,281	57,730	59,036	
			52,511		61,132	56,280	56,362	
		48,324			57,839	54,840	54,067	
Graduate Assistant		39,204	27,743					

Notes: Auckland University of Technology (AUT) draws a distinction between those on a teaching path and those on a research path. The annual salary for a Lecturer on the research path is approximately 12.5% higher than the equivalent salary on the teaching path. The salaries shown above are in relation to the teaching path.

/ Denotes a range of rates

The table below shows the average salary (in NZD) for each rank across the universities included in the New Zealand Reference Group for 2011 – 2012 compared with 2007 - 2008, and the associated percentage movement during the four year period.

Rank	Average Salary 2011 - 2012	Average Salary 2007 - 2008	% Movement
Professor *	\$130,827	\$116,446	18%
Associate Professor *	\$114,280	\$101,676	17%
Senior Lecturer above bar	\$107,504	\$95,701	16%
Senior Lecturer below bar	\$93,868	\$83,432	17%
Lecturer	\$75,638	\$67,388	16%
Assistant Lecturer	\$57,553	\$51,511	17%

* Average shown represents the minimum salary

3.7.3. Academic Staff – Non Salary Benefits

New Zealand universities offer their longer-term and permanent employees standard benefits including superannuation and paid leave, with some travel, relocation expenses and professional development.

The New Zealand Universities' Superannuation Scheme (NZUSS) was established on 1 March 1993 to provide employees of approved Universities and employees of approved companies and organisations associated with universities with retirement and other benefits.⁵³ The NZUSS has over 6,670 members, making it one of the more significant employer-sponsored superannuation schemes in New Zealand. All of New Zealand's universities are members of the NZUSS with the exception of Auckland University of Technology (AUT). Academic staff may also elect to participate in KiwiSaver.⁵⁴

Members of the NZUSS contribute multiples of 0.5 percent of their salary, subject to a minimum according to their category of membership.⁵⁵ There is no maximum level of contributions. 'Salary' for the purposes of the scheme is the remuneration paid by the employer, but excludes overtime, bonuses, penal payments or any other allowances. Employers contribute to the Scheme at a rate of 1.35 times the contributions of Subsidised Members, up to a maximum of 6.75 percent of salary.⁵⁶

The NZUSS is a defined contribution scheme. This means that contributions made by an employee and employer are credited to separate accounts maintained for the employee and have any investment returns allocated to them. The accounts in an employee's name, adjusted for investment returns, fund the lump sum benefit payable to the employee from the Scheme.⁵⁷

Most New Zealand universities do not actively publicise their benefits packages as recruitment incentives and do not generally publish details of their benefits for general access on their web pages.

New Zealand Universities offer between 20 - 30 days' annual leave, and seven of the eight universities offer sabbatical leave of between six months to one year, depending on length of service. Only two New Zealand universities provide long service leave.⁵⁸

⁵³ <https://secure.superfacts.com/public/NZUSS/article.tpz?contentId=7bcb7c50-e15f-414d-a0ee-7ce0fb354821>

⁵⁴ In such a case the employer will provide KiwiSaver benefits to the employee (including employer contributions) in accordance with its obligations under the KiwiSaver Act 2006 (as amended from time to time). Universities are considered an 'exempt employer' so new employees will not be automatically enrolled in KiwiSaver. If employees want to join KiwiSaver, they can still opt in and the University will pay the compulsory employer contribution. The compulsory employer subsidy will not be payable to staff already receiving a subsidy in any other workplace scheme, such as NZUSS.

⁵⁵ https://secure.superfacts.com/Web/IWfiles/attachments/Form/NZUNI_NZUSS%20Your%20Super%20Guide_JULY11.pdf

⁵⁶ Ibid.

⁵⁷ NZUSS Investment Statement prepared as at 30 June 2011

https://secure.superfacts.com/Web/IWfiles/attachments/Form/NZUNI_Investment%20Statement_JULY11.pdf

⁵⁸ Emma Falk, The Association of Commonwealth Universities 2009-2010 Academic Staff Salary Survey, p36.

4. Implications for New Zealand

4.1. Comparison of Salaries and Benefits

The tables below and on the following page summarise the data presented in Section 3 of this Report on salaries for the countries / institutions included in this review.⁵⁹

AUSTRALIA	Average Salary	Average PPP
Academic Rank	(AUD)	(USD\$)
Associate Lecturer	\$67,800	48,400
Lecturer	\$88,900	63,500
Senior Lecturer	\$107,000	76,400
Associate Professor	\$125,900	89,900
Professor (minimum)	\$153,500	109,600

CANADA	Average Salary	Average PPP
Academic Rank	(CAD)	(USD\$)
Rank below Assistant	\$87,700	73,100
Assistant Professor	\$95,100	79,300
Associate Professor *	\$116,600	97,200
Professor *	\$146,100	121,800

Note: * Average salary not taking into account administration duties.

NEW ZEALAND	Average Salary	Average PPP
Academic Rank	(NZD)	(USD\$)
Lecturer	\$75,600	52,900
Senior Lecturer	\$93,900	65,600
Associate Professor	\$121,600	85,000
Professor (minimum)	\$130,800	91,500

⁵⁹ All figures have been rounded to the nearest hundred dollars.

UK Academic Rank	Average Salary (GBP)	Average PPP (USD\$)
Lecturer	£34,400	54,600
Senior Lecturer	£41,800	66,300
Principal Lecturer	£52,800	83,800
Professor (minimum)	£59,300	94,100

Note: In order to calculate an average salary for the UK by academic rank that correlates to the ranks used in other countries we have applied the grading structure to the National Pay Spine as set out at http://www.ucl.ac.uk/hr/salary_scales/final_grades.php /. The average salaries shown above do not include the London Allowance, but do include contribution points applicable at each grade.

USA Academic Rank	Average Salary (USD)	Average PPP (USD\$)
Assistant Professor *	\$73,100	73,100
Associate Professor *	\$86,000	86,000
Professor *	\$118,600	118,600

Note: * Based on 9/10 annual contract

In summary, the comparison of academic salaries is shown below.

Rank	Average PPP (USD\$) by Country				
	Australia	Canada	New Zealand	UK	USA
Lecturer	63,500	79,300	52,900	54,600	73,100
Senior Lecturer	76,400	x	65,600	66,300	x
Associate Professor	89,900	97,200	85,000	83,800	86,000
Professor*	109,600	121,800	91,500	94,100	118,600

Notes: * Represents minimum for Australia, UK and New Zealand.

x = No equivalent ranking

The above table indicates that across all academic ranks the New Zealand university salaries (expressed in US\$ PPP) lag behind Australia, Canada and USA.

Academic salaries in PPP terms in New Zealand are similar to those in the UK – the only rank where New Zealand salaries are higher than the UK is at the Associate Professor rank.

The gap between academic salaries in PPP terms in New Zealand and neighbouring Australia is most obvious at the Lecturer and Professor levels, where New Zealand lags approximately 20 percent behind Australia. While New Zealand has gained ground on Australia since our last report in 2008, there is still a sizeable gap between the two countries. The differential (based on calculating an average PPP across all ranks) has reduced from 25 percent in 2008 to 15 percent in 2012.

Given the academic workforce operates within a global labour market that is becoming increasingly competitive,⁶⁰ coupled with the fact it has been estimated that between now and 2020, New Zealand universities will need to consistently attract between 560 and 920 academic staff per annum,⁶¹ it is anticipated that there will be considerable stress on New Zealand universities in maintaining their academic workforce.

Comparisons of non-salary benefits are made difficult because of different arrangements across countries in terms of employer and employee responsibilities for healthcare and superannuation and because of different levels of disclosure of non-salary benefits. Specific data on non-salary benefits and salary loadings is neither easily available nor readily comparable.

⁶⁰ Business and Economic Research Limited (BERL) Economics, Academic Workforce Planning – Towards 2020, November 2010, p24.

⁶¹ Ibid, p28.

Appendix 1 – National Salary Spine for UK Universities

SINGLE PAY SPINE FOR HIGHER EDUCATION ACADEMIC AND SUPPORT STAFF 2011/2012 ⁶²		
Spine Point	Salary from 1 August 2010 (£)	Salary from 1 August 2011 (£)
1	13,203	13,353
2	13,552	13,702
3	13,911	14,061
4	14,226	14,376
5	14,608	14,758
6	15,001	15,151
7	15,353	15,503
8	15,782	15,932
9	16,226	16,376
10	16,696	16,846
11	17,179	17,329
12	17,677	17,827
13	18,190	18,340
14	18,718	18,868
15	19,261	19,411
16	19,822	19,972
17	20,409	20,559
18	21,021	21,171
19	21,652	21,802
20	22,325	22,475
21	22,971	23,121
22	23,661	23,811
23	24,370	24,520
24	25,101	25,251
25	25,854	26,004
26	26,629	26,779
27	27,428	27,578
28	28,251	28,401

⁶² <http://www.ucu.org.uk/index.cfm?articleid=2210>

SINGLE PAY SPINE FOR HIGHER EDUCATION ACADEMIC AND SUPPORT STAFF 2011/2012 ⁶²		
Spine Point	Salary from 1 August 2010 (£)	Salary from 1 August 2011 (£)
29	29,099	29,249
30	29,972	30,122
31	30,870	31,020
32	31,798	31,948
33	32,751	32,901
34	33,734	33,884
35	34,745	34,895
36	35,788	35,938
37	36,862	37,012
38	37,990	38,140
39	39,107	39,257
40	40,280	40,430
41	41,489	41,639
42	42,733	42,883
43	44,016	44,166
44	45,336	45,486
45	46,696	46,846
46	48,096	48,246
47	49,539	49,689
48	51,025	51,175
49	52,556	52,706
50	54,133	54,283
51	55,758	55,908

Appendix 2 – Academic Salary Scales for the New Zealand Reference Group 2007 - 2008

New Zealand Academic Salary Scales 2007 – 2008								
	Auckland	Waikato	Massey	Victoria	Canterbury	Lincoln	Otago	AUT
Start Date	1/07/2007	1/07/2007	1/07/2007	1/07/2007	1/07/2008	1/07/2008	1/07/2007	Effective as at
End Date	30/06/2008	30/06/2008	30/06/2008	30/06/2008	30/06/2008	30/06/2008	30/06/2008	05/12/07
Professor	No Max	144,801	No Max	144,233	151,500	No Max	150,745	141,811
	/	/	/	/	/	/	/	/
	122,220	113,790	114,372	116,180	120,500	111,470	123,459	109,579
Associate Professor	No Max	111,315	114,508	110,580	113,376	110,540	118,179	116,026
	/	/	/	107,781	110,726	/	/	/
	/	/	/	104,977	107,953	/	/	/
	106,494	97,711	98,025	102,177	105,178	96,980	106,930	99,911
Senior Lecturer above bar	102,060	100,346	104,972	98,677	101,268	98,640	102,995	90,671
	99,287	/	/	95,875	98,495	/	99,775	87,031
	96,518	88,330	88,489	93,076	93,076	89,390	96,980	83,778
Senior Lecturer below bar	93,606	88,328	91,347	89,574	91,685	88,050	94,680	81,548
	89,796	/	/	86,774	88,910	85,680	91,915	78,990
	87,035	/	/	83,975	86,388	83,300	89,152	76,430
	84,254	/	/	81,171	83,612	80,390	86,387	73,876
	81,481	74,813	74,180	78,374	80,838	78,540	83,623	71,374
					76,160	81,871	68,865	
Lecturer	76,562	72,974	75,545	74,172	76,803	71,500	77,674	66,837
	74,482	70,780	73,501	72,070	74,029	69,510	74,844	64,944
	72,404	68,578	71,455	69,970	71,379	67,550	72,570	63,052
	70,327	66,376	69,412	67,868	68,731	65,570	70,663	61,159
	68,246	64,173	67,369	65,770	65,956	63,570	68,574	59,384
	66,170	61,971	65,326	63,667	63,056	61,580	66,488	57,610
	64,091	59,769	63,282	61,568		59,600	64,400	55,835
			61,238					
		59,139						
Assistant		51,333	51,701		59,146	53,660	54,354	
		/	49,660		56,624	52,340	52,282	
		/	47,615		53,850	51,010	49,863	
		43,837			50,949	49,680	47,787	
Graduate Assistant			25,155					

Notes: Auckland University of Technology (AUT) draws a distinction between those on a teaching path and those on a research path. The annual salaries for a Lecturer on the research path is approximately 12.5% higher than the equivalent salary on the teaching path. The salaries shown above are in relation to the teaching path.

/ Denotes a range of rates

+ Denotes a bar

Appendix 3 – Purchasing Power Parity Adjustors

This report provides comparative information on academic staff remuneration and benefits. The data is presented in “country of origin” currency and hence any comparisons with New Zealand require the data to be translated into a common currency. As outlined in Section 3.1, the latest ACU comparison of salaries and benefits identified two purchasing power parity (PPP) adjustors, namely the 2010 World Development Indicators (WDI), used by World Bank, and the 2010 Big Mac Currency Index (BMI).

More recent 2010 World Bank PPP⁶³ and 2011 Big Mac PPP⁶⁴ data has subsequently been published, as has the 2012 OECD PPP.⁶⁵ These three PPP are summarised in the table below.

	World Bank PPP (2010)	Big Mac PPP (2011)	OECD (2012)
Australia	1.51	1.12	1.56
Canada	1.22	1.16	1.23
New Zealand	1.51	1.25	1.52
UK	0.65	0.59	0.66

For the purpose of translating data to a common currency (US\$) the following PPP conversion rates have been applied:

- Australia 1.40
- Canada 1.20
- New Zealand 1.43
- UK 0.63

In order to preserve comparability with prior reports we have consistently using a simple average of the three specific PPP listed above.

⁶³ <http://data.worldbank.org/indicator/PA.NUS.PPP>

⁶⁴ <http://www.oanda.com/currency/big-mac-index>. The Economist's Big Mac Index (July 28th, 2011 Big Mac prices) valued at exchange rates prevailing on 27 March 2012.

⁶⁵ http://stats.oecd.org/Index.aspx?datasetcode=SNA_TABLE4