

STATE SERVICES COMMISSION
Te Komihana O Ngā Tari Kāwanatanga



PUBLIC SERVICE WORKFORCE DATA

HUMAN RESOURCE CAPABILITY SURVEY

2017

[New Zealand Government](#)

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This report is a condensed version of the web-based interactive ‘Public Service Workforce Data’. For the full report please go to <http://ssc.govt.nz/public-service-workforce-data>.

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1 Workforce

Workforce size

What is the public sector?

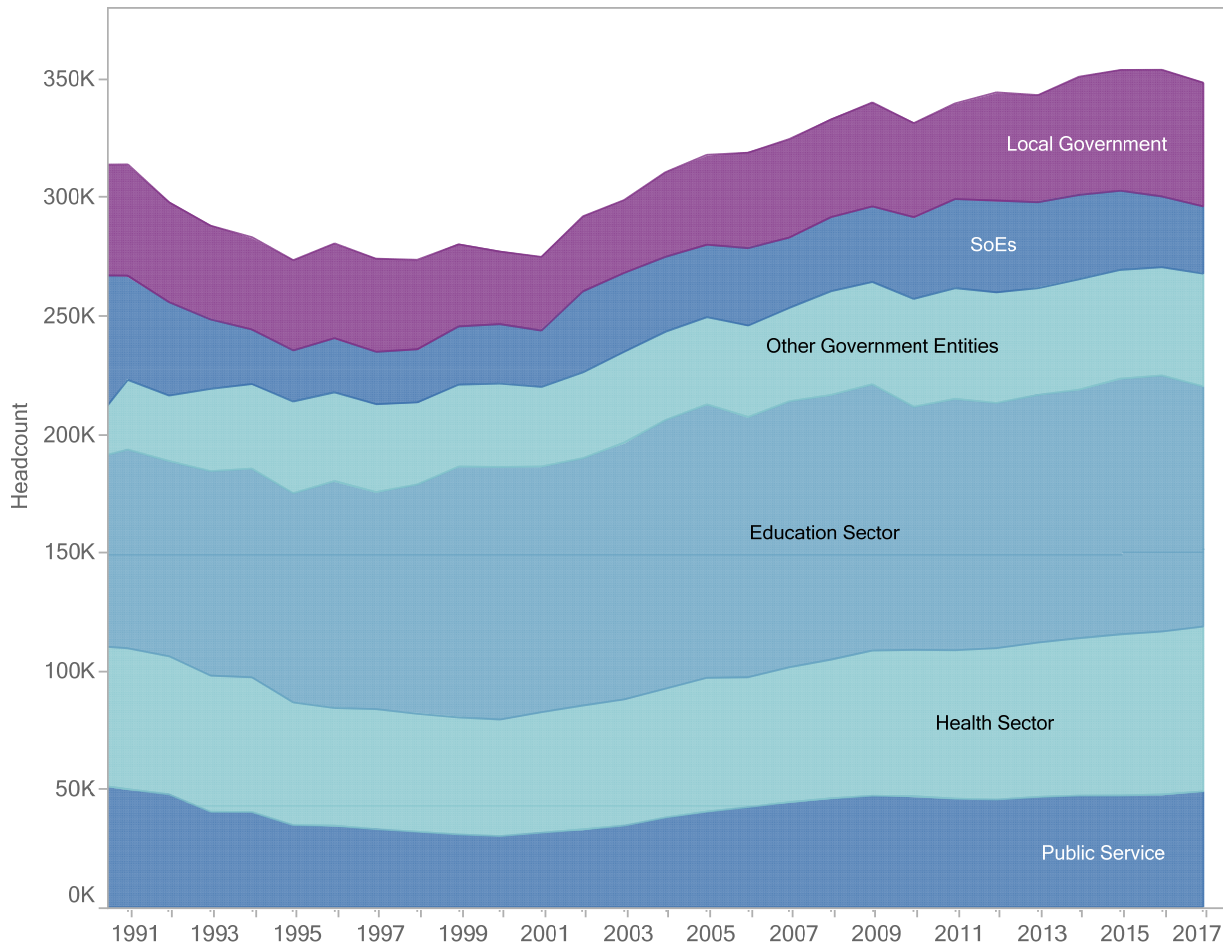
The New Zealand public sector in June 2017 consists of 2,900 agencies, separated into central government (known as the State sector) and local government. The central government includes a wide range of agencies – 29 Public Service departments, 6 non-Public Service departments, 3 Offices of Parliament, the Reserve Bank of New Zealand, 20 District Health Boards, 27 tertiary education institutions, 2,416 school boards of trustees, 70 other Crown entities and around 150 Crown entity subsidiaries, 56 organisations under the Public Finance Act, and 16 state-owned enterprises and mixed ownership companies. The local government includes 67 Territorial Local Authorities and 16 Regional Councils.^[1]

The New Zealand public sector employed around 348,000 people (known as public servants) as at 30 June 2017, about 13.8% of the country's total workforce. The State sector employed around 295,800 people and local government had around 52,200 employees. Over the period from 2013 to 2017 the public sector workforce is estimated to have grown by 1.5%. Over the same period, employment across the overall New Zealand employed workforce increased by 14.9% (as measured by Statistics NZ's Household Labour Force Survey).



Source: SSC - HRC Survey

Public sector workforce



Source: SSC - HRC Survey

The Public Service in the context of the State sector

The New Zealand Public Service employed 48,900 people as at 30 June 2017, representing around 16.5% of the State sector and 1.9% of the New Zealand workforce. The education sector has the largest share of the State sector (34%), followed by the health sector (24%), State-owned enterprises (10%), with the New Zealand Police, the New Zealand Defence Force and other government entities making up the remaining 16%.

Over the period 2013-2017 the Public Service workforce grew by 5%, the health workforce grew by 7% and the local government workforce grew by 15%. The education and State-owned enterprise workforces are estimated to have fallen 3% and 22% respectively over the same period.

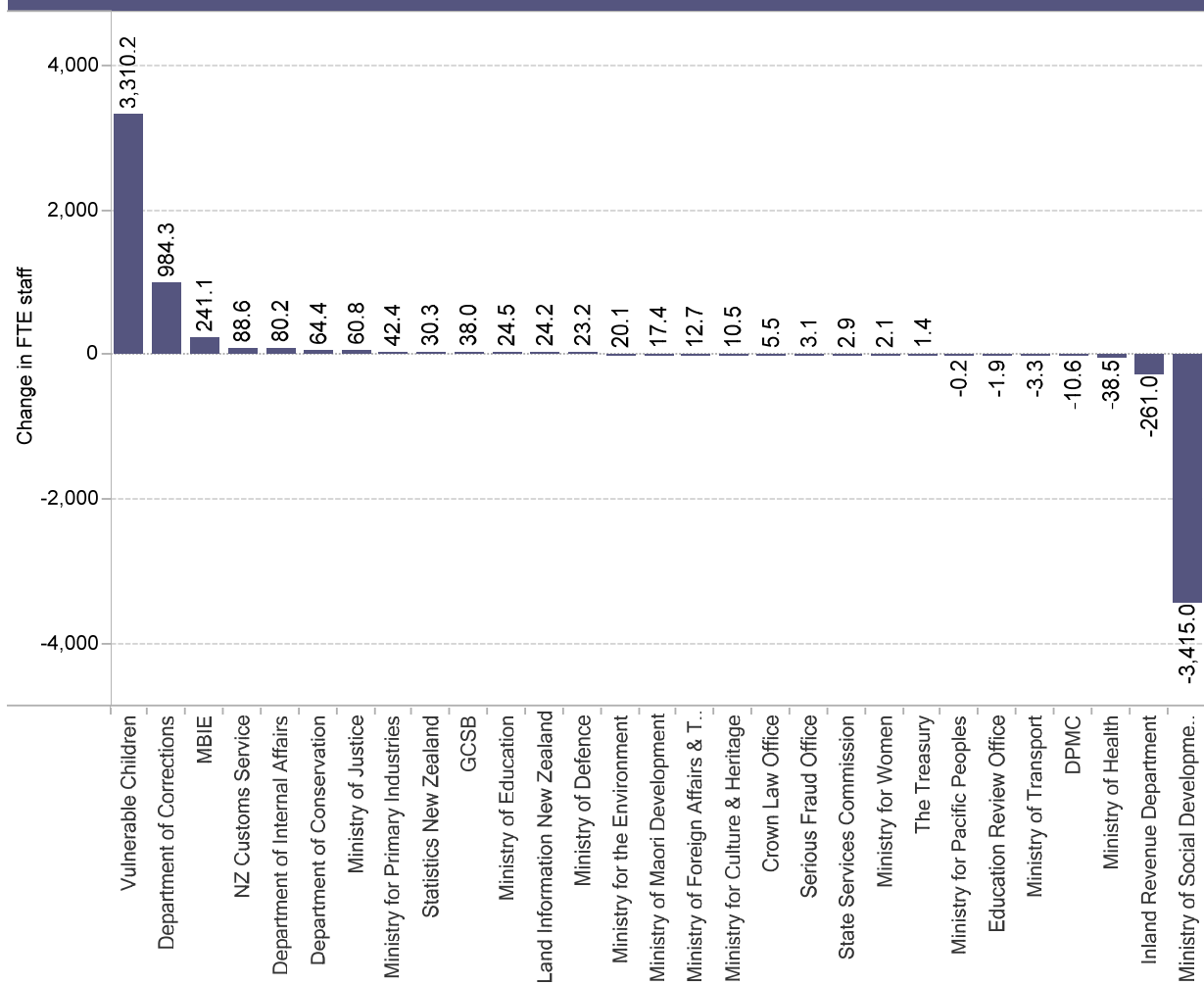
In the year to 30 June 2017, the *number of full time equivalent (FTE) employees* in the Public Service increased by 1,357 (3%) to 47,252. The size of the Public Service workforce is influenced by functions moving into, or out of, the Public Service as well as changes within agencies. There are differences in how these numbers are calculated compared to those for Core Government Administration - Capping.

Public Service workforce composition

Change in staff numbers by department

As at 30 June 2017, 22 Public Service agencies increased their FTE employees while seven agencies reported a decrease. The biggest changes in FTE was driven by the creation of the Ministry for Vulnerable Children (with over 3,000 staff transferring from the Ministry of Social Development), and the return of the operation at Mount Eden Prison to the Department of Corrections from a private provider (Serco). These changes have meant that the Department of Corrections is now the largest Public Service department.

Changes in department FTE staff numbers between 2016 and 2017



Source: SSC - HRC Survey

Employees & proportion on permanent and fixed-term agreements

	2013	2014	2015	2016	2017
Permanent employees	42,661	43,181	43,837	44,000	45,213
Fixed-term employees	3,885	3,939	3,322	3,570	3,658
Total Employees (Headcount)	46,546	47,120	47,159	47,570	48,871
Proportion of current employees on fixed term agreements	8.3%	8.4%	7.0%	7.5%	7.5%
Total Employees (Full Time Equivalent)	44,500	45,280	45,348	45,895	47,252

Source: SSC - HRC Survey

Employment type (fixed-term)

The table above shows the number of employees on fixed-term employment agreements at the end of each of the last five years. As at 30 June 2017, fixed-term employees comprised 7.5% of the Public Service workforce, 227 less than in 2013.

Occupation

Public Service staff are employed in a wide range of activities including policy advice and customer services for social welfare, health, education, employment, market regulation, economic growth, security, taxation, administration of the law, transport infrastructure, immigration, citizenship, public records, natural resources management and much more. Their work spreads across 248 different occupations that are aggregated into ten broad occupation groups as shown in the following table. The two largest groups of FTEs are 'Inspectors and Regulatory Officers' and 'Social, Health and Education Workers' that account for more than 40% of the Public Service workforce.

Over the period 2013-2017, there was a large increase in Information Professionals (up 1,481 FTEs or 37.4%). This increase reflects reclassification of occupations in two agencies (Ministry of Business, Innovation and Employment and Ministry of Social Development). The next largest increase (16.9%) over this period was in the Other Professionals group, which is also due to a reclassification of occupations, this time at the Ministry for Primary Industries. Another increase was in the Inspectors and Regulatory Officers group (up 988 FTEs or 10.4%), largely driven by the increase in Corrections Officers from the return of the operation at Mount Eden Prison to the Department of Corrections. The Clerical and Administrative Workers group continued to decline, down 10% over the same period. Their share of the Public Service workforce declined from 18.3% in 2007 to 8.4% in 2017. This probably reflects the wider impact of improving technology and information systems on the demand for clerical work.

Public Service department occupational profile trend table

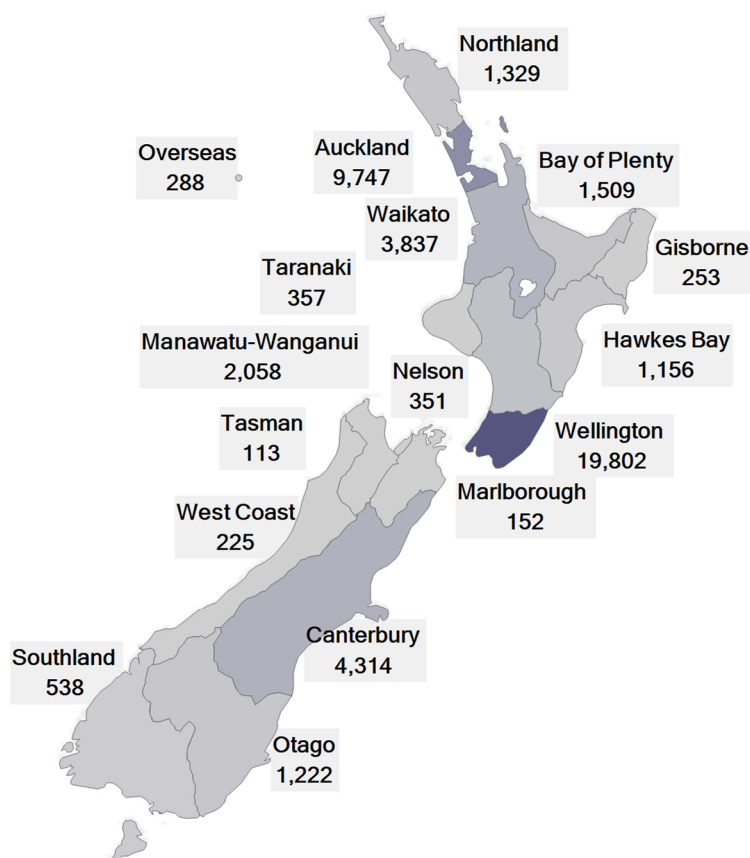
	2013	2014	2015	2016	2017
Managers	5,120	5,281	5,290	5,352	5,333
Policy Analysts	2,760	2,514	2,535	2,501	2,633
Information Professionals	3,956	4,327	5,230	5,169	5,437
Social, Health and Education Workers	8,330	8,502	8,399	8,530	8,568
ICT Professionals and Technicians	1,794	1,807	1,737	1,754	1,772
Legal, HR and Finance Professionals	2,202	2,111	2,077	2,154	2,190
Other Professionals not elsewhere included	1,938	2,282	2,256	2,291	2,265
Inspectors and Regulatory Officers	9,480	9,688	9,456	9,511	10,468
Contact Centre Workers	4,152	4,215	4,068	4,327	4,240
Clerical and Administrative Workers	4,395	4,193	3,973	3,954	3,946
Other Occupations	373	361	327	350	399
Total	44,500	45,280	45,348	45,895	47,252

Source: SSC - HRC Survey

Region

The Wellington region, as the capital, had the largest proportion of the Public Service workforce, with 41.9%. This was followed by Auckland (20.6%), Canterbury (9.1%) and Waikato (8.1%). These four regions accounted for 79.8% of the Public Service workforce. Public Service employees' regional distribution has been relatively stable in recent years.

Regional staff (FTEs) in the Public Service, 30 June 2017



Northland	2.81%
Auckland	20.63%
Waikato	8.12%
Bay of Plenty	3.19%
Gisborne	0.54%
Hawkes Bay	2.45%
Taranaki	0.76%
Manawatu-Wanganui	4.36%
Wellington	41.91%
Tasman	0.24%
Nelson	0.74%
Marlborough	0.32%
West Coast	0.48%
Canterbury	9.13%
Otago	2.59%
Southland	1.14%
Overseas	0.61%

Source: SSC - HRC Survey

Notes:

[1] For further information on State sector organisations please refer to the following link on the SSC website: http://www.ssc.govt.nz/state_sector_organisations

2 Remuneration

Remuneration is a key element of the employment relationship between employers and employees. Employers set remuneration levels to attract and retain the people they need, while staying within their financial means. In the State sector, annual remuneration adjustments are made through a combination of collective bargaining and internal organisational remuneration processes. These are influenced by Government's expectations for pay and conditions in the State sector, the organisation's delivery needs, wider labour market conditions and the department's budget.

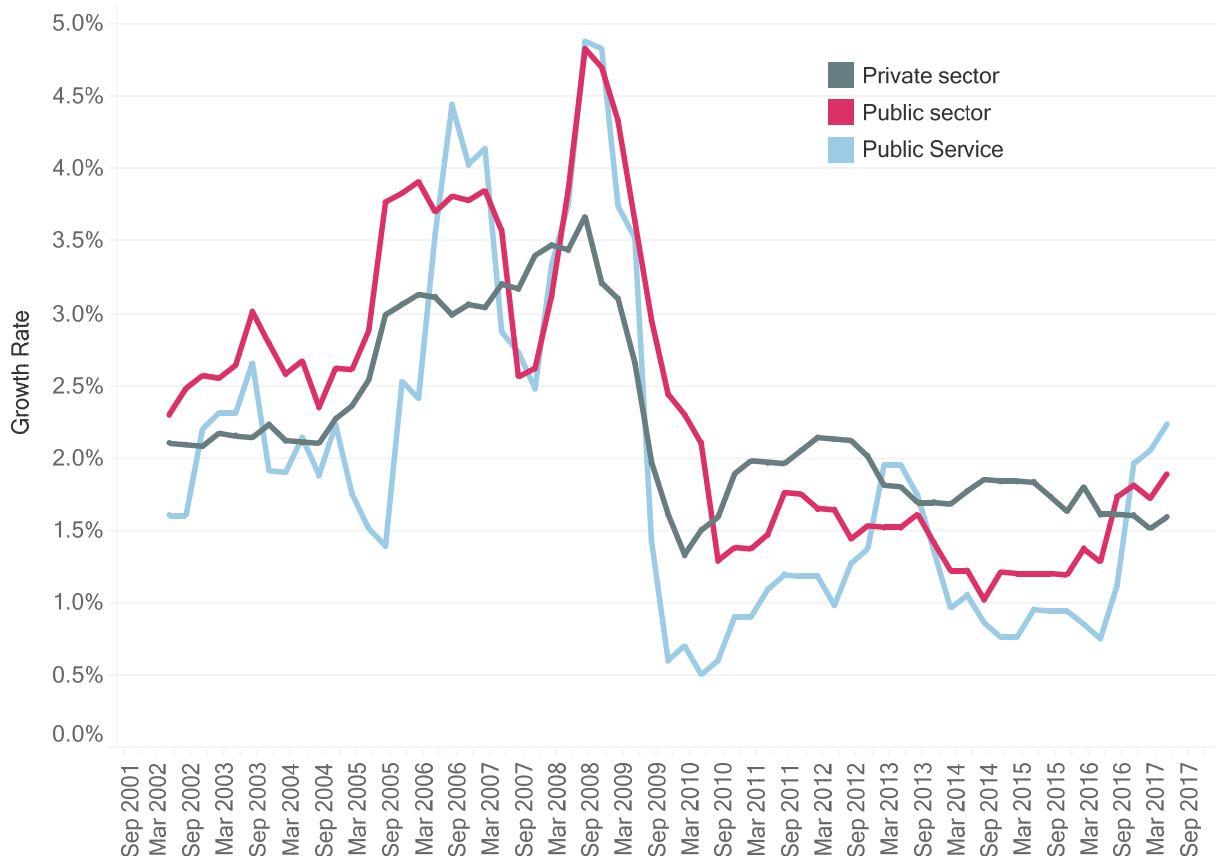
Wage trends

Wage movements sector comparison

Wage movements across the economy have been slower since the global financial crisis in 2008/09, as indicated by movements in the Labour Cost Index (LCI)^[1] produced by Statistics New Zealand (refer to chart: Annual wage growth rates by sector below). Public sector annual wage movements tracked below the private sector over the six-year period, Sep-2010 to Jun-2016. Since then the trend has reversed and the June 2017 quarter was the fourth consecutive quarter where annual wage growth in the public sector has exceeded the private sector. Across the Public Service (core government departments) wage growth has been lower still since September 2009; apart from a brief rebound in 2013 this trend continued to September 2016; and in the next three quarters to June 2017 Public Service wage growth had exceeded the private sector.

Annual wage growth rates by Sector

Annual Wage Growth Rates by Sector



Source: Statistics New Zealand - Labour Cost Index

In the year to 30 June 2017, the LCI measured an increase in wages and salaries of 1.6% in the private sector and 1.9% in the public sector. Within the public sector there was considerable variation in sub-sectors: the overall wage increased in the Public Service by 2.2%; in the education sector by 2.4%; in the health sector by 1.7%; and in local government by 1.7%. By comparison, general inflation as measured by the Consumer Price Index (CPI) increased by 1.7%.

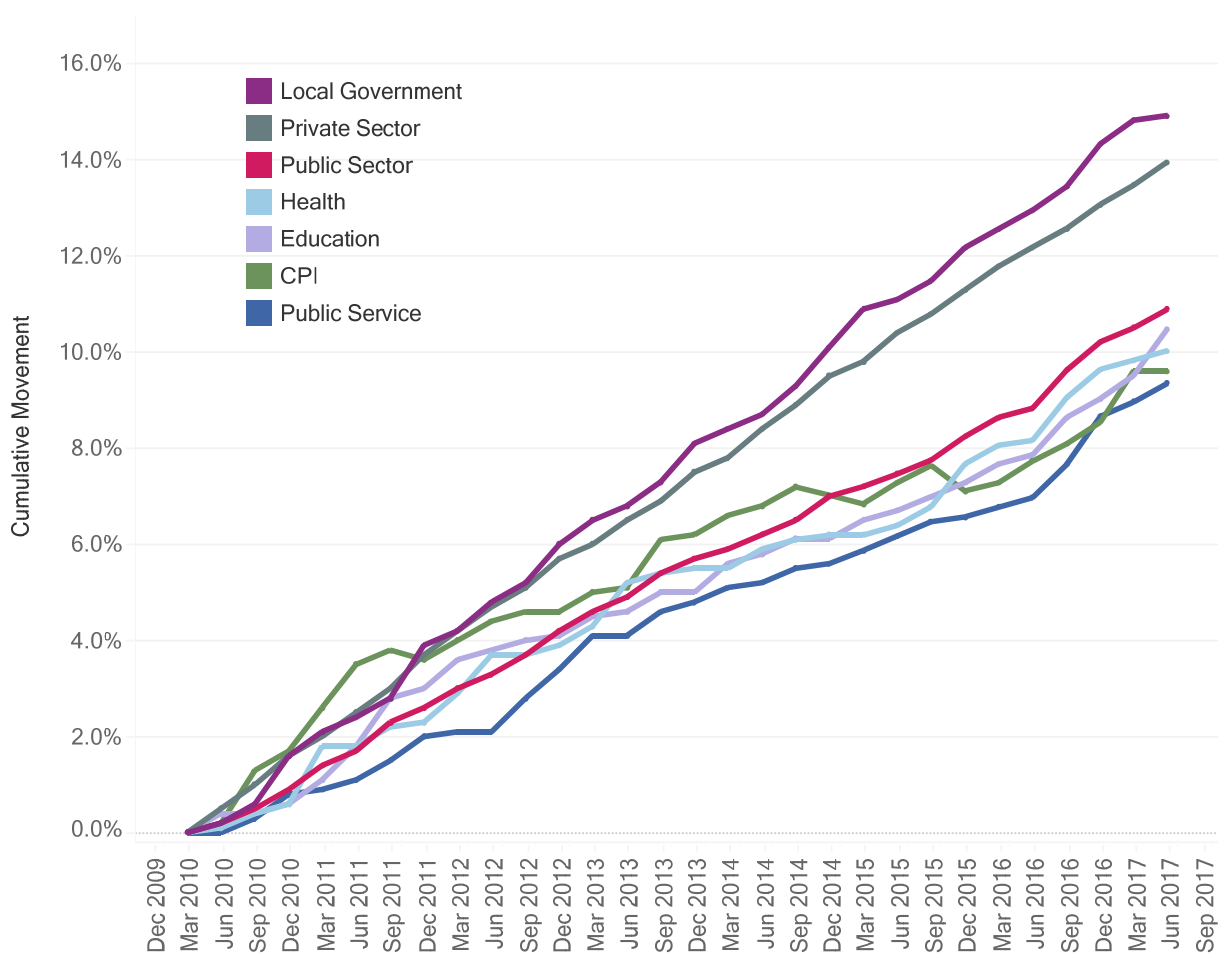
The chart on cumulative wage movements shows the LCI trend in salary and wage movements of selected sectors since March 2010, on a quarterly cumulative basis. Generally, the gap in wage increases widened between the public and private sectors. By 30 June 2017, public sector wages had increased by 10.9% over the seven-year period compared with 14.0% in the private sector. The CPI increased by 9.6% over the same period (excluding the effect of the GST increase on 1 October 2010 from 12.5% to 15%). Within the public sector over those seven years, Public Service wages increased by 9.4% compared with 10.5% in the education sector, 10.0% in the health sector and 14.9% in the local government sector.

Average annual salary in the Public Service

The HRC survey provides information on the base salaries of staff in the Public Service as at 30 June each year. In 2017, the average annual salary was \$75,416, an increase of 2.3% from the previous year. This movement is different to the LCI measures discussed in the previous section, as the HRC salary movement is affected by changes in the occupational composition of the workforce, movement in staff pay, service increments, merit promotions, performance-related increases, and salary differences between new and departing staff.

The trend since 2000 is shown in the chart on “Average salaries in the Public Service”. Since the global financial crisis in 2008/09 Public Service annual salary growth rate has averaged around 2.3%, about half the average growth rate in the previous nine years.

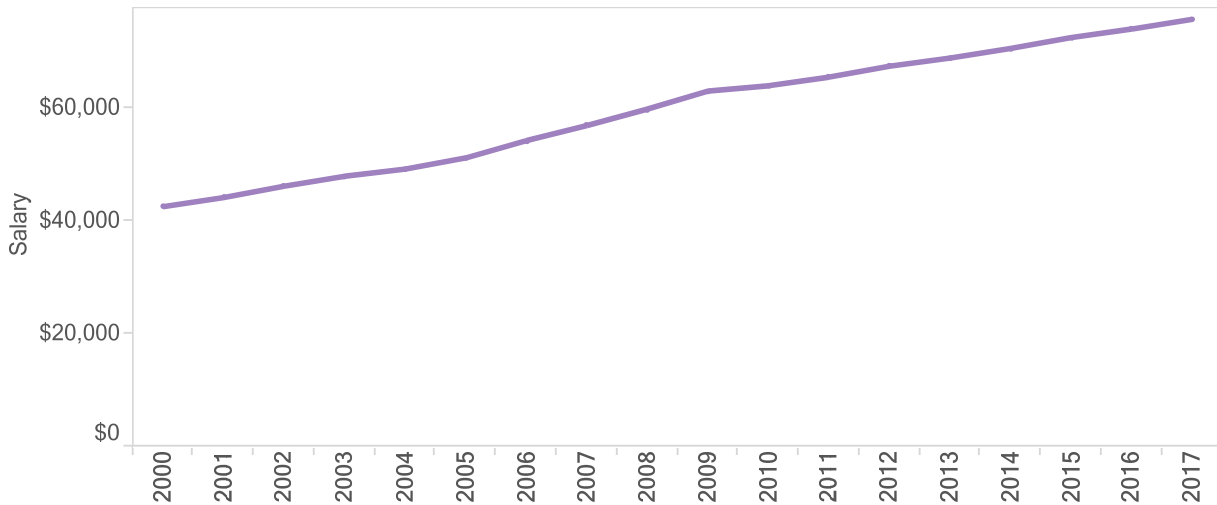
Cumulative sector wage and CPI movements since March 2010



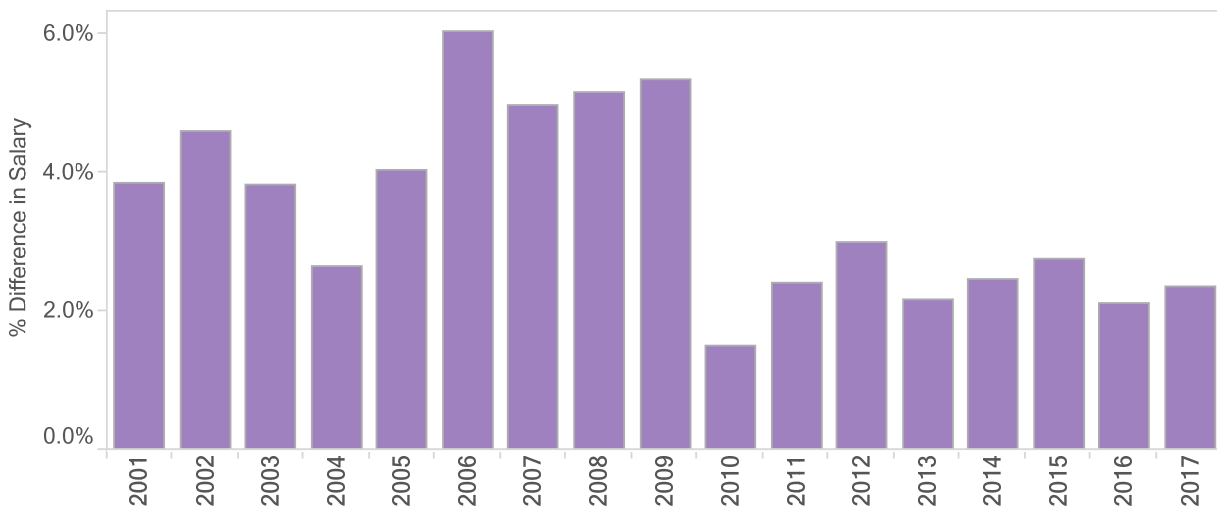
Source: Statistics New Zealand - Labour Cost Index

Average salaries in the Public Service

Average annual salary



Average annual salary change (%)



Source: SSC - HRC Survey

Median salary in the Public Service

Median salaries measure the mid-point of the salary distribution (half of the employees are below or above this salary level). It is less affected than average salaries by a small number of employees with very high salaries. The median salary for Public Service employees was \$64,343, up 2.0% from the previous year. The growth pattern is similar to that for average salaries, discussed previously.

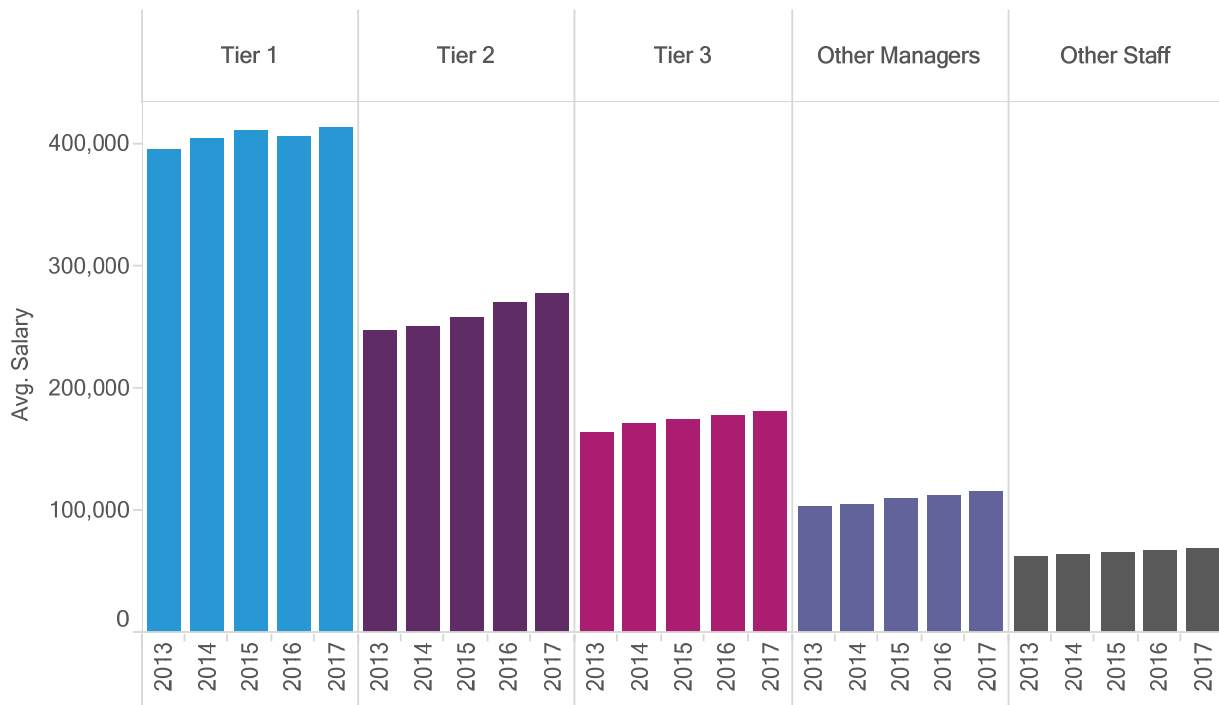
Public Service average salary by seniority

As at 30 June 2017, 11% of the Public Service workforce were management staff, comprising 27 chief executives (plus one vacancy), 998 tier 2 and 3 managers and 4,358 other managers. The remaining 89% (43,488) were employed in various occupational groups.

The average annual increase in base salary in 2017 was around 2.0% for chief executives, 3.1% for managers and 2.5% for other staff. Base salary is used for general comparison because data for individual employees' superannuation and performance pay are not collected in the HRC survey. A decrease in average salary movement recorded in 2016 for the chief executive group was due to compositional changes with departing and new chief executives. Also, chief executive salaries are generally reviewed only once in mid-term for those with a five-year employment agreement. In contrast, other employees normally have an annual review of their salary.

Public Service average salary by level of seniority

Average base salary by seniority



Annual change in average base salary by seniority (%)

Management Profile	2014	2015	2016	2017
Tier 1	2.1%	1.5%	-0.9%	2.0%
Tier 2	1.0%	3.2%	4.6%	2.7%
Tier 3	4.4%	1.7%	2.3%	1.8%
Other Managers	1.2%	4.0%	3.4%	2.1%
Other Staff	2.4%	2.9%	1.9%	2.5%

Source: SSC - HRC Survey

Average Public Service salary ratios between management and other staff

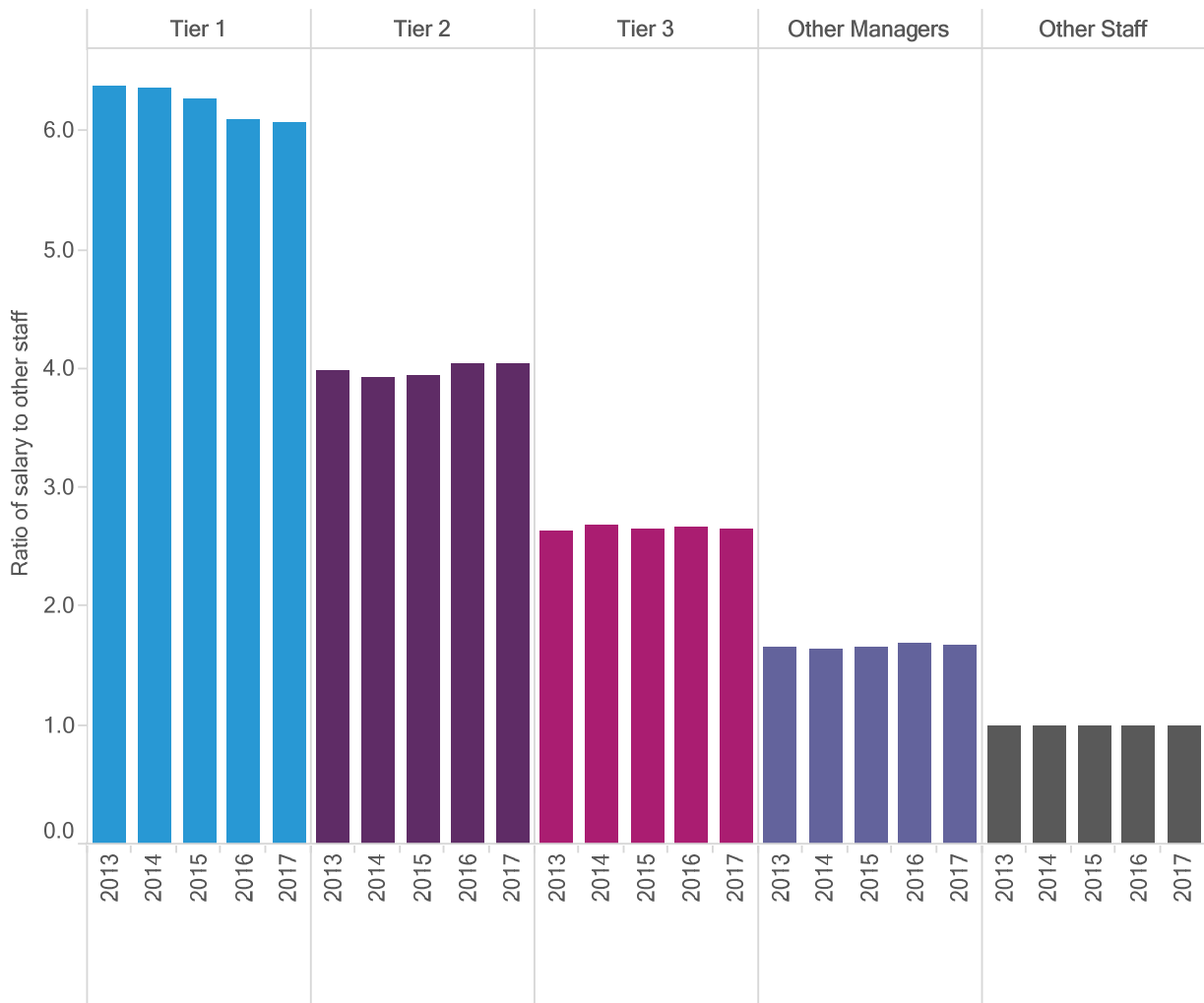
The next chart shows the ratios of average base salary for the four management levels compared to non-management staff. These ratios have been quite stable since 2013. In 2017, the average base salary of chief executives in the Public Service was 6.1 times that of non-management staff (down from 6.4 times in 2013). The ratios for other management levels were: tier-2 manager at 4.0, tier-3 manager at 2.6 and other manager at 1.7 times relative to non-management staff.

When comparing the average base salary of chief executives to the rest of the staff (including managers) the ratio was 5.5. This ratio has been relatively stable over recent years (though decreasing slightly from 5.8 in 2013).

These Public Service CE/Staff pay ratios are modest compared to the market ratios of publicly listed New Zealand firms, where CEOs are estimated to be paid 30 to 50 times more than the average wage of workers, according to the recent research on New Zealand pay ratios by Dr Helen Roberts at the Business School of Otago University.

<http://www.otago.ac.nz/business/research/department/otago119826.html>

Public Service average salary ratio of management to other staff



Source: SSC - HRC Survey

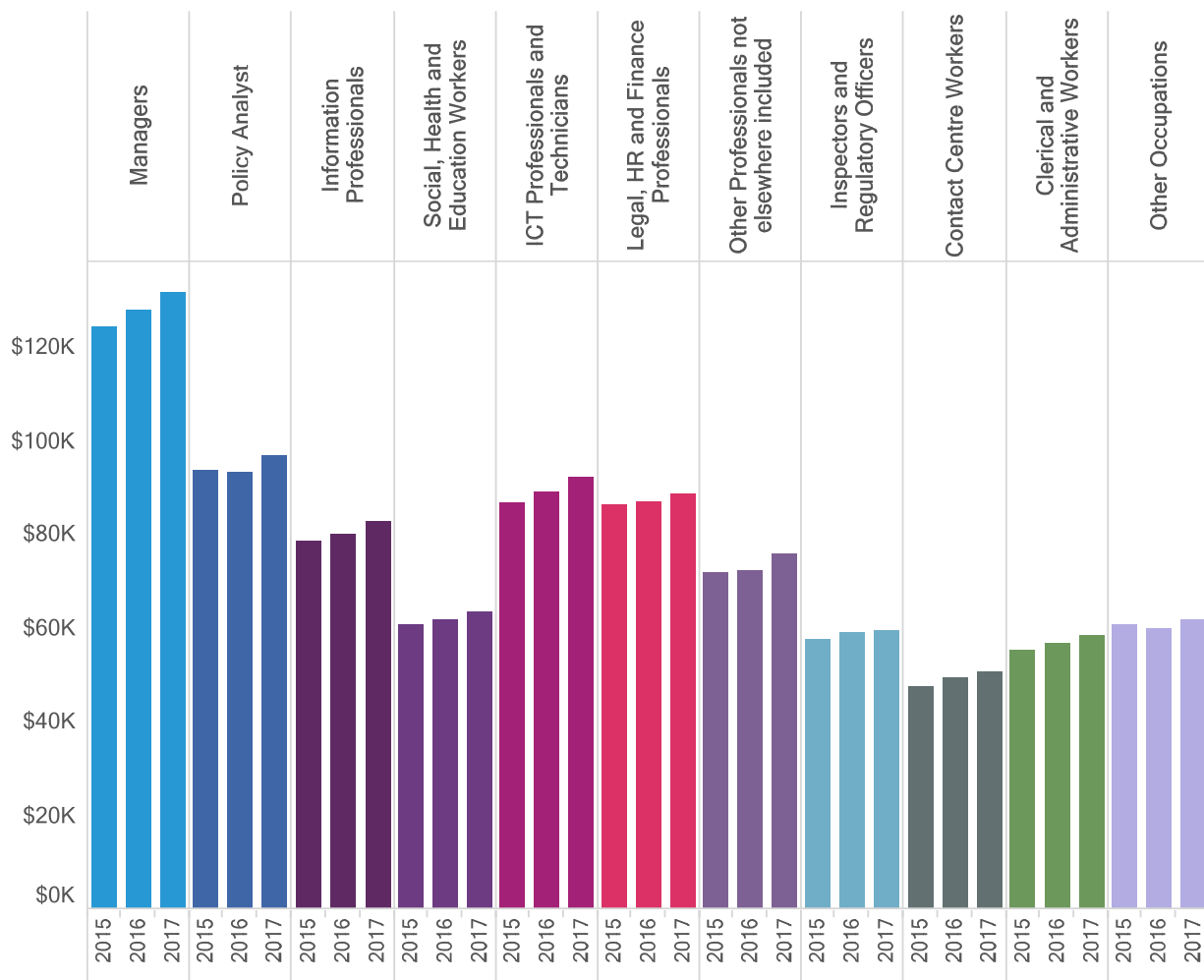
Average salary by occupation

How much an employee is paid can be influenced by the job size and responsibility of the role. Occupation type is a key factor that influences employee salaries.

Average salary varies widely between different occupations in the Public Service as shown in the chart on “average salary by occupation”. The average salary is highest for Managers, followed by Policy Analysts, ICT Professionals and Technicians, then Legal, HR and Finance Professionals. By contrast, Social, Health and Education Workers, Inspectors and Regulatory Officers, Clerical and Administrative Workers and Contact Centre Workers have the lowest average salaries.

Some of the lower and higher paid occupations are more prevalent amongst certain gender or ethnic groups. The different occupational composition within the gender and ethnic groups will have an impact on their pay gaps, which are discussed separately in the Diversity chapter.

Average salary by occupation



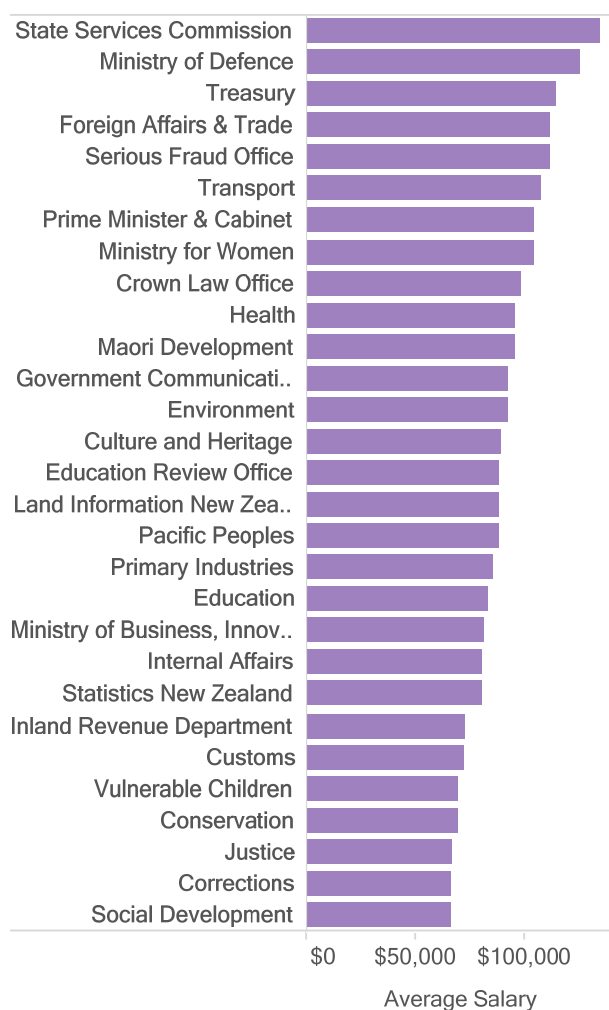
Source: SSC - HRC Survey

Average salary by Public Service department

The average salary varies widely among departments as shown in the chart. As at 30 June 2017, the average salary (excluding chief executives) ranged from \$65,701 (Ministry of Social Development) to \$134,658 (State Services Commission). Departments that have a higher proportion of staff in operational and service delivery jobs tend to have a lower average salary, e.g. Ministry of Social Development, Department of Corrections, Ministry of Justice, Department of Conservation and Ministry for Vulnerable Children. In contrast, agencies that have a larger proportion of staff in policy roles tend to have a higher average salary (e.g. State Services Commission, Ministry of Defence, The Treasury, Ministry of Transport and Department of the Prime Minister and Cabinet).

Average salary by department

Average salary by department, 2017



Source: SSC - HRC Survey

Average salary by department, 2013-2017

	2013	2017
State Services Commission	\$109,635	\$134,658
Ministry of Defence	\$107,528	\$124,912
Treasury	\$107,225	\$114,412
Foreign Affairs & Trade	\$98,117	\$111,531
Serious Fraud Office	\$100,353	\$111,489
Transport	\$96,083	\$107,940
Prime Minister & Cabinet	\$90,945	\$104,281
Ministry for Women	\$104,586	\$104,103
Crown Law Office	\$104,135	\$98,477
Health	\$86,282	\$95,769
Maori Development	\$81,809	\$95,665
Government Communications..	\$78,432	\$92,683
Environment	\$86,637	\$92,406
Culture and Heritage	\$83,817	\$88,621
Education Review Office	\$84,799	\$88,243
Land Information New Zealand	\$78,936	\$88,115
Pacific Peoples	\$90,887	\$87,941
Primary Industries	\$79,228	\$85,620
Education	\$69,150	\$82,612
Ministry of Business, Innovati..	\$76,283	\$81,565
Internal Affairs	\$71,944	\$80,541
Statistics New Zealand	\$71,394	\$80,532
Inland Revenue Department	\$66,682	\$72,915
Customs	\$60,209	\$72,117
Vulnerable Children		\$69,776
Conservation	\$63,420	\$69,648
Justice	\$62,617	\$66,852
Corrections	\$60,630	\$66,021
Social Development	\$62,107	\$65,701

Employees who earned over \$100,000

In addition to the HRC survey data, SSC also conducts an annual survey of remuneration of Public Service and State sector chief executives, as well as compiling information on the number of staff earning more than \$100,000 across a number of State sector organisations.

Cabinet has agreed that remuneration paid to Public Service and State sector senior staff should be disclosed annually in one location. This provides transparency for the public around the level of remuneration received by senior State servants. The total remuneration of individual chief executives in 2017 will be published in the *Senior Pay Report* on the SSC's website later in the year.

The numbers of staff (excluding chief executives) who received \$100,000 or more in total remuneration (including base salary plus any superannuation, performance and redundancy payments) are shown in the following table ^[2]. As salaries increase each year, more and more employees are moving into the \$100,000+ income bracket.

The number in the Public Service and selected Crown entities group increased by 634 or 7.3% in the year to 30 June 2017. This increase was partly due to the impact of redundancies and structural changes within agencies. The number of employees in the tertiary education institutions group increased by 341 or 5.4% in the academic year to 31 December 2016.

Employees who received total remuneration of \$100,000 or more

Total Remuneration Band *	Public Service and selected Crown Entities		Tertiary Education Institutions	
	2015/2016 (financial year)	2016/2017 (financial year)	2015 (calendar year)	2016 (calendar year)
\$100,000 - \$109,999	2,167	2,321	1,303	1,436
\$110,000 - \$119,999	1,468	1,683	1,216	1,212
\$120,000 - \$129,999	1,139	1,219	847	900
\$130,000 - \$139,999	881	931	729	754
\$140,000 - \$149,999	677	649	506	530
\$150,000 - \$159,999	549	570	364	388
\$160,000 - \$169,999	407	415	262	285
\$170,000 - \$179,999	276	310	214	219
\$180,000 - \$189,999	215	252	166	193
\$190,000 - \$199,999	195	201	144	116
\$200,000 - \$209,999	149	139	104	122
\$210,000 - \$219,999	112	122	72	88
\$220,000 - \$229,999	103	88	63	53
\$230,000 - \$239,999	78	71	56	62
\$240,000 - \$249,999	56	73	29	33
\$250,000 - \$259,999	44	52	31	36
\$260,000 - \$269,999	39	46	32	25
\$270,000 - \$279,999	24	21	26	31
\$280,000 - \$289,999	17	22	21	28
\$290,000 - \$299,999	25	24	15	17
\$300,000 - \$309,999	18	17	13	16
\$310,000 - \$319,999	13	20	9	7
\$320,000 - \$329,999	12	24	7	5
\$330,000 - \$339,999	13	21	8	13
\$340,000 - \$349,999	13	11	2	7
\$350,000 - \$359,999	9	13	5	5
\$360,000 - \$369,999	4	10	2	5
\$370,000 - \$379,999	4	4	1	4
\$380,000 - \$389,999	2	5	3	1
\$390,000 - \$399,999	4	4	1	2
\$400,000+	13	22	9	8
Total	8,726	9,360	6,260	6,601

Source: SSC - HRC Survey

*Total remuneration received by employees include - base salary and any superannuation, performance and redundancy payments.

Workforce costs

Personnel expenditure in Crown agencies

The Treasury publishes annual *Financial Statements of the Government of New Zealand* each year. These statements include personnel expenditure, which covers total remuneration paid to employees. It includes payments such as salaries, employer contributions to superannuation, long service leave entitlements, performance and severance. Personnel expenses for core government agencies increased by 3.4% to \$6,890 million in the 2017 June year, while the total Crown personnel expenditure increased by 2.9% to \$22,599 million as shown in the table on “Personnel expenditure”.

Personnel expenditure in core Crown and total Crown, June year 2013-2017

	2013	2014	2015	2016	2017
Core Crown* personnel expenditure (\$m)	\$6,037	\$6,232	\$6,552	\$6,666	\$6,890
Annual Change (%)	2.1%	3.2%	5.1%	1.7%	3.4%
Total Crown** personnel expenditure (\$m)	\$19,935	\$20,484	\$21,124	\$21,952	\$22,599
Annual Change (%)	2.4%	2.8%	3.1%	3.9%	2.9%

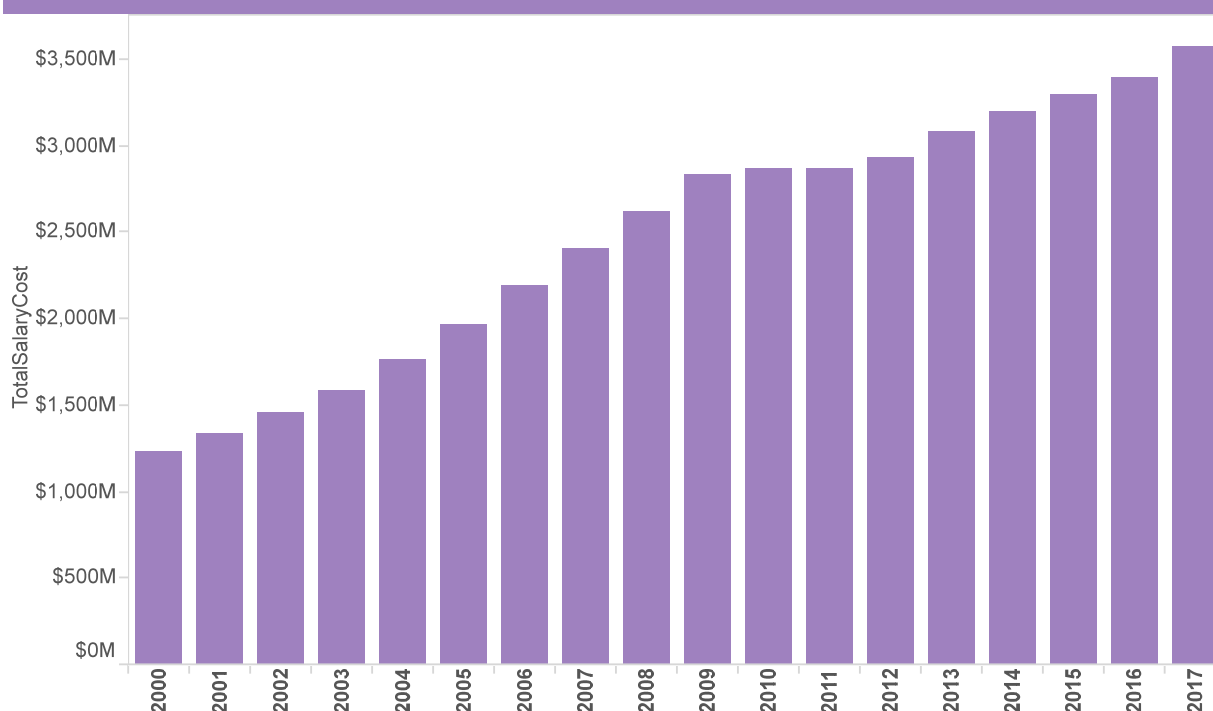
*Core Crown - includes Ministers, government departments, Offices of Parliament, the NZS Fund and the Reserve Bank of NZ.

**Total Crown - includes the core Crown plus Crown entities and State owned Enterprises.

Salary cost in the Public Service

Expenditure on base salaries is the single largest component of personnel expenditure (others include superannuation, performance payments, redundancy costs, etc.). The total salary cost shown in the chart is calculated by multiplying the number of FTE employees in the Public Service by the average annual FTE base salary. These are approximate annual base salary costs and do not represent total personnel expenditure. The total base salary cost in the Public Service increased by 5.3% (\$180 million) to \$3,578 million in 2017, up from \$3,398 million in 2016. This was driven by a 3.0% increase in FTE staff numbers and a 2.3% increase in average salary.

Total salary cost in Public Service, 2000-2017

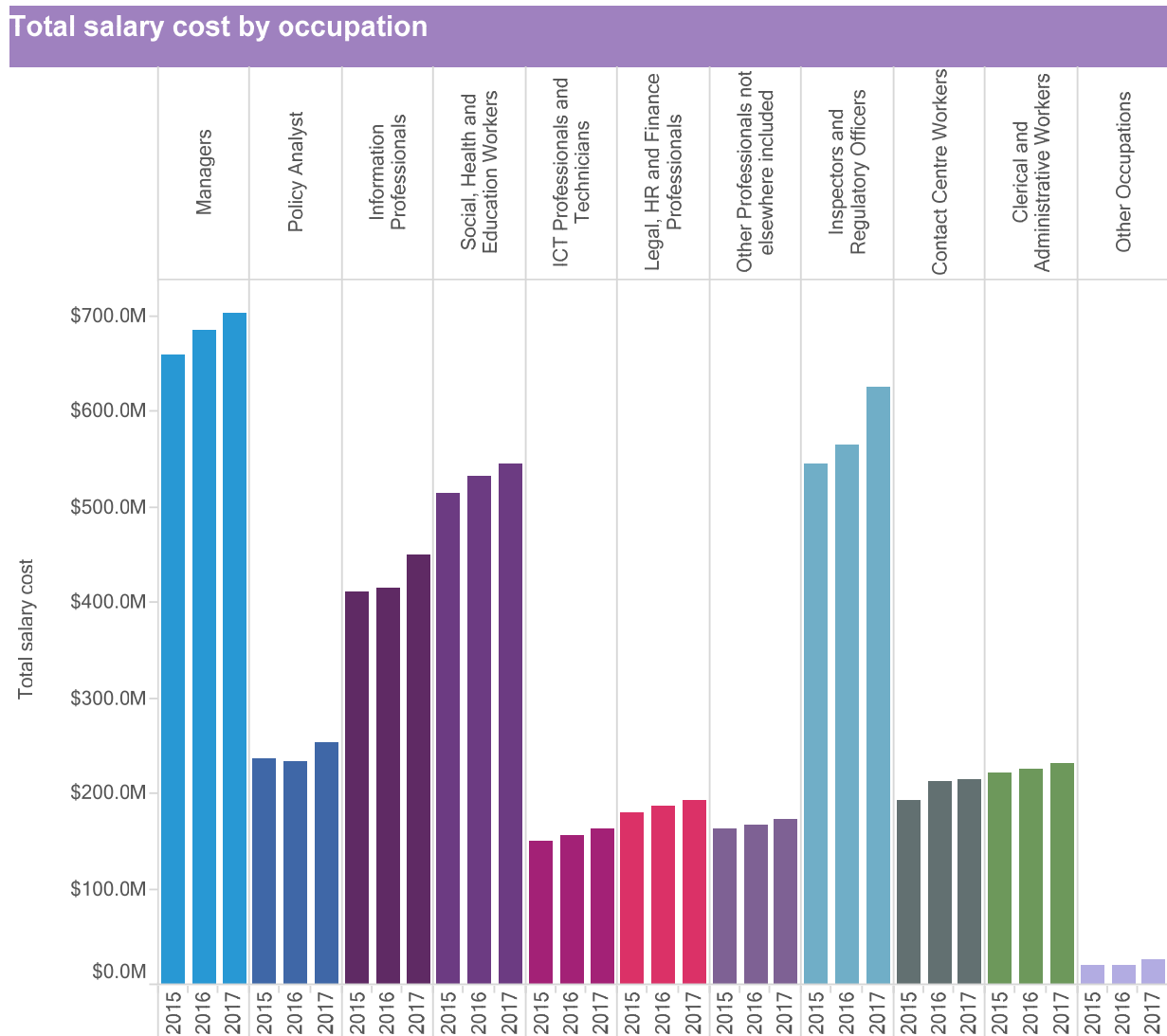


Source: SSC - HRC Survey

Salary cost by occupation

Total salary cost by occupation group is the product of the average base salary and the number of FTE staff in that group. The Manager group had the largest cost at \$703 million in the year to 30 June 2017, as shown in the chart on “Total salary cost by occupation”. The second largest cost was for the Inspectors and Regulatory Officers group at \$626 million, followed by the Social, Health and Education Workers at \$546 million. These three groups accounted for over half of Public Service employee salary costs.

The largest increase in salary cost by occupation group was for Inspectors and Regulatory Officers (up \$61m or 10.8%) which was largely due to the return of the operation at Mount Eden Prison to the Department of Corrections from a private provider (Serco). The second largest cost increase was for Informational Professionals (up \$35m or 8.5%).



Source: SSC - HRC Survey

Performance pay

Performance payments are defined as any lump sum payments made to staff, usually as a result of an annual performance assessment that exceeded expectations, or some exceptional collaborative or innovative work. In the year to 30 June 2017, a total of 1,539 people or 3.1% of the Public Service employees received a performance payment. The average value for performance payments was \$2,647, 2% lower than in 2016, as shown in the table on “Performance pay”.

Twenty-two departments (out of 29) made performance payments in 2017. Sixty percent of performance payments were given by four departments (Ministry of Business, Innovation and Employment, Ministry of Foreign Affairs and Trade, Land Information New Zealand and Department of Internal Affairs).

The large decrease in the number of performance payments in 2014 reflected a change in the remuneration system at the Ministry of Social Development.

Performance pay

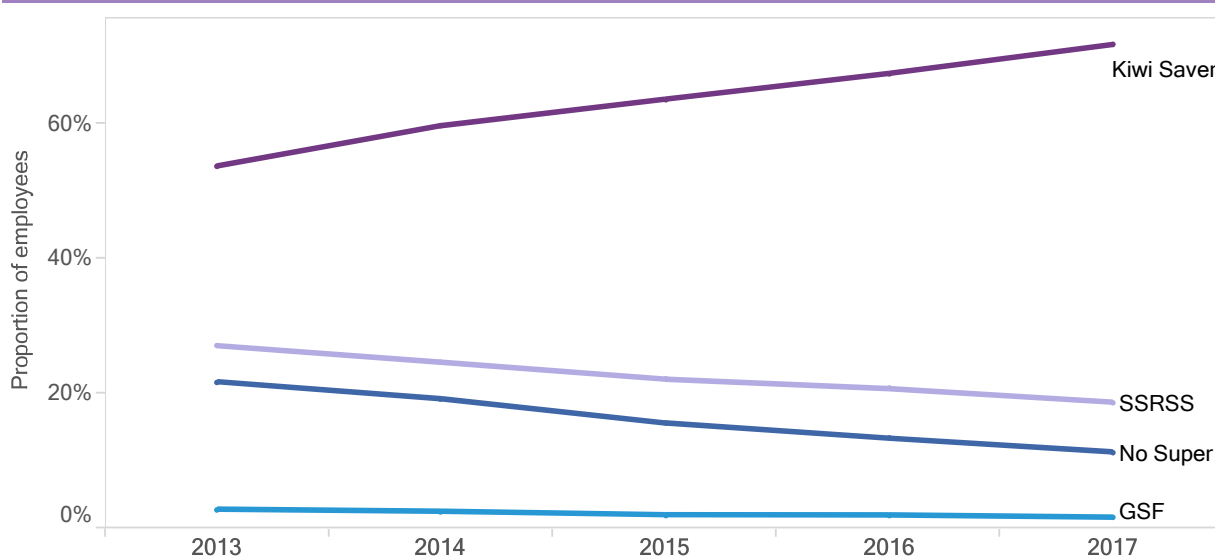
	Number of employees receiving performance pay	Percentage of employees receiving performance pay	Average value of performance payment
2013	6,092	13.1%	\$1,626
2014	1,634	3.5%	\$2,688
2015	1,308	2.8%	\$3,061
2016	1,437	3.0%	\$2,705
2017	1,539	3.1%	\$2,647

Source: SSC - HRC Survey

Superannuation

As at 30 June 2017, 88.8% of Public Service employees were members of at least one employer-subsidised superannuation scheme (up from 86.7% in 2016). The majority of staff (71.8%) belonged to KiwiSaver, with 18.6% in the State Sector Retirement Savings Scheme (SSRSS). Membership of KiwiSaver has increased steadily as new employees join the Public Service and are auto-enrolled to the scheme. SSRSS and the Government Superannuation Fund (GSF) schemes were closed to new members in 2008 and 1992 respectively and the number of employees in those schemes is decreasing gradually as members leave the Public Service. The chart on “Proportion of employees in subsidised superannuation schemes” shows the trend of Public Service participation in superannuation schemes over the last five years (2013-2017).

Proportion of employees in subsidised superannuation schemes



Source: SSC - HRC Survey

Redundancies

In the year to 30 June 2017, 395 employees in the Public Service were made redundant (up from 375 in 2016). The average redundancy payment was \$49,011 (down from \$52,223 in 2016). The total cost of redundancy decreased by 1% to \$19.4 million (from \$19.6 million in 2016). Twenty two departments reported redundancies, with 65% occurring in five departments (Ministry of Justice, Ministry of Social Development, Ministry of Education, Ministry of Business, Innovation and Employment, and Department of Internal Affairs). The table on “Redundancy numbers” shows the number of redundancies in the Public Service has generally decreased since 2012.

Redundancy

Redundancy numbers by department, 2017

Department	Number of Redundancies
Justice	115
Social Development	41
Education	40
Ministry of Business, Innov..	31
Internal Affairs	28
Inland Revenue Department	22
Health	21
Statistics New Zealand	19
Corrections	17
Conservation	10
Maori Development	10
Primary Industries	9
Customs	8
Foreign Affairs & Trade	6
Prime Minister & Cabinet	5
Land Information New Zea..	4
Government Communicati..	2
Serious Fraud Office	2
Treasury	2
Crown Law Office	1
Ministry for Women	1
Transport	1
Culture and Heritage	0
Ministry of Defence	0
Education Review Office	0
Environment	0
Pacific Peoples	0
State Services Commission	0
Vulnerable Children	0

Redundancy numbers, average payment and total cost

Year	Number Redundancies	Average Redundancy Amount	Total Redundancy Cost
2012	764	\$50,650	\$38.7M
2013	696	\$47,696	\$33.2M
2014	440	\$55,825	\$24.6M
2015	380	\$49,382	\$18.8M
2016	375	\$52,223	\$19.6M
2017	395	\$49,011	\$19.4M

Source: SSC - HRC Survey

Notes:

^[1] The LCI is an official measure of wage inflation. It measures changes in salary and wage rates that employers pay for the same job done at the same standard. The LCI does not reflect compositional change in the workforce, service increments, merit promotions and increases relating to performance.

^[2] Data covers Public Service departments (28 in 2016 and 29 in 2017), as well as seven selected Crown entities whose chief executives are under Remuneration Authority jurisdiction, including the Audit Office, New Zealand Secret Intelligence Service, Office of the Clerk, Office of the Ombudsmen, Parliamentary Service, Parliamentary Counsel Office and Parliamentary Commissioner for the Environment. Data also covers tertiary education institutions (29 in 2015 and 28 in 2016).

3 Workplace

Workplace flexibility

The Ministry of Business, Innovation and Employment describes flexible work as “*the opportunity for people to make changes to: the hours they work, the times and days they work, and where they work*”. Workplace flexibility also affects how careers are organised, how transitions in and out of work are managed, and how work is managed in the workplace for the benefit of both employees and businesses. Examples of workplace flexibility include: working part-time; having school holidays off; job-sharing; flexi-time; compressed hours; annual hours; working from home; career breaks and commissioned outcomes.

Workplace flexibility is increasingly sought after by employees to pursue greater work-life balance and different career models ^[1]. Organisations that have encouraged workplace flexibility are typically high-performing with a stronger ability to attract and retain staff. Engagement amongst staff who take advantage of workplace flexibility is typically higher too ^[2].

There is strong evidence that greater workplace flexibility is a key solution in addressing the leaky career pipeline of female talent, where women leave organisations long before reaching the ‘glass ceiling’ ^[1]. This leaky pipeline is partly due to competing demands on employees’ time (for example, caring responsibilities) and work environments that do not accommodate the need for work-life balance.

Similarly, flexible work can make the workplace more suited to disabled people. Workbridge, a New Zealand employment agency for disabled people, promotes workplace flexibility for this reason. Workplace flexibility enables people to work with hours and environments that are best suited to their abilities, enabling more effective work and longer tenure.

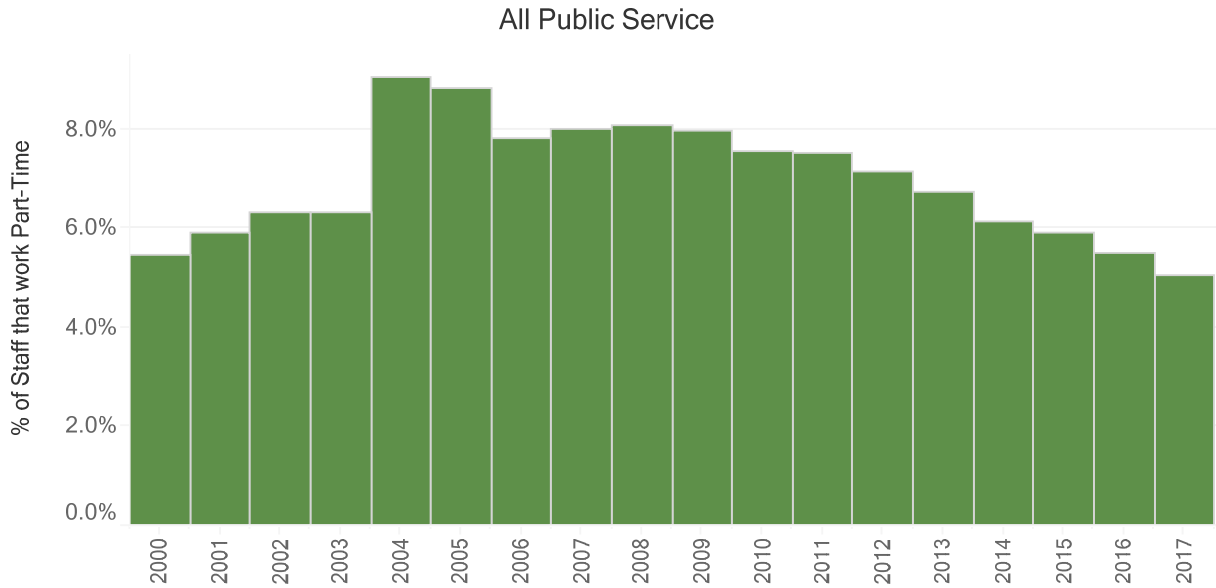
Furthermore, as Millennials make up more of the workforce, the demand for workplace flexibility is increasing. Other generations are also increasingly interested in greater work-life balance. Digital advances, globalisation and activity-based working also mean that ‘9 to 5’ days at the office are becoming less common. It is apparent that providing options and a culture of workplace flexibility is a key part of a modern organisation’s employee value proposition.

Trends in working part-time

The next graph shows the percentage of Public Service staff in part-time work between 2000 and 2017. The trend was largely flat over this 17 year period, despite legislative reforms that widened access to flexible working arrangements. The high level in 2004 was due to part-time Special Education workers becoming employed by the Ministry of Education. Since then the percentage of part-time workers has been trending downwards.

Part-time workers are paid on average 16% less than full-time workers on a full-time equivalent basis. The use of part-time employment as a flexible working option can be better understood by analysing the demographic profile of people who work part-time, as well as other factors such as their occupation and the type of employment agreement.

Part-Time staff in the Public Service



Part-time by age and gender

An age profile analysis of part-time workers shows that part-time work matches life stages. Part-time work is high in early career (probably in conjunction with study), during the ages when caregiving for children is likely and near retirement age.

Part-time work is considerably more likely to be taken up by females than males. This is likely due to social norms around women's role as primary carers.

Part-time by occupation and contract term

Part-time work is more prevalent in some occupational groups: Social, Health and Education Workers; Clerical and Administrative Workers; and Contact Centre Workers. These are also the occupations most held by women. Occupations that are male dominated, such as ICT Professionals and Technicians, are less likely to use part-time work.

A higher proportion of fixed-term employment agreements are for part-time work compared to permanent employment agreements. However, the proportion of part-time fixed-term employment agreements has decreased over time, while the proportion of part-time permanent employment agreements has remained about the same over the last 17 years, at around 5%.

Paid parental leave

Leave taken for caring responsibilities varies significantly by gender. As at 30 June 2017, there were 639 employees on parental leave (1.3% of the Public Service workforce) made up of 628 females and 11 males.

Workplace health

The 2011 Better Public Services Advisory Group Report stated that improved State sector performance will require a culture that supports collaboration, innovation, continuous improvement and citizen/business-centred service delivery. This is supported by system findings from the Performance Improvement Framework that show the need to build a culture of high performance, to strengthen processes of identifying and managing poor performance and to improve employee engagement. It is also important that Public Service employees operate in a way that is fair, impartial, responsible and trustworthy. Inclusive workplaces are also important for fostering diverse organisations. Inclusion enables people to bring their whole selves to work, maximising capability and talent utilisation for the organisation.

Human resource indicators such as staff engagement, turnover and sick leave usage provide some insight into organisational culture and inclusion. Used in conjunction with other contextual information, these indicators can improve understanding of organisational performance.

Staff engagement aggregate

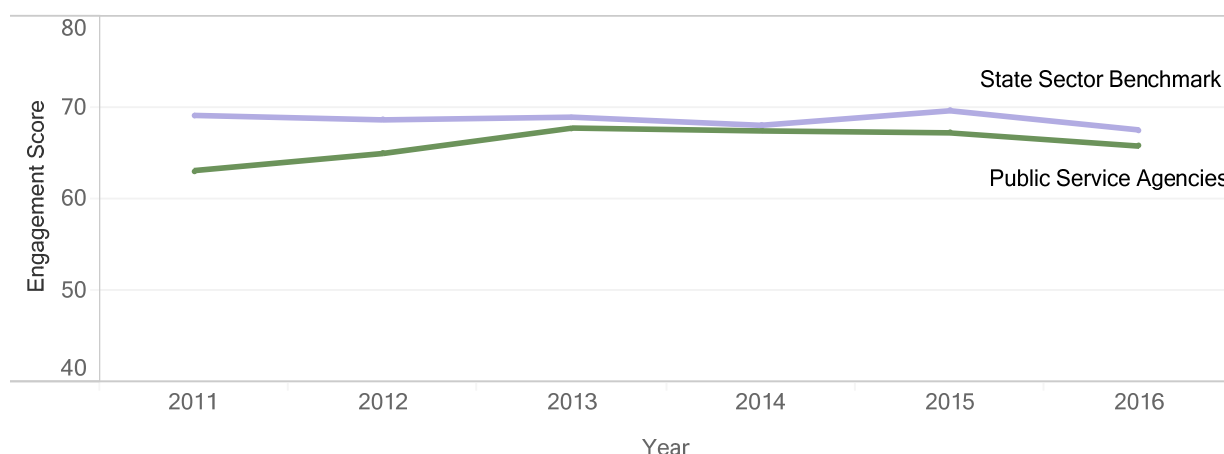
Staff engagement is seen as important because the more engaged an employee is, the more likely they are to apply the extra 'discretionary effort' that leads to high performance. A number of studies provide evidence for this with findings of a positive relationship between staff engagement and organisational performance, in both the public and private sectors ^[4]. Agencies regularly survey their staff to gauge the level of engagement and where to focus to lift engagement.

Information on department results from staff engagement surveys are collected as part of the HRC survey. The goal is to better understand how engagement results vary across agencies over time and how these results relate to improved departmental performance.

There are complications in comparing staff engagement results across the Public Service. First, agencies use different providers to survey staff engagement and results are not easily comparable across the different methodologies. Second, agencies survey staff engagement with differing levels of frequency – only two-thirds of Public Service agencies have carried out engagement surveys over the last year.

The analysis below from 2016 shows how engagement scores across all Public Service agencies that use Kenexa increased between 2011 and 2013, before falling back somewhat. Over this same period, Kenexa engagement scores have tended to stay level across wider the State sector.

Kenexa engagement scores



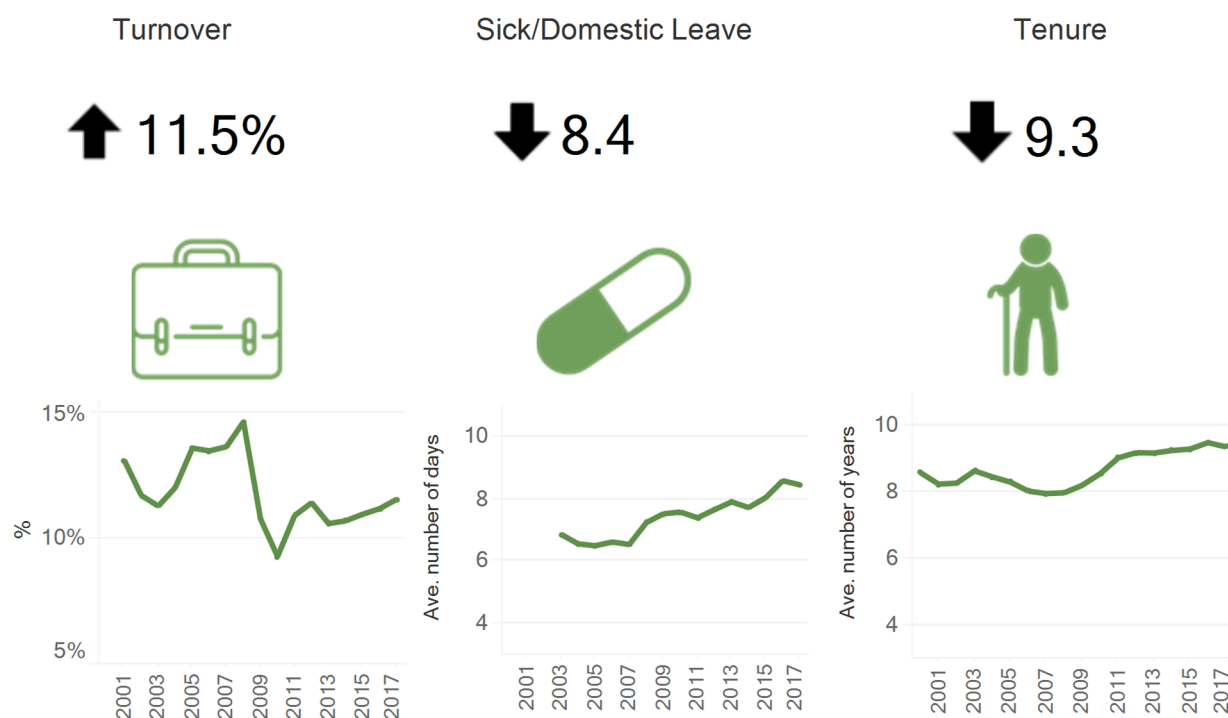
Source: SSC - HRC Survey

Turnover, sick and domestic leave and tenure

Turnover measures the rate that staff change in an organisation. Turnover increases when departments are restructuring or merging and when significant change is occurring in the wider labour market. Some turnover is healthy as new staff bring fresh ideas and the employer has the opportunity to adapt to changing capability needs.^[5] However, turnover also comes at a cost: the loss of institutional knowledge; some short-term impact on productivity; recruitment and training costs for new staff.

The chart of workplace health measures shows that unplanned turnover rates in the Public Service have been fairly stable in recent years. Unplanned turnover measures the rate that organisations lose permanent staff due to reasons the organisation has not planned for, such as resignations, retirements and dismissals. The 2017 figure is 11.5%, which is up by 0.4% from last year.

Workplace health measures 2017



Sick and domestic leave taken can be used as one indicator of organisational health. High levels can indicate staff disengagement or intention to leave, although there are many other factors that influence sick and domestic leave use, such as age, gender and occupation. In the year to 30 June 2017, Public Service employees took, on average, 8.4 days of sick and domestic leave, down from 8.6 days in 2016.

The 2017 HRC data shows that the average length of service of Public Service employees decreased slightly by 0.2 of a year to 9.3 years. This figure is based on tenure within a single agency, not the Public Service as a whole and excludes those on fixed-term employment agreements.

Notes:

^[1] Cabrera, Elizabeth F. "Fixing the leaky pipeline: Five ways to retain female talent." *People and Strategy* 32.1 (2009): 40. More information is available in the Ministry for Women's Inspiring Action report (2014).

^[2] Coffman, Julie, and Russ Hagey. "Flexible work models: How to bring sustainability to a 24/7 world." Bain (2010).

^[3] Plimmer, Geoff, et al. "Workplace dynamics in New Zealand public services." *Wellington: Industrial Relations Centre, Victoria University of Wellington* (2013): 56-60.

^[4] MacLeod, David, and Nita Clarke. *Engaging for success: enhancing performance through employee engagement: a report to government*. London: Department for Business, Innovation and Skills (2009). Good summaries of the relationship between staff engagement and organisational performance can be found in chapter two of *Engaging for Success*.

[5] Lee, Shinwoo “Employee Turnover and Organisational Performance in U.S. Federal Agencies” *American Review of Public Administration* (2017): 1-13. This recent research found that some turnover, specifically employees transferring to other agencies and dismissals, could be beneficial to public sector agency performance. In addition, it did not find that unplanned turnover due to resignations was detrimental to agency performance, suggesting that this may be due to resignations being most common in employees with low tenure.

4 Career

The State sector needs to grow its leadership talent to deliver great services and results for New Zealanders. Understanding current talent within the sector is key to helping build a deeper and more diverse pipeline of strong leaders for the future. The Leadership Capability Development and Deployment Programme within the State Services Commission is developing system-wide initiatives to reduce the risk of talent gaps affecting the delivery of services to New Zealanders. A common approach to talent management is being implemented. This focuses on cross-agency deployments to build system leadership capability. The State Services Commission undertakes data analytics to further inform this work and measure progress over time.

Early in career

Graduate recruitment increasing, but retention has yet to recover

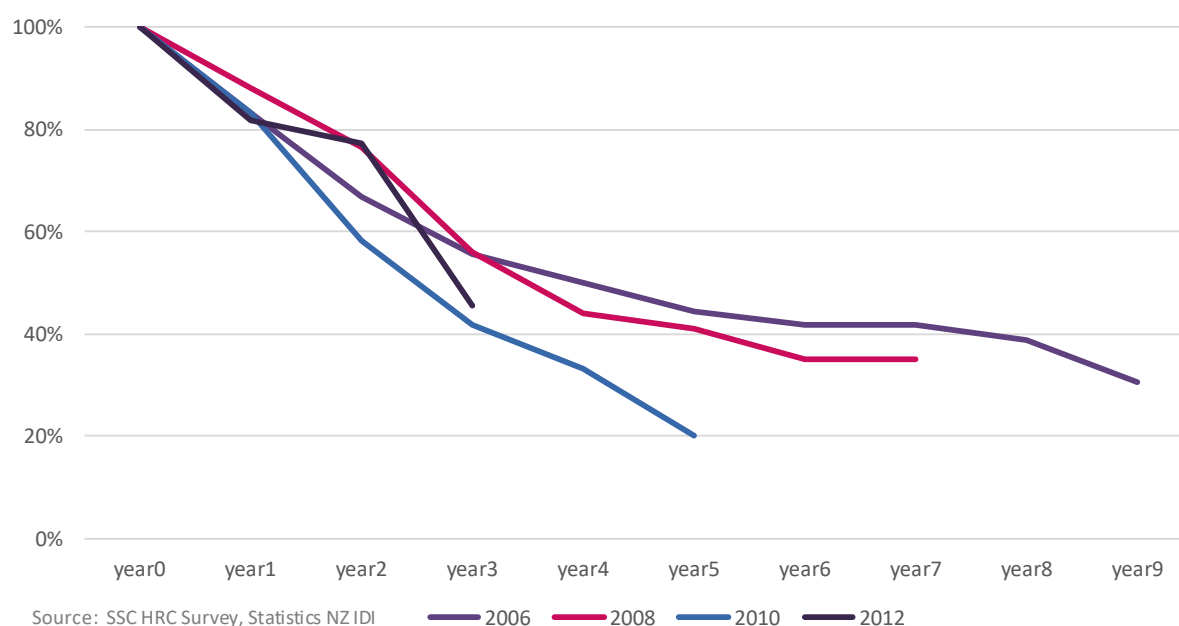
The State Services Commission is investing in attracting, developing and retaining new talent for future system leadership with the Early in Careers work programme. To research trends in graduate recruitment and retention in the Public Service, the HRC data was integrated into Statistics New Zealand's Integrated Data Infrastructure (IDI) in 2015 (see Data Drill Down and Definitions for more information on the IDI). This research showed that in 2014 around 150 graduates began work as Policy Analysts in the Public Service (around 5.8% of the total policy workforce). This was a similar level to 2007. However, in between these years the level of graduate hiring was lower. The lowest point was 2010 when around 60 graduates were hired (around 2.3% of the policy workforce). Graduate recruitment into non-policy professions in the Public Service tends to be at a lower rate than into the policy workforce. Graduate recruitment in these other professions also generally dropped around 2010, but not to the same extent as for the policy workforce.

The following graph shows that around 40-45% of policy graduates who entered the Public Service between 2006 and 2008 were employed in the Public Service five years later (as Policy Analysts or in other roles). For the 2010 cohort only 20% were employed in the Public Service after five years and the 2012 cohort is tracking similarly.

The rate of retention of graduate Policy Analysts has been generally:

- lower than for graduates who worked as Information Professionals or as Social, Health and Education Workers
- higher than for those who worked as Legal, HR, and Finance Professionals or as ICT Professionals and Technicians.

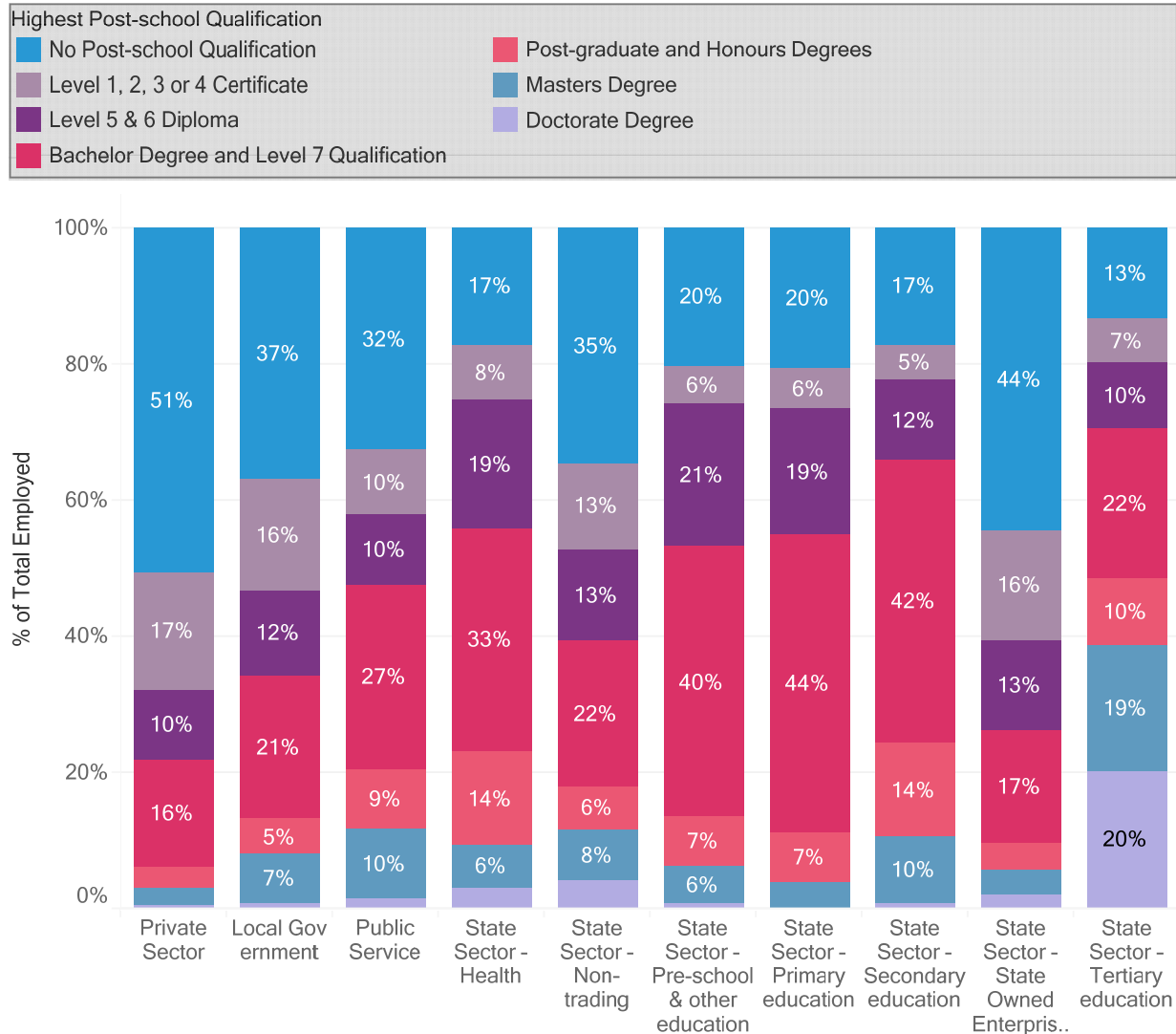
Policy graduate retention in years after initial employment



Qualification levels improving

Public Service employees are more qualified than those in the private sector, State-owned enterprises, and local government. However, they are less qualified than employees in the state health and education sectors.

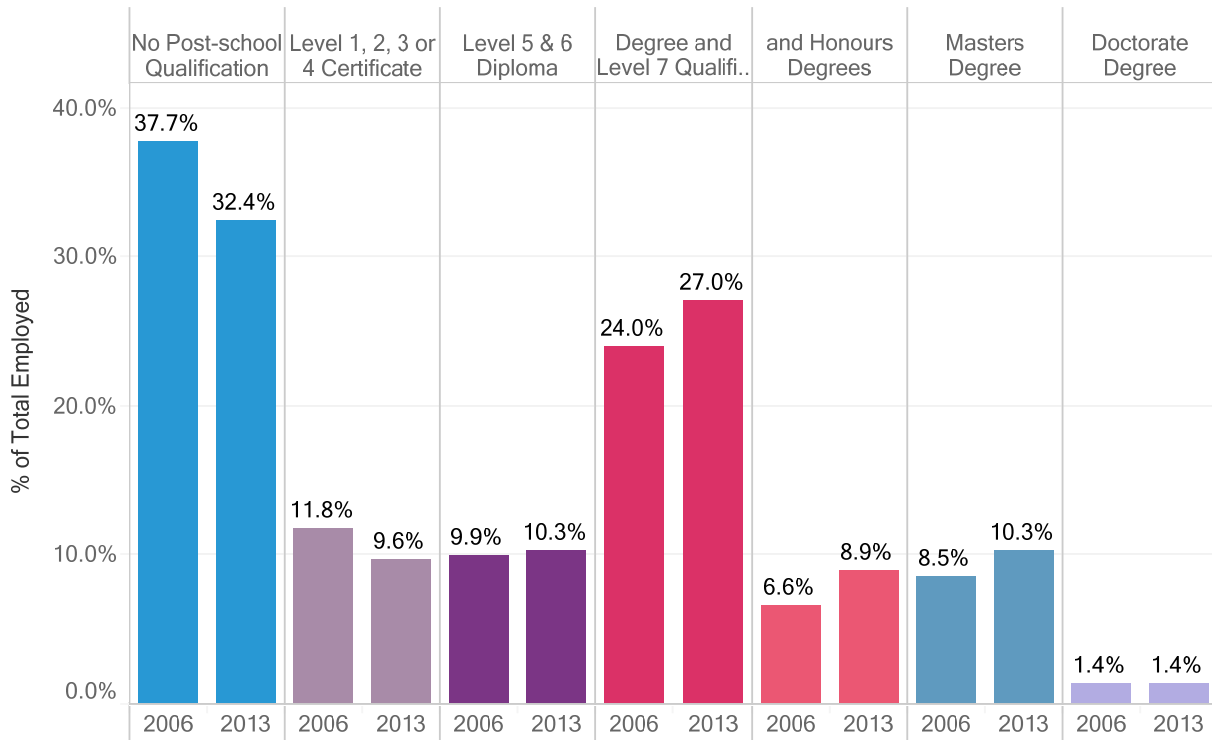
Highest post-school qualification, by sector of employment and occupation - 2013



Source: Statistics New Zealand - Census 2013

Public servants are becoming more qualified over time. The proportion with no post-school qualifications decreased from 37.7% in 2006 to 32.4% in 2013. The proportion with a degree or higher qualification increased from 40.5% to 47.7% over the same period. Social, Health and Education Workers in the Public Service in particular, had a strong improvement in qualification levels, though there were improvements in all occupational groups.

Highest post-school qualification for Public Service employees, by occupation



Source: Statistics New Zealand - Census 2013

Secondments increasing

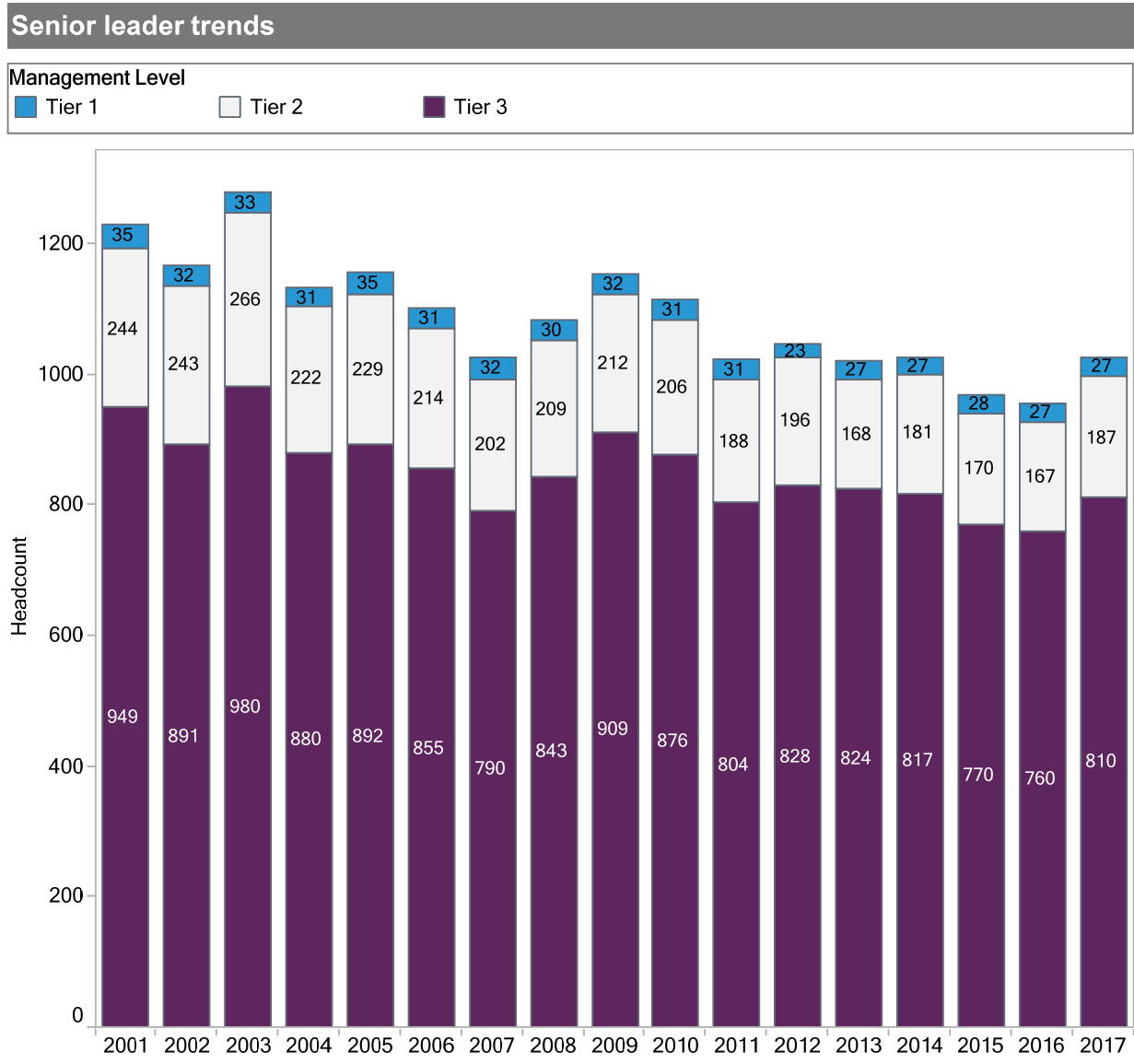
State Services Commission has been encouraging government agencies to sponsor secondments of talented staff as part of their professional development. Secondments offer experiential learning opportunities that the home agency may not be able to provide. There were 244 Public Service employees on secondment as at 30 June 2017. This is an increase on the 229 secondments in 2016 and is the highest number since the HRC survey started in 2000. Note: that secondments within departments are not included in these figures.

These opportunities are particularly useful for aspiring leaders to gain valuable experience in a broader range of contexts across the State Services and beyond. Secondments also support better cross-agency collaboration by creating new relationships and a better understanding of the operational challenges and opportunities across the sector. Collaboration improves decision-making by incorporating more diverse perspectives.

Senior leaders

Number of senior leaders increasing

As at 30 June 2017, there were 1,025 senior leaders in the Public Service (defined as the top three tiers of managers with chief executives being tier one). This compares to 955 senior leaders last year. The creation of the Ministry of Vulnerable Children, Oranga Tamariki has partly contributed to this increase.



Source: SSC - HRC Survey

Within agencies the average length of service for tier two leaders, excluding those on fixed-term contracts, was 6.8 years in 2017, down from a peak of 12.1 years in 2007. The average length of service for tier three leaders in 2017 was 11 years and has remained relatively unchanged for the past ten years.

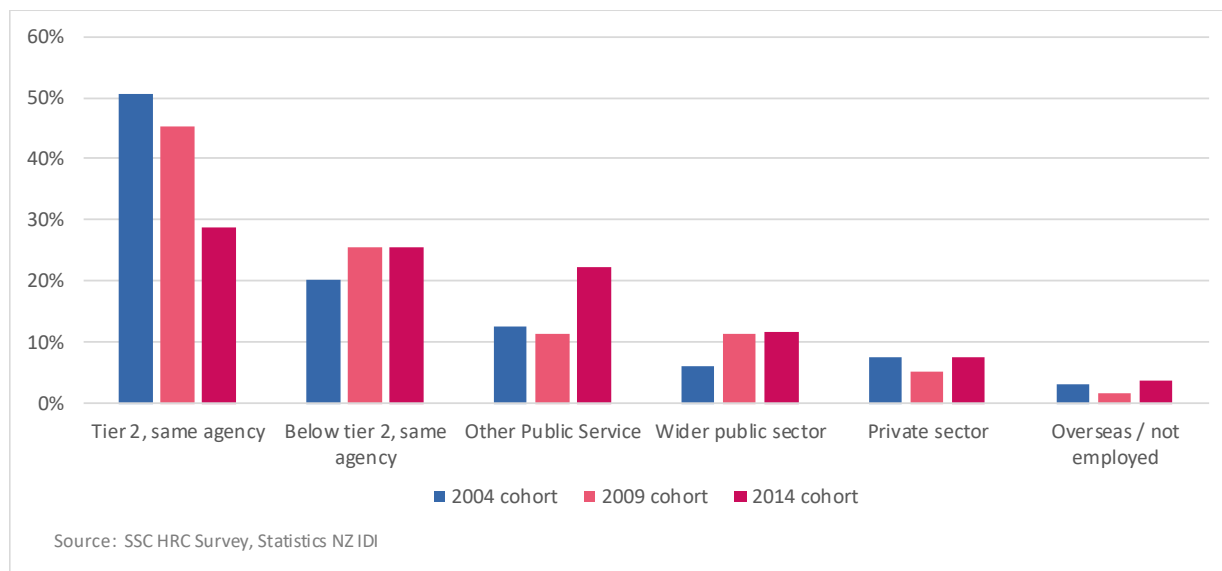
Annual sick leave usage for senior leadership is very low, at 4.7 days in 2017. This compares with 6.5 days for the 'all managers' group and 8.4 days, on average, for all Public Service employees.

Senior leaders are moving around the system

Effective senior leaders are expected to have experience in a range of contexts. Secondments are a good way of building this experience. The number of secondments in leadership and management positions has grown over the past decade. As at the end of June 2017, 63 Public Service managers were on secondment, around three times higher than at June 2007. A new indicator of mobility around the system is the number of senior leader deployments facilitated through Career Boards ^[1]. There were 27 such deployments in the year to June 2017.

Increased mobility can also be seen in 2015 research using the linking of the HRC into Statistics NZ's IDI. The graph below shows there was an increase in the number of Public Service tier two leaders who were not in the same role three years earlier, with a higher proportion of roles being filled by recruitment from other Public Service departments. Note: Wellington-based senior leaders were more likely to come from within the public sector, while Auckland-based senior leaders were more likely to come from the private sector.

Where tier two leaders were three years earlier?



New measures of the readiness, potential and aspiration of system senior leaders to progress their career are now available from State Services Commission's new Leadership Insight assessments. Of the senior leaders who have been assessed:

- 21% were ready to progress to a more demanding leadership role without significant additional development
- 25% had strong long-term potential to excel in a more senior role
- 35% had a high level of aspiration
- 22% were satisfied in their current role.

Notes:

[1] Career boards are made up of chief executives from across the State Services. Chief executives use career boards to bring talented people together with opportunities. This involves matching talent to roles, either to meet specific system needs, or where individual development can be offered through on the job training and support.

5 Diversity & Inclusion

Workforce diversity

Public Service chief executives have committed to a collective vision of State Services that reflect, understand and value the communities they serve. The Public Service workforce needs to have the diversity and cultural competence to design and deliver customer-centred services to an increasingly diverse New Zealand.

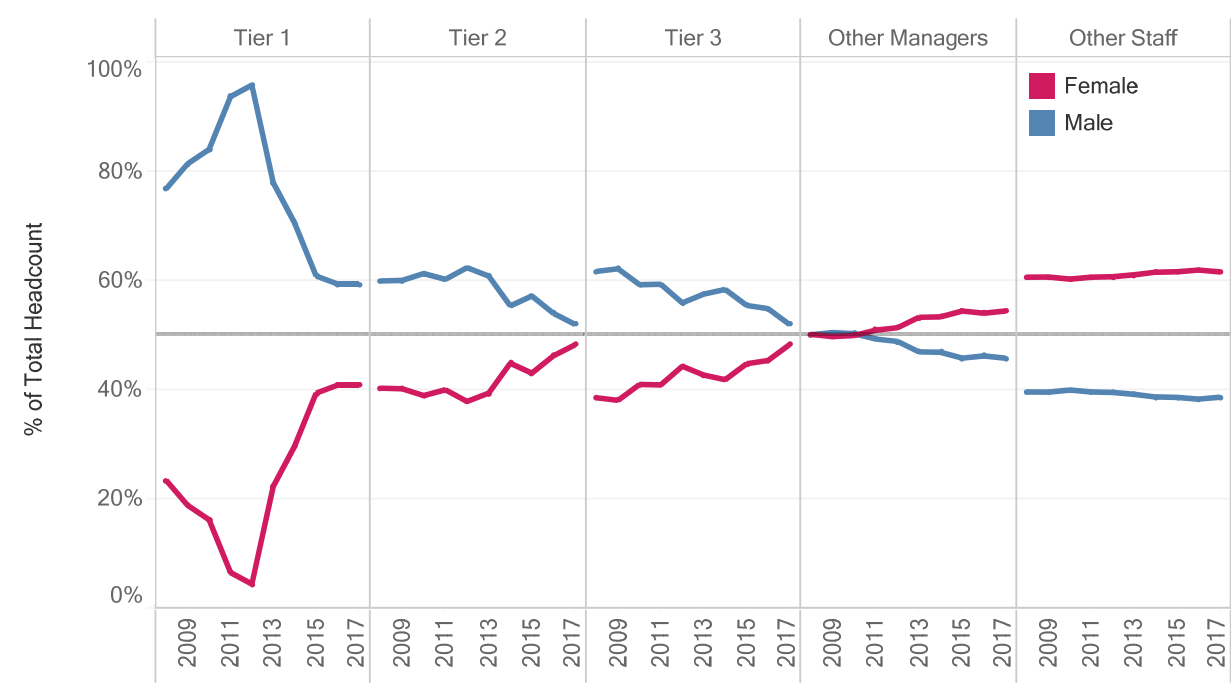
The State Services Commission is supporting chief executives to lead improvements in diversity and inclusion in their agencies, with a current focus on sharing statistical and best practice information, growing professional networks and communities of practice, and identifying opportunities for co-ordination and collaboration. Further areas of work will include incorporating diversity and inclusion into relevant system priorities and expectations as well as exploring new approaches to leadership and talent that reflect the latest evidence and design thinking. State Services Commission expects to report on this work and the results achieved over time.

Women participating at all levels in the Public Service

The representation of women in the Public Service workforce continues at a high level, with 60.5% of employees being female at 30 June 2017. This is slightly down from the record 60.7% in 2016, but up from 56.2% in 2000. This compares with only 47.3% in the overall New Zealand labour force in the year to June 2017 (from Statistics New Zealand’s Household Labour Force Survey). The type of work in the Public Service may partly explain this high representation as many Public Service occupations such as ‘social workers’, ‘case workers’ and ‘clerical and administration workers’ also have a high representation of women in the wider labour market.

Female representation at the senior leadership level is lower than the proportion of women in the Public Service, but has increased strongly over the past decade. As at 30 June 2017, the percentage of women in the top three tiers of senior management was 47.9%, up from 38.4% in 2008. If current trends continue, the Public Service will reach 50% female representation in senior leadership by around 2020.

Public Service gender diversity, by management level

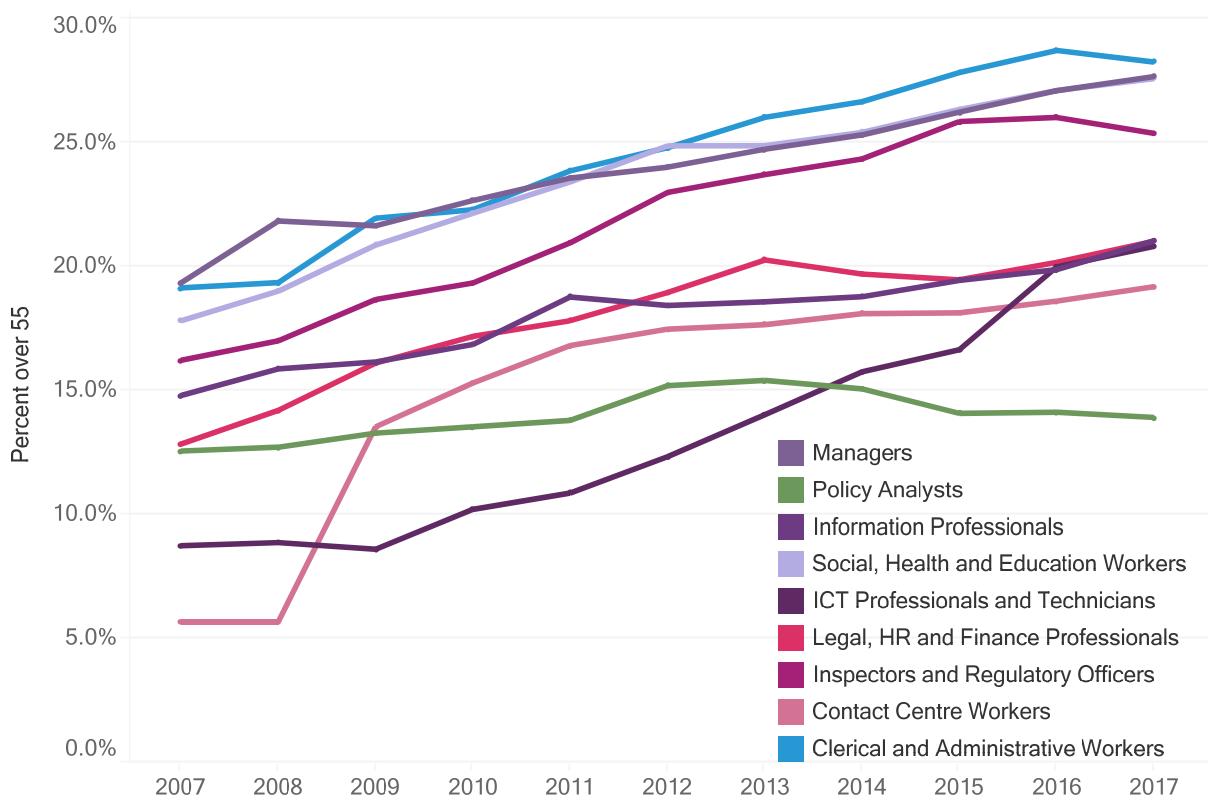


Source: SSC - HRC Survey

The Public Service is ageing

The proportion of the Public Service workforce that is 55 years or older has increased over the last 17 years, from 10.3% in 2000 to 24.1% in 2017. This reflects what happened in the overall New Zealand labour force where the proportion of workers aged 55 years and over went from around 12% to 23% over the same period. The following graph shows that all occupational groups are affected, with the oldest groups on average being Clerical and Administrative Workers; Managers; Social, Health and Education Workers; and Inspectors and Regulatory Officers. Policy Analysts are the youngest age group on average, and have actually been getting younger on average since 2013. Pacific and Asian employees have a younger age profile than European staff and this may contribute to greater diversity in the Public Service in coming years.

% Aged 55 years and over by occupation



Source: SSC - HRC Survey

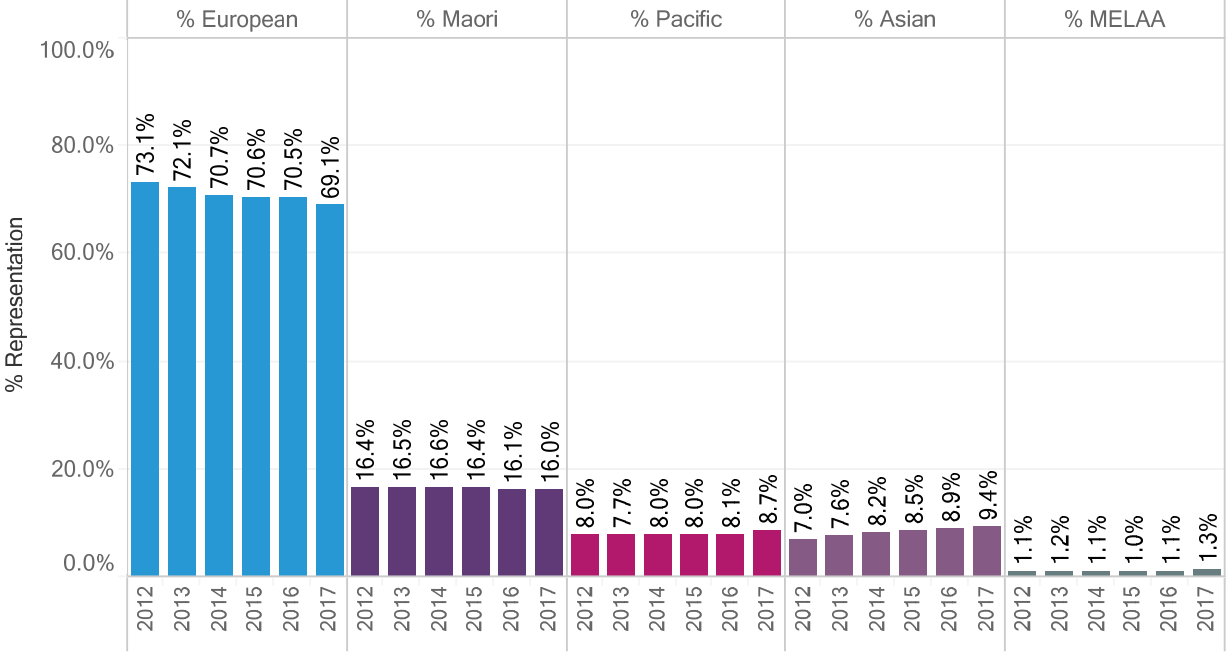
Increasing ethnic diversity

There is increasing ethnic diversity in the Public Service. Although Europeans still made up the highest proportion (69.1%) in 2017, this has decreased steadily over the past 17 years. Māori representation (16.0%) in the Public Service workforce continued at high levels compared to the overall New Zealand labour force (12.6% in the year to 30 June 2017). There was increased representation of Asian (9.4%) and Pacific (8.7%) staff in 2017. The increase in Asian and Pacific staff is particularly pronounced in Auckland where they comprised 20.4% and 21.7% of Auckland Public Service employees in 2017 respectively. However, while Pacific staff are well represented compared to the overall labour force (where they make up 5.9% of the labour force), Asians continue to be under-represented (they make up 13.4% of the overall labour force).

Māori, Pacific and Asian ethnicities are still under-represented in the top three tiers of Public Service management. This will take time and deliberate effort to increase as non-European ethnicities are also under-represented at lower levels of management. The lack of ethnic diversity in management is a key challenge.

There are other ethnic differences in terms of Public Service occupations. European staff are over-represented as Managers and Policy Analysts. Māori and Pacific staff are well represented as Inspectors and Regulatory Officers, and as Social, Health and Education Workers but less so in other professions. Pacific and Asian staff are highly represented as Contact Centre Workers and Asian staff as ICT Professionals and Technicians.

Trends in the ethnic composition of the Public Service workforce

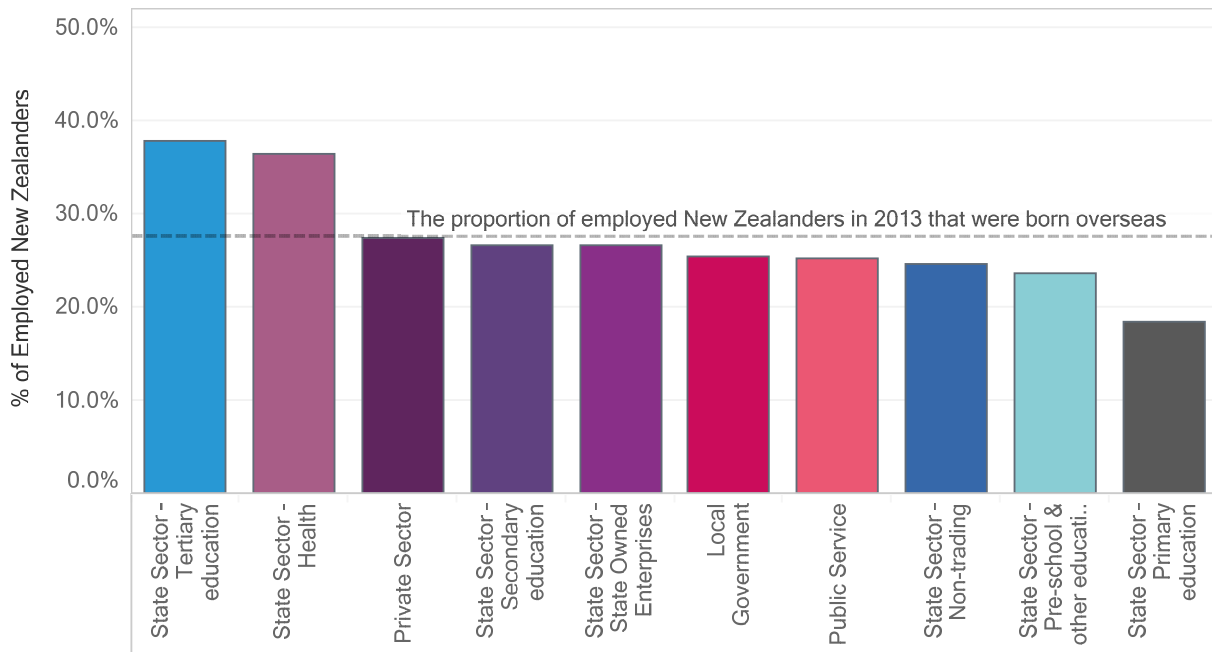


Source : SSC - HRC Survey
 Note: MELAA stands for Middle Eastern, Latin American and African

The State Services Commission obtained customised 2006 and 2013 census data from Statistics New Zealand to get a better picture of migrant flow into the Public Service. Around 25% of Public Service employees in 2013 were born overseas, up from around 22% in 2006. This compares to 27.6% of all employed New Zealanders in 2013, 27.4% of those working in the private sector and 36%-38% of those working in health and State Sector tertiary education. Around 38% of Public Service employees in Auckland were born overseas.

Migrants who became New Zealand Public Service employees have come from over 50 countries. Commonwealth countries have provided the largest proportion of overseas-born public servants, led by the United Kingdom, Australia and South Africa, followed by India, Fiji and Samoa. By comparison, in the private sector a higher proportion of overseas-born employees have migrated from countries such as China, South Korea and the Philippines.

Proportion of employed New Zealanders born overseas, by sector and region



Source: Statistics New Zealand - Census 2013

Disability in the Public Service

The HRC does not collect any data on disability in the Public Service. Instead, SSC sources customised information on the Public Service from Statistics NZ. Information from Statistics New Zealand's 2013 Disability Survey estimates the rate of disability in the Public Service to be 16%, lower than that for the overall workforce (19%), although this difference is not statistically significant. The Public Service has similar rates of sensory and physical disability, but much lower rates of psychiatric or psychological disability. The rate for disabilities caused by accident is low in the Public Service, which may be related to risk of injury being lower in a predominantly white collar context. The disability rate for managers and professionals is less in the Public Service compared to similar roles in the overall workforce. However, for other lower paid Public Service occupations, the disability rate is similar.

SSC is working with Statistics NZ and other relevant agencies to investigate developing practical guidance for employers around disability information.

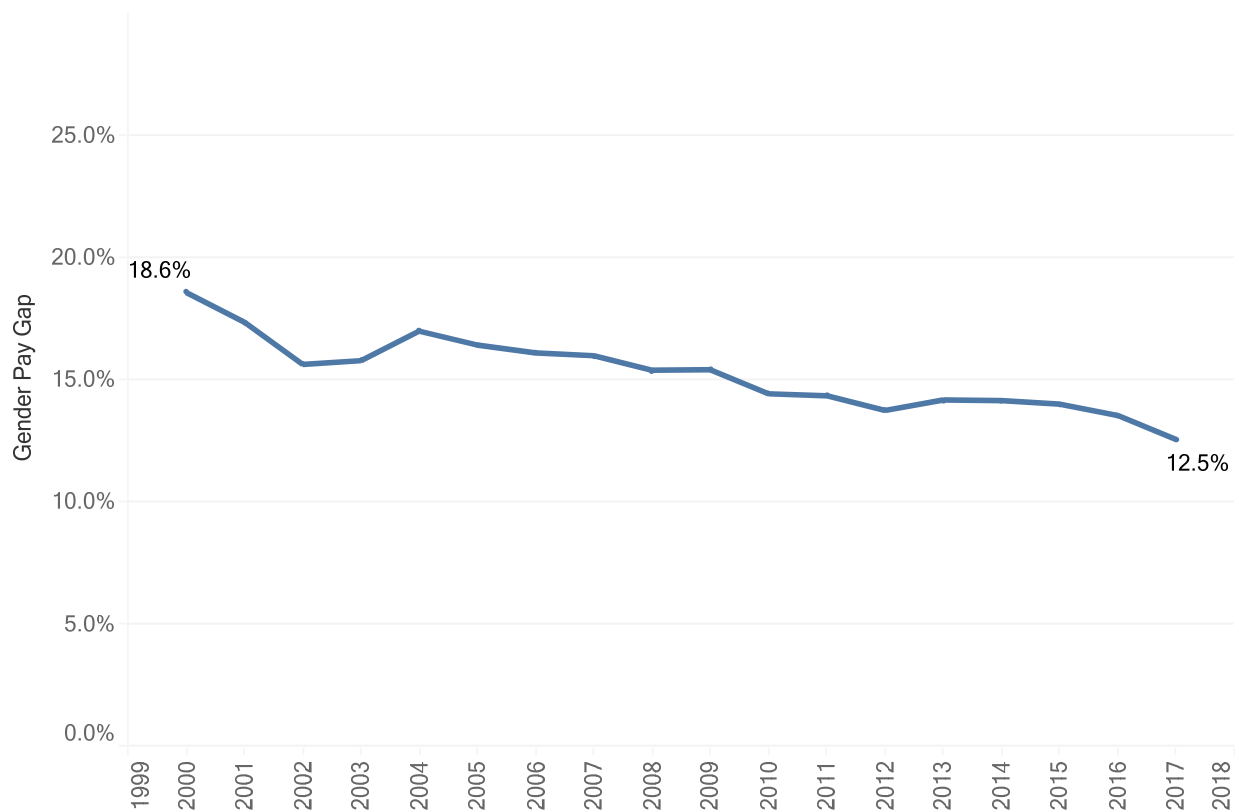
Pay gaps

Gender pay gap decreasing

The gender pay gap in the Public Service has had a large decrease for the second year in a row. As at 30 June 2017, the average salary was \$81,610 for men and \$71,376 for women, up 1.6% for men since 30 June 2016 and up 2.8% for women. This means the gender pay gap decreased by 1.0 percentage point to 12.5%. This is the lowest gender pay gap in the Public Service since measurement began in 2000.

The factors contributing to the gender pay gap are complex and can be difficult to disentangle. Specific changes that will have contributed to the fall in the gender pay gap over the past year are the increasing proportion of female senior leaders and decreasing gender pay differences in two of the Public Service's largest occupation groups: Information Professionals and Social, Health and Education Workers. In addition, there were nearly 1,000 extra Inspectors and Regulatory Officers in 2017 (just over half were female). This increase in numbers in an occupational group with a relatively low gender pay gap (5.4% in 2017) helped pull down the overall gap.

Public Service gender pay gap trend



Source: SSC - HRC Survey

Analysis of the HRC data has generated the following insights:

- The gender pay gap for senior leaders was 9.7% in 2017. This is similar to the gender pay gap for other management roles (10.9%) and non-managerial Public Service staff (9.3%). Pay gaps are lower when people in more equivalent roles are being compared. For this reason, gender pay gaps tend to be lower than the overall gap for specific occupations.
- Gender pay gaps tend to increase with age, with a particular jump between the 40 to 44-year age group (8.0% in 2017) and the 45 to 49-year age group (15.8%). This is evidence of structurally lower gender pay gaps for those currently aged below 45 years of age - the gender pay gap for the 40 to 44-year had been at a similarly high level five years ago, and the gap for the 35 to 39 year age group (now 8.3%) had also been much higher ten years previously. A key driver for this cohort effect is that women aged 40-44 years are more likely to hold senior managerial roles in 2017 than in 2012. This cohort effect should contribute to further falls in the overall gender pay gap as older cohorts with higher gender pay gaps retire from the Public Service.
- Gender pay gaps vary greatly among departments, ranging from 37.8% in the Ministry of Defence to -5.6% in the Ministry for Women (where the average salary for women is higher) in 2017. Differences in the gender pay gap across departments are generally driven by the extent to which departments have gender imbalances in their workforces. For example, women make up 82.5% of clerical and administrative roles in the Public Service, but only 60.5% of the total workforce. This occupational segregation - women being more likely to be working in lower-paid occupations - is a key driver of the gender pay gap.
- Even within the same occupational groups there are compositional differences between the genders in terms of seniority and experience. For example, women make up 53.1% of managers in the Public Service as at 30 June 2017, but only 47.9% of senior managers (although this is up from 38.4% in 2008). We estimate that differences in occupational group, seniority and experience (through age) between men and women explains around 57% of the overall gender pay gap of 12.5%.

One factor that has not been adjusted for in this analysis is the impact of caring responsibilities on career progression and pay. Anecdotally this is another key driver affecting the gender pay gap. Caring responsibilities vary significantly across genders. As at 30 June 2017, there were 639 employees on parental leave (1.3% of the Public Service workforce), made up of 628 females and 11 males (i.e. 98% of people on parental leave at 30 June 2017 were women).

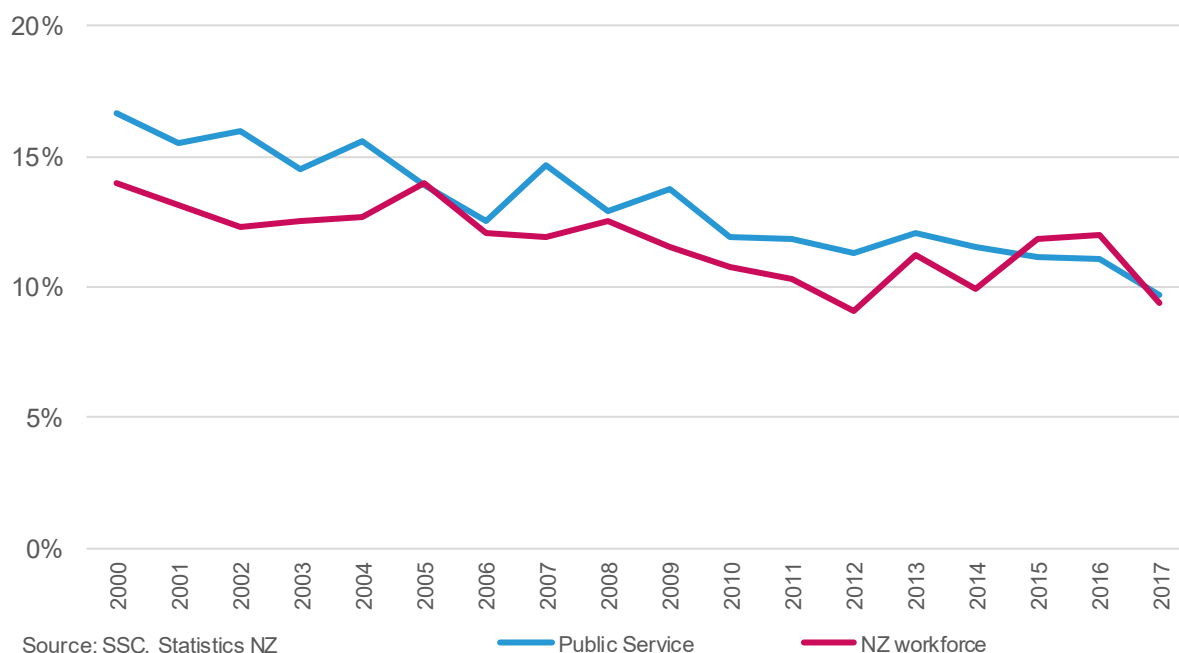
While data analysis can help to highlight some of the factors that contribute to pay gaps, it does not negate them as factors that need to be addressed in order to reduce the gender pay gap further.

Median gender pay gap

State Services Commission has reported the Public Service gender pay gap using average (mean) pay since 2000. This differs to Statistics New Zealand’s recommended approach^[1] of using median pay when reporting the gender pay gap for the entire workforce. Median pay is the middle amount of pay earned - half of employees earn less and half earn more. Median pay better reflects the pay a typical employee receives. On the other hand, mean pay better reflects the effect of employees with very low or very high pay.

As at 30 June 2017, the Public Service gender pay gap using median pay was 9.7%, down from 11.1% in 2016. This was very similar to the gender pay gap of 9.4% (down from 12.0% in 2016) for the entire workforce as reported by Statistics New Zealand. The graph below shows how the gender pay gap measured using median salaries have declined over time for both Public Service (down from 16.7% in 2000) and the overall New Zealand workforce (down from 14.0% in 2000).

Trend in gender pay gaps using median salaries



Ethnic pay gaps not improving

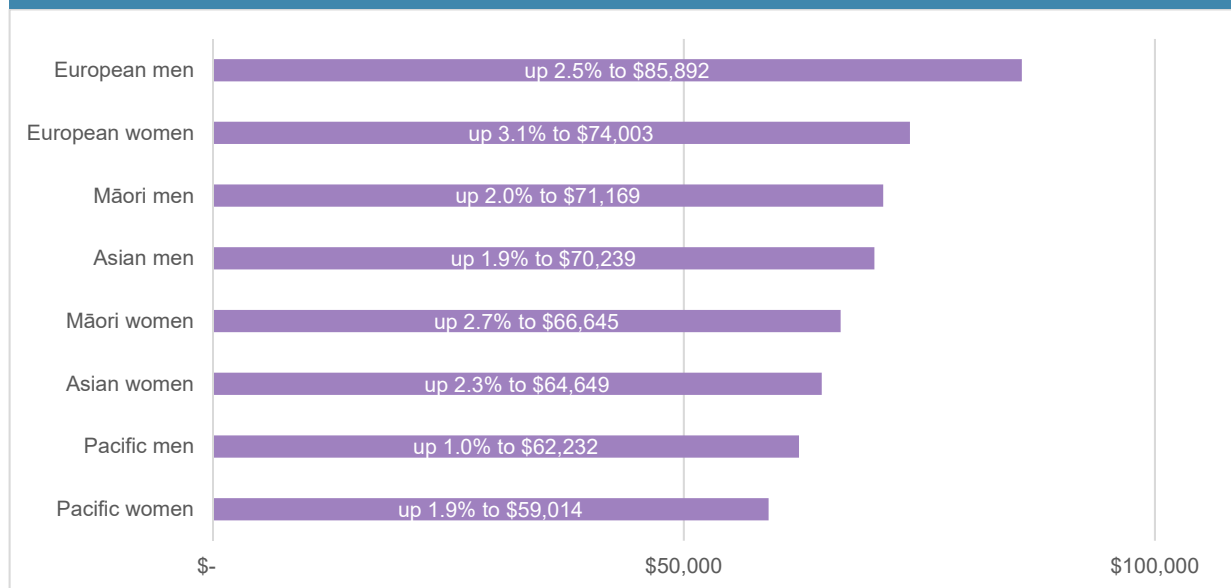
Unlike the gender pay gap, ethnic pay gaps have not shown improvement over time and actually worsened as at 30 June 2017. The graph below shows that European women had the largest increase in average salaries in 2017, whereas increases in average salaries for Māori, Pacific and Asian men all lagged those for European men. Like the gender pay gap, ethnic pay gaps can relate to occupational segregation or the occupation profile of a particular ethnic group. Māori, Pacific and Asian public servants are over-represented in occupation groups that are lower paid.

Chief Executives are committed to ensuring that ethnic pay gaps have the same scrutiny afforded to them as gender pay gaps. The State Services Commission and other agency partners, working with a group of State Services Chief Executives, are undertaking work to explore the drivers behind ethnic pay gaps and identify ways to address them.

Trend in Public Service ethnic pay gaps

Year	Māori pay gap	Pacific pay gap	Asian pay gap
2008	11.7%	19.8%	9.8%
2009	11.3%	19.7%	10.3%
2010	11.4%	19.2%	10.9%
2011	11.5%	19.3%	10.6%
2012	11.3%	19.0%	11.7%
2013	11.2%	19.4%	11.2%
2014	10.4%	19.6%	11.6%
2015	11.0%	20.5%	12.1%
2016	11.0%	20.6%	11.6%
2017	11.3%	21.7%	12.1%

2017 Public Service average salaries by gender and ethnicity and percentage increase since 2016



The State Services Commission is working with Statistics NZ, the Ministry for Women, and other relevant agencies to investigate developing practical guidance for employers around understanding and measuring workforce diversity, including for pay gaps. This may lead to changes in how SSC calculates pay gap information in the 2018 report. For example, there may be a greater emphasis on pay gaps based on median salaries.

Notes:

[1] Statistics New Zealand (2014). Measuring the gender pay gap. Available from www.stats.govt.nz.

6 Department HR Metrics and Definitions

For the full department HR metrics refer to the Data drill-down cubes in the web-based report 'Public Service Workforce Data' on the SSC website (Chapter 6 – Data-drill Down).

FTE employees by department					
	2013	2014	2015	2016	2017
Conservation	1,880	1,952	1,942	1,928	1,993
Corrections	7,593	7,555	7,571	7,570	8,555
Crown Law Office	164	148	152	169	175
Culture and Heritage	118	105	101	98	108
Customs	1,118	1,070	1,067	1,077	1,165
Defence (Ministry)	62	61	60	93	116
Education	2,570	2,664	2,517	2,607	2,632
Education Review Office	211	208	206	201	199
Environment	270	300	302	329	349
Foreign Affairs & Trade	761	798	821	855	867
Government Communications Security Bureau	305	316	301	353	391
Health	1,089	1,131	1,120	1,095	1,056
Inland Revenue	5,475	5,641	5,681	5,662	5,401
Internal Affairs	2,013	1,982	2,030	1,985	2,066
Justice	3,450	3,540	3,383	3,327	3,388
Land Information New Zealand	473	469	487	552	576
Maori Development	306	287	267	283	301
MBIE	2,859	2,806	2,822	3,124	3,366
Ministry for Women	24	23	24	22	24
Pacific Peoples	35	35	34	37	37
Primary Industries	2,070	2,176	2,277	2,413	2,455
Prime Minister & Cabinet	102	141	154	224	213
Serious Fraud Office	50	45	44	47	50
Social Development	9,567	9,931	10,078	10,214	6,799
State Services Commission	112	110	114	112	115
Statistics New Zealand	1,074	864	848	891	921
Transport	142	149	134	123	120
Treasury	401	426	456	480	482
Vulnerable Children					3,310
Total⁽¹⁾	44,500	45,280	45,348	45,895	47,252

(1) The total includes chief executives who are not part of the departmental figures.

Department diversity information – 30 June 2017

	% European	% Maori	% Pacific	% Asian	Average age	% Fixed term	% Women	% Women in snr mgt ⁽¹⁾
Conservation	74.3%	9.1%	0.4%	0.9%	46.1	18.9%	44.3%	21.3%
Corrections	71.5%	21.9%	10.6%	7.1%	47.0	2.7%	46.2%	43.8%
Crown Law Office	74.9%	8.9%	1.1%	6.1%	37.9	8.2%	68.3%	42.1%
Culture and Heritage	87.8%	13.0%	0.9%	5.2%	45.0	31.3%	63.5%	46.7%
Customs	72.3%	9.1%	9.3%	14.0%	44.1	2.1%	46.0%	33.3%
Defence (Ministry)	77.1%	1.7%	0.0%	6.8%	43.6	5.9%	50.0%	38.9%
Education	75.3%	12.6%	3.3%	7.5%	47.6	9.3%	77.5%	59.1%
Education Review Office	69.8%	21.5%	4.4%	3.9%	55.6	1.5%	78.0%	75.0%
Environment	66.2%	5.4%	1.1%	4.3%	39.3	5.3%	63.7%	64.3%
Foreign Affairs & Trade	77.4%	12.4%	4.3%	6.4%	42.9	7.5%	54.7%	43.4%
GCSB	68.7%	7.2%	1.8%	5.4%	43.3	3.5%	36.4%	60.0%
Health	77.1%	8.2%	4.4%	11.8%	46.1	8.8%	67.5%	52.3%
Inland Revenue	73.6%	12.1%	6.7%	15.3%	44.0	5.0%	64.2%	34.5%
Internal Affairs	75.4%	10.1%	8.3%	9.3%	42.9	15.7%	60.9%	45.5%
Justice	69.2%	17.1%	11.0%	9.1%	43.4	6.5%	67.9%	54.4%
Land Information New Zealand	69.4%	7.9%	2.6%	6.0%	43.6	8.0%	52.1%	32.4%
Maori Development	24.6%	75.4%	7.3%	2.3%	47.8	11.5%	66.2%	76.7%
MBIE	53.9%	6.1%	6.8%	13.1%	41.5	5.0%	60.8%	40.7%
Ministry for Women	61.5%	7.7%	0.0%	3.8%	45.3	15.4%	92.3%	100.0%
Pacific Peoples	13.5%	13.5%	78.4%	2.7%	44.0	10.8%	64.9%	66.7%
Primary Industries	72.2%	5.8%	2.8%	9.8%	44.7	4.4%	51.0%	40.5%
Prime Minister & Cabinet	92.3%	4.5%	2.6%	1.3%	44.4	16.8%	64.1%	47.1%
Serious Fraud Office	86.8%	1.9%	0.0%	3.8%	44.2	3.8%	52.8%	42.9%
Social Development	62.4%	24.1%	15.5%	11.9%	43.9	12.1%	70.8%	52.8%
State Services Commission	88.2%	9.7%	2.2%	3.2%	45.0	12.7%	61.9%	64.3%
Statistics New Zealand	76.7%	5.9%	4.8%	17.7%	44.4	10.8%	54.6%	57.1%
Transport	82.0%	5.7%	0.8%	10.7%	42.9	4.9%	41.5%	44.4%
Treasury	81.8%	8.1%	1.8%	8.6%	40.9	7.3%	47.2%	28.6%
Vulnerable Children	63.8%	26.4%	14.5%	6.9%	46.4	5.7%	75.1%	56.8%
Public Service	69.1%	16.0%	8.7%	9.4%	44.7	7.5%	60.5%	47.9%

(1) Senior management figures for individual departments include tier 2 and 3 senior managers only. The Public Service average includes chief executives as well as tier 2 and 3 managers.

HR metrics by department – 30 June 2017

	Ave. leave balance (# of days)	% Staff with AL balance > 5 weeks	Average tenure (years) ⁽¹⁾	Average sick/domestic leave taken (days) ⁽¹⁾	Unplanned turnover ⁽¹⁾	Average salary (\$) ⁽²⁾	Gender pay gap ⁽³⁾
Conservation	15	16%	11	7	11.1%	\$69,648	4.2%
Corrections	20	36%	8	7	8.0%	\$66,021	1.5%
Crown Law Office	15	17%	5	5	19.7%	\$98,477	30.0%
Culture and Heritage	12	11%	8	6	26.1%	\$88,621	4.2%
Customs	15	16%	13	8	9.8%	\$72,117	13.6%
Defence (Ministry)	14	17%	3	3	18.1%	\$124,912	37.8%
Education	14	13%	8	7	14.6%	\$82,612	24.8%
Education Review Office	15	16%	9	10	13.4%	\$88,243	9.7%
Environment	13	12%	4	3	21.5%	\$92,406	8.1%
Foreign Affairs & Trade	20	30%	10	4	7.7%	\$111,531	17.1%
GCSB	18	18%	8	8	6.8%	\$92,683	8.7%
Health	14	23%	8	9	13.8%	\$95,769	18.0%
Inland Revenue	14	17%	13	11	10.9%	\$72,915	19.4%
Internal Affairs	14	12%	6	7	13.4%	\$80,541	16.1%
Justice	12	9%	8	8	14.8%	\$66,852	15.0%
Land Information New Zealand	15	18%	9	7	15.7%	\$88,115	15.2%
Maori Development	13	11%	9	7	7.6%	\$95,665	8.2%
MBIE	15	17%	6	7	13.5%	\$81,565	18.3%
Ministry for Women	9	7%	4	5	19.0%	\$104,103	-5.6%
Pacific Peoples	10	3%	6	7	22.6%	\$87,941	-4.7%
Primary Industries	16	21%	9	7	8.1%	\$85,620	9.6%
Prime Minister & Cabinet	14	10%	5	6	15.5%	\$104,281	16.6%
Serious Fraud Office	11	8%	5	6	12.2%	\$111,489	11.9%
Social Development ⁽⁴⁾	15	16%	12	12	12.7%	\$65,701	14.4%
State Services Commission	11	11%	4	4	22.3%	\$134,658	18.1%
Statistics New Zealand	17	15%	10	7	13.6%	\$80,532	10.3%
Transport	17	35%	7	5	24.6%	\$107,940	12.7%
Treasury	13	15%	5	5	18.9%	\$114,412	21.0%
Vulnerable Children ⁽⁴⁾	20	36%	9	10	-	\$69,776	-0.2%
Public Service Average	16	21%	9	8	11.5%	\$75,416	12.5%

⁽¹⁾ Refers to permanent staff (excluding fixed term staff).

⁽²⁾ Chief executives are excluded from average salaries for individual departments but not from the overall Public Service average.

⁽³⁾ Chief executives are excluded from the gender pay gap calculation for individual departments but not from the overall Public Service figure.

⁽⁴⁾ Ministry for Vulnerable Children, Oranga Tamariki (MVCOT) was established on 1 April 2017 with staff transferring from the Ministry of Social Development (MSD), mainly from its former Child, Youth and Family (CYF) business unit. In this interdepartmental transfer, staff leave balances were carried over from MSD to MVCOT. Therefore the leave measures of both agencies in this table cover the full financial year to 30 June 2017. Similarly, MVCOT's average tenure includes their previous service at MSD. Note that although the transferred staff are not included, the 2017 turnover figure for MSD is overstated to some extent as its reduced staff number at 30 June 2017 affects the turnover calculation.

Definitions

Core Crown & Total Crown

Core Crown is a reporting term used in the *Financial Statement of the Government of NZ* (The Treasury) consisting of departments, Offices of Parliament, the NZS Fund and the Reserve Bank of New Zealand. Total crown includes the core Crown (defined above) plus Crown entities and State-owned Enterprises.

Ethnic pay gap

Ethnic pay gaps are defined as the difference between the average salary for an ethnic group and the average salary of those not in that ethnic group, and are expressed as a percentage of the average salary of those not in the ethnic group.

Ethnic representation

These metrics cover the number of employees who identify themselves as having a certain ethnicity. They are calculated by taking the number of people who identify themselves as being in the ethnic group divided by the number of people who have provided an ethnicity. A person may identify with up to three ethnicities in the HRC data collection.

Full time equivalent (FTE) and headcount

For the full time equivalent metric, an employee is assigned a FTE value between 0 and 1 depending on the proportion of full-time hours (however defined by each department) worked. For example, an employee working full-time equals 1 FTE while an employee working 60% of full time hours equals 0.6 of an FTE. The FTE values of all employees are added up to give the total number of FTE employees in an organisation. For the headcount metric, each employee is counted as one.

Gender pay gap

The gender pay gap used in the HRC report is defined as the difference between the average salary for women and the average salary for men, and is expressed as a percentage of the average salary for men. Gender pay gap may also be calculated using median salaries.

Integrated Data Infrastructure (IDI)

The results in this report that have been derived from data sourced from the IDI, managed by Statistics NZ, are not official statistics, they have been created for research purposes. The opinions, findings, recommendations, and conclusions expressed in relation to these results are those of the State Services Commission, not Statistics NZ.

Access to the anonymised data from the IDI used in this report was provided by Statistics NZ in accordance with security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, household, business, or organisation, and the results in this report have been confidentialised to protect these groups from identification.

Careful consideration has been given to the privacy, security, and confidentiality issues associated with using administrative and survey data in the IDI. Further detail can be found in the Privacy impact assessment for the Integrated Data Infrastructure available from www.stats.govt.nz.

The results are based in part on tax data supplied by Inland Revenue to Statistics NZ under the Tax Administration Act 1994. This tax data must be used only for statistical purposes, and no individual information may be published or disclosed in any other form, or provided to Inland Revenue for administrative or regulatory purposes.

Any person who has had access to the unit record data has certified that they have been shown, have read, and have understood section 81 of the Tax Administration Act 1994, which relates to secrecy. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes, and is not related to the data's ability to support Inland Revenue's core operational requirements.

Occupational groups

Occupational groups used in the HRC report have been defined from detailed occupational ANZSCO codes (Australian and New Zealand Standard Classification of Occupations) supplied for each employee by departments. They have been designed to reflect key occupational groups for the Public Service.

Public Service

Public Service departments are defined in section 27 of the State Sector Act 1988 as comprising the departments specified in Schedule 1 of the State Sector Act. As at 30 June 2017 there were 29 Public Service departments.

Redundancy

The total number of staff whose employment ended owing to 'restructuring/severance' or 'redundancy' reason within the last 12 months.

Senior leaders

A Senior Leader is defined as an employee who is either a tier one, two or three manager in their department.

Sick / Domestic leave

The average number of days sick and domestic leave taken per employee metric includes permanent staff (i.e. excludes fixed term staff), and only includes staff that are eligible for sick leave.

Sickness absence includes absence for:

- Injury covered by ACC, paid sick leave and unpaid sick leave; and
- Dependant leave where a staff member is absent to care for a sick family member.

Sickness absence excludes long-term sick leave where staff have been moved from sick leave onto another arrangement such as Leave without Pay, and also excludes maternity/paternity leave.

The HRC definition of sick leave was expanded in 2013 to align with Benchmarking Administration and Support Services (BASS) definitions. This had the effect of slightly increasing the Sick and Domestic leave balance.

State services

The State services comprises the agencies that operate as instruments of the Crown in respect of the Government of New Zealand (i.e. the Executive Branch of Government). This includes the Public Service, most Crown entities, the Reserve Bank, a range of agencies listed on the 4th Schedule of the Public Finance Act 1989, companies listed on Schedule 4A of the Public Finance Act, and a small number of departments that are not part of the Public Service.

For further explanation on this, see the [State sector organisations](#) on SSC's website.

Tenure

The average length of time that an employee has worked in a single department (years). The metric includes permanent staff only.

Turnover

Turnover rates for the Public Service are derived from the exits of staff from departments. As a result, turnover includes movements between departments and so the actual level of 'loss' to the Public Service is below the figures reported in this report. Two turnover measures are used:

Core unplanned turnover – primarily due to resignations of permanent (open-term) employees, but also includes retirements, dismissals and deaths. Core turnover rate is calculated as follows:

Core turnover = (terminated permanent staff, who left due to resignation, retirement, dismissal, death or unknown reasons) / [(current year's permanent headcount + previous year's permanent headcount) / 2] x 100, (excludes fixed-term employees).

Gross turnover – includes both core unplanned and planned turnover. Planned turnover includes cessations of staff on fixed-term employment agreements and cessations due to restructuring. Gross turnover rate is calculated as follows:

Gross turnover = (terminated staff on permanent and fixed-term contracts who left for any reason) / [(current year's headcount + previous year's headcount) / 2] x 100.

Year

The year of the survey. The HRC survey is a snapshot of information as at 30 June of each year.

Occupations in the HRC customised occupation groups

HRC customised reporting group	Description	Common occupations
Managers	All managers in the Public Service.	Chief Executive
		Corporate Services Manager
		Finance Manager
		ICT Manager
		Office Manager
		Policy and Planning Manager
Policy Analysts	The code Policy Analyst is also used for employees in advisory roles.	Advisor
		Policy Analyst
ICT Professionals and Technicians	Covers all ICT staff at the Professional and Technical Level	Business Analyst
		Customer Support Officer
		Programmer
		Systems Administrator
		Systems Analyst
Social, Health and Education Workers	Professionals who work in the Social, Health and Education sectors.	Careers Counsellor
		Education Adviser
		Residential Care Officer
		Teacher Aide
		Welfare and Social Worker
Information Professionals	Professionals who analyse and manage information and data. Also included are professionals who provide advice on business and organisational methods.	Intelligence Officer
		Liaison Officer
		Librarian
		Management Consultant
		Statistician
Inspectors and Regulatory Officers	Staff who administer and enforce government and corporate regulations and standards.	Court Registry Officer
		Customs Officer
		Parole or Probation Officer
		Prison Officer
		Quarantine Officer
		Taxation Inspector
Legal, Human Resources and Finance Professionals	Professionals who provide services in legal, financial accounting and human resource matters.	Accountant
		Auditor
		Human Resource Adviser
		Solicitor
		Training and Development Professional
Other Occupations	All occupations not classified elsewhere	All occupations not classified elsewhere
Other Professionals not elsewhere included[2]	All other Professionals not covered elsewhere.	Conservation Officer
		Environmental Consultant
		Park Ranger
		Public Relations Professional
		Veterinarian
Contact Centre Workers	Contact and Call Centre workers, Inquiry Clerks, and their immediate supervisors.	Call or Contact Centre Operator
		Call or Contact Centre Team Leader
		Inquiry Clerk
Clerical and Administrative Workers	General Administrative and Office Support staff at the clerical level.	Accounts Clerk
		Clerk of Court
		Filing or Registry Clerk
		General Clerk
		Personal Assistant
		Program or Project Administrator
		Receptionist (General)