



THE UNIVERSITY OF
SYDNEY

Escaping NSW Treasury's Curse

NSW Nurses and Midwives' Pay, 1999- 2024 and beyond

A report prepared for the NSW Nurses and Midwives' Association (NSWNMA) by Professor John Buchanan, Dr Troy Henderson and Associate Professor Jo-An Occhipinti

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Executive summary

Between 2011 and 2023 NSW Treasury presided over a ruthlessly enforced public sector ‘wages cap’ that limited annual wage increases to a maximum of 2.5% per annum. As a consequence NSW nurses and midwives’ pay has been suppressed for over a decade. The compound impact of this policy on the remuneration of nurses and midwives in NSW has been profound:

- Wages of NSW nurses and midwives have not kept up with inflation. In real terms their wages have fallen by over 10% since 2020 and are now at the level prevailing before the time Treasury’s wage cap was imposed in 2011.
- Over the last 25 years NSW nurses and midwives have only partly shared in the significant productivity growth Australian workers have helped generate. This is a trait which has afflicted large numbers of workers across many occupational categories. Collectively this has meant employees’ share of GDP is at record lows. Over the last four decades corporate profits as a share of national income has increased from 20% to 30%. The economy can afford for employees to share in a greater proportion of the nation’s income – it is time to begin remedying this imbalance.
- In terms of relative pay NSW nurses and midwives lag three distinct groups:
 - compared to other occupations nurses and midwives earn less than just about all other professions and many non-professional occupations, such as real estate agents, (by up to \$75,000 per annum), finance brokers (by over \$100,000 per annum) and many sales representatives (by \$10,000-\$20,000 per annum).
 - amongst NSW public sector workers, entry level nurses and midwives are paid less than teachers, police and firefighters (often by margins of 10%-20%). Given recent wage agreements this situation is set to worsen, especially in comparison with paramedics.
 - Nurses and midwives in many other States and Territories are better paid. At entry level NSW pays the second lowest rates in the country and are 18% lower than that paid in Queensland. At the top of the incremental structure NSW is in the middle of the pack and pays 8% less than that paid to equivalent nurses and midwives in Queensland.
- Given all the above it is unsurprising that the nursing and midwifery labour market in NSW is under severe stress. This is evident in high levels of unfilled vacancies and registered nurses not working in the profession. The labour market is talking – it is time to listen and act.

Based on a consideration of the key facts noted above this report proposes what is reasonable to claim in terms of a pay increase for nurses and midwives over the next three years. This formulation has not been derived arbitrarily. Rather, it reflects the need to overcome the legacies of wage suppression given movements in prices and productivity. Most importantly, settlements in other comparable sectors show what is possible.

For 2024/25 the report proposes:

- An increase of 15.2% can be justified.
- This number represents 4.2% to take account of anticipated inflation and average movements in productivity.
- The remaining 11% would restore real purchasing power and ensure NSW nurses and midwives begin to share more fairly in the cumulative national productivity improvements of recent decades.

This claim may seem large in terms of the recent history of wage movements – but that is the point. It is the wage movements of recent times that have been the problem (as witnessed by a dysfunctional nursing labour market). It is time to escape the curse of NSW Treasury’s wage cap

and begin the move to wage levels that are compatible with a sustainable nursing and midwifery labour market.

It is almost certain that any claim for a wage increase necessary to put the health system on a more sustainable basis will be met by the usual mantra: 'nice idea, but we just can't afford it.' This tired narrative should be called out for what it is: the foundations of inefficient wages levels currently contributing to a dysfunctional labour market marred by high turnover, chronic excess demand and many registered nurses and midwives not practicing in the profession. This is the very narrative that got us into the current situation. Moving forward we must recognise we have alternatives. The choice is not whether to accept or reject a significant claim to overcome deep problems in nurses and midwives' pay. The choice lies in how best to address these issues in practice. The data and analysis in this paper provide resources to assist with settling that matter.

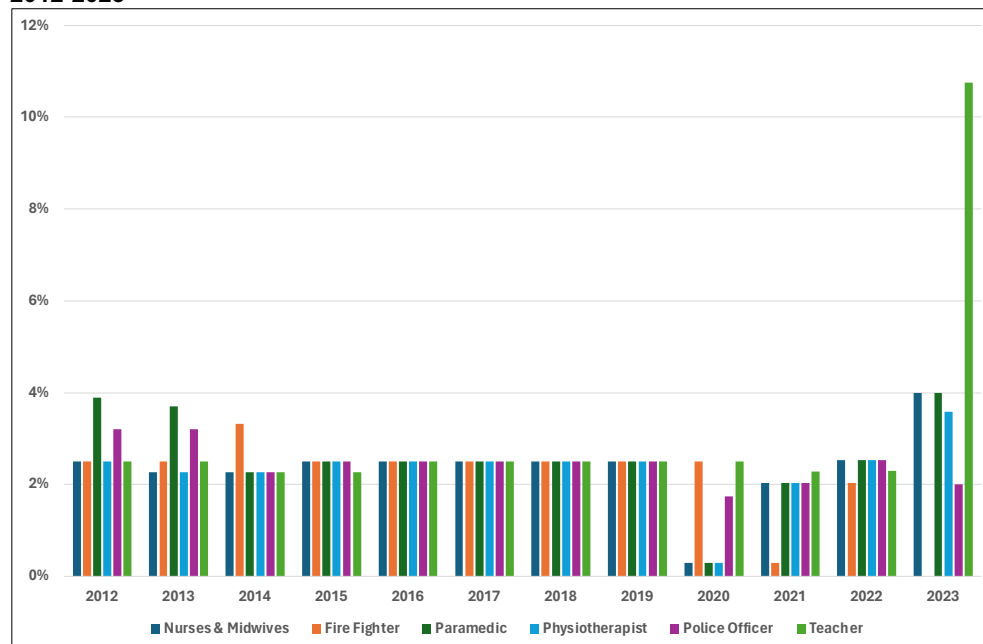
Part I. The moment we are in

Between 2011 and 2023 NSW nurses and midwives' pay was deliberately suppressed. During that time no consideration was given to the deepening problems afflicting the profession. Instead NSW Treasury issued a series of general edicts that dictated wage outcomes – the so-called '2.5% wages cap.' (See Box 1 for more details)¹. This policy has been the direct cause of wage stagnation and rising cost of living pressures for the State's essential services workforce. Just as significantly, it entrenched uncompetitive wage rates that now result in growing losses of skilled workers – including nurses and midwives – to other States and Territories. In 2023 the NSW public sector wages cap was abolished. For nurses and midwives the first settlement of 4% in the new environment was modest. It is now time to devise and implement a sustainable wages policy.

Box 1: How did wage suppression work?

Until 2011 wages and conditions for most Australians (including NSW public sector workers) were set by a combination of bargaining between employers and unions that resulted in agreements, and decisions by industrial tribunals making awards where there was disagreement. From the early 1990s to 2011 public policy put the emphasis on agreement making. In 2011 the newly elected O'Farrell Liberal-National Coalition Government set an upper limit of 2.5% on wage rises for government employees in NSW. This was enforced by NSW Treasury. The impact was rapid and widespread. Figure 1 shows wage increases for key classes of NSW public sector workers 2011-2023. Table 1 shows how what began in NSW quickly spread to other States and Territories becoming a wage setting policy norm.

Figure 1: Selected NSW Crown employees wage increases for top automatic increment (annual percentage), 2012-2023



Source: Authors' calculations based on data provided by NSWNMA. See Appendix F for more detail.

Table 1: Pattern wage capping – the spread of the NSW Treasury wage suppression model 2011-2023

Year introduced	Jurisdiction	Cap	Comments
2011	NSW	2.5%	Cap repealed 2023
2012	QLD	3% replaced by 2%	Wage policy not legislated. Cut to 2.5% 2016. Repealed 2023
	VIC	2.5% (moved to 3% in more recent times)	
2013, 2016	TAS	2%	
2014	COMMON-WEALTH	4.5% over 3 years, replaced by 2%	
2014, 2017	WA	Cap at Perth CPI replaced by \$1000 per worker	
2016	SA	1.5% for 3 years	
2017, 2018	NT	2.5% replaced by 2%	

Source: Henderson, 2018: 119; Fair Work Australia, 2013: paras 208-213, Marin-Guzman, 2023.

¹ For an analysis of the negative economic effects of public sector wage caps see Stanford, 2022.

Part II. Thinking about wages: the fundamental issues

The setting of wages involves a wide range of economic, political and social forces. This report provides a guide to the key data relevant for thinking about what the scale of the wage claim should be for NSW nurses and midwives over the next one to three years. When thinking about wages policy it is important to keep four fundamental issues in mind.

- (a) **Wages setting requires consideration of ‘objective’ and ‘subjective’ forces.** The determination of wages requires consideration of quasi-objective forces of an economic and technological nature. These set the upper and lower bound of what sustainable wages rates are. The gap between the lower and upper bounds is usually quite large. The wage rates that ultimately prevail are determined by institutional forces. In the decade to 2023 NSW Treasury was the dominant force dictating final wage outcomes for nurses and midwives. We are now in a situation where collective agreements and the decisions of wage tribunals will play a critical role. (Box 2 provides more details regarding the major forces at work shaping pay determination.)

Box 2: Markets, institutions and wage determination

Wages are an artefact of both market and institutional forces. The interaction between the two is usefully conceived as the forces of labour supply (e.g. skills and education levels) and labour demand (e.g. technology) setting the limits within which institutional forces ultimately determine actual wage outcomes. A recent careful and empirically rich analysis of how these factors have interacted to shape wage outcomes in several leading advanced capitalist countries over the last century is provided by Piketty in his seminal book *Capital in the Twenty-first Century* (2014: 304-335). As he puts it: ‘Technology and skills set limits within which most wages must be fixed’ while institutions are important for determining the wage levels and rates that actually prevail in a particular country at a particular time (Piketty 2014: 333, 313). As Piketty notes: the main problem with orthodox economics (i.e. marginalists approaches) ‘is quite simply that it fails to explain the diversity of wage distributions we observe in different countries at different times...[therefore] In order to understand the dynamics of wage inequality, we must introduce other factors, such as the institutions and rules that govern the operation of the labour market in each society’ (Piketty 2014: 308). Other useful formulations in the tradition of Piketty are provided by Botwinick (1993), Marsden (1987, 1999) and Fine (2009). For a more comprehensive application of these ideas for understanding recent developments in Australia see Buchanan and Oliver (2016). Note: Much of the content in Box 2 is taken from pages 795-797 of this latter paper.

- (b) **Decision-making on wages is typically informed by consideration of many factors. Several, however, are recognised as leading indicators of relevance.** Clearly wage setting involves many factors determining final outcomes. Extended consideration of a very wide range of relevant factors is provided every year in Australia through what is known as the Annual Wage Review process of the Fair Work Commission (FWC). As a matter of practice, however, it is common to devote particularly close attention to a number of key variables. These are tracked by the Australian Bureau of Statistics (ABS). The more important variables concern: the levels and movement in rates of pay across the economy at large, changes in inflation, changes in productivity, and the rates of pay prevailing for particular occupations. The last variable is often referred to as the issue of ‘pay relativities’.
- (c) **Wage settlements must be considered in light of the overall agreement/award.**² When thinking about an acceptable scale of wage increase it is important to take into account the

² The terminology here refers to the legal instrument arising from wage determination. In much work on wage determination an important distinction is drawn between processes that involve either a negotiation or arbitration process. Negotiations commonly result in what is known as an agreement. In the Federal industrial relations system they are referred to as enterprise agreements, enterprise bargaining agreements or EBAs. Industrial arbitration in Australia commonly results in an Award issued by an industrial tribunal. These determine wages and conditions after submissions from unions and employer organisations. The distinction between agreement and award processes is not absolute. In the

entire agreement/award on offer. Wage rates are of course central but issues like hours of work, staffing levels/ratios, forms of employment and work-related contributions to superannuation are also important for determining wages and conditions settlements.

- (d) ***It is important to recognise the logic of power.*** The ultimate outcomes concerning pay are determined by questions of power, in particular the relative power held by employers and the workforce, especially unions. A range of structural factors hinder and help all parties involved in wage bargaining (Botwinick 1993: 265-268). It is important to reflect on these when setting targets and considering settlement points in any negotiation.

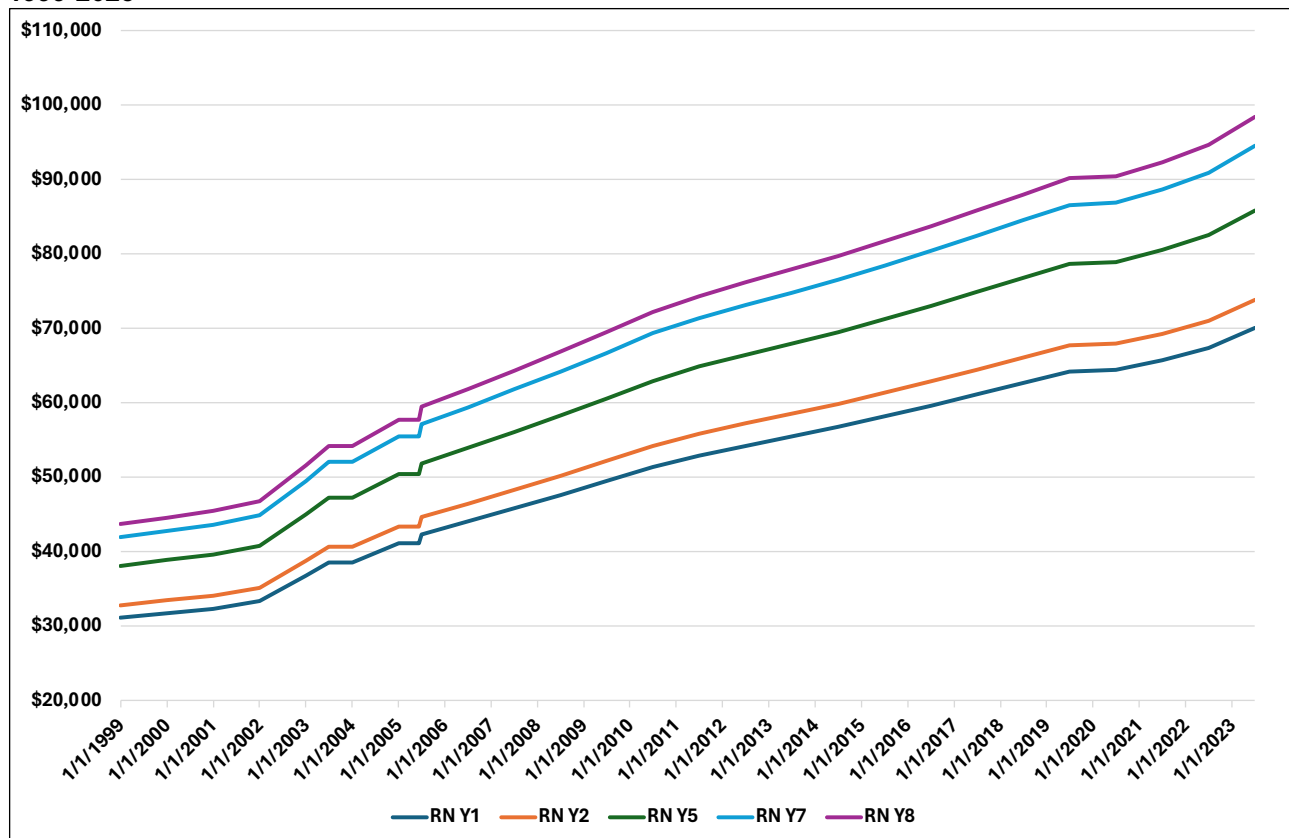
This report outlines, on the basis of relevant data, what should be under consideration concerning the size of wage increases for the next award for NSW nurses and midwives. What prevails, however, will ultimately depend on the balance of bargaining forces.

NSW industrial relations system awards can be settled by agreement. In recent times these have mainly emerged from bargaining. Until 2023 this 'bargaining' occurred in a context of wage caps that dictated that no wage outcome greater than 2.5% was possible for NSW public sector workers. Hence, in much of this document, reference will be made to nurses' and midwives' awards', 'agreements' or 'agreement/award' as the final outcome of will be the result of negotiations but ultimately will have the status and name of an award once it is registered with the NSW Industrial Relations Commission.

Part III. The starting point: trends in NSW nurses and midwives' pay

Before considering how pay for NSW nurses and midwives should be improved it is important to understand how their pay has changed in recent times. Figures 2 and 3 provide a summary of developments for the core categories of registered nurses and midwives (RNs) over the last two and half decades. Figure 2 reports on nominal pay movements (i.e. pay as received by workers) as stipulated in the main award covering nurses and midwives in NSW. Figure 3 reports on real pay growth (i.e. pay after taking inflation into account).

Figure 2: Registered Nurses (RNs) nominal annual base pay (current dollars) for years 1, 2, 5, 7 & 8, 1999-2023



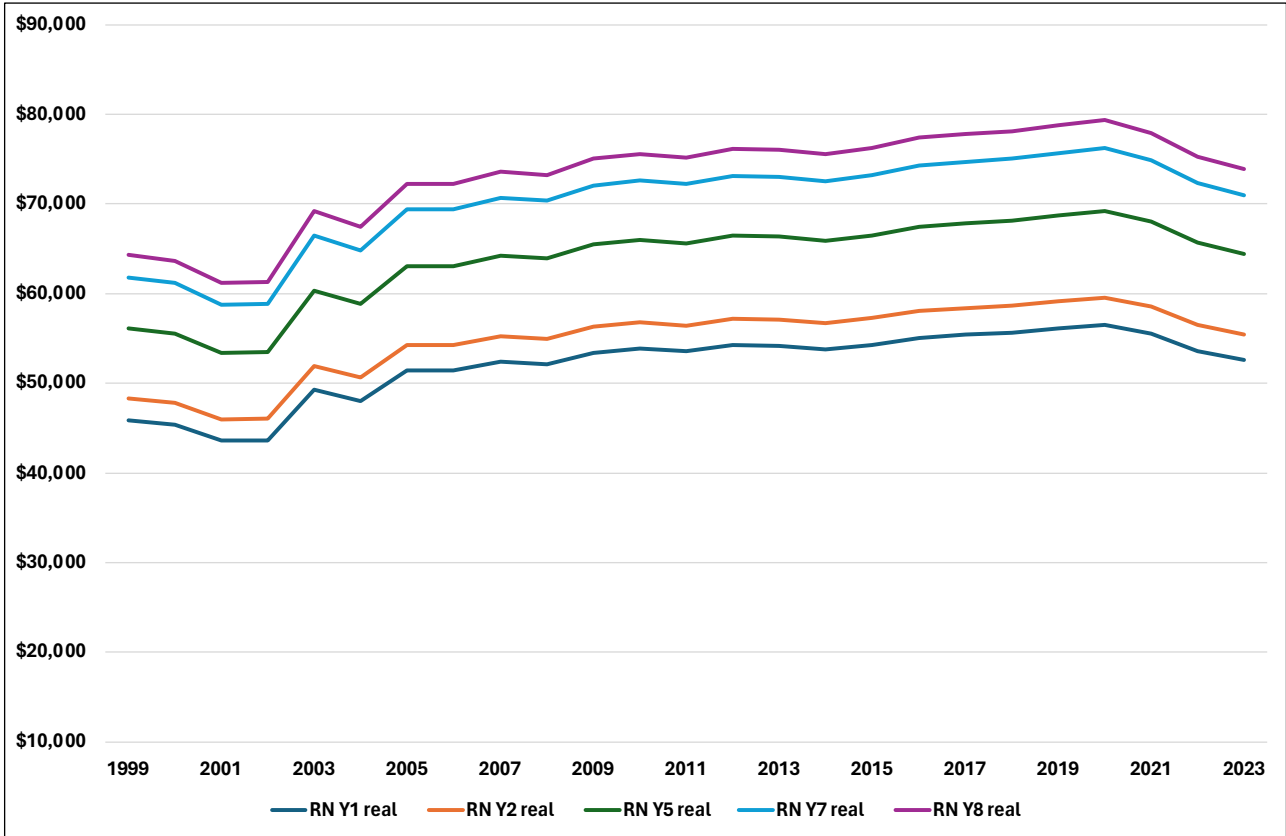
Source: Public Hospital Nurses' (State) Award, 1999; Public Hospital Nurses' (State) Interim Award, 2000, 2001, 2002; Public Health System Nurses' and Midwives' (State) Award, 2005, 2008, 2011, 2015, 2017, 2018, 2019, 2021, 2022, 2023.

Over the last 24 years NSW nurses and midwives' nominal base pay has risen. Early in the period a work value case resulted in an increase of over 8% in nominal terms. In the following decade nominal pay rates rose between 3.5%-5% per annum. From 2012 onwards nominal wages increases were capped at a maximum of 2.5%. Figure 2 summarises key developments.

When considering living standards it is important to take account of inflation. Figure 3 below reports the material in Figure 2 above, discounted by the impact of rising prices of consumer goods and services to highlight what has been happening to the real pay of RNs in NSW.³

³ Quantifying movements in real pay involves using measures of changes in the costs of living. A brief overview of the ones used in this report is provided in Appendix E. In this section trends have been summarised using the Australia wide version of the CPI. This tends to understate the decline in real pay in recent years. See Figure 6 below. In calculating the potential quantum of the wage claim reference has been made to the Sydney CPI. See Part V below as well as Appendix E.

Figure 3: Registered Nurses (RNs) real* annual base pay (2012*** dollars) for years 1, 2, 5, 7 & 8, 1999-2023**



*Deflated using Index Numbers; All groups CPI; Australia; for June

**base pay as of July 1 of reference year

***2012=100

Source: Authors' calculations based on Australian Bureau of Statistics. (2024). 6401.0 Consumer Price Index, Australia, TABLES 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes; Public Hospital Nurses' (State) Award, 1999; Public Hospital Nurses' (State) Interim Award, 2000, 2001, 2002; Public Health System Nurses' and Midwives' (State) Award, 2005, 2008, 2011, 2015, 2017, 2018, 2019, 2021, 2022, 2023.

From 2000 until 2020 inflation, as measured by the Consumer Price Index (CPI), generally fluctuated in a range of 2%-4% per annum. In more recent times inflation has surged peaking at 7.8% in December 2022 and is currently running at around 3.5%. When the CPI is taken into account pay for RNs only improved by 1.2%-1.4% per annum between 2000 and 2012. From 2012-2020 their real pay generally rose more modestly, in the range of 0.5%-0.7% per annum. Following the post-COVID inflation of spike of 2021-2023 all the real wage gains achieved over the previous decade have been eliminated. As a result the real pay of NSW nurses and midwives today is even lower than it was before the wage cap was introduced. From a high point in 2020 real wages for nurses are now 10% lower today. Further details are provided in Appendices C, E and F.

Part IV. Reference points for pay setting: changes in wages, the cost of living, productivity and relativities

While the setting of pay is not a precise science, as noted above, it is widely accepted that a number of key reference points are important to reflect on when determining what is the reasonable range for setting expectations for the start of bargaining. Four key variables in particular warrant close attention: movement in pay across the economy at large, movements in prices, movements in aggregate productivity (this is especially important in sectors where workplace productivity is hard to measure) and the level of pay prevailing in comparator occupations.

Why are these factors important?

The pay workers receive is one of the most important features of any society. For employees and the people who depend on them (i.e. the single largest group of people in the economy) pay is the primary basis on which their material welfare is determined. A critical issue for employees is not just changes in CPI inflation – it is also broader measures of the cost of living. For employers wages are not just another cost of business – they also shape business structure. Relative labour costs shape decisions about the design of systems of production and service delivery. Sustainable increases in labour costs provide incentives to innovate. Suppressing labour costs maintains competitiveness at the expense of workers' living standards. And wages do not just shape factors determining how productive enterprises are – they also play an integral role in distributing the gains from productivity.

Productivity refers to the relationship between inputs and outputs. Historically, in industrialised market economies output rises faster than inputs. Rising levels of productivity enable higher material living standards. Productivity was (and remains) an artefact of a complex dynamic society. As the 1978 winner of the Nobel Prize for Economics Herbert Simon (Simon in Mazzucato, 2018: 222) has argued, our productivity today:

is associated with being a member of an enormously productive social system, which has accumulated a vast store of physical capital, and an even larger store of intellectual capital – including knowledge, skills, and organizational know-how held by all of us.

Up until the 1990s it was recognised that in Australia all economically active citizens should share in these gains – either in terms of profits, higher wages shared across the workforce or shorter working hours for all. Since the 1990s this broader notion of how productivity is determined and shared has been lost. First there was a shift to the very limited notion that productivity was essentially something that happened only at the enterprise level. Second, from 2011 NSW Treasury, followed by other jurisdictions, arbitrarily determined an upper limit on wage movement for public sector workers.⁴

⁴ It is important to appreciate the rationale for why workers like those in health care should share in broader productivity gains even though it is harder to measure directly their productivity compared to workers in sectors like mining and manufacturing. In essence workers such as those in healthcare provide essential public services. Fair wages for them recognises the intrinsic value of their work and the societal benefits it generates. Nurses and midwives are fundamental to the healthcare system, ensuring the well-being and health of the population, a precondition for a productive and functioning society and economy. Their work contributes to a healthier workforce, reduces absenteeism, and enhances the overall quality of life, indirectly supporting economic stability and growth. Furthermore, competitive wages for nurses and midwives are crucial for attracting and retaining skilled professionals in the healthcare sector, which is vital for maintaining the quality of care and responding to increasing healthcare demands, and public health crises. Recognising the social value of nursing and midwifery through fair compensation is not only a matter of justice but also a strategic investment in the nation's long-term health and economic development. For more details on the important economic value of sectors like health care see the small but growing literatures on the foundational economy (Foundational Economy Collective 2018, Calafati, L et al (2023)) and mental wealth (Occhipinti et al 2022). These literatures build on the extensive 'measuring what matters' research domain.

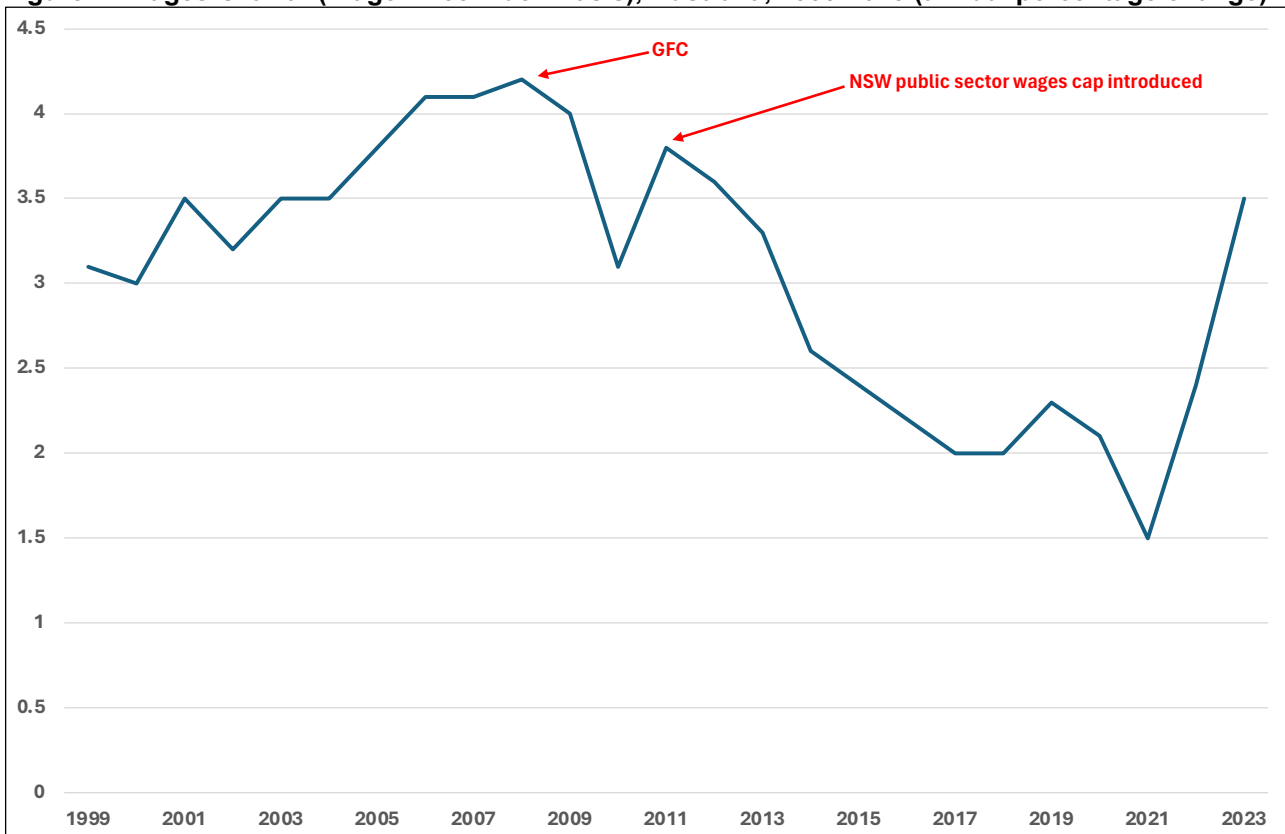
The NSW Treasury administered wage caps have not just distorted overall wage increases – they have prevented any serious engagement with the issues of relative pay. Pay relativities (i.e. how pay varies between different occupations and classes of work) are important for providing price signals that help with the allocation of labour between different uses as well as for people’s sense of fairness and respect at work.

When thinking about wage setting for the coming period it important to remember these facts. Recent experiences reflect the failures of the wage suppression experiment of 2011 to 2023. This distorted the ability of negotiations to engage with the challenges arising from changes in prices, productivity and relative pay.

(a) Trends in aggregate wages

Movements in aggregate wages provide a useful starting point for understanding how work-related earnings for employees are moving as a source of both income for workers and a cost to employers. Figure 4 below shows trends in the Wage Price Index⁵ over the last two and half decades.

Figure 4: Wages Growth (Wage Price Index Basis), Australia, 1999-2023 (annual percentage change)



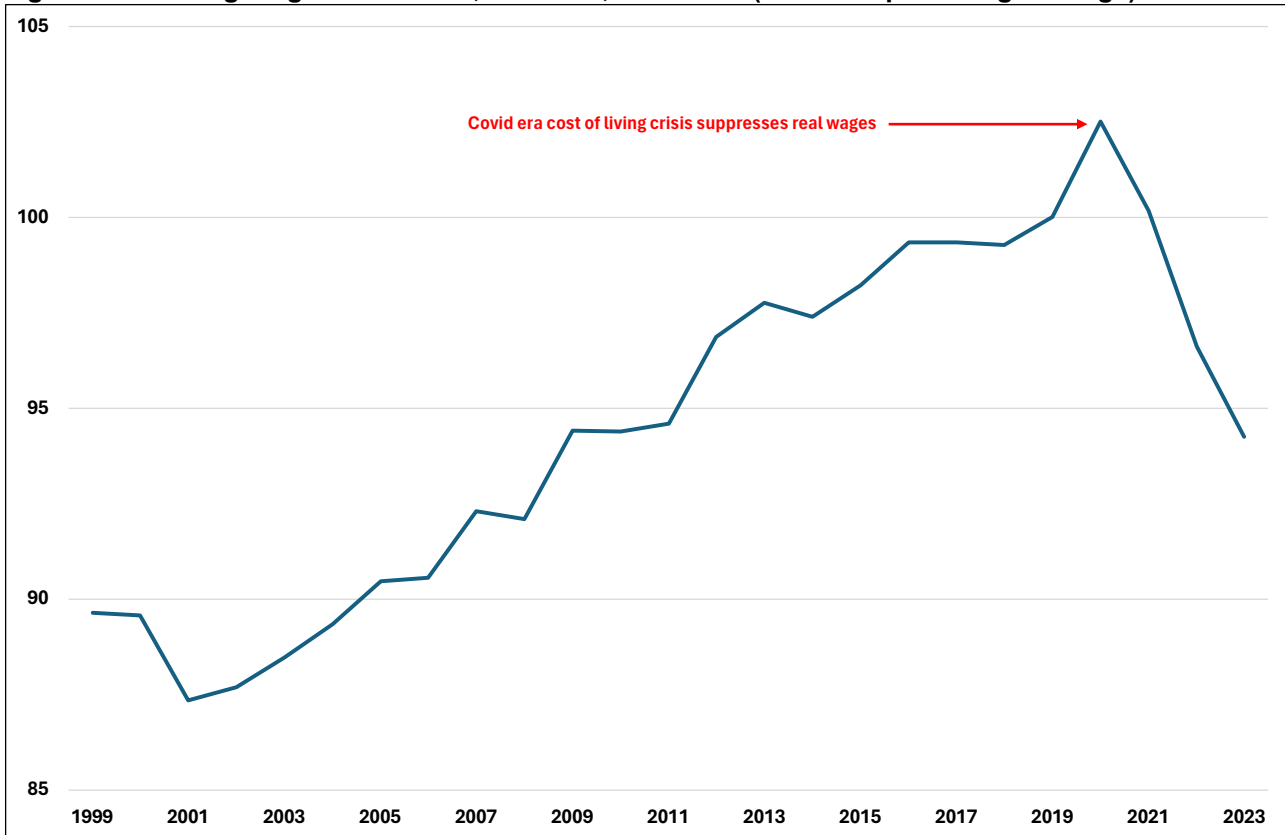
Source: ABS. (2024). 6345.0 Wage Price Index, Australia. Table 2a. Total Hourly Rates of Pay Excluding Bonuses: All Sectors by State, Original (Financial Year Index Numbers for year ended June quarter)

For the decade or so before 2012 wages across the economy moved in the range of 3.5%-4% in nominal terms. From 2012 to 2021 movements have oscillated around the 2.5%-3% range. In recent years they have begun to return to the 4% range. These latter developments, however, have occurred in the period of renewed inflation. This is evident in Figure 5 below which reports on trends in real wages (i.e. factoring in the impact of inflation). As is evident in this figure while nominal wages have increased at higher rates in recent years, this improvement has been more

⁵ The Wage Price Index (WPI) is the commonly used measure of aggregate wage movements in Australia. For a comparison of different wage movement indicators see Stewart et al. (2022), chapter 3.

than offset by the higher cost of consumer goods and services. Indeed, between 2020 and 2022 real wages have fallen by over 5% in real terms.

Figure 5: Real wages* growth index, Australia, 1999-2023 (annual*** percentage change)**



*Deflated using headline CPI Index

**2019=100

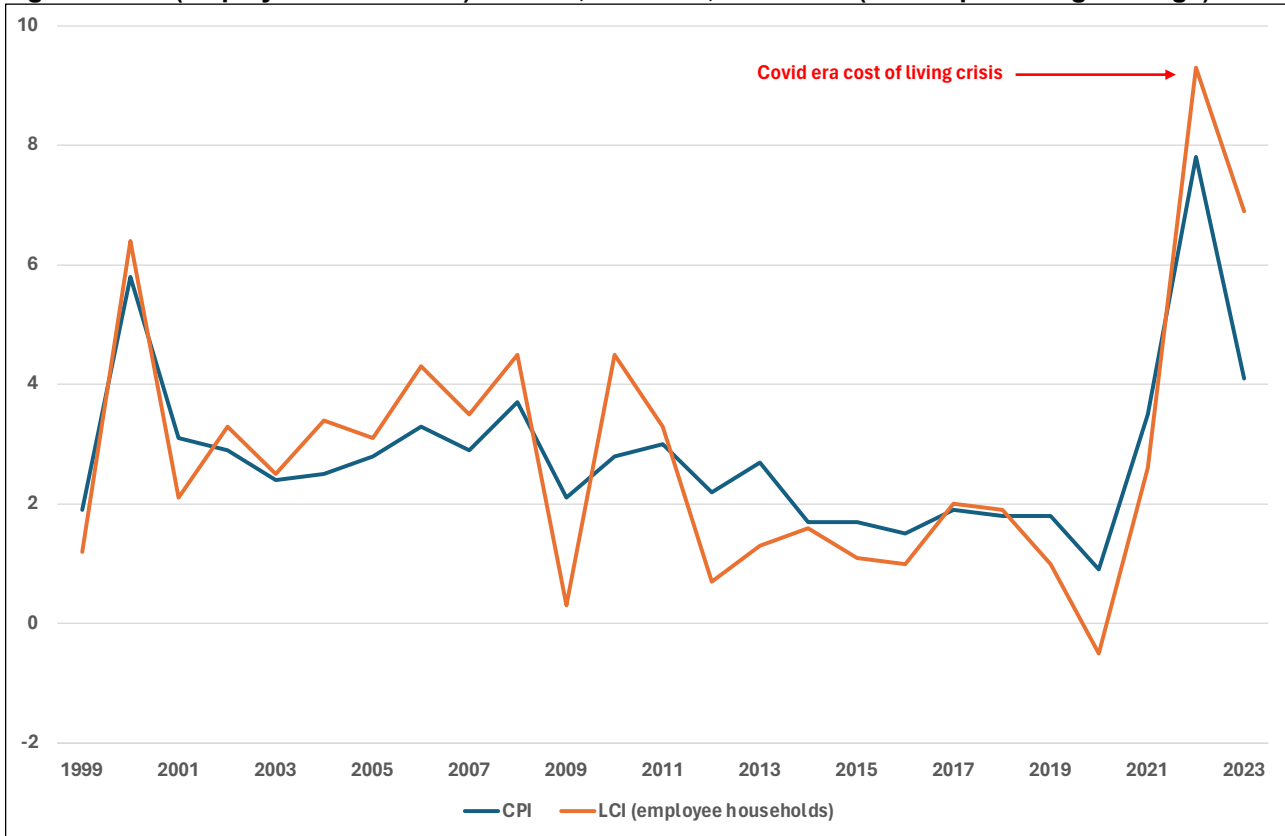
***Financial year WPI data and June quarter CPI

Source: Authors' calculations based on Australian Bureau of Statistics. (2024). 6401.0 Consumer Price Index, Australia, TABLES 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes; ABS. (2024). 6345.0 Wage Price Index, Australia. Table 2a. Total Hourly Rates of Pay Excluding Bonuses: All Sectors by State, Original (Financial Year Index Numbers for year ended June quarter).

It is important to remember that as a measure of inflation the CPI only includes 11 groups of consumer goods and services. A broader indicator of inflation, the Selected Living Cost Indexes (LCIs), encompass additional variables, including the cost of mortgages. In Figure 6 trends for LCI (employee households)⁶ are plotted against CPI for the period 1999-2023.

⁶ The reference group that covers employed nurses.

Figure 6: LCI (employee households) and CPI, Australia, 1999-2023 (annual percentage change)



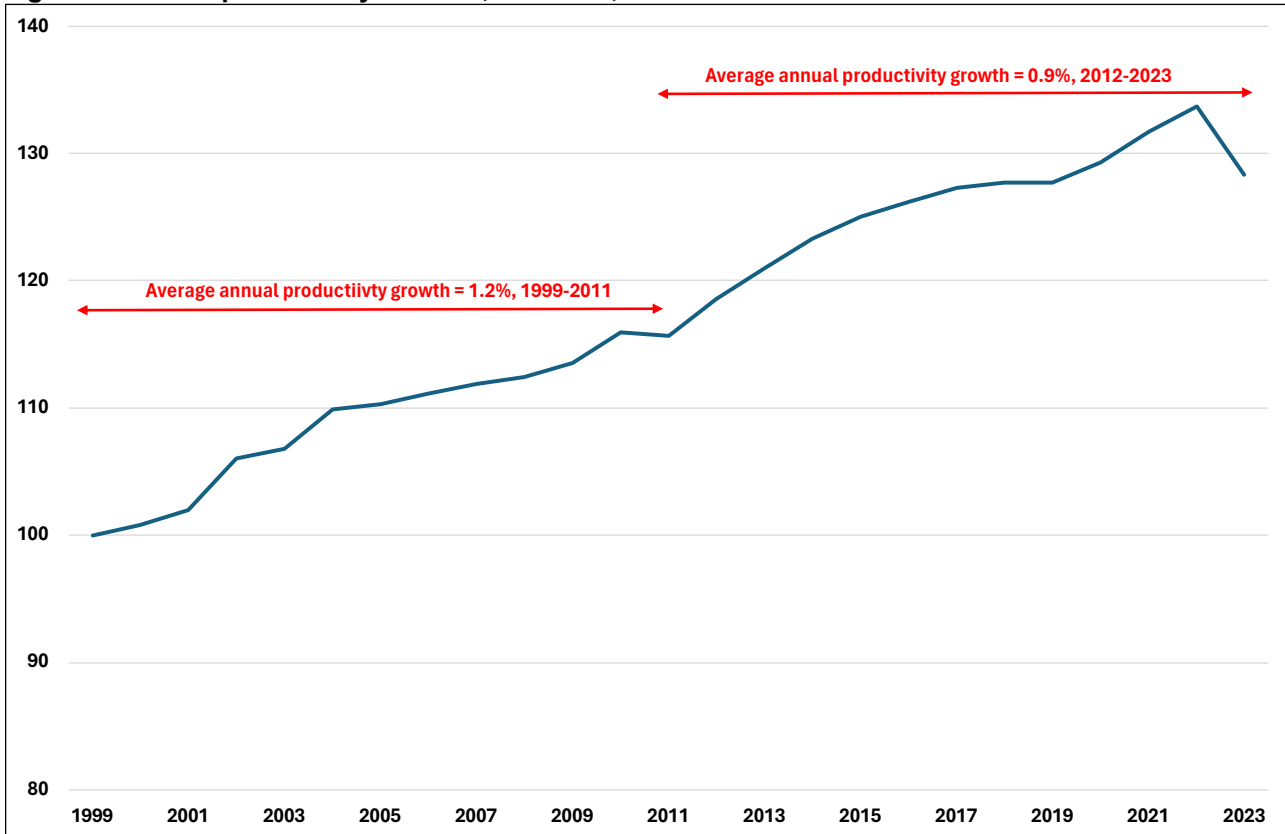
Source: Australian Bureau of Statistics (December 2023), [Selected Living Cost Indexes, Australia](#), ABS Website, accessed 8 April 2024.

This figure reveals on this broader measure the impact on workers' real pay has been even greater. Where the CPI peaked at 7.8% in the year to December 2022, the LCI (employee households) peaked at 9.6% in March and June the following year.

b. Trends in labour productivity

As noted earlier, movements in pay should compensate for inflation to maintain their purchasing power. Historically wages have done more than that – they have generally increased purchasing power in real terms. This reflects the fact that as time passes new technologies, production processes and improvements in human capabilities lift output per unit of input. An appreciation of trends in labour productivity is, therefore, an important issue to monitor when thinking about wages. In 2023 labour productivity fell by around 3.5%. As the business journalist, Ross Gittins (2024) has noted: these numbers are 'too bad to be true'. They reflect anomalies arising from the economy's recovery from Covid. The prime issues being increases in employment and hours worked in labour intensive industries unsupported by further investment in technology. As is commonly noted in the literature on productivity it is important to look at longer term trends given the fluctuations from year to year. Figure 7 below reproduces and extends a recent consolidation of productivity data released by the Reserve Bank of Australia⁷. Indeed, the most recent data on productivity reveals that it has already begun to improve (RBA, 2024b: 29).

⁷ See Bruno et al. (2023), Graph 3. Labour Productivity: 3.

Figure 7: Labour productivity* index, Australia, 1999-2023**

* GDP per hour worked: Index; Index Numbers, Original, DERIVED, Annual, Jun-1979-Jun-2023

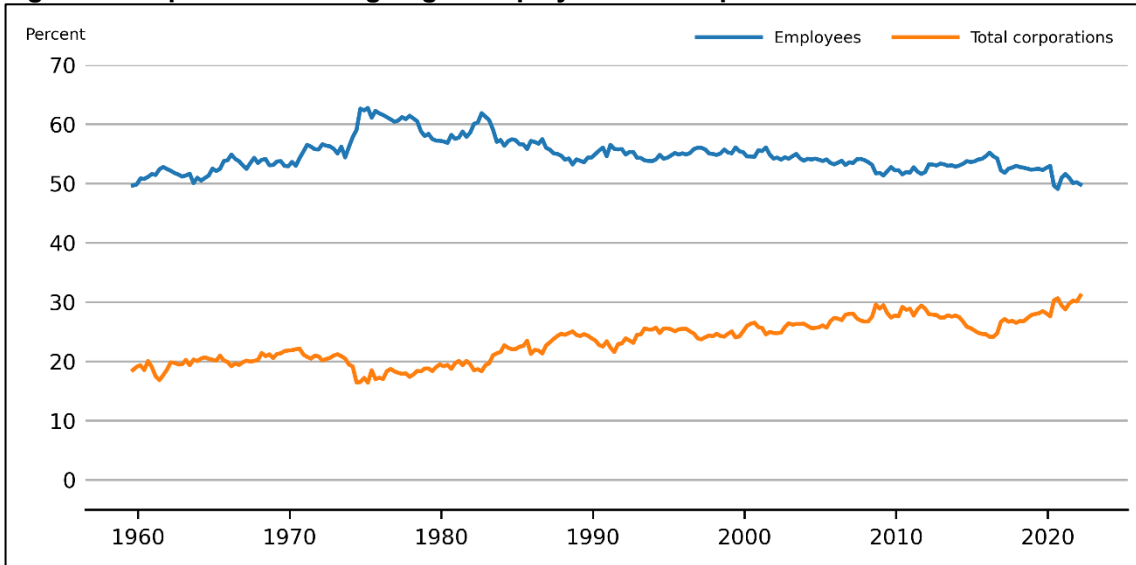
**1999 = 100

Source: ABS. (2024). 5206.0 Australian National Accounts: National Income, Expenditure and Product, Table 34. Key Aggregates and analytical series, Annual.

As is evident from Figure 7, the average Australian worker today produces around 30% more output per hour than they did twenty years ago. Rates of improvement have, however, varied by period. Around the time of the last work value case for NSW nurses and midwives' (i.e. the early 2000s) aggregate productivity was increasing at 2.1% per annum (Bruno et al 2023: 3). Around the time of the GFC it fell back to 0.9% per annum. Over the next decade it has improved a little to 1.2% per annum (Bruno et al 2023:3). The drop in productivity evident in figure 7 needs to be read in the context of two issues noted earlier. First, it represents anomalies associated with the economy's rapid recovery from Covid. Second, the most recent data as reported by the RBA notes that productivity growth has returned to a positive trajectory (RBA 2024b: 29).

c. Trends in profits and wages share of national income

Given the economy has had the capacity to provide serious real wage increases and these have not occurred, where has the money gone? The answer is provided in Figure 8. This shows how income as measured in GDP is distributed between employees and corporations between 1960 and 2022.

Figure 8: Proportion of GDP going to employees and corporations 1960-2022

Source: Buchanan et al., 2023: 13.

Figure 8 reveals that the wages share of GDP is now at its lowest level in 50 years: down from a high of over 60% in the 1970s to just on 50% today. On the other hand, the proportion accruing to corporations has risen from 20% of GDP fifty years ago to 30% today. Unless wages settings change significantly this situation will at best remain stagnant, and at worst these factor shares of national income will become more unbalanced in favour of corporate profits.

d. Relativities

In setting wages a matter of critical importance is the relative earnings of different occupations. This is not just important for the status that often accompanies higher paying jobs. It also impacts the capacity of an occupation to attract and retain the people needed to sustain the profession into the future. Good data on relative pay is, however, scarce. Three types are reported in this section. The first comes from the ABS Census of Population and Housing. The second from recent industrial instruments such as tribunal decisions and enterprise agreements. The third are rates for nurses and midwives in other jurisdictions.

The situation compared to other professional and non-professional occupations (Census data comparison).

Figures 9a, 9b, 9c and 9d show earnings as reported in the Census for a number of professional and higher paid non-professional occupations. Data from the 2016 and 2021 Censuses has been used to help see change over time.⁸ It is interesting to note when considering these census data the situation for nurses and midwives is very similar to that of teachers.

Figures 9a and 9b shows that **compared to a range of professionals** (i.e., occupations requiring a degree to practice) nurses and midwives are amongst the lowest paid at all ages. The issue is stark amongst nurses aged over 40. Similar trends have been evident for teachers. The similarity to the situation with teachers is helpful because more reliable information on their relative pay standing vis-à-vis other professionals is available than is the case for nurses and midwives.⁹

⁸ These are the two most recent years of available data as the Census is only run once every five years.

⁹ Teachers are an easier occupation for conducting relative pay comparisons for a number of reasons. First, like most other professions teachers are not shift workers and consequently not paid shift penalties or paid overtime. Nurses and midwives, on the other hand, because they work shift work are also more regularly paid for extended hours of work. Second, as will be shown below when we compare movements in base rates of pay – as is possible when details in industrial instruments are used as the source of data - it is clear (a) nurses are paid considerably less than teachers and that (b) while teachers in NSW have recently pulled

Indeed, data on relative pay for them compared to all professions as a whole is very stark. Male teachers in 1986 earned almost the same as earned by professionals more generally. By 2021 this had fallen to 84%. Given teachers and nurses and midwives pay have moved at pretty similar rates during this period we can assume the same for nurses and midwives. More details of this are provided in Appendix D.

Compared to a range of non-professionals, a number of jobs that do not require a degree pay more than teachers, nurses and midwives (e.g., real estate agents, police and electricians). The situation as of 2021 is provided in Figure 9d. Care is needed with these comparisons due to such matters as overtime and shift penalties, volatility of earnings and less secure forms of employment for workers in a number of such occupations. Subject to these provisos the most significant decline for nurses and midwives in terms of comparative earnings appears to have occurred relative to three non-professional level occupations associated with property and business services. Financial brokers in their 50s, for example, increased from earning 40% to 76% more than teachers, nurses and midwives between 2016 and 2021. Real estate sales agents of a similar aged shifted from earning 9% to 38% per cent more than teachers, nurses and midwives. Sales representatives 30 years and older shifted from earning 13% less than teachers, nurses and midwives to earning around 2% more than them between 2016 and 2021. Of the occupations listed, only two slipped in terms of relative pay compared to teachers, nurses and midwives: electrical engineers (from earning 77% more to 54% more) and social workers (from earning 86% to 81% of teachers' earnings) (Buchanan et al., 2023).

ahead in relative pay terms, for most of the period covered in this report the relativities between teachers and nurses pay changed little. In summary, the decline in teachers relative pay situation can therefore be used as a good proxy for understanding the situation of nurses and midwives' relative pay situation. Indeed, if things have been deteriorating for teachers, the situation for nurses has been getting worse.

Figures 9a, 9b, 9c and 9d: Australian Nurses' + Teachers' Pay Relative to Select Comparator Professional and Non-professional Occupations, Australia, 2016 + 2021

Figure 9a Earnings of Specific Professionals/Degree qualified workers vs nurses + teachers, rates prevailing at the 80th percentile of total yearly income of full time workers for each occupation at each age grouping, Australia, 2016

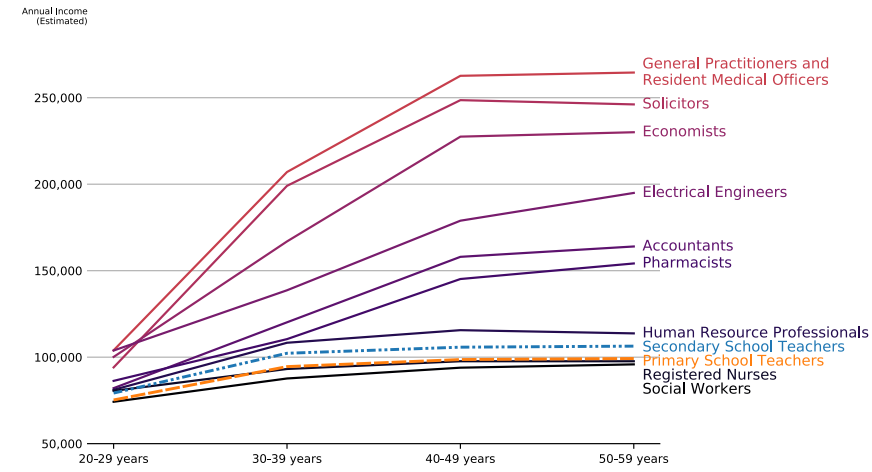


Figure 9b: Earnings of Specific Professionals/Degree qualified workers vs nurses + teachers, rates prevailing at the 80th percentile of total yearly income of full-time workers for each occupation at each age grouping, Australia, 2021

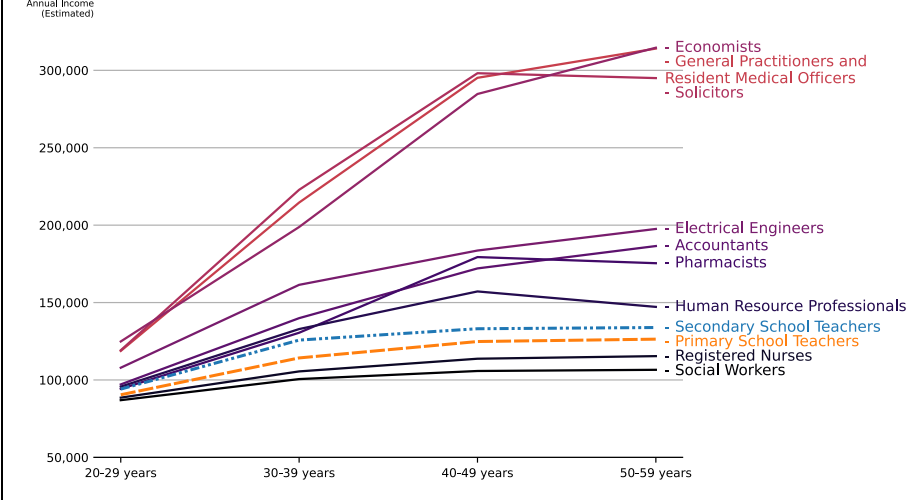


Figure 9c Earnings of Specific Non-Professionals/Non-Degree qualified workers vs teachers (as a proxy for nurses), rates prevailing at the 80th percentile of total yearly income of full time workers for each occupation at each age grouping, Australia, 2016

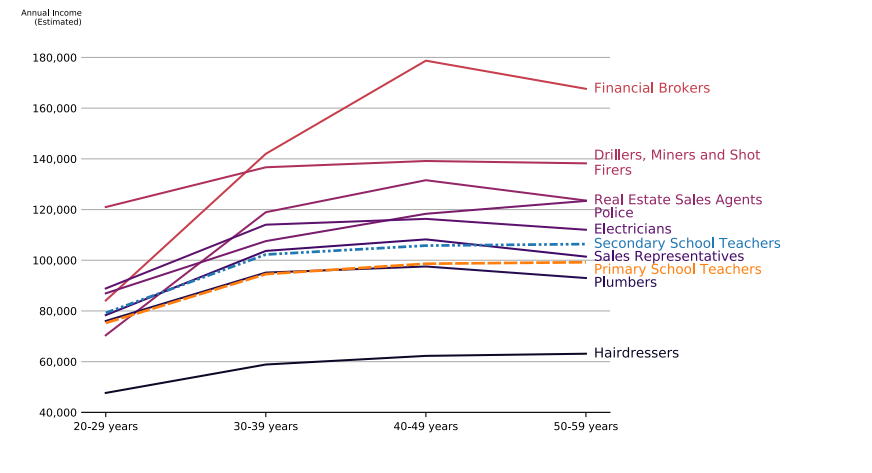
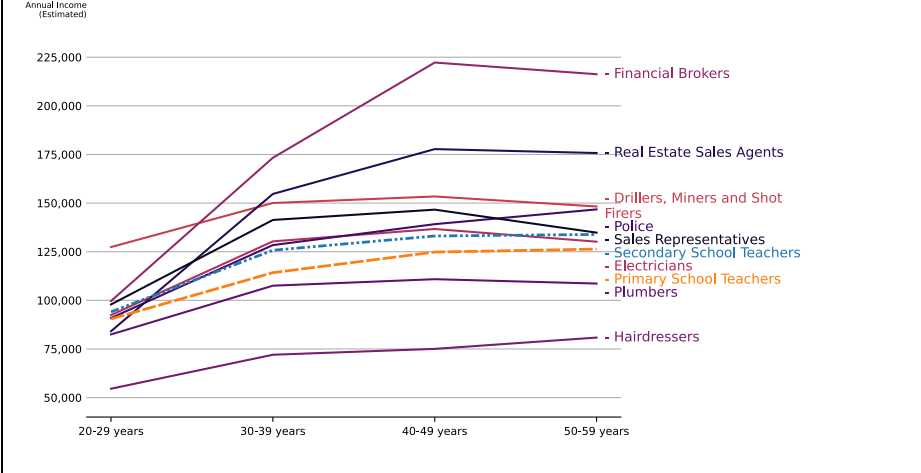


Figure 9d: Earnings of Specific Non-Professionals/Non-Degree qualified workers vs teachers (as a proxy for nurses), rates prevailing at the 80th percentile of total yearly income of full time workers for each occupation at each age grouping, Australia, 2021



Source: Buchanan et al., 2023: 8.

The situation compared to other public sector workers in NSW: current rates from agreements/awards comparison

The census data are best regarded as indicative. This is because they are self-reported by individuals filling in forms once every five years. It includes all earnings and does not separately report loadings for shifts and casual work. This means it does not provide an account of base pay – that is the underlying basis of income for wage earners. This is important because many nurses and midwives work shift work and most other occupations do not, so Census data will tend to inflate nurses’ relative earnings. The current situation for entry level and top of the key classifications for other key occupations in the NSW public sector is shown in Table 2.

Table 2: Current base pay rates (annual) for key NSW public sector occupations (entry level and highest rate within exemplar job category) as at 2024

	Occupation					
	Nurses & Midwives	Police Officer	Paramedic	School Teacher	Physio-therapist	Firefighter
First year	Registered Nurse 1 (Bachelors Degree)	Probationary Constable (Associate Degree)	Paramedic Level 1 (Bachelors Degree)	Teacher Graduate (Step 1) ¹	Health Professional Level 2 (year 1)	Qualified Firefighter (station based)
Base pay (annual) ¹⁰	\$70,050	\$71,613	\$80,075	\$85,000	\$88,682	\$90,770
Highest automatic annual progression	Registered Nurse 8 (Bachelors Degree)	Constable Level 5	Paramedic Level 1 (Band 6) Bachelors Degree)	Teacher Proficient (Step 7)	Health Professional Level 2 (year 4)	Senior Firefighter
Base pay (annual)	\$98,351	\$81,069	\$88,082	\$122,519	\$101,558	\$96,217

Source: Crown Employees (Fire and Rescue NSW Permanent Firefighting Staff), Award 2023; Crown Employees (Police Officers - 2021) Award; Crown Employees (Teachers in Schools and Related Employees) Salaries and Conditions Award 2022; NSW Ambulance Paramedics (State) Award 2023; NSW Health Service Health Professionals (State) Award 2023; Public Health System Nurses' and Midwives' (State) Award 2023.

Notes: 1. This is an entry level teacher who has undertaken initial teacher education program and meets the Australian standards for teachers at Graduate level.

Different occupations have different classification structures which means we must exercise care in making comparisons. It is clear, however, at entry level base rates for nurses and midwives are significantly lower than those paid to other public sector professionals in NSW, especially teachers. Even when the significance for increased earnings through incremental progression is taken into account the situation is little better. This is evident in the data on rates prevailing at the highest grade available within the exemplar classification. Taking this as a reference point, NSW teachers are well ahead of all the occupations noted with top salary of a standard teacher being \$122,519. All other exemplar classifications for essential service workers – including registered nurses and midwives earn at least \$20,000 a year less. Given recent wage agreements in the NSW Public Sector and elsewhere this situation is set to worsen. Further details on this matter are provided in the section after next.

The situation compared to RNs in other Jurisdictions (current rates taken from interstate agreements/award comparisons)

Arguably the comparisons of greatest relevance for the analysis of the relativities is what nurses and midwives are paid in other jurisdictions in Australia. Precise details on base pay for RNs at the top and entry level of their classification are provided in Table 3.

¹⁰ Annual rates calculated by multiplying weekly rates by 52.17857.

Table 3: Current base pay rates for RN at entry level and highest automatic increment, by jurisdiction, as at April 2024

Jurisdiction	RN Y 1	RN Highest Automatic increment
QLD ¹	\$82,753	\$106,144
NT ²	\$76,035	\$101,612
WA	\$75,957	\$96,712
TAS ³	\$75,902	\$96,423
ACT	\$72,698	\$97,112
SA ⁴	\$72,651	\$99,129
NSW	\$70,050	\$98,351
VIC ⁵	\$67,759	\$95,706

Source: ACTPS Nursing and Midwifery Enterprise Agreement 2020-2022, Public Health System Nurses and Midwives (State) Award 2023, Northern Territory Public Sector Nurses and Midwives' 2022-2026 Enterprise Agreement, Nurses and Midwives (Queensland Health and Department Of Education) Certified Agreement (Eb11) 2022, Nursing and Midwifery (South Australian Public Sector) Enterprise Agreement 2022, Nurses and Midwives (Tasmanian State Service) Agreement 2023 [T15086 of 2023], Nurses and Midwives (Victorian Public Sector) (Single Interest Employers) Enterprise Agreement 2020-2024, ANF Registered Nurses Midwives and Enrolled Nurses Industrial Agreement 2022.

Notes:

1. In Queensland note also a Cost of Living Adjustment (COLA) if CPI for relevant agreement year exceeds the wage increase. Payment is subject to a cap of 3%.
2. In the Northern Territory note clause 26 includes Attraction and Retention Incentive Allowance ranging from \$4000 to \$9000 (over 2 year period) with option to extend).
3. In Tasmania note \$500 one off payment for RN Y1 on 1/12/2024.
4. In South Australia employees employed at 1/10/23 received \$1500 one off payment.
5. Victoria's last wage increase was on 1/12/2022. It is more than likely to be paid back paid to 1/12/2023 which may push them above NSW.

What is striking about these figures is just how far behind NSW is compared to all jurisdictions (bar Victoria) for entry level nurses and midwives. And while the relativity is slightly better for RNs and midwives on the highest increment it is still far behind that prevailing in crucial adjoining jurisdictions like Queensland and South Australia. The comparison with Queensland is stark. Entry level nurses and midwives in Queensland earn \$82,753 compared to just \$70,050 in NSW. This is an 18 percent difference. At the top of the classification experienced RNs and midwives in Queensland earn \$106,144 compared to just \$98,351 in NSW – an 8 percent difference. The situation concerning nurses and midwives at the top of the scale is especially important. This is where many nurses are situated – and they provide the core of the leadership and quality of service day in, day out on the job. As noted, three other jurisdictions pay higher, in the case of Queensland significantly higher. As is well known, all these other jurisdictions are significantly cheaper to live in than most parts of NSW, especially Sydney. This makes the relative pay of NSW nurses and midwives that much worse than that prevailing in these other States and Territories.

The situation compared to wage movements in other industrial instruments

The above material reports on actual relative rates of pay. It is also useful to consider how rates of pay have been moving and are planned to move in the next year or so. Details here are provided in Table 4.

Table 4: Movements in pay as reported in awards, enterprise agreements and comparator occupations in NSW and interstate, 2022-2025

Year	<i>Percentage change (annual)</i>					
	<i>Benchmark awards and agreements</i>		<i>Reference settlements</i>			
	Minimum wage /Award	Union EAs	NSW nurses and midwives	QLD nurses and midwives	NSW paramedics	NSW Teachers
2022	4.6-5.2	4	2.53	4	2.53	2.04 (Jan), 0.25 July)
2023	5.75	4-6	4	4	4	2.53 (Jan), 4 8-12.2 (Oct)
2024				3	2-6.1	
2025					3-14.5	

Source: Fair Work Commission, Crown Employees (Teachers in Schools and Related Employees) Salaries and Conditions Award 2022; Paramedics and Control Centre Officers (State) Award 2022; NSW Ambulance Paramedics (State) Award 2023; NSW Health Service Health Professionals (State) Award 2023; Nurses and Midwives (Queensland Health and Department of Education) Certified Agreement (EB11).

The data in Table 4 highlight that NSW nurses and midwives' pay has not kept up with movements in awards or in unionised enterprise agreements. Most significantly their rates are set to fall behind in relative terms in the near future given recent agreements with NSW teachers and paramedics. In 2023 teachers won increases of 8%-12%. Paramedics are set to get even bigger rises over the next two years.

e. Labour market signals – vacancies and labour turnover

No matter which way you look at it, the relative pay of NSW nurses and midwives is low on just about every indicator: data from the Census, base rates paid to other NSW public workers and rates compared to nurses in other jurisdictions. This is a direct result of them having had their wage increases suppressed for over 10 years by the wages cap as evidenced by movements in award rates and union enterprise agreements. Given recent settlements this situation is set to worsen.

Wages are not the only factor that shape decisions people make about entering or leaving a job – but they are an essential ingredient. And just as a sponge cake will not rise if there are not enough eggs or baking powder, neither will a labour market function well if relative pay structures are deficient. The growing literature on the problem of unfilled vacancies and high labour turnover for NSW nurses and midwives provides very strong evidence of this reality.

Data on the number of registered nurses not practicing in the profession provides one robust indicator of problem. Between December 2019 and December 2023 the number of registered non-practicing nurses in NSW increased by 70% to 2,372. Most of this occurred in the two years to December 2022 – and has stayed at that level subsequently (NMBA 2019, 2022, 2023). A burgeoning number of studies have documented why the deepening problems in the nursing labour market persist. The situation in NSW has been recently documented by Sharplin, Brinn and Eckert (2023). They surveyed over 2,300 members of the NSW Nurses and Midwives Association. This research team reported that over one in five respondents (22%) wanted to leave the profession. Around one in eight (15%) of respondents reported symptoms of post-traumatic stress. This was associated with high reported incidence of 'overwork, exhaustion and burnout' (Buchan and Catton 2023:20). Clearly this situation is not simply a matter of sub-standard pay. It is, however, a factor. NSW nurses and midwives surveyed identified that reduced workloads and enhanced

workplace support were needed. Crucially, Sharplin and colleagues also found better pay was one of the top three measures needed to keep them actively working in the profession.¹¹

Important data on the balance between labour supply and demand by occupation and region in Australia has recently been released by Australia's premier holder of 'big data' on the labour market vacancies (SEEK, 2024). Its initial report on labour market mismatch indicators identifies registered nurses at the occupation for which there is the greatest difference between total applicants and share of total job advertisements (i.e. an indicator of excess labour demand). Data on the top 10 occupations facing excess demand (in which nurses lead the pack) are summarised in Table 5.

Table 5: Occupations with the largest excess demand at the national level, Australia, December, 2023

Top 10 occupations with excess labour demand	Difference between share of total applications and share of total advertisements (%)
Café and Restaurant Managers	- 0.6
Accountants	- 0.6
Metal fitters and machinists	- 0.7
Occupational therapists	- 0.8
Construction managers	- 0.8
Early childhood (Pre-primary) Teachers	- 1.0
Motor Mechanics	- 1.0
Retail managers	- 1.1
Child carers	- 1.3
Registered Nurses	- 2.2

Source: SEEK Labour Market Mismatch Indicator, April 2024: 8.

The SEEK report also contains important case studies of a number of local labour markets, one of which is Greater Sydney. This material reveals that this region is no exception to the situation prevailing nationally. In the Greater Sydney labour market, the problem of excess labour demand is greater for only one other occupation: childcare workers (SEEK 2024: 29).

¹¹ The details in this paragraph concern the situation in NSW alone. For recent accounts of developments elsewhere in Australia see for example Berlin et al (2022), Peters and Marnie (2022), Halcomb et al (2022). Buchan and Catton (2023) provide a very useful account of the situation globally. Obviously NSW is not alone in facing these problem. What is significant, however, is that NSW needs to take action on the wages front if it is not to fall further behind on this dimension of nursing labour market operations.

Part V. Thinking about the future: devising a wage claim

(a) Framing a claim

There is no science of wages policy. Relevant data, marshalled and analysed with appropriate concepts, are important for making sense of what has happened. Formulating what is appropriate for moving forward, however, requires judgement informed by evidence. The question we must now consider is: given the information on key variables noted above, what is reasonable to consider in terms of framing a wages claim for NSW nurses and midwives?

The above analysis has highlighted the nature of recent achievements and setbacks in nurses and midwives' wages as well as trends in key aggregates concerning movements in prices and productivity. The implications of these for setting a claim are provided in Table 6.

In essence it is based on two very simple principles:

- wages should compensate for inflation, and
- workers should share in productivity gains.

Given that NSW nurses and midwives' pay has been suppressed for over a decade it is reasonable to consider questions of restitution. The distribution of income between wages and profits is not fixed in stone. The data on this distribution for the last 65 years makes that very clear. Given the percentage going to workers is around the lowest recorded over that period it is reasonable to think in terms of realigning factor shares. Catch-up for previous losses due to inflation and the unfair distribution of productivity gains in the past are important issues to consider. If these matters are not taken up there is nothing in the current system to stop the dysfunctional situation in the nursing labour market from enduring.

What all this means for a wages claim is summarised in Table 6. The table comprises a number of components. The most basic distinction concerns defining two reference periods: the near future and the recent past. That component of the claim concerned with the near future is defined with reference to anticipated movements in prices and productivity. This is important for guarding against continued erosion of real earnings and the lopsided distribution of productivity gains as between corporations and employees. That component of the claim concerned with the recent past helps define the restitution part of the claim. It is derived from losses arising from both inflation and the skewed distribution of previous productivity gains. Information on anticipated inflation comes from the Reserve Bank of Australia. The estimates for productivity come from the Productivity Commission account of what the long-term growth of productivity has been over the last 40 years. As noted, movements in productivity are volatile, hence the reference to the long-term trend. When these figures are combined it results in the forward-looking part of the claim comprising increases of 4.2% in 2024/25 and 3.6% in 2025/26.

In 1979 Milan Kundera, then a leading dissident against the authoritarian Czechoslovakian regime, noted 'the struggle of [people]...against power is the struggle of the memory against forgetting' (Kundera, 1999). So it is with employees and wages policy. The recent surge in inflation has been very serious. Just as serious has been the anaemic sharing of productivity gains through the wages system with the workforce. The impact of inflation has been the most immediate. As the earlier data showed this is where NSW Treasury's wages cap has been most damaging. Depending which indicator we use it is clear real wages for nurses and nurses have fallen by 10% since 2020 (Appendix E provides full details). If we used the broader Living Cost Index (LCI) that includes the rising of cost of shelter for owner occupiers (i.e. mortgage repayments) the hit to living standards has been even higher. In thinking through the wages claim the more modest estimates based on the CPI have been used.

Restitution for earlier rounds of productivity growth not shared has been set at a modest 2% over the life a two-year planning horizon.¹² The resulting claim of 15.2% in the first year of operation of any new award is significant. It is, however, important to move quickly to improve real wages to ensure they make a serious contribution to the fairer sharing of past productivity improvements. The longer restitution is delayed the greater the loss for workers.¹³ The situation is like that concerning climate change: acting as soon as possible is important for limiting the damage to living standards because inaction now only makes the problem worse over time.

Table 6: Deriving a wage claim: anticipating likely, and responding to past, price and productivity movements

Financial Year	Looking forward: forecast inflation and long run trend productivity			Looking backwards: contribution to restoring purchasing power and productivity dividend from previous years			Total by year
	Inflation	Productivity (Long run average)	Sub-total for anticipated price and productivity movements	Return to 2020 real wage level (10% on 2023 rates)*	Productivity element**	Sub-total for restitutions component	
Immediate claim							
Catch up				10.0%	1.0%		
2024/25 (projected)	3.2%	1.0%					
			4.2%			11.0%	15.2%
2025/26 (projected)	2.6%	1.0%			1.0%		
			3.6%			1.0%	4.6%
							Grand total
			7.8%			12.0	19.8%

Sources: Reserve Bank of Australia, 2024:4 and 2024b: 6; Productivity Commission, 2024: 2.

Notes:

*Real wage figures come from the actual rates paid to nurses and midwives as in the relevant awards prevailing on 1 July 2020 and 1 July 2023 discounted by CPI for Australia as a whole and for Sydney for relevant calendar and financial years. Appendix E summarises the key data of relevance.

**The 2.0% component over three years for retrospective productivity is, given recent developments, modest. Real wages should have risen by at least 10% more than they did over of the last two decades on account of increased productivity not shared with the workforce. Making up for the past inequity will take time. The proposal for 2% from now until 2025/26 is a sign of economic responsibility. We do not recommend trying to solve a problem over 20 years in the making in one round of wage bargaining.

(b) Time to be realistic: 'Anything we can actually do we can afford'

It is often argued in situations like this that while everyone would like to pay nurses and midwives more – we just cannot afford it. This is a mantra with a centuries' old pedigree. Speaking at the height of World War II, one of the world's greatest economists, John Maynard Keynes, confronted this argument head on. He was, at the time, working on plans for post war reconstruction. Businesspeople asserted that what he wanted to achieve (e.g.

¹² This refers to column five of Table 6: i.e. 1 + 1 = 2%

¹³ This is especially likely to be the case as AI is more widely diffused throughout the economy in coming years.

massive increase in housing), while desirable, was not realistic. Adam Tooze (2018, 2021), arguably the world's leading contemporary economic historian has reminded us of the debate between Keynes and financially restrictive economists and business leaders of that time. Tooze noted the relevance of this debate when analysing the interventions by central banks and national governments to meet the deep economic challenges of the global financial crisis of 2008/09 and then the economic crisis that emerged around the COVID lockdowns of 2020/21. His conclusion arising from an analysis of these experiences was clear.

'If a monetary sovereign treats the question of how to organise financing as anything more than a technical matter, that is a political choice. As John Maynard Keynes once reminded his readers in the midst of World War II: 'Anything we can actually do we can afford'. The real challenge, the truly political question, was to agree what we wanted to do and to figure out how to do it.' [Tooze, 2021 Shutdown, page 13 citing a BBC address by Keynes from 1942.]

Evidence of the ability to think broadly about matters more immediately relevant to wages policy in contemporary Australia is provided by recent observations of the current Governor of the Reserve Bank. In March Governor Bullock was questioned about the large-scale wage increase (between 15%-20%) recently granted to aged care workers in Australia. Several members of the financial press had expressed alarm about this increase. When asked by a journalist if she shared this concern, Governor Bullock's answer was measured and constructive:

But let me say right up-front that I don't think anyone would begrudge aged care workers a rise. They have been historically underpaid for the work they do. It's a very important job and there are shortages in those industries. So, I think it's a very worthy pay rise.' (Bullock 2024)

It is by no means clear the same sentiment would necessarily flow in relation to a similar wage increase for nurses and midwives. It does indicate, however, that significant pay rises are not necessarily beyond contemplation for key economic decision makers. The issue is how the serious problems afflicting people in particular occupations and labour markets in which they function in are handled. Of particular significance is how change is planned and sequenced.

Part VI. Summary and conclusion: escaping NSW Treasury's curse

NSW nurses' and midwives' pay has been suppressed for over a decade. No matter which way you look at it, NSW nurses and midwives need and deserve a pay rise.

- Their wages have not kept up with inflation, indeed in real terms their base pay has fallen by 10% since 2019/2020 in recent years. NSW nurses and midwives' pay is now at the level prevailing before Treasury's wage cap was imposed.
- Over the last 25 years nurses and midwives have only partly shared in the significant productivity growth Australian workers have helped generate. This is a trait they share with many workers. Collectively this has meant the wages share of GDP is at record lows. The economy can afford to better share prosperity with workers – it is time to begin remedying this imbalance.
- In terms of relative pay NSW nurses and midwives are behind – compared to other professions at large, other NSW public sector workers and nurses in other States and both Territories. Given recent wage agreements this situation is set to worsen.
- Given all of the above it is unsurprising the nursing labour market in NSW is under severe stress. The labour market is sending very clear signals – it is time to listen and act.

The final section above outlined the scale of pay increases that need to be under consideration. This size of the ask has not been derived arbitrarily. Rather, it reflects the need to overcome the legacies of wage suppression given movements in prices and productivity. Most importantly, settlements in other comparable sectors (such as for teachers and paramedics) show what is possible.

This claim may seem large in terms of the recent history of wage movements – but that is the point. It is the wage movements of recent times that have been the problem (as witnessed by a dysfunctional nursing labour market). It is time to escape the curse of NSW Treasury's wage cap and begin the move to wages that are compatible with a sustainable nursing labour market.

It is almost certain that any claim for a wage increase necessary to put the health system on a more sustainable basis will be met by the usual mantra: 'nice idea, but we just can't afford it.' This tired narrative should be called out for what it is: the foundations of an inefficient wages levels that result in a dysfunctional labour market. This is the very narrative that got us into the current situation. Moving forward we must recognise we have alternatives. The choice is not whether to accept or reject a significant claim to overcome deep problems in nurses and midwives' pay. The choice is in how we do it. The data and analysis in this paper provide resources to help with settling that matter.

Appendix A – Award/agreement pay increases for NSW nurses and midwives, 2000-2023

Date	PHS Award
1/1/2000	2.00%
1/1/2001	2.00%
1/1/2002	3.00%
1/1/2003	10.25%
1/7/2003	5.00%
1/1/2004	3.50% ¹⁴
1/1/2005	6.60% ¹⁵
1/7/2005	3.00%
1/7/2006	4.00%
1/7/2007	4.00%
1/7/2008	3.90%
1/7/2009	3.90%
1/7/2010	3.90%
1/7/2011	3.00%
1/7/2012	2.50%
1/7/2013	2.27%
1/7/2014	2.27%
1/7/2015	2.50%
1/7/2016	2.50%
1/7/2017	2.50%
1/7/2018	2.50%
1/7/2019	2.50%
1/7/2020	0.30%
1/7/2021	2.04%
1/7/2022	2.53%
1/7/2023	4.00%

Source: Public Hospital Nurses' (State) Award, 1999; Public Hospital Nurses' (State) Interim Award, 2000, 2001, 2002; Public Health System Nurses' and Midwives' (State) Award, 2005, 2008, 2011, 2015, 2017, 2018, 2019, 2021, 2022, 2023.

¹⁴ This 3.5% only applied to Assistants in Nursing (AINs).

¹⁵ AINs only got 3% in this award.

Appendix B – Nominal base pay for NSW registered nurses and midwives

Date of Award Increase	Annualised ¹⁶ salary for Registered Nurses and Midwives (RN) by classification year							
	RN Y1	RN Y2	RN Y3	RN Y4	RN Y5	RN Y6	RN Y7	RN Y8
1/1/1999	\$31,088	\$32,784	\$34,474	\$36,285	\$38,080	\$39,880	\$41,931	\$43,658
1/1/2000	\$31,709	\$33,441	\$35,163	\$37,010	\$38,842	\$40,678	\$42,771	\$44,529
1/1/2001	\$32,345	\$34,109	\$35,868	\$37,751	\$39,619	\$41,492	\$43,627	\$45,421
1/1/2002	\$33,316	\$35,132	\$36,942	\$38,883	\$40,809	\$42,739	\$44,936	\$46,783
1/1/2003	\$36,723	\$38,727	\$40,725	\$42,865	\$44,988	\$47,117	\$49,533	\$51,579
1/7/2003	\$38,560	\$40,663	\$42,760	\$45,009	\$47,237	\$49,476	\$52,012	\$54,156
1/1/2004	\$38,560	\$40,663	\$42,760	\$45,009	\$47,237	\$49,476	\$52,012	\$54,156
1/1/2005	\$41,106	\$43,350	\$45,583	\$47,983	\$50,358	\$52,742	\$55,450	\$57,730
14/6/2005	\$41,106	\$43,350	\$45,583	\$47,983	\$50,358	\$52,742	\$55,450	\$57,730
1/7/2005	\$42,338	\$44,649	\$46,950	\$49,424	\$51,871	\$54,323	\$57,115	\$59,463
1/7/2006	\$44,033	\$46,434	\$48,829	\$51,401	\$53,947	\$56,494	\$59,400	\$61,842
1/7/2007	\$45,797	\$48,291	\$50,780	\$53,457	\$56,108	\$58,753	\$61,774	\$64,315
1/7/2008	\$47,582	\$50,175	\$52,763	\$55,544	\$58,294	\$61,044	\$64,185	\$66,825
1/7/2009	\$49,439	\$52,132	\$54,819	\$57,709	\$60,569	\$63,423	\$66,689	\$69,429
1/7/2010	\$51,370	\$54,167	\$56,958	\$59,958	\$62,933	\$65,896	\$69,288	\$72,137
1/7/2011	\$52,909	\$55,789	\$58,664	\$61,759	\$64,821	\$67,874	\$71,365	\$74,302
1/7/2012	\$54,234	\$57,182	\$60,131	\$63,303	\$66,444	\$69,570	\$73,149	\$76,160
1/7/2013	\$55,466	\$58,482	\$61,498	\$64,738	\$67,952	\$71,151	\$74,808	\$77,887
1/7/2014	\$56,723	\$59,807	\$62,896	\$66,209	\$69,497	\$72,768	\$76,504	\$79,656
1/7/2015	\$58,143	\$61,305	\$64,467	\$67,863	\$71,234	\$74,589	\$78,419	\$81,649
1/7/2016	\$59,598	\$62,839	\$66,079	\$69,559	\$73,013	\$76,452	\$80,381	\$83,689
1/7/2017	\$61,091	\$64,409	\$67,733	\$71,297	\$74,840	\$78,362	\$82,390	\$85,782
1/7/2018	\$62,620	\$66,022	\$69,429	\$73,081	\$76,713	\$80,318	\$84,451	\$87,926
1/7/2019	\$64,185	\$67,670	\$71,166	\$74,908	\$78,633	\$82,327	\$86,564	\$90,123
1/7/2020	\$64,378	\$67,874	\$71,380	\$75,132	\$78,868	\$82,573	\$86,825	\$90,394
1/7/2021	\$65,693	\$69,257	\$72,836	\$76,666	\$80,475	\$84,258	\$88,594	\$92,236
1/7/2022	\$67,357	\$71,010	\$74,678	\$78,607	\$82,510	\$86,392	\$90,838	\$94,568
1/7/2023	\$70,050	\$73,848	\$77,663	\$81,753	\$85,813	\$89,846	\$94,469	\$98,351

Source: Public Hospital Nurses' (State) Award, 1999; Public Hospital Nurses' (State) Interim Award, 2000, 2001, 2002; Public Health System Nurses' and Midwives' (State) Award, 2005, 2008, 2011, 2015, 2017, 2018, 2019, 2021, 2022, 2023.

¹⁶ Weekly award base pay multiplied by 52.17857

Appendix C – Real (2012 = 100) base pay for NSW registered nurses and midwives

Table C1: NSW registered nurses (RNs) real* annual base pay (2012*** dollars) for years 1, 2, 5, 7 & 8, 1999-2023, All Australia CPI as at June**

	RN Y1 real	RN Y2 real	RN Y5 real	RN Y7 real	RN Y8 real
1999	\$45,833	\$48,334	\$56,141	\$61,819	\$64,365
2000	\$45,350	\$47,827	\$55,552	\$61,171	\$63,685
2001	\$43,590	\$45,967	\$53,393	\$58,794	\$61,212
2002	\$43,667	\$46,048	\$53,489	\$58,898	\$61,319
2003	\$49,255	\$51,941	\$60,338	\$66,438	\$69,176
2004	\$48,033	\$50,652	\$58,841	\$64,789	\$67,460
2005	\$51,462	\$54,271	\$63,049	\$69,423	\$72,277
2006	\$51,466	\$54,272	\$63,053	\$69,427	\$72,281
2007	\$52,429	\$55,284	\$64,233	\$70,720	\$73,629
2008	\$52,153	\$54,995	\$63,894	\$70,351	\$73,245
2009	\$53,430	\$56,341	\$65,459	\$72,073	\$75,034
2010	\$53,837	\$56,768	\$65,955	\$72,615	\$75,601
2011	\$53,549	\$56,464	\$65,605	\$72,228	\$75,201
2012	\$54,234	\$57,182	\$66,444	\$73,149	\$76,160
2013	\$54,171	\$57,117	\$66,366	\$73,062	\$76,069
2014	\$53,777	\$56,701	\$65,888	\$72,531	\$75,519
2015	\$54,303	\$57,256	\$66,529	\$73,240	\$76,256
2016	\$55,098	\$58,094	\$67,500	\$74,312	\$77,370
2017	\$55,407	\$58,416	\$67,877	\$74,724	\$77,800
2018	\$55,638	\$58,660	\$68,159	\$75,034	\$78,122
2019	\$56,134	\$59,182	\$68,770	\$75,706	\$78,818
2020	\$56,500	\$59,568	\$69,216	\$76,200	\$79,332
2021	\$55,518	\$58,530	\$68,011	\$74,872	\$77,950
2022	\$53,629	\$56,538	\$65,694	\$72,325	\$75,294
2023	\$52,603	\$55,455	\$64,440	\$70,940	\$73,855

*Deflated using Index Numbers; All groups CPI; Australia; for June

**base pay as of July 1 of reference year

***2012=100

Source: Authors' calculations based on Australian Bureau of Statistics. (2024). 6401.0 Consumer Price Index, Australia, TABLES 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes; Public Hospital Nurses' (State) Award, 1999; Public Hospital Nurses' (State) Interim Award, 2000, 2001, 2002; Public Health System Nurses' and Midwives' (State) Award, 2005, 2008, 2011, 2015, 2017, 2018, 2019, 2021, 2022, 2023.

Table C2: NSW registered nurses (RNs) real* annual base pay (2012*** dollars) for years 1, 2, 5, 7 & 8, 1999-2023, All Australia CPI as at December**

	RN Y1 real	RN Y2 real	RN Y5 real	RN Y7 real	RN Y8 real
1999	\$45,890	\$48,393	\$56,211	\$61,895	\$64,445
2000	\$44,245	\$46,662	\$54,198	\$59,680	\$62,133
2001	\$43,756	\$46,142	\$53,596	\$59,018	\$61,445
2002	\$43,792	\$46,179	\$53,641	\$59,065	\$61,493
2003	\$49,473	\$52,171	\$60,606	\$66,732	\$69,483
2004	\$48,259	\$50,891	\$59,119	\$65,095	\$67,778
2005	\$51,533	\$54,346	\$63,137	\$69,519	\$72,377
2006	\$51,863	\$54,691	\$63,540	\$69,963	\$72,839
2007	\$52,428	\$55,283	\$64,231	\$70,718	\$73,627
2008	\$52,526	\$55,388	\$64,351	\$70,854	\$73,768
2009	\$53,476	\$56,389	\$65,515	\$72,134	\$75,098
2010	\$54,074	\$57,018	\$66,245	\$72,935	\$75,934
2011	\$54,075	\$57,019	\$66,250	\$72,938	\$75,940
2012	\$54,234	\$57,182	\$66,444	\$73,149	\$76,160
2013	\$53,984	\$56,920	\$66,136	\$72,809	\$75,806
2014	\$54,275	\$57,226	\$66,498	\$73,203	\$76,219
2015	\$54,710	\$57,686	\$67,028	\$73,789	\$76,828
2016	\$55,264	\$58,269	\$67,703	\$74,535	\$77,603
2017	\$55,587	\$58,606	\$68,097	\$74,967	\$78,053
2018	\$55,979	\$59,021	\$68,578	\$75,495	\$78,602
2019	\$56,341	\$59,401	\$69,024	\$75,986	\$79,110
2020	\$56,029	\$59,071	\$68,639	\$75,564	\$78,671
2021	\$55,241	\$58,238	\$67,671	\$74,498	\$77,560
2022	\$52,526	\$55,375	\$64,343	\$70,837	\$73,746
2023	\$52,499	\$55,345	\$64,312	\$70,800	\$73,709

*Deflated using Index Numbers; All groups CPI; Australia; for December

**base pay as of July 1 of reference year

***2012=100

Source: Authors' calculations based on Australian Bureau of Statistics. (2024). 6401.0 Consumer Price Index, Australia, TABLES 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes; Public Hospital Nurses' (State) Award, 1999; Public Hospital Nurses' (State) Interim Award, 2000, 2001, 2002; Public Health System Nurses' and Midwives' (State) Award, 2005, 2008, 2011, 2015, 2017, 2018, 2019, 2021, 2022, 2023.

Table C3: NSW registered nurses (RNs) real* annual base pay (2012*** dollars) for years 1, 2, 5, 7 & 8, 1999-2023, Sydney CPI as at June**

	RN Y1 real	RN Y2 real	RN Y5 real	RN Y7 real	RN Y8 real
1999	\$45,478	\$47,959	\$55,707	\$61,340	\$63,867
2000	\$44,947	\$47,402	\$55,058	\$60,627	\$63,119
2001	\$43,112	\$45,464	\$52,808	\$58,150	\$60,541
2002	\$43,203	\$45,558	\$52,920	\$58,272	\$60,667
2003	\$48,807	\$51,469	\$59,790	\$65,834	\$68,548
2004	\$47,725	\$50,328	\$58,465	\$64,374	\$67,028
2005	\$51,141	\$53,933	\$62,657	\$68,991	\$71,827
2006	\$51,219	\$54,012	\$62,751	\$69,094	\$71,934
2007	\$52,362	\$55,213	\$64,151	\$70,629	\$73,534
2008	\$52,148	\$54,990	\$63,888	\$70,345	\$73,238
2009	\$53,484	\$56,397	\$65,524	\$72,145	\$75,109
2010	\$54,003	\$56,943	\$66,159	\$72,839	\$75,834
2011	\$53,602	\$56,520	\$65,670	\$72,300	\$75,276
2012	\$54,234	\$57,182	\$66,444	\$73,149	\$76,160
2013	\$54,067	\$57,007	\$66,238	\$72,921	\$75,923
2014	\$53,780	\$56,704	\$65,891	\$72,534	\$75,523
2015	\$53,955	\$56,890	\$66,104	\$72,771	\$75,768
2016	\$54,800	\$57,780	\$67,135	\$73,909	\$76,951
2017	\$54,965	\$57,951	\$67,336	\$74,129	\$77,181
2018	\$55,204	\$58,204	\$67,629	\$74,450	\$77,514
2019	\$55,657	\$58,678	\$68,185	\$75,062	\$78,148
2020	\$56,408	\$59,471	\$69,104	\$76,076	\$79,203
2021	\$55,294	\$58,294	\$67,736	\$74,570	\$77,636
2022	\$53,853	\$56,774	\$65,969	\$72,627	\$75,609
2023	\$52,538	\$55,386	\$64,360	\$70,852	\$73,763

*Deflated using Index Numbers; All groups CPI; Sydney; for June

**base pay as of July 1 of reference year

***2012=100

Source: Authors' calculations based on Australian Bureau of Statistics. (2024). 6401.0 Consumer Price Index, Australia, TABLES 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes; Public Hospital Nurses' (State) Award, 1999; Public Hospital Nurses' (State) Interim Award, 2000, 2001, 2002; Public Health System Nurses' and Midwives' (State) Award, 2005, 2008, 2011, 2015, 2017, 2018, 2019, 2021, 2022, 2023.

Table C4: NSW registered nurses (RNs) real* annual base pay (2012*** dollars) for years 1, 2, 5, 7 & 8, 1999-2023, Sydney CPI as at December**

	RN Y1 real	RN Y2 real	RN Y5 real	RN Y7 real	RN Y8 real
1999	\$45,628	\$48,118	\$55,891	\$61,543	\$64,078
2000	\$43,954	\$46,355	\$53,842	\$59,288	\$61,725
2001	\$43,367	\$45,732	\$53,120	\$58,493	\$60,899
2002	\$43,472	\$45,842	\$53,249	\$58,635	\$61,045
2003	\$49,186	\$51,868	\$60,254	\$66,344	\$69,079
2004	\$47,931	\$50,545	\$58,716	\$64,652	\$67,317
2005	\$51,378	\$54,183	\$62,947	\$69,310	\$72,160
2006	\$51,777	\$54,600	\$63,434	\$69,846	\$72,718
2007	\$52,582	\$55,445	\$64,420	\$70,926	\$73,843
2008	\$52,680	\$55,551	\$64,540	\$71,062	\$73,985
2009	\$53,576	\$56,495	\$65,638	\$72,270	\$75,239
2010	\$54,345	\$57,304	\$66,578	\$73,301	\$76,315
2011	\$54,234	\$57,187	\$66,445	\$73,153	\$76,163
2012	\$54,234	\$57,182	\$66,444	\$73,149	\$76,160
2013	\$54,040	\$56,978	\$66,205	\$72,884	\$75,884
2014	\$54,333	\$57,287	\$66,569	\$73,281	\$76,300
2015	\$54,619	\$57,590	\$66,917	\$73,666	\$76,701
2016	\$54,976	\$57,966	\$67,351	\$74,148	\$77,199
2017	\$55,160	\$58,156	\$67,574	\$74,391	\$77,454
2018	\$55,608	\$58,629	\$68,123	\$74,994	\$78,080
2019	\$56,073	\$59,117	\$68,695	\$75,623	\$78,733
2020	\$55,812	\$58,843	\$68,375	\$75,273	\$78,367
2021	\$55,266	\$58,265	\$67,702	\$74,533	\$77,597
2022	\$52,640	\$55,495	\$64,483	\$70,991	\$73,906
2023	\$52,538	\$55,386	\$64,360	\$70,852	\$73,763

*Deflated using Index Numbers; All groups CPI; Sydney; for December

**base pay as of July 1 of reference year

***2012=100

Source: Authors' calculations based on Australian Bureau of Statistics. (2024). 6401.0 Consumer Price Index, Australia, TABLES 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes; Public Hospital Nurses' (State) Award, 1999; Public Hospital Nurses' (State) Interim Award, 2000, 2001, 2002; Public Health System Nurses' and Midwives' (State) Award, 2005, 2008, 2011, 2015, 2017, 2018, 2019, 2021, 2022, 2023.

Appendix D – Teachers’ pay relative to the average paid to all professionals, Australia (Teacher data is a good proxy for trends over time relevant to the pay of nurses and midwives relative to the average pay for all professionals)

Figure Appendix D 1: Average teacher salaries as a percentage of all professionals, 1986 to 2021

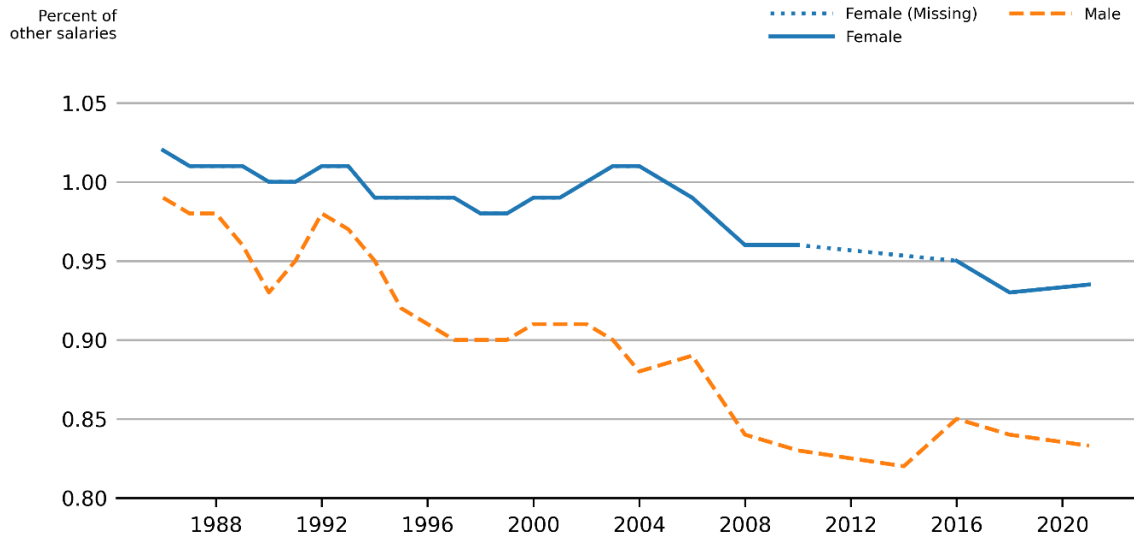


Figure taken from Buchanan et al 2023: 7.

Sources: ABS 2018, ABS 2022, Goss and Sonnemann 2019, Leigh 2012.

Explanation:

This figure builds on work undertaken by Goss and Sonnemann (2019) based on ABS (2018) and Leigh (2012). Salaries measured as the average weekly cash earnings of full-time non-managerial adult employees. In 2006 the ABS started including salary sacrifice income and changed the definition of 'professional'. For years 2010-2018 aggregate incomes for all professionals were not available, and so they were calculated using the weighted average of all professional occupations. The weights were derived from the number of full-time workers in each occupation and gender category in the 2016 Census. Figures for 2021 taken from ABS (2022).

Population: Full time, non-managerial employees paid the adult rate, average weekly total cash earnings, occupation by sex.

Appendix E – Estimating changes in real wages – the approach followed in this report.

An important issue for understanding wages and formulating wages policy is taking account of the rising cost of living. A number of important considerations need to be kept in mind when assessing how this cost has changed and is likely to change over time.

CPI is not the only measure of changing living costs. As with many areas of economic statistics we have to rely on data that are best regarded as indicative and not definitive. On cost of living the indicator most commonly used is the Consumer Price Index (CPI). As noted in Figure 6 of the report, however, this leaves out important costs such as those associated with housing for people like owner occupiers. In March 2023 for example, the Living Cost Index (LCI) (which takes this into account) was 9.6% nearly two percentage points higher than the recent peak of CPI growth which occurred in December 2022. In the current situation when we rely on the CPI we under-estimate cost of living changes for a large segment of the population.

Complexities also arise from which CPI figure to use.

The issue of reference period. Estimating change over time requires picking a reference point for comparative purposes. For example, as inflation is falling choosing a financial basis for comparison (i.e. end of June of the relevant year) will generate a higher estimate than if the reference point is change over a calendar year (when the reference point is December of the same year).

The issue of geographic region. Like nearly all economic variables the precise value of inflation is not uniform across Australia. To help get insight into this the ABS releases capital city as well as Australia-wide CPI numbers. While the disaggregated numbers usually move in the same general direction, the precise scale of change differs – and not necessarily consistently between cities.

An important number in this report is the figure used to summarise that element of the claim concerned with restoring real wages for the reduction in them that have arisen from the recent post-Covid inflationary surge (i.e. 10% in Table 6). This figure has not been arbitrarily determined and, if anything, under-estimates the decline in real wages. The data from which it has been derived are summarised in the table below.

Table AE 1: Estimating changes in NSW nurses and midwives real pay 2020-2024 (2012 dollars), RN 1

Year	CPI, Australia		CPI, Sydney	
	June	December	June	December
	NSW RN real pay (annual 2012 \$)			
2020	56,500	56,029	56,408	55,812
2023	52,603	52,499	52,538	52,538
Difference (\$)	3,897	3,539	3,870	3,274
%	6.9%	6.3%	6.9%	5.9%
2024 RBA forecast				
- actual	3.8%	3.8%		
- derived			3.8%	3.5%
	10.7%	10.1	10.7	9.4

Sources: Real pay data comes from nominal wages in Appendix C adjusted using the national and Sydney CPI. Estimates for the latest period taken from RBA, 2024b:6 – with Sydney component generated from using the Australia: Sydney CPI ratio in 2023.

As can be seen, the 10% figure identified for restoring real wages has been derived from a combination of ABS estimates for Sydney, combined with the latest RBA estimates for inflation this financial year.

When interpreting the 10% figure it is important to note the following:

- This number is built off the CPI and not LCI and therefore is approximately 2% less than what the LCI would support
- This number is lower than if national level estimates of CPI alone had been used (ie above 10%).

No doubt there will be debate on how best to estimate the level by which real wages have fallen in recent times. It is important to keep two simple realities in mind:

- No measure is perfect – we have to rely on indicators all of which have their strengths and weaknesses.
- No matter which way you look at it, real wages for Australian employees in general and NSW nurses and midwives in particular have fallen dramatically since 2020 – in the range 10%, but most likely more.

Appendix F – Selected NSW Crown employees wage increases for top automatic increment (annual percentage), 2012-2023

Year	Nurses & Midwives	Fire Fighter	Paramedic	Physiotherapist	Police Officer	Teacher
2012	2.50%	2.50%	3.90%	2.50%	3.20%	2.50%
2013	2.27%	2.50%	3.70%	2.27%	3.20%	2.50%
2014	2.27%	3.32%	2.27%	2.27%	2.27%	2.27%
2015	2.50%	2.50%	2.50%	2.50%	2.50%	2.27%
2016	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
2017	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
2018	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
2019	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
2020	0.30%	2.50%	0.30%	0.30%	1.75%	2.50%
2021	2.04%	0.30%	2.04%	2.04%	2.04%	2.28%
2022	2.53%	2.04%	2.53%	2.53%	2.53%	2.30%
2023	4.00%		4.00%	3.58%	2.00%	10.75%

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