



New Zealand
Payroll Practitioners
Association

Developing and Supporting
Payroll Professionals

paycheck

NZPPA ANNUAL PAYROLL SURVEY

Post Covid 19 - 2020

www.nzppa.co.nz

Who is NZPPA?

The New Zealand Payroll Practitioners Association (NZPPA) was formed in 2007 as there was no organisation that looked after the needs of payroll. NZPPA's primary aim is to develop and gain recognition for the important work payroll practitioners do every pay to ensure employees are paid correctly and on time.

NZPPA has grown and now has more than 1500+ individual, business (profit and not for profit), and corporate company members throughout New Zealand and in any other location where NZ payroll is processed.

Important point: NZPPA does not sell or promote payroll software or third-party payroll services; we are neutral. We allow any payroll supplier to list their product or service on our website in the Payroll Supplier Directory.

NZPPA provides a range of services to its members: these include a national training programme, NZPPA Certificate courses, payroll auditing services, NZPPA PayTech AdviceLine, payroll practitioner certification (based on 5 certification levels) and a range of conference events to keep payroll practitioners up to date with the latest developments in payroll.

NZPPA Disclaimer:

The information and data in this survey was collected, analysed, and compiled by NZPPA.

This survey is intended to be used only as a guide, and no person, company, or other type of business entity should rely on the contents without first obtaining advice from a qualified professional practitioner. The survey is provided on the understanding and terms that the authors, editors, and publishers are not responsible for any results of actions that are taken based on the information contained in this guide.

This also fully excludes any liability by them for any damages and/or liability arising from reliance in part or full on any of the contents of this survey for any purpose.

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Introduction

The 2020 PayCheck Report accompanies the NZPPA annual PayCheck survey for New Zealand Organisations.

This is the first survey released by NZPPA. The survey respondents represented a wide variety of industries.

The survey received 112 responses, however only 25 were fully completed. Several of the responses were between 50%-75%, which has still provided valuable data.

The report will provide base line data for us to grow and further analyse over coming years.

This report provides an overview of post COVID-19 responses, and NZPPA will follow up in 6 months' time with another PayCheck survey that will aim to capture changes in the NZ workforce for payroll.

The report provides insight around Company Demographics, Payroll Operations, and Technology.

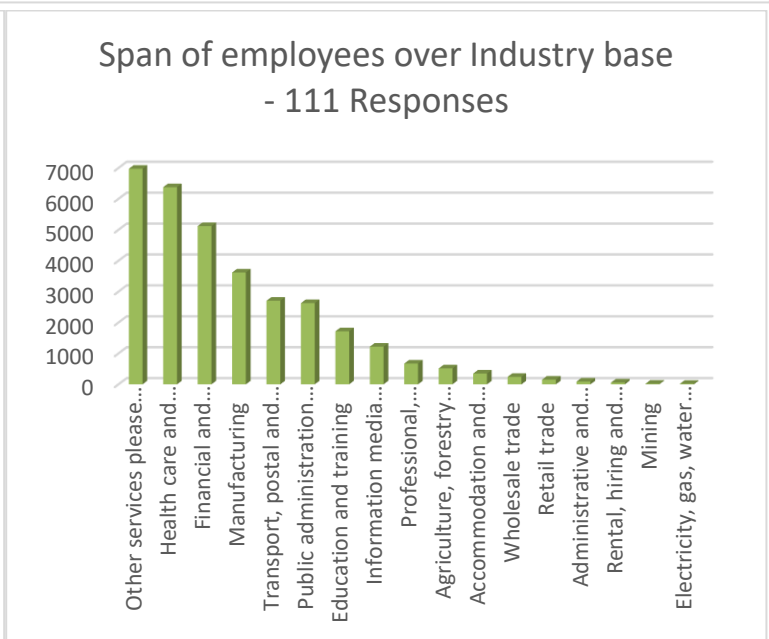
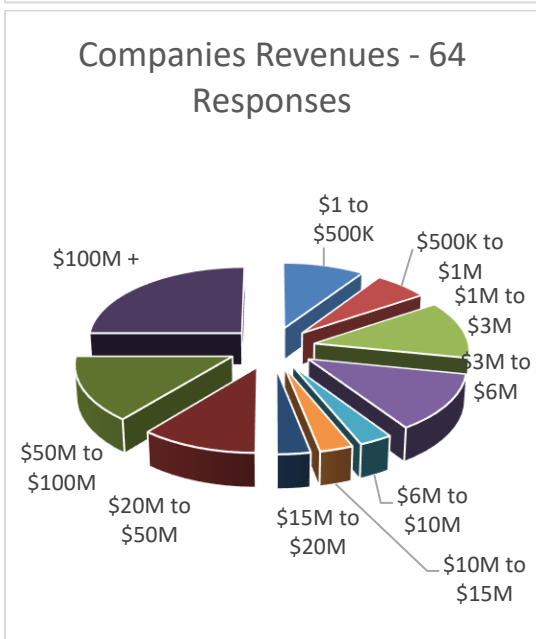
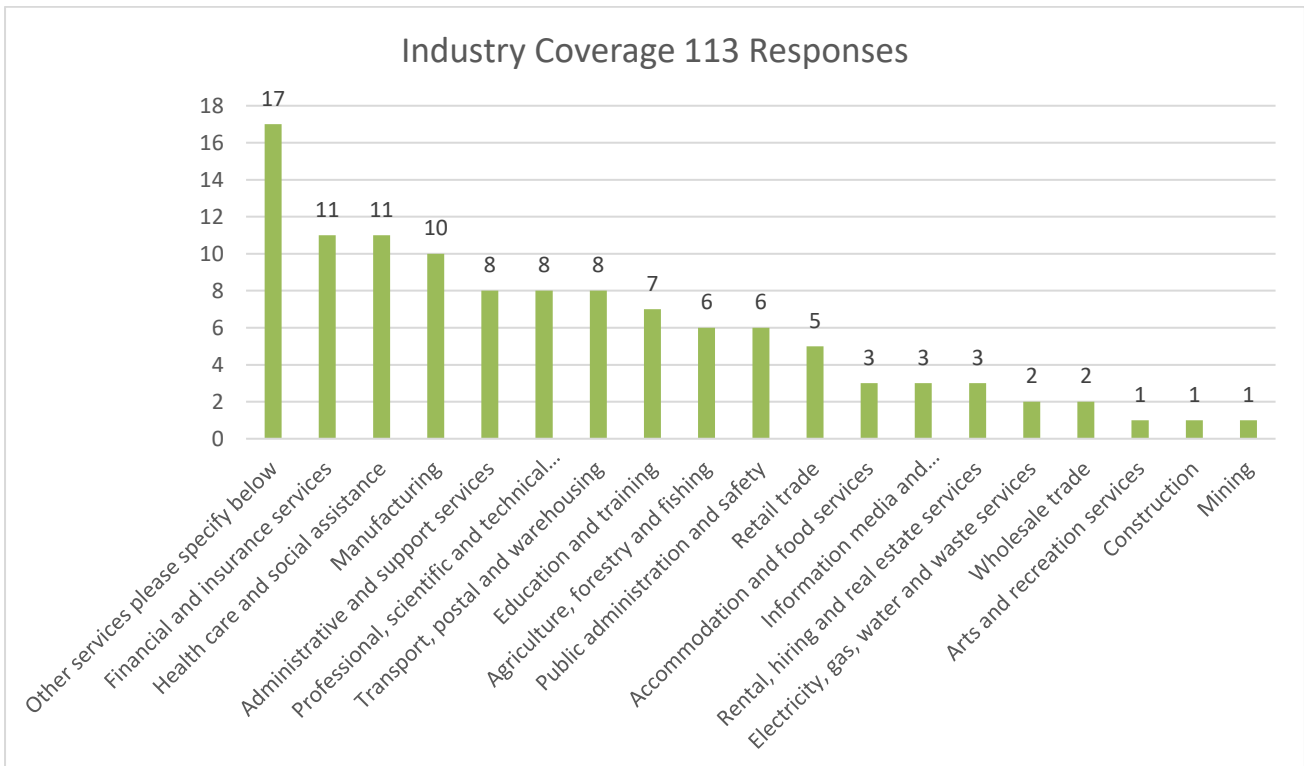
NZPPA would like to acknowledge and thank all the payroll professionals and companies that participated in this survey.

Company Demographics

The first PayCheck Survey captured responses from a wide variety of organisations spanning at least 19 different sectors.

The company's revenues were also widely variable from \$1k – to \$100M+, and employee numbers fluctuated between 1 and 5000.

Health Care, Financial and Manufacturing sectors represented 28.3% of survey responses. Other Services covered a range of businesses, from Not for profit business to Government departments, and Winemaking.

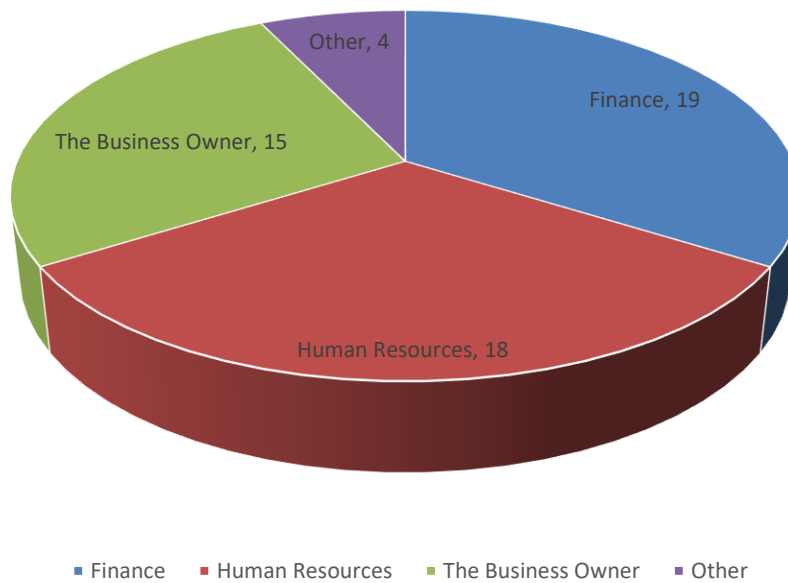


Payroll Reporting Lines

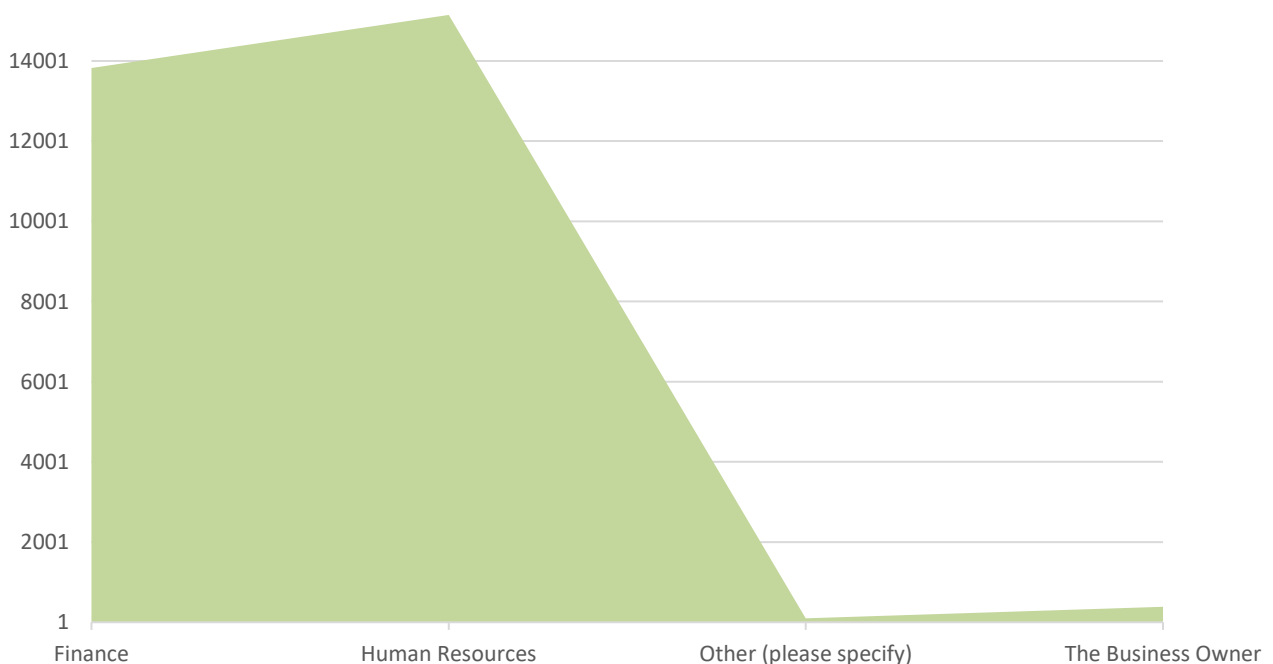
Overall, 34% of respondents reported to Finance, with 32% reporting to HR. There was no correlation between industry/sector and reporting lines and the employee numbers were reasonably even between the 2.

The smaller companies that participated tended to report to the business owner.

Where does Payroll Report - 56 Responses



Number of employees by Reporting Lines - 56 Responses

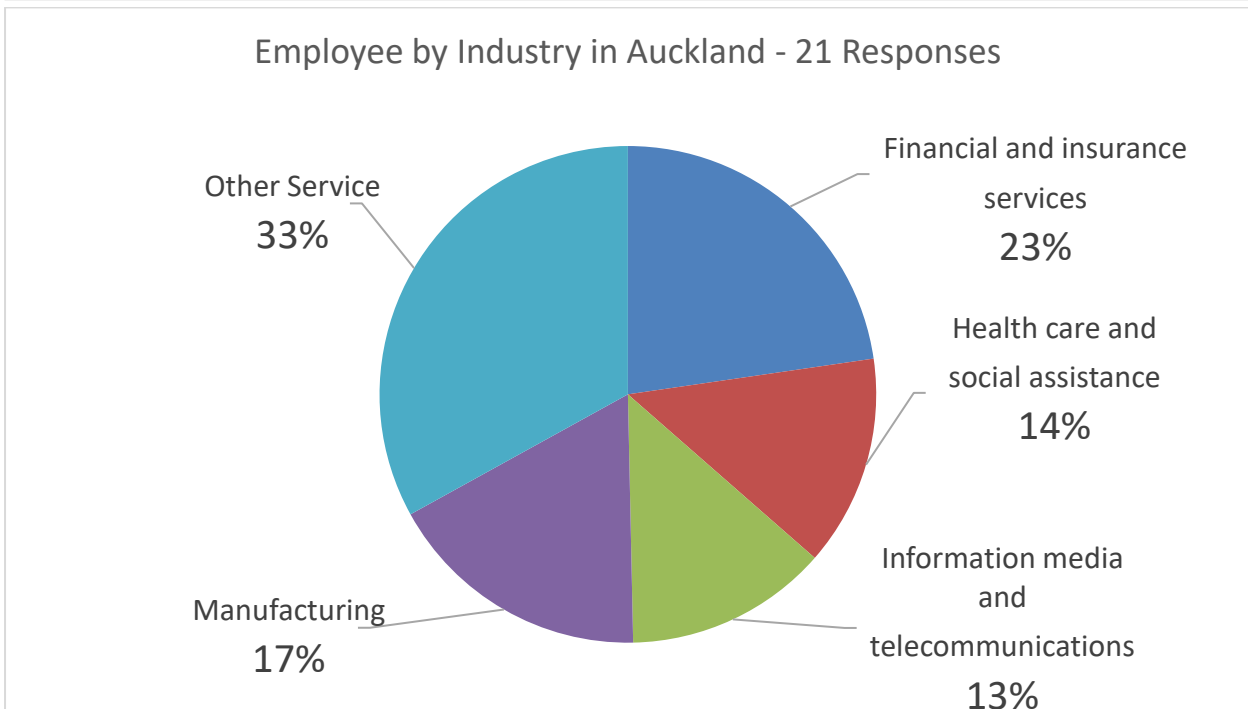
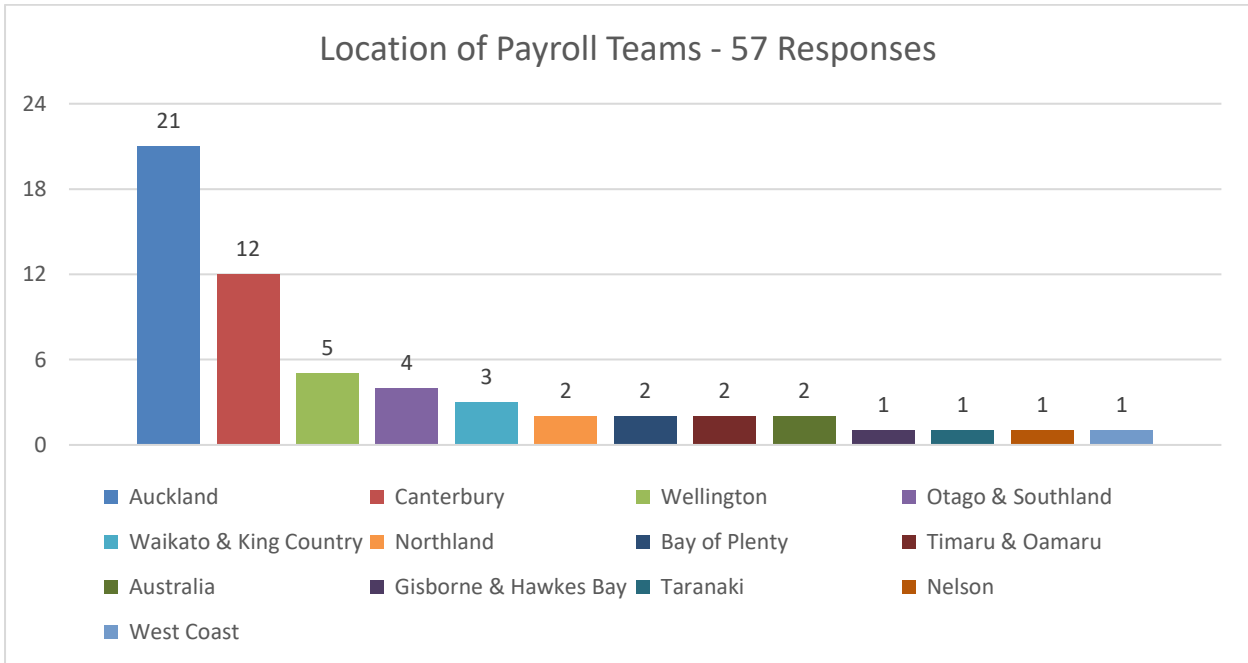


Payroll Operations

We asked respondents the location of their Payroll Teams.

21 have Payroll located in Auckland with a few scattered throughout smaller regions.

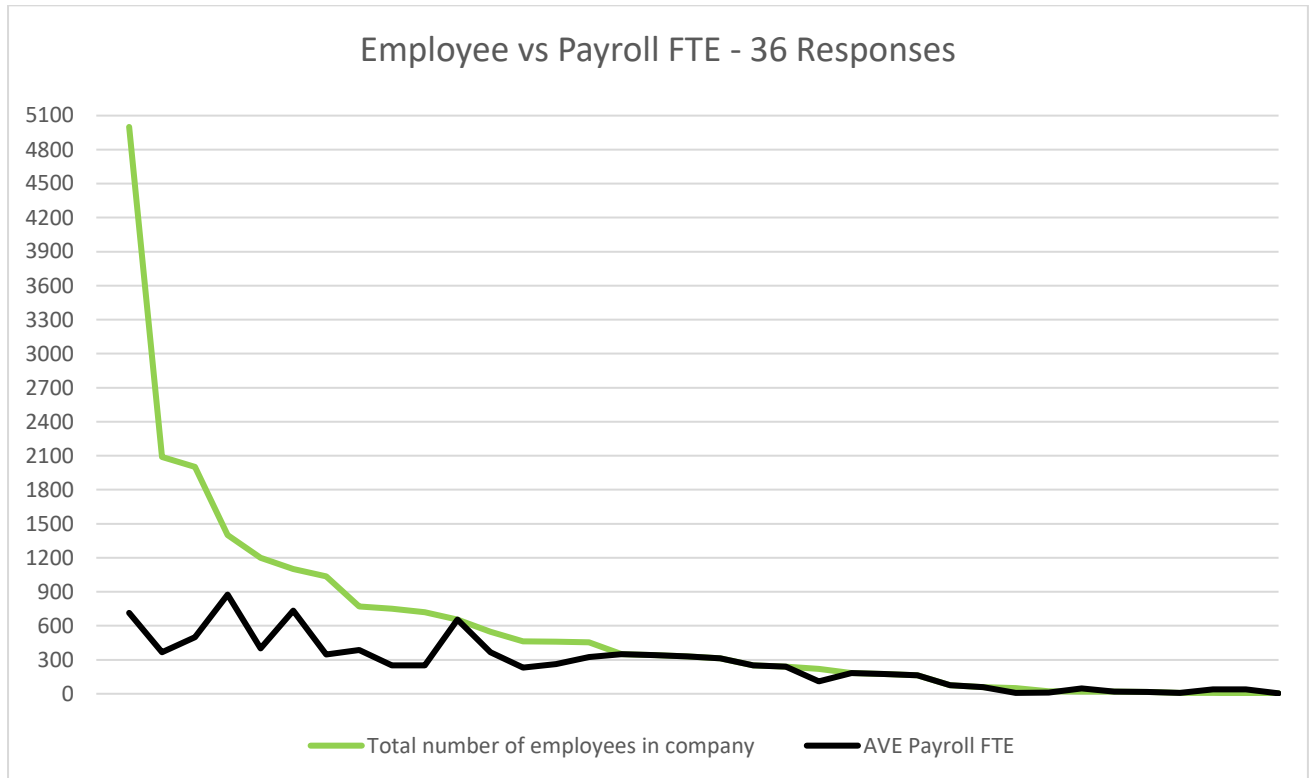
The top 5 Industry in Auckland had 33% of their employees based in Not for Profit, Government and Development Sectors.



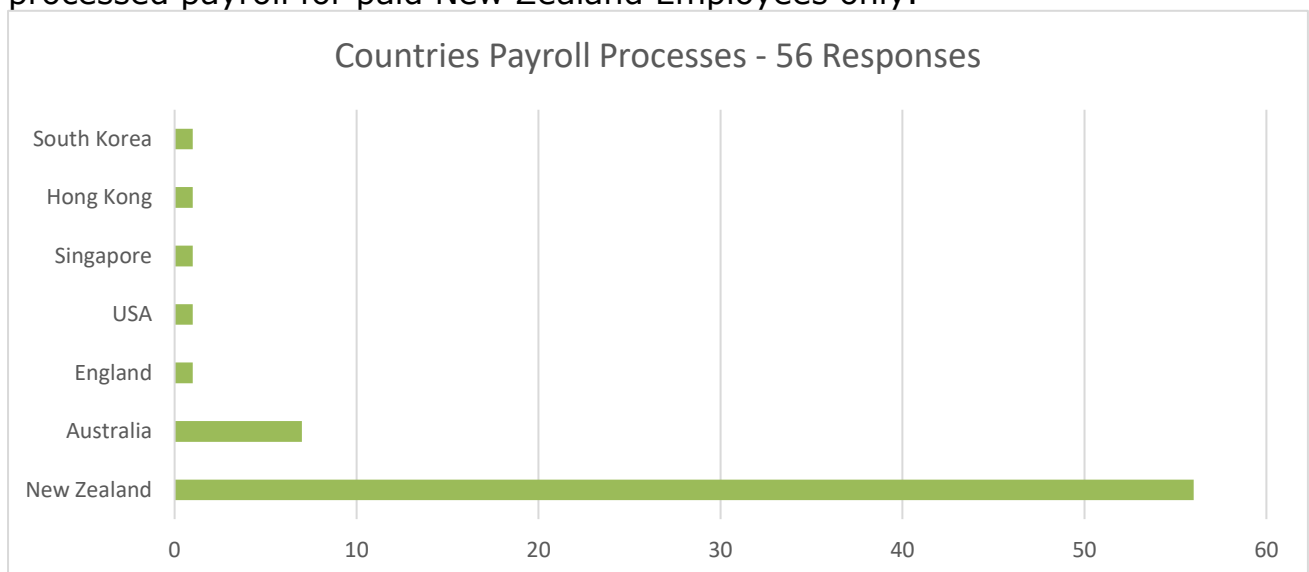
From the 36 responders that gave both employee numbers and payroll FTE, there was average of 316 employees per payroll FTE, which directly correlated with the size of the company.

For example: the larger the company the greater number of employees were supported by each FTE.

The efficiencies were evident in the company with 5000 employees as their payroll FTE sat at an average of 714.3. There were only two other companies higher than this with an average of 733.3, and 875, employee vs Payroll FTE. Both companies had over 1000 employees.



Predominantly the 56 respondents who completed what countries they processed payroll for paid New Zealand Employees only.



Work Environment - 31 Responses

Only 9 respondents had an up to date configuration document on the setup of their payroll system.

The analysis showed 77.4% of respondents had documented their main payroll processes and reviewed them at least annually.

64.5% of respondents that felt their payroll system was compliant, of these 6 companies still had manual processes they carried out.

We asked all respondents about manual work arounds/processes in place and 15 provided details around processes for ensuring they made correct leave payments and termination payments.

Of the 31 responses only 15 had been involved with the setup of their payroll system

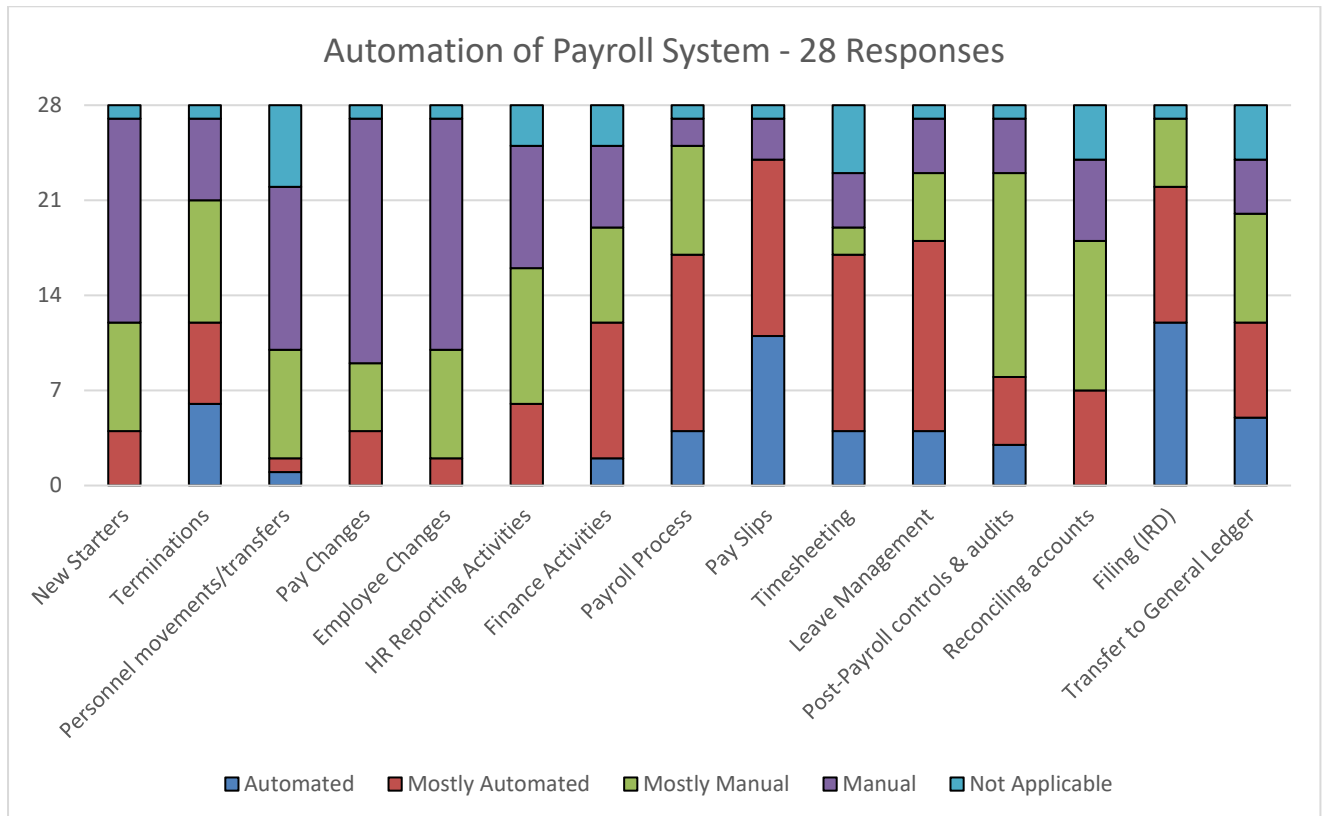
Payroll has an up to date configuration document on the setup of their payroll system	9
Main payroll processes documented and reviewed on at least an annual basis	24
Payroll staff had formal training of the payroll system they use	17
Payroll feel confident that their current payroll system is compliant?	20
Payroll was involved in the setup of their payroll system	15
Payroll have to do manual work around's outside the normal payroll process to process their payroll?	15

Automation & Payroll Challenges– 28 responses

We wanted to determine automation ability and asked respondents to choose the response that corresponded with certain tasks.

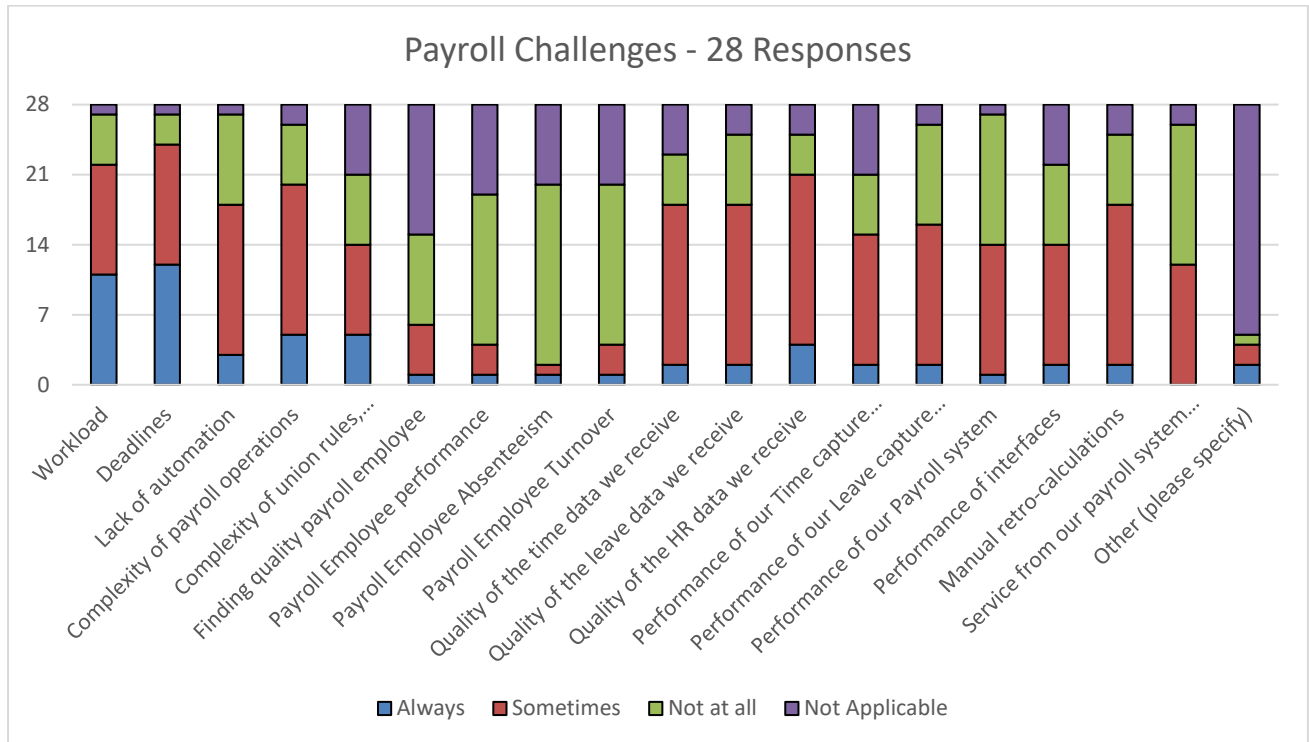
Most automation sat with Pay Slips and Filing to the IRD.

The Manual processes were around On-boarding new employees making changes to their employee data and pay rates.



The survey found challenges for Payroll teams mostly around workload and deadlines, as well as the quality of data received, and Performance of the system.

Payroll Employee Performance, absenteeism or turnover was not at all a challenge for 50% of respondents.

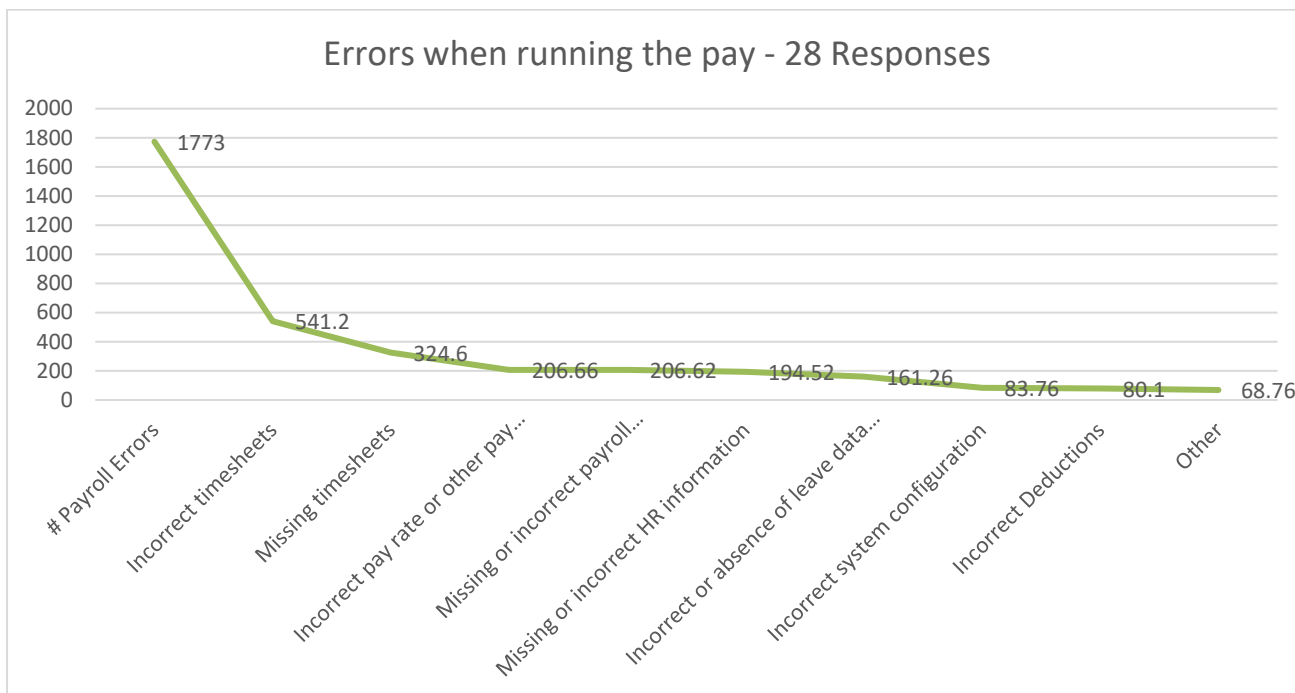


Payroll Errors

We asked a few questions around errors within the Pays being processed. We covered Payroll Errors, Incorrect information, and Missing Information.

The data showed an average of 31% for payroll errors from the 28 respondents.

The payroll errors made up 49% of total errors captured and following that was missing and incorrect timesheets



Collective Employment Agreements

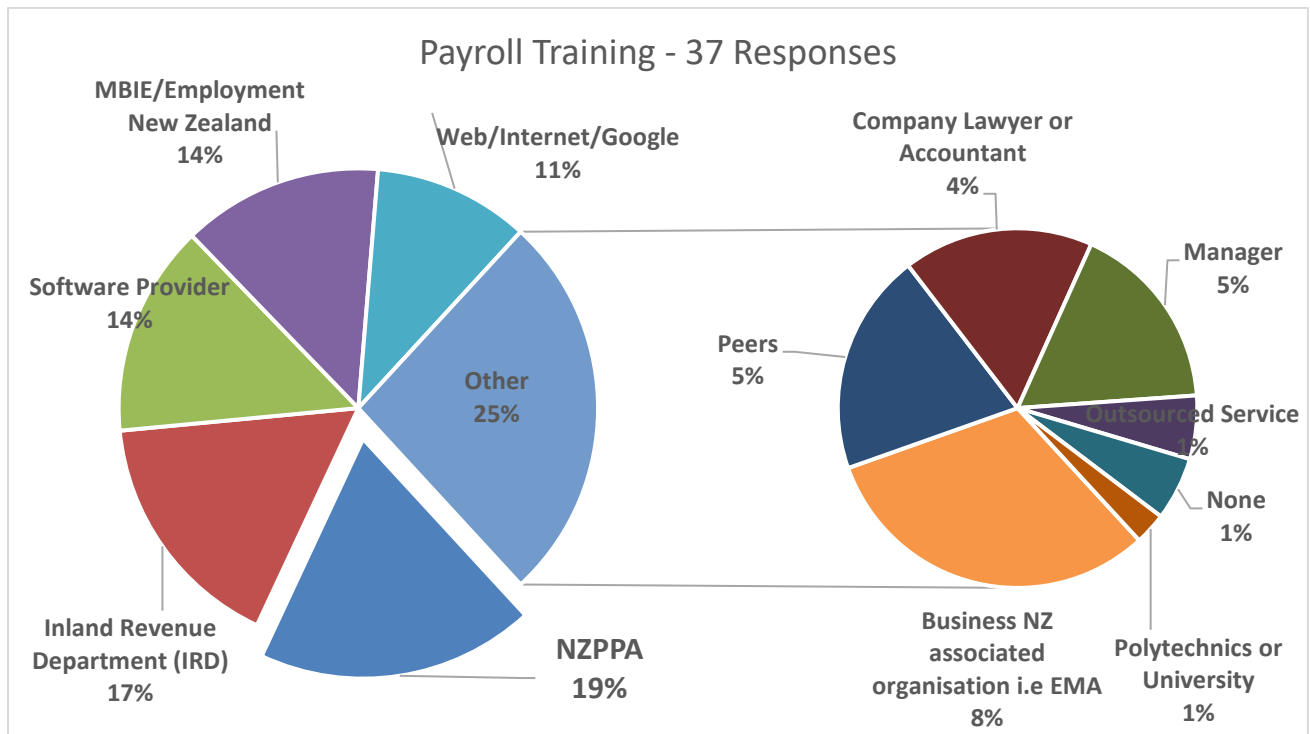
Of the 69 responses collecting information on Union employee's vs Non Union employees we found 26 of these companies have collective employment agreements within the workplace.

Five respondents are handling 4 or more CEA's.

Payroll Training

There were 37 responses with varied payroll training.

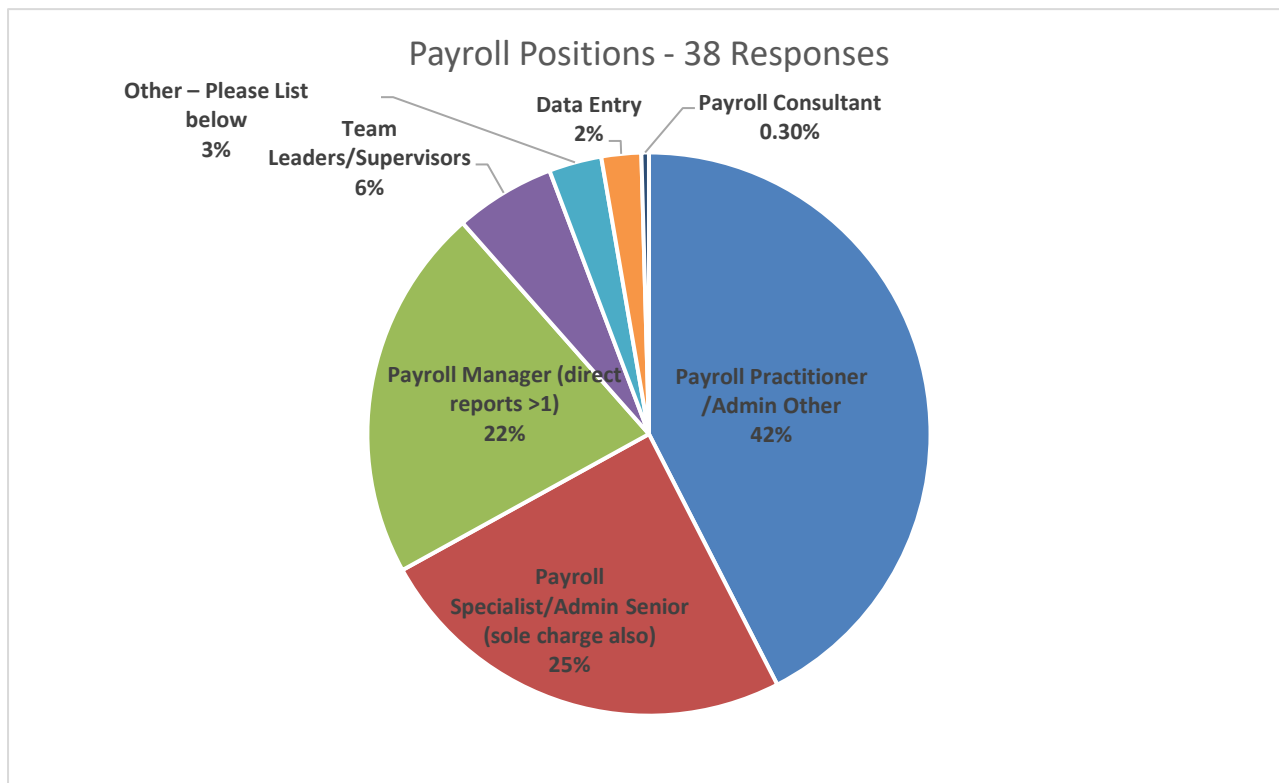
The top 5 included NZPPA, IRD, MBIE, the Software Provider or Worldwide Web.

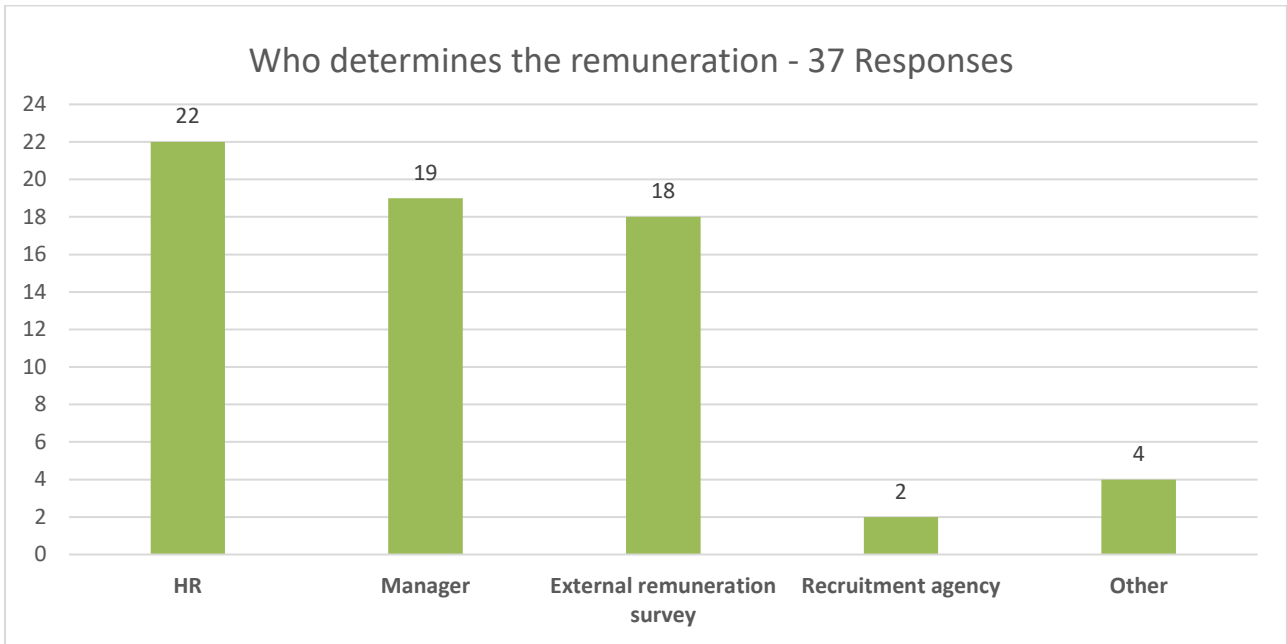


Payroll Salary Statistics

Payroll Roles were broken down by 38 companies that responded.

Payroll Practitioner positions made up 42% of the responses with Payroll Specialists and Payroll Managers at 25% and 22% respectively.





We asked respondents to provide data on Payroll Salaries.

It is important to note that of the 24 responses received most were from Auckland, Wellington, or Canterbury.

The below chart shows the **average** salary.

Payroll Manager >1 DR	Team Leaders Supervisors	Payroll Consultant
\$ 105,196	\$ 81,050	\$ 90,000

Payroll Specialist/Admin Senior (sole charge also)	Payroll Practitioner /Admin Other
\$ 71,946	\$ 56,497

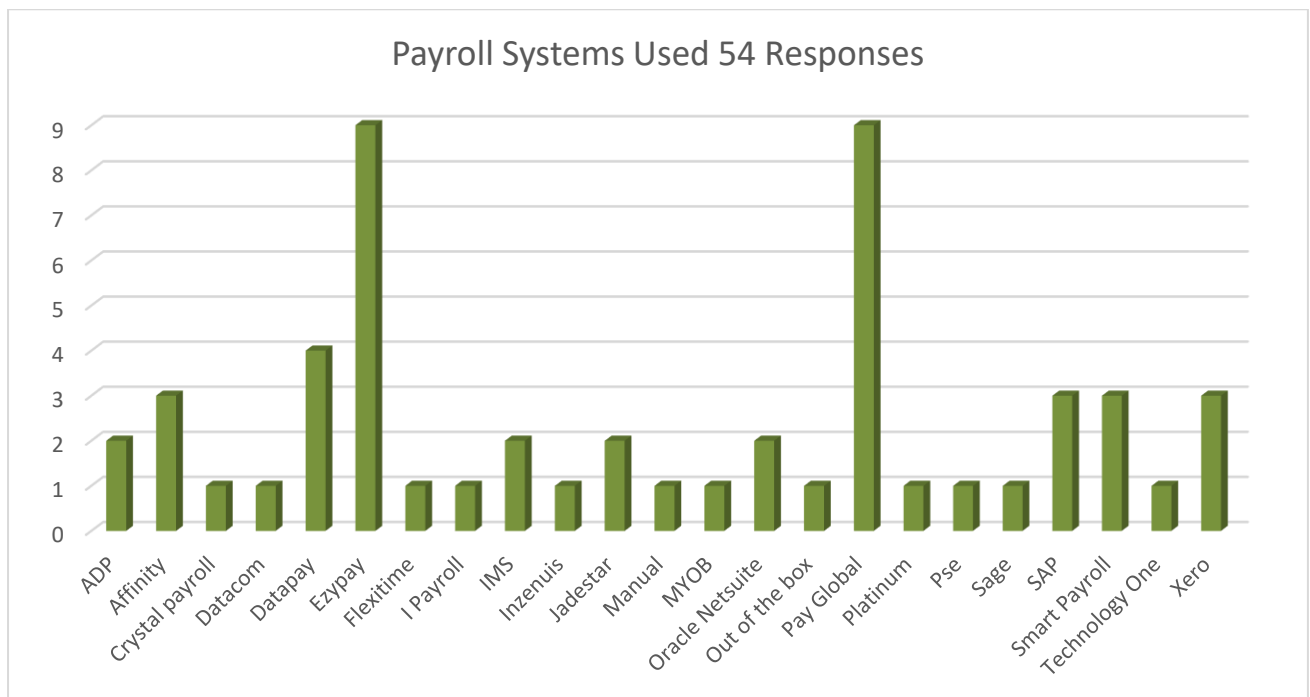
Data Entry	Other
\$ 45,000	\$ 77,145

Technology

All respondents were asked to provide details on the Payroll System they used and any Interfaces they had in place - for example: Time & Attendance or HRIS systems.

Ezypay, an out-source model provider and Pay Global covered 33.3% of the responses.

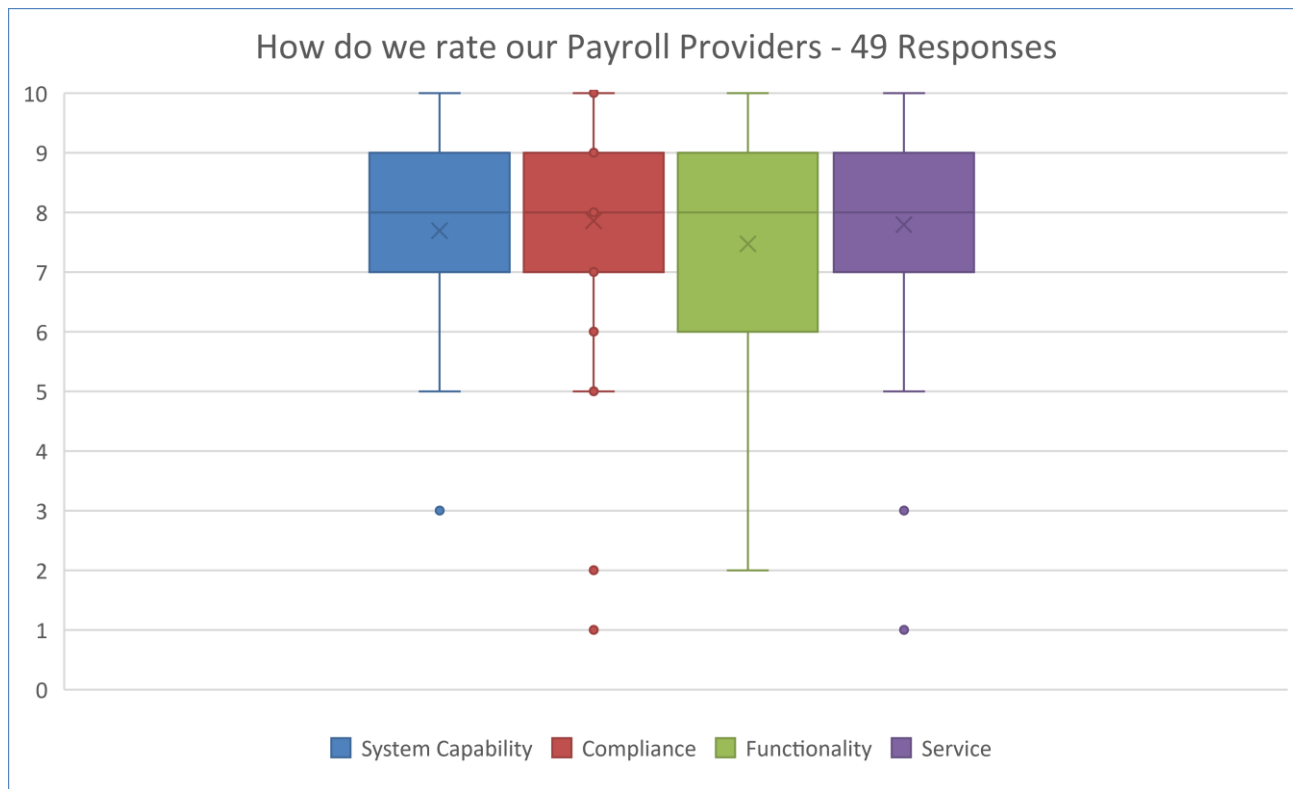
As you can see from the graph below 23 payroll systems are used by the 54 respondents.



Participants were asked to Rate their Payroll Providers on System Capability, Compliance, Functionality and Service.

The range was Poor to Excellent with a score between 0-10.

The results were very encouraging with the median sitting between 7.47 and 7.85.

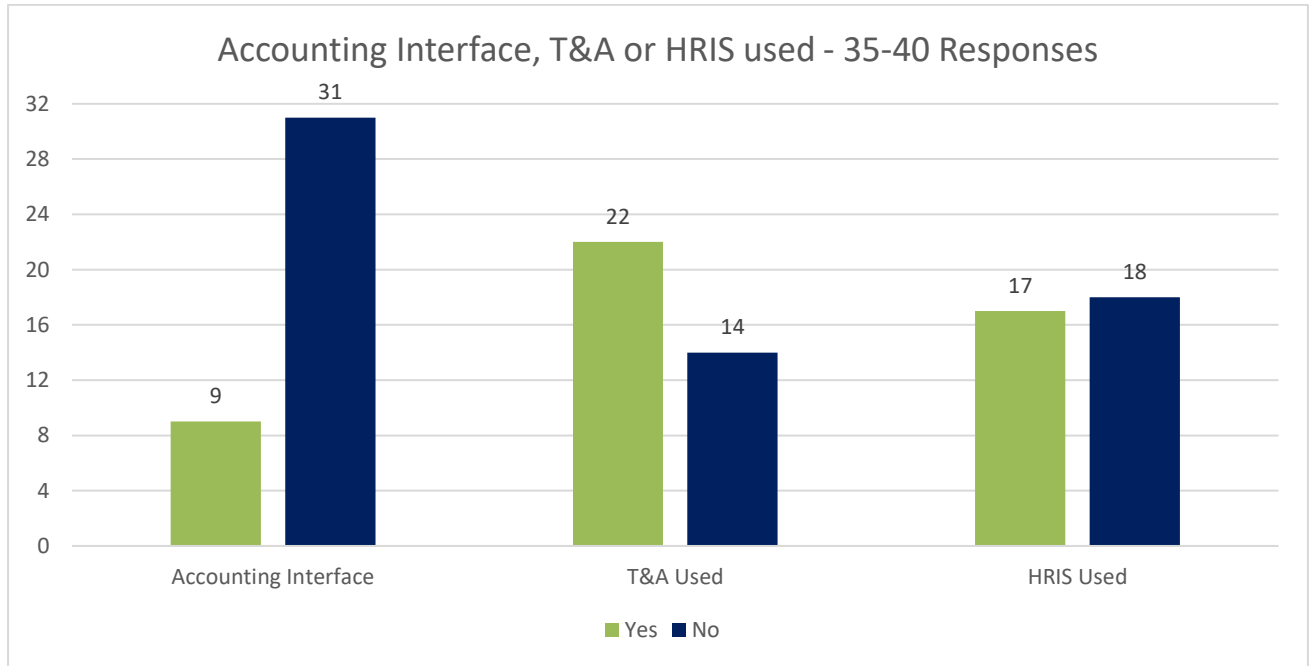


We also asked questions around interfaces or other modules such as Time & Attendance and Human Resource systems.

PayGlobal had the most used T&A and HRIS systems with 6 and 3 responses.

Kronos and Lauranka had 2 responses for T&A. T

There were other systems used with only 1 response each.



Outsourcing Vs In-House

When asked whether the payroll was run internally or outsourced the response was 50/50.

There were 7 different Outsourced providers used within the data we received.

Grand Total	49
Internal	24
Outsourced	20
Partially Outsourced	5

Contacting a Government Agency

We collected 24 responses on who had contacted a government agency within the last 12 months.

Respondents were asked to list the agencies and asked to comment on which agency provided the best and not so good service overall.

The government agencies contacted: ACC, IRD, MBIE, MOJ, MSD, Privacy Commissioner, & Statistics NZ.

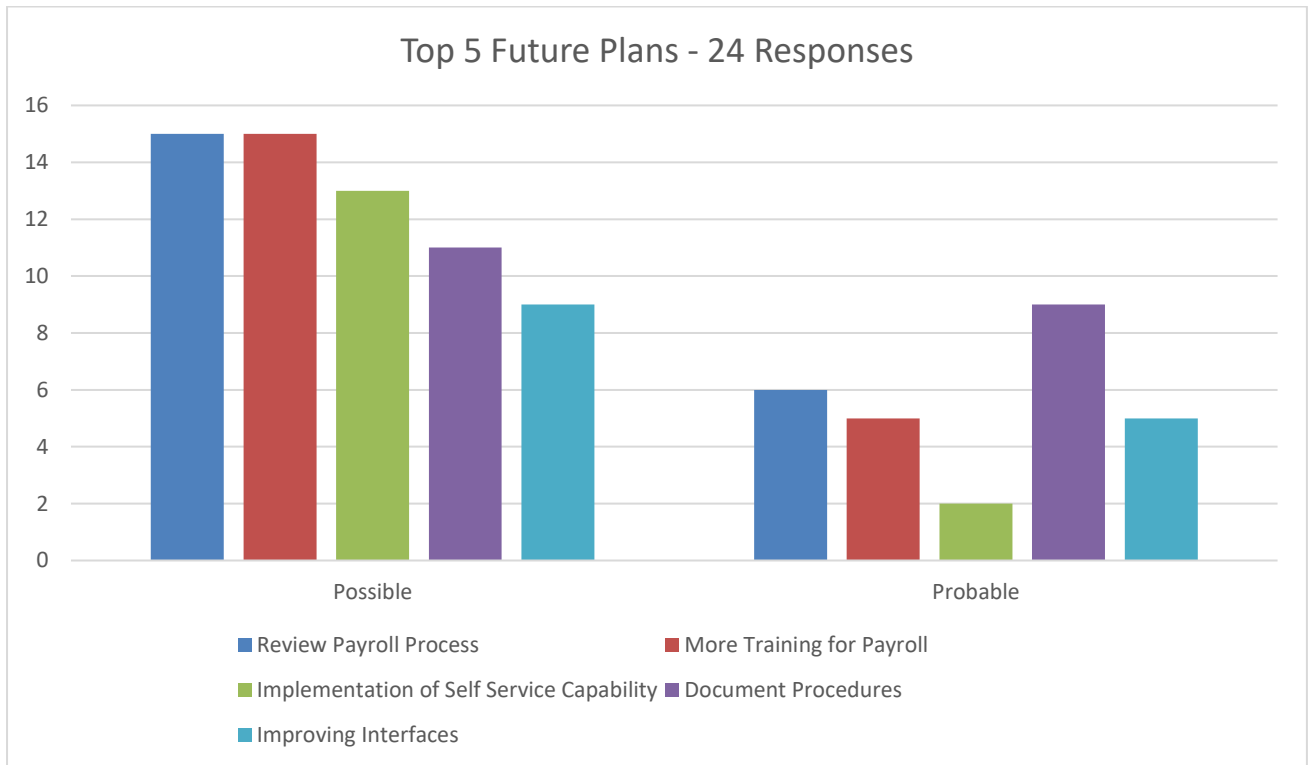
IRD was the clear winner of the best service provided to participants and for the "not so good" service this was a tie between MBIE, ACC and IRD.

Future Plans

We asked 17 questions around what is on the Horizon within payroll teams.

Of the 24 responses it appears the most popular changes will be more payroll training and reviewing payroll processes.

100% of responders are “not at all” looking to outsource any payroll activities.



System Change on the Horizon

Of the 48 responses received on questions about Payroll System Changes, there were 7 respondents that had changed within the last 3 years, and 8 that plan to change in the next 12 months, and another 3 that may look at changing software.

Issues with compliance and the lack of service and support were the main reasons for the change.

Have we changed payroll systems in the last 3 years or are we looking at changing in the next 12 months?

Why have we changed or why are we changing?

