

Executive summary

The 2009-2010 ACU Academic Staff Salary survey examines academic salary scales and associated benefits in 46 institutions across seven Commonwealth countries: Australia, Canada, Malaysia, New Zealand, Singapore, South Africa, and the United Kingdom. The purpose of this study is to provide comparative trend analysis and useful indicators for vice-chancellors/universities, academic policymakers, and stakeholders. This is the seventh survey on academic salary scales and benefits undertaken by the Association of Commonwealth Universities (ACU).

Salaries

The survey compares salary scales for academic staff from the point of entry up to professorial level. The salary scales are analysed using a purchasing power parity (PPP) conversion rate – the Big Mac Index – expressing all salaries in US dollars. The PPP conversion factor incorporates the cost of living so that salaries will purchase the same goods and services in the compared countries. Using a PPP conversion factor provides a more balanced basis for international comparison of salary values than market exchange rates, which are relatively volatile and do not reflect the cost of living in the countries in the study.

Responding institutions provided, where available, details of the top and bottom of the salary scale for the following positions: Assistant Lecturer, Lecturer, Senior Lecturer, Associate Professor, and Professor.¹ For the professorial rank, only the bottom of the scale was requested, as most institutions do not have an established cap for this level. However, some have provided this information (see Appendix 1). For this survey, participants were also asked to provide the number of staff and the actual average salary at each academic level.

For comparison of salary levels across the participating countries and over time, average salary levels have been calculated. The arithmetic means of the top and bottom of each scale have been averaged across the responses, which in this survey are referred to as midpoint averages. It should be noted that midpoints do not reflect the averages of each scale and not the average of actual salaries received by staff. For consistency with previous surveys, midpoint averages have been used for the majority of the analysis. However, in addition, the survey includes weighted averages for the participating institutions, taking into account the actual average salary levels provided by the respondents and the number of staff at each academic rank.

Table 1 shows the overall salary midpoint average for all ranks and the weighted country average in the participating countries expressed in PPP USD. The results show that the difference between weighted averages and midpoints is most pronounced in Canada, but also recorded in Singapore, the UK, and Malaysia.

Table 1: Midpoint averages and weighted country averages in participating countries (PPP USD)²

Country	Overall midpoint average salary level	Overall weighted country average
Australia	83,670	78,888
Canada	76,594	109,156
Malaysia*	2,914	3,069
New Zealand	68,863	66,969
Singapore	108,518	126,917
South Africa	78,653	71,648
United Kingdom	76,377	86,013

Table 2 shows the average midpoints for the salary scales, across the respondents and by academic rank in 2009-2010.

Table 2: Midpoint averages by academic rank 2009-2010 (PPP USD)

Academic rank	Midpoint average across all countries
Professor	95,118
Associate Professor	86,813
Senior Lecturer	74,130
Lecturer	62,600
Assistant Lecturer	48,528

¹ Different designations for academic posts are used in the countries surveyed. See the 'Methodology' section for details of the comparative structure applied to academic posts across the seven countries.

² The average for Malaysia is based on base salaries only, and does not include any salary loadings or set allowances reported by the responding institutions. See Appendix 1 for more information.

The findings in Table 2 show that the overall average for each rank is raised by Australia, with the UK and New Zealand falling below the overall average for each academic rank. South African salaries are above the overall average at the higher ranks, but fall below at the lower ranks. Conversely, Canadian salaries are above the overall average at the lower ranks, whilst falling below at Associate Professor and Professor levels, where salaries start at relatively lower levels than the other countries in the study.

Salaries were also compared with GDP per capita to illustrate the relative earnings of academics against overall wealth in the participating countries. The survey found that, in the majority of countries, academic salaries are at or around double the respective country's GDP per capita. South Africa stands out with considerably higher academic salaries compared to GDP per capita, whilst Malaysian academic salaries are substantially below national GDP per capita. However, in countries where comprehensive information was available, academic pay compared poorly to that of professionals in the private sector (represented by lawyers in the survey).

Key findings

- Australian academic salaries, at all levels except Lecturer, continue to be above those of the other responding countries, when cost of living has been factored into the equation. The overall midpoint average of the salary scales is PPP USD 83,670, which is 6.4% higher than South Africa, the new second in the ranking.
- Singapore would, if included, rank highest of all participating countries, with overall midpoint average salaries 30% above Australia. However, as Singapore has not participated in the survey since the beginning of the 2000s and this year's sample is not representative, it has been excluded from the ranking. Data from the 2000-2001 and 2001-2002 salary surveys also show salary levels in Singapore as much higher than in other participating countries.
- South Africa ranks second overall, with an average of PPP USD 78,653, which puts Canada and the UK in third and fourth place respectively. This contrasts to the survey in 2006-2007, when South Africa was at the bottom of the ranking, using the PPP conversion factor.
- The Canadian overall average salary is PPP USD 76,594, which is closely followed by the UK with an overall average of PPP USD 76,377. The gap between Canada and the UK continues to be small – similar to the survey in 2006-2007, it is less than 0.4%.
- New Zealand (PPP USD 68,863) ranks fifth, when purchasing power is considered. The gap with neighbouring Australia has narrowed considerably from 40% in 2006-2007 to 21.5% in this survey.
- The gaps in the overall salary scales between participating countries (except Malaysia) have narrowed since the last survey. First-ranked Australia has an overall average salary that is 6.4%, 9.2% and 9.6% higher than South Africa, Canada and the UK respectively. In 2006-2007, the Australian overall average was 26% higher than in Canada and 27% higher than in the UK.
- South Africa has the highest salary scales relative to national GDP per capita (the overall average academic salary is seven times the GDP per capita) and also saw the highest level of growth in academic salary scales since the last survey. This could be related to increased investment in higher education and efforts to restructure the sector, but could also be linked to high inflation in South Africa in recent years and a more limited sample in the current survey compared to the 2006-2007 survey.

Benefits

Benefits provided to academics alongside salaries are important elements of the overall compensation package offered. The survey examines associated benefits such as pensions, leave, medical entitlements, and financial payments over and above base salaries.

Key findings

Pension benefits

- A very large majority of institutions in the survey (93%) provide pension schemes for their staff.
- Contributions from both the employee and the institution are the most common form of pension plan. Employees' contributions range from 2% to 8% of annual salary, whilst employer contributions range more broadly between 6% and 17%. Only South Africa offers non-contributory pension schemes.

Medical benefits

- Medical aid is provided in the majority of Canadian and South African universities and in all Malaysian institutions in the survey, while the other countries do not generally have supplementary support to state-funded healthcare provision.

Leave entitlements

- Leave conditions vary between countries and institutions, although the majority offer fixed annual and parental leave.
- Annual leave across all responding universities is generally between 20 and 30 days, with a few institutions reporting slightly more than this.
- A large majority of institutions (85%) offer sabbatical leave, typically six months to a year, accrued after six to seven years' service.
- Parental leave (often referring to maternity or adoption leave) is typically one year inclusive of paid and unpaid leave, although the length of paid leave varies. Paternity/partner leave tends to be shorter, with the majority receiving one to two weeks' paid leave. However, in some countries/institutions, parental leave can be taken by either parent or be shared between them.
- Carer or family leave of up to three weeks is offered at over half of universities, but tends to be 10 days or less. This is generally a combination of compassionate and sick leave.

Additional benefits

- Provision of discretionary bonuses or market adjustments has increased significantly from the previous survey and is offered at 63% of institutions, compared to 41.5% in 2006-2007.
- Over half of institutions pay professional expenses or offer professional development allowances.
- Relocation allowances are among the most common additional benefits, offered at 67% of surveyed institutions.
- The UK and Canada are the only countries to report childcare allowances.
- A majority of South African and all Canadian institutions offer free tuition for dependants and, overall, additional benefits are important components in these countries' compensation packages.
- Malaysian institutions reported a variety of financial supplements on top of base salaries, including housing and entertainment allowances.

The report highlights a continued strong position for Australia. However, the gaps between its overall average salary level and those of South Africa, Canada, the UK, and New Zealand have narrowed considerably since the last survey. The rate of growth in salary scales in these four countries since the last survey has also been higher than in Australia. At the same time, the differences between South Africa, Canada, the UK, and, to a lesser extent, New Zealand are relatively small, pointing to a convergence of academic salaries internationally. The convergence may be related to increased international competition for academic staff, but it also points to efforts within individual countries to improve salary levels for academic staff.

The report also highlights differences between countries in setting academic salaries, by examining individual countries' funding of higher education and salary determination mechanisms. It also discusses salary negotiations and attraction and retention issues, as well as the internationalisation of higher education. For example, in Canada, the provinces are responsible for higher education funding, whilst the eight main universities in New Zealand are state-funded. This may contribute to a large diversity in salary levels in Canada and relatively uniform levels of pay in New Zealand. Furthermore, in South Africa, the large diversity in salary levels is due to the relatively high level of institutional autonomy, whilst academic staff in public universities in Malaysia are part of the civil service, resulting in a relatively low impact on salary levels.

These issues are particularly relevant as growing pressures on universities in terms of funding and accountability – intensified by the global economic crisis – have generated varied responses from the countries in the survey, which may in turn affect the level of pay for academics.