

MARCH 2016

# COMPARATIVE SALARY SURVEY 2016

COMPARING SALARIES IN THE WA NFP COMMUNITY SERVICES SECTOR AND  
THE WA PUBLIC SECTOR



## Executive Summary

A 2008 report on WA NFP Community Services sector (NFP sector) employers found that the average full time equivalent (FTE) staffing cost in the NFP sector was 27% lower than the FTE staffing cost in the Department of Child Protection. CEWA commissioned SalaryOne in February 2016 to conduct a new comparative salary survey.

Six jobs were selected that are common in both the WA NFP sector and WA public sector. They are: Case Worker/Social Worker, Senior Case Worker/Social Worker, Allied Health Worker, Senior Allied Health Worker, Financial or Management Accountant and Marketing or Communications Officer.

Of the 130 CEWA member organisations, 49 attempted to complete the survey giving a response rate of 38%. Some of the respondents were not able to provide salary data as they didn't have any of the positions listed in the survey.

*Remuneration comparisons are calculated using Total Employment Cost (TEC) and Total Remuneration Value (TRV).*

- *TEC is base salary plus 9.5% superannuation plus leave loading*
- *TRV for the NFP sector is the TEC plus the grossed up value of salary packaging \$15,900 a year in expense payment fringe benefits*
- *TRV for WA Health is the TEC plus the grossed up value of salary packaging \$9,010*
- *For the rest of the WA public sector the TEC and TRV values are the same, as tax exempt salary packaging does not apply.*

### Overall findings:

- **The pay gap between the WA NFP sector and the WA public sector in February 2016 is between 18% and 25% for total employment cost and 10% to 17% for total remuneration value.**
- **For community service professionals, NFP employers may be able to offer comparable remuneration to graduates for the first couple of years of employment. However, after 5 or 6 years of employment the remuneration gap is as high as 25% for TEC and 17% for TRV. This makes it very difficult to retain experienced professional staff in the NFP sector.**
- **For corporate service positions in accounting and marketing, the remuneration gap with the WA public sector is more pronounced in the first year of employment with remuneration gaps as high as 19% for TEC and 11% for TRV. These gaps remain throughout the salary range.**

The median NFP sector base salary ranges are: Case Worker \$61,000 to \$68,114; Senior Case Worker \$65,950 to \$74,220; Allied Health Worker \$70,000 to \$79,000, Senior Allied Health Worker – insufficient responses; Financial or Management Accountant \$77,842 to \$87,631; and Marketing or Communications Officer \$70,687 to \$75,057. The median figure is the middle value in the sample.

**Case Worker/Social Worker:** The WA public sector ‘specified callings’ salary scale provides for large salary increases over six years taking the base salary from \$63,576 to \$87,166. By the 6th year of employment the TEC for the ‘median’ Case Worker in the NFP sector is 21.9% below WA public sector rate, and 13.0% below the total remuneration value. The starting TEC for case workers is only 4.1% below that for a Child Protection Worker and the TRV is actually 8.1% above the WA public sector minimum rate.

**Senior Case Worker/Social Worker:** This category returned the biggest remuneration gap in the survey. The starting TEC in the NFP sector is 26.2% below the comparable position in the WA public sector. The gap at the maximum rate is similar, 24.8% below for TEC and 17.0% below for total remuneration value.

**Allied Health Workers:** At the entry level, graduate allied health workers (occupational therapists, physiotherapists and speech therapists) may be paid the same or slightly higher than graduate workers in the Department of Health. However, the WA Health professional division provides for large salary increases over six years taking the base salary from \$68,629 to \$96,345. By the 6th year of employment the TEC for the ‘median’ Allied Health Worker in the NFP sector is 18.0% below for TEC and 14.6% below for TRV.

**Financial or Management Accountant:** The comparative results for Accountants are consistent at both minimum and maximum remuneration levels. The minimum TEC for an accountant in the NFP sector is between 18.1% and 19.4% below the TEC for the WA public sector. The minimum TRV for an accountant in the NFP sector is between 10.2% and 11.4% below the TRV for the WA public sector. In addition, the range of job titles used in the NFP sector (such as Finance Manager and Corporate Services Manager) may suggest that accountants in the NFP sector have a higher level or responsibility and wider scope of duties than the benchmark position selected for the WA public sector.

**Marketing or Communications Officer:** The starting median remuneration (TEC) for a Marketing Officer in the NFP sector is 14.8% below that for a Level 5 Marketing Officer in the WA public sector. The added value of salary packaging reduces the gap to 5.5%. The gap increases for maximum median remuneration to 18.2% for TEC and 9.7% for TRV.

*Research and report by Julian Keys, Director, SalaryOne, March 2016*

## Background

In 2008, a report <sup>1</sup> on salaries in the WA NFP Community Services sector (NFP sector) found that:

- Average weekly earnings in the NFP sector were 30% lower than average weekly earnings for the health and community services sector across Australia and
- The average full time equivalent (FTE) staffing cost in the WA NFP sector was 27% lower than the FTE staffing cost in the Department of Child Protection

In 2010, the WA Government established a Partnership Forum to improve the planning and delivery of community services in WA. As part of this initiative the government made an additional \$604M investment in the NFP sector between July 2011 and June 2015 to 'address the historic underfunding of community services'. <sup>2</sup> In the 1<sup>st</sup> round in July 2011 there was a 15% across the board increase for eligible service agreements. In the 2<sup>nd</sup> round in July 2013 there was an average increase of 10% across eligible contracts.

In June 2012, the Fair Work Commission passed an Equal Remuneration Order (ERO) to gradually increase wages in the SCHCDS Award by between 23% and 45% over an eight year period from December 2012 to December 2020. The WA Government funding increases in 2011 and 2013 gave WA NFP sector employers a 'head start' to meet ERO pay rises. From 2016 to 2020, WA NFP sector employers are facing mandated ERO pay rises of 4% to 5% a year. Some NFP employers receive some Federal and State Government funding supplementation but it does not cover higher labour costs for all employees.

The WA Government's NFP funding index (NGHSSI <sup>3</sup>) has recently fallen for the fourth consecutive year, From 4.25% in 2012/13 to 3.50% in 2013/14, 2.65% in 2014/15 and now 1.90% in 2015/16. The WA government's own wages policy is to restrict pay rises for public sector employers to the Perth CPI rate (1.5% in December 2015).

Another issue raised in the 2008 report was the high level of employee turnover in the WA NFP sector. In 2008 the average turnover rate was 23% compared to 19.2% for NFP's across Australia. In a 2015 survey of WA NFP's the median employee turnover rate had risen to 30%. <sup>4</sup>

CEWA commissioned SalaryOne in February 2016 to conduct a new comparative pay survey to quantify remuneration gaps between the WA NFP sector and WA public sector. In this survey, a more precise methodology is used. A direct comparison is made between six jobs that are common in both the WA NFP sector and WA public sector.

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<sup>1</sup> Salaries and Conditions in the Community Services Not for Profit Sector, June 2008

<sup>2</sup> <https://partnershipforum.dpc.wa.gov.au/AboutUs/Pages/Default.aspx>

<sup>3</sup> NGHSSI – Non Government Human Services Sector Index

<sup>4</sup> WA Health & Community Services Benchmark Report, SalaryOne, October 2015

## Survey Methodology

The survey was designed by SalaryOne in consultation with CEWA's Executive Director, and conducted between 2<sup>nd</sup> and 26<sup>th</sup> February 2016. The jobs selected for the survey are positions that require a bachelor's degree as an essential (or highly desirable) selection criteria; and that are common in both the NFP sector and the WA public sector. The following table lists the six NFP sector positions and the comparable roles in the WA public sector.

| No. | WA NFP Sector                       | WA Public Sector   |
|-----|-------------------------------------|--|
| 1   | Case Worker/Social Worker           | Child Protection Worker,<br>Dept for Child Protection and Family Support PSGOGA SC1 <sup>5</sup> |
| 2   | Senior Case Worker/Social Worker    | Snr Child Protection Worker,<br>Dept for Child Protection and Family Support PSGOGA SC2          |
| 3   | Allied Health Worker                | Allied Health Worker<br>Dept of Health HSU Level P1 <sup>6</sup>                                 |
| 4   | Senior Allied Health Worker         | Snr Allied Health Worker<br>Dept of Health HSU Level P2  |
| 5   | Financial or Management Accountant  | Financial Accountant<br>Dept of Fire & Emergency Services, PSGOGA L6                             |
| 6   | Marketing or Communications Officer | Marketing and Publications Officer<br>Dept of Training & Workforce Development, PSGOGA L5        |

The direct comparison of similar positions in both sectors provides more accurate indicators of pay differences than the survey methodology used in the 2008 report. The 2008 report used two comparators. Firstly, average weekly earnings for community sector workers in WA in 2006/07 with the average weekly wages of health and community service sector in Australia. Secondly, the average full time equivalent staffing cost for community sector workers in WA compared to the FTE staffing cost in the Department of Child Protection in 2006/07.

Of the 130 CEWA member organisations, 49 attempted to complete the survey giving a response rate of 38%. Some of the respondents were not able to provide salary data as they didn't have any of the positions listed in the survey. The number of responses for Senior Allied Health Worker (3) was too low to include in the survey results. The number of responses for Allied Health Worker (7) was also low and the results may not be reliable. The other four positions had between 22 and 32 responses. The survey results are shown on the following pages, progressing from base salaries to total remuneration, the WA public sector benchmark positions and then a comparative pay table.

<sup>5</sup> PSGOGA is Public Service and Government Officers General Agreement 2014, specified callings (SC) and general division, June 2015

<sup>6</sup> HSU is WA Health and HSU PACTS Industrial Agreement 2014, professional (P) and general divisions, July 2015

## Base Salaries

### Definitions:

- *Cases: The number of valid responses.*
- *Minimum and maximum salary point – the minimum and maximum annual base salaries paid by survey respondents.*
- *Q1, Q2 and Q3 – The first quartile (Q1), second (Q2 – median) and third (Q3) quartile figures. The interquartile range shows the middle 50% in a sample between the 25% figure (Q1) and 75% figure (Q3). This removes any outlier results that may skew average scores.*

### 1. Case Worker or Social Worker

Alternative job titles: Case Manager, Community Development Officer, Community Mental Health Worker, Counsellor, Diversion Officer, Individual Advocate, Family Support Worker, Recovery Support Worker, Refuge Worker, Youth Case Worker

| <b>Position</b> | <b>Cases</b> | <b>Salary point</b> | <b>Q1</b> | <b>Q2</b> | <b>Q3</b> |
|-----------------|--------------|---------------------|-----------|-----------|-----------|
| Case Worker     | 27           | Minimum             | \$54,854  | \$61,000  | \$62,865  |
| Case Worker     | 29           | Maximum             | \$62,221  | \$68,114  | \$73,614  |

### 2. Senior Case Worker or Senior Social Worker

Alternative job titles: Clinical Psychologist, Coordinator, Senior Advocate, Senior Community Development Officer, Senior Counsellor, Senior Practice Leader, Senior Recovery Worker, Senior Youth Case Worker, Team Leader

| <b>Position</b>    | <b>Cases</b> | <b>Salary point</b> | <b>Q1</b> | <b>Q2</b> | <b>Q3</b> |
|--------------------|--------------|---------------------|-----------|-----------|-----------|
| Senior Case Worker | 22           | Minimum             | \$62,546  | \$65,950  | \$72,952  |
| Senior Case Worker | 25           | Maximum             | \$69,731  | \$74,220  | \$79,034  |

### 3. Allied Health Worker

Alternative job titles: Consultants, Occupational Therapist, Physiotherapist, Speech Pathologist

| <b>Position</b>      | <b>Cases</b> | <b>Salary point</b> | <b>Q1</b> | <b>Q2</b> | <b>Q3</b> |
|----------------------|--------------|---------------------|-----------|-----------|-----------|
| Allied Health Worker | 7            | Minimum             | \$61,885  | \$70,000  | \$74,000  |
| Allied Health Worker | 7            | Maximum             | \$71,056  | \$79,000  | \$90,000  |

### 4. Financial or Management Accountant

Alternative job titles: Accounts Manager, Assistant Accountant, Corporate Services Manager, Corporate Services Officer – Finance, Finance Officer, Finance Manager, Financial Controller, Operations Manager – Financial Services, Senior Analyst

| <b>Position</b>                    | <b>Cases</b> | <b>Salary point</b> | <b>Q1</b> | <b>Q2</b> | <b>Q3</b> |
|------------------------------------|--------------|---------------------|-----------|-----------|-----------|
| Financial or Management Accountant | 25           | Minimum             | \$66,000  | \$77,842  | \$89,600  |
| Financial or Management Accountant | 32           | Maximum             | \$75,500  | \$87,631  | \$103,937 |

### 5. Marketing or Communications Officer

Alternative job titles: Administration Officer – Marketing, Communications and Marketing Coordinator, Communications and Membership Officer, Communication and Volunteer Coordinator, Creative and Brand Coordinator, Digital Marketing, Marketing Advisor, Media Officer, PR Manager, Senior Communications and PR Officer, Senior Marketing and Communication Advisor,

| <b>Position</b>                    | <b>Cases</b> | <b>Salary point</b> | <b>Q1</b> | <b>Q2</b> | <b>Q3</b> |
|------------------------------------|--------------|---------------------|-----------|-----------|-----------|
| Marketing or Communication Officer | 18           | Minimum             | \$64,390  | \$70,687  | \$75,449  |
| Marketing or Communication Officer | 23           | Maximum             | \$68,593  | \$75,057  | \$91,000  |

## Total Remuneration

### Definitions:

- Total Employment Cost (TEC) is base salary plus 9.5% superannuation plus leave loading.
- Total Remuneration Value (TRV) for the NFP Community Services sector is the TEC plus the grossed up value of salary packaging \$15,900 a year in expense payment fringe benefits. TRV for WA Health is the TEC plus the grossed up value of salary packaging \$9,010. For the rest of the WA public sector the TEC and TRV values are the same, as tax exempt salary packaging does not apply.

## WA NFP Sector Benchmark Positions

| Position                            | Minimum (Median) |          |          | Maximum (Median) |          |           |
|-------------------------------------|------------------|----------|----------|------------------|----------|-----------|
|                                     | Base             | TEC      | TRV      | Base             | TEC      | TRV       |
| Case Worker                         | \$61,000         | \$67,616 | \$76,178 | \$68,114         | \$75,502 | \$84,063  |
| Senior Case Worker                  | \$65,950         | \$73,103 | \$81,665 | \$74,220         | \$82,270 | \$90,832  |
| Allied Health Worker                | \$70,000         | \$77,592 | \$86,154 | \$79,000         | \$87,568 | \$96,131  |
| Financial or Management Accountant  | \$77,842         | \$86,285 | \$94,846 | \$87,613         | \$97,116 | \$106,445 |
| Marketing or Communications Officer | \$70,687         | \$78,354 | \$86,915 | \$75,057         | \$83,198 | \$91,759  |

## WA Public Sector Benchmark Positions

| Position                       | Minimum (Median) |           |           | Maximum (Median) |           |           |
|--------------------------------|------------------|-----------|-----------|------------------|-----------|-----------|
|                                | Base             | TEC       | TRV       | Base             | TEC       | TRV       |
| Child Protection Worker        | \$63,576         | \$70,472  | \$70,472  | \$87,166         | \$96,620  | \$96,620  |
| Senior Child Protection Worker | \$89,315         | \$99,002  | \$99,002  | \$98,711         | \$109,417 | \$109,417 |
| Allied Health Worker           | \$68,629         | \$76,073  | \$80,924  | \$96,345         | \$106,795 | \$112,555 |
| Financial Accountant           | \$96,552         | \$107,024 | \$107,024 | \$106,971        | \$118,573 | \$118,573 |
| Marketing Officer              | \$82,973         | \$91,972  | \$91,972  | \$91,701         | \$101,647 | \$101,647 |

For comparison, the Award/ERO salary levels at 1/12/15 were: Level 4: \$54,752 to \$58,955; Level 5: \$61, 551 to \$64,347; Level 6 \$66,547 to \$69,441 and Level 7 \$71,483 to \$74,476. <sup>7</sup>

<sup>7</sup> <https://www.fairwork.gov.au/pay/minimum-wages/pay-guides>; Social, Community, Home Care and Disability Services Award 2010, pay multiplier 52.1667 weeks.

## Comparative Pay Table

### Definitions:

- The percentages in the comparative pay table are calculated as
  - (TEC for WA public sector minus TEC for NFP Community Services sector) divided by TEC for WA public sector position
  - (TRV for WA public sector minus TRV for NFP Community Services sector) divided by TRV for WA public sector position.

| Position                            | Minimum (Median) |        | Maximum (Median) |        |
|-------------------------------------|------------------|--------|------------------|--------|
|                                     | TEC              | TRV    | TEC              | TRV    |
| Case Worker                         | -4.1%            | 8.1%   | -21.9%           | -13.0% |
| Senior Case Worker                  | -26.2%           | -17.5% | -24.8%           | -17.0% |
| Allied Health Worker                | 2.0%             | 6.5%   | -18.0%           | -14.6% |
| Financial or Management Accountant  | -19.4%           | -11.4% | -18.1%           | -10.2% |
| Marketing or Communications Officer | -14.8%           | -5.5%  | -18.2%           | -9.7%  |

### Case Worker

The starting remuneration (TEC) for Case Workers is only 4.1% below that for a Child Protection Worker. The total remuneration value is actually 8.1% above the WA public sector minimum rate. However, the WA public sector 'specified callings' salary scale provides for large salary increases over six years taking the base salary from \$63,576 to \$87,166. By the 6<sup>th</sup> year of employment the TEC for the 'median' Case Worker in the NFP Community Services sector is 21.9% below WA public sector rate, and 13.0% below the total remuneration value.

### Senior Case Worker

The Senior Case Worker category has the biggest remuneration gap in the survey. The starting remuneration in the NFP sector is 26.2% below the comparable position in the WA public sector. The gap at the maximum rate is similar, 24.8% below for TEC and 17.0% below for total remuneration value.

### Allied Health Worker

At the entry level, graduate Allied Health Workers (occupational therapists, physiotherapists and speech therapists) may be paid the same or slightly higher than graduate workers in the Department of Health. However, the WA Health professional division provides for large salary increases over six years taking the base salary from \$68,629 to \$96,345. By the 6<sup>th</sup> year of employment the TEC for the 'median' Allied Health Worker in the NFP sector is 18.0% below for TEC and 14.6% below for TRV.

### **Financial or Management Accountant**

The comparative results for Accountants are consistent at both minimum and maximum remuneration levels. The minimum TEC for an Accountant in the NFP sector is between 18.1% and 19.4% below the TEC for the WA public sector. The minimum TRV for an Accountant in the NFP sector is between 10.2% and 11.4% below the TEC for the WA public sector. In addition, the range of job titles used in the NFP sector (such as Finance Manager and Corporate Services Manager) may suggest that Accountants in the NFP sector have a higher level or responsibility and wider scope of duties than the benchmark position selected for the WA public sector.

### **Marketing or Communications Officer**

The starting median remuneration (TEC) for a Marketing Officer in the NFP sector is 14.8% below that for a Level 5 Marketing Officer in the WA public sector. The added value of salary packaging reduces the gap to 5.5%. The gap increases for maximum median remuneration to 18.2% for TEC and 9.7% for TRV.

#### Overall findings:

- The pay gap between the WA NFP sector and the WA public sector in February 2016 is between 18% and 25% for total employment cost and 10% to 17% for total remuneration value.
- For community service professionals, NFP sector employers may be able to offer comparable remuneration to graduates for the first couple of years of employment. However, after 5 or 6 years of employment the remuneration gap is as high as 25% for TEC and 17% for TRV. This makes it very difficult to retain experienced professional staff in the NFP sector.
- For corporate service positions in accounting and marketing, the remuneration gap with the WA public sector is more pronounced in the first year of employment with remuneration gaps as high as 19% for TEC and 11% for TRV. These gaps remain throughout the salary range.

## Participating Organisations

The following organisations provided salary data that was included in the remuneration calculations in this report:

|                                  |                                       |
|----------------------------------|---------------------------------------|
| Albany Youth Support Association | Palmerston                            |
| ALSWA                            | Parkerville Children and Youth Care   |
| Alzheimer's Australia WA         | Patricia Giles Centre                 |
| Anglicare WA                     | People With Disabilities WA           |
| Broome Youth and Families Hub    | Richmond Wellbeing                    |
| Centrecare                       | Rise Network                          |
| Communicare                      | Rocky Bay                             |
| ConnectGroups                    | Ruah Community Services               |
| HelpingMinds                     | Southcare                             |
| Holyoake                         | St Patrick's Community Support Centre |
| Hope CS                          | St Vincent de Paul Society WA         |
| Identitywa                       | Swan Emergency Accommodation          |
| Interchange Incorporated         | UnitingCare West                      |
| MercyCare                        | Valued Independent People             |
| Mission Australia                | Volunteer Task Force                  |
| Mosaic Community Care            | WACOSS                                |
| Neami National                   | Wanslea Family Services               |
| Ngala                            | YMCAWA                                |
| Nulsen Haven Association         | Women's Health & Family Services      |
| Outcare                          |                                       |