Better Workplaces
Better USYD

National Tertiary Education Union

NTEU fact-sheet:

What you need to know about management's pay offer

The short story:
Management's pay offer is **too low.** It is equivalent to a **pay cut.**
It puts USyd pay increases behind ACU, UTas, UTS and WSU for the period 2021-2026. Read on for details.

What are management offering and is it reasonable?

Management has offered a 4.6% increase this year with an extra $2000 one-off cash payment; 3.25% in 2024 and 2025, and 3.5% in 2026. The Provost described this offer as generous. It isn't, for four major reasons: how our salary is tracking against the cost of living; how the offer compares to other universities; our productivity (the amount of value we generate for the university); and what management can afford. Let's look at each in turn.

Salary and cost of living

No one's rent or mortgage is paused just because the University of Sydney is renegotiating its Enterprise Agreement, and food prices and inflation aren't either. So to work out whether management has made a fair offer or not, we have to consider how our salary looks over the whole period from the end of the last agreement (30 June 2021) to the end of the next one (mid-2026). Not doing this amounts to **giving management a free pass** for 2021 and 2022.

Since the end of the last Enterprise Agreement, we've experienced a **fall in our real wages**. For the second half of 2021 and for 2022, we got a 2.1% pay increase, with an extra $1000 cash payment. But in that same period, inflation was running at 2.1% (second half of 2021) and 7.8% (2022). This means **our real pay has fallen over this period**. If we don't want to go backwards, we need a pay offer now that makes up for that lag.

So, does management's pay offer keep up with cost of living?

No. Their offer amounts to only a **3.3 per cent increase over the five years to 2026** (16.7 per cent in toto). Taking into account inflation, their offer amounts to a large cut in real pay.

How does this compare with other universities?

3.3% is lower than the average annual increase (expiry to expiry) in other union-endorsed agreements, for instance at WSU, ACU, UTas or UTS, all of which are less rich than Sydney Uni. How is a pay-rise less than these universities, who are all in worse financial positions, reasonable?

	Effective annual increase agreement to agreement	Status
Western Sydney University	3.67%	being ratified
Australian Catholic University	3.64%	agreed
UTS	3.54%	agreed in principle
University of Sydney management offer	3.3%	proposed 21/2/23

Staff productivity

Salary is compensation for the work we do, so it should reflect the intensity and the productivity of that work. Online learning, restructures in many parts of the university, and the voluntary redundancies during Covid have meant that staff have been pushed to the limit over the last few years. The number of students taught by each academic, and supported by each Professional Staff member at the university has jumped significantly between 2020 and 2021. This is a massive increase in work intensity and productivity, and we should be rewarded for it in our pay. **If staff are working more, their salaries shouldn't be going down**

What can management afford?

The university's most recent surplus was **more than a billion dollars**. Even leaving aside the one-off components of this result, it has many hundreds of millions of dollars ($453M, according to the last Annual Report) that could be used to support staff in one of the most expensive cities in the world. On preliminary modelling, the minimum amount management would have to pay out to ensure staff don't go backwards, including compensating staff for inflation in 2022, would be in the order of an increase of $6-10M per year for the life of the next agreement. That's just spare change for a multi-billion dollar organisation– especially since not once at bargaining have management cried poor.

		The current EA				**The time between EAs**	**Proposed EA**			
		2018	2019	2020	2021	2022	2023	2024	2025	2026
	EBA Wage rises	2.1 % + $500	2.1%	2.1%	2.1%	2.1% + $1,000	4.6% + $2,000	3.25%	3.25%	3.5%
The forgotten variables	CPI (+RBA forecasts)	2.1%	1.6%	-0.3%	3.8%	7.8%	4.75 – 6.25%	3.25-3.5%	3.0	?
	Change post-inflation	+$500	+0.5%	+2.4%	-1.7%	-5.7%	- 0.15 – - 1.65%	0- -0.35%	+0.25%	?
	Staff-Student ratios	1:16	1:16	1:15	1:20					
	USyd surplus	$171m	$178m	$109m	$1,050m					