

## ER Advisory Paper

### Issue: Registered Nurses Wages Analysis August 2015

#### 1. INTRODUCTION

As a key component of its attraction and retention strategy, UnitingCare NSW.ACT has negotiated significant improvements in wages and conditions its NSW and ACT enterprise agreements since 2009. These have included the awarding of wage increases in excess of general increases in the aged care sector in NSW and the ACT; accelerated progression for nursing staff with the removal of incremental levels at years 6-8; the introduction of paid parental leave of 14 weeks, compared to the aged care standard of 9 weeks; higher on-call allowances for nursing staff; paid trade union conference leave for ANMF/NSWNMA delegates; paid natural disaster leave; and recognition of paid E-learning and other modes of external education and development to assist in maintenance of CDP points for nursing registration.

#### 2. WAGES ANALYSIS

##### 2.1 ANNUAL WAGE ADJUSTMENTS

A comparison of annual percentage wage increases applicable from the first pay period in July each year in the period from 2011 to 2016 shows a significant wage creep in favour of UnitingCare registered nursing staff over that period. This creep has resulted from a combination of strategic wage positioning (in an aged care industry context) by UnitingCare, and the falling behind of public health nursing wages as a consequence of the NSW Government's public sector wages cap imposed in 2013.

UnitingCare annual wage increases have also been consistently been higher than those negotiated for the aged care industry template agreements that cover some ninety (90) not-for-profit aged care providers in NSW and the ACT. Current year rates show UnitingCare *Year 5 & Thereafter* nursing staff in receipt of award rates approximately 5% higher than the equivalent industry classification.

*[2016 wages figures have been included as both NSW Health and UnitingCare have currently ratified agreements in their respective jurisdictions for wage adjustments for the 2016/17 financial year].*

**Table 1: Comparative award wage increases 2011-16**

	2011	2012	2013	2014	2015	2016
UnitingCare	3.5%	3.0%	3.75%	3.75%	3.25%	3.25%
ACS NSW Agreement	2.8%	2.8%	3.0%	3.0%	2.9%	3.0%
NSW Public Health	3.0%	2.5%	2.27%*	2.27%*	2.5%	2.5%

\*NSW Public Health 0.23% deduction for superannuation increase from annual increase

## 2.2 WAGES COMPARISON

**Table 2: Wage Comparisons as at July 2015**

AWARD CLASSIFICATION	UNITINGCARE \$ph.	NSW HEALTH \$ph.	DIFF %
RN YEAR 1	30.60	29.32	+4.4%
RN YEAR 2	32.46	30.92	+5.0%
RN YEAR 3	34.44	32.51	+6.0%
RN YEAR 4	36.55	34.23	+6.8%
RN YEAR 5	38.95	35.93	+8.4%
RN YEAR 6		37.62	+3.5%
RN YEAR 7		39.55	-1.5%
RN YEAR 8 & T/A		41.18	-5.7%

**Table 3: Wage Comparisons as at July 2016**

AWARD CLASSIFICATION	UNITINGCARE \$ph.	NSW HEALTH \$ph.	DIFF %
RN YEAR 1	31.60	30.05	+5.2%
RN YEAR 2	33.51	31.69	+5.7%
RN YEAR 3	35.56	33.33	+6.7%
RN YEAR 4	37.74	35.08	+7.6%
RN YEAR 5	40.22	36.82	+9.2%
RN YEAR 6		38.56	+4.3%
RN YEAR 7		40.54	-0.8%
RN YEAR 8 & T/A		42.21	-4.9%

### 3. WAGE SUMMARY AND IMPACT OF SALARY PACKAGING

UnitingCare currently has an 8.4% favourable wage rate differential over NSW Public Health nurses at the *RN Year 5 and Thereafter* classification. This differential will increase to 9.2% from 1 July 2016.

Although UnitingCare’s Year 5 rate continues to be above NSW Health rates at Year 6, and close to parity at Year 7, NSW Health compares more favourably at the top Year 8 level – a 5.7% differential in the 2015/16 year, reducing to 4.9% in 2016/17.

The impact of the varying taxation legislation with respect to salary packaging – NSW Public Health (\$17,000 versus UnitingCare \$30,000) further erodes any wage differentials between the two sectors at this top classification level. A comparison between the NSW Health *Registered Nurse 8th Year thereafter* and the UnitingCare NSW EA *Registered Nurse 5th Year thereafter* weekly rates of pay, taking into account the salary packaging benefit available to each is as follows:

CLASSIFICATION	NET WEEKLY EARNINGS	
	UNITINGCARE	NSW HEALTH
RN Year 5 T/A (UnitingCare)	\$1243	\$1254
RN Year 8 T/A (NSW Health)		(+ \$11 pw)

**The more favourable salary packaging benefits available to UnitingCare employees results in similar net take home pay for registered nurses in the two sectors.**