18 September 2024

Ref: OIA-2024/25-0094

Dear

Official Information Act request relating to review of Agencies remuneration

Thank you for your Official Information Act 1982 (the Act) request received by the Department of the Prime Minister and Cabinet (DPMC) on 29 July 2024. You requested:

> "I would like to request a copy of a report prepared by DPMC which analysed the remuneration details for a number of different agencies (I understand around 28 agencies). This included a comparison of policy positions and their relative remuneration. I understand the date for this was 2022, but it could be a different year."

On 24 August 2024 we wrote to you extending the time limit for response by 17 working days, to 18 September 2024. The additional time was needed to complete consultation before a final decision was made on your request. I am now in a position to respond.

Please find **attached** a copy of the two relevant reports and appendices produced for DPMC's The Policy Project, as set out in the table below.

Item	Date	Document description	Decision
Item 1	10/11/2022	Rem Report 2.1 slide deck titled *Policy Remuneration Project Stage 2, Report 1 – Variations in salary ranges for policy roles across the public service in 2021/22, and related matters.*	Release with some information withheld under: s9(2)(b)(i) s9(2)(b)(ii)
Item 2	10/11/2022	Appendices to Rem Report 2.1.	Release with some information withheld under: s9(2)(b)(i) s9(2)(b)(ii)
Item 3	15/06/2023	Rem Report 2.2 slide deck titled *Policy Remuneration Project, Stage 2, Report 2 – How remuneration and career progression policies varied across the public service in FY2021/22, and other related information for policy roles.*	Release in full.
Item 4	15/06/2023	Appendices to Rem Report 2.2.	Release with some information withheld under: s9(2)(b)(i) s9(2)(b)(ii)

As noted in the table above and on the documents themselves, some information is withheld under the following sections of the Act:

- section 9(2)(b)(i), to prevent disclosure of a trade secret
- section 9(2)(b)(ii), to protect the commercial position of the person who supplied the information, or who is the subject of the information.

The information withheld relates to job weightings which were calculated by Korn Ferry who produced the reports with DPMC and used Korn Ferry intellectual property for those calculations.

It should be noted that the information in both reports relates to policy roles and their salary ranges across the public service from 2021/2022, and so the information in the reports is not current.

In making my decision, I have considered the public interest considerations in section 9(1) of the Act. No public interest has been identified that would be sufficient to outweigh the reasons for withholding that information.

You have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the Act.

This response will be published on DPMC's website during our regular publication cycle. Typically, information is released monthly, or as otherwise determined. Your personal information including name and contact details will be removed for publication.

Yours sincerely

Janine Smith
Deputy Chief Executive, Policy

Policy Remuneration Project
Stage 2, Report 1

Variations in salary ranges for policy roles across the public service in 2021/22, and related matters
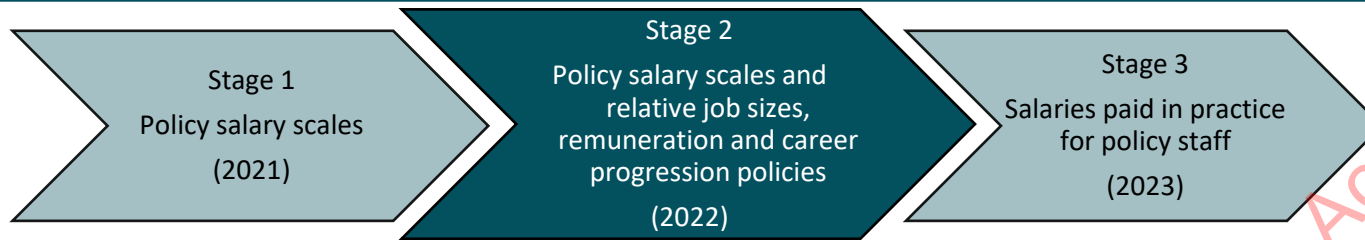
What this report covers

This report considers the salary scales for policy roles across the public service for 2021/22 and explores some of the variables impacting agency salary scales. The report covers:

1. **Project overview and the role of job sizing** ....slides 3 to 5
   - Overview of the Policy Remuneration Project and its objectives.
   - Description of job sizing and how it relates to remuneration.
   - Some of the factors agencies consider when setting salary scales including the potential influence of the job sizing methodology selected.

2. **Variation in policy roles across public service agencies** ....slides 6 to 8
   - The diversity of policy roles in public service agencies and the most common variations.
   - The approach adopted in this report to the cross-agency analysis given this diversity.

3. **System-wide view of job size levels adopted by agencies for roles up to policy manager**...slide 9
   - Variation in job size levels adopted by agencies for each of the five policy roles from graduate to policy manager.

4. **Comparison of agency salary scales and job size levels for roles up to policy manager** ....slides 10 to 21
   - Description of how salary scales were analysed in this report to enable comparability across agencies.
   - System-wide view of variation in salary scales adopted by agencies for the policy roles from graduate to policy manager.
   - For each policy role, a comparison of the salary scale and job size adopted across agencies, as well as an analysis of the combined salary scales within and across the different job sizes for each role.

5. **System-wide view of varying salary range spread for roles up to policy manager** ....slide 22
   - Variation in the salary range spread adopted by agencies for each policy role from graduate to policy manager.

6. **Comparison of policy roles above policy manager and below Tier 2 policy leader**...slide 23
   - A cross-agency comparison of the salary scales, job size and job titles adopted for roles above policy manager and below Tier 2 policy leader.

7. **Overview of key findings**..slides 24 to 25
   - A summary of the key findings from this report.

8. **Data notes**..slides 26 to 28
   - An explanation of the methodology used for the analysis in each slide and any caveats to bear in mind.

9. **Appendices A and B**..attached
   - Appendix A includes for each agency their policy job titles and corresponding job size level and Appendix B includes for each agency the salary scales for each policy role.

Stage 1
Policy salary scales
(2021)

Stage 2
Policy salary scales and relative job sizes, remuneration and career progression policies
(2022)

Stage 3
Salaries paid in practice for policy staff
(2023)

Policy Remuneration Project

The Policy Remuneration Project is being conducted in three stages as set out in the diagram. The findings of Stage 1 were reported to the Tier 2 Policy Leaders' Network last year. This showed that there is a very wide spread in 2019/20 salary scales across public service agencies for all policy roles – which increases with seniority. This informed the objectives of Stage 2 which looks at variables that may be contributing to this very wide spread. Both Stages 1 and 2 focus on agency salary scale policies in relation to roles in the policy job family, not the practice of what people are actually paid – which is the focus planned for Stage 3 of the project.

Stage 2 methodology

In August 2021, the Policy Project sent a survey to all 28 agencies with a policy function on a range of matters relating to remuneration policies – including policy salary scales, job sizes, remuneration and career progression policies.

Korn Ferry was appointed to support the Policy Project in the analysis of the data. After the initial analysis of the data collected, the Policy Project sought clarifying and additional information from agencies to complete the data set. A draft of this report was sent to the remuneration specialists in agencies to validate the use of their data and the findings. Their feedback has been incorporated into this final report.

Phased approach to Stage 2

Due to the amount of data collected and the implications for the report length, a phased approach to reporting the findings of Stage 2 has been adopted. This first report updates the information provided in Stage 1 by providing analysis of 2021/22 salary scales and also explores variables such as job size, pay approaches (base salary versus fixed package) and salary range spread (the difference between the minimum and maximum points in an agency's salary scale for a role) that could be impacting the very wide spread in salary scales across agencies for policy roles.

The second Stage 2 report will be delivered in November/December 2022 and focus on agencies' remuneration and career progression policies, their impact on salary scales for policy roles, what remuneration elements are set out in different types of employment agreements and the extent of salary scale adjustments since 2019/20.

Objectives

➢ The overall project objective is to improve understanding of how policy staff are remunerated across the public service, in terms of job sizing, salary scales, actual pay rates and career progression. This will enable informed discussion of issues and future priorities. The project is limited to data analysis and will not make any recommendations for changes.

➢ The focus of Stage 2 of the project is to build on the insights from Stage 1 – focusing on variables that may be contributing to the very wide variation across agencies in policy salary scales. These variables include:

- relative job size of the same role across agencies

- pay approaches (base salary versus fixed package)

- salary range spread (the difference between the minimum and maximum points in an agency's salary scale)

- remuneration and career progression policies.

Role of job sizing

Job sizing is a key input to organisational decision-making on the salary scales for roles. Job sizing enables agencies to compare the remuneration of similar sized roles across the public service and with external market rates as a key input when determining a salary band for each role.

How jobs are sized

Job sizing is a means of determining the relative importance of roles in an organisation in a structured and consistent manner, which takes account of job content and the organisational context. It's a systematic process for ranking roles logically and fairly by comparing roles against a pre-determined set of criteria to determine the relative sizing between roles and create a numeric ordering.

Different job sizing methodologies

The agencies surveyed use different job sizing methodologies to size their roles.
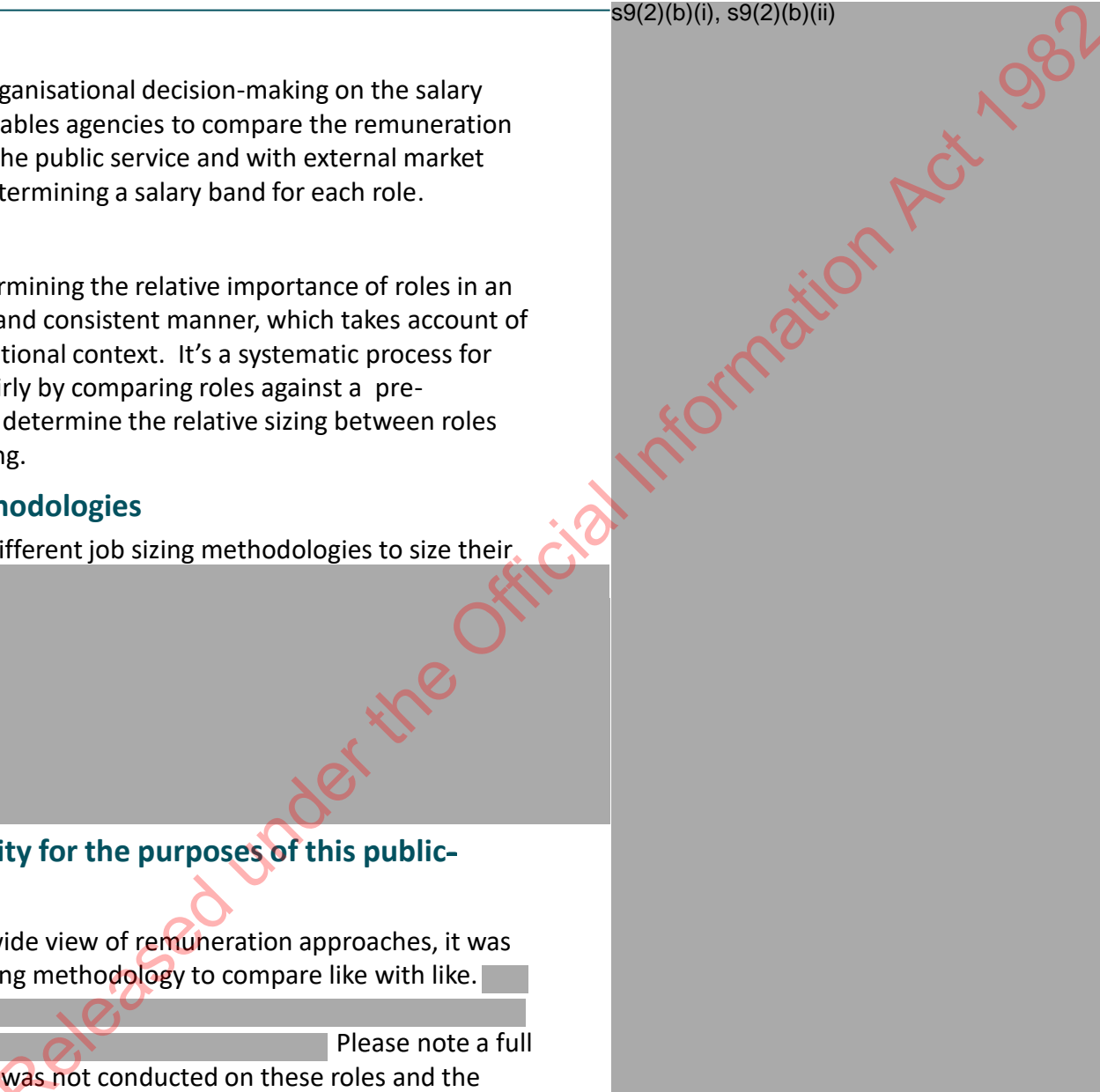
s9(2)(b)(i), s9(2)(b)(ii)

Establishing comparability for the purposes of this public-service-wide analysis

To provide a public service-wide view of remuneration approaches, it was necessary to use one job sizing methodology to compare like with like.
s9(2)(b)(i), s9(2)(b)(ii)

Please note a full job evaluation methodology was not conducted on these roles and the information provided in this report on job size level for these agencies is indicative only.

s9(2)(b)(i), s9(2)(b)(ii)

s9(2)(b)(i), s9(2)(b)(ii)

When setting their salary scales for policy roles, some agencies are bound by collective bargaining which is the main determinant for setting their salary scales.

Other agencies compare against the 50th percentile of the public sector market – comparing against roles that have the same job size as the agency's roles. Even though agencies may compare against the 50th public sector market percentile, budget considerations may mean that they can't match the market median.

Within the public sector market, there is also some variation in terms of the types of roles and agencies that are compared against. Some agencies use more than one of the combinations below.

Public sector market: roles
- Most agencies compare against all roles in the public sector market
- A small number of agencies compare against roles in the policy job family only

Public sector market: agencies
- Mainly public service agencies
- Public service agencies plus crown entities and/or local government
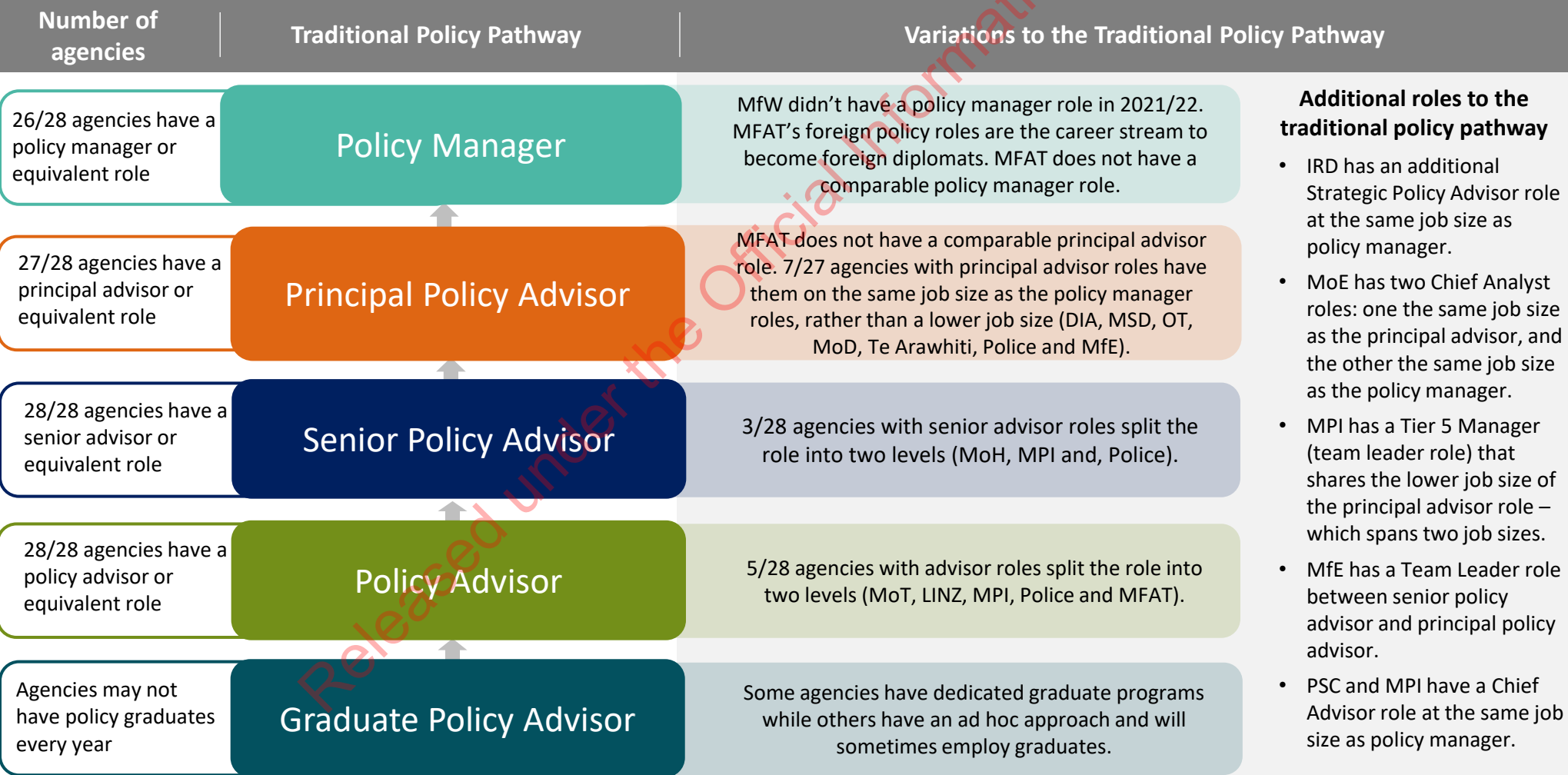- Other agencies working in the same sector

s9(2)(b)(i), s9(2)(b)(ii)

Policy Roles – Variations from Graduate to Policy Manager

The diagram below summarises the diversity of policy roles in the public service up to policy manager for 2021/22. The brightly coloured roles in column two are the 'traditional policy pathway'. The roles don't overlap in terms of job size and the next role up is one or more job sizes bigger than the previous. Agencies use different titles for these roles – e.g. analyst instead of advisor, IRD uses 'Policy Advisor Level 3' to refer to the principal advisor equivalent and some agencies provide team leader responsibilities to some senior policy advisors (e.g. Treasury) and some principal policy advisors (e.g. MBIE). The traditional policy pathway exists in 12/28 agencies (43%). The remaining 16 agencies (57%) have the variations listed to the right of the brightly coloured boxes. These variations generally fall into 3 categories:

- Split the advisor or senior advisor or both roles into 2 different levels corresponding to different job sizes.
- Have additional or different roles to those in the 'traditional policy pathway', such as team leader roles.
- Have principal advisor and policy manager roles that share the same job size, rather than a hierarchical structure.
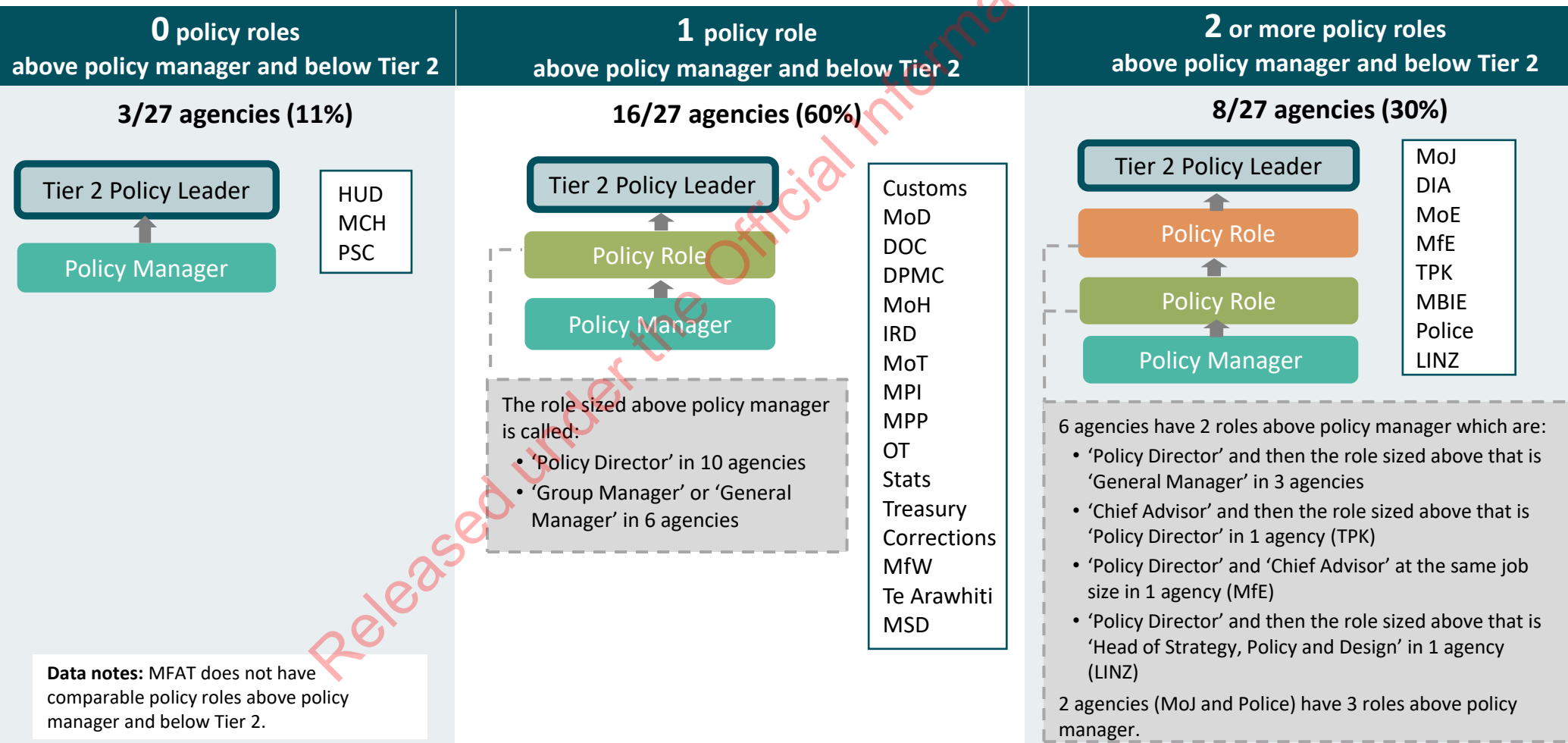
Number of agencies	Traditional Policy Pathway	Variations to the Traditional Policy Pathway	
26/28 agencies have a policy manager or equivalent role	**Policy Manager**	MfW didn't have a policy manager role in 2021/22. MFAT's foreign policy roles are the career stream to become foreign diplomats. MFAT does not have a comparable policy manager role.	**Additional roles to the traditional policy pathway** • IRD has an additional Strategic Policy Advisor role at the same job size as policy manager.
27/28 agencies have a principal advisor or equivalent role	**Principal Policy Advisor**	MFAT does not have a comparable principal advisor role. 7/27 agencies with principal advisor roles have them on the same job size as the policy manager roles, rather than a lower job size (DIA, MSD, OT, MoD, Te Arawhiti, Police and MfE).	• MoE has two Chief Analyst roles: one the same job size as the principal advisor, and the other the same job size as the policy manager.
28/28 agencies have a senior advisor or equivalent role	**Senior Policy Advisor**	3/28 agencies with senior advisor roles split the role into two levels (MoH, MPI and, Police).	• MPI has a Tier 5 Manager (team leader role) that shares the lower job size of the principal advisor role – which spans two job sizes.
28/28 agencies have a policy advisor or equivalent role	**Policy Advisor**	5/28 agencies with advisor roles split the role into two levels (MoT, LINZ, MPI, Police and MFAT).	• MfE has a Team Leader role between senior policy advisor and principal policy advisor.
Agencies may not have policy graduates every year	**Graduate Policy Advisor**	Some agencies have dedicated graduate programs while others have an ad hoc approach and will sometimes employ graduates.	• PSC and MPI have a Chief Advisor role at the same job size as policy manager.

Released under the Official Information Act 1982

There is also a diversity of roles that agencies said they have above policy manager and below Tier 2. Agencies fall into one of three categories (reflected in the columns in the diagram) which are:

- Agencies have no policy roles above policy manager and below Tier 2.
- Agencies have one policy role above policy manager and below Tier 2.
- Agencies have two or more policy roles above policy manager and below Tier 2.

We didn't collect information on reporting lines or role responsibilities. The roles grouped in each category may have a different focus (e.g. people leadership versus thought leadership). A mixture of job titles are used for these roles including Policy Director, Group or General Manager and Chief Advisor. NB: Some agencies told us they don't have **policy** roles above policy manager and use the same management structure across the whole agency. These agencies and their generic management roles (where provided) have been incorporated into the analysis.

0 policy roles above policy manager and below Tier 2	**1** policy role above policy manager and below Tier 2	**2** or more policy roles above policy manager and below Tier 2
3/27 agencies (11%)	**16/27 agencies (60%)**	**8/27 agencies (30%)**

0 policy roles above policy manager and below Tier 2

Tier 2 Policy Leader
↑
Policy Manager

HUD
MCH
PSC

Data notes: MFAT does not have comparable policy roles above policy manager and below Tier 2.

1 policy role above policy manager and below Tier 2

Tier 2 Policy Leader
↑
Policy Role
↑
Policy Manager

The role sized above policy manager is called:
- 'Policy Director' in 10 agencies
- 'Group Manager' or 'General Manager' in 6 agencies

Customs
MoD
DOC
DPMC
MoH
IRD
MoT
MPI
MPP
OT
Stats
Treasury
Corrections
MfW
Te Arawhiti
MSD

2 or more policy roles above policy manager and below Tier 2

Tier 2 Policy Leader
↑
Policy Role
↑
Policy Role
↑
Policy Manager

MoJ
DIA
MoE
MfE
TPK
MBIE
Police
LINZ

6 agencies have 2 roles above policy manager which are:
- 'Policy Director' and then the role sized above that is 'General Manager' in 3 agencies
- 'Chief Advisor' and then the role sized above that is 'Policy Director' in 1 agency (TPK)
- 'Policy Director' and 'Chief Advisor' at the same job size in 1 agency (MfE)
- 'Policy Director' and then the role sized above that is 'Head of Strategy, Policy and Design' in 1 agency (LINZ)

2 agencies (MoJ and Police) have 3 roles above policy manager.

Approach to cross-agency analysis of policy roles

The traditional policy pathway has been used for the analysis

To enable a meaningful comparison of the policy roles, job sizes and salary scales across the public service, we've used the traditional policy pathway (set out in the diagram to the right) to compare across agencies. Although 57% of agencies have variations to the traditional policy pathway, the variations are all different and the most common approach is still the traditional pathway.

Sorting roles into the traditional policy pathway

We've sorted agency roles into the traditional policy pathway by including all roles that include graduate in the job title in the graduate role, all roles that include advisor or analyst in the job title in the advisor role and the same approach for the other policy roles. Where agencies have a very different job title for their role, we've included information in the data notes relating to the salary scale slides (slides 12, 14, 16, 18 and 20) explaining where we've placed that role in the traditional policy pathway.

NB: Although MFAT's foreign policy roles have been included, they are not the standard policy roles. MFAT's foreign policy roles are the career stream to become foreign diplomats and their salary scales are reflective of this.

How the analysis acknowledges the variations that exist

Where some agencies have variations to the policy roles set out in the diagram to the right, in our analysis on the following slides we've taken those differences into account by:

*   identifying in the data notes section the agencies that split the advisor or senior advisor roles into two levels with two corresponding pay bands and including both pay bands in the analysis for that role
*   identifying those agencies with policy roles that span two or more job sizes
*   including the job sizes and salary scales for additional roles in Appendix A and B respectively.

Appendix A includes for each agency their policy job titles and corresponding Korn Ferry job size level (and Strategic Pay job size level where available). Appendix B includes for each agency the salary scales for each policy role.

Roles above policy manager and below Tier 2

Given the variation across agencies in policy roles above policy manager and below Tier 2, we've included a separate summary of the salary scales, job sizes and job titles of these roles (slide 24).

Data notes and key insights of the analysis

Throughout the slide pack we've included:

*   *key insights* – these are generally in the teal box to the right of the page. These include key trends or take-aways from the analysis of the data.
*   *data notes* – these are included in slides 26 to 28. They set out the caveats and explanations of the methodology used.

Manager

Principal

Senior

Advisor

Graduate
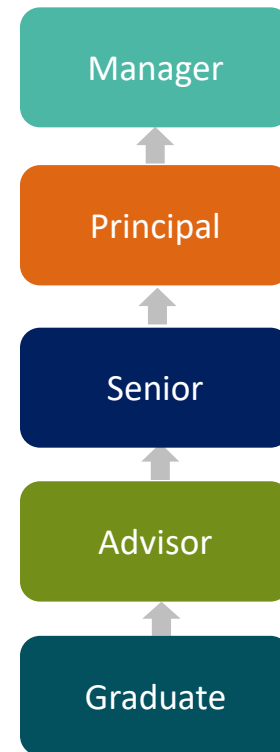
Approach to analysis of salary scales to enable comparability

Minimum point in range, 100% point in range, maximum point in range

The analysis focuses on three dimensions of the salary scale for each policy role:

- the minimum point in range – the lowest value of the salary range.

- the 100% point in range – the benchmarking point in the salary range that agencies use to compare against other organisations and generally sets the mark for a fully performing incumbent.

- the maximum point in range – the highest value of the salary range.

Calculating the 100% point in range for step-based salary scales

Some agencies have a salary scale consisting of defined steps. Individuals are placed on a specific step in the salary scale, with each step translating to a fixed dollar amount. Where agencies with salary scales consisting of steps don't have a defined 100% point, we've used the salary point in the middle step as the 100% point (e.g. step 5 out of 10). Where we don't have the salary point for each step, we've used the median (midpoint) between the top of the range and the bottom of the range as the 100% point.

All salary scales have been converted to base salary

20 agencies provided their salary scales in base salary, while 8 agencies provided their salary scales for some or all policy roles in fixed package (MFAT, DPMC, Police, Treasury, MPI, MBIE, DOC and MoE). The definitions for base salary and fixed package are:

- **Base salary** consists of the cash amounts paid for work performed as stated in an employment contract, excluding all other fixed and variable payments.

- **Fixed package** is the sum of base salary and those significant benefits which are quantifiable in terms of cost to the employer. These include benefits provided or paid for, such as employer contribution to superannuation, a company car, car allowance, telephone allowance, medical and other insurance. The cost of Fringe Benefit Tax, Employer Contribution Withholding Tax and Goods and Services Tax (where relevant) are all included.

To enable a meaningful comparison of salary scales across agencies, the analysis uses base salary for all agencies to compare like with like.

Converting fixed package to base salary

Fixed package was converted to base salary by dividing by 1.03 (to take account of the 3% KiwiSaver employer contributions).

Most agencies reported that the vast majority of their policy staff are members of KiwiSaver and all agencies reported that their employer contribution to KiwiSaver was 3%. In most fixed package policy roles the employer superannuation contribution is the predominant, if not only, benefit that applies – therefore the 3% employer contribution is what has been removed from the fixed package salary range to convert to base salary.

NB: Some policy staff are members of the State Sector Retirement Savings Scheme and Governance Superannuation Fund which have different employer contribution amounts. The conversion from fixed package to base salary will be different for these individuals than the approach used here.

The graph shows the range of salary scales across the public service for the 2021/22 year using base salary for each policy role:

- The minimum, 100% and maximum ranges of the salary scales across the public service for each policy role are shown separately.
- In each box and whisker diagram for these, the bottom 25% of the dataset is represented by the lower whisker, the middle 50% is represented by the box and the top 25% is represented by the top whisker.
- The horizontal line across each box shows the median score for the dataset.
- The outlying values in the graph are shown as dots. This includes the maximum salary for advisors (MFAT and Police) and the maximum salary for principal advisors (IRD).

Legend:
- Minimum point in range
- 100% point in range
- Maximum point in range
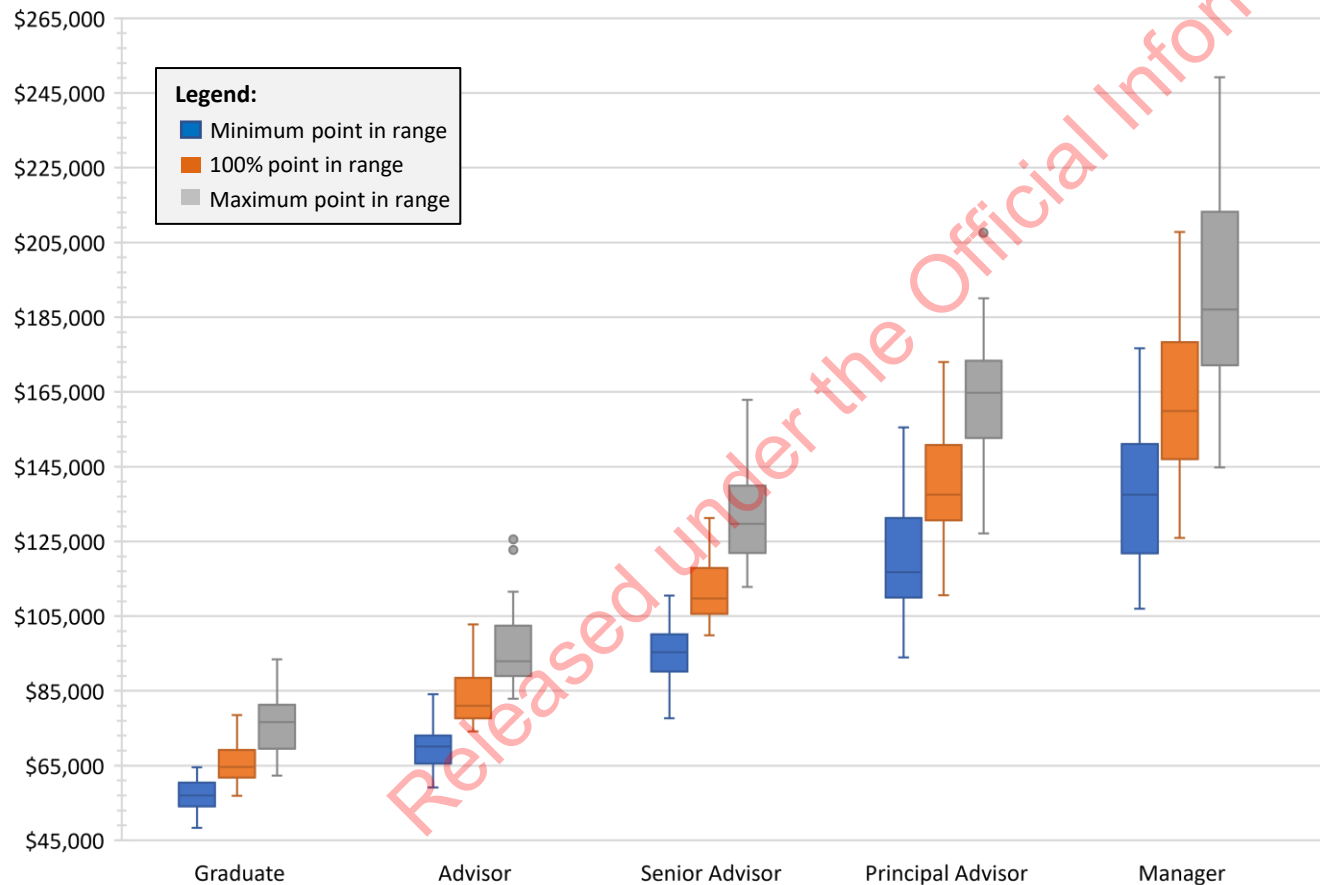
Key insights

- Salary scale ranges widen as seniority increases.
- There is substantial overlap between the salary scales for policy roles of differing seniority.
- The majority of agencies' own salary scales have the maximum of a more junior policy role overlapping with the minimum of the next most senior policy role.
- The table below sets out the percentage of agencies that have overlapping salary scales between policy roles and the average % of the overlap. Both are generally higher at the more senior roles – partly because some agencies have the principal and manager roles on the same job size levels and salary scales.

Role	% agencies with overlap	Average % of overlap
Grad to Advisor	61%	43% of grad salary scale
Advisor to Senior	54%	32% of advisor salary scale
Senior to Principal	81%	43% of senior salary scale
Principal to Manager	92%	65% of principal salary scale

- 7 agencies place the principal and manager roles on the same job size level and in most of these agencies (6) the roles also have the same salary scale.

s9(2)(b)(i), s9(2)(b)(ii)

Comparison of agency salary range spread by role

At the individual agency level, the salary range spread is the difference between the minimum and maximum points in an agency's salary scale for a role, expressed as a percentage of the minimum point.

The diagram below maps for each policy role in 2021/22, the number of agencies that have the levels of salary range spread listed in the left-hand column. For the overall public service, the average salary range spread is in brackets underneath each of the policy role headings.

Salary Range Spread	Graduate (32%)	Advisor (39%)	Senior (38%)	Principal (37%)	Manager (40%)
0- 9%	1				
10- 19%					
20- 29%	6	8	5	6	2
30- 39%	7	7	11	11	11
40- 49%	3	5	6	4	5
50- 59%	1	7	4	6	8
60- 69%			2		
70- 79%					
80- 89%		1			

Released under the Official Information Act 1982

Key insights

➢ There is considerable variation in salary range spreads between public service agencies – for all 5 policy roles.

➢ Generally across agencies the salary range spread is smallest for graduate policy advisors, and largest for policy managers.

➢ The largest salary range spreads are for roles split into two levels (e.g. Policy Advisor 1 and Policy Advisor 2) with more than one salary band for the role.

➢ 13/26 agencies apply within their agency the same salary range spread across their four policy roles of advisor, senior, principal and manager (Corrections, MoD, DIA, IRD, MCH, MfE, MoJ, MPP, OT, Stats, Te Arawhiti, TPK and Treasury).

➢ The different salary range spreads between agencies is a further contributor to the variation in salary scales for policy roles across the public service.

Overall, this report finds there is much diversity across agency salary scales for policy roles in the public service. We've summarised the key findings from this report in this and the next slide.

Diversity of policy roles across the public service

- **The roles agencies include in the part of the policy job family that is the engine room for producing policy advice (up to policy manager) vary considerably:**
  - what we have called the traditional policy pathway (involving promotion from advisor, senior, principal and up to manager) operates in 12/28 agencies
  - the degree of reliance on graduates within the policy workforce varies: some agencies have dedicated graduate programs while others have an ad hoc approach and will sometimes employ graduates.

- **Most noteworthy differences in policy job families for the 16/28 agencies without a traditional policy pathway (each variation applying to some not all) are:**
  - the advisor, senior advisor or both roles are split into 2 different levels generally corresponding to different job sizes and salary bands, thus providing more steps in the policy career path in those agencies
  - some additional roles are provided beyond those in the 'traditional policy pathway' – generally providing for either thought leadership (e.g. IRD's Strategic Policy Advisor and PSC's Chief Advisor) or team leader responsibilities (e.g. MPI's Tier 5 Manager and MfE's Team Leader)
  - the principal advisor and policy manager roles share the same job size and generally the same salary scale, rather than a hierarchal structure applying. This approach equally values the 'thought leadership' of principal advisors with the 'people leadership' of policy managers.

- **Across the public service, the number of roles and job titles in the policy job family above policy manager and below Tier 2 policy leader varies considerably:**
  - there may be no roles, one role or two to three roles between policy manager and Tier 2 policy leader – generally this varies with the size of the policy function within an agency, although there are some exceptions
  - there is no consensus about the job titles of roles between policy manager and Tier 2 policy leader – similar roles may have different names, and different roles may have the same name (e.g. Policy Director is sometimes a people leader role and sometimes a thought leader role).

Factors agencies take into account when setting salary scales for policy roles

- **When setting their salary scales for policy roles:**
  - some agencies are bound by collective bargaining which is the main determinant for setting their salary scales, while other agencies compare against the 50th percentile of the public sector market comparing against roles that have the same job size as their agency's roles.
- **We found a potential relationship between the job sizing methodology agencies used and their salary scales:**

s9(2)(b)(i), s9(2)(b)(ii)

Significant variation in job size adopted for the same role across agencies

- There are 3-4 different job sizes adopted for each of the policy roles with similar job titles (up to policy manager) across the public service.
- The same job size is being used for a more junior policy role and the next most senior policy role (e.g. advisor and senior advisor).
- This could mean the type of work being conducted in policy roles with a similar job title varies by agency, the application and interpretation of job sizing methodology varies across agencies, or other factors are influencing job sizing resulting in different job sizes for similar roles.

Wide variation in pay scales across agencies for policy roles after considering job size, salary range spread and pay approach

- Some of the variation in salary scales for policy roles can be explained by differences in job sizes, salary range spread (the difference between the minimum and maximum points in an agency's salary scale) and pay approaches (base salary versus fixed package).
- However, there is still a very wide spread in salary scales across agencies for each of the policy roles once these variables are taken into account – and this increases with seniority.

Substantial overlap between the salary scales for policy roles of differing seniority

- There is substantial overlap between the salary scales for policy roles of differing seniority across the public service with the cross-over increasing with seniority.
- This is not surprising given the majority of agencies' own salary scales have the maximum of a more junior role overlapping with the minimum of the next most senior role.
- Both the percentage of agencies that have overlapping salary scales between policy roles and the average percentage of the overlap is generally higher at the senior to principal and principal to manager roles – partly because some agencies have the principal and manager roles on the same job size and salary scale.

Factors contributing to pay scale differences

- Some of the differences in the salary scales of policy roles across agencies can be explained by the factors explored above.
- Some of the differences, however, are likely to reflect different agency circumstances, preferences and budget, whether or not there is collective bargaining, and the desire to be competitive in the public service market with their salaries for policy roles.

Reference	Data Notes
Slide 9: Policy roles and varying job size levels across agencies	• A small number of agencies have a single policy role spanning s9(2)(b)(i), s9(2)(b)(ii) . These agencies were counted two or more times (corresponding to each job size they adopted) for that role in the table. • For each row in the table, the percentage of agencies having a given job size for each policy role was calculated by totalling the number of agencies who use a specific job size for a specific role, and dividing it by the total number of agencies having that policy role in their agency. Adding across the row for each role results in a total of around 100% (dependent on rounding). • For the detailed description of which agencies are included in each role, refer to the data notes for slides 12, 14, 16, 18 and 20. • Some agencies have additional roles to the traditional policy pathway. See Appendix A for a full list of policy roles in each agency and the corresponding Korn Ferry job size level.
Slide 11: Salary scales across the public service for each policy role	• For the detailed description of which agencies are included in each role in the graph and the methodology applied to the salary scales for each policy role, refer to the data notes for slides 12, 14, 16, 18, 20.
Slide 12: Graduate salary scale and job size per agency (2021/22 base salary)	• MfW, MPP, Corrections, TPK and Stats are not included in the graph. MfW, MPP and TPK didn't have a graduate role at the time of the survey. Corrections advised they place graduates in the lower reaches of the policy advisor pay band and Stats advised they create a temporary position for graduates 1-2 bands lower than the policy advisor band. • In the graduate advisor role category, we've included roles in agencies with the graduate job title, as well as the Policy Analyst from MoD, Policy Advisor Level 1 from Te Arawhiti and MOJ (includes graduates and entry level policy staff from other backgrounds), Assistant Policy Advisor from MCH, Foreign Policy Officer 1 (job size level 14) from MFAT and Assistant Policy Advisor Levels 1 and 2 from Police. • We've combined Police's Assistant Policy Advisor Levels 1 and 2, which each have different salary ranges, into one graduate role for comparison purposes. The combined salary range is derived from the bottom of the lower salary band, the top of the higher salary band and the average of the two 100% salary points. • Treasury, DOC and MoE graduates also start on a fixed pay point and then progress to a second pay point based on tenure. In Customs the graduate salary band stops at the proficient step (100% point). In IRD graduates are appointed to 65-80% of the policy advisor band and in MfE graduates are appointed to 70-95% of the policy advisor band.
Slide 13: Graduate combined salary scale per job size across agencies	• The data notes for slide 12 also apply to this slide except for the methodology for combining the two salary bands for Police's Assistant Policy Advisor Levels 1 and 2 role. • Instead of combing the two salary bands together (as we did for slide 12), we've separated out the salary bands for Police's Assistant Policy Advisor Level 1 and Police's Assistant Policy Advisor Level 2 to better compare the salary ranges within the same job size across agencies. • MfE and IRD don't have a separate job size for their graduate roles. Their salary scales have been included in row 1 only (all job sizes) in the table on this slide.

Reference	Data Notes
Slide 14: Advisor salary scale and job size per agency (2021/22 base salary)	• In the advisor role category we've included roles in agencies with the policy advisor/analyst job title, as well as the Policy Advisor Level 1 from IRD, Policy Advisor Level 2 from MoJ and Te Arawhiti, Intermediate Policy Analyst from MoD and Foreign Policy Officer 1 and 2 from MFAT. • A small number of agencies have more than one salary band within the policy advisor role with each salary band generally corresponding to a different job size. We've combined these into one salary band for comparison purposes including MPI's Policy Analyst 'second level training' and 'working', MoT's Advisor Level 1 and 2, LINZ's Policy Advisor Level 1 and 2, MFAT's Foreign Policy Officer 1 (job size level 15) and Foreign Policy Officer 2 (job size levels 16 and 17), and Police's Policy Advisor Level 1 and 2. Their combined salary range is derived from the bottom of their lower salary band, the top of their higher salary band and the average of their 100% salary points. • Although Corrections had one policy advisor role for 2021/22, it has now split the policy advisor role into Level 1 s9(2)(b)(i), s9(2)(b)(ii) and Level 2 s9(2)(b)(i), s9(2)(b)(ii) and each level corresponds to a different salary band.
Slide 15: Advisor combined salary scale per job size across agencies	• The data notes for slide 14 also apply to this slide except for the methodology applied to the small number of agencies that have multiple salary bands within the policy advisor role with each salary band generally corresponding to a different job size. • Instead of combing the salary bands together (as we did for slide 14), we've separated out the salary bands to better compare the salary ranges within the same job size across agencies. For example, the separate salary scale for MoT's Advisor Level 1 at job size 15 has been included in the table as well as the separate salary scale for MoT's Advisor Level 2 at job size 16.
Slide 16: Senior salary scale and job size per agency (2021/22 base salary)	• In the senior advisor role category we've included roles in agencies with the senior advisor/analyst job title, as well as the Policy Advisor Level 2 from IRD and the Senior Foreign Policy Officer from MFAT. • A small number of agencies have two or more salary bands within the senior advisor role with each salary band generally corresponding to a different job size. We've combined these into one salary band for comparison purposes including MPI's Senior Policy Analyst 'Experienced' and 'Expert', MoH's Senior Analyst Level 1 and 2, Police's Senior Policy Advisor Level 1 and 2 and the two salary bands for MoE's senior policy analyst role. Their combined salary range is derived from the bottom of their lower salary band, the top of their higher salary band and the average of their 100% salary points.
Slide 17: Senior combined salary scale per job size across agencies	• The data notes for slide 16 also apply to this slide except for the methodology applied to the small number of agencies that have multiple salary bands within the senior policy advisor role with each salary band generally corresponding to a different job size. • Instead of combing the multiple salary bands together (as we did for slide 16), we've separated out the salary bands to better compare the salary ranges within the same job size across agencies. For example, the separate salary scale for MPI's Senior Policy Analyst 'Experienced' at job size 16 has been included in the table as well as the separate salary scale for MPI's Senior Policy Analyst 'Expert' at job size 17.
Slide 18: Principal salary scale and job size per agency (2021/22 base salary)	• 27 agencies have a principal policy advisor or equivalent role. MFAT does not have a comparable role. • In the principal advisor role category we've included roles in agencies with the principal advisor/analyst job title, as well as the Chief Policy Analyst from MoE and Policy Advisor Level 3 from IRD. • We've combined the two salary bands for MPI's Principal Policy Analyst into one for comparison purposes. The combined salary range is derived from the bottom of the lower salary band, the top of the higher salary band and the average of the two 100% salary points. • MSD has two salary bands for principal policy advisors – one is for those who retained their existing employment terms and conditions ($118,085 to $144,326) and the other is for those who accepted new employment terms and conditions ($109,999 to $164,999). The latter salary band has been used in the graph on this slide.

Reference	Data Notes
Slide 19: Principal combined salary scale per job size across agencies	• The data notes for slide 18 also apply to this slide except for the methodology for combining the two salary bands for MPI's Principal Policy Analyst role. • Instead of combing the two salary bands together (as we did for slide 18), we've separated out the salary bands for MPI's Principal Policy Analyst at job size 18 and MPI's Principal Policy Analyst at job size 19 to better compare the salary ranges within the same job size across agencies.
Slide 20: Manager salary scale and job size per agency (2021/22 base salary)	• 26 agencies have a policy manager or equivalent role. MfW didn't have a policy manager role in 2021/22 (although they are establishing a policy manager role as of 31 October 2022) and MFAT doesn't have a comparable policy manager role. • In the policy manager role category we've included roles in agencies with the manager job title, as well as the Deputy Director from MoD, Senior Policy Manager from MoE, Tier 4 Policy Manager from MPI, and Policy Lead from IRD.
Slide 21: Manager combined salary scale per job size across agencies	• The data notes for slide 20 also apply to this slide.
Slide 22: Comparison of agency salary range spread by role	• Some agencies have a set salary or shortened pay scale for their graduate roles that don't translate to a minimum and maximum point. They have been excluded from the diagram (Treasury, DOC, Customs, MfE and IRD). • For the detailed description of which agencies are included in each role and the methodology applied to the salary scales, refer to the data notes for slides 12, 14, 16, 18 and 20.
Slide 23: Roles above policy manager and below Tier 2 salary scale and job size	• We don't have the salary scales for the General Manager role at MoE; the Policy Director and Executive Director roles at Police or the Head of Policy, Strategy and Design at LINZ – which is why they are not included in the graph on this slide. • The Chief Advisor role at PSC and MPI are not included in the graph as these roles are the same job size and salary scale as their policy manager role – and do not fit the category of 'role above policy manager and below Tier 2'. • We've combined the two salary bands for MPI's Policy Director into one for comparison purposes. The combined salary range is derived from the bottom of the lower salary band, the top of the higher salary band and the average of the two 100% salary points.

Appendix B: Agency salary scales in base salary for 2021/22 year (to convert to fixed package add 3% to the salary scale)

Traditional Policy Pathway – Graduate, Advisor, Senior Advisor, Principal Advisor and Policy Manager

Agencies	Graduate			Advisor			Senior Advisor			Principal Advisor			Policy Manager		
	Minimum	100%	Maximum	Minimum	100%	Maximum	Minimum	100%	Maximum	Minimum	100%	Maximum	Minimum	100%	Maximum
Corrections				$66,411	$78,130	$93,756	$91,953	$108,180	$129,816	$110,091	$129,519	$155,423	$151,619	$178,375	$214,050
Customs	$51,918	$63,256		$64,838	$80,972	$91,613	$83,000	$108,900	$120,206	$111,081	$130,683	$150,285	$130,110	$153,071	$176,032
MoD	$54,873	$68,591	$82,309	$73,614	$92,017	$110,420	$105,012	$131,265	$157,518	$122,708	$153,385	$184,062	$122,708	$153,385	$184,062
DIA	$48,386	$56,924	$65,463	$65,336	$76,865	$88,395	$92,135	$108,393	$124,652	$105,605	$124,241	$142,878	$119,000	$140,000	$161,000
DOC	$61,916			$75,286	$88,672	$102,057	$88,038	$103,690	$119,342	$99,418	$117,094	$134,769	$114,563	$143,204	$164,684
	$64,393														
DPMC	$60,197	$66,885	$76,918	$69,764	$77,516	$89,143	$91,957	$108,185	$124,414	$128,143	$150,756	$173,370	$150,359	$176,893	$203,427
MoE	$54,079	$61,289	$66,096	$67,859	$76,907	$82,939	$92,598	$104,944	$113,175	$131,287	$148,792	$160,462	$135,495	$169,369	$203,243
							$110,923	$125,713	$135,175						
MoH	$62,286	$69,207	$83,048	$69,103	$76,781	$92,137	$92,951	$103,279	$123,935	$126,571	$140,634	$168,761	$136,224	$151,360	$181,632
							$98,376	$109,307	$131,168						
HUD	$60,463	$69,197	$73,889	$69,016	$78,793	$84,352	$96,803	$109 065	$118,315	$134,798	$150,824	$164,753	$150,821	$181,873	$212,924
IRD	$57,539	$70,818 (80%)		$70,818	$88,522	$106,226	$99,932	$124,915	$149,898	$138,400	$173,000	$207,600	$166,162	$207,703	$249,244
LINZ	$59,837	$70,396	$80,955	$70,489	$82,928	$95,367	$95,846	$112,760	$129,674	$112,849	$132,763	$152,677	$130,786	$153,866	$176,946
				$82,457	$97,008	$111,559									
MBIE	$57,227	$59,778	$62,329	$69,369	$85,566	$88,295	$101,940	$129,612	$132,417	$132,417	$157,667	$160,472	$142,596	$178,245	$213,893
MCH	$56,460	$66,424	$76,388	$74,025	$87,088	$100,151	$87,420	$102,847	$118,274	$114,747	$134,997	$155,247	$125,829	$148,034	$170,239
MFAT (foreign policy roles not standard policy roles)	$60,783	$67,537	$77,667	$66,455	$78,183	$89,910	$110,540	$130,047	$149,553						
				$76,252	$89,709	$103,165									
				$92,772	$109,144	$125,516									
MfE	$56,996	$69,210		$73,280	$81,423	$89,565	$101,802	$113,113	$124,424	$155,491	$172,767	$190,044	$155,491	$172,767	$190,044
MfW				$71,437	$80,968	$87,507	$92,642	$104,250	$112,830	$114,124	$131,791	$145,383			
MoJ	$54,689	$64,339	$77,207	$63,019	$74,139	$88,967	$100,221	$117,906	$141,488	$116,741	$137,342	$164,811	$139,662	$164,308	$197,170
MPI	$52,509	$61,776	$71,042	$59,148	$69,586	$80,024	$77,652	$91,355	$105,058	$109,626	$128,972	$148,318	$150,287	$176,809	$203,330
				$67,764	$79,722	$91,681	$92,073	$108,321	$124,570	$128,247	$150,879	$173,511			
MPP				$64,900	$81,100	$97,300	$83,000	$103,700	$124,500	$97,000	$121,300	$145,500	$115,200	$144,000	$172,800
MSD*	$53,502	$57,961	$65,392	$71,231	$79,145	$87,060	$94,834	$105,371	$115,908	$109,999	$137,499	$164,999	$109,999	$137,499	$164,999
OT	$56,499	$62,777	$70,624	$71,616	$79,574	$89,520	$99,315	$110,351	$124,144	$138,727	$154,142	$173,409	$138,727	$154,142	$173,409
Police	$64,573	$75,413	$86,253	$84,101	$98,387	$112,672	$98,878	$115,773	$132,667	$132,121	$155,437	$178,752	$132,121	$155,437	$178,752
	$69, 907	$81,691	$93,474	$91,554	$107,156	$122,757	$110,417	$129,903	$149,388						
							$120,403	$141,650	$162,898						
Te Arawhiti	$54,689	$64,339	$77,207	$63,019	$74,139	$88,967	$100,221	$117,906	$141,488	$116,741	$137,342	$164,811	$116,741	$137,342	$164,811
Stats NZ				$75,191	$88,460	$101,729	$89,544	$105,346	$121,148	$93,978	$110,562	$127,146	$107,025	$125,912	$144,799
PSC	$57,100	$64,600	$76,258	$72,300	$84,800	$97,520	$98,200	$115,700	$133,035	$121,380	$146,370	$171,360	$154,960	$193,701	$232,442
TPK				$62,406	$78,008	$94,215	$86,599	$108,249	$130,326	$102,956	$128,692	$155,130	$146,045	$182,563	$219,080
MoT	$61,784	$68,648	$83,278	$71,172	$79,080	$94,896	$99,483	$110,536	$132,643	$118,256	$131,395	$157,674	$159,059	$176,732	$212,078
				$82,698	$91,886	$110,264									
Treasury	$51,478			$75,795	$89,171	$102,547	$109,550	$128,883	$148,215	$128,143	$150,756	$173,370	$176,638	$207,809	$238,980
	$61,647														

*MSD has two salary bands for principal policy advisors – one is for those who retained their existing employment terms and conditions at $118,085 to $144,326 and the other is for those who accepted new employment terms and conditions at $109,999 to $164,999. The latter salary band has been used in the Policy Remuneration Report.

[Note: For MSD the 2021/2022 Senior Advisor salary range was Minimum $104,317 100% $115,908 Maximum $127,499. MSD had the job title "Senior Policy Analyst"]

Other Roles in Agencies Beyond the Traditional Policy Pathway

Agencies	Policy Director			General / Group Manager			Chief Advisor			Other Roles		
	Minimum	100%	Maximum	Minimum	100%	Maximum	Minimum	100%	Maximum	Minimum	100%	Maximum
Corrections				$176,678	$207,857	$249,428						
Customs				$179,682	$211,390	$243,099						
MoD	$168,808	$211,010	$253,212									
DIA	$141,719	$166,728	$191,738	$175,623	$206,615	$237,608						
DOC	$146,763	$183,453	$210,971									
DPMC	$200,873	$236,320	$271,769									
MoE	$163,200	$204,000	$244,800								**Chief Analyst**	
										$131,287	$145,875	$160,462
										$155,481	$172,757	$190,032
MoH				$190,929	$212,144	$254,572						
IRD	$190,738	$238,423	$286,108								**Strategic Policy Advisor**	
										$166,162	$207,703	$249,244
LINZ	$130,786	$153,866	$176,946									
MBIE	$166,647	$208,308	$249,969	$211,842	$264,802	$317,763						
MFE	$212,313	$235,903	$259,495				$212,313	$235,903	$259,495		**Team Leader**	
										$110,872	$123,191	$135,510
MFW	$149,500	$186,900	$224,300									
MoJ	$166,202	$195,531	$234,638	$203,194	$239,051	$286,862	$166,202	$195,531	$234,638			
MPI	$201,575	$237,147	$272,718				$150,287	$176,809	$203,330		**Tier 5 Policy Manager**	
	$225,030	$264,741	$304,451							$109,626	$128,972	$148,318
MPP	$115,200	$144,000	$172,800									
MSD				$166,001	$207,501	$249,001						
OT				$226,260	$251,400	$282,825						
Police							$144,913	$170,485	$196,058			
PSC							$154,960	$193,701	$232,442			
TPK	$206,858	$258,573	$310,288				$172,494	$215,618	$258,742			
MoT	$184,779	$205,310	$246,372									
Te Arawhiti	$166,202	$195,531	$234,638									
Treasury	$226,158	$266,068	$305,979									
Stats NZ				$130,649	$153,705	$176,761						

*HUD and MCH have no roles beyond the traditional policy pathway. MFAT does not have comparable policy roles above policy manager and below Tier 2.

Policy Remuneration Project
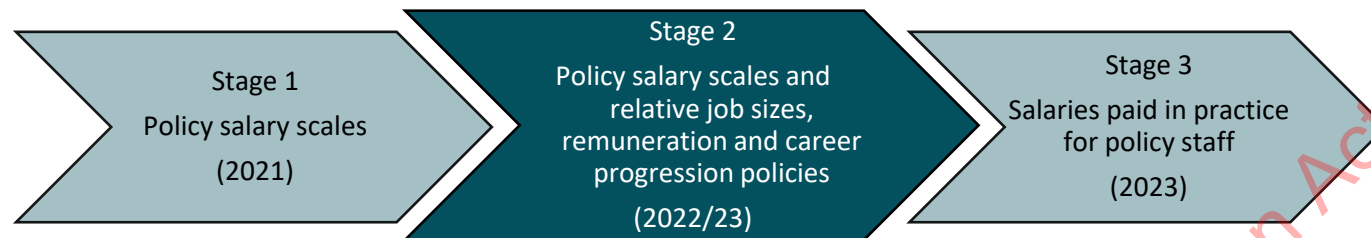## Stage 2, Report 2

How remuneration and career progression policies varied across the public service in FY2021/22, and other related information for policy roles

IN-CONFIDENCE

What this report covers

This report considers remuneration and career progression policies and other related information for policy roles across the public service for FY2021/22. This report covers:

1. **Project overview and approach** ....slides 3 to 4
   - Overview of the Policy Remuneration Project and its objectives.
   - The approach adopted in this report to enable the cross-agency analysis of remuneration information for policy roles.

2. **Agency approaches to starting salaries of new policy hires**...slide 5
   - The factors agencies consider in setting the starting salaries of new policy hires and the variations in internal approval processes applied.

3. **Comparison of the salary scale design and progression used by agencies for roles up to policy manager** ....slides 6 to 12
   - System-wide view of salary scale design and how it impacts remuneration.
   - How salary scale progression and design was analysed in this report.
   - For each policy role, a comparison of agencies' salary width – minimum and maximum points (expressed as a percentage of the 100% point) – and the different types of salary scale progression and design they have adopted.

4. **Comparison of promotion approaches used by agencies for roles up to principal advisor**...slide 13
   - For each policy role, a comparison of the approaches applied by agencies for promotion from one policy role to a more senior one.

5. **Collective agreements and policy practitioner remuneration up to policy manager**...slide 14
   - A comparison of the different employment agreements that agencies use for policy roles and what elements of remuneration are covered by them.
   - For agencies party to a CEA, which policy roles the Collective Agreement covers and a rough estimate of the total number of policy practitioners in the public service overall covered by a Collective Agreement.

6. **Changes to agency salary scales for each policy role from advisor to policy manager over time**.........................slides 15 to 16
   - An overview of the extent to which agencies have adjusted the dollar values of the 100% points in their salary scales for each policy role from advisor to policy manager from FY2019/20 to FY2021/22, and the impact this and structural changes to agency salary scales have had on the difference between the highest and lowest paying agencies and the 100% point for the public service overall.

7. **Overview of key findings** ....slides 17 to 18
   - A summary of the key findings from this report.

8. **Data notes**...slides 19 to 21
   - An explanation of the methodology used for the analysis in each slide and any caveats to bear in mind.

9. **Appendices A and B** ....attached
   - Appendix A includes for each agency their policy job titles and corresponding job size level. Appendix B includes for each agency the FY2021/22 salary scales for each policy role.

Stage 1
Policy salary scales
(2021)

Stage 2
Policy salary scales and relative job sizes, remuneration and career progression policies
(2022/23)

Stage 3
Salaries paid in practice for policy staff
(2023)

Policy Remuneration Project

The plan was to conduct the Policy Remuneration Project in three stages as set out in the diagram. The findings of Stage 1 were reported to the Tier 2 Policy Leaders' Network and Policy Profession Board in 2021. Due to the amount of data collected and the implications for the report length, a phased approach to reporting the findings of Stage 2 was adopted. The first report of Stage 2 was delivered to the Tier 2 Policy Leaders' Network and Policy Profession Board in 2022. This slide deck is the second report. Both Stages 1 and 2 focus on agency salary scale policies in relation to roles in the policy job family, not the practice of what policy employees are actually paid.

Stages 1 and 2

Stage 1 showed there was a wide spread in FY2019/20 salary scales across public service agencies for all policy roles – which increases with seniority. This informed the objectives of Stage 2 which looked at variables that may be contributing to this wide spread and remuneration and career progression policies. The first report of Stage 2 updated the information provided in Stage 1 by providing analysis of FY2021/22 salary scales. It found that taking account of variations in policy roles, job size and pay approaches (base salary versus fixed package), there still remains a wide spread in salary scales across the public service. This report (Report 2 of Stage 2) focuses on the remuneration elements set out in the box to the right.

Stage 2 methodology

In August 2021, the Policy Project sent a survey to all 28 agencies with a policy function on a range of matters relating to remuneration policies – including policy salary scales, job sizes, remuneration and career progression policies.

Korn Ferry was appointed to support the Policy Project in the analysis of the data. After the initial analysis of the data collected, the Policy Project sought clarifying and additional information from agencies to complete the data set. As with Report 1 of Stage 2, a draft of this report was sent to the remuneration specialists in agencies to validate the use of their data and the findings. Their feedback has been incorporated into this final report.

Objectives

- The overall project objective is to improve understanding of how policy staff are remunerated across the public service – in terms of job sizing, salary scales, actual pay rates and career progression. This will enable informed discussion of issues and future priorities.

- Stage 2 of the project builds on the insights from Stage 1 – focusing on variables that may be contributing to the wide variation across agencies in policy salary scales for FY2021/22.

- Report 2 of Stage 2 focuses on:
  - agency approaches to starting salaries
  - salary scale design
  - remuneration and career progression policies
  - types of employment agreements
  - changes to agency salary scales from FY2019/20 to FY2021/22.

The traditional policy pathway has been used for the analysis

To enable a meaningful comparison of remuneration-related information for policy roles across the public service, we've used the traditional policy pathway to compare across agencies. The diagram to the right sets out the roles in the traditional policy pathway and the number of agencies that had these roles in FY2021/22. Although 57% of agencies have variations to the traditional policy pathway, the variations are all different and the most common approach is still the traditional pathway. The appendices from Report 1 of Stage 2 are attached, which set out for each agency their policy job titles, job sizes and the FY2021/22 salary scales for each policy role for your reference.

Minimum point in range, 100% point in range, maximum point in range

The analysis focuses on three dimensions of the salary scale for each policy role:

- the minimum point in range – the lowest value of the salary range.

- the 100% point in range – the benchmarking point in the salary range that agencies typically use to compare against other organisations and generally sets the mark for a fully performing incumbent in many agencies.

- the maximum point in range – the highest value of the salary range.

Calculating the 100% point in range for step-based salary scales

Some agencies have a salary scale consisting of defined steps. Individuals are placed on a specific step in the salary scale, with each step translating to a fixed dollar amount. Where agencies with salary scales consisting of steps don't have a defined 100% point, we've used the salary point in the middle step as the 100% point (e.g. step 5 out of 10). Where we don't have the salary point for each step, we've used the median (midpoint) between the top of the range and the bottom of the range as the 100% point.

All salary scales have been converted to base salary

22 agencies provided their salary scales in base salary up to policy manager, while 6 agencies provided their salary scales for some or all policy roles in fixed package (MFAT, DPMC, Police, Treasury, MBIE and DOC). The definitions for base salary and fixed package are:
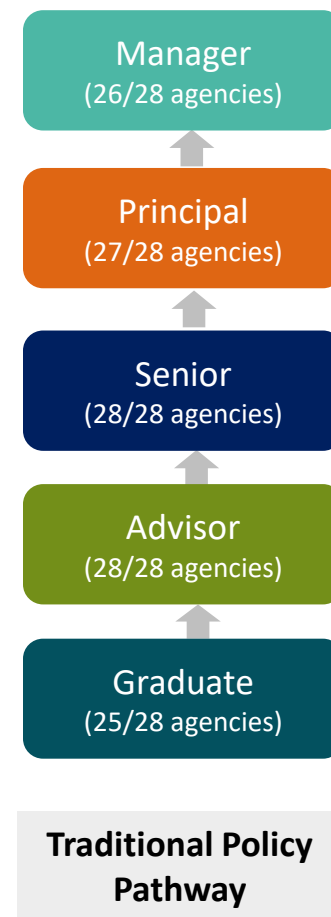
- **Base salary** consists of the cash amounts paid for work performed as stated in an employment contract, excluding all other fixed and variable payments.

- **Fixed package** is the sum of base salary and those significant benefits which are quantifiable in terms of cost to the employer. These may include benefits provided or paid for, such as employer contribution to superannuation, a company car, car allowance, telephone allowance, medical and other insurance. The cost of Fringe Benefit Tax, Employer Contribution Withholding Tax and Goods and Services Tax (where relevant) are all included.

To enable a meaningful comparison of salary scales across agencies, the analysis uses base salary for all agencies to compare like with like.

Data notes and key insights of the analysis

Throughout the slide pack we've included:

- *key insights* – these are generally in the coloured box to the right of the page. These include key trends or take-aways from the analysis of the data.

- *data notes* – these are included in slides 19 to 21. They set out explanations of the methodology used, any caveats and any changes we are aware of that agencies have made to their salary scales since FY2021/22.

Manager
(26/28 agencies)

↑

Principal
(27/28 agencies)

↑

Senior
(28/28 agencies)

↑

Advisor
(28/28 agencies)

↑

Graduate
(25/28 agencies)

Traditional Policy Pathway

Agencies have different approval processes for setting starting salaries of new hires. In some smaller agencies (e.g. TPK) the CE or DCE signs off all starting salaries, while in other agencies it's the hiring manager, the hiring manager in consultation with HR or the hiring manager's manager.

Agencies generally consider the same high-level factors when setting the starting salaries of new policy hires:

- the knowledge, skills and experience of the new hire. Some agencies consider qualifications while other agencies focus on job-proven capabilities only.

- internal relativities (to consider the proposed salary of the new hire against incumbents), with a particular focus on eliminating gender and ethnic pay gaps.

- budget considerations, including whether the new hire will be eligible for the next annual remuneration review.

Some agencies also consider the salary expectations of the new hire. Some agencies mentioned that the ease or difficulty of recruiting and the market value of the role further impacts the starting salary offered.

Nine agencies reported having salary guides that describe the performance and capability requirements expected at different zones in the salary range (Customs, MfE, PSC, MoT, Corrections, IRD, MPI, MoJ and Te Arawhiti).

Paying above 100% or the maximum point in the salary range

All 28 agencies' policies permit new hires to be paid above the 100% point in the salary range and 25/28 agencies (89%) permit new hires to be paid above the maximum point in the salary range – although agencies require additional approvals to pay above these salary points. Customs, MFAT and MPP don't pay above the maximum point in the salary range. The diagram below sets out the different salary points and the number of agencies which require more senior approval to pay new hires above these.

Number of agencies requiring further approvals to pay above the salary points

	11 agencies		3 agencies		16 agencies
MIN	**90%**	**100%**	**105%**	**110%**	**111%**	**MAX**
	2 agencies		1 agency		2 agencies
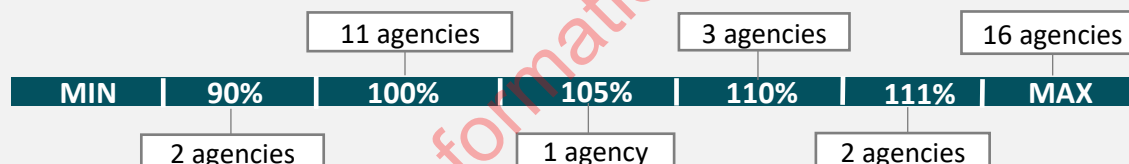
NB: Some agencies are counted twice in the diagram. These agencies require additional approval to pay new hires above a specified salary point between 90% to 111% and then a further and more senior approval to pay above the maximum point in the salary range.

Paying above 100% or other specified salary point

- 9/28 agencies (32%) apply the same approval process to starting salaries above 100% that they apply to lower starting salaries.

- 19/28 agencies (68%) require additional approval to pay new hires above a specified salary point anywhere between 90% to 111% as set out in the diagram.

- When additional approval is required, the approver is either Tier 3 or senior leadership (DCE or CE). Some agencies also require HR and Finance to be involved.

Paying above the maximum point in the salary range

- 3/28 agencies (11%) don't permit paying above the maximum point in the salary range.

- In 8/28 agencies (29%), the same approval process to pay new hires above a specified salary point anywhere between 90% to 111% as set out in the diagram, also applies to paying above the maximum in the salary range.

- In 16/28 agencies (57%), a further and more senior approval is required to pay new hires above the maximum.

- When more senior approval is required, the approver is either DCE or CE. Some agencies also require HR and Finance to be involved.

NB: In one agency the CE approves all starting salaries and therefore, additional approval is not required to pay above the maximum.

Agencies have different salary scale designs which impact the number of salary points available within a pay band and also the approach to salary progression within a pay band. There are three different types of salary scale design which are:

- **Position in Range (PIR)** with individuals placed on a percentage between the minimum and maximum salary point. Agencies generally apply position in range either to all policy roles or to their more senior policy roles (principal advisor and/or policy manager).
- **Defined steps** with individuals placed on a specific step within the salary scale. Each step translates to a fixed dollar amount. Agencies generally apply steps to their less senior policy roles (advisor and senior advisor, with some agencies also applying it to principal advisor).
- **Hybrid approach** of defined steps and position in range. The salary scale consists of defined steps until a certain point, and then anything over that is treated as position in range without steps. Agencies generally apply this to all policy roles or their less senior policy roles.

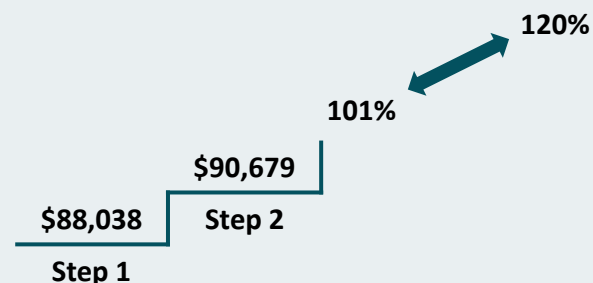| 1. Position in Range	2. Defined Steps	3. Hybrid Approach
46% of all policy roles up to policy manager across agencies use PIR	**29% of all policy roles up to policy manager across agencies use defined steps**	**25% of all policy roles up to policy manager across agencies use the hybrid approach**

1. Position in Range

115%

85%

- PIR generally allows for more salary options because an individual can be placed on any percentage within the pay band for their role (e.g. anywhere between 85% to 115% calculated by reference to the 100% point).

- To determine salary progression within the pay band, most agencies that use PIR apply a discretionary matrix model that considers both an individual's current position in the salary range and their performance and/or capability.

- Variations exist across agencies and across roles within the same agency in terms of the position in range of a pay band. The most common range adopted by agencies is 85% - 115%.

2. Defined Steps

$93,400 — Step 3
$90,679 — Step 2
$88,038 — Step 1

- Depending on the number of steps, this design can limit the breadth of salary points within a pay band.

- Steps can be the same percentage or dollar amount increase from one step to the next, or involve varying levels of increase for different steps. The latter can support individuals to quickly reach a certain salary point (e.g. 100%) followed by a slower salary progression.

- To determine salary progression within the pay band, most agencies that use defined steps apply automatic salary increases whereby the individual moves to the next step each year subject to meeting the minimum requirements of the role.

- Variations exist across agencies and across roles within the same agency in terms of the number of steps in the salary scale, ranging from two to 21 steps and anywhere in between.

3. Hybrid Approach

120%

101%

$90,679 — Step 2
$88,038 — Step 1

- The hybrid approach allows for individuals to reach a salary point (e.g. 100%) through movement to higher steps. Salary progression beyond this point is position in range.

- To determine salary progression within the pay band, most agencies that use the hybrid approach apply a mix of both automatic and discretionary performance increases.

- Variations exist across agencies and across roles within the same agency in terms of:
  - The number of steps in the hybrid approach (from three to 28 steps and anywhere in between)
  - The salary point at which the steps end and PIR begins (from 90% to 111% and anywhere in between).

The analysis on slides 8 to 12 considers for each policy role the following variables impacting remuneration across agencies in the public service:

1. Salary progression

From an employee perspective, whether you're guaranteed to progress though the pay band or not, and the level of any increase you receive is affected by the type of salary progression the agency you work for applies. We've categorised agencies' approaches to salary progression as either:

a) **Discretionary pay increases** – This approach is generally based on a matrix model that considers both an individual's current position in the salary range and their performance and/or capability. Generally the lower the position in the salary range, the higher the salary increase. Also the better the performance or demonstrated capability, the higher the salary increase. Pay increases are not guaranteed – an individual's remuneration to intended to reflect their level of contribution.

b) **Automatic pay increases** – Individuals automatically progress to a higher salary step or receive a fixed percentage increase in their salary based on tenure. This is generally dependent on individuals meeting the minimum requirements of the role (that is, not being performance managed).

c) **Mixed approach of both automatic and discretionary pay increases** – Individuals are eligible for discretionary performance increases once they reach the top step in the hybrid salary scale and/or individuals can receive both discretionary performance and automatic pay increases at the same time.

Agencies generally consider salary increases on an annual basis except for the graduate role. For graduates, salary increases are generally considered at set times during the graduate program (e.g. 6 months). For automatic increases, they occur on a set date each year. For discretionary performance increases, they form part of the annual remuneration review and may include a moderation process to ensure consistency across the work group and/or agency.

2. Salary scale design

The analysis considers two dimensions of salary scale design:

a) **The width of the salary range: minimum and maximum expressed as a percentage of the 100% point**
In Report 1 of Stage 2 we considered the variation across agencies of the minimum, 100% and maximum dollar values of the salary range for each policy role. In this report we consider the variation across agencies of the width of their salary range: minimum and maximum expressed as a percentage of the 100% point.

b) **Type of salary scale**
The type of salary scale design can affect the number of salary points available within a pay band. We've categorised agencies' approaches to salary scale design as either position in range, defined steps or the hybrid approach as described on slide 6. Within these three broad categories, we've also set out the variants that exist within each.

3. Other variables

Some agencies exclude certain employees from consideration for salary progression – for example, those who have recently been promoted.

Most agencies (89%) provide out-of-cycle salary increases in exceptional circumstances – for example, to retain an employee with critical skills or address unjustifiable pay gaps. Some agencies noted policy staff often present a critical retention risk. Out-of-cycle salary increases are generally moderated through the HR function and require senior leadership (DCE or CE) approval.

One-off payments are less common and available in 18% of agencies. They are mostly used to recognise contribution over and above the ongoing requirements of the role. They generally require senior leadership (DCE or CE) approval.

The graph shows a cross-agency comparison of the width of the salary range – min and max expressed as a percentage of the 100% point – for graduate policy advisors for 21 agencies. Only 25 agencies had a graduate role at the time of the survey and four agencies (Corrections, Stats, MfE and IRD) place their graduates in the lower reaches of their policy advisor pay band and have not been included in the graph.

The type of salary progression that agencies use is colour-coded and the type of salary scale design typically used with that salary progression is included in brackets in the legend. Where an agency's salary scale design is different to what's included in the brackets, we've made a note at the bottom of the page.

Graduate fixed starting salaries: The lines at the bottom of the bars in the graph identify those agencies that start all graduates on the minimum salary point, regardless of their capabilities. The graduate starting salary for each of these agencies is included below the bars.

Legend: The types of salary progression are represented by different colours and the types of salary scale design typically used with that salary progression are included in brackets

- Discretionary pay increases (position in range)
- Automatic pay increases (defined steps)
- Mix of both automatic and discretionary pay increases (hybrid approach)

Chart axis labels (left): 125%, 120%, 115%, 110%, 105%, 100%, 95%, 90%, 85%, 80%, 75%

Agencies (x-axis): MoD, * Customs, Treasury, DIA *, Police, PSC, MCH *, LINZ *, MPI, MoJ, Te Arawhiti, HUD, MoE, DOC, MSD, OT, MFAT, DPMC, MoT, MoH, MBIE

Starting salaries shown below bars: $54,873 (MoD), $51,478 (Treasury), $54,079 (HUD), $61,916 (DOC), $53,502 (MSD), $56,499 (OT), $60,783 (MFAT), $57,227 (MBIE)

* Customs has a defined steps salary scale and DIA has a hybrid salary scale – not position in range. MCH and LINZ both have position in range salary scales – not the hybrid approach.

Key insights

➢ Agencies use a variety of salary ranges min and max (as a percentage of the 100% point) for the graduate role.

➢ Whether an employee is guaranteed to progress through the pay band – and the increase they receive – depends on the salary progression used by the agency.

➢ The most common type of salary progression used by agencies for the graduate role is automatic pay increases (8/21 or 38%). Six agencies apply discretionary pay increases and seven agencies apply a mix of both.

➢ The salary scale design used by agencies impacts the number of salary steps or points available within the pay band. The variations for the graduate role include:

- agencies using salary scales consisting of steps varying from 2 to 20 steps.

- agencies using position in range varying from 90% to 115% (the narrowest range) to 80% to 120% (the widest range).

- agencies using a hybrid approach varying from 4 to 12 steps, then position in range begins from 100% to 111% up until the maximum.

➢ Agencies that promote graduates on completion of the graduate program or on meeting the capability requirements (Tsy, DOC, HUD, MSD, MBIE) generally have narrower salary scales. See slide 13 for more details.

The graph shows a cross-agency comparison of the width of the salary ranges – min and max expressed as a percentage of the 100% point – for policy advisors. The type of salary progression that agencies use is colour-coded and the type of salary scale design typically used with that salary progression is included in brackets in the legend. Where an agency's salary scale design is different to what's included in the brackets, we've made a note at the bottom of the page.

Legend: The types of salary progression are represented by different colours and the types of salary scale design typically used with that salary progression are included in brackets

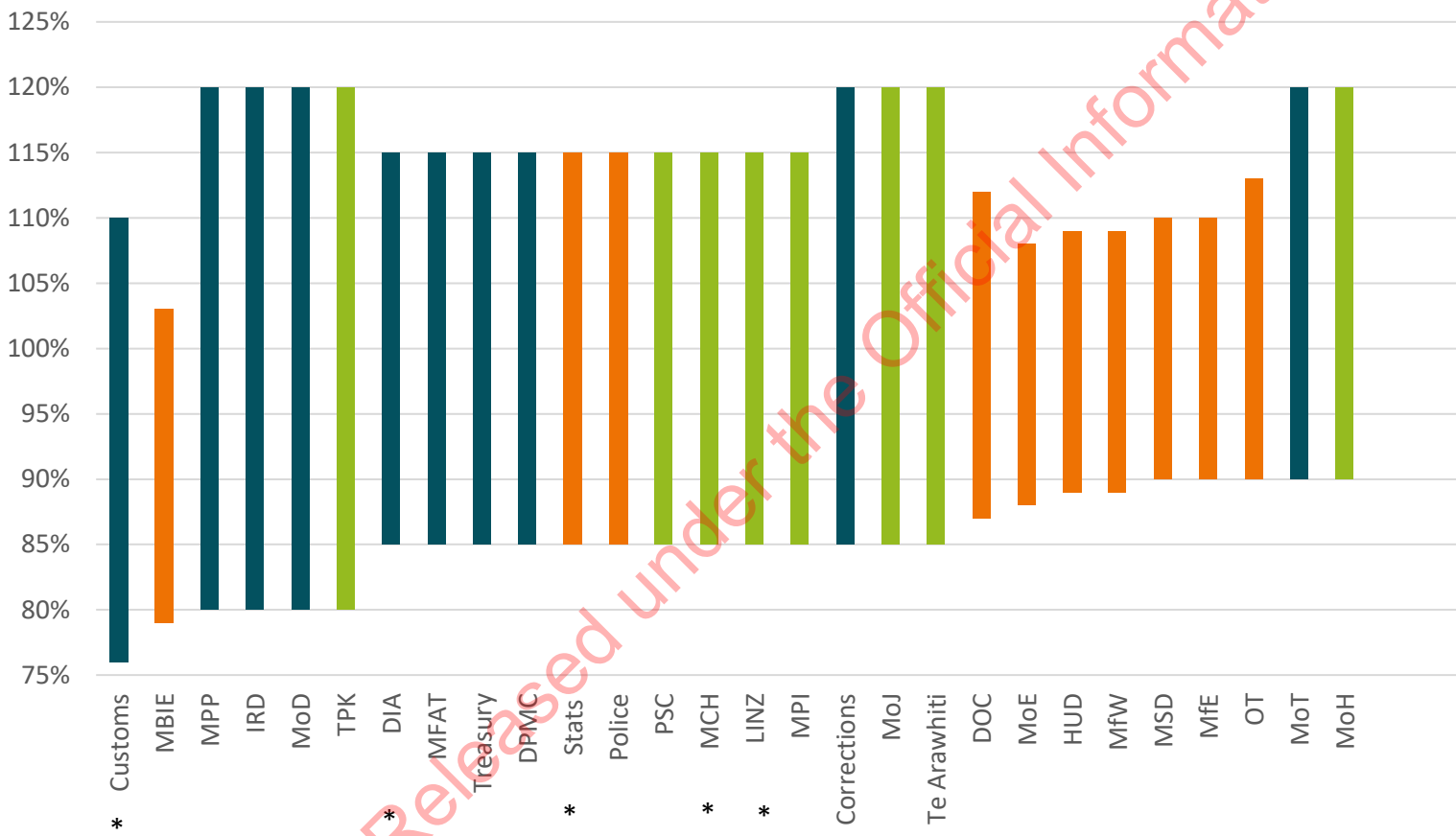| Discretionary pay increases (position in range) | Automatic pay increases (defined steps) | Mix of both automatic and discretionary pay increases (hybrid approach) |

* Customs has a defined steps salary scale and DIA has a hybrid salary scale – not position in range. Stats has a hybrid salary scale – consisting of defined steps until 100% and then position in range. MCH and LINZ both have position in range salary scales – not the hybrid approach.

Key insights

➢ For advisors – as for graduates – there are different salary ranges min and max (as a percentage of the 100% point) used by agencies. The most common is 85% to 115% used by 9/28 agencies.

➢ For the advisor role, the distribution of agencies across the different types of salary progression approaches is:

• the same number of agencies (10/28) apply automatic pay increases as use discretionary pay increases.

• eight agencies apply a mix of both.

➢ Variations in the salary scale design used by agencies for the advisor role include:

• agencies using salary scales consisting of steps varying from 9 to 21 steps.

• agencies using position in range varying from 90% to 115% (the narrowest range) to 80% to 120% (the widest range).

• agencies using a hybrid approach varying from 4 to 22 steps and then position in range begins from 100% to 111% up until the maximum.

➢ The agencies with the narrowest salary scales apply automatic pay increases.

The graph shows a cross-agency comparison of the width of the salary ranges – min and max expressed as a percentage of the 100% point – for senior policy advisors. The type of salary progression that agencies use is colour-coded and the type of salary scale design typically used with that salary progression is included in brackets in the legend. Where an agency's salary scale design is different to what's included in the brackets, we've made a note at the bottom of the page.

Legend: The types of salary progression are represented by different colours and the types of salary scale design typically used with that salary progression are included in brackets

Discretionary pay increases (position in range)

Automatic pay increases (defined steps)

Mix of both automatic and discretionary pay increases (hybrid approach)
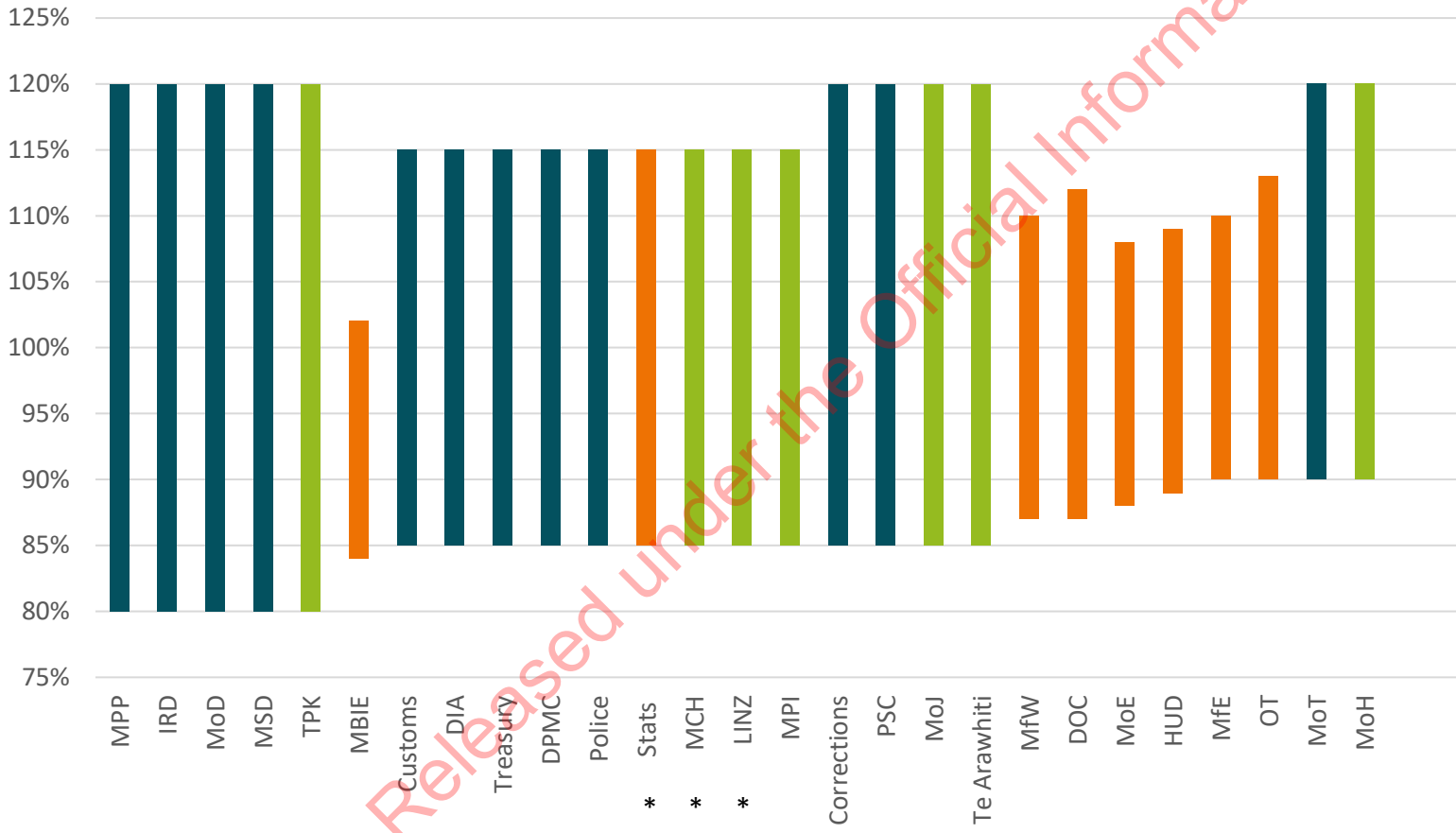

* Customs has a defined steps salary scale and DIA has a hybrid salary scale – not position in range. Stats has a hybrid salary scale – consisting of defined steps until 100% and then position in range. MCH and LINZ both have position in range salary scales – not the hybrid approach.

Key insights

➢ At the senior advisor role, there continues to be variation across the salary ranges min and max (as a percentage of the 100% point) used by agencies.

➢ The distribution of public service agencies across the different types of salary scale progression and design is the same for the senior role as for the advisor role. The only differences are:

- Four agencies that use step-based salary scales (Customs, MBIE, HUD, MfW) apply more steps to their senior role than their advisor role although the width of the salary range remains roughly the same.

- DPMC applies a wider salary range – starting at a lower position in range – to its senior role than its policy advisor role.

- Three agencies that use a hybrid approach (MPI, MoH, TPK) apply more steps to their senior role than their advisor role – and one agency applies less steps (DIA) – with position in range beginning from the same salary point.

The graph shows a cross-agency comparison of the range of the salary scales – min and max expressed as a percentage of the 100% point – for principal policy advisors for the 27 agencies with this role. The type of salary progression that agencies use is colour-coded and the type of salary scale design typically used with that salary progression is included in brackets in the legend. Where an agency's salary scale design is different to what's included in the brackets, we've made a note at the bottom of the page.

Legend: The types of salary progression are represented by different colours and the types of salary scale design typically used with that salary progression are included in brackets

- Discretionary pay increases (position in range)
- Automatic pay increases (defined steps)
- Mix of both automatic and discretionary pay increases (hybrid approach)

* Stats has a hybrid salary scale – consisting of defined steps until 100% and then position in range. MCH and LINZ both have position in range salary scales – not the hybrid approach.
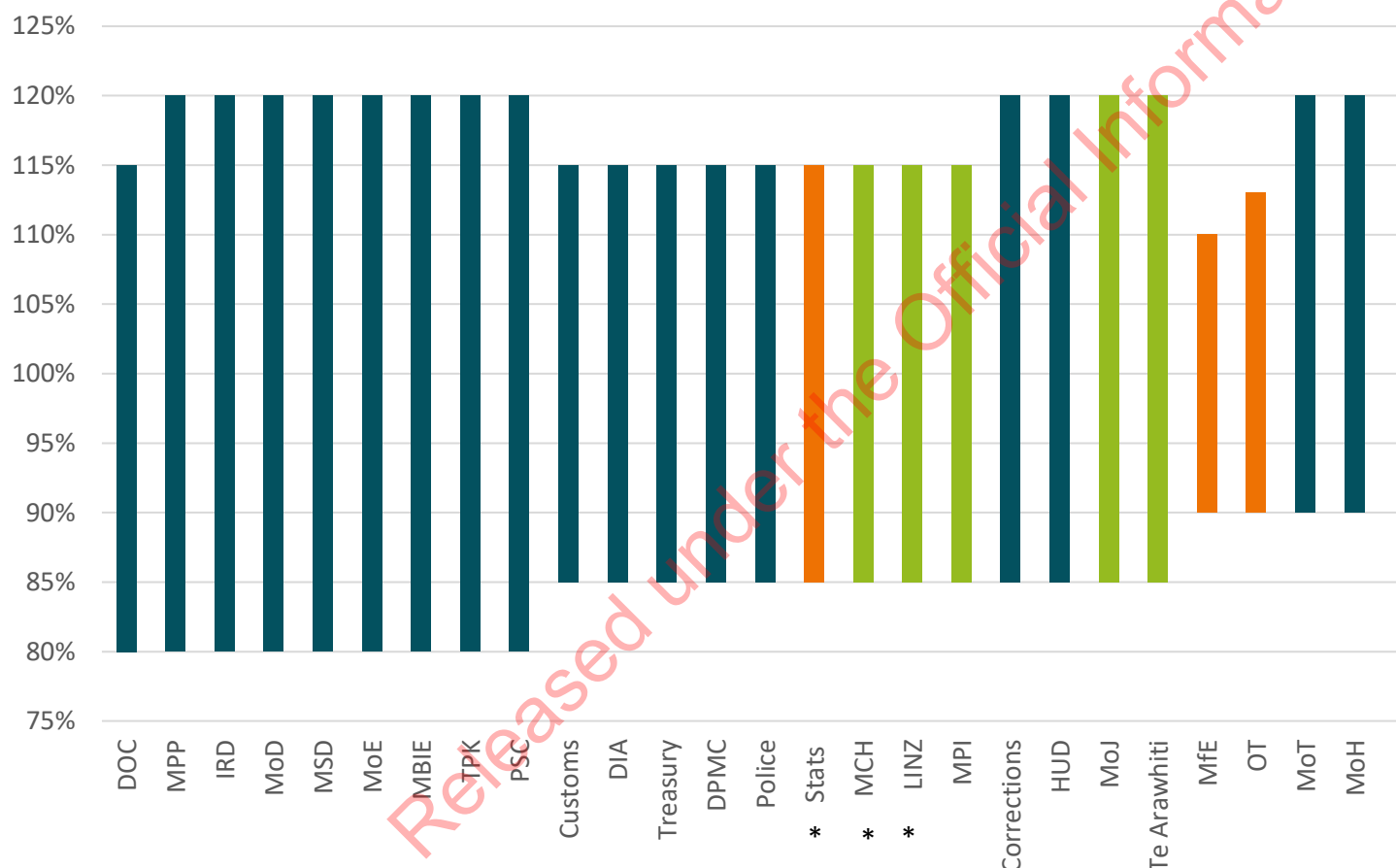
Key insights

➢ Agencies use a variety of salary ranges min and max (as a percentage of the 100% point) for the principal advisor role.

➢ More agencies apply discretionary pay increases (12/27 of 44%) to the principal role than the other types of salary progression. Only eight agencies apply automatic pay increases and seven agencies apply a mix of both.

➢ Variations in the salary scale design used by agencies for the principal role include:

- agencies using salary scales consisting of steps varying from 11 to 21 steps.
- agencies using position in range varying from 85% to 115% or 90% to 120% (the narrowest ranges) to 80% to 120% (the widest range).
- agencies using a hybrid approach varying from 3 to 28 steps and then position in range begins from 90% to 111% up until the maximum.

➢ The agencies with the narrowest salary scales apply automatic pay increases.

Released under the Official Information Act 1982

The graph shows a cross-agency comparison of the width of the salary ranges – min and max expressed as a percentage of the 100% point – for policy managers for the 26 agencies with this role. The type of salary progression that agencies use is colour-coded and the type of salary scale design typically used with that salary progression is included in brackets in the legend. Where an agency's salary scale design is different to what's included in the brackets, we've made a note at the bottom of the page.

Legend: The types of salary progression are represented by different colours and the types of salary scale design typically used with that salary progression are included in brackets

- Discretionary pay increases (position in range)
- Automatic pay increases (defined steps)
- Mix of both automatic and discretionary pay increases (hybrid approach)

* Stats has a hybrid salary scale – consisting of defined steps until 100% and then position in range. MCH and LINZ both have position in range salary scales – not the hybrid approach.

Key insights

➢ The policy manager role has less variation across the salary ranges min and max (as a percentage of the 100% point) than the other policy roles and generally has a wider salary range.

➢ Five agencies apply a different salary range to the manager role compared to the principal role (PSC, MoE, MBIE, HUD and DOC). For these agencies, the policy manager range starts at a lower position in range and ends at a higher position in range than for principal advisors.

➢ For policy managers, significantly more agencies apply discretionary pay increases (18/26 or 69%). Only three agencies apply automatic pay increases while five agencies use a mixture of both.

➢ Variations in the salary scale design used by agencies for the policy manager role include:

- agencies using salary scales consisting of steps varying from 10 to 21 steps.
- agencies using position in range varying from 85% to 115% or 90% to 120% (the narrowest ranges) to 80% to 120% (the widest range).
- agencies using a hybrid approach varying from 3 to 6 steps and then position in range begins from 90% to 111% up until the maximum.

Agencies apply one of four approaches to promotion from one policy role to a more senior one (reflected in the left-hand column in the table) which are:

- **Vacancy required** – Individuals must wait for a vacancy and successfully apply for the position.

- **Progression round –** This process generally involves the individual and/or manager submitting an application for a more senior role that is considered by a panel, HR and/or senior leadership. Agencies hold progression rounds at set times, taking into account the budget and business needs. Individuals can still apply for any vacant positions and achieve a promotion that way.

- **Meets capability requirements –** The manager is satisfied the individual has met the capability requirements to move into the more senior role in consultation with HR. Individuals can still apply for any vacant positions.

- **Completion of Graduate Program** – Graduates automatically progress to the more senior role on successful completion of the graduate program.

Key insights

- For an employee, whether or not you have to wait for a position to be vacant for promotion depends on the seniority of the role and agency you work for.
- Most agencies (25/27) require a vacancy for promotion to principal advisor, while just over half of agencies (15/28) require a vacancy for promotion to senior advisor. Only eight agencies (8/25) require a vacancy for promotion to advisor.

Approach	Corrections	Customs	DIA	DOC	DPMC	HUD	IRD	LINZ	MBIE	MCH	MFAT	MfE	MfW	MoD	MoE	MoH	MoJ	MoT	MPI	MPP	MSD	OT	Police	PSC	Stats	Te Arawhiti	TPK	Tsy	TOTAL
Promotion from Senior Advisor to Principal Advisor																													
Vacancy required	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	25
Progression Round													✓											✓					2
Meet capability requirements																													0
Promotion from Policy Advisor to Senior Advisor																													
Vacancy required	✓			✓	✓			✓	✓		✓	✓		✓	✓	✓		✓		✓			✓	✓	✓				15
Progression Round		✓	✓			✓	✓			✓			✓				✓		✓			✓				✓	✓	✓	12
Meet capability requirements																					✓								1
Promotion from Graduate Advisor to Policy Advisor																													
Vacancy required	✓		✓											✓	✓	✓							✓		✓	✓			8
Progression Round		✓			✓		✓			✓	✓						✓	✓	✓			✓		✓					10
Meet capability requirements				✓				✓				✓									✓								4
Completion of Graduate Program						✓			✓				*							*							*	✓	3

* MfW, MPP and TPK didn't have graduates at the time of the survey. MFAT doesn't have a comparable principal policy advisor role.

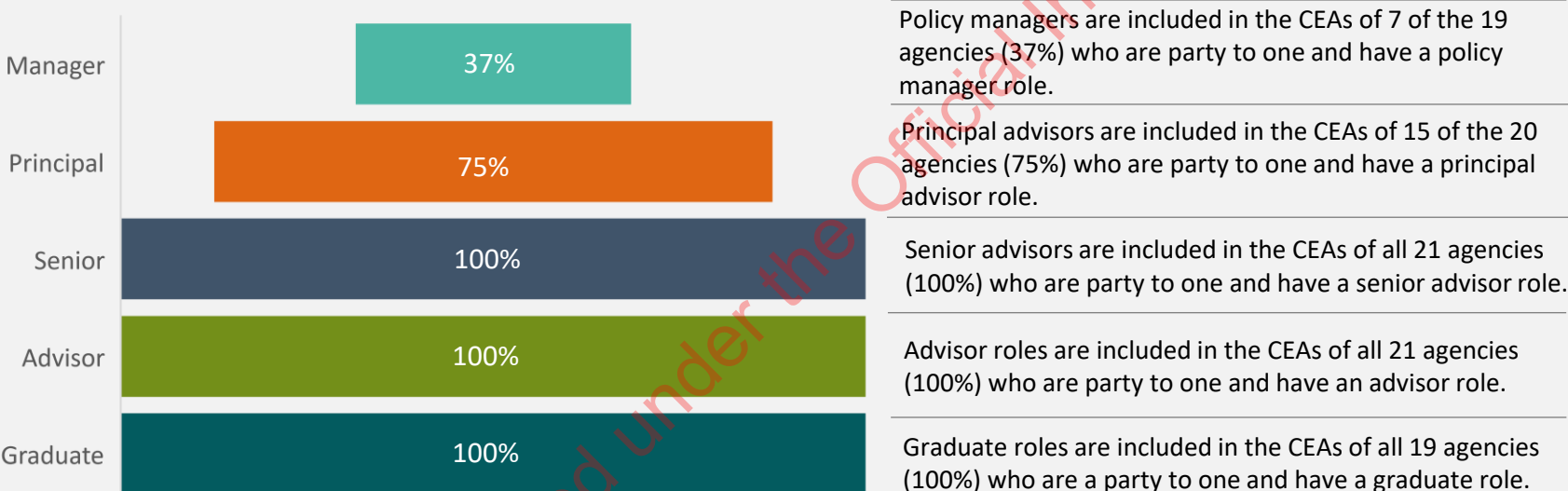# Collective Agreements and policy practitioner remuneration

We looked at whether agencies have Collective Agreements and the extent to which they cover salary scales and the approach to salary progression for policy roles:

- 21/28 agencies are party to Collective Agreement/s that cover some or all policy roles. The agencies with policy roles not covered by Collective Agreements are DPMC, Treasury, PSC, Corrections, MoD, IRD and MPP.
- In most agencies (19/21) the Collective Agreement/s set out the pay bands and the approach to salary progression. The exceptions are MFAT and policy managers in DOC whose Collective Agreements cover pay bands but not the approach to salary progression.
- All agencies with Collective Agreements carry over the same pay bands and approach to salary progression to individual employment agreements for staff who aren't members of the union.

Key Insights

- Graduate, advisor and senior advisor roles are included in the CEAs of all agencies who are a party to one that covers policy roles.

- Many agencies (75%) who are party to a CEA that covers policy roles have full coverage from graduates to principal advisors.

- The majority of policy managers across the public service are employed on individual employment contracts not CEAs.

- Around 78% of policy practitioners (up to and including policy manager) are estimated to be in roles covered by a CEA.

For agencies party to a Collective Agreement that covers policy roles – the percentage that cover each policy role

Role	Percentage	
Manager	37%	Policy managers are included in the CEAs of 7 of the 19 agencies (37%) who are party to one and have a policy manager role.
Principal	75%	Principal advisors are included in the CEAs of 15 of the 20 agencies (75%) who are party to one and have a principal advisor role.
Senior	100%	Senior advisors are included in the CEAs of all 21 agencies (100%) who are party to one and have a senior advisor role.
Advisor	100%	Advisor roles are included in the CEAs of all 21 agencies (100%) who are party to one and have an advisor role.
Graduate	100%	Graduate roles are included in the CEAs of all 19 agencies (100%) who are a party to one and have a graduate role.

Based on the information provided by agencies, and supplemented by Te Kawa Mataaho's Human Resources Capability Survey 2022, we developed a rough estimate of the total percentage of policy practitioners in roles up to policy manager covered by Collective Agreements in the public service. From graduate policy advisor to policy manager, an estimated 78% of policy practitioners (2,738 out of around 3,517) are in agencies where their roles are covered by Collective Agreements.

Agencies generally review their pay bands annually to determine if adjustments are required with reference to the market and any guidance issued by the Public Service Commissioner. Agencies with policy roles covered by multi-year Collective Agreements may be bound by annual increases to pay bands specified in CEAs.

We looked at agency adjustments to the dollar values of the 100% points in their pay bands for each policy role from FY2019/20 to FY2021/22. During this period some agencies (MoH, Stats, OT, MfW, MSD, DOC and DIA) made structural changes to their pay bands e.g. changes to the type of salary scale design or job size. We've removed these agencies from the roles where structural changes to their pay bands were made so they don't skew the results. The next slide considers the impact of structural changes to pay bands.

The diagram below sets out for each policy role for FY19/20 to FY20/21 and for FY20/21 to FY21/22:

- how many agencies adjusted their salary scales (100% point)
- the range of the increase to the 100% point made by agencies – from lowest to highest – expressed as the percentage difference between the first and second year
- the average increase to the 100% point made by agencies that adjusted their salary scales.

	No of agencies that adjusted their salary scales (100% point)	Extent of the increase made by agencies (from lowest to highest)	Average increase of those agencies that made adjustments	
2019/20 to 2020/21				
Manager	8/26 agencies (31%)	1% to 4%	2% increase	Agencies that adjusted the salary scales (100% point) of one or more of their policy roles include: Customs, MoE, MfE, MPI, OT, Police, MBIE, MoH and MCH.
Principal	8/27 agencies (30%)	1% to 3%	2% increase	
Senior	8/28 agencies (29%)	1% to 4%	2% increase	
Advisor	8/28 agencies (29%)	1% to 3%	2% increase	
2020/21 to 2021/22				
Manager	5/26 agencies (19%)	1% to 2%	1% increase	Agencies that adjusted the salary scales (100% point) of one or more of their policy roles include: Customs, MoE, MfE, MPI, Police, Stats, MBIE, HUD, LINZ, Te Arawhiti, MoJ, PSC, DIA and TPK.
Principal	10/27 agencies (37%)	1% to 2%	1% increase	
Senior	14/28 agencies (50%)	1% to 3%	2% increase	
Advisor	14/28 agencies (50%)	1% to 3%	2% increase	

Key insights

➢ 17/28 agencies (61%) adjusted the 100% points of their salary scales for at least one of their policy roles from FY19/20 to FY21/22.

➢ Of these agencies, more adjusted the salary scales for the advisor, senior and principal roles than the policy manager role.

➢ Both the lower and higher paying agencies made adjustments, noting that some agencies had multi-year commitments in their CEAs. Slightly more agencies (by 10%) who made adjustments were in the half of agencies with the lowest paying 100% points.

Changes in the overall public service salary scales from 2019/20 to 2021/22

We looked at the overall impact at the public service level of agency adjustments and structural changes to their salary scales for policy roles from FY2019/20 to FY2021/22 years:

- the first table sets out for each year the percentage difference between the lowest and highest agencies (at the 100% point) and the overall difference from the first year to the third year for each policy role.

- the second table sets out for each year the average 100% point for the public service overall and the change in that from the first year to the third year for each policy role.

Table 1 – Variation across agency salary scales (100% point) for each policy role

Policy Role	Difference b/w lowest and highest salary (100% point) across agencies			Change in difference b/w lowest and highest salary from 19/20 to 21/22
	2019/20	2020/21	2021/22	
Manager	66%	66%	65%	1% decrease
Principal	66%	60%	56%	10% decrease
Senior	38%	37%	31%	7% decrease
Advisor	34%	37%	39%	5% increase

Table 2 – Average 100% point for the public service overall for each policy role

Policy Role	Average 100% point for the public service overall			Increase to the average 100% point from 19/20 to 21/22
	2019/20	2020/21	2021/22	
Manager	$162,188	$163,118	$163,845	1.02%
Principal	$137,067	$138,317	$140,729	2.67%
Senior	$110,502	$111,470	$113,358	2.58%
Advisor	$81,019	$81,967	$82,999	2.44%

Key insights

➢ The difference between the highest and lowest paying agencies (at the 100% point) has widened for the advisor role and narrowed for the senior and principal roles.

➢ The average 100% point for the public service overall has increased slightly for all policy roles from advisor to manager. The manager role has had the smallest increase.

Released under the Official Information Act 1982

Overall, this report finds there is considerable variation across agency remuneration and career progression policies in the public service relating to policy roles. We've summarised the key findings from this report in this and the next slide.

The starting salaries of new hires in most agencies can exceed the salary range for the policy role

- **Most agencies (25/28 or 89%) permit new hires to be paid above the maximum in the salary range, which means there could be more variation in practice in individual salaries for the same policy role than agency salary scales show**

  o Almost all agencies require additional approvals to pay new policy hires in the higher reaches of the pay band (above 90%) , although the salary points that trigger these additional approvals vary across agencies and there are some differences in the seniority of the role required to provide the approval.

  o The extent to which these approvals are given to pay in the higher reaches of the pay band are likely impacted by the labour market. When policy practitioners are in high demand, we'd expect these approvals to occur more frequently. When supply exceeds demand, we'd expect these approvals to occur less frequently.

Agencies have adopted varying types of salary scale design and salary progression for the same policy role – from graduate to policy manager

- **Variation in the types of salary scale design and width of salary scales affects the number of salary points available for an individual to progress through the pay band**

  o Agencies apply different minimum and maximum salary points (expressed as a percentage of the 100% point) to the same policy role. There is less variation at the more senior policy roles – which also tend to have wider salary ranges. Overall across all policy roles, the most common salary range is 85% to 115%.

  o This variability across the minimum and maximum salary points means even if agencies applied the same dollar values for the 100% point, there would still be cross-agency variation at the bottom and top of salary ranges for the same policy role.

  o There are three types of salary scale design applied by agencies to policy roles – position in range, defined steps or the hybrid approach (consisting of defined steps until a certain point, and then anything over that is position in range). There are also different variants within these three broad types.

  o Across all public service agencies and policy roles up to policy manager, the most common approach is position in range – which is used for 46% of all policy roles. This is followed by defined steps which is used for 29% of all policy roles. Lastly, the hybrid approach is used for 25% of all policy roles.

- **Variation in the types of salary progression adopted by agencies affects whether an individual is guaranteed to progress through the pay band and the level of increase they receive**

  o There are three types of salary progression applied by agencies to policy roles – discretionary pay increases (based on performance and position in range), automatic pay increases (based on tenure), or a mixture of both.

  o Generally agencies tend to apply automatic pay increases to their lower-level policy roles and discretionary pay increases to their more senior policy roles.

  o The agencies with the narrowest salary scales apply automatic pay increases.

Agencies vary in the internal promotion approaches adopted for the same policy role (from graduate to principal advisor)

- **Whether an individual needs to wait for a position to be vacant for promotion to a more senior role depends on the agency they work for and the seniority of the role**
  - o There are four types of promotion approaches adopted by agencies – requiring a vacancy to arise for individuals to apply for the position, running progression rounds for individuals to apply for a more senior role, or promoting individuals on meeting the capability requirements to move to the more senior role or on completion of the Graduate Program.
  - o Generally agencies are more likely to apply competence-based promotion to their lower-level policy roles (graduate to advisor) whereas individuals need to apply for a vacancy for their more senior policy roles (senior to principal).

For many agencies, Collective Agreements specify pay bands and salary progression for some or all policy roles

- **Many agencies (21/28 or 75%) are party to Collective Agreement/s that cover policy roles which means any changes to pay bands and/or salary progression approaches are likely to involve collective bargaining**
  - o Many of the agencies (75%) with CEAs that cover policy roles have coverage from graduate to principal advisor, while the majority of policy managers across the public service are employed on individual employment contracts.
  - o Around 78% of policy practitioners up to policy manager are estimated to be in roles covered by a CEA.

In the last three years some agencies have increased salary scales for policy roles by modest amounts

- **Changes to agency salary scales for policy roles from FY2019/20 to FY2021/22 have had the overall impact of widening for the advisor role and narrowing for the senior and principal roles the difference between the highest and lowest paying agencies (100% point)**
  - o 61% of agencies made slight increases to their salary scales (100% point) of at least one of their policy roles from advisor to policy manager from FY2019/20 to FY2021/22, noting that some agencies had multi-year commitments in their CEAs.
  - o These slight increases, combined with agencies that made structural changes to the salary scales for their policy roles, have slightly increased the average 100% point for the public service overall for each policy role from advisor to policy manager.

Data Notes

Reference	Data Notes
Slide 4 : Approach to analysis to enable cross-agency comparability	• Fixed package salaries were converted to base salary by dividing by 1.03 (to take account of the 3% KiwiSaver employer contributions). • Some policy staff are members of the State Sector Retirement Savings Scheme and Governance Superannuation Fund which have different employer contribution amounts. The conversion from fixed package to base salary will be different for these individuals than the approach used here. • NEMA is not included in the slides, but has the same remuneration policies as DPMC.
Slide 6: Salary scale design and how it impacts remuneration	• The total number of policy roles were calculated based on the traditional policy pathway (graduate policy advisor to policy manager). Roles in addition to the traditional policy pathway were not included. • There have been changes in some agencies since 2021/22 including: MCH and MoD have both introduced defined steps with automatic pay increases for graduate to policy manager roles. MfE has changed the number of steps in each of their policy roles from 21 to 14 steps.
Slide 8: Graduate: Agency variations in salary scale progression and design	• 25 agencies had a graduate role at the time of the survey. MfW, MPP and TPK did not have a graduate role. Corrections, Stats, MfE and IRD place their graduates in the lower reaches of their policy advisor pay band and are not included in the graph. • In the graduate category, we've included roles in agencies with the graduate job title, as well as the following: Policy Analyst from MoD, Policy Advisor Level 1 from Te Arawhiti and MOJ (includes graduates and entry level policy staff from other backgrounds), Assistant Policy Advisor from MCH, Foreign Policy Officer 1 s9(2)(b)(i), s9(2)(b)(ii)) from MFAT and Assistant Policy Advisor Levels 1 and 2 from Police. • Police's Assistant Policy Advisor Levels 1 and 2 have two different salary bands with the width of each salary band the same (85% to 115%).
Slide 9: Advisor: Agency variations in salary scale progression and design	• 28 agencies have a policy advisor role. • In the advisor category we've included roles in agencies with the policy advisor/analyst job title, as well as the following: Policy Advisor Level 1 from IRD, Policy Advisor Level 2 from MoJ and Te Arawhiti, Intermediate Policy Analyst from MoD and Foreign Policy Officer 1 s9(2)(b)(i), s9(2)(b)(ii) and 2 from MFAT. • The following agencies have more than one salary band for the advisor role with the width of each salary band the same as set out in the graph: MPI has two salary bands for its Policy Analyst 'second level training' and 'working', MoT has two salary bands for its Advisor Level 1 and 2, LINZ has two salary bands for its Policy Advisor Level 1 and 2, MFAT has three salary bands for its Foreign Policy Officer 1 s9(2)(b)(i), s9(2)(b)(ii) and 2 s9(2)(b)(i), s9(2)(b)(ii) and Police has two salary bands for its Policy Advisor Level 1 and 2. • There have been changes in some agencies since 2021/22 including: s9(2)(b)(i), s9(2)(b)(ii)
Slide 10: Senior: Agency variations in salary scale progression and design	• 28 agencies have a senior policy advisor role. • In the senior category we've included roles in agencies with the senior advisor/analyst job title, as well as the Policy Advisor Level 2 from IRD and the Senior Foreign Policy Officer from MFAT. • The following agencies have more than one salary band for the senior role with the width of each salary band the same as set out in the graph: MPI has two salary bands for its Senior Policy Analyst 'Experienced' and 'Expert', MoH has two salary bands for its Senior Analyst Level 1 and 2, Police has three salary bands for its Senior Policy Advisor Level 1 and 2, and MoE has two salary bands for its Senior Policy Analyst. • In Police, the first salary band for Senior Policy Advisor Level 1 is steps with automatic pay increases, as represented in the graph. However, the higher salary bands for Policy Advisor Level 2 are position in range with discretionary pay increases.

Data Notes continued …

Reference	Data Notes
Slide 11: Principal: Agency variations in salary scale progression and design	• 27 agencies have a principal policy advisor or equivalent role. MFAT does not have a comparable role. • In the principal category we've included roles in agencies with the principal advisor/analyst job title, as well as the Chief Policy Analyst from MoE and Policy Advisor Level 3 from IRD. • MPI's Principal Policy Analyst role has two separate salary bands with the width of each salary band the same (85% to 115%) as set out in the graph.
Slide 12: Manager: Agency variations in salary scale progression and design	• 26 agencies have a policy manager or equivalent role. MfW didn't have a policy manager role in 2021/22 (although they established a policy manager role as of 31 October 2022) and MFAT doesn't have a comparable policy manager role. • In the policy manager category we've included roles in agencies with the manager job title, as well as the following: Deputy Director from MoD, Senior Policy Manager from MoE, and Policy Lead from IRD.
Slide 13: Graduate to Principal: Agency variations in promotion approaches	Some agencies have more than one salary band for each policy role as set in the notes for slides 8 to 10. For these agencies promotion from one salary band to the next generally occurs via progression round.

Slide 14: Collective Agreements and policy practitioner remuneration	• Some agencies have roles in addition to the traditional policy pathway. In agencies party to a CEA that covers policy roles, these roles are MfE's Team Leader, MPI's Policy Team Manager, and MoE's Chief Analyst. These roles are also covered by the CEA in these agencies.
	• The rough estimate of the number of policy practitioners (up to policy manager) in roles covered by CEAs was calculated based on information provided by agencies, and supplemented by Te Kawa Mataaho's Human Resources Capability Survey 2022:
	  • Some agencies provided us the number of policy practitioners in roles that were covered by CEAs and those not covered by CEAs. Other agencies provided us the percentage and/or which policy roles in their agency are covered by CEAs.
	  • For agencies that didn't provide the number of policy practitioners covered by CEAs, we used the Human Resources Capability Survey 2022. Headcount numbers for 'ANSZCO 224412 Policy Analyst' and 'ANZSCO 132411 Policy and Planning Manager' were used.
	  • ANZSCO 224412 Policy Analyst covers up to principal advisor (and the roles in addition to the traditional policy pathway discussed above). We applied an algorithm based on key words in job titles to the ANZSCO 224412 category of employees which revealed the existence of a small, residual group categorised as 'other' – that is people coded by agencies as being policy practitioners, but whose job title information is inconsistent with being in a policy role. We excluded this small 'other' category from the Policy Headcount.
	  • ANZSCO 132411 Policy and Planning Manager covers policy managers, directors, group or general managers and Tier 2s (and the roles in addition to the traditional policy pathway discussed above). We excluded any roles that were also coded as management levels Tier 3 or Tier 2 from ANZSCO 132411 . This was so the remaining Policy Headcount would reflect policy managers only.
	  • We applied a 20% reduction in the Human Resources Capability Survey Policy Headcount numbers for MFAT. This was to account for the fact that the MFAT headcount covers roles with both policy and/or diplomacy responsibilities.

Reference	Data Notes
Slide 14: Continued	• The calculation of the number of policy practitioners in roles covered by CEAs is a rough estimate only. Some agencies have previously identified issues with the coding of policy roles in their agency, with some roles that didn't fit neatly elsewhere being coded as policy. Also for two agencies, there were surprisingly high numbers of 'Policy and Planning Managers' relative to 'Policy Analysts' (after we refined the numbers as discussed above) – whereby these agencies had the same number of policy and planning managers as policy analysts.
Slide 15: Adjustments in agency salary scales from 2019/20 to 2021/22 years	• Since April 2020, public service agencies have been operating under pay guidance issued by the Public Service Commissioner. Where agencies proposed to increase pay, expectations were that low paid roles were prioritised, high paid roles were restricted, and existing commitments in employment agreements were honoured. • For the detailed description of which agencies are included in each policy role, refer to the data notes for slides 9 to 12. • The following agencies made structural changes to their pay bands and were excluded from the analysis: MoH from 19/20 to 20/21 for the advisor, senior and principal roles; Stats from 19/20 to 20/21 for the advisor, senior, principal and manager roles; OT from 20/21 to 21/22 for the advisor, senior, principal and manager roles; MfW from 20/21 to 21/22 for the advisor, senior and principal roles; MSD from 20/21 to 21/22 for the advisor, senior and principal roles; DOC from 20/21 to 21/22 for the advisor, senior and principal roles; and DIA from 20/21 to 21/22 for the manager role. • For agencies with one role spanning multiple salary bands (see page 1 of Appendix B) we combined them together, with the range being from the bottom of the lower salary band to the top of the higher salary band, and we averaged the multiple 100% points.
Slide 16: Changes in the overall public service salary scales from 2019/20 to 2021/22	• For the detailed description of which agencies are included in each policy role, refer to the data notes for slides 9 to 12. • For agencies with one role spanning multiple salary bands (see page 1 of Appendix B) we combined them together, with the range being from the bottom of the lower salary band to the top of the higher salary band, and we averaged the multiple 100% points.

Appendix B: Agency salary scales in base salary for 2021/22 year (to convert to fixed package add 3% to the salary scale)

Traditional Policy Pathway – Graduate, Advisor, Senior Advisor, Principal Advisor and Policy Manager

Agencies	Graduate			Advisor			Senior Advisor			Principal Advisor			Policy Manager		
	Minimum	100%	Maximum	Minimum	100%	Maximum	Minimum	100%	Maximum	Minimum	100%	Maximum	Minimum	100%	Maximum
Corrections				$66,411	$78,130	$93,756	$91,953	$108,180	$129,816	$110,091	$129,519	$155,423	$151,619	$178,375	$214,050
Customs	$51,918	$63,256		$64,838	$80,972	$91,613	$83,000	$108,900	$120,206	$111,081	$130,683	$150,285	$130,110	$153,071	$176,032
MoD	$54,873	$68,591	$82,309	$73,614	$92,017	$110,420	$105,012	$131,265	$157,518	$122,708	$153,385	$184,062	$122,708	$153,385	$184,062
DIA	$48,386	$56,924	$65,463	$65,336	$76,865	$88,395	$92,135	$108,393	$124,652	$105,605	$124,241	$142,878	$119,000	$140,000	$161,000
DOC	$61,916 $64,393			$75,286	$88,672	$102,057	$88,038	$103,690	$119,342	$99,418	$117,094	$134,769	$114,563	$143,204	$164,684
DPMC	$60,197	$66,885	$76,918	$69,764	$77,516	$89,143	$91,957	$108,185	$124,414	$128,143	$150,756	$173,370	$150,359	$176,893	$203,427
MoE	$54,079	$61,289	$66,096	$67,859	$76,907	$82,939	$92,598 $110,923	$104,944 $125,713	$113,175 $135,175	$131,287	$148,792	$160,462	$135,495	$169,369	$203,243
MoH	$62,286	$69,207	$83,048	$69,103	$76,781	$92,137	$92,951 $98,376	$103,279 $109,307	$123,935 $131,168	$126,571	$140,634	$168,761	$136,224	$151,360	$181,632
HUD	$60,463	$69,197	$73,889	$69,016	$78,793	$84,352	$96,803	$109 065	$118,315	$134,798	$150,824	$164,753	$150,821	$181,873	$212,924
IRD	$57,539	$70,818 (80%)		$70,818	$88,522	$106,226	$99,932	$124,915	$149,898	$138,400	$173,000	$207,600	$166,162	$207,703	$249,244
LINZ	$59,837	$70,396	$80,955	$70,489 $82,457	$82,928 $97,008	$95,367 $111,559	$95,846	$112,760	$129,674	$112,849	$132,763	$152,677	$130,786	$153,866	$176,946
MBIE	$57,227	$59,778	$62,329	$69,369	$85,566	$88,295	$101,940	$129,612	$132,417	$132,417	$157,667	$160,472	$142,596	$178,245	$213,893
MCH	$56,460	$66,424	$76,388	$74,025	$87,088	$100,151	$87,420	$102,847	$118,274	$114,747	$134,997	$155,247	$125,829	$148,034	$170,239
MFAT (foreign policy roles not standard policy roles)	$60,783	$67,537	$77,667	$66,455 $76,252 $92,772	$78,183 $89,709 $109,144	$89,910 $103,165 $125,516	$110,540	$130,047	$149,553						
MfE	$56,996	$69,210		$73,280	$81,423	$89,565	$101,802	$113,113	$124,424	$155,491	$172,767	$190,044	$155,491	$172,767	$190,044
MfW				$71,437	$80,968	$87,507	$92,642	$104,250	$112,830	$114,124	$131,791	$145,383			
MoJ	$54,689	$64,339	$77,207	$63,019	$74,139	$88,967	$100,221	$117,906	$141,488	$116,741	$137,342	$164,811	$139,662	$164,308	$197,170
MPI	$52,509	$61,776	$71,042	$59,148 $67,764	$69,586 $79,722	$80,024 $91,681	$77,652 $92,073	$91,355 $108,321	$105,058 $124,570	$109,626 $128,247	$128,972 $150,879	$148,318 $173,511	$150,287	$176,809	$203,330
MPP				$64,900	$81,100	$97,300	$83,000	$103,700	$124,500	$97,000	$121,300	$145,500	$115,200	$144,000	$172,800
MSD*	$53,502	$57,961	$65,392	$71,231	$79,145	$87,060	$94,834	$105,371	$115,908	$109,999	$137,499	$164,999	$109,999	$137,499	$164,999
OT	$56,499	$62,777	$70,624	$71,616	$79,574	$89,520	$99,315	$110,351	$124,144	$138,727	$154,142	$173,409	$138,727	$154,142	$173,409
Police	$64,573 $69, 907	$75,413 $81,691	$86,253 $93,474	$84,101 $91,554	$98,387 $107,156	$112,672 $122,757	$98,878 $110,417 $120,403	$115,773 $129,903 $141,650	$132,667 $149,388 $162,898	$132,121	$155,437	$178,752	$132,121	$155,437	$178,752
Te Arawhiti	$54,689	$64,339	$77,207	$63,019	$74,139	$88,967	$100,221	$117,906	$141,488	$116,741	$137,342	$164,811	$116,741	$137,342	$164,811
Stats NZ				$75,191	$88,460	$101,729	$89,544	$105,346	$121,148	$93,978	$110,562	$127,146	$107,025	$125,912	$144,799
PSC	$57,100	$64,600	$76,258	$72,300	$84,800	$97,520	$98,200	$115,700	$133,035	$121,380	$146,370	$171,360	$154,960	$193,701	$232,442
TPK				$62,406	$78,008	$94,215	$86,599	$108,249	$130,326	$102,956	$128,692	$155,130	$146,045	$182,563	$219,080
MoT	$61,784	$68,648	$83,278	$71,172 $82,698	$79,080 $91,886	$94,896 $110,264	$99,483	$110,536	$132,643	$118,256	$131,395	$157,674	$159,059	$176,732	$212,078
Treasury	$51,478 $61,647			$75,795	$89,171	$102,547	$109,550	$128,883	$148,215	$128,143	$150,756	$173,370	$176,638	$207,809	$238,980

*MSD has two salary bands for principal policy advisors – one is for those who retained their existing employment terms and conditions at $118,085 to $144,326 and the other is for those who accepted new employment terms and conditions at $109,999 to $164,999. The latter salary band has been used in the Policy Remuneration Report.