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# Professional staff work in Australian higher education; questioning the 30 year legacy of the first Accord

Elizabeth Baré, Arnaldo Barone and Janet Beard

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## Introduction

The current focus on the Jobs and Skills Summit and the inclusion of consideration of employment conditions in the forthcoming Australian Universities Accord prompt a review of the impact of the wide-ranging reforms in university employment introduced nearly 30 years ago. Now is the time for consideration as to whether they remain fit for purpose, now and into the future.

There is no doubt that Australia's industrial relations system was radically changed in the 1980s. The Second Tier Agreements<sup>1</sup>, the Prices and Incomes Accords between the Labor government and unions, and the adoption of the Structural Efficiency Principles (SEP)<sup>2</sup> by the Australian Conciliation and Arbitration Commission, were together designed to increase national productivity. This was deemed to be essential for sustainable productivity-based salary increases.

These initiatives have had a lasting impact on the pay and conditions of employment for Australian workers and none more so than in higher education. The period in question saw the number of Commonwealth funded higher education institutions reduced through mergers<sup>3</sup>, challenges to the continuation of fee-free undergraduate higher education<sup>4</sup>, and increasing questions regarding full Commonwealth supplementation for staff salary increases.

While the changes arising from the Academic Staff Second Tier Agreement<sup>5</sup> and the creation of the Universities Academic Staff (Conditions of Employment) Award were and continue to be controversial, it was the changes to general (now called professional) staff classification, salary structures and employment conditions which were more radical. With an emphasis on staff and career development, the changes were widely accepted and eventually formalised in the Higher Education General and Salaried Staff Award 1993. The classification structure has survived broadly unchanged in subsequent versions of the Award (now the Higher Education Industry General Staff Award 2020) and in institutional enterprise agreements.

It has been thirty years since this structure was first conceived, and since that time, the sector has grown significantly, student numbers have increased by 300% and it has seen wide-ranging changes to administrative structures, a revolution in the world of work, new staff demographics, the implementation of new technology and digitisation, increased levels of commercialisation, and

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<sup>1</sup> A Second Tier Agreement refers to wage adjustments or changes to workplace arrangement developed and implemented in a piecemeal fashion, by "enterprise by enterprise or industry by industry". By contrast, First Tier Agreements are those resulting from national wage or workplace adjustments that apply to awards generally (see J.E. Isaac 1989, 'The Second Tier and Labor Market Flexibility', *Australian Economic Review*, First Quarter, pp. 51-58).

<sup>2</sup> These principles sought to "facilitate fundamental review" of the factors or elements that reduced the potential for productivity gains. The principles were designed to allow for the identification of measures that would materially "improve the efficiency of industry" and enable any costs associated with wage rises to be off-set by productivity improvements/gains (see Australian Constitutional Law Newsletter, Issue number 36, page 16, <http://classic.austlii.edu.au/au/journals/AUConstrLawNlr/1994/49.pdf>).

<sup>3</sup> The merger agreements, negotiated between institutions, contained guarantees of pay and classification structures for existing staff. In some universities, separate pay structures were maintained long after the mergers took place.

<sup>4</sup> Free university education for coursework degrees was introduced by the Whitlam Labor Government in 1974.

<sup>5</sup> In higher education, Second Tier Agreements were designed to remove industrial impediments to effectiveness and efficiency. They were negotiated between the Australian Council of Trade Unions and Australian Higher Education Industrial Association (AHEIA) and were binding on all institutions of higher education.

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survived the COVID-19 pandemic. The level of change invokes questions: has the classification structure stood the test of time, how has it performed against these and other challenges, and has it delivered on the promises made?

This paper considers and seeks to continue discussion on these questions. It begins by providing an historical background, which is followed by a discussion outlining issues, challenges and suggested actions. We recognise that this paper could not possibly provide a complete picture, but it is our hope that this document helps to generate discussion and debate on the future of this important workplace instrument.

### **Employment of general staff**

Before 1989, general staff<sup>6</sup> in Australian universities and degree awarding colleges<sup>7</sup> were employed under terms and conditions determined by individual institutions and awards developed and ratified by state industrial tribunals. Payrates and conditions differed between university and college awards. State-based awards for university general staff were characterised by a range of different classifications linked to payrates, which without classification descriptors, were difficult to implement fairly. Multiple unions had the right of industrial representation for separate sections of the higher education general staff workforce, and this representation varied between states and institutions.

Salary increases, usually based on federal government supplementation, were awarded in state industrial tribunals.

### **Structural Efficiency Principle (SEP)**

In 1988, arising from the Accords, the Australian Conciliation and Arbitration Commission<sup>8</sup> outlined the conditions for awarding future salary increases, increasing equity and fairness and fostering skills formation in the workforce. A key step was to remove from awards complexity which inhibited the flexibility of the workforce. In higher education, that focus was to simplify the complex job classification structures in the state general staff awards, and based on the classification descriptors, specify performance standards and introduce performance management processes.

### **Implementing the SEP**

In 1989, a 'shell' Federal Higher Education General and Salaried Staff Award (the Federal Award) was created as a first step towards implementing the SEP and thereby gaining supplementation for salary increases. Unamended state awards were linked to the new Federal Award, employment conditions remained unchanged, and salary increases were applied to the multiplicity of salary structures and payrates in those awards.

By 1990, a Second Tier Agreement between the Australian Higher Education Industrial Association (AHEIA)<sup>9</sup> and the Australian Council of Trade Unions (ACTU) had been concluded featuring a draft nine level classification structure covering all general staff jobs<sup>10</sup>. There were a series of guarantees on job

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<sup>6</sup> General staff now carry the 'professional' label, but it is interesting to note (and perhaps indicative of attitudes regarding their role) that general staff were, until 1979, identified in the University of Sydney Act as "servants of the university". They are also often referred to as 'non-academic staff' e.g., The Higher Education Statistics from the Department of Education, Skills and Employment.

<sup>7</sup> These were usually Colleges of Advanced Education or Institutes of Technology, but also included specific professional colleges, such as the Lincoln Institute of Health Sciences.

<sup>8</sup> Subsequently the Australian Industrial Relations Commission and currently Fair Work Australia.

<sup>9</sup> AHEIA is the employer association for the higher education sector with a focus on workplace relations.

<sup>10</sup> While the purpose of the negotiations was the establishment of an award, not an enterprise agreement, there was a high level of collaboration between employers to achieve a single agreement acceptable to all in the sector.

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redesign to improve career prospects, performance management, career development and union management participation in job classification processes. The principles underlying the classification structure in the Agreement were:

- “To equate skill levels across the full range of jobs (i.e., irrespective of whether administrative, clerical, technical, general or professional).
- To ensure an equitable approach to remuneration for positions requiring the same level of skill.
- To create a simplified classification structure.
- To minimise leapfrogging of classifications both within and between institutions.
- To have award-based classification descriptors to be the primary determinants for classification of all general staff<sup>11</sup>.”

In addition, Levels 1 and 2 of the new classification structure were to be broadbanded to have greater career prospects<sup>12</sup>.

Thirteen universities participated in a review conducted by DWM<sup>13</sup> that was co-sponsored by unions and management to determine the applicability of the draft classification structure. The review resulted in the addition of a further classification level (Level 10). Each classification level specified the generic skills and experience required, the extent of organisational knowledge and judgement expected to be exercised, the level of supervision required. It also included, as a guide, a series of occupational equivalents based on current jobs in the sector and typical activities. By the end of 1993, final agreement was reached on the Higher Education Worker (HEW)<sup>14</sup> classification, the incremental structure within levels<sup>15</sup> and associated salary rates.

The classification structure and conditions of employment associated with the implementation were ratified in the various state awards pending the finalisation of the comprehensive national general staff award. Each institution was to work through a process of implementing the new structure for existing staff, in particular, moving existing staff to the new salary scales, with almost all gaining a salary increase. In many cases, this was combined with the process to align classifications and conditions of employment for former college staff who had joined universities through mergers.

### **Aspirations for the classification and reward system**

In 1992, the State of Victoria ceded its industrial relations powers to the Commonwealth. As a consequence, Victorian institutions implemented the changed structure and associated conditions by negotiating enterprise agreements at an individual institutional level. The agreements were negotiated with those unions which had institutional representation and were based on a draft ACTU/AHEIA document. Interestingly, these agreements reflect an aspiration shared by the parties to

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<sup>11</sup> General Staff Second Tier Agreement, sourced from AHEIA records.

<sup>12</sup> Staff in Level 1 could move to Level 2 based on a mixture of skills acquisition, requirement to work at the higher level, and performance.

<sup>13</sup> DWM is a small consulting company. Subsequently, the classification structure became known as the DWM structure.

<sup>14</sup> In some universities, the structure was described as the Higher Education Officer structure.

<sup>15</sup> This was achieved by aligning Level 3 with the appropriate trades rate in the Metals Award and setting the relativities between levels and within levels.

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commit to the implementation of the SEP<sup>16</sup>; in other words, that wage and condition improvements be supported by increased staff skills and capacity and hence productivity gain.

Despite institutional individuality, the agreements include a number of common undertakings, such as the following:

“The University and the unions are committed to ensuring that the following developments can be achieved through implementation of this agreement:

- the adoption of a new single stream classification structure for all general staff across all campuses of the University.
- the provision of improved career opportunities for all general staff.
- improved training and staff development opportunities for all general staff.
- effective performance of duties through training, competence, commitment and responsibility.
- the broadening of the range of tasks which staff can perform allowing increased flexibility and multi-skilling across traditional occupational groupings, having regard for registration, licensing and legal requirements and health and safety regulations.”<sup>17</sup>

Specific guarantees were given on:

- A detailed translation process from the old classifications to the new structure, including appeals processes.
- A performance review process focussing on skill and career development.
- Performance, task requirements and skill acquisition rules for advancement in a broadbanded classification structure. All universities broadbanded levels 1 and 2, and some universities broadbanded classification levels above them (such as the University of Melbourne and the Australian National University).
- Incremental progression based on satisfactory performance and loosely linked to performance review processes.
- Processes to manage underperformance.
- Job redesign to enhance skills development, multi skilling and career development.

By the end of 1994, the new structure was in place in most universities.

### **After thirty years, have the promises been delivered?**

Given the changes in higher education over the past 30 years, we ask if the HEW classification and incrementally based structure achieve the original intent? Is this structure suitable for the future? Does it meet the needs of universities and their professional staff, and if it has indeed yielded productivity gains, can it be relied upon to continue to do so into the future?

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<sup>16</sup> Many other universities also adopted a standard format but less comprehensive enterprise agreements to cover implementation.

<sup>17</sup> Monash University general staff award Restructuring Agreement incorporating the National Framework Agreement on Enterprise Bargaining (general staff) 1993 p.1.

We explore and seek to shed light on these questions by interrogating a number of features of the current structure, their contribution and their continued appropriateness.

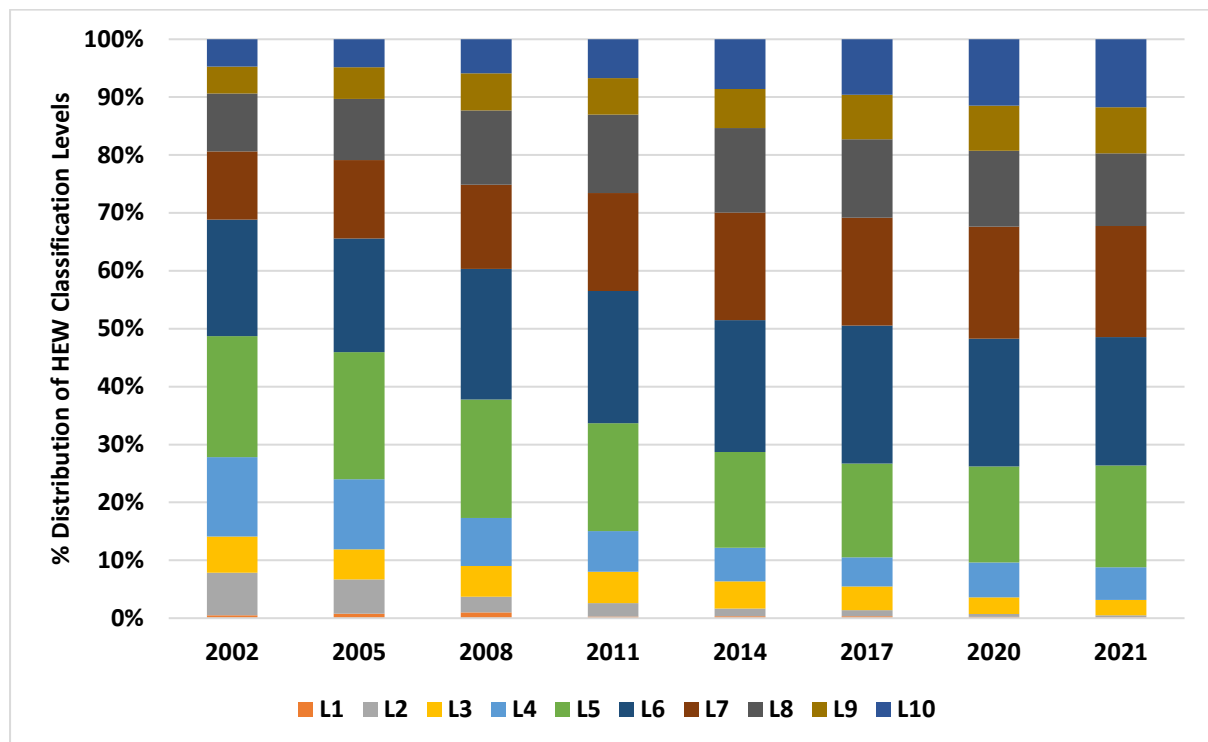
**Obsolescence of HEW Levels 1, 2 and 3 and increases in senior roles**

Over the last 30 years, changes in technology, the way work and data are recorded, and extensive outsourcing have led to the decline (and in some cases near elimination) of jobs at Levels 1, 2 and 3. Among the roles lost include those that were responsible for maintenance, cleaning and mail functions, which were commonly remunerated at these lower levels.

By comparison, changes have resulted in an increase in demand for persons with commercial expertise, as well as those with proficiency in finance, marketing, data analysis, cyber security, communication and commercialisation. This has led to an expansion in the number of roles at Levels 8, 9 and 10.

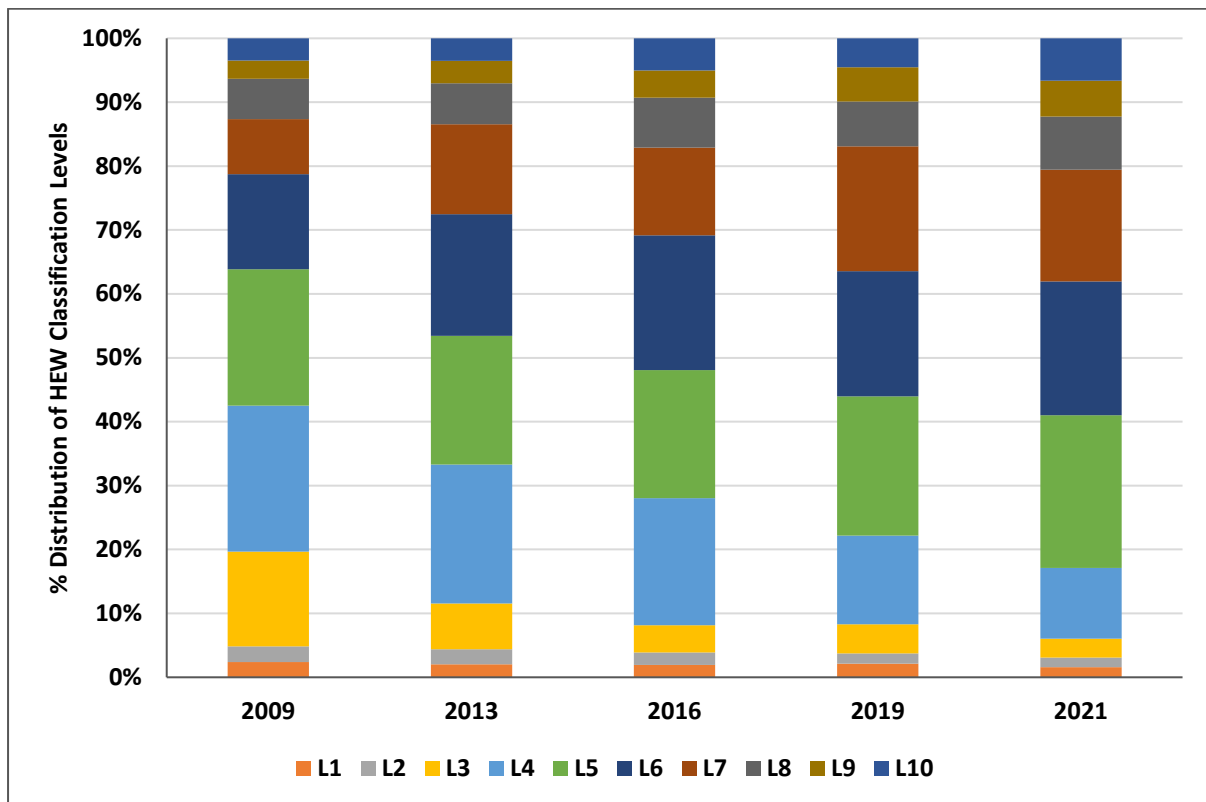
A demonstration of these changes is shown in **Diagrams 1 and 2**. **Diagram 1** illustrates the distribution of HEW levels at the University of Sydney between 2002 and 2021, while **Diagram 2** shows a similar distribution at Charles Sturt University between 2009 and 2021<sup>18</sup>.

**Diagram 1. University of Sydney – Percentage distribution of HEW classification levels (1-10) 2002 to 2021**



<sup>18</sup> Data publicly available in the Annual Reports of the universities in NSW.

**Diagram 2. Charles Sturt University – Percentage distribution of HEW classification levels (1-10) 2009 to 2021**



***Decreasing applicability of occupational equivalents and typical tasks as a guide for classification decisions***

The original DWM descriptors were aligned to a list of occupational equivalents and typical tasks which might be performed at each level. As an example, at Level 3 the occupational equivalents included a “tradesperson, technical assistant/trainee, administrative officer”. A tradesperson may have a range of skills and be cognisant of the work of other trades, while an administration officer may be required to undertake:

“standard use of a range of desktop-based programs, e.g., word processing, established spreadsheet or database applications, and management information systems (e.g., financial, student or human resource systems). This may include store and retrieve documents, key and lay out correspondence and reports, merge, move and copy, use of columns, tables and basic graphics”<sup>19</sup>.

This latter requirement reflects a world of work in which extensive manual data entry was common and when the use of computers and word processing was a specialised skill. These sorts of roles assumed the lower levels in the structure (1 to 3) which as noted earlier and illustrated in **Diagrams 1 and 2**, are now quite scarce.

<sup>19</sup> Higher Education Industry General Staff Award 2020 (the words are unchanged since 1994).

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The 1993 descriptors continue to dominate agreements, with few universities modifying them through the enterprise bargaining process. A sample of 14 universities<sup>20</sup> surveyed by the authors found that 10 continued to incorporate the 1993 Award based descriptors with no or limited modification, and the limited level of modification that did occur was marginal and inconsequential. Two of those surveyed eliminated the typical task examples but included a further descriptor requiring classifiers to consider the organisational knowledge required to perform the role as well as its institutional impact. Two of the surveyed universities do not include the descriptors in their Enterprise Bargaining Agreements (EBAs) but refer to them in advertised vacancies.

### ***Classification structure may not cater for current world of work***

#### ***Impact and breadth***

Many commercial job evaluation systems consider the impact of the role (the extent that the work of the role impacts outside of the immediate work unit or structure), its level of autonomy in decision making, and the breadth of organisational knowledge required to undertake it<sup>21</sup>.

Since 1990, universities have grown in size and complexity of administrative services. Now, many university administrations are decentralised with support units grouped in faculties or larger colleges. The absence of any consideration of breadth and impact means that some jobs which have a university wide impact and accountability may be classified at the same level as a job with the same qualification and skills requirements in a small local unit.

#### ***Expertise***

The HEW structure was based on a work environment which was largely operational, with senior staff supervising others, overseeing the delivery of programs or services and contributing to policy. A prime factor in increases in classification level is the extent of supervisory responsibility. Current universities are more sophisticated, operating in a digital world using emerging technologies and relying on flatter structures and higher levels of expertise. They are also finding that external relations are more extensive and are faced with increasing commercial and cyber security realities that require different, more sophisticated knowledge and problem solving and less on operational skills. The dominance of a requirement for supervisory responsibility as a means of advancement has the potential to make university career paths for specialists less visible and impact on the attractiveness of those jobs.

### ***Local job market informs classification outcomes***

Enterprise bargaining has resulted in salary ranges negotiated at institutional level depending on the capacity of the university to pay and on the prevailing rates of co-located universities. This results in outcomes where equivalent roles have the same classification level (or work value) but have different levels of remuneration depending on the rates agreed for each university.

Interestingly, a survey<sup>22</sup> of current vacancies for student advising roles in areas where the opportunities for well paid administrative jobs are low, such as in Tasmania and coastal areas of northern Australia, highlighted that the classification levels of similar roles may be different. Jobs in

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<sup>20</sup> The 14 universities were made up of a broad, representative group to ensure a comparison that took into account differences among and between universities.

<sup>21</sup> For example, Mercer CED job evaluation process or SP10 operated by Strategic Pay.

<sup>22</sup> The survey looked at current student administration/advising job advertisements placed in the major employment websites, such as Seek, as well as the employment pages of the individual universities.

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areas where opportunities are fewer were classified at lower levels than similar jobs in Sydney and Melbourne.

### ***Improved training and staff development opportunities***

The implementation of the new structure between 1993 and 1994 was represented to staff as an opportunity to broaden their skills and improve career prospects. To achieve this, universities implemented performance development processes that were designed to enhance skills and knowledge. Despite this, it is unclear how these performance review processes have been linked to training and development opportunities, and hence, to opportunities for career advancement and reward.

### ***Reward for performance***

Of the 14 current university enterprise agreements surveyed, nine included provisions making incremental advancement within a level dependent on a satisfactory outcome of a performance review process, four allowed for automatic increments unless there is evidence of poor performance, and one had a separate process requiring supervisors to attest that performance is satisfactory. Of the nine where participation in the performance review process is required, only three require that, in addition to satisfactory performance, the acquisition of additional skills must be demonstrated.

What is not known is the extent that performance review processes have been effective in increasing training and staff development opportunities, and whether these have been translated into career opportunities

### **Many questions remain**

These examples suggest that the original HEW structure might no longer be applicable to current workforce requirements. Despite this, the structures are firmly entrenched and continue to be embraced by the sector. There is little public research or data available to test their current validity, and what is there may only be available to individual institutions or in the unpublished statistics provided to the Department of Education, Skills and Employment. Many questions remain about the impact of the changes arising from the implementation of the original Accord outcomes in 1994. Some questions that warrant further investigation include:

#### ***Has the effectiveness of higher education administration increased?***

As noted throughout this paper, the structure was introduced in large part in response to the SEP and the desire to link rises in wages and conditions to gains in productivity. With this in mind, it is worth asking the following related questions:

- Has the structure facilitated the growth of a cadre of professional university managers able to move between administrative areas?
- Does the system recognise and reward skills and expertise now regarded as essential in higher education e.g., strategic analytic skills?
- Is it sufficiently flexible to incorporate jobs in emerging technologies without distorting the underlying relativities and hence fairness of reward?
- Have the performance development processes resulted in more skilled and effective university administrative support nationally?



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### Have career and skill outcomes for individuals improved?

The structure was introduced partly to provide a career pathway for individuals, with opportunities for reward. Questions include:

- Has the structure facilitated improved career options for staff such as moving between streams, e.g., student administration to human resources and vice versa, or promotions within their professional area?
- Has the structure and associated performance development processes resulted in increased skill levels and job satisfaction for professional staff?
- 66% of current professional staff in higher education is female. Does the classification structure contribute to a gender pay gap?
- Do the current structures facilitate the employment of staff from different equity groups?
- Do the descriptors result in under classification and underpayment compared with the general market for emerging jobs making recruitment difficult?
- To what extent does the structure cater for and enable a career path for highly specialised skill requirements?
- Is the classification structure sufficiently flexible to fairly classify jobs in a decentralised administrative environment?
- Given the organisational and operational changes in universities, do the descriptors adequately capture and describe the nature of work required in universities today and hence yield fair classification and remuneration outcomes?
- Given the expansion and diversity of roles now required, does a single classification structure still serve universities well?
- Is there need for a new structure to recognise and reward work which crosses academic and professional staff work ('third space' roles<sup>23</sup>)?

### Fair and equitable outcomes

The classification structure yields a number of other questions, related to fairness as well as its impact on increasing levels of casualisation:

- Do staff perceive the outcomes of classification processes as fair?
- Has the classification structure resulted in the creation of casual jobs at 'market' rates rather than continuing roles (e.g., at Levels 1 to 3)?

### **Conclusion**

The authors became interested in this topic while researching the more far-reaching changes arising from the Academic Second Tier Agreement in the 1980s and 1990s in order to explore their current relevance in the debate on the future of higher education. As this paper notes, most universities have adapted the HEW classification structures to meet emerging needs and rarely challenge the descriptors or their underlying assumptions. Nonetheless, given the vision of the original SEP, the demands and opportunities emerging for universities and the national importance of developing a skilled and effective higher education workforce, the question is whether the current structures for reward, job evaluation and remuneration remain the most effective approach for managing the 70,000 skilled professional staff essential to the effective operation of the higher education system.

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<sup>23</sup> Whitchurch, C. (2008b). Shifting Identities and Blurring Boundaries: the Emergence of Third Space Professionals in UK Higher Education. *Higher Education Quarterly*, 62(4), 377–396. DOI: 10.1111/j.1468-2273.2008.00387

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While a wide-scale review is likely to be low on universities' priority lists, we think that in the context of the development of new policy settings and employment conditions in higher education, there seems to be a case for exploring these issues further. To do this, we need to obtain more data on the distribution of work as measured by level across institutions, as well as data on the position holders by level that considers characteristics such as a person's gender, the level of Indigenous representation, or Culturally and Linguistically Diverse (CALD) status.

We suggest it is worth exploring the validity of retaining a 10-level structure, and the possibility of developing a newer, more simplified structure. Perhaps one that mimics those found in other sectors, such as the public service, which have more flexible 6 or 7 level structures. It would also be worth establishing whether a new classification structure needs to be developed for third space professionals.

Any change would require a review of the almost 30-year-old classification descriptors that would take account of changed organisational structures in universities and new and emerging work requirements.

However work is organised and classified, classification structures should provide greater and clearer incentives for individual performance, including considering whether to eliminate standard incremental steps within grades, and determining the level of remuneration based on robust performance review processes.

Ultimately, the purpose of a classification structure is to fairly and equitably enable the recruitment, development and reward of staff who can not only effectively support and manage current university structures and business, but who also have the right skill mix and capacity to anticipate and meet emerging challenges. Whether the current HEW structure achieves this purpose needs broader consideration.

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