



# **Workforce data and comparison reports for the Victorian Public Service**

This resource provides a guide to the terms and measures used in the 'Workforce Data and Comparison Reports' provided to Victorian Public Service employers.

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# Introduction

There are three reports, each providing measures around its stated theme and comparing your organisation's workforce to other public service employers or the service as a whole.

The reports cover:

- Staffing and cost structure
- Leave management indicators
- Demographic and renewal indicators

These reports are provided to the organisation Head<sup>[1]</sup> and Human Resource Director of each public service employer.

The underlying data is provided by public service employers to the Victorian Public Sector Commission in July of each year in the annual workforce data collection. The provided data is for employment details as at the last full pay period in June of the report year.

The aim of the reports is to assist organisations in the development and management of their workforce and to highlight any risks and issues.

When considering the reports we recommend that management teams investigate internal HR data to identify factors that may be influencing the provided measures. Results may be influenced by a range of factors – such as core business functions, operating environment, strategic goals, culture and funding.

## Contact us

Please contact the Workforce Data team at [workforce.data@vpsc.vic.gov.au](mailto:workforce.data@vpsc.vic.gov.au) if you:

- have any questions about any of our reports
- have any questions about any of the following terms and measures



- would like to request additional information

## Footnotes

1. An organisation Head can include the Head/Chief Executive Officer of authorities and offices and Secretaries of Departments. [?](#)



# Common terms

The following terms are used throughout the reports to describe the data provided.

## Active staff

Active staff are people who were employed and paid for the last full pay period in June, as defined in [Financial Reporting Direction 29](#).

Included are:

- Persons who attend work and are paid
- Persons on paid leave during the pay period
- Casual employees who work during the pay period
- Cadets or trainees who are directly employed by your organisation
- An employee who worked only part of the pay period, but did not separate during the pay period
- An employee on WorkCover leave (i.e. receiving make-up pay)
- An employee on leave at half pay
- An employee working with another employer but who continues to be paid by your organisation, regardless of whether the other employer reimburses your organisation
- An employee who may be absent on sabbatical leave

Excluded are:

- Statutory Office holders
- Labour hire staff
- Contractors (persons engaged on contracts to deliver services rather than under contracts of employment)
- Employees on leave without pay for the whole of the pay period



- Employees who separate during the pay period
- Casual employees who do not work during the pay period
- Employees seconded to another employer, and who are not paid their salary by their substantive employer
- Former or current employees who receive payment for arrears

## Annual change

Annual changes are based on the last full pay period in June of the report year and of the previous year.

## Classifications

The following terms refer to the substantive employment classifications of staff included in the measures provided.

### All classifications

When the term 'All classifications' is used the measure includes all public service staff, including:

- VPS classified staff (described below)
- staff in aligned adaptive classifications, for example Custodial Officers, Allied Health, Legal Officer etc.
- staff in non-aligned adaptive classifications, for example Child Protection Practitioner, Youth Justice Worker and Forensic Officer
- staff in other classifications, such as Forestry Field Staff, Disability Development and Support Officers and School Nurses

This grouping is used in the Demographic and Renewal Indicators report.



## VPS classified staff

When the term 'VPS classified staff' is used the measure only includes:

- Secretaries and Executive Officers (described below)
- Senior Technical Specialists
- VPS grades 1 to 6

The measure will not include staff from any of the other classifications.

This grouping is used in the Demographic and Renewal Indicators and Leave Management Indicators reports.

## VPS grade staff

When the term 'VPS grade staff' is used the measure only includes:

- Senior Technical Specialists
- VPS grades 1 to 6

The measure will not include staff from any of the other classifications.

This grouping is used in the Staffing and Cost Structure report.

## Executive officers

Executives are senior managers and leaders in the Victorian public service who are employed on an executive contract of up to five years in duration. Department Secretaries are included and executives are generally presented as ongoing employees.

Exceptions are where an executive is employed in a time limited role and accordingly reported as fixed term in the annual workforce data collection.

Unless specified to the contrary, all figures include executives.



## Employment types

The following terms identify whether employees with specific employment arrangements are included or excluded from the measures provided.

### Ongoing staff

Ongoing staff means those people whose period of employment is not limited by a specified end date.

### Fixed term staff

Fixed term staff are people who are employed for a specified period e.g. a six month contract.

People seconded to your organisation (e.g. from other departments or agencies) are included in your fixed term figures.

### Casual staff

Casual staff are typically employed on an hourly or sessional basis. Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

Only casual employees who were employed and paid for the last full pay period in June are included in the report.

Casuals can be employed on either a full time or part time basis.

Casuals are not included in all measures, for example:

- the Staffing and Cost Structure report does not include casual staff (due to complications in the reporting of casual pay information)
- the Leave Management Indicators report does not include casual staff (as casual staff do not generally accrue annual and sick leave)



- some measures in the Demographic and Renewal Indicator report do not include casual staff. For example, rates of recruitment and separations do not include casual staff due to issues in defining when casuals commence or separate



# Common measures

The following measures and calculations are used throughout the reports.

## Headcount

The headcount is the number of people employed where each person is counted as one employee regardless of the number of hours engaged to work.

## Full Time Equivalent (FTE)

FTE is a standard unit of measurement which is calculated by dividing the number of hours an employee is engaged to work by the number of hours a full time employee is engaged to work. The FTE for each employee is then totalled to give the FTE employee figure for the organisation.

The result is the number of full time employees that would be required to deliver the total number of hours the employees are employed to work. This enables comparison across organisations that may have different rates of full time employment.

## Staff turnover

This information shows how ongoing and fixed term employment has changed over the year.

Casual staff are excluded from recruitment and separation measures.

## Staff employed in the year

The number of staff employed in the year is the sum of all staff active as at the last full pay period in June plus all staff that separated in the year).

*Staff employed in the year=Staff active at June+Staff who ceased employment in the year*

This figure is used to calculate the following measures and is not shown in the report.

## Commencement/recruitment rate

This is the number of staff that commenced employment in your organisation in the year expressed as a proportion of staff employed in the year (see above). It may include a small number of staff who commenced following transfers associated with machinery of government changes (where the organisation commencement date has been changed to the date of the machinery of government.<sup>[1]</sup>)

*Commencement rate=(Staff who commenced employment in the year/Staff employed in the year)×100*

## Separation rate

This is the number of staff that left your organisation in the year expressed as a proportion of staff employed in the year (see above). Staff identified as separating as a result of machinery of government changes have been excluded.

*Separation rate=(Staff who ceased employment in the year/Staff employed in the year)×100*

## Footnotes

1. We generally advise organisations to retain an employee's original organisation commencement date irrespective of machinery of government movements. This prevents machinery of government changes from overriding the utility of length of service data.<sup>②</sup>

# Staffing and cost structure

The staffing and cost structure report shows how staffing levels and costs have changed over the report year and provides a snapshot of the cost structure as at the last full pay period in June.

The Staffing and Cost Structure report shows how staffing levels and costs have changed over the report year and provides a snapshot of the cost structure as at the last full pay period in June. Particular attention is placed on the drivers of longer term cost growth outside of annual EBA salary rises and overall staffing levels, namely the staffing costs driven by:

- increasing proportions of staff employed in higher grades (changing the classification mix)
- salary increases within grades (the net result of salary adjustments, such as progression payments and other movements)

All salary based measures exclude casual staff.

## Annual base salary

The annual base salary is the full time annual rate of pay applicable to the employee under the relevant industrial agreement / determination, where the annual pay rate of part time employees has been scaled up to full time pay rates to enable comparison.

This figure is used to calculate the following measures and is not shown in the report.

## Total annual salaries

This is an estimate of the total spend on staff salaries based on the remuneration of employees as at the last full pay period of June in the report year.

This is calculated by adjusting the annual base salary of each employee by their FTE (to

provide a proxy of annual salary) and then calculating the sum for the total organisation.

Calculation:

*Total annual salaries=The total of (Annual base salary × FTE) for each employee*

This is a proxy for the overall expenditure on staffing as employee costs are likely to change across the year and will be subject to other adjustments.

## Average annual salary

This is an estimate of the average annual salary of active employees based on their annual rate of remuneration as at the last full pay period in June. It is calculated by adjusting the [annual base salary](#) of each employee by their FTE, calculating the sum for the organisation, and dividing this by the organisation's FTE.

*Average annual salary per FTE=The total of (Annual base salary × FTE) for each employee ÷ Total FTE employees*

The average annual salary of active staff per FTE, is a proxy for the average annual salary each employee receives, as individual salaries are likely to include other adjustments and they may change over the year.

Change in average annual salary is a measure of the change in an organisation's salary cost structure, excluding the impact of changes in overall staff numbers. It reflects changes in salary rates due to the combination of industrial agreement outcomes, changes in classification mix, and changes in where people sit in the pay scale within a classification.

The average annual salary forms the basis of the controllable cost component measures.

## Controllable cost component measures

Section 3 of the Staffing and Cost Structure report explores how the different drivers of

staffing costs have influenced the annual change in cost structure, as represented by the change in the average annual salary per FTE (page 9). The measures are based on the following premise:

*The year to year change in average salary of VPS grade staff*

*=The year to year change in average annual salary due to salary changes within each grade (outlined below)*

*+The year to year change in average annual salary due to changes in classification mix (outlined below)*

*+The year to year change in average annual salary due to rises set by industrial agreement (i.e.EBA)*

## **Year to year change in average salary due to salary changes within each grade**

This measure provides the annual change in the average annual salary of VPS grade staff (as a whole) due to salary changes within each grade that were on top of the general rise set by industrial agreement.

It is calculated using the following methodology:

1. For each grade:
  1. Increase the average annual salary of staff in the target grade at June of Year 1<sup>[1]</sup> (e.g. \$70,000) by the standard industrial agreement salary increases that have occurred since June of Year 1 (e.g. 3.75%).  
Example calculation:  $\$70,000 \times 1.0375 = \$72,625$   
This would be the average annual salary within the target grade at Year 2 if all other factors remained the same.
  2. Subtract the adjusted average annual salary (\$72,625 from Step 1.1) from the average annual salary figure for June of Year 2<sup>[2]</sup> (e.g. \$75,000).  
Example calculation:  $\$75,000 - \$72,625 = \$2,375$   
This is the change in average annual salary between Year 1 and Year 2 excluding the impact of standard industrial agreement salary increases.

3. Multiply the change in average annual salary ex EBA (\$2,375 from Step 1.2) by the proportion of total staff (FTE) in the target grade at Year 1 (e.g. 25% of all VPS grade staff).

Example calculation:  $\$2,375 \times 0.25 = \$594$

This provides the relative contribution of the change in the average annual salary of the target grade to the overall change in average annual salary of VPS grade staff (as a whole).

2. Repeat step 1 for each grade and sum the result for each grade.

Example calculation:  $\$594 + \$263 + \$200 + \$146 + \$74 + \$60 + \$5 = \$1,342$

This is the total change in average annual salary that is due to changes in salary in each grade.

3. Express the result as a proportion of the average annual salary of all VPS grade staff at Year 1 (e.g. \$85,000).

Example calculation:  $\$1,342 \div \$85,000 = 1.6\%$

In this example, the average annual salary in Year 1 increased by 1.6% due to salary changes within each grade.

If the result was negative, staff turnover within grades has lowered the average annual salary. This could happen if staff high in a grade have left the organisation or have moved into a higher grade. They may not have been replaced or their replacement was lower in the grade.

If the result was 0, the change in salaries within each grade have offset each other or they are not material.

If the result was greater than 0, this represents an increase in the average annual salary within grades, and an increase in the salary cost structure, over and above EBA increases.

## Year to year change in average salary due to changes in classification mix

This measure represents the change in average annual salary of VPS grade staff due to changes in classification mix (the change in the proportion of staff within grades) by removing EBA increases and the change in average annual salary due to salary increases within each grade (see previous page).

It is calculated using the following methodology:

1. Increase the average annual salary of all VPS grade staff at June of Year 1 (e.g. \$85,000) by the standard industrial agreement salary increases that have occurred since Year 1 (e.g. 3.75%).  
E.g.  $\$85,000 \times 1.0375 = \$88,188$   
This would be the average annual salary of VPS grade staff in Year 2 if all other things remained the same.
2. Subtract the adjusted average annual salary (step 1) from the average annual salary figure for June of Year 2 (e.g. \$90,000).  
E.g.  $\$90,000 - \$88,188 = \$1,812$   
The result is the change in average annual salary between Year 1 and Year 2 excluding the impact of standard industrial agreement salary increases.
3. Express the result as a proportion of the average annual salary of all VPS grade staff as at June of Year 1.  
E.g.  $\$1,812 \div \$85,000 = 2.1\%$   
This is the total increase in average annual salary ex EBA. This includes changes due to changes in classification mix as well as changes to salary within grades.
4. Subtract the year to year change in average annual salary due to changes within each grade (as derived according to 4.4.1). The result is the annual change in average annual salary due to changes in classification mix.  
E.g.  $2.1\% - 1.6\% = 0.5\%$   
If the result was negative, the proportion of staff in higher classifications would have fallen, reducing underlying costs (outside of overall staffing movements), and reducing the compounding impact of future EBA increases.  
If the result was 0, the classification mix did not change significantly or any changes offset each other.  
If the result was greater than 0, the proportion of staff in higher classifications would have increased, increasing the compounding influences of EBA and progression increases in future years.  
In this example, the average annual salary in Year 2 increased by 0.5% due to changes in the classification mix and the total change in average annual salary (1.6% + 0.5% + 3.75%) was 5.82%





## Footnotes

1. The average annual salary at 'June of Year 1' is the average annual salary as at the last full pay period in June of the year before the report year. [🔗](#)
2. The average annual salary at 'June of Year 2' is the average annual salary as at the last full pay period in June of the report year. [🔗](#)



# Leave management indicators

The Leave Management Indicators report examines your organisation's level of employee leave.

This focuses on:

- unused annual leave balance as this represents an accrued liability cost for your organisation
- sick and carers leave taken as this represents the lost labour effort due to illness and absenteeism
- the lost effort due to additional leave arrangements such as leave taken at half pay and purchased leave

All leave management calculations are for ongoing and fixed term employees. They do not include casual employees.

In all calculations the typical hours of a full time employee in a day is 7.6 hours. This is used to convert the workforce data (such as sick and carers leave taken) that is collected in hours into days, as used in the following calculations.

## Average sick and carers leave taken

The average sick and carers leave figure is the sum of sick and carer days taken in the reported year for each employee active as at the last full pay period in June divided by the total FTE of the organisation as at the last full pay period in June of the report year.

*Average sick and carers leave = Total sick and carers days taken in the year by each employee ÷ Total FTE employees*

## Average carers leave taken

The average carers leave figure is the sum of carers days taken in the reported year for each employee active as at the last full pay period in June divided by the total FTE of

the organisation as at the last full pay period in June of the report year.

*Average carers leave=Total carers days taken in the year by each employee÷Total FTE employees*



# Demographic and renewal indicators

This report provides key demographic and employment indicators as at the report date and shows how they have changed overtime and the year.

The indicators cover:

- gender
- Indigenous staffing
- the level of part time employment (which is closely linked to gender)
- age
  - the proportion of the workforce aged over 55 is an indicator of the impact of ageing and shows exposure to retirements.
  - changes in the youngest and middle age cohorts may indicate issues relating to workforce renewal and succession.
- length of service
  - this illustrates the mix of new and longer term employees and the relative balance of workforce renewal, stability, and the retention of knowledge and skills.

In general, this report shows distributions and the proportion of staff in set categories and uses the [common terms](#) and [measures](#) described earlier in this document.

