



# **Human Resource Capability (HRC) Survey of Public Service Departments**

**As at 30 June 2011**

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## Executive Summary

This report provides information about trends in the Public Service workforce with a focus on changes over the 12 months to 30 June 2011. The topics covered include staff numbers, pay and benefits, recruitment and retention, equality and diversity, and leave. The 2011 Human Resources Capability (HRC) survey found:

- Staffing levels in the Public Service fell over the year to 30 June 2011. The number of Full-Time Equivalent (FTE) employees decreased by 959 to 43,595 (2.2%). This follows nine annual increases between 2001 and 2009 (ranging from 2.5% to 7.6%) and a small decrease of 0.3% in 2010.
- In the year to 30 June 2011, 882 employees in the Public Service were made redundant (up from 780 in 2010). The average redundancy payment decreased to \$45,749 (from \$48,891 in 2010).
- The average base salary in the Public Service increased by 2.4% to \$65,179 (1.5% in 2010). Information from the Labour Cost Index shows that wages and salaries in the public sector are increasing at a slower rate than in the private sector.
- The estimated annual expenditure by Public Service departments on base salaries<sup>1</sup> remained constant in 2011 at \$2.84 billion.
- Over the year to 30 June 2011, 151 personal grievance claims were laid by Public Service employees (or former employees). The total cost of settling personal grievance claims was \$750,341.
- Performance pay continued to be used sparingly in 2011, with 3.6% of public servants receiving lump sum performance payments (down from 4.1% in 2010). The average amount received was \$3,538 (down from \$3,617 in 2010).
- Core unplanned turnover increased from a historic low of 9.2% in 2010 to 10.9% in 2011. The overall increase in core unplanned turnover was driven by increases in 23 departments; turnover rates in individual departments ranged from 6% to 30%.
- The average length of service for employees in the Public Service increased by half a year to 9.0 years (from 8.5 years in 2010). The half year increase in length of service is the largest annual increase since the survey began in 2000.
- The ethnic composition of the Public Service remained unchanged in 2011. There was no change in the proportion of Māori (16.4%), Pacific People (7.6%), Asian (7.4%) or MELAA (Middle Eastern, Latin American and African, 1.0%).
- As at 30 June 2011, 74% of permanent public servants were members of an employer subsidised superannuation scheme (up from 67% in 2010). The proportion of employees contributing to superannuation has rapidly increased since the introduction of KiwiSaver.
- In the year to 30 June 2011, the amount of sick leave and domestic leave taken by public servants dropped to an average of 7.4 days (from 7.7 days in 2010).

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<sup>1</sup> Annual expenditure on base salaries is estimated by multiplying the number of FTEs by the average salary at 30 June.

## **Background**

Information in this report comes primarily from the Human Resource Capability (HRC) survey, which has collected data on staff<sup>2</sup> in Public Service departments annually since 2000.

This report provides information about characteristics and trends within the Public Service workforce. Five main topic areas are covered:

- staff numbers
- pay and benefits
- recruitment and retention
- equality and diversity
- leave

### ***Recent changes to the HRC survey***

This year the structure of the HRC survey has changed significantly. More information about departments and less employee data is being collected. This structural change allows the same set of information to be reported while:

- speeding up the survey processing time (allowing faster reporting),
- enabling the possibility of more frequent information collection from a wider set of agencies in the future, and
- adding transparency to the collection and reporting process.

The survey instructions, forms and checklist are available on the SSC website: [www.ssc.govt.nz/hrc-survey-materials](http://www.ssc.govt.nz/hrc-survey-materials)

### ***HRC reporting and capping reporting***

This report complements the recently released capping update which focused on the total number of positions (FTE staff numbers plus vacancy numbers) in core government administration, and the number of communication staff in each department. For the full capping report, see [www.ssc.govt.nz/capping-june11](http://www.ssc.govt.nz/capping-june11)

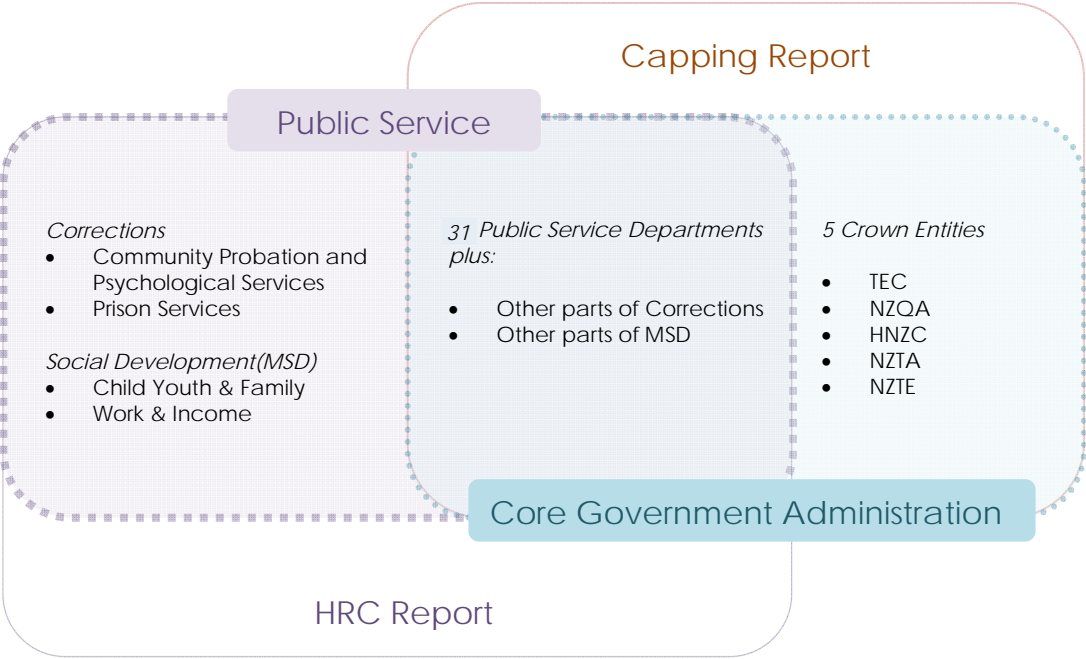
The number of public servants covered by this report is five more than the recently released capping update because of a recent decision to exclude employees in the mainstream employment programme from the cap.

There is a significant overlap between the employees covered by the cap on core government administration and employees in the Public Service. Figure 1, on the following page, highlights the overlaps and differences between these two groups.

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<sup>2</sup> The survey includes all permanent and temporary employees but does not include contractors or employees who work on a casual or as-required basis.

**Figure 1 Core Government Administration and the Public Service**



## Section 1 Staff Numbers

### Staff numbers in the Public Service

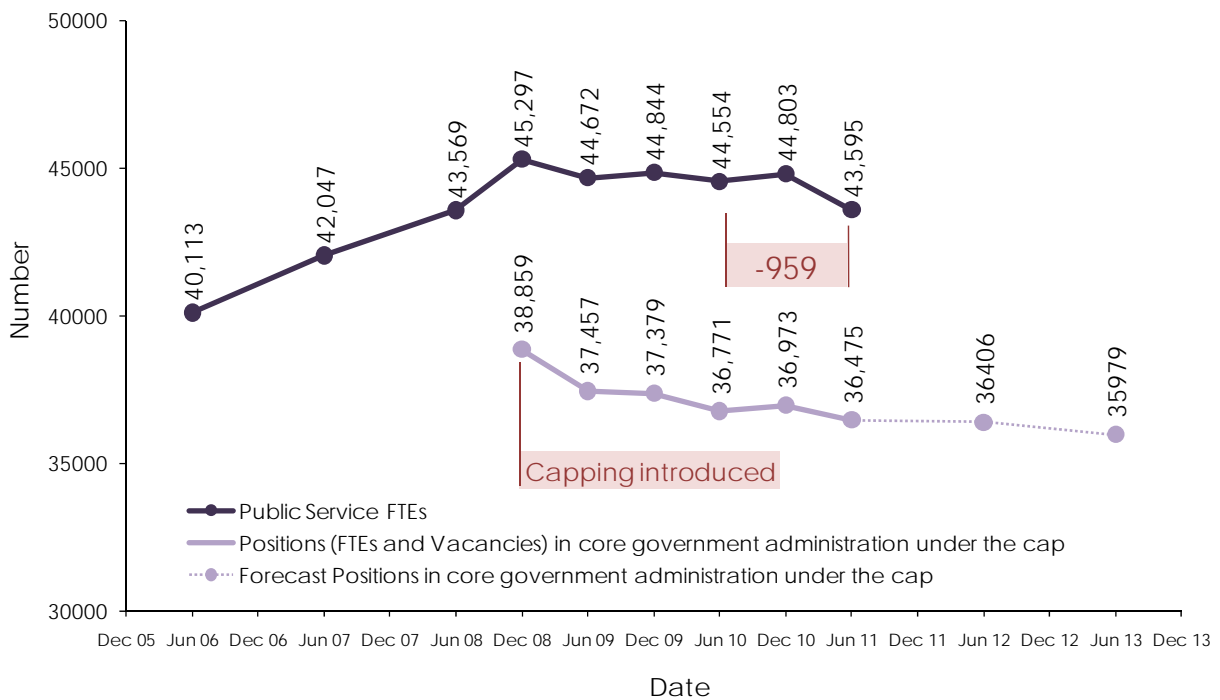
In the year to 30 June 2011, the number of FTE employees in the Public Service decreased by 959 to 43,595 (2.2%). This is the second consecutive year that FTE numbers in the Public Service have decreased (0.3% in 2010). These two annual FTE decreases follow eight years of increasing staff numbers. Between 2001 and 2009 annual FTE increases ranged from 2.5% to 7.6%.

Staffing trends over the past 5 years are shown in Table 1 and Figure 2.

**Table 1 Public Service Employment (FTEs and Headcount), 2006 to 2011**

	June 2006	June 2007	June 2008	June 2009	June 2010	June 2011
Total headcount	42,268	44,335	45,934	47,052	46,822	45,807
Total FTEs	40,113	42,047	43,569	44,672	44,554	43,595
Annual change in FTEs (%)	5.5	4.8	3.6	2.5	-0.3	-2.2

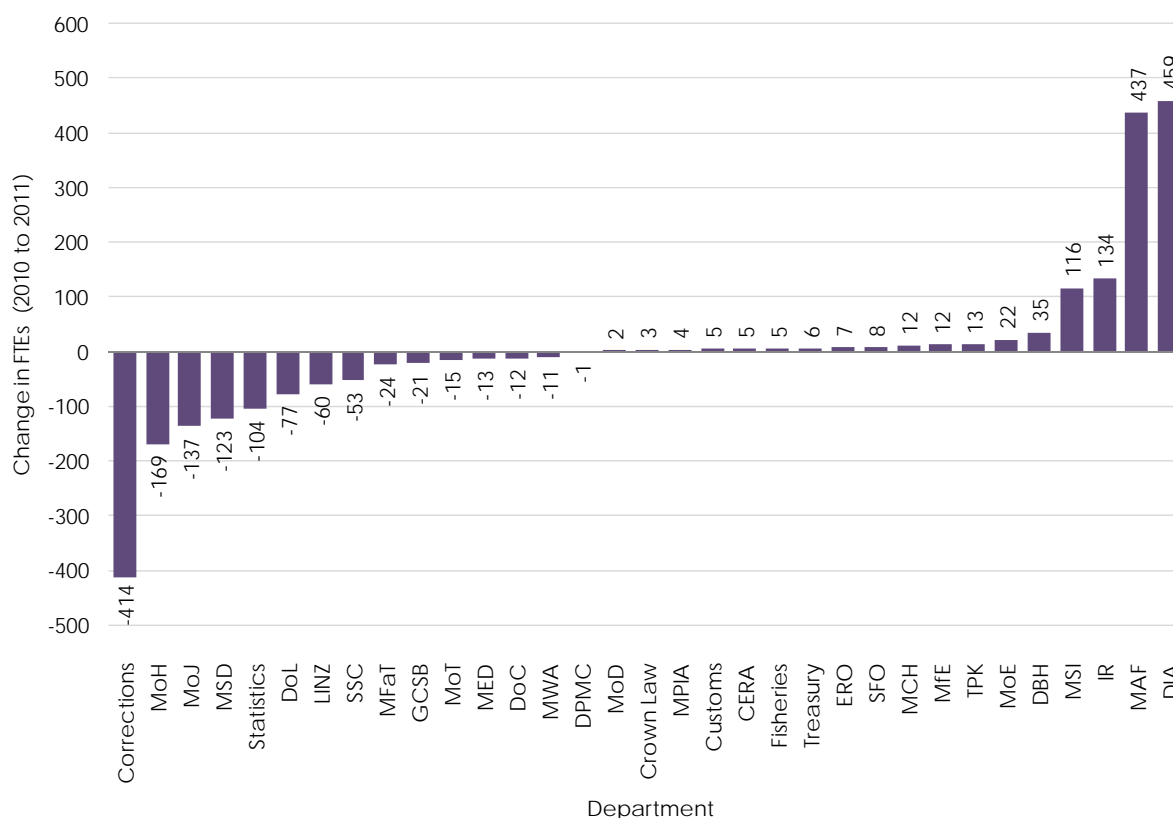
**Figure 2 Public Service Staffing, 2006 to 2011**



### Changes in staff numbers by department

Changes to the number of FTEs in each department over the year to June 2011 are shown in Figure 3. Eighteen departments had an increase in FTEs over the full year, and fifteen departments had a decrease in FTEs. Changes to FTE staff numbers within each department over the past five years are shown in Appendix 1.

**Figure 3 Changes in Department FTE Staff Numbers<sup>3</sup>, 2010 to 2011**



Machinery of Government changes were behind the increase at the Department of Internal Affairs (459), the Ministry of Agriculture and Forestry (437), and the Ministry of Science and Innovation (116).

- On 1 February 2011, Archives NZ (140 FTEs at 30 December 2010) and the National Library (357 FTEs at 30 December 2010) became part of the Department of Internal Affairs.
- The NZ Food Safety Authority (458 FTEs at 30 June 2010) was reabsorbed into the Ministry of Agriculture and Forestry on 1 July 2010.
- The Ministry of Research Science and Technology (68 FTEs at 30 December 2010) was merged with the Foundation for Research Science and Technology on 1 February 2011 to form the Ministry of Science and Innovation which had 116 FTEs at 30 June 2011.

During the 12 months to 30 June, the number of FTEs at Inland Revenue increased by 134 to 5,646 (after decreasing by 513 in 2010). Inland Revenue received funding to strengthen compliance work and add staff to focus on areas like the hidden economy.

Following the Canterbury earthquake on 22 February 2011, the Canterbury Earthquake Recovery Agency (CERA) was established as a Public Service department. Approximately 45 secondees and 12 contactors worked for CERA at 30 June 2011. The HRC survey counts secondees at their home organisation and excludes contractors, so only five people were recorded as CERA employees at 30 June 2011. The number of FTE employees at CERA is forecast to increase to 175 by 30 June 2012 then drop back to 80 by 30 June 2013.

Restructuring and the contracting out of some services led to decreases at the Department of Corrections where the number of FTEs dropped from 7,704 at 30 June 2010 to 7,290 at 30 June 2011 (a decrease of 414 FTEs). The reduction in FTEs includes 327 redundancies (270 in the Auckland region and 50 in the Wellington region).

<sup>3</sup> Figure 3 only includes current departments at 30 June 2011. Archives NZ, National Library, the NZ Food Safety Authority, and the Ministry of Research Science and Technology are not shown.

## Staff numbers by occupation

Occupational information within the Public Service is collected using the Australian and New Zealand Standard Classification of Occupations (ANZSCO). An HRC customised occupation grouping is used to report on occupations in the Public Service. This customised grouping has been created to better reflect the types of roles in the Public Service. A breakdown of the most common occupations in these customised groups is provided in Appendix 3.

The FTE staff numbers in each occupation group over the past three years are shown in Table 2.

**Table 2 FTE staff numbers by occupation group**

<i>HRC customised occupation groups</i>	<i>30 June 2008</i>	<i>30 June 2009</i>	<i>30 June 2010</i>	<i>30 June 2011</i>
Managers	5,135	5,081	5,105	5,050
Policy Analysts	3,403	2,836	2,626	2,603
Information Professionals	2,350	3,113	3,411	3,333
Social, Health and Education Workers	6,988	7,736	7,977	8,078
ICT Professionals and Technicians	1,843	2,119	2,009	1,738
Legal, HR and Finance Professionals	2,405	2,170	2,129	2,074
Other Professionals not elsewhere included	2,141	2,008	1,922	1,813
Inspectors and Regulatory Officers	8,698	9,245	9,454	9,334
Contact Centre Workers <sup>4</sup>	1,951	4,527	4,409	4,426
Clerical and Administrative Workers	8,190	5,472	5,179	4,821

Over the 12 months to June 2011, the largest percentage drop occurred in *ICT Professionals and Technicians* (down 13.5%, 271 FTEs). The drop in ICT roles was due to decreases at Inland Revenue (124 FTEs), the Department of Corrections (31 FTEs), Land Information New Zealand (27 FTEs), and the Ministry of Education (26 FTEs).

The only two occupation groups with increases over the 12 months to 30 June 2011 were *Social, Health, and Education Workers* (1.3%) and *Contact Centre Workers* (0.4%).

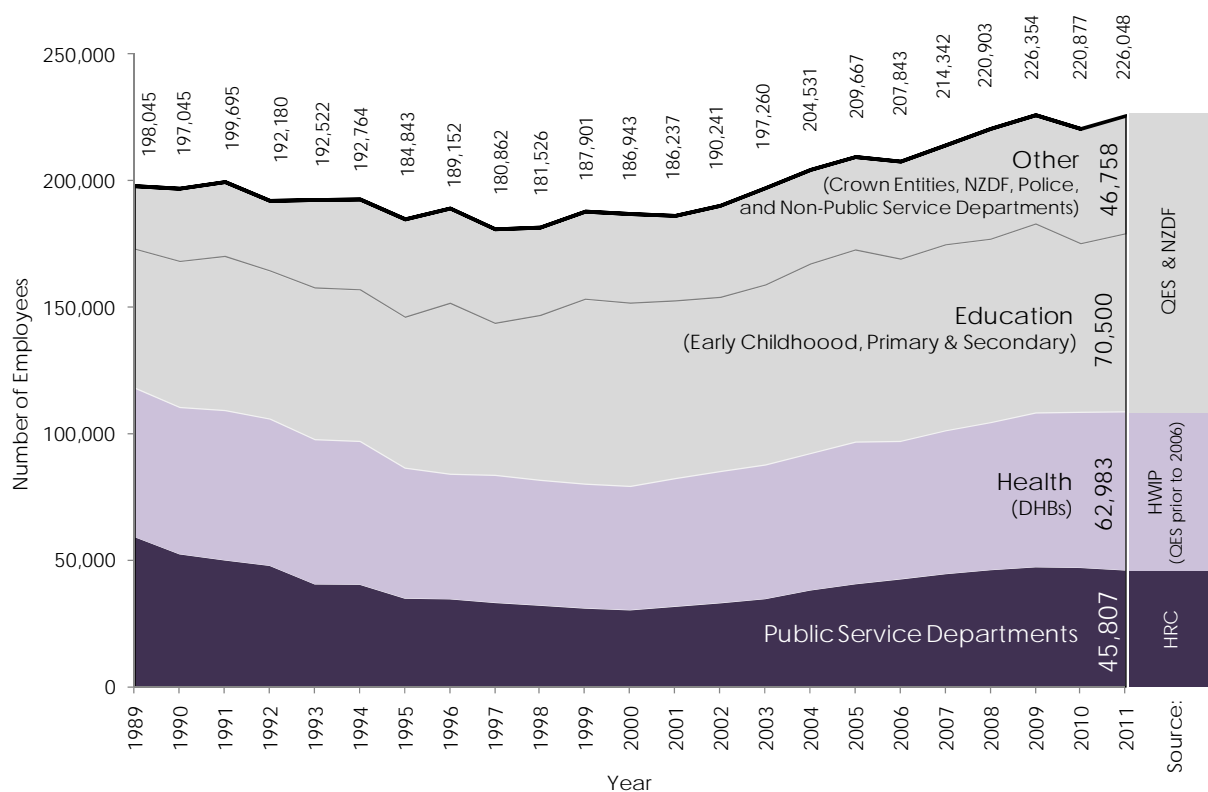
While these figures have been collected on the same basis each year, a number of departments have re-examined their occupation codes to ensure that the most appropriate codes are used. Consequently the shift in numbers across occupation groups may be due to recoding rather than actual increases and reductions.

## Employment in the State Services

To supplement HRC information on the core Public Service, the State Services Commission uses the Quarterly Employment Survey (QES), the Health Workforce Information Programme (HWIP), and Defence Force data to estimate the number of employees in the State Services. The trend since 1988 is shown in Figure 4. At 30 June 2011, an estimated 226,048 people worked in the State Services.

<sup>4</sup> The change between 30 June 2008 and 30 June 2009 was due to the reclassification of IRD *Clerical and Administrative Workers* to *Contact Centre Workers*.

**Figure 4 Estimated State Services headcounts (1989 to 2011)**



Information from the HWIP quarterly reports shows that over the 9 months to March 2011 the headcount in the 20 District Health Boards increased by 1,164 (from 61,819 in June 2010 to 62,983 March 2011). QES and Defence Force data is used to estimate the number of State servants working outside of the Public Service and District Health Boards. An estimated 117,000 people<sup>5</sup> are employed in this group which includes:

- 46,758 employees in crown entities, non-public service departments, police, and the defence force.
- 70,500 employees in the public education sector (early childhood, primary, and secondary).

<sup>5</sup> QES figures are subject to sampling errors of approximately 4% per quarter.

## Section 2 Pay and Benefits

### Annual salary movement

The HRC survey provides a snapshot of the base salaries in the Public Service as at 30 June each year. As at 30 June 2011 the median base salary for public servants was \$56,119, up from \$54,981 in 2010. The average base salary increased by 2.4% to \$65,179, up from \$63,655 in 2010. The trend since 2005 is shown in Table 3.

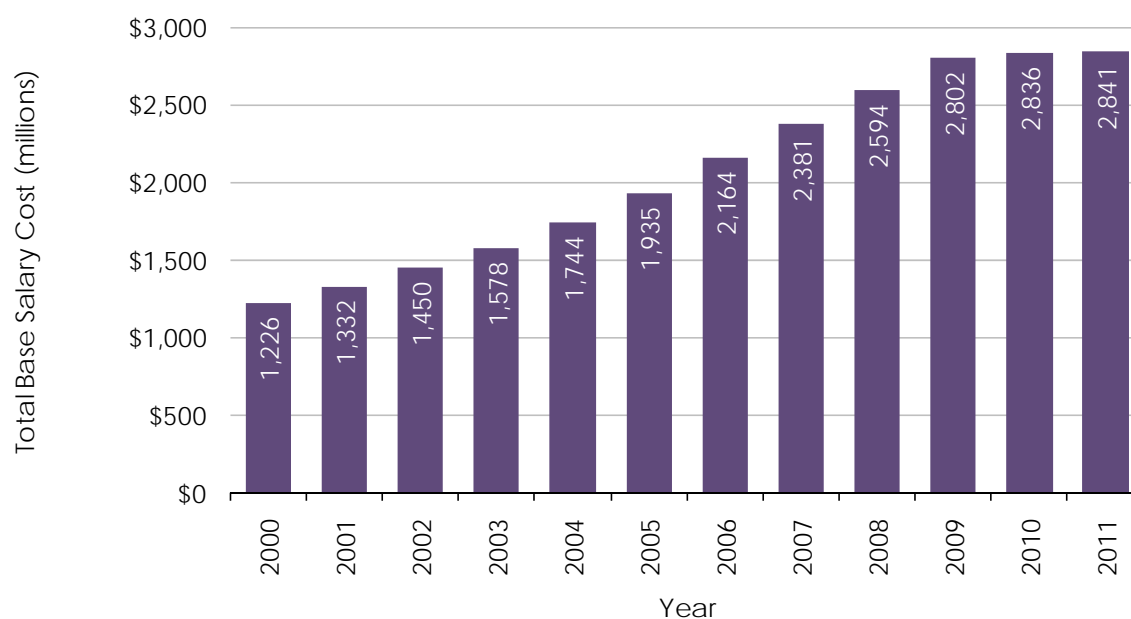
**Table 3 Average and median salary (2006 to 2011)**

	2006	2007	2008	2009	2010	2011
Median (\$)	45,900	48,343	51,000	54,529	54,981	56,119
Average Salary (\$)	53,948	56,619	59,532	62,713	63,655	65,179
Change in average salary (%)	6.0%	5.0%	5.1%	5.3%	1.5%	2.4%

### Estimated total base salary cost

While the average base salary in the Public Service increased over the 12 months to 30 June 2011, the estimated annual expenditure by Public Service departments on base salaries<sup>6</sup> remained constant at 2.8 billion dollars. The increase in the average salary was offset by the smaller number of Public Service employees. The estimated base salary cost at 30 June from 2000 to 2011 is shown in Figure 5.

**Figure 5 Estimated total base salary cost (FTEs x Average Salary) , 2000 to 2011**



### Private sector comparison

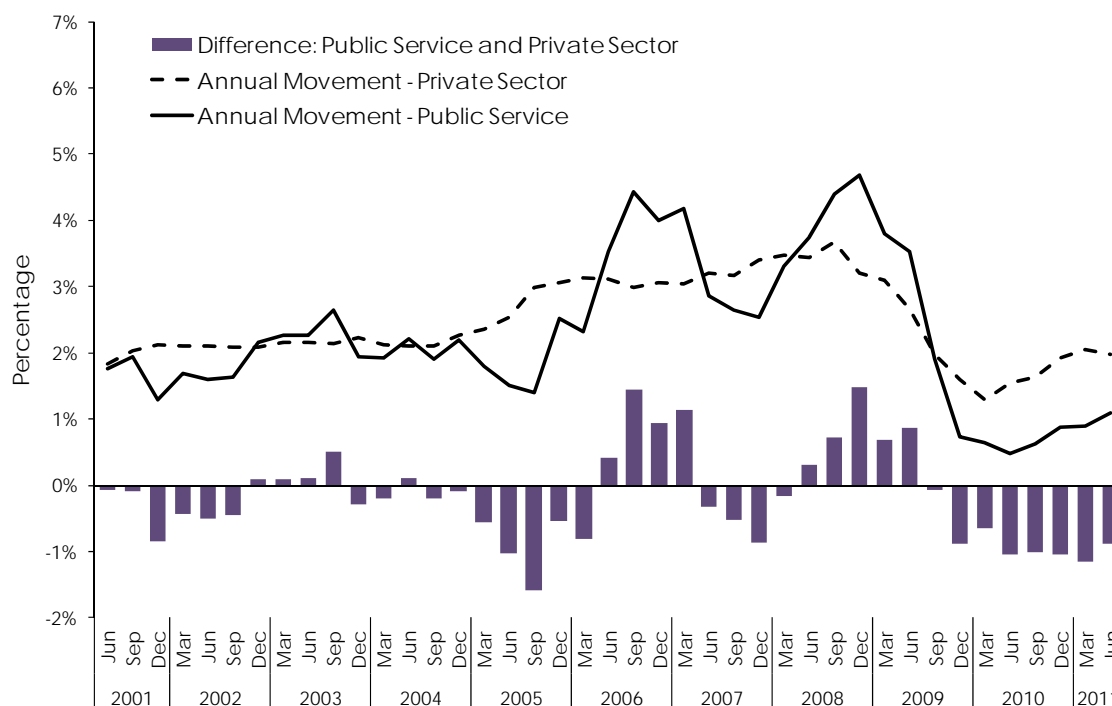
To supplement the annual HRC survey salary information, the State Services Commission purchases a customised report from Statistics New Zealand's Labour Cost Index (LCI) to monitor the movement in Public Service wages and salaries on a quarterly basis. This customised LCI covers the same set of employees as the HRC survey and measured an increase

<sup>6</sup> Annual expenditure on base salaries is estimated by multiplying the number of FTEs by the average salary at 30 June.

in wages and salaries of 1.1% for the Public Service in the year to 30 June 2011. The Public Service wage movement figures from the LCI are usually around 1 percentage point lower than the HRC figures. This difference is due to adjustments in the LCI that ensure a constant quality and quantity of labour is measured.

The LCI shows that wages and salaries in the Public Service are increasing at a slower rate than the private sector. This increase was lower than the private sector increase of 2.0% for the same period. The trend in Public Service annual wage movements and private sector annual wage movements since 2001 is shown in Figure 6.

**Figure 6 Public Service and private sector wage movements, 2001 to 2011**



**Average annual salary movement by occupation group**

Average salary within each occupation group ranged from \$44,253 for *Contact Centre Workers* through to \$112,216 for *Managers*. Average salaries and average annual salary movements for each occupation group are shown in Table 4.

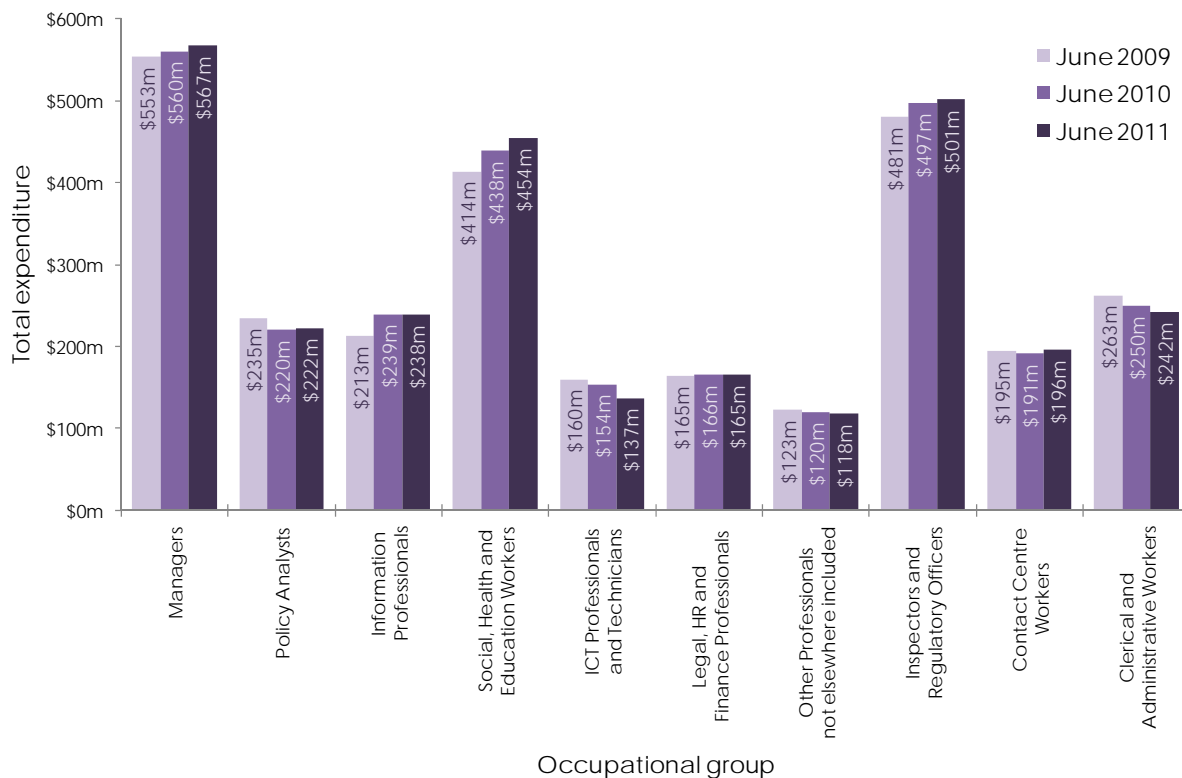
**Table 4 Movements in average salary by occupation group**

<i>HRC customised occupation groups</i>	<i>June 2010</i>	<i>June 2011</i>	<i>Percentage Change</i>
Managers	\$109,771	\$112,216	2.2%
Policy Analysts	\$83,751	\$85,310	1.9%
Information Professionals	\$70,208	\$71,520	1.9%
Social, Health and Education Workers	\$54,959	\$56,201	2.3%
ICT Professionals and Technicians	\$76,705	\$78,919	2.9%
Legal, HR and Finance Professionals	\$77,886	\$79,578	2.2%
Other Professionals not elsewhere included	\$62,277	\$65,110	4.5%
Inspectors and Regulatory Officers	\$52,522	\$53,690	2.2%
Contact Centre Workers	\$43,306	\$44,253	2.2%
Clerical and Administrative Workers	\$48,229	\$50,244	4.2%

## Estimated base salary cost by occupation group

Figure 7 shows the base salary cost for each occupation group as at 30 June for the years 2009, 2010 and 2011. Expenditure on base salary accounts for, on average, 83% of total personnel expenses. Other components of personnel expenditure include superannuation, ACC levies, and performance payments.

**Figure 7 Estimated base salary cost by occupation group<sup>7</sup>**



## Performance pay

Performance pay continued to be used sparingly in 2011, with fewer public servants receiving lump sum performance payments of slightly lower value than 2010. Twenty eight departments made performance payments, and 3.6% of public servants received them (down from 4.1% in 2010). The average amount received was \$3,538. The trend since 2006 is shown in Table 5.

**Table 5 Lump sum performance payment, 2006 to 2011<sup>8</sup>**

	2006	2007	2008	2009	2010	2011
Number of staff receiving performance payment	7,403	7,978	6,285	5,354	1,897	1,667
Percentage of staff receiving performance payments (%)	18%	18%	14%	11%	4.1%	3.6%
Average value of performance payment (\$)	\$2,521	\$2,251	\$2,570	\$2,412	\$3,617	\$3,538

## Superannuation

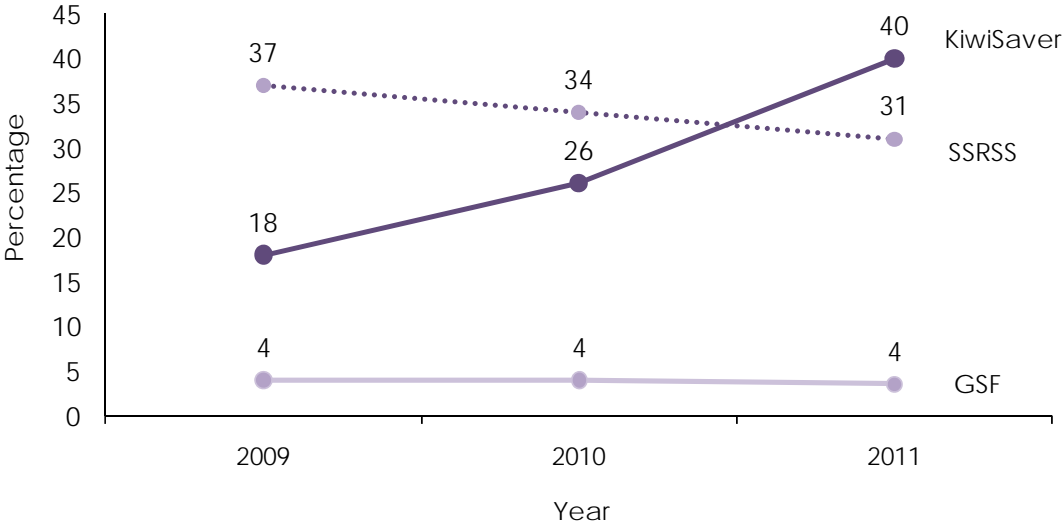
As at 30 June 2011, 74% of permanent public servants were members of at least one employer subsidised superannuation scheme (up from 67% in 2010). The proportion of employees

<sup>7</sup> Between 2008 and 2009 IRD reclassified several *Clerical and Administrative Workers* to *Contact Centre Workers*.

<sup>8</sup> Chief Executives are excluded from all figures. Figures reported last year have been revised.

contributing to superannuation has rapidly increased since the introduction of KiwiSaver. The State Sector Retirement Savings Scheme (SSRSS) and Government Superannuation Fund (GSF) are closed to new members; KiwiSaver is the only scheme that employees can join. Figure 8 shows the proportion of public servants in each scheme.

**Figure 8 Subsidised superannuation scheme membership, 2009 to 2011**



## Section 3 Recruitment, Retention and Redundancies

### Recruitment

Recruitment into the Public Service has remained slow during the 12 months to 30 June 2011. Several departments have gone through restructuring exercises that have reduced the number of positions and other departments have chosen to disestablish some roles as they become vacant to manage their costs. In the year to 30 June 2011, 7,357 employees were recruited by Public Service departments. This is an increase of 94 from the low of 7,263 new recruits in the year to June 2010.

**Table 6 Number of new employees, 2006 to 2011**

	2006	2007	2008	2009	2010	2011
Number of new employees	11,465	10,615	11,062	8,931	7,263	7,357

### Fixed term contracts

The proportion of new employees on fixed term contracts during the year to 30 June 2011 remained at 43%. The overall proportion of fixed term employees in the Public Service has remained around 6% for the past five years. Table 7 shows the number and proportion of employees on fixed term contracts.

**Table 7 Fixed term contracts**

	June 2006	June 2007	June 2008	June 2009	June 2010	June 2011
Open term (FTEs)	37,340	39,499	40,879	42,054	41,981	40,971
Fixed term (FTEs)	2,773	2,548	2,690	2,618	2,573	2,625
Proportion of all employees on fixed term contracts	6.9%	6.1%	6.2%	5.9%	5.8%	6.0%
Proportion of new employees on fixed term contracts	36%	34%	34%	38%	43%	43%

### Turnover

Turnover increased slightly but remains historically low. Core unplanned turnover (resignations, retirements, dismissals, and deaths of open term employees, see definitions in Appendix 4) increased by 1.7 percentage points over the year to 30 June 2011 to 10.9% (up from a historical low of 9.2% in 2010). Table 8 shows the gross and core unplanned turnover rates for the Public Service from 2006 to 2011 and core unplanned turnover by gender.

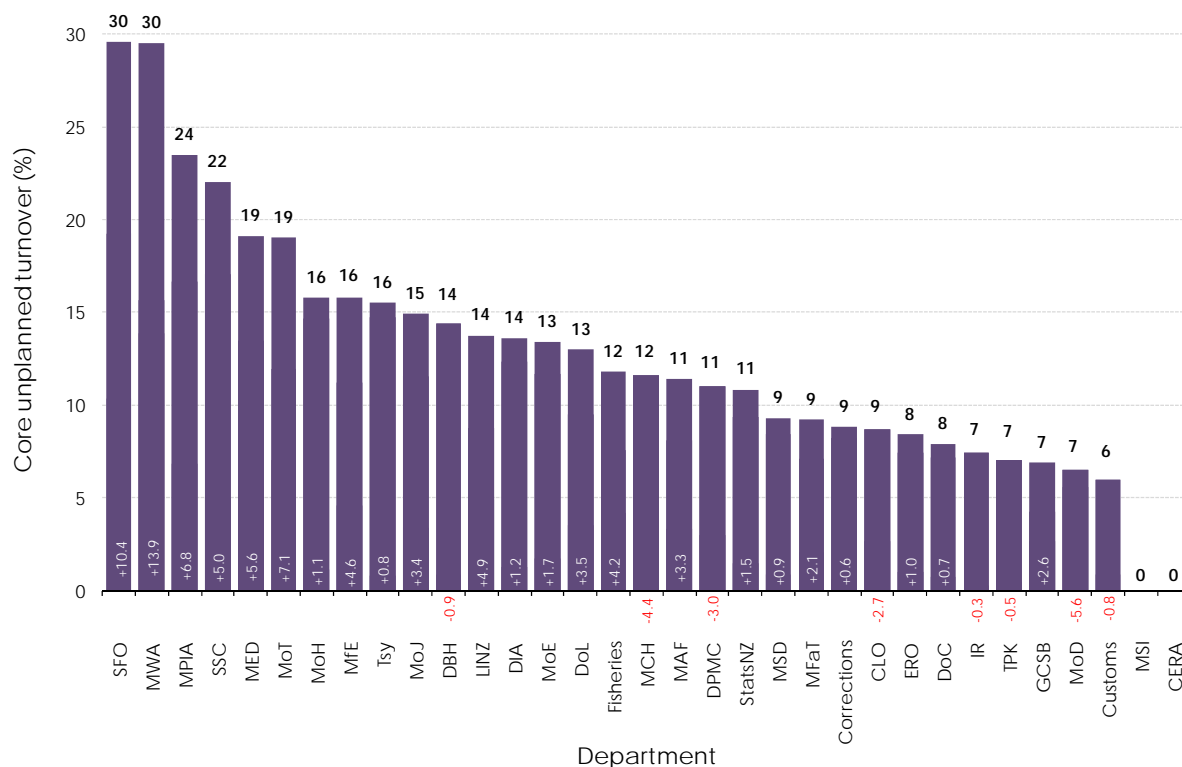
**Table 8 Turnover rates in the Public Service, 2006 to 2011**

	2006	2007	2008	2009	2010	2011
Gross turnover rate (%)	21.5	20.0	20.4	17.0	15.6	17.8
Core unplanned turnover rate (%)	13.4	13.6	14.6	10.7	9.2	10.9
Male core unplanned turnover rate (%)	12.0	12.0	12.9	9.9	8.1	10.3
Female core unplanned turnover rate (%)	14.5	14.7	15.8	11.3	10.0	11.3

## Turnover by department

Figure 9 shows a large variation in annual turnover rates for individual departments (30% down to 6.0%). Turnover rates for the Ministry of Science and Innovation and the Canterbury Earthquake Recovery Authority have not been calculated because these two departments were established during the survey period. The overall increase in core unplanned turnover was driven by increases in 23 departments; increases ranged from 0.6 to 13.9 percentage points. Eight departments recorded decreases in core unplanned turnover ranging from 0.3 to 5.6 percentage points.

**Figure 9 Core unplanned turnover by department**



The three departments with the highest turnover rates are also the three smallest departments. Smaller departments tend to feature more regularly at the top of the turnover table. There are two potential reasons for this. Firstly, there are often fewer opportunities for advancement within smaller departments so employees need to move to gain experience or to advance their careers. Secondly, turnover rates can be volatile in smaller organisations. For example, one person leaving in an organisation of only 30 people will increase the turnover rate by over 3 percentage points.

## Turnover by occupation group

Table 9 shows core unplanned turnover by occupation group. Most occupation groups moved in line with the overall increase in turnover. The largest annual increase in turnover occurred in *ICT Professionals and Technicians* group where turnover doubled from 8% in 2010 to 16% in 2011. Turnover for *Contact Centre Workers* has more than halved over the past three years (28% in 2008 to 13% in 2011).

**Table 9 Core unplanned turnover by occupation group**

<i>HRC customised occupation groups</i>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Managers	10%	7%	6%	8%
Policy Analysts	17%	13%	12%	15%
Information Professionals	14%	11%	9%	10%
Social, Health and Education Workers	15%	11%	10%	10%
ICT Professionals and Technicians	17%	10%	8%	16%
Legal, HR and Finance Professionals	16%	12%	9%	13%
Other Professionals not elsewhere included	12%	9%	8%	10%
Inspectors and Regulatory Officers	11%	9%	7%	8%
Contact Centre Workers	28%	20%	13%	13%
Clerical and Administrative Workers	16%	10%	12%	12%

### ***Length of service and age***

The 2011 HRC data shows that average length of service in a Public Service department increased by half a year to 9.0 years (from 8.5 years in 2010). The half year increase in the average length of service is the largest since the survey began in 2000. Increases in average length of service can be attributed to the continued low turnover rate, especially for long serving employees. Turnover for public servants with over 10 years of service was 4.8% in 2011.

Public servants are staying in their jobs for longer, and the Public Service workforce is continuing to age by six months every year as the wave of baby boomers approaches the traditional retirement age. Previous analysis has shown that that the Public Service is aging at a similar rate to the private sector and is, on average, 2 years older than the private sector.

Tenure and age trends since 2006 are shown in Table 10.

**Table 10 Tenure and age in the Public Service, 2006 to 2011**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Tenure (years)	8.0	7.9	8.0	8.2	8.5	9.0
Average Age (years)	42.2	42.5	42.8	43.3	43.8	44.3

### ***Redundancies***

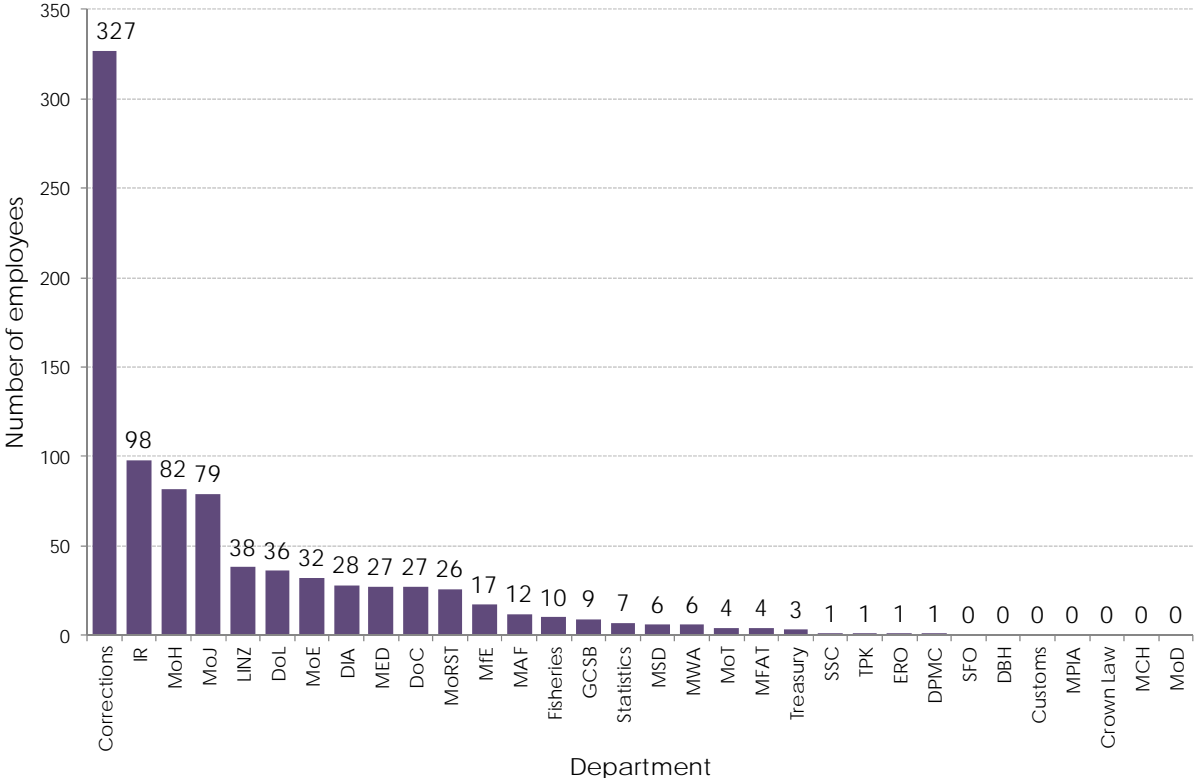
In the year to 30 June 2011, 882 employees in the Public Service were made redundant (up from 780 in 2010). The average redundancy payment decreased to \$45,749 (from \$48,891 in 2010). Despite the decrease in the average value of redundancy payments, the increase in the number of redundancies meant that the total cost of redundancy went up to 40.4 million dollars (38.1 million in 2010, and up from only 6.1 million five years ago). Table 11 shows the number of redundancies, average redundancy payments, and total cost of redundancy between 2006 and 2011.

**Table 11 Redundancies and average payments, 2006 to 2011**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Number of redundancies	163	169	165	301	780	882
Average payment (\$)	37,268	45,702	47,482	38,966	48,891	45,749
Total cost of redundancy (million \$)	6.1	7.7	7.8	11.7	38.1	40.4

Sixty six percent of the redundancies occurred in four departments. The Department of Corrections had the largest number of redundancies with 327, followed by 98 at Inland Revenue, 82 at the Ministry of Health, and 79 at the Ministry of Justice. Figure 10 shows the number of redundancies in each department.

**Figure 10 Redundancies by department**



**Personal grievances**

This was the first year that information about the number of personal grievances has been collected in the HRC survey. Over the year to 30 June 2011, 151 personal grievance claims were laid by Public Service employees (or former employees). The total cost of settling personal grievance claims was \$750,341.

Fourteen departments had no personal grievance claims during the survey period. Personal grievance claims were laid in 19 departments at a rate ranging from 0.1 per 100 employees to 1.3 per 100 employees. The number of claims was generally higher in those departments with higher numbers of redundancies.

## Section 4 Equality and Diversity

### *Ethnicity*

The ethnic composition of the Public Service remained fairly static in 2011, closely matching the ethnic profile of 12 months earlier. There was no change in the proportion of Māori (16.4%), Pacific People (7.6%), Asian (7.4%) or MELAA (Middle Eastern, Latin American and African, 1.0%). The proportion of people identifying as European dropped slightly to 72.5% (72.6% in 2010), while the proportion of people in the ‘Other’ group, which includes those responding as New Zealander, increased to 4.4% (4.0% in 2010).

The ethnic diversity of the Public Service is shown in Table 12.

**Table 12 Representation of ethnic groups<sup>9</sup> in the Public Service, 2006 to 2011**

	2006	2007	2008	2009	2010	2011
Māori (%)	16.7	16.8	16.7	16.2	16.4	16.4
Pacific People (%)	7.4	7.6	7.8	7.4	7.6	7.6
Asian (%)	5.9	6.5	6.9	7.2	7.4	7.4
Middle Eastern, Latin American, African (%)	0.5	0.7	0.9	0.9	1.0	1.0
European (%)	74.3	73.1	72.5	71.4	72.6	72.5
Other (%)	3.5	3.5	3.4	4.3	4.0	4.4

### *Women in the Public Service*

The proportion of women in the Public Service remained at 59% at 30 June 2011 (compared with 47% in the employed labour force). 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’ have a high representation of women. The proportion of women in each Public Service department is shown in Appendix 2.

### *Diversity in senior management*

The proportion of Māori senior managers increased (to 9.2%), as did the proportion of Pacific (up to 1.6%) and Asian (up to 1.9%) senior managers. At 30 June 2011 there were 1,023 managers in the top 3 tiers of the Public Service. Public Service senior managers are a less diverse group than the rest of the Public Service. Because of the relatively low turnover in tier 2 and 3 roles, the ethnic and gender composition of senior managers has not changed much over the past five years.

The proportion of women in senior management roles dropped in the past 12 months after increasing in the previous year. Over the year to 30 June 2011, the proportion of women in senior management decreased by 0.2 percentage points to 39.6% (39.8% in 2010).

Table 13 shows the proportion of women, Māori, Pacific, and Asian in senior management roles (tier 1, 2, and 3).

<sup>9</sup> Ethnicity is recorded and reported based on the Statistics New Zealand “Statistical Standard for Ethnicity 2005”. People recording more than one ethnic group are counted multiple times. Percentages in Table 12 and Table 13 are of those with a known ethnicity.

**Table 13 Diversity in senior management, 2006 to 2011**

	2006	2007	2008	2009	2010	2011	Public Service Workforce (2011)
Women	37.7%	37.8%	38.4%	37.8%	39.8%	39.4%	59.2%
Māori	8.2%	9.1%	9.0%	8%	8.3%	9.2%	16.4%
Pacific people	1.7%	1.7%	1.3%	1.5%	1.5%	1.6%	7.6%
Asian	1.6%	1.5%	1.4%	1.5%	1.7%	1.9%	7.4%

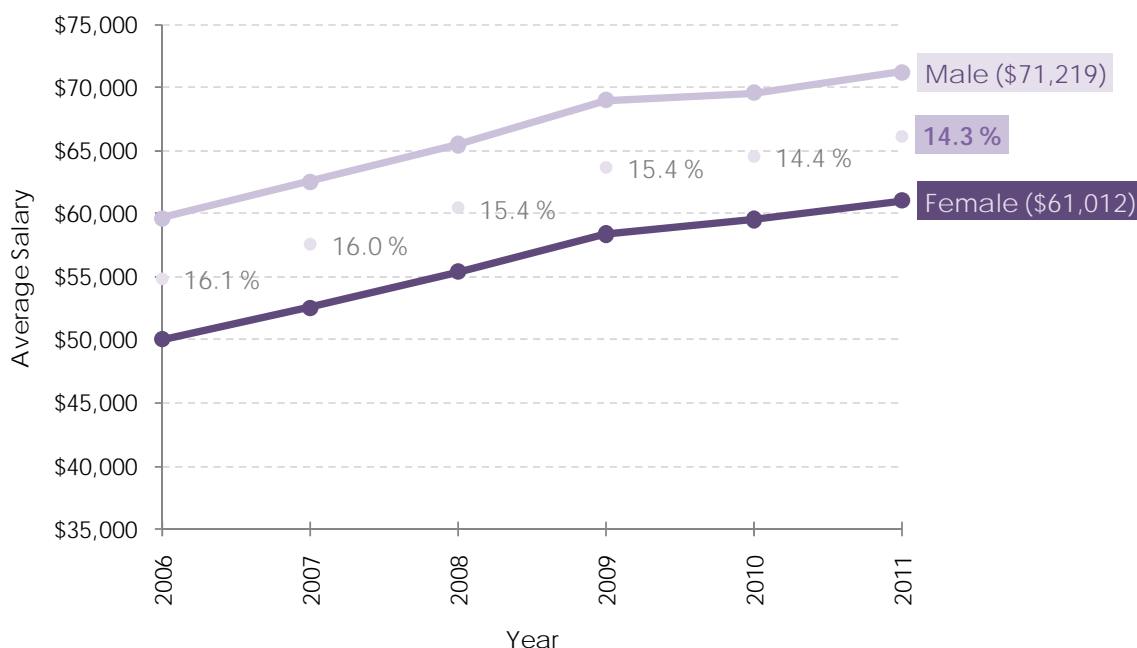
**Gender and ethnicity pay gaps**

As at 30 June 2011, the average salary for men in the Public Service was \$71,219 and \$61,012 for women. Over the 12 months to 30 June 2011, average salary for women increased by 2.5% and average salary of men increased by 2.4%. The gender pay gap decreased to 14.3% (14.4% in 2010). The gender pay gap in the Public Service for the years 2006 to 2011 is shown in Table 14 and Figure 11.

**Table 14 Gender pay gaps, 2006 to 2011**

	2006	2007	2008	2009	2010	2011
Female Salary (average)	\$50,050	\$52,550	\$55,407	\$58,363	\$59,522	\$61,012
Male Salary (average)	\$59,644	\$62,538	\$65,475	\$68,983	\$69,544	\$71,219
Gender Pay Gap (%)	16.1%	16.0%	15.4%	15.4%	14.4%	14.3%

**Figure 11 Average Salary by gender, 2006 to 2011**



The gender pay gap within occupation groups is lower than the overall gender pay gap. Pay gaps for occupation groups range from 2.0% for *Contact Centre Workers* through to 13.9% for *Managers* (see Table 15). Pay gaps by occupation are all lower than the overall pay gap because a higher than average proportion of women work in the lower paid occupations groups and a higher than average proportion of men work in the higher paid occupation groups.

**Table 15 Gender pay gaps, 2007 to 2011**

<i>HRC customised occupation groups</i>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Managers	13.8%	13.9%	12.9%	13.6%	13.9%
Policy Analysts	12.1%	10.2%	10.4%	10.1%	10.8%
Information Professionals	8.4%	8.8%	8.8%	8.5%	8.5%
Social, Health and Education Workers	9.8%	8.1%	7.7%	5.9%	5.0%
ICT Professionals and Technicians	7.7%	7.9%	8.5%	7.6%	9.2%
Legal, HR and Finance Professionals	9.8%	10.8%	9.3%	8.5%	9.8%
Inspectors and Regulatory Officers	6.3%	4.4%	4.2%	4.0%	4.6%
Contact Centre Workers	1.8%	1.7%	1.7%	1.0%	2.0%
Clerical and Administrative Workers	4.9%	4.1%	11.1%	6.4%	9.8%
Other Occupations	21.7%	19.0%	16.1%	11.9%	11.9%

Table 16 shows ethnic pay gaps in the Public Service. The pay gap between Māori and non-Māori, Pacific and non-Pacific, Asian and non-Asian remained the same as last year. Pay gaps by ethnicity between 2006 and 2011 are shown in Table 16.

**Table 16 Ethnic pay gaps, 2005 to 2010**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Māori (%)	12%	11%	12%	11%	11%	11%
Pacific peoples (%)	21%	20%	20%	20%	19%	19%
Asian peoples (%)	9%	10%	10%	10%	11%	11%

Like the gender pay gap, ethnic pay gaps can be partially attributed to the occupation profile of a particular ethnic group. Māori, Pacific and Asian public servants are more represented in the lower paid occupation groups (*social health and education workers, inspectors and regulatory officers, contact centre workers and clerical and administrative workers*).

## Section 5 Leave

### **Annual leave entitlements**

As at 30 June 2011, 59% of full-time permanent Public Service employees received 5 Weeks or more annual leave (62% in 2010). Table 17 shows the trend since 2007.

**Table 17 Annual leave entitlements (including department days), 2007 to 2011**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
4 Weeks (%)	18%	14%	12%	11%	14%
Between 4 and 5 Weeks (%)	34%	36%	30%	27%	27%
5 Weeks and over (%)	48%	49%	58%	62%	59%

### **Parental leave**

As at 30 June 2011, there were 709 employees (1.5% of the workforce) on parental leave, 689 of whom were female and 20 male (2010 figures were 682 total, 659 female and 23 males).

### **Annual leave balances**

The extent that employees with large annual leave balances are encouraged to take annual leave varies by department. On average, 17% of public servants had over 25 days of annual leave outstanding. By department this figure ranged from 0.5% to 39.3%.

### **Sick and domestic leave taken**

In the year to 30 June 2011, the amount of sick and domestic leave taken by public servants dropped to 7.4 days (from 7.7 days in 2010). Table 18 shows the trend from 2006 to 2011. The amount of sick and domestic leave taken varies by department from 1.3 days to 9.3 days. *Contact centre workers* take the most sick and domestic leave (9.2 days), while *Managers* and *Policy Analysts* take the least sick and domestic leave (5.5 days).

**Table 18 Sick and domestic leave taken, 2006 to 2011**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Average sick and domestic leave taken (days)	6.6	6.5	7.3	7.6	7.7	7.4

## Appendix 1 Full-time equivalent employees by department, 2006 to 2011

<i>Department</i>	<i>June 2006</i>	<i>June 2007</i>	<i>June 2008</i>	<i>June 2009</i>	<i>June 2010</i>	<i>June 2011</i>
Agriculture & Forestry <sup>10</sup>	1,556	1,592	1,215	1,295	1,259	1,696
Archives <sup>11</sup>	100	109	119	137	128	-
Building & Housing	306	332	340	348	320	355
Canterbury Earthquake Recovery Authority <sup>12</sup>	-	-	-	-	-	5
Conservation	1,954	1,996	2,005	2,062	2,048	2,039
Corrections	5,600	6,332	6,803	7,114	7,704	7,290
Crown Law Office	153	173	175	182	181	184
Culture and Heritage <sup>13</sup>	86	89	100	100	103	115
Customs	1,177	1,198	1,182	1,166	1,156	1,161
Defence	58	59	56	60	59	61
Economic Development	716	686	731	746	746	733
Education	2,442	2,554	2,552	2,530	2,444	2,467
Education Review Office	246	233	213	219	209	216
Environment	249	266	284	294	294	306
Fisheries <sup>14</sup>	409	437	435	447	428	433
Foreign Affairs & Trade	699	723	790	900	864	841
Government Communications Security Bureau	293	292	293	310	303	282
Health	1,157	1,278	1,432	1,442	1,291	1,122
Inland Revenue	5,224	5,595	5,880	6,025	5,512	5,646
Internal Affairs	1,223	1,268	1,299	1,424	1,505	1,964
Justice	2,733	2,852	3,046	3,113	3,205	3,068
Labour	1,546	1,608	1,808	1,887	1,898	1,821
Land Information New Zealand	563	504	515	516	484	425
Māori Development	366	391	361	403	323	336
National Library <sup>15</sup>	367	352	358	356	349	-
NZ Food Safety Authority <sup>16</sup>	-	-	488	500	458	-
Pacific Island Affairs	49	49	43	41	38	42
Prime Minister & Cabinet	106	109	106	101	109	108
Research Science & Technology	68	71	70	73	74	-
Science & Innovation <sup>17</sup>	-	-	-	-	-	116
Serious Fraud Office	29	29	34	30	25	33
Social Development	9,130	9,323	9,237	9,178	9,333	9,210
State Services Commission	180	215	233	211	161	108
Statistics New Zealand <sup>18</sup>	800	786	787	875	957	853
Transport	146	150	174	171	166	151
Treasury	324	330	338	355	357	363
Women's Affairs	29	34	34	30	31	20
<b>Total<sup>19</sup></b>	<b>40,113</b>	<b>42,047</b>	<b>43,569</b>	<b>44,672</b>	<b>44,554</b>	<b>43,595</b>

<sup>10</sup> Figures in 2011 and prior to 2008 include the NZ Food Safety Authority.

<sup>11</sup> Archives NZ was absorbed into DIA on 1/2/11.

<sup>12</sup> CERA is a new Public Service department established on 18/4/11 to lead and coordinate the ongoing recovery effort following the devastating earthquakes of September 2010 and February 2011.

<sup>13</sup> Increases in FTEs at Culture and Heritage between 30 June 2009 and 30 June 2010 were primarily due to new fixed term positions created to complete specific projects, e.g. Vietnam War oral history and commencement of recruitment for the Digital Switch Over project.

<sup>14</sup> The Ministry of Fisheries merged into the Ministry of Agriculture & Forestry on 1/7/11

<sup>15</sup> National Library was absorbed into DIA on 1/2/11

<sup>16</sup> The New Zealand Food Safety Authority (NZFSA) was established on 1 July 2007 and was previously part of the Ministry of Agriculture and Forestry (MAF). At 1 July 2010 NZFSA was merged back into MAF.

<sup>17</sup> The Ministry of Science and Innovation was formed from the merger of the Ministry of Research, Science & Technology and the Foundation for Research, Science & Technology on 1/2/11.

<sup>18</sup> Survey interviewers are included from June 2009 onwards. These employees had previously been excluded.

<sup>19</sup> Totals include chief executives, who are not part of the departmental figures.

## Appendix 2 Percentage of Women<sup>20</sup>, Māori<sup>21</sup>, Women in senior management and fixed term agreements by department, June 2011

<i>Department</i>	<i>Women (%)</i>	<i>Māori (%)</i>	<i>Women in senior management<sup>22</sup> (%)</i>	<i>Fixed Term (%)</i>
Agriculture & Forestry	47	5	25	5
Building & Housing	59	13	40	11
Canterbury Earthquake Recovery Authority	40	0	0	100
Conservation	38	13	21	12
Corrections	43	23	47	4
Crown Law Office	71	7	46	6
Culture and Heritage	55	11	40	36
Customs	40	9	21	1
Defence	31	7	17	11
Economic Development	53	5	58	10
Education	80	12	56	27
Education Review Office	74	21	57	6
Environment	66	2	29	12
Fisheries	35	15	31	7
Foreign Affairs & Trade	53	10	29	11
Government Communications Security Bureau	32	9	21	3
Health	62	9	47	4
Inland Revenue	64	12	36	2
Internal Affairs	58	10	39	15
Justice	66	18	38	5
Labour	58	9	51	5
Land Information New Zealand	48	7	32	4
Māori Development	61	70	48	14
Pacific Island Affairs	56	0	67	16
Prime Minister & Cabinet	52	5	30	11
Research, Science & Technology	61	7	47	14
Serious Fraud Office	47	0	50	9
Social Development	72	25	55	5
State Services Commission	59	6	45	12
Statistics New Zealand	55	6	48	4
Transport	57	1	43	3
Treasury	50	1	20	7
Women's Affairs	91	10	100	0
<b>Public Service Total</b>	<b>59</b>	<b>16.4</b>	<b>39.4</b>	<b>6</b>

<sup>20</sup> Percentages are calculated based on public servants with known gender.

<sup>21</sup> Percentages are calculated based on public servants with known ethnicity.

<sup>22</sup> Senior management refers to Tier 1 (CE), 2 and 3 managers.

### Appendix 3 Occupations in the HRC customised occupation groups

<b>HRC Customised Reporting Group</b>	<b>Description</b>	<b>Common Occupations</b>
Managers <sup>23</sup>	All managers in the Public Service.	Chief Executive Office Manager Policy and Planning Manager Corporate Services Manager Finance Manager ICT Manager
Policy Analysts	The code Policy Analyst is also used for employees in advisory roles.	Policy Analyst Advisor
Information Professionals	Professionals who analyse and manage information and data. Also included are professionals who provide advice on business and organisational methods.	Management Consultant Liaison Officer Statistician Intelligence Officer Librarian
Social, Health and Education Workers	Professionals who work in the Social, Health and Education sectors.	Welfare and Social Worker Teacher Aide Residential Care Officer Education Adviser Careers Counsellor
ICT Professionals and Technicians	Covers all ICT staff at the Professional and Technical Level	Systems Analyst Business Analyst Programmer Customer Support Officer Systems Administrator
Legal, Human Resources and Finance Professionals	Professionals who provide services in legal, financial accounting and human resource matters.	Solicitor Training and Development Professional Accountant Auditor Human Resource Adviser
Other Professionals not elsewhere included <sup>24</sup>	All other Professionals not covered elsewhere.	Park Ranger Public Relations Professional Conservation Officer Environmental Consultant Veterinarian
Inspectors and Regulatory Officers	Staff who administer and enforce government and corporate regulations and standards.	Prison Officer Parole or Probation Officer Customs Officer Taxation Inspector Court Registry Officer Quarantine Officer
Contact Centre Workers	Contact and Call Centre workers, Inquiry Clerks, and their immediate supervisors.	Call or Contact Centre Operator Inquiry Clerk Call or Contact Centre Team Leader
Clerical and Administrative Workers	General Administrative and Office Support staff at the clerical level.	General Clerk Personal Assistant Program or Project Administrator Accounts Clerk Clerk of Court Receptionist (General) Filing or Registry Clerk
Other Occupations	All occupations not classified elsewhere	All occupations not classified elsewhere
Unknown	Unknown or unclassifiable occupations	Unknown occupations (999999)

<sup>23</sup> This group includes communications managers.

<sup>24</sup> This group includes communications staff in non-management roles.

## **Appendix 4 Definitions**

### **Core Government Administration**

Core government administration refers to:

- All Public Service departments (excluding the Community Probation & Psychological Service and Prison Service sections of the Department of Corrections, and the Child, Youth & Family and Work & Income sections of the Ministry of Social Development);
- Five selected Crown entities: Housing New Zealand Corporation; New Zealand Qualifications Authority; New Zealand Transport Agency; New Zealand Trade & Enterprise; and Tertiary Education Commission.

Core government administration excludes:

- the Community Probation & Psychological Service and Prison Service sections of the Department of Corrections;
- the Child, Youth & Family and Work & Income sections of the Ministry of Social Development;
- Crown entities (apart from the five noted above);
- non Public Service departments (New Zealand Defence Force, New Zealand Police, Parliamentary Service, New Zealand Security Intelligence Service, Office of the Clerk, Parliamentary Counsel Office).

### **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 Act. As at 30 June 2011 there were 33 Public Service departments<sup>25</sup>.

### **Full Time Equivalent (FTE)**

Each 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 FTEs in an organisation.

### **Turnover**

Turnover rates for the Public Service are derived from the exits 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. Three turnover measures are used:

- Core unplanned turnover primarily due to resignations of open-term employees, but also includes retirements, dismissals, and death.
- Planned turnover includes cessations of staff on fixed-term employment agreements and cessations due to restructuring.
- Gross turnover includes both core unplanned and planned turnover.

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<sup>25</sup> From 1 July 2011 there were 32 Public Service departments following the merger of the Ministry of Fisheries with the Ministry of Agriculture and Forestry.

### ***Gender Pay Gap***

The gender pay gap is defined as the difference between the average salary for women and the average salary for men, and is expressed as percentage of the average salary for men.

### ***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.



# Human Resource Capability Survey 2011

Public Service Staffing as at 30 June 2011

October 2011 – for more information visit <http://www.ssc.govt.nz/hrc-survey-2011>

The *Human Resource Capability* (HRC) survey provides a snapshot of the Public Service workforce as at 30 June each year. The survey has been conducted annually since 2000 and was used this year to report on the number of positions within the cap on core government administration. In addition to staff numbers, the survey covers pay and benefits, recruitment and retention, equality and diversity, and leave in the Public Service

↓ 43,595

Staffing levels in the Public Service fell over the year to 30 June 2011. The number of Full-Time Equivalent (FTE) employees decreased by 959 to 43,595 (2.2%). This is the second consecutive year that FTE numbers have decreased following nine annual increases between 2001 and 2009.

↑ 882

In the year to 30 June 2011, 882 employees in the Public Service were made redundant (up from 780 in 2010).

↓ \$45,749

The average redundancy payment decreased to \$45,749 (from \$48,891 in 2010).

↑ 2.4%

The average base salary in the Public Service increased by 2.4% to \$65,179 (1.5% in 2010). Information from the Labour Cost Index shows that wages and salaries in the public sector are increasing at a slower rate than in the private sector.

● \$2.84 billion

The estimated annual expenditure by Public Service departments on base salaries remained constant in 2011 at \$2.84 billion.

↑ 10.9%

Core unplanned turnover increased from a historic low of 9.2% in 2010 to 10.9% in 2011. The overall increase in core unplanned turnover was driven by increases in 23 departments; turnover rates in individual departments ranged from 6% to 30%.

↑ 74%

As at 30 June 2011, 74% of permanent public servants were members of an employer subsidised superannuation scheme (up from 67% in 2010).

↓ 7.4 days

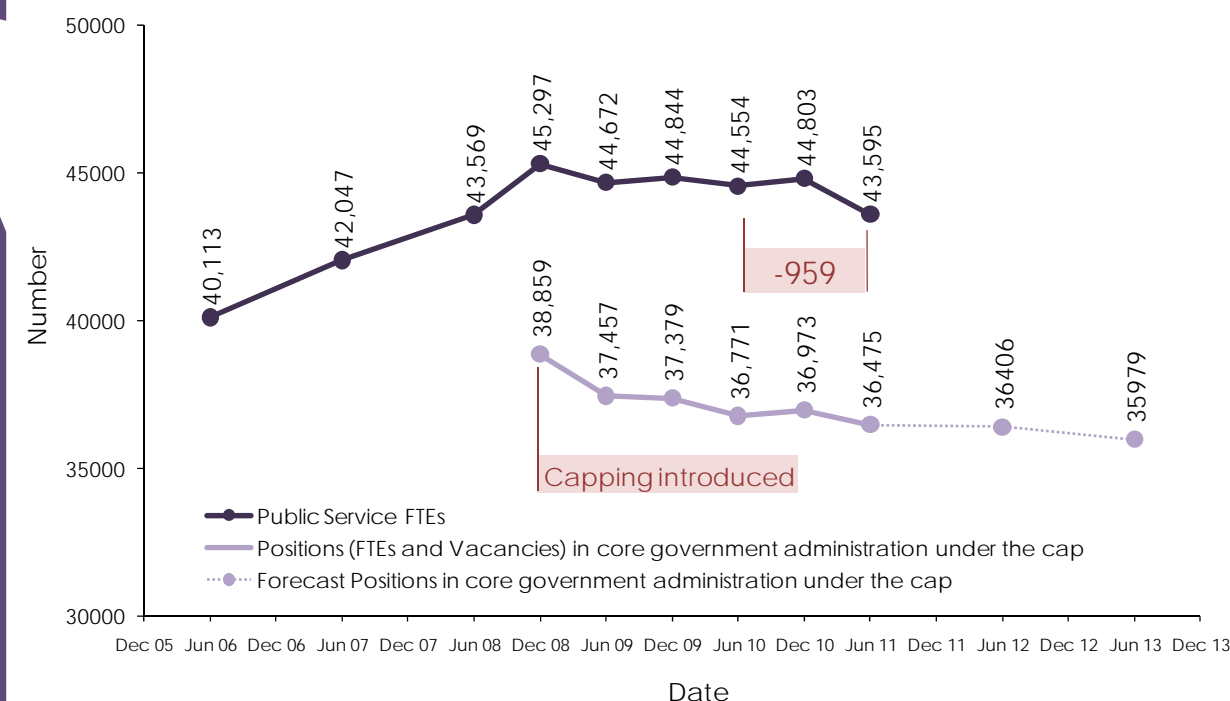
The amount of sick leave and domestic leave taken by public servants dropped to an average of 7.4 days (from 7.7 days in 2010).

1,702 fewer FTE employees in the Public Service since the peak in December 2008

The average length of service increased to nine years

Public Service wage and salary increases were lower than the private sector.

Reductions in FTE numbers



No change in total base salary cost

