



NEW ZEALAND
**EMPLOYMENT
MARKET REPORT**

GOVERNMENT & POLICY

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Government & Policy

The Market

In 2022, the rate of growth of the government workforce dropped slightly. It was only a small 1.2 percent decrease as published by the Public Service Commission, which was expected as we moved past the peak-COVID period, and due in part to the natural end of related short-term roles, for example, the staffing of Managed Isolation facilities. It is interesting to note over the last five years New Zealand's public sector workforce has increased by 15.3 percent—a few percentage points more than the **9.4%** growth in the private sector during the same time period.

We use the term 'business confidence' to describe the forward-looking expectations of business, with our specific interest being the relationships with, and impact on the employment market. The government's workforce behaviours and patterns typically reflect what is happening in the private sector (with some idiosyncratic variations) and 2022 was no different. We saw caution and hesitance to hire, as economic pressures began to impact, but yet recruitment continued. There was a lot of job hopping, as skilled Policy Analysts, Advisors and Managers looked to move organisations (or were shoulder-tapped) and shift up a salary band.

The mid-year border opening did not have a positive impact on the candidate pool. For the most part, recent migrants have not fitted the required skills profile to fill policy resourcing gaps, and of course, did not possess the desired NZ experience. The reverse flow of talent out of the country meant the net effect on candidate supply was overwhelmingly negative. During this past year, the sector has been abundant with interesting job opportunities, particularly roles centred around the planning, development, review and implementation of government policies. Finding the staff to fill these jobs was difficult. Competing with private sector business and their generally higher salaries was a consistent challenge.

Employers

Hampered by the strict banding of salary ranges and with an inability to get too creative with benefits, government employers stretched where they could, in order to attract talent. Highlighting five weeks' annual leave, offering to the top of the salary band, placing emphasis on the culture, service-focus and intrinsic value of the role itself was how employers worked to attract talent.

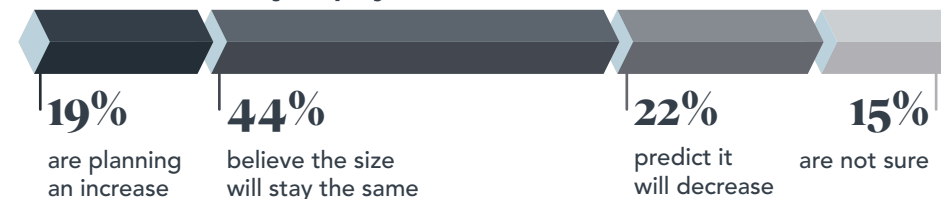
Flexibility has always been a hallmark of government work, but now the private sector has almost surpassed them with the breadth and variety of flexible working on offer, and it has become harder to compete on this feature. We did see pockets of government offering fully remote work—though there were teething issues on occasion, resulting in challenges

in other areas. For example, last year it was difficult to find skilled policy management talent for Auckland-based positions. We identified a pool of great local candidates via our searches, only to discover they were already working for Wellington-based agencies, but from Auckland, in fully-remote positions.

Government employers are highly focused on diversity and inclusion, which sat at the heart and forefront of all recruitment activity. In continuation of previous years, candidates with understanding and awareness of Te Ao Māori, Te Tiriti, and at least a foundational grasp of Te Reo Māori, were highly desirable—this continues to be a gap area. Due to the nature of much of government work, communication skills at high levels, both verbal and written, were highly sought after.

Unfortunately government employers were challenged by the fast pace and competitive nature of the labour market. Thorough, lengthy recruitment processes, long timeframes for security clearance, and taking into account collective agreement considerations somewhat hindered responsiveness, and they sometimes lost out on great talent.

Government & Policy employers on the size of their workforce



Job Seekers

There tends to be a cohort of candidates who are drawn to the public sector. They are motivated by the social impact and feel good factor of serving our people, along with the other well-regarded features of government employment such as security and clear pathways for progression. Candidates seeking work-life balance in the post-pandemic period found Government appealing due to its comprehensive wellbeing practices. However in 2022, despite all these positives, the candidate pool was a shallow one, especially if you were looking to fill vacant mid- to senior banded positions. The best candidates were already gainfully employed, and the supply was scarce.

While we typically see longer tenure in government, this has shifted in recent years, with 18 months to two years being commonplace. Over the last twelve months, there were greater numbers of accelerated internal promotions, rewarding workers with only a few years of experience—fewer than what would have been required for a promotion, pre-pandemic. This opened up opportunities at the entry level for new candidates to join the workforce. The regular cycle of promotion and progression had a

further impact, in that it has created a group of candidates with highly desirable CVs and experience, who then had the internal government profile to be able to successfully move into contracting. This is a recognised occurrence, but again, it is happening much earlier in the employee lifecycle than in the past. These candidates have become comfortable with higher pay rates and are now reluctant to return to permanent positions, at a lower salary. This may of course shift again, with the impending recession, as candidates move towards prioritising stability.

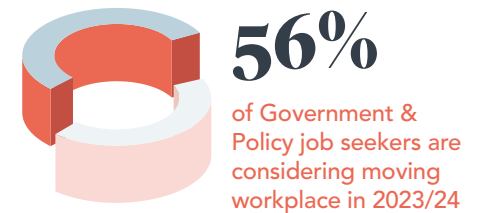
The 2021/22 period saw an increase in spend on consultants and contractors, according to 2022 Public Service Workforce data. Government did try to limit contractor spend, but with high resourcing needs, and essential work to be done, the 'last resort' of hiring contingent workers was regularly deployed.

The Year Ahead

It is an election year, which means that government agencies will soon be in a holding pattern with regards to work schedules, projects and the related resourcing. In the policy space, if there is turnover, and therefore recruitment activity, it is likely to be in the first few months of the year, with talent moving into private sector roles (rather than across government). Those job seekers who are comfortable enough where they are, will wait to assess until after the October election. At that point we may see significant movement, as policy practitioners at all levels make moves based on Member of Parliament wins, losses and new positions.

Whereas in the recent past, we have seen great candidates comfortable with taking a small pay cut for the opportunity to work in government, given the pressures from our cost of living crisis, we no longer expect to see this occur at any great rate. However this may be balanced by candidates drawn to the stability and transparency that government employment offers.

Demand may be a little lower but recruitment, particularly for specialist roles, will still be challenging, given the already stretched-and-sparse state of the talent pool. We are expecting to see a willingness to invest in employees' learning and a commitment to enabling their progression. This will come with a corresponding focus on training for capability development, leadership and management effectiveness.



Government & Policy Salary Guide

SALARY RANGE IN NZD \$'000s

ROLE	AUCKLAND		WELLINGTON	
	Low	High	Low	High
Policy Manager	180	240	180	230
Principal Policy Advisor	130	160	130	180
Senior Policy Advisor	100	135	90	125
Policy Advisor	80	95	80	100
Policy Analyst	80	100	80	100
Principal Advisor	120	140	120	160
Senior Advisor	90	140	100	140
Advisor	80	115	70	90



About Madison

Madison was established in 1998 and is a wholly owned subsidiary of the Accordant Group, New Zealand's largest recruitment company and the only in our industry to be listed on the NZX. We operate across seven key locations in Auckland Central, Auckland South East, Hamilton, Tauranga, Wairarapa, Wellington and Christchurch.

What We Do

Madison works across almost all industry sectors, with clients that range from small start-ups to global blue-chip corporates, large public sector and not-for-profit organisations. Our track record includes full-service recruitment covering temporary, permanent and contractor needs across the following sectors:

- Accounting, Banking, Finance and Insurance
- Business Support and Administration
- Business Transformation, Programme and Project Management
- Contact Centre and Customer Service
- Engineering
- Government and Policy
- Human Resources and Recruitment
- Industrial
- Marketing and Communications
- Procurement and Supply Chain
- Project and Volume
- Property and Construction
- Sales and Relationship Management

Within disciplines, we recruit for the full range of positions from entry-level through to executive appointments. Depending on our clients' needs, our recruiters will deliver an end-to-end solution or unbundle the recruitment process to supplement the expertise and resources you have in your organisation.

How We Do It

Because we have a broad focus, but we are staffed by specialist recruitment professionals, we're able to offer the combined benefits of breadth, reach and personalised, expert service. Collaboration, sharing, building a real relationship and true partnerships are what set us apart. Not only do we understand New Zealand, but we have been specifically built and grown for this market.

Support & Partnership

We offer specialist consulting services to support our client organisations' talent lifecycles. Some of the key services we deliver via workshop, training or coaching include:

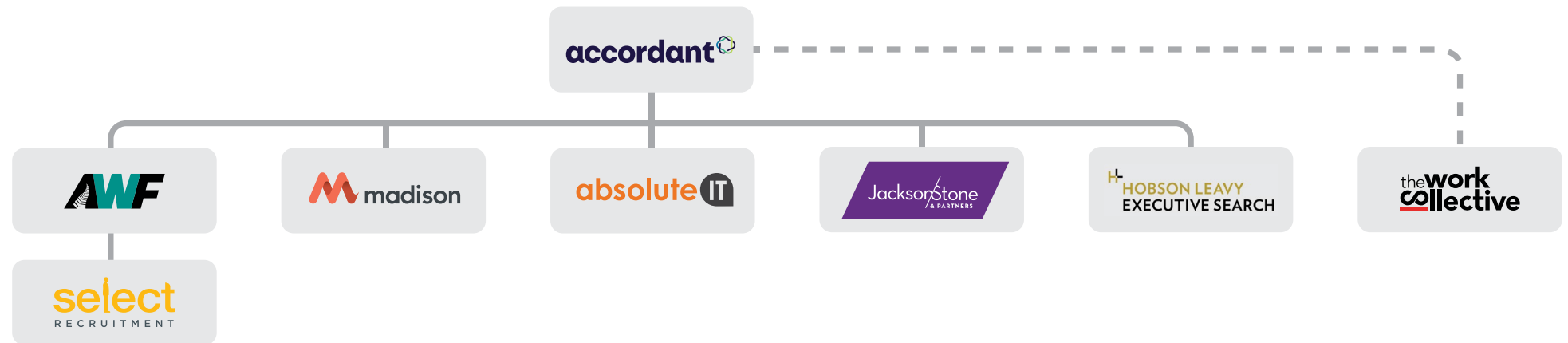
- Talent development
- Assessment centre design
- Outplacement services
- Psychometric profiling and skills testing
- High performance profiling



The Accordant Group

The Accordant Group is New Zealand's leading recruitment company and the only listed on the NZX. Within our stable we have five businesses, each of which holds an enviable position in their market, as well as The Work Collective, Accordant social employment initiative.

To find out more visit accordant.nz



Madison recruits temporary, contract and permanent staff for a broad range of clients in the commercial and government sectors.

JacksonStone & Partners is one of the most experienced executive search, recruitment and contracting agencies in New Zealand, covering all disciplines up to chief executive and board appointments across the private, public and not-for-profit sectors.

Absolute IT operates solely in the tech and digital market recruiting permanent and contract IT professionals.

Hobson Leavy is a retained executive search firm with an extensive track record in both the public and private sectors, successfully appointing some of New Zealand's most senior leaders at Board, CEO and Executive level.

AWF provides labour hire and recruitment services from 21 branches across the country including Select Recruitment in Dunedin.

The Work Collective is our social employment initiative, supported by each of our businesses, and focuses on helping people with barriers to employment find meaningful work opportunities.



To find out more about Madison and our services you can visit our website or call us on **0508 MADISON**.

madison.co.nz

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