

University Staff Academic Salaries & Remuneration

A Comparison of New Zealand and Selected
International (Australia, Canada, England,
USA) Data

*Commissioned by The New Zealand Vice
Chancellors Committee on behalf of the
Tripartite Forum Working Group*

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1. Executive Summary

Introduction

Deloitte has been engaged by the New Zealand Vice Chancellors Committee (NZVCC) on behalf of the Tripartite Forum Working Group to prepare an update on our December 2005 report on university salaries and resourcing. The primary focus of this updated report is the comparison of New Zealand university academic salaries and remuneration with those in a number of comparable countries (i.e. Australia, England, Canada and USA) and within each country, a number of comparable universities. In order to provide a meaningful update, the comparable countries and comparable universities are those used in our December 2005 report.

As previously stated in the 2005 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.

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 a purchasing power parity in US\$. (Note: The PPP used is explained in further detail in Appendix 3).

| Rank | Country (US\$ PPP - 2008) | | | | |
|---|---------------------------|---------|---------|---------|--------|
| | Australia | Canada | England | USA | NZ |
| Lecturer / Asst Prof | 59,000 | 65,500 | 50,500 | 70,700 | 44,900 |
| Senior Lecturer | 71,200 | X | 60,400 | X | 58,600 |
| Associate Professor | 83,700 | 80,500 | 74,200 | 83,000 | 71,600 |
| Professor* | 102,300 | 100,100 | 82,200 | 113,900 | 77,700 |
| Notes: * Represents minimum for Australia, England and New Zealand X = Data unable to be calculated | | | | | |

The comparable data included in the 2005 report is shown in the table below.

| Rank | Country (US\$ PPP - 2005) | | | | |
|---|---------------------------|--------|---------|--------|--------|
| | Australia | Canada | England | USA | NZ |
| Lecturer / Asst Prof | 51,900 | 60,000 | 40,500 | 60,800 | 38,300 |
| Senior Lecturer | 63,200 | X | 49,000 | X | 51,400 |
| Associate Professor | 73,500 | 74,500 | 57,700 | 70,800 | 60,900 |
| Professor* | 89,700 | 92,400 | 65,200 | 96,500 | 66,100 |
| Notes: * Represents minimum for Australia, England and New Zealand | | | | | |
| X = Data unable to be calculated | | | | | |

The table below shows the percentage movement in academic salaries (adjusted to a PPP) between 2005 and 2008 by rank and by country using data in the two tables above.

| Rank | % Movement in Academic Salaries (adjusted to a PPP) between 2005 and 2008 | | | | |
|---|---|--------|---------|-----|-----|
| | Australia | Canada | England | USA | NZ |
| Lecturer / Asst Prof | 14% | 9% | 25% | 16% | 17% |
| Senior Lecturer | 13% | X | 23% | X | 14% |
| Associate Professor | 14% | 8% | 29% | 17% | 18% |
| Professor* | 14% | 8% | 26% | 18% | 18% |
| Notes: * Represents minimum for Australia, England and New Zealand | | | | | |
| X = Data unable to be calculated | | | | | |

The overall observation is that while New Zealand academic salaries have increased over the course of the previous three years, they are still significantly lower in PPP terms than in Australia, Canada and USA, but are similar to England. The minimum salary for a Professor in New Zealand has experienced the largest equal increase in percentage terms, growing by 18 percent, however the double digit growth in the equivalent rank in Australia, England and USA mean New Zealand pay rates in PPP terms are still lagging a long way behind those in Australia, Canada and USA. The gap between England and New Zealand at Professor and Associate Professor rank has increased over the previous three years such that New Zealand academic salaries in PPP terms are now lower than England at all levels.

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, England and Canada have university superannuation schemes that provide for higher employer contribution levels (i.e. 17%, 14% and 8% - 11%) than exist in New Zealand (i.e. 6.75%);
- Increased level and use of salary loadings is occurring to overcome competition (both private sector and university) for staff in a number of disciplines, often with growing student enrolments. However, specific robust data on non salary benefits and salary loadings at both aggregated and individual levels is not widely available.

2. Introduction

Project Overview

In December 2005 the New Zealand Vice Chancellors Committee (NZVCC) and the Association of University Staff of New Zealand (AUS) engaged Deloitte to prepare a report on university salaries and resourcing. NZVCC, on behalf of the Tripartite Forum Working Group, have reengaged Deloitte to prepare a “limited scope” update to the academic salaries and remuneration section of the December 2005 report.

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.

■ International Comparisons

The New Zealand universities data comprises separate data for all eight universities, including Auckland University of Technology (AUT), 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
- England
- USA

To provide a focus for the comparisons, a subset of universities has been selected from each country. These are summarised below. Note that in order to provide a meaningful update, the comparable countries and comparable universities parallel those used in our December 2005 report.

| 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 Adelaide University of Melbourne Monash University | University of New South Wales University of Queensland University of Sydney University of Western Australia |
| These eight Australian universities, along with a further 30 universities in Australia, are represented through the national universities' lobbying body Universities Australia (previously called Australian Vice-Chancellors' Committee). | |

| CANADA | |
|---|--|
| The sample of universities for Canada is based on firstly identifying the Provinces from which the universities would be selected, and then selecting individual universities. That is: | |
| 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) | |

CANADA

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 either comprehensive or medical / doctoral.

USA

The sample of universities for the USA is characterised as providing a 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

The selection was made using the publication America’s Best Colleges 2008 (published by US News and World Report) 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 30 – 100 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 US universities compare themselves with this group. Australia, Canada, England and New Zealand must contend with these universities to attract and retain academic staff who will influence their international rankings.

■ International Comparisons

A number of major issues exist in obtaining and analysing data from a variety of international sources. Whilst some of these 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.

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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 / 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, England, Canada 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 December 2005 report, all salary data for each country and rank (i.e. Lecturer, Senior Lecturer, Associate Professor and Professor) have been converted to Purchasing Power Parity (PPP), expressed in US dollars, using an average of the Economist “Big Mac” currency index, the World Bank PPP index and the OECD PPP. This enables accurate and meaningful inter-country comparisons to be made.

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 benefits, they looked at the World Bank PPP for 2004 and the Big Mac PPP for 2006 (shown in the table below). In the ACU survey where they elected to use the Big Mac PPP index they commented that although the Big Mac currency index may be considered less comprehensive than those used by the World Bank and OECD, the comparative PPP for almost all of the countries (except Australia) appears to be similar.

| | World Bank PPP (2004) | Big Mac PPP (May 2006) |
|-------------|-----------------------|------------------------|
| Australia | 1.4 | 1.05 |
| Canada | 1.3 | 1.14 |
| UK | 0.6 | 0.625 |
| New Zealand | 1.6 | 1.44 |

3.2. ACU Academic Staff Salary Survey 2006 - 2007

The overall salary comparisons in Big Mac PPP (US\$) terms, and as reported in the ACU 2006 – 2007 Academic Staff Salary Survey¹, are summarised in the table below.

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

¹ Jay Kubler and Mary Catharine Lennon, Association of Commonwealth Universities 2006-07 Academic Staff Salary Survey available at <http://www.acu.ac.uk/policyandresearch/chemsurveys/salarysurvey20062007.pdf>

The comparable table from the ACU 2004 – 2005 Academic Staff Salary Survey² is set out below.

| Average Salaries (Big Mac PPP – US\$) | Australia | Canada | United Kingdom | New Zealand |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Lecturer | \$56,737 | \$49,772 | \$50,020 | \$38,605 |
| Senior Lecturer | \$68,391 | \$59,322 | \$61,302 | \$50,370 |
| Associate Professor | \$80,315 | \$72,516 | - | \$60,732 |
| Professor (bottom of scale) | \$97,842 | \$68,345 | \$67,130 | \$66,058 |
| GDP Per Capita | \$29,000 | \$29,800 | \$27,700 | \$21,600 |

The percentage movements in the average salaries calculated in Big Mac PPP (US\$) terms, between the 2004-05 and 2006-07 surveys are summarised in the table below.

| % Movement in Average Salaries Calculated in Big Mac PPP Terms | Australia | Canada | United Kingdom | New Zealand |
|--|------------|------------|----------------|-------------|
| Lecturer | 17% | 19% | -6% | 14% |
| Senior Lecturer | 17% | X | -4% | 14% |
| Associate Professor | 16% | 3% | X | 15% |
| Professor (bottom of scale) | 17% | 9% | 16% | 14% |
| GDP Per Capita | 13% | 18% | 13% | 20% |
| 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, and is consistently less than the growth in GDP per capita, meanwhile in Australia the growth in academic salaries is consistently above the growth in GDP per capita.

The key findings of the ACU 2006 – 2007 study relating to salaries (as summarised in the ACU report) are:

- Australian academics at all levels continue to fare better financially than the other three countries, 26% higher than second-ranked Canada and 44% higher than New Zealand;
- The pay differential between top-ranked Australia and second-ranked Canada is much more pronounced at the upper-end of the academic scale, whereas the pay differential between Australia and New Zealand is much more evident at the top and bottom of the academic scale;
- The UK has maintained its third place ranking, and in doing so has reduced the gap between it and Canada since the previous 2004/05 survey;
- New Zealand has maintained its fourth place ranking, some 14% lower than the UK in third place.

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:

² Jay Kubler and Liam Roberts, Association of Commonwealth Universities 2004-05 Academic Staff Salary Survey, <http://www.acu.ac.uk/policyandresearch/chemsurveys/1106913384.pdf>

- Pensions are provided in 97% of the institutions included in the survey. Australia, New Zealand and the UK have national pension schemes specifically for employees in the higher education sector;
- Most pension schemes are contributory;
- Leave conditions vary, but all institutions 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 more than this;
- Parental leave tends to be around 52 weeks of combined paid and unpaid leave. The length of paid leave was highly differentiated across the countries;
- Long-service leave arrangements are much more common and substantial in Australian institutions, as compared with other countries, providing strong retention incentives to staff;
- Medical insurance schemes are offered in the majority of Canadian universities, with contributory and non-contributory schemes. Australia, New Zealand and the UK tend not to offer medical insurance, each of these countries have state-funded medical provision;
- New Zealand and UK institutions offered fewer additional benefits than the likes of Canadian and Australian institutions where the associated benefits are relatively strong.

3.3. Australia - Salaries and Benefits

3.3.1. Overview

The recent review of university salaries and benefits published by the Association of Commonwealth Universities (ACU) in May 2007 establishes Australia as having the highest academic salaries out of the five countries under comparison.

Australian universities use Enterprise Bargaining Agreements (EBAs) to negotiate salary and benefits. An EBA is a voluntary legal contract that defines the conditions and obligations of employers and employees, ratified by a majority of employee votes. In Australia, EBAs are specific to a particular enterprise or employer, meanwhile awards provide similar standards for all workers in one industry. An EBA can “stand alone” by defining all employment conditions or it may supplement an award. EBAs often operate in conjunction with union membership.

In Australia the unions, predominantly the National Tertiary Industrial Union (NTEU), have engaged a co-ordinated “pattern bargaining” approach whereby they gain a new and superior entitlement from one employer, and then use that agreement as a precedent to demand the same entitlement or a superior one from other employers. For example, the NTEU established a minimum settlement point of a 22% pay increase over the 5 years from 2003 to 2008, which equated to an average 4.4% per annum. It has been reported that some universities have paid in excess of this, and a few have paid under it. Enterprise bargaining in Australian universities will be taking place throughout 2008 as previous agreements expire.

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” where non-taxable university goods and services such as laptop computers, automobile leases, childcare and parking are negotiated as a percentage of annual salary, sometimes in lieu of a higher gross taxable income.

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).

These tables are for 2005 and 2008 data and calculate a mean salary for each of these levels at each of the G8 universities. These scales do not include salary loadings.

| Full-Time Pay Rates Effective Within 2005 (Australian Dollars) | | | | | | | | |
|---|---------|----------|-----------|---------|---------|---------|---------|---------|
| Level | ANU | Adelaide | Melbourne | Monash | UNSW | Q'land | Sydney | UWA |
| Assoc Lecturer | 52,750 | 50,221 | 51,035 | 48,124 | 54,524 | 49,623 | 54,054 | 50,836 |
| Lecturer | 68,648 | 66,132 | 67,202 | 63,368 | 70,843 | 65,340 | 71,178 | 66,939 |
| Snr Lecturer | 82,198 | 79,735 | 81,026 | 76,404 | 84,798 | 78,781 | 85,820 | 80,709 |
| Assoc Professor | 97,710 | 93,717 | 95,235 | 89,802 | 99,142 | 92,595 | 100,868 | 94,862 |
| Professor | 117,361 | 114,879 | 116,740 | 110,081 | 120,854 | 113,505 | 123,646 | 116,285 |
| Professor | 124,462 | - | 120,676 | - | - | - | - | - |
| <p>Note: The salaries reported for all levels (except Professor) are mean salaries, whilst for Professors the levels reflect minimum salaries.</p> <p>Source: Data for each university was available online, except for Monash whose salary schedules were obtained by request.</p> | | | | | | | | |
| Full-Time Pay Rates Effective Within 2008 (Australian Dollars) | | | | | | | | |
| 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 | - | 140,812 | - | - | - | - | - |
| <p>Note: The salaries reported for all levels (except Professor) are mean salaries, whilst for Professors the levels reflect minimum salaries. Both ANU and Melbourne University have two published levels of salaries at Professor level. ANU publishes criteria for promotion to Professor Level E2. We could not locate specific criteria for promotion to Professor classification code 002 at Melbourne University, although reference was made to the decision resting with their Senior Appointments and Promotions Committee.</p> <p>Source: Data for each university was available online, except for Monash whose salary schedules were obtained by request.</p> <p>Salaries are as at May 2008 (i.e. any increase due subsequent to this date is not included)</p> <p>UNSW salary rates include a superable UNSW academic loading of \$3,000 per annum payable to all academic staff</p> | | | | | | | | |
| % Increase in Full-Time Pay Rates between 2005 and 2008 | | | | | | | | |
| | ANU | Adelaide | Melbourne | Monash | UNSW | Q'land | Sydney | UWA |
| % increase at all Levels * | 8% | 13% | 17% | 21% | 10% | 14% | 13% | 18% |
| <p>* - Note that the percentage increase at each of the G8 universities shown above were the across the board increases, i.e. the percentage increase at each level (i.e. Lecturer, Associate Professor, Professor etc) were identical.</p> | | | | | | | | |

Due to differences in the timing and frequency of salary increases, the percentage increases between the 2005 and 2008 salary rates vary across the eight universities shown above. The lowest percentage increases in academic salaries were at ANU and UNSW, both of which have not updated salaries in the current 2008 year. ANU appears to increase salaries only once per annum, meanwhile the other G8 universities 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 scale 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 EBA, 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.

One study has observed that the percentage of academic staff with a loading above the EBA varies across universities from about 20% (in G8 institutions) to less than 1%, with an average across all HE institutions of about 5% of staff.

The same study indicates that the use of loadings is increasing and their use is characterised by:

- Disciplines where there is competition between university and private sectors;
- Areas where there is a shortage of personnel in both public and private sectors such as IT and finance;
- Disciplines where an institution seeks to develop research specialisation.

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 / will be phased in:

| University of Sydney Academic Salaries: Annual Loadings | | | | | | | | |
|---|----------|-----------------|----------------|----------------|-----------------|----------------|-----------------|----------------|
| Loadings | Nov '05 | 2% March '06 | 2% June '06 | 2% Sept '06 | 2% March '07 | 2% Sept '07 | 2% March '08 | 2% Sept '08 |
| Full Clinical | \$21,404 | \$21,832 | \$22,269 | \$22,714 | \$23,168 | \$23,631 | \$24,104 | \$24,586 |
| Para- Clinical | \$14,289 | \$14,575 | \$14,867 | \$15,164 | \$15,467 | \$15,776 | \$16,092 | \$16,414 |
| Pre-Clinical and Dental Clinical | \$10,716 | \$10,930 | \$11,149 | \$11,372 | \$11,599 | \$11,831 | \$12,068 | \$12,309 |
| Professorial Merit + | \$16,758 | \$17,093 | \$17,435 | \$17,784 | \$18,140 | \$18,503 | \$18,873 | \$19,250 |
| 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. Source: http://www.usyd.edu.au/hr/eb/2006/AC_annual_loadings.pdf | | | | | | | | |

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

UniSuper is one of Australia's largest superannuation funds, dedicated to people working in the higher education and research sector. All university staff are eligible to participate in the UniSuper superannuation programme. University employers are legally required to pay superannuation on behalf of their employees.

UniSuper offers two main styles of super and, since July 2006, have introduced flexible member contributions. This will mean that staff members will be able to choose the level of their own contribution (previously 7% post-tax). The majority of universities provide 17% employer contributions³ and employees may choose to reduce their compulsory contributions from 7% to either 4.45%, 4%, 3%, 2%, 1% or 0%.

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. The University of Melbourne describes its salary packaging scheme as follows:

The introduction of Salary Packaging or Flexible Remuneration Packaging is consistent with the University's objective to offer employment conditions which will attract and retain staff of outstanding quality. Packaging allows employees to change the structure of their remuneration package and take non cash benefits in lieu of salary. All staff that are covered by the University of Melbourne Enterprise Agreement can participate although participation in the scheme is voluntary. Staff can sacrifice not normally more than 30% or up to 50% of their gross annual salary. Staff should seek independent financial advice when considering salary packaging. The University will review the scheme on an annual basis and may amend aspects of the Scheme. The cost an employee's remuneration package should be no more than the total cost prior to packaging. Any additional costs in taxation will be passed onto the employee. An annual administration fee may apply on specific benefits.

Benefits attractive for packaging are those benefits that are:

- *treated concessionally for FBT and income tax purposes, such as motor vehicles, additional superannuation; and*
- *FBT exempt such as car parking, childcare, Sport and Physical Recreation Centre membership, laptop and portable computers etc.*⁴

³ 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% 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 9%. For more information refer to: http://info.anu.edu.au/hr/Salaries_and_Conditions/Superannuation/UniSuper.asp

⁴ http://www.hr.unimelb.edu.au/benefits/salary_packaging/guidelines_of_salary_packaging#two

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 the EBA.

Institutional Expenditure on Academic Benefits

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

| Academic Staff Benefits 2006 (\$000 AUD) | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Adelaide | ANU | Melbourne | Monash | NSW | Q'land | Sydney | WA |
| Salaries | 101,252 | 133,799 | 260,035 | 274,305 | 187,210 | 217,806 | 250,429 | 134,767 |
| Non Salary Benefits: | | | | | | | | |
| - Superannuation and Pension Schemes | 14,501 | 34,687 | 41,998 | 35,729 | 8,259 | 24,538 | 33,756 | 19,594 |
| - Long Services Leave Expense | 3,128 | 3,934 | 2,649 | 3,382 | 10,237 | 6,835 | 6,595 | 1,643 |
| - Annual Leave * | 9,729 | 3,703 | 2,044 | 2,038 | 12,352 | 15,868 | 3,219 | 2,688 |
| - Other Academic Employee Benefits | 4,530 | 0 | 4,716 | 3,657 | 669 | 14,725 | 0 | 1,231 |
| Non Salary Benefits as % of Total Benefits | 24% | 24% | 17% | 14% | 14% | 22% | 15% | 16% |
| Note: Computations based upon salary and benefits data in DEST Finance 2006. http://www.dest.gov.au/sectors/higher_education/publications_resources/profiles/finance_2006_stats.htm * Employees engaged for periods that are intermittent or irregular will receive a loading of a certain percentage of salary in lieu of Annual Leave and public holidays | | | | | | | | |

The breakdown of data in the above table is limited by differences in classification and reporting across the universities. However, the data indicates that non salary benefits for academic staff vary between 14% and 24% of total benefits for the G8 universities. The average for all Australian universities is 19%.

3.4. Canada - Salaries and Benefits

3.4.1. Overview

The recent review of university salaries and benefits published by the ACU establishes Canada as having the second highest academic salaries, just ahead of the UK, for countries within the ACU.

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.

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 2003-2004 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.

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.

| Canadian Academic Salaries – 2003-2004 excluding Medical and Dental | | | | | | |
|--|---------|---------|----------|---------|--------------|-----------------|
| Academic Rank | Alberta | Calgary | Carleton | Guelph | Simon Fraser | Western Ontario |
| Full Professor | 113,716 | 112,256 | 106,658 | 107,141 | 112,995 | 112,604 |
| With admin. duties | 121,659 | 114,569 | 107,858 | 118,483 | 121,385 | 119,046 |
| Without admin. duties | 112,653 | 111,802 | 106,476 | 105,353 | 112,026 | 111,535 |
| Associate Professor | 84,052 | 84,943 | 91,846 | 91,237 | 90,128 | 93,913 |
| With admin. duties | 96,546 | 90,732 | 95,079 | 101,234 | 97,347 | 97,386 |
| Without admin. duties | 83,548 | 84,043 | 91,402 | 90,643 | 89,200 | 93,616 |
| Assistant Professor | 71,682 | 69,205 | 70,045 | 69,665 | 75,197 | 76,318 |
| Rank below assistant | - | 50,633 | 65,582 | x | x | 61,070 |
| Note: The 2003 / 04 salaries data is the most recently available from Statistics Canada - Not applicable x Suppressed to meet confidentiality requirements of the Statistics Act Source: Statistics Canada ⁵ | | | | | | |

⁵ www.statcan.ca/english/research/81-595-MIE/81-595-MIE2004019.pdf

| 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 is the most recently available from Statistics Canada.
 - 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 – % Increase between 2003 – 2004 and 2005 - 2006 | | | | | | | |
|---|-----------|------------|-----------|-----------|--------------|-----------------|----------------------------|
| Academic Rank | Alberta | Calgary | Carleton | Guelph | Simon Fraser | Western Ontario | Average % Increase by Rank |
| Full Professor | 9% | 10% | 6% | 7% | 4% | 8% | 7% |
| With admin. duties | 8% | 15% | 9% | 5% | 0% | 6% | 7% |
| Without admin. duties | 9% | 9% | 6% | 7% | 4% | 9% | 7% |
| Associate Professor | 9% | 9% | 5% | 8% | 5% | 8% | 7% |
| With admin. duties | 3% | 9% | 7% | 13% | 1% | 9% | 7% |
| Without admin. duties | 9% | 9% | 5% | 8% | 5% | 7% | 7% |
| Assistant Professor | 8% | 12% | 8% | 12% | 6% | 5% | 8% |
| Average % Increase by University | 8% | 10% | 7% | 8% | 3% | 8% | |

3.4.3. Academic Salary Loadings

Universities pay market differentials, also known as market supplements, in addition to the conventional salary scale. 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 and leave are the fundamental benefits around which the others are clustered.

In Alberta, for example, the Universities of Alberta and Calgary offer the Universities Academic Pension Plan (AUPP), 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 | 8.27% of salary up to YMPE (which in 2008 is CAD\$44,900) and 11.21% of salary above the YMPE |
| Calgary | The employer matches member contributions | 8.27% of salary up to YMPE (which in 2008 is CAD\$44,900) and 11.21% of salary above the YMPE |
| Simon Fraser | 10% of salary | No minimum |
| Western Ontario | 8.5% of salary | 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.

3.5. England - Salaries and Benefits

3.5.1. Overview

The recent review of university salaries and benefits published by the ACU establishes UK universities as having the third highest salaries (after Australia and Canada) for the countries within the ACU. In this 2007 review, compared with the earlier 2004 ACU review, the gap between Canada and the UK is much smaller.

English universities and their employees have, for several years, been negotiating the modernisation of pay structures. In 2004, a new pay framework was agreed between the University and College Union (UCU) and the Universities and Colleges' Employers' Association (UCEA) which saw individual universities agreeing new grading structures which map on to a new single national pay "spine" (i.e. pay scale).

The national pay spine, which was required to be implemented by 1 August 2006, has modernised the grading criteria and salaries for a wide range of academic and non-academic staff. The main features of the 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.

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

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

3.5.2. Academic Salaries

Universities in England have implemented the new nationally agreed single higher education pay spine setting out pay from 2006 – 2009 for UK Universities. The pay spine allows for biannual increases in pay occurring in 2007 and 2008. A copy of the National Salary 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 under the new system they can use their discretion in where they place academic posts on the pay spine. For the purpose of calculating an average salary for England by academic rank we have applied the grading structure to the national pay spine as utilised by University College London.⁶

There is no general national salary scale for professors and equivalent staff, rather they negotiate their salaries individually with their institutions. Leeds University has, however, created a new 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. The Leeds professorial staff review form states:

*“for individuals on Point 60 and above, the Committee will, in future, award salary increases on a 2-3 year cycle. In this way it will be possible to make more significant increases which reward achievement over a longer time period”.*⁷

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 English 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.⁸

In 2003, the Government and the Higher Education Funding Council for England (HEFCE) announced the availability of additional funding to support and attract the recruitment into the sector of new lecturers in specific subject areas that have been experiencing recruitment and retention difficulties. The “Golden Hello Scheme” provided an incentive of £9,000 spread over three years to graduates considering teaching as a long-term career. It was designed to provide assistance in recruiting staff into those disciplines having the greatest recruitment and retention problems.

⁶ <http://www.ucl.ac.uk/unions/UCU/npf/>

⁷ <http://www.leeds.ac.uk/hr/forms/promotions/others/profsalreviewform2008.doc>

⁸ http://www.leeds.ac.uk/hr/forms/promotions/contribution_pay/contribution2007.doc

A 2006 report, ‘Evaluation of the HEFCE staff recruitment incentive scheme ‘golden hellos’’,⁹ concluded that the golden hello scheme has had a positive impact on recruitment difficulties, and that the potential equality risks have not materialised into issues. Despite this positive feedback, HEFCE announced in 2006 that there were no new funds available for golden hellos and that they planned to stop monitoring the initiative from 2006-07¹⁰. Their justification for this decision was that market forces and the new national pay framework flexibilities will address retention and recruitment issues.

3.5.4. Academic Staff Non Salary Benefits

Academic benefits in England 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 (holidays, research, maternity and illness) are the primary benefits offered by most English 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. The employer contributes 14% of salary, with members paying 6.35% until age 65 or 40 years pensionable service is completed, whichever is earlier.

Today USS, which has more than 390 participating institutions and in excess of 200,000 members, is the second largest pension scheme in the UK by fund size.¹¹ In addition to the pension members receive 3/80ths of pensionable salary for each year of pensionable service as a tax-free cash lump sum at retirement.¹²

“Pensionable salary is calculated at the date of ceasing employment (or age 65 if earlier) as follows”:-

- *We note the salary a member has earned whilst a member of USS for each of the 13 years previous to the date on which pensionable salaries to be calculated*
- *We index up each year’s amount to the date of ceasing employment (or age 65 if earlier) in accordance with movements in the Index of Retail Prices over the period. Pensionable salary is then the higher of:-*
- *The highest yearly indexed amount received in any 1 year out of the last 3 years*
- *The highest yearly indexed amount averaged over any 3 consecutive years out of the last 13 years.*

Life insurance, or “death-in-service benefit”, is included in the USS pension plan; the sum is based on 3 years’ annual salary.¹³

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).

⁹ Evaluation of the HEFCE staff recruitment incentive scheme ‘golden hellos’ Report to HEFCE by David Mason Consultancy, Feb 2006 available at http://www.hefce.ac.uk/pubs/rereports/2006/rd04_06/rd04_06.doc

¹⁰ <http://www.hefce.ac.uk/pubs/board/2006/104/b15.doc>

¹¹ http://www.ussq.co.uk/special_interest_groups_index.php?name=SPECIAL_ABOUT_USS_HISTORY_OF_THE_SCHEME

¹² http://www.ussq.co.uk/downloads/pdf/all_sections/ifa/main_features_uss.pdf

¹³ http://www.ussq.co.uk/downloads/pdf/all_sections/ifa/main_features_uss.pdf

Paid Leave

Workers in the UK, including the tertiary sector, are entitled by law to 24 days of paid annual leave, including eight bank holidays. This will rise to 28 days from 1 April 2009. Paid maternity leave of 39 weeks is a statutory right in England.¹⁴ Academics may also qualify for research leave after a number of years in service.

3.6. United States of America - Salaries and Benefits

3.6.1. Overview

US universities are perceived by most of the international tertiary sector to provide the most attractive and competitive salaries, benefits and working conditions. There may be a gap between this perception and reality, judging from US academics' own perspectives on their profession. Each of the non-US institutions in this report has signalled its awareness that it must compete on some level with US universities to attract and/or retain the highest quality staff.¹⁵

| 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 | | |

| 2003 – 2004 National Average Salaries (USD) and % of Faculty | | |
|---|----------|------|
| All full-time faculty members | \$62,671 | 100% |
| Professors | \$81,578 | 29% |
| Associate Professors | \$60,441 | 23% |
| Assistant Professors | \$51,331 | 24% |
| No Rank (mostly at community colleges) | \$47,991 | 7% |
| Lecturers | \$43,137 | 4% |
| Instructors | \$42,173 | 13% |
| Source: Suzanne B. Clery and Amelia M. Topper, "Faculty Salaries: 2003-2004", NEA Almanac of Higher Education 2005: www2.nea.org/he/healma2k5/a05p7.pdf | | |

¹⁴ As of 1 April 2007 SMP was extended from 26 weeks to 39 weeks. Note that the first six weeks are on 90% of average weekly earnings, and the remaining 33 weeks are at a standard rate or 90% of average weekly earnings, whichever is the lower.

¹⁵ Suzanne B. Clery and Amelia M. Topper, "Faculty Salaries: 2003-2004", NEA Almanac of Higher Education 2005: www2.nea.org/he/healma2k5/a05p7.pdf

| Percentage movement in National Average Salaries between 2003-2004 and 2006-2007 | |
|--|-----|
| All full-time faculty members | 9% |
| Professors | 16% |
| Associate Professors | 13% |
| Assistant Professors | 11% |
| No Rank (mostly at community colleges) | 9% |
| Lecturers | 10% |
| Instructors | 27% |

The Rising Percentage of Contingent Faculty

There is 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. They are often paid an hourly rate which is considered by a number of commentators to not adequately recognise tasks such as marking papers or the preparation of lectures, and many do not receive university health benefits or paid leave. Contingent faculty appear to have little academic freedom, lack job security and are less able and less likely to engage in research and perform administrative tasks necessary to keep academic departments functioning.¹⁶

Contingent faculty are ostensibly hired to provide universities with a flexible labour pool that can be expanded or reduced when enrolments in particular programs fluctuate, but the enormous growth in contingent faculty relative to full-time tenured or tenure-track faculty and relative to the growth in student enrolments is far greater than might be justified by an argument for flexibility.¹⁷

The American Association of University Professors (AAUP) determined that in 2005 full-time nontenure-track positions accounted for 29.4% of all faculty at degree-granting colleges and universities in the nation, up from nearly 19% in 2003.¹⁸

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.

The gap has continued to widen in recent years between academic salaries paid by public and independent universities. During 2006-07, the salary gap has extended to a ten percent differential (USD \$6,900).¹⁹ A logical extension of the salary difference at independent universities is that, unless things change, private institutions in the US will attract the best quality researchers.

¹⁶ AAUP, The Annual Report on the Economic Status of the Profession, 2007-08 p 17. Report available at: <http://www.aaup.org/NR/rdonlyres/C98CAC79-4E8A-42B8-B034-BACF37E6DF03/0/zreport.pdf>

¹⁷ AAUP, The Annual Report on the Economic Status of the Profession, 2007-08. Report available at: <http://www.aaup.org/NR/rdonlyres/C98CAC79-4E8A-42B8-B034-BACF37E6DF03/0/zreport.pdf>

¹⁸ Basic Benefits, The Baltimore Sun, 20 December 2006

¹⁹ 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>

3.6.2. Academic Staff Salaries

The AAUP and the NEA unions publish annual statistical analyses of US academic salaries. In the US, 87 percent of all full-time faculty members at 3,032 degree-granting institutions are on 9/10 month contracts. Faculty members with collective-bargaining agreements averaged USD \$3,275 more than their non-collective bargaining colleagues in 2006-07.²⁰ The latest (2006 - 2007) academic salaries for doctoral institutions published by the NEA are summarised in the table below, along with the equivalent information from 2003 – 2004 and the percentage movement over the three year time period.

| 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: NEA 2008 Almanac of Higher Education | | |
| Average Salaries (USD\$) for Faculty on 9/10 Month Contracts at Doctoral Institutions 2003 – 2004 | Public | Independent |
| Professor | \$90,551 | \$107,655 |
| Associate | \$64,379 | \$70,978 |
| Assistant | \$54,575 | \$59,720 |
| Instructor | \$37,088 | \$43,119 |
| Lecturer | \$43,397 | \$49,579 |
| No Rank | \$42,649 | \$55,426 |
| Average | \$67,706 | \$78,943 |
| Source: NEA 2005 Almanac of Higher Education | | |
| % Movement in Average Salaries for Faculty on 9/10 Month Contracts at Doctoral Institutions between 2003 – 2004 and 2006 - 2007 | Public | Independent |
| Professor | 12% | 11% |
| Associate | 11% | 9% |
| Assistant | 11% | 8% |
| Instructor | 12% | 9% |
| Lecturer | 7% | 7% |
| No Rank | 11% | 9% |
| Average | 10% | 8% |

²⁰ 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>

The tables below summarise the average salaries at the US Reference Group universities, for each academic rank, for the 2007 - 2008 year and the 2003 – 2004 year. The percentage change over the four year period is also shown.

| 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 |
| Source: http://chronicle.com/stats/aaup/ | | | | |
| Average Salaries (USD\$) – 2003 - 2004 (9/10 month contracts) | | | | |
| University | Professor | Assoc Professor | Asst Professor | Instructor |
| University of Colorado – Boulder | \$98,400 | \$71,200 | \$61,000 | \$43,900 |
| University of Connecticut – Storrs | \$106,700 | \$76,300 | \$61,700 | \$55,500 |
| University of Tennessee – Knoxville | \$88,100 | \$66,400 | \$54,500 | \$40,300 |
| University of Washington – Seattle | \$93,200 | \$66,700 | \$63,200 | \$42,800 |
| University of Wisconsin – Madison | \$96,200 | \$73,300 | \$63,600 | \$50,100 |
| Source: http://chonicle.co.m/stats/aaup | | | | |
| % Movement in Average Salaries between 2003 - 2004 and 2007 - 2008 | | | | |
| University | Professor | Assoc Professor | Asst Professor | Instructor |
| University of Colorado – Boulder | 18% | 19% | 19% | 9% |
| University of Connecticut – Storrs | 19% | 15% | 18% | 13% |
| University of Tennessee – Knoxville | 19% | 18% | 21% | 23% |
| University of Washington – Seattle | 25% | 25% | 17% | 12% |
| University of Wisconsin – Madison | 9% | 10% | 9% | 1% |

As stated above, 87% of US academic staff are employed on 9/10 month contracts. 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.

Most US 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.

University of Connecticut policy permits nine month faculty (23 August through 22 May) to receive payment from the University over and above their nine month salary. During the summer, faculty may earn up to an additional three ninths (3/9) of their full time base salary from all University sources, including grants and contracts.

When nine month faculty are employed for summer session teaching at the University, they are paid on the special payroll. The terms and conditions of summer session credit teaching are contained in the AAUP Summer School Agreement.

When the summer work at the University is an administrative assignment, the special payroll title is “Special Professional Services as Summer Administrator”. If external funding is used to support summer work, the title is “Research Specialist”, again on the special payroll.

In addition to summer employment, the University’s extra compensation policy permits additional earnings of up to 10% of the faculty member’s regular salary for participating in non-credit continuing education and public service activities in the Division of Extended and Continuing Education.²¹

Like the majority of US universities, the University of Connecticut permits its academic staff to earn additional income from consulting:

Members of the professional staff may take on outside consulting and research activities only after the specific project has been approved by the appropriate University official.²²

The University of Tennessee’s summer semester policy is as follows:

Faculty holding regular full-time academic year appointments may teach up to six credit hours during the summer semester. Exceptions to this limit may be granted by petition to the chief academic officer. Ordinarily, faculty are paid extra compensation for summer semester teaching. Appropriate percentages of full-time effort and pay are arranged by the department head, dean and the chief academic officer.²³

The University of Tennessee’s policy on consulting income outside the university is:

The University encourages the faculty to engage in consulting and other related outside services which are associated with an individual faculty member’s appointment and which develop his / her professional expertise. By these means, many faculty members improve their disciplinary skills; they serve educational institutions and professional organisations, business, industry, and government; and they bring positive recognition to the University.²⁴

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 US tertiary sector. The AAUP has provided an analysis of academic staff benefits for public institutions (published in 2008).

²¹ www.hr.uconn.edu/facdictt.html#PROFESSORIAL%20TITLES

²² <http://policy.uconn.edu/pages/findPolicy.cfm?PolicyID=193>

²³ <http://provost.utk.edu/facultyhandbook/pdfs/FacultyHandbook.pdf>

²⁴ <http://provost.utk.edu/facultyhandbook/pdfs/FacultyHandbook.pdf>

| Benefits | \$ per FTE | % of Salary |
|---------------------------|-----------------|-------------|
| Retirement | \$7,426 | 10.1 |
| Medical Insurance | \$5,095 | 7.0 |
| Dental Insurance | \$219 | 0.3 |
| Medical & Dental combined | \$2,010 | 2.7 |
| Disability | \$173 | 0.2 |
| Tuition | \$166 | 0.2 |
| Social Security | \$4,277 | 5.8 |
| Unemployment | \$178 | 0.2 |
| Group Life | \$143 | 0.2 |
| Worker's Compensation | \$339 | 0.5 |
| Benefits in Kind | \$152 | 0.2 |
| All Combined | \$20,178 | 27.6 |

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). The major benefits include:

- a) retirement contribution, regardless of the plan’s vesting provision;
- b) medical insurance;
- c) disability income protection;
- d) tuition for faculty dependents (both waivers and remissions are included);
- e) dental insurance;
- f) social security (FICA);
- g) unemployment insurance;
- h) group life insurance;
- i) workers’ compensation premiums; and
- j) other benefits in kind with cash alternatives (for the most part, these include benefits such as moving expenses, housing, cafeteria plans or cash options to certain benefits, bonuses, and the like).²⁵

Two examples of the employer and employee contributions to superannuation are shown in the table below.

| Institution | Employer Contribution % | Employee Contribution % |
|---------------------|-------------------------|-------------------------|
| Colorado – Boulder | 10% of salary | 5% of salary |
| Wisconsin – Madison | 10.2% - 19.5% of salary | 0% of annual salary |

In comparing the cost of benefits shown above, independent institutions spent an average of \$4,015 more than public institutions on faculty benefits in 2007-08. This benefits gap is consistent with the salary gap between independent and public universities.

²⁵ <http://www.aaup.org/AAUP/comm/rep/Z/ecstatreport2007-08/explan.htm>

3.7. New Zealand - Salaries and Benefits

3.7.1. Overview

New Zealand has maintained its 4th place ranking out of 5 nations in the 2006-07 ACU Academic Staff Salary Survey.²⁶ Among Commonwealth nations, New Zealand's average academic salaries rank below Australia, Canada and the UK (respectively) and ahead of South Africa.

It was commented in the ACU survey report 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.²⁷ On the other hand, the survey noted that New Zealand has seen a much bigger increase in the salary scales in this survey than in previous years – the overall average increasing by 15% from the 2004/05 data.

3.7.2. Academic Staff Salaries

In New Zealand collective agreements are currently negotiated separately at each of the eight universities, however, unions are looking at the possibility of developing one national collective employment agreement for academic staff and another for general staff. Negotiations of collective agreements are carried out primarily by the AUS, however the Association of Staff in Tertiary Education (ASTE), the Public Service Association (PSA) and several other unions are also involved. Amalgamation of AUS and ASTE to form a new union, the New Zealand Tertiary Education Union, has been given the go ahead and formally takes effect on 1 January 2009.

Commentators have noted that the creation the University Tripartite Forum, which represents the Government, university unions and vice-chancellors, has been reported as being crucial to improving pay rates for academics in New Zealand. It has been reported that the unions' position would be strengthened by the inclusion of AUT and that it is expected that university employers will support the decision of union members and recognise that the salary crisis in the sector was an issue that would only be resolved on a national basis, with the co-operation of university employers, unions and the Government.²⁸

The current collective agreements in New Zealand are all due to expire on 30 June 2008 therefore formal negotiations in the next bargaining round will commence in this month.

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 2005 report is set out in Appendix 2 for comparative purposes.

²⁶ Jay Kubler and Liam Roberts, Association of Commonwealth Universities 2004-05 Academic Staff Salary Survey, p. 10.

²⁷ Jay Kubler and Liam Roberts, Association of Commonwealth Universities 2004-05 Academic Staff Salary Survey, p. 10.

²⁸ <http://www.aus.ac.nz/Media/2008/bargaining.asp>

| New Zealand Academic Salary Scales 2007 – 2008 | | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|----------|--------------------------|
| | Auckland | Waikato | Massey | Victoria | Canty | Lincoln | Otago | AUT |
| Start Date | 1/07/07 | 1/07/07 | 1/07/07 | 1/07/07 | 1/07/08 | 1/07/08 | 1/07/07 | Effective as at 05/12/07 |
| End Date | 30/06/08 | 30/06/08 | 30/06/08 | 30/06/08 | 30/06/08 | 30/06/08 | 30/06/08 | |
| 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 Lecturer | | 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

The table below shows the average salary for each rank across the universities included in the New Zealand Reference Group for 2004 – 2005 compared with 2007 - 2008, and the associated percentage movement during the three year period.

| Rank | Average Salary 2007 - 2008 | Average Salary 2004 - 2005 | % Movement |
|---------------------------|----------------------------|----------------------------|------------|
| Professor * | \$116,500 | \$99,100 | 18% |
| Associate Professor | \$107,300 | \$91,500 | 17% |
| Senior Lecturer above bar | \$95,700 | \$82,200 | 16% |
| Senior Lecturer below bar | \$84,100 | \$72,000 | 17% |
| Lecturer | \$67,400 | \$58,000 | 16% |
| Assistant Lecturer | \$51,500 | \$43,900 | 17% |

Note that the 2004 – 2005 data excluded AUT on the grounds that at the time of publishing the 2005 report AUT was in a growth and development phase as a university. Data for AUT is included within the 2007 – 2008 averages shown.

* Represents minimum salary

3.7.3. Academic Staff - Non Salary Benefits

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

Members of the New Zealand Universities' Superannuation Scheme contribute multiples of 0.5% of their salary, subject to a minimum according to their category of membership.²⁹ 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% of salary.³⁰

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.

(Note: the table below has not been updated since the 2005 report)

| Non Salary Benefits | Canty | Lincoln | Massey | Otago | Waikato | Auckland |
|-------------------------------|---|---|---|---|---|---|
| Pension Scheme | | | | | | |
| - Employee Contribution | Minimum of 3% of salary. Cap at 5% for employer subsidy | Minimum of 3% of salary. Cap at 5% for employer subsidy | Minimum of 3% of salary. Cap at 5% for employer subsidy | Minimum of 3% of salary. Cap at 5% for employer subsidy | Minimum of 3% of salary. Cap at 5% for employer subsidy | Minimum of 3% of salary. Cap at 5% for employer subsidy |
| - University Contribution | Up to 6.75% of salary | Up to 6.75% of salary | Up to 6.75% of salary | Up to 6.75% of salary | Up to 6.75% of salary | Up to 6.75% of salary |
| - Pension Value at Retirement | Varies according to contributions and accrued interest | Varies according to contributions and accrued interest | Varies according to contributions and accrued interest | Varies according to contributions and accrued interest | Varies according to contributions and accrued interest | Varies according to contributions and accrued interest |

²⁹ <http://www.nzvcc.ac.nz/files/super/NZUSS%20Member%20Booklet%2031%20March%202008.pdf>

³⁰ <http://www.nzvcc.ac.nz/default.aspx?l=3&p=49#whatsort>

| Non Salary Benefits | Canty | Lincoln | Massey | Otago | Waikato | Auckland |
|----------------------------|--|--|--|--------------------------------------|--|---|
| Leave | | | | | | |
| - Annual Leave | 20 days | 30 days | 20 days | 25 days | 24 days | 20-25 days |
| - Sabbatical / Study Leave | 1 year after 6 years of service | Not sourced | 1 year maximum over 7 year period | 1 year maximum every 7 years | 4 months after 2 years, maximum of 11 months every 6 years | 1 semester after 3 year, 1 year after 6 years service |
| - Maternity Leave | 9 weeks paid, up to 52 weeks total leave | 6 weeks paid, up to 52 weeks total leave | 6 weeks paid, up to 52 weeks total leave | 6 weeks paid up to 52 weeks in total | 6 weeks paid, up to 52 weeks total leave | 9 weeks paid, up to 52 weeks total leave |

From 1 April 2008, subject to certain exemptions, employers are required to make compulsory contributions of a minimum of 1% of salary to an employee's complying superannuation fund or KiwiSaver scheme. The compulsory employer contribution increases by 1% each 1 April to reach 4% from 1 April 2011.

4. Implications for New Zealand

4.1. Comparison of Salaries and Benefits

The tables on the next page summarise the data presented in Section 3 on salaries for the countries / institutions included in this review.

| AUSTRALIA | Average Salary (AUD) | Average PPP |
|---|-----------------------------|--------------------|
| Academic Rank | | |
| Associate Lecturer | \$58,600 | 45,000 |
| Lecturer | \$76,900 | 59,000 |
| Senior Lecturer | \$92,600 | 71,200 |
| Associate Professor | \$108,900 | 83,700 |
| Professor (minimum) | \$133,000 | 102,300 |
| CANADA | Average Salary (CAD) | Average PPP |
| Academic Rank | | |
| Assistant Professor | \$78,000 | 65,500 |
| Associate Professor * | \$95,800 | 80,500 |
| Professor * | \$119,100 | 100,100 |
| Note: * Average salary not taking into account administration duties. | | |
| ENGLAND | Average Salary (GBP) | Average PPP |
| Academic Rank | | |
| Lecturer | £32,300 | 50,500 |
| Senior Lecturer | £38,700 | 60,400 |
| Principal Lecturer (Assoc Professor) | £47,500 | 74,200 |
| Professor (minimum) | £52,600 | 82,200 |
| Note that in order to calculate an average salary for England 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/unions/UCU/npf/ | | |
| UNITED STATES | Average Salary (USD) | Average PPP |
| Academic Rank | | |
| Assistant Professor* | \$70,700 | 70,700 |
| Associate Professor* | \$83,000 | 83,000 |
| Professor* | \$113,900 | 113,900 |
| Note: * Based on 9/10 annual contract | | |
| NEW ZEALAND | Average Salary (NZD) | Average PPP |
| Academic Rank | | |
| Lecturer | \$67,400 | 44,900 |
| Senior Lecturer | \$87,900 | 58,600 |
| Associate Professor | \$107,300 | 71,600 |
| Professor (minimum) | \$116,500 | 77,700 |

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

| Rank | Average PPP by Country | | | | |
|----------------------|------------------------|---------|---------|---------|--------|
| | Australia | Canada | England | USA | NZ |
| Lecturer / Asst Prof | 59,000 | 65,500 | 50,500 | 70,700 | 44,900 |
| Senior Lecturer | 71,200 | X | 60,400 | X | 58,600 |
| Associate Professor | 83,700 | 80,500 | 74,200 | 83,000 | 71,600 |
| Professor* | 102,300 | 100,100 | 82,200 | 113,900 | 77,700 |

Notes: * Represents minimum for Australia, England and New Zealand.
X = No equivalent ranking

The above table indicates that at all academic ranks the New Zealand university salaries (expressed in US\$ PPP) lag significantly behind Australia, Canada and USA. This is consistent with the ACU Study. Academic salaries in PPP terms in New Zealand are similar to salaries in England, however, larger growth in salaries at the Associate Professor and Professor ranks in England have seen them move ahead of New Zealand in these two levels. Consequently, salaries in England in PPP terms are now ahead of New Zealand at every rank.

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. A key area of non salary benefits is superannuation. The scope and level of that benefit for academic staff is summarised below:

- **Australia**
 - Employer contribution is 17% of salary and employee contribution is between 0% and 7% of salary;
 - The benefit is determined by the level of contributions and the accrued interest on those contributions.
- **Canada**
 - Employer contributions 8% - 11% of salary and variable levels of employee contributions depending on the province and institutions;
 - The pension on retirement determined by the years of service / contribution and the highest average salary.
- **England**
 - Employer contribution is 14% of salary and employee contribution is 6.35% of salary;
 - The pension on retirement is determined by the indexed salary in the last three years of contribution.
- **New Zealand**
 - Employer contribution is up to 6.75% of salary and employee minimum contributions vary from 2% - 4%;
 - The benefit is determined by the employer and employee contribution and the interest accrued on those contributions.

Specific data on non salary benefits and salary loadings is neither easily available nor readily comparable. However, it is noted that:

- Increased reference exists in the documentation for individual universities of the use of market related loadings in determining the remuneration package for individual academic staff;
- Australia has options available for the substitution of salary for non cash benefits up to 30% of salary.

Appendix 1 - National Salary Spine for UK Universities

| Spine point | 2005-06 | 2006-07 | | 2007-08 | | 2008-09 |
|-------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------|
| | Salary from Aug 2005 | Salary from Aug 2006 | Salary from Feb 2007 | Salary from Aug 2007 | Salary from May 2008 | Salary from October 2008* |
| 1 | 11,060 | 11,575 | 11,691 | 12,041 | 12,461 | 12,773 |
| 2 | 11,377 | 11,892 | 12,011 | 12,371 | 12,791 | 13,111 |
| 3 | 11,703 | 12,218 | 12,340 | 12,710 | 13,130 | 13,459 |
| 4 | 11,989 | 12,504 | 12,629 | 13,008 | 13,428 | 13,764 |
| 5 | 12,335 | 12,850 | 12,979 | 13,368 | 13,788 | 14,133 |
| 6 | 12,692 | 13,207 | 13,339 | 13,739 | 14,159 | 14,513 |
| 7 | 13,009 | 13,524 | 13,659 | 14,069 | 14,491 | 14,853 |
| 8 | 13,387 | 13,902 | 14,041 | 14,462 | 14,896 | 15,269 |
| 9 | 13,778 | 14,293 | 14,436 | 14,869 | 15,315 | 15,698 |
| 10 | 14,192 | 14,707 | 14,854 | 15,300 | 15,759 | 16,153 |
| 11 | 14,618 | 15,133 | 15,284 | 15,743 | 16,215 | 16,621 |
| 12 | 15,056 | 15,571 | 15,727 | 16,199 | 16,684 | 17,102 |
| 13 | 15,508 | 16,023 | 16,183 | 16,669 | 17,169 | 17,598 |
| 14 | 15,973 | 16,488 | 16,653 | 17,152 | 17,667 | 18,109 |
| 15 | 16,452 | 16,967 | 17,137 | 17,651 | 18,180 | 18,635 |
| 16 | 16,946 | 17,461 | 17,636 | 18,165 | 18,710 | 19,177 |
| 17 | 17,454 | 17,978 | 18,157 | 18,702 | 19,263 | 19,745 |
| 18 | 17,978 | 18,517 | 18,703 | 19,264 | 19,841 | 20,338 |
| 19 | 18,517 | 19,073 | 19,263 | 19,841 | 20,436 | 20,947 |
| 20 | 19,093 | 19,666 | 19,862 | 20,458 | 21,072 | 21,599 |
| 21 | 19,645 | 20,234 | 20,437 | 21,050 | 21,681 | 22,223 |
| 22 | 20,235 | 20,842 | 21,050 | 21,682 | 22,332 | 22,891 |
| 23 | 20,842 | 21,467 | 21,682 | 22,332 | 23,002 | 23,577 |
| 24 | 21,467 | 22,111 | 22,332 | 23,002 | 23,692 | 24,284 |
| 25 | 22,111 | 22,774 | 23,002 | 23,692 | 24,403 | 25,013 |
| 26 | 22,774 | 23,457 | 23,692 | 24,403 | 25,135 | 25,763 |
| 27 | 23,457 | 24,161 | 24,402 | 25,134 | 25,888 | 26,536 |
| 28 | 24,161 | 24,886 | 25,135 | 25,889 | 26,665 | 27,332 |
| 29 | 24,886 | 25,633 | 25,889 | 26,666 | 27,466 | 28,152 |
| 30 | 25,633 | 26,402 | 26,666 | 27,466 | 28,290 | 28,997 |
| 31 | 26,401 | 27,193 | 27,465 | 28,289 | 29,138 | 29,866 |
| 32 | 27,194 | 28,010 | 28,290 | 29,139 | 30,013 | 30,763 |
| 33 | 28,009 | 28,849 | 29,138 | 30,012 | 30,912 | 31,685 |
| 34 | 28,850 | 29,716 | 30,013 | 30,913 | 31,840 | 32,636 |
| 35 | 29,715 | 30,606 | 30,913 | 31,840 | 32,795 | 33,615 |
| 36 | 30,607 | 31,525 | 31,840 | 32,796 | 33,780 | 34,624 |
| 37 | 31,525 | 32,471 | 32,795 | 33,779 | 34,793 | 35,663 |
| 38 | 32,490 | 33,465 | 33,799 | 34,813 | 35,858 | 36,754 |
| 39 | 33,445 | 34,448 | 34,793 | 35,837 | 36,912 | 37,835 |
| 40 | 34,448 | 35,481 | 35,836 | 36,911 | 38,019 | 38,969 |
| 41 | 35,482 | 36,546 | 36,912 | 38,019 | 39,160 | 40,139 |
| 42 | 36,546 | 37,642 | 38,019 | 39,159 | 40,334 | 41,343 |
| 43 | 37,643 | 38,772 | 39,160 | 40,335 | 41,545 | 42,583 |
| 44 | 38,772 | 39,935 | 40,335 | 41,545 | 42,791 | 43,861 |
| 45 | 39,935 | 41,133 | 41,544 | 42,791 | 44,074 | 45,176 |
| 46 | 41,133 | 42,367 | 42,791 | 44,074 | 45,397 | 46,532 |
| 47 | 42,367 | 43,638 | 44,074 | 45,397 | 46,759 | 47,927 |
| 48 | 43,638 | 44,947 | 45,397 | 46,759 | 48,161 | 49,365 |
| 49 | 44,947 | 46,295 | 46,758 | 48,161 | 49,606 | 50,846 |
| 50 | 46,296 | 47,685 | 48,162 | 49,607 | 51,095 | 52,372 |
| 51 | 47,685 | 49,116 | 49,607 | 51,095 | 52,628 | 53,943 |

* Increased by RPI if greater than 2.5%

University and Colleges Union (2007) Pay and Condition, UCU, London. Available at: <http://www.ucu.org.uk/index.cfm?articleid=2210>

Appendix 3 - Purchasing Power Parity Adjustors

The previous section of 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, a recent ACU comparison of salaries and benefits identified two purchasing power parity adjustors, i.e. the 2004 World Bank PPP and the 2006 Big Mac PPP. The latter was used by ACU because of its more recent calculation, even though it is recognised that the World Bank PPP is likely to incorporate a broader “basket” of purchases.

More recently the 2005 World Bank PPP³¹, the 2007 Big Mac PPP³² and the 2007 OECD PPP³³ have been published. These three PPP are summarised in the table below.

| | World Bank PPP (2005) | Big Mac PPP (2007) | OECD (2007) |
|-------------|-----------------------|--------------------|-------------|
| Australia | 1.39 | 1.07 | 1.43 |
| Canada | 1.21 | 1.13 | 1.22 |
| UK | 0.65 | 0.6173 | 0.656 |
| New Zealand | 1.54 | 1.43 | 1.54 |

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

- Australia 1.30
- Canada 1.19
- UK 0.64
- New Zealand 1.50

These are based on a simple average of the three specific PPP listed above.

³¹ http://siteresources.worldbank.org/ICPINT/Resources/ICP_final-results.pdf

³² <http://www.oanda.com/products/bigmac/bigmac.shtml>

³³ <http://www.oecd.org/dataoecd/48/18/18598721.pdf>