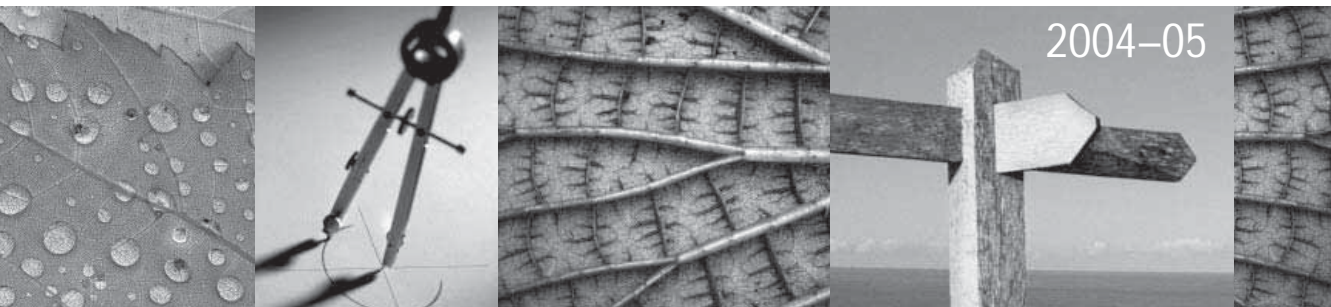




Australian Government
Australian Public Service Commission

State of the Service Report

2004–05



State of the Service Series 2004–05

Statistical snapshot

The past decade has seen considerable change in the structure of the APS. A period of restructure and reduction in size has been followed by some growth. In addition to this, there have been changes in the profile of the APS, with fewer jobs at lower levels, an ageing workforce and an increasing proportion of women. These trends have been evident for some years and, based on the latest data available, are likely to continue.

This chapter explores current demographic and labour force patterns of people employed under the Act. The main source of data is APSED, maintained by the Commission.¹ APSED contains information about recruitment, mobility and separations for all ongoing and non-ongoing employees. Further detail on the size and composition of the APS can be found in the *Australian Public Service Statistical Bulletin 2004–05*.²

Size of the APS

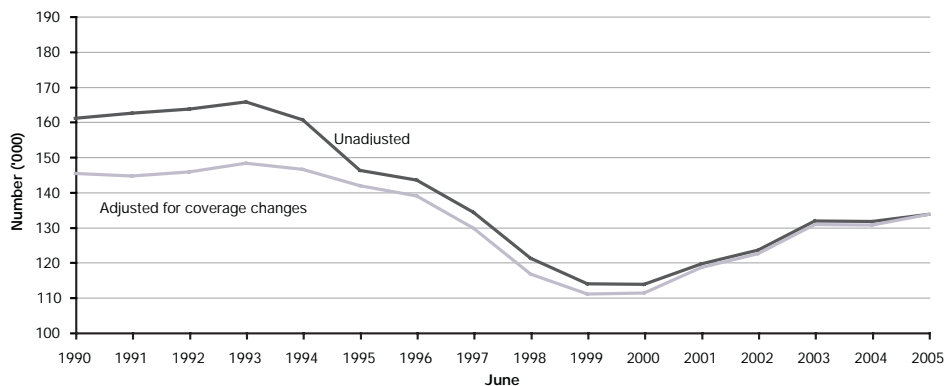
Overall employee numbers increased by 1.7% during 2004–05, following a slight decrease of 0.2% the previous year. The increase indicates a return to the growth trend of the four years prior to 2003–04.

At June 2005, there were 133,596 employees, compared with 131,396 at June 2004. Figure 2.1 shows the change in total employee numbers from 1990 to 2005. The adjusted line takes account of coverage changes in the APS over the period, by showing the number of employees in those functions that remained in the APS at June 2005. Adjusted for coverage changes, the APS is now larger than it was in 1997, but still smaller than in 1996 before the period of structural change and reduction in size.

¹ While every effort is made to ensure the integrity of APSED data, the Commission cannot be held responsible for inaccuracies in the data provided by agencies. The Commission undertakes extensive audits of the data, and as a result of these audits, some errors in historical data have been corrected. For this reason, caution should be exercised when comparing data presented in this report with that from earlier years. Most significantly, previously published data on employee numbers may have been revised and therefore may not be directly comparable. Due to different data sources and definitions, there may be variations between the data published here and that published by individual agencies.

² Conceptual definitions used in workforce analysis are set out in the Introduction and Explanatory Notes to the *Australian Public Service Statistical Bulletin 2004–05*.

Figure 2.1: APS employees, 1990 to 2005



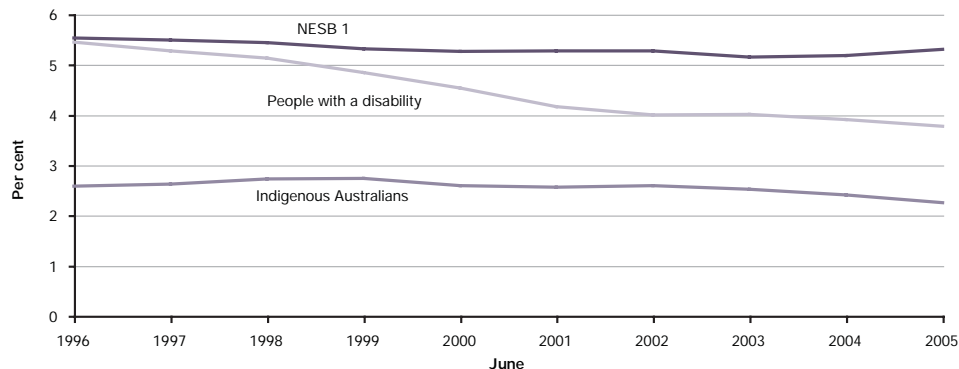
Source: APSED

Diversity trends

Workplace diversity makes a major contribution to capability in the APS, as well as being important to equity in employment. Trends in diversity in terms of sex, race and ethnicity, Indigenous status or having a disability, are particularly relevant to monitoring employment-related disadvantage. Apart from sex, employees in these categories have the option of identifying themselves as belonging to these groups by reporting their status to their agency’s HR area. It is important that employees are given the opportunity to update their personal information, and that agencies then provide that data to the Commission. Last year’s employee survey results showed that only 10% of those employees who were offered the opportunity to provide equal employment opportunity (EEO) data actively chose not to do so.

At June 2005, women accounted for 54.9% of total employee numbers. This was a relatively large increase over the previous year (53.8% at June 2004). Figure 2.2 shows changes in the proportion of ongoing employees in the other equal employment opportunity (EEO) groups over the past 10 years.

Figure 2.2: Trends in diversity for ongoing employee, 1996 to 2005



Source: APSED

The decline in employment for Indigenous Australians and people with a disability, noted in previous years' reports, has continued this year. Indeed, the proportion of Indigenous Australians fell to 2.2% (down from 2.4% in 2004). During the past year, 48 Indigenous employees moved out of coverage of the Act, but remained in Commonwealth employment. If these employees were still in the APS, the representation rate for Indigenous employees would have been 2.3% at June 2005, rather than 2.2%. Last year we reported that 2.3% of ongoing employees at June 2004 were Indigenous. This year, that proportion has been revised upwards, due to an improvement in the quality of historical data on Indigenous status. As part of the APS Employment and Capability Strategy for Aboriginal and Torres Strait Islanders, Indigenous employees have been encouraged to identify themselves to their agency's HR system and many have done so. Taking this new data into account has meant that numbers for previous years have been revised upwards.

Representation of people with a disability fell from 3.9% to 3.8% over the year. Both these groups declined in actual numbers as well as proportionately, despite an increase in overall ongoing employee numbers. For non-English speaking background (NESB1) employees,³ there was growth in both actual and proportional representation (up from 5.2% at June 2004 to 5.3% at June 2005).⁴ A detailed analysis of diversity in the APS can be found in Chapter 9, 'Workplace Diversity'.

Ongoing and non-ongoing employees

Most of the growth in employee numbers this year was due to the large increase in the number of non-ongoing employees.

Ongoing employees

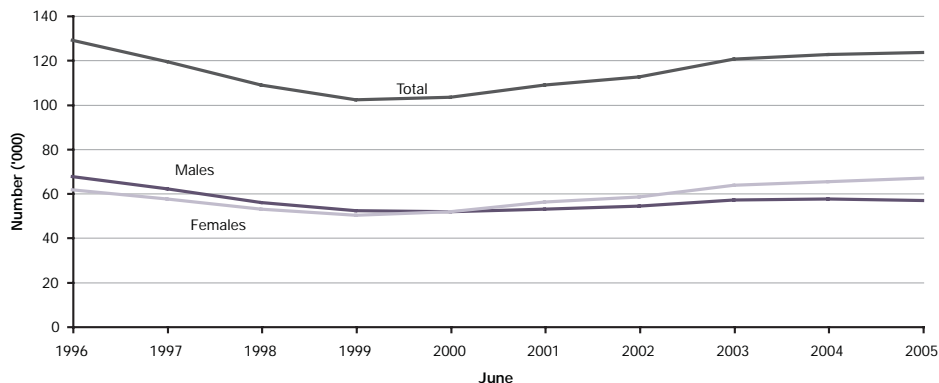
At June 2005, there were 123,242 ongoing employees in the APS, a slight increase of 0.8% from June 2004. This increase extended the growth of the previous five years. It was, however, the lowest proportional increase since the return to growth following the period of downsizing in the late 1990s.

The growth was entirely due to an increase in the number of women from 65,001 to 66,760, a rise of 2.7% on their representation at June 2004. The number of men dropped from 57,304 to 56,482—a fall of 1.4%. These trends are shown in Figure 2.3.

³ In the absence of alternative measures, the concept 'NESB', representing people from a non-English speaking background, is used with APSED. This captures information about first language spoken, place of birth and parents' language. NESB1, the measure used here, includes people born overseas whose first language was not English. NESB2 has previously been reported in addition to NESB1 and includes children of migrants, including those who were born overseas and arrived in Australia before the age of five and did not speak English as a first language, those who were Australian born but did not speak English as a first language and had at least one NESB1 parent, and those who were Australian born and neither of whose parents spoke English as a first language. Analysis of APSED data has found that this group does not have a substantial disadvantage compared to other workers, and it is therefore not reported on here.

⁴ The representation of NESB1 employees has increased compared with the level reported last year. This is due to a revision in the calculation of this group's representation. Previous years' data has also been revised, so any longitudinal movement is not due to the change in methodology.

Figure 2.3: Ongoing employees by sex, 1996 to 2005



Source: APSED

During 2004–05, women’s representation increased from 53.1% to 54.2%. This was the first year since 2000–01 that women’s representation grew by more than one percentage point in a year.

There is wide variation between agencies in the proportional representation of men and women. Further analysis can be found in Chapter 9.

The representation of women at higher classification levels also continued to rise: at June 2005, women comprised 33.0% of the SES (an increase from 31.5% at June 2004) and 40.3% of EL employees (up from 39.3% the previous year).

The largest increases in ongoing employee numbers were in ATO (up by 1094 or 5.3%) and DIMIA (up by 971 or 22.7%). Part of the increase in DIMIA was due to movement of employees from the Aboriginal and Torres Strait Islander Services (ATSIS). Smaller agencies that increased in size were the Australian Transaction Reports and Analysis Centre (AUSTRAC) (51 or 79.7%), the Office of National Assessments (ONA) (23 or 43.4%), the Federal Magistrates Court of Australia (20 or 35.7%) and the Ombudsman (18 or 22.0%). The largest decreases in ongoing employee numbers were in Defence (641 or 3.5%) and Centrelink (513 or 2.1%). This was the second successive year that ongoing employee numbers fell substantially in Centrelink, after that agency grew by 8.1% in 2002–03.

Non-ongoing employees

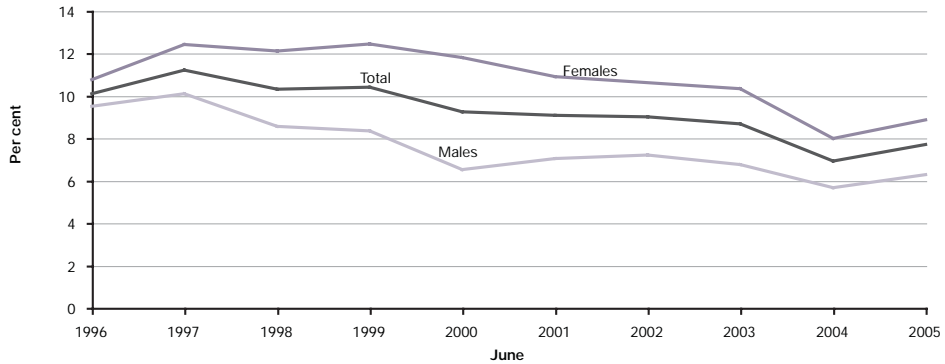
Non-ongoing employee numbers rose significantly this year, from 9091 at June 2004 to 10,354 at June 2005, an increase of 13.9%. This followed a sharp decline during the previous year of 20.4%. Non-ongoing employee numbers increased for both men and women; however, the proportional increase was greater for women (15.7%) than for men (10.9%).

Despite this increase, there is still a long-term trend decline in non-ongoing employee numbers.

Almost all of the increase in non-ongoing employment was concentrated in the three largest agencies—ATO (up by 605 or 49.4%), Centrelink (up by 384 or 71.2%) and Defence (up by 179 or 22.7%). In 2003–04, ATO and Centrelink accounted for most of the decline in non-ongoing employment when the number of non-ongoing employees fell by 20.4%.

Figure 2.4 provides details of non-ongoing employees as a proportion of total employees from 1996 to 2005. It shows that the proportion of non-ongoing employment has generally declined over the decade, despite the growth this year. The representation rate for women has been consistently higher than that for men.

Figure 2.4: Non-ongoing employees as a proportion of total employees, 1996 to 2005



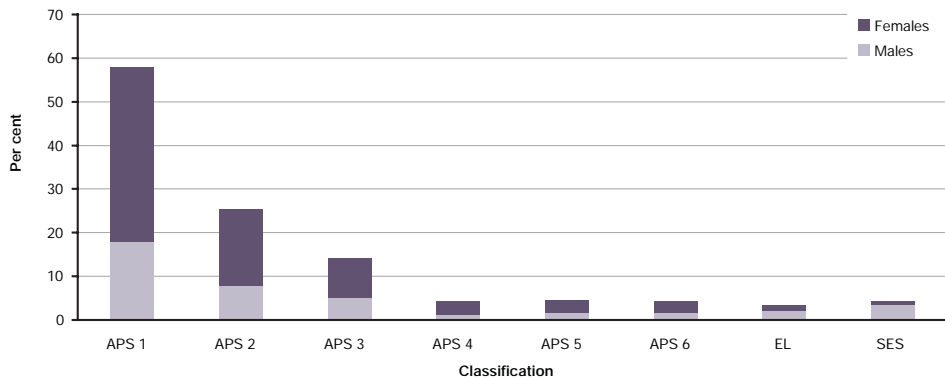
Source: APSED

As a proportion of total employees, non-ongoing employment rose from 6.9% to 7.7% in the year to June 2005. The proportion of men rose to 6.3% and that of women to 8.9%.

Non-ongoing employees are concentrated at lower classification levels, with 71.0% at the APS 1–4 levels, compared with only 41.0% of ongoing staff. Well over half of all APS 1 employees (57.9%) are non-ongoing, as are a quarter of APS 2s (25.4%). The concentration of lower classification employees in the non-ongoing employment category has increased this year, with 34.0% of all APS 1–2 employees employed as non-ongoing, compared with 29.1% last year. The concentration was due mostly to a decline in the number of ongoing employees at these classification levels rather than to strong growth in non-ongoing numbers. It will be interesting to see if this trend persists in future years.

As Figure 2.5 shows, the representation of non-ongoing employees at higher classifications is much lower.

Figure 2.5: Proportion of total employees at each classification who are non-ongoing by sex, June 2005



Source: APSED

While non-ongoing employment grew by 13.1% overall, there was considerable variation across the classification groups, with an increase of 28.8% in the number of non-ongoing APS 3–4s, and 13.8% in the number of non-ongoing SES employees.

Women accounted for 63.2% of non-ongoing employees, but are particularly concentrated at lower classification levels. At least 60% of all non-ongoing employees are women at all the APS 1–6 classification levels, with fewer than 50% of non-ongoing employees being women among ELs or the SES.

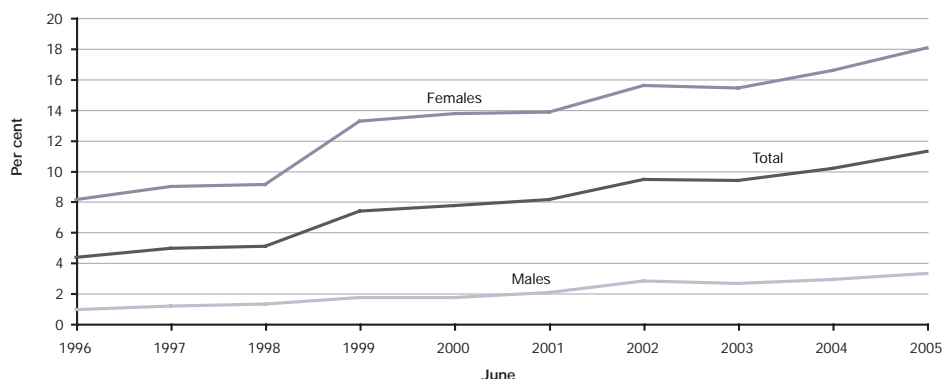
In general, smaller agencies engage a greater proportion of their employees on a non-ongoing basis than do large agencies. The Equal Opportunity for Women in the Workplace Agency (EOWA) (60.7%), the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) (51.7%), the Australian Institute of Family Studies (AIFS) (42.4%) and the Federal Court (40.4%) had the highest proportion of non-ongoing employees at June 2005.

Part-time employees

At June 2005, 11.3% of ongoing employees were working part-time. This continued the long-term trend towards part-time employment. While part-time work has been growing in the APS, its incidence is well below that for equivalent occupations in the broader public sector (31%) and the private sector (33%).⁵

Women are still much more likely to work part-time, with 18.0% of women employed part-time compared with 3.3% of men. This year was the first for some time where there was a greater proportional increase in the number of ongoing women working part-time (11.9%) than of men (11.7%), although the difference was very slight. These trends are shown in Figure 2.6.

Figure 2.6: Proportion of ongoing employees working part-time by sex, 1996 to 2005



Source: APSED

During 2004–05, there was actually a decline in the number of ongoing employees working full-time—a drop from 109,889 to 109,350 (or 0.5%).

⁵ ABS 2002, *Census of Population and Housing 2001*, ABS, Canberra.

Female non-ongoing employees are more likely to work part-time than any other group, with over one quarter (26.7%) of non-ongoing women working part-time. For non-ongoing men the proportion was 19.1%. Overall, 23.9% of non-ongoing employees were working part-time at June 2005.

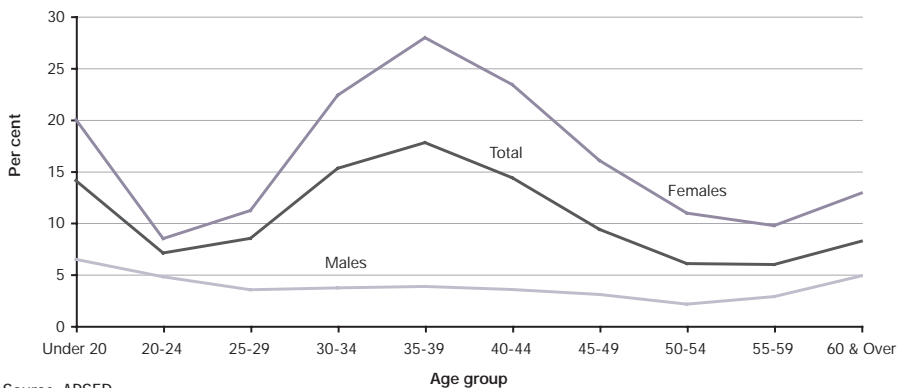
Part-time employment for both ongoing and non-ongoing employees is concentrated at lower classification levels, for both men and women.

Centrelink continues to be the largest employer of part-time employees in the APS employing 36.3% of all part-time ongoing employees at June 2005. This group accounted for 20.7% of Centrelink's ongoing employees. Centrelink accounted for most of the growth in part-time employment with 869 more ongoing part-time employees out of an overall increase in the APS of 1476.

Part-time work by age

Part-time work for women is highest in the 30–44 age group, with 24.5% of ongoing women in this age group working part-time. The proportion is much lower for men in this age group (3.7%) but still somewhat higher than the overall male average of 3.3%. Older workers (i.e. those aged 45 years and over) are less likely to work part-time, with only 2.8% of men aged 45 years and over working part-time, and 13.0% of women. Older workers, however, are more likely to work part-time as they get older (as shown in Figure 2.7).

Figure 2.7: Proportion of ongoing employees working part-time by age group and sex, June 2005



Source: APSED

The trend towards part-time employment for older workers, highlighted in last year's report, has continued. During 2004–05, the proportion of ongoing employees aged over 60 who were working part-time rose from 7.1% to 8.2%. This trend suggests a growing awareness within agencies of the importance of providing more flexible working arrangements for older workers.

Classification structures

Table 2.1 compares ongoing employee numbers by classification level as at June 2004 and June 2005. The substantial decrease in the number of ongoing APS 1–2 employees (from 7713 at June 2004 to 6353 at June 2005) indicates a return to the very significant long-term decline at those levels, despite a slight reversal last year. There were increases in both Graduate APS and other trainee classifications, as well as at all classification levels at the APS 6 level and above.

Table 2.1: Ongoing employees by classification, 2004 and 2005

Classification	2004	%	2005	%
APS 1	1434	1.2	1064	0.9
APS 2	6279	5.1	5289	4.3
APS 3	17344	14.2	17453	14.2
APS 4	27479	22.5	26727	21.7
APS 5	16286	13.3	16168	13.1
APS 6	24806	20.3	25641	20.8
EL1	16527	13.5	17847	14.5
EL 2	9458	7.7	9880	8.0
SES	1899	1.6	2025	1.6
Trainee	271	0.2	379	0.3
Graduate APS	522	0.4	769	0.6
Total	122305	100.0	123242	100.0

Source: APSED

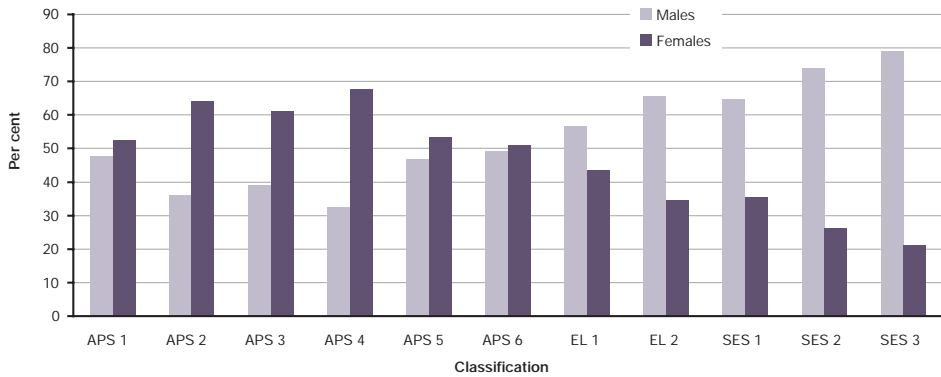
In past years, this report has noted the long-term reduction in the number of ongoing employees at the APS 1–2 levels, and the increasing number of employees at higher levels. This is broadly due to changes in the nature of the work undertaken in the APS, changes in job design and the need for a more highly-skilled workforce. This year there is evidence of stronger growth at more senior levels. Compared to June 2004, there was a net reduction in the number of employees at the APS 1–5 levels of 2121 employees. Over the same period, there was a net increase in the number of employees at the APS 6 and EL 1 classifications of 2155.⁶

When proportions are used to eliminate variation due to changes in the size of the APS over the past 15 years, 2004–05 appears as the first year in which there has been a reduction at every level from APS 1 to APS 5 in comparison with the previous year.

Despite the continued growth in women's representation in the APS, there is still a considerable difference between the classification profiles of men and women, particularly at higher classification levels. Figure 2.8 shows the proportion of men and women at selected classifications. Women outnumber men at all APS 1–6 classification levels, with the proportion of women falling sharply at higher levels.

⁶ These numbers have not been adjusted to take into account the change in the size of the APS; however, as there was only a very slight increase in the total number of ongoing employees during 2004–05, the shift is still substantial.

Figure 2.8: Ongoing employees by classification and sex, June 2005

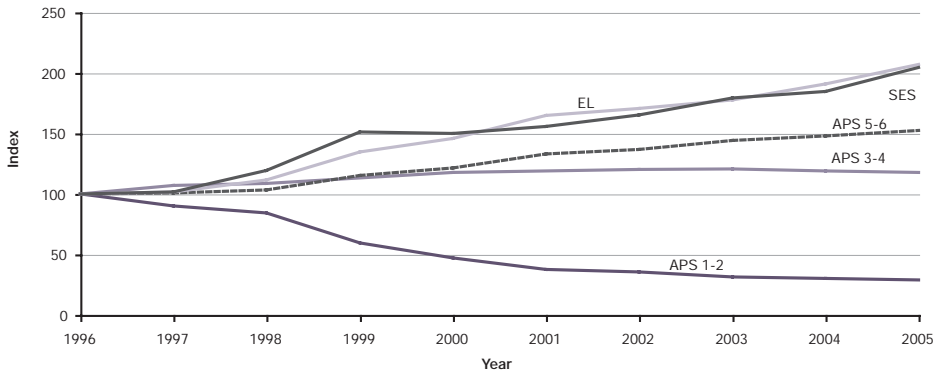


Source: APSED

The increase in female representation among ELs and in the SES continues at a faster rate than at lower classifications, as shown in Figure 2.9. In this graph, each number is weighted using the June 1996 total ongoing staff numbers as a base. Weighting eliminates the effects that the change in the overall size of the APS has on representation. The index is given a value of 100 at June 1996, and rises and falls proportionally with the particular group's change in the weighted number over time.

Trends in women's employment by classification are discussed in detail in Chapter 9.

Figure 2.9: Change in the number of women at selected classifications, weighted and indexed, 1996 to 2005



Source: APSED

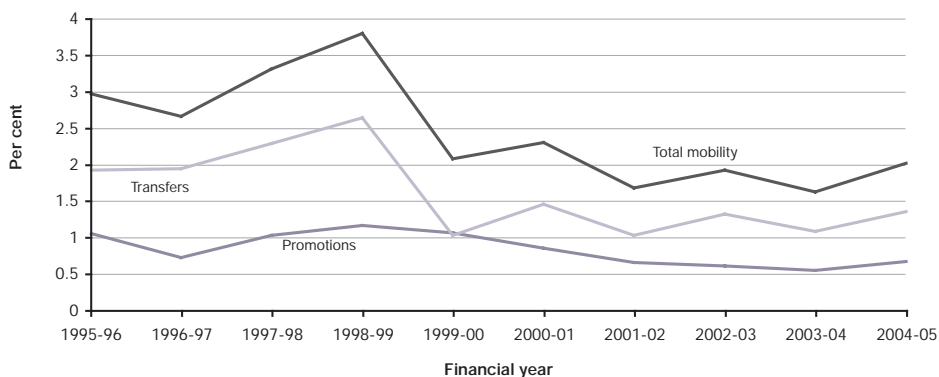
Mobility within the APS

Figure 2.10 sets out how mobility between agencies has varied over the past 10 years. It shows that there was some decline between 1998–99 and 2003–04, before a rise in 2004–05. The transfer rate has mostly been higher than the promotion rate between agencies.⁷ Indeed, the increase in mobility this year was much stronger for transfers than for promotions. During 2004–05, the transfer rate between agencies was 1.3%, and the promotion rate was 0.7%, compared with 1.0% and 0.5%, respectively, in the previous twelve months. Overall, promotions rose from 12,368 in 2003–04 to 13,044 in 2004–05. Promotions between agencies increased at a higher rate than promotions within agencies, rising from 5.3% of all promotions in 2003–04 to 6.3% in 2004–05. Further details on mobility can be found in the MAC report, *Managing and Sustaining the APS Workforce*.⁸

Mobility between agencies is generally higher for women than for men. During 2004–05, the overall mobility rate (including both promotions and transfers) was 2.2% for women and 1.7% for men.

Mobility rates are highest for the SES, followed by those for EL employees. In 2004–05, mobility increased in all classification groups.

Figure 2.10: Ongoing employees—promotion and transfer rates between agencies, 1995–96 to 2004–05



Source: APSED

Age profile

The decline in employment of young people, noted in last year's report, has continued this year. The number of ongoing APS employees aged less than 25 years dropped to 4967 at June 2005. This was a decrease of 306 (or 5.8%) on the previous year. In absolute terms, there were decreases in all age groups under 45 years, except for the 30–34 age group, with strongest growth in the 55 and over age group.

⁷ Transfer and promotion rates are calculated as the number of movements during a financial year, divided by the average of the number of employees at the beginning and end of the period. The terminology of 'transfer' and 'promotion' have been used in this chapter because they are commonly understood by most APS employees. The terminology adopted under the Act is 'movement at level' for transfer between agencies. Promotion is defined as 'the assignment to the employee of duties at a higher classification than the employee's current classification (whether or not the employee moves to another agency)'.

⁸ Management Advisory Committee 2005, *Managing and Sustaining the APS Workforce*, Commonwealth of Australia, Canberra.

Table 2.2 shows the proportion of employees in 10 year age groups, at June 1996, 1999, 2002 and 2005. Over the decade, the largest increase has been in the 45–54 age group, which increased by 5.3 percentage points. This age group is now almost as large in number as the 35–44 group, and will outnumber it in the next year if current trends continue. This trend has major implications for workforce planning and succession management in agencies. The 55 and over age group has grown steadily over the past decade, particularly in the past few years, rising to over 10% of all ongoing staff at June 2005.

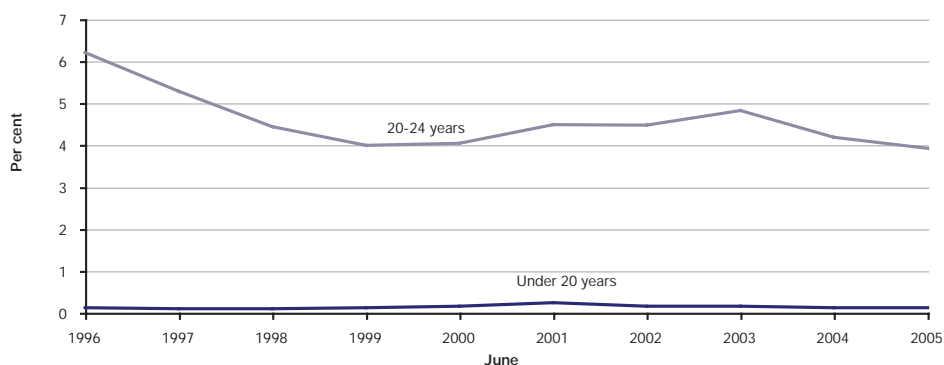
Table 2.2: Ongoing employees—proportion by age, 1996, 1999, 2002 and 2005

	1996 (%)	1999 (%)	2002 (%)	2005 (%)
Under 25	6.3	4.1	4.6	4.0
25–34	29.4	26.6	25.8	25.1
35–44	33.7	33.9	32.3	30.5
45–54	25.0	29.1	29.7	30.3
55 and over	5.6	6.3	7.6	10.1
Median age	39	40	41	42

Source: APSED

Figure 2.11 shows how young people's representation in the APS has changed over the past decade. In the 20–24 age group, the improvement between 2001 and 2003 has completely reversed in the past two years, and the representation of this group is at its lowest level since regular data collection began. For the under 20 years age group, the number of employees is much smaller, and there has been little change in their representation over the decade.

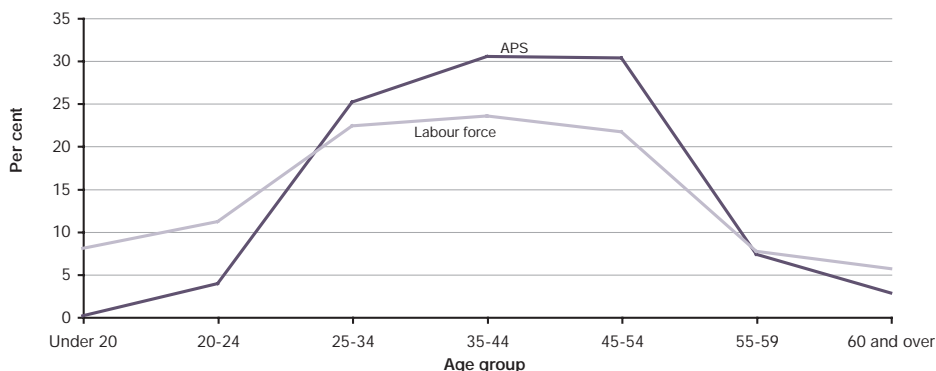
Figure 2.11: Ongoing employees—representation of young people, 1996 to 2005



Source: APSED

Figure 2.12 shows that, in general, the APS has an older age profile than the Australian labour force, with a significantly lower proportion of young people, and more in the 35–54 age group: 60.8% of ongoing APS employees were aged 35–54 compared with only 45.2% of the labour force. The APS has a lower proportion in the 55 years and over age group, although the gap in the 55–59 age group has narrowed this year.

Figure 2.12: Age profile of ongoing APS employees and labour force, 2005



Source: APSED and ABS

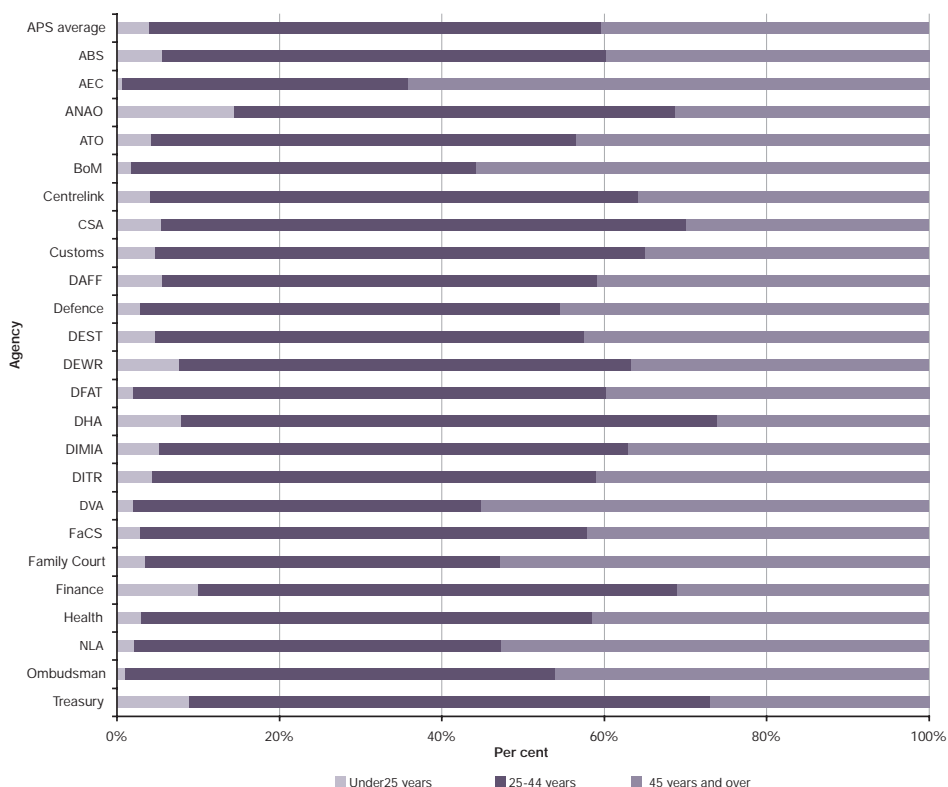
Employees in the 45 and over age group, who will be eligible for retirement in the next 10 years, account for 40.4% of ongoing employees. In 1996, this group accounted for only 30.5% of ongoing employees.

Older workers are more likely to be in higher classifications and, in general, have longer length of service than average. The ageing of more senior ongoing employees over the past 10 years is particularly pronounced; for example, 26.2% of the SES and 17.7% of EL employees were in the 50–54 age group at June 2005, compared with 24.2% and 13.7% at June 1996.

The 55 and over age group shows a similar pattern, with the proportion of SES employees in this age group increasing from 10.7% to 17.7% over the decade. The proportion of EL employees aged 55 and over increased from 6.3% to 10.4%. Thus, 43.9% of the SES and 28.1% of EL employees could, if they wished, retire with superannuation benefits within five years.

Agencies' age profiles vary widely. This reflects, in part, the nature of an agency's functions and classification structures. Those agencies with a relatively high proportion of staff aged over 45 years may face more critical and different workforce planning and knowledge management issues than those with a younger age profile. Figure 2.13 shows comparative age profiles for ongoing employees in selected agencies at June 2005. The graph includes all agencies with more than 1500 ongoing employees, as well as some others with particularly young or old age profiles; for example, ANAO (14.5%), Finance (10.0%) and the Department of the Treasury (Treasury) (9.0%) all have a much higher proportion of their employees aged under 25 years than the APS average of 4.0%. Similarly, some agencies have a much older age profile, with a higher proportion of employees aged 45 years or over, for example, the Australian Electoral Commission (AEC) (64.1%), the Bureau of Meteorology (BoM) (55.8%) and DVA (55.1%). At June 2005, 40.4% of APS employees were aged 45 years or over.

Figure 2.13: Ongoing employees in selected agencies by age group, June 2005



Source: APSED

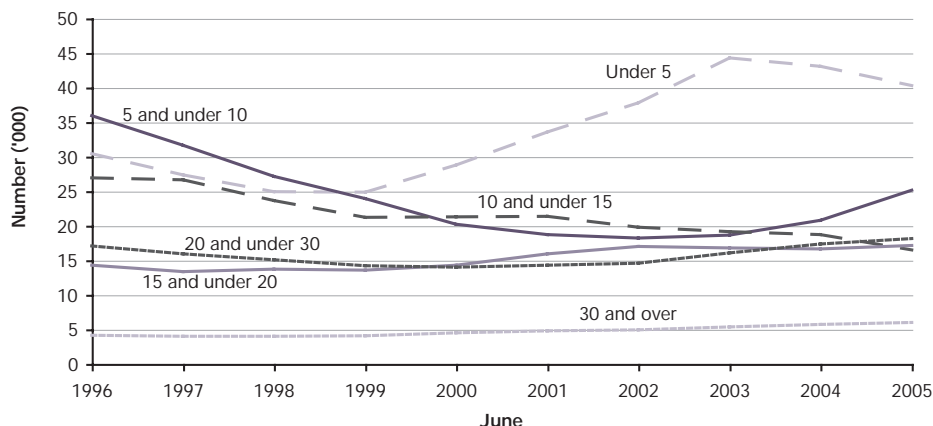
Length of service

As at June 2005, the median length of service⁹ for ongoing employees was nine years. Men have a median length of service of eleven years, compared with seven for women. Figure 2.14 shows the profile of length of service over the 10 years to June 2005. As a proportion of total ongoing employees, the number of those with fewer than five years service has risen from less than one quarter in 1998 (23.0%) to almost one-third at June 2005 (32.7%). This rise reflects the increase in engagements over this period—in the past five years there have been 61,895 ongoing engagements, compared with 39,916 in the five years before that.

A substantial proportion of those engaged this year had previously worked in the APS. Further details can be found in the 'Prior service' section below.

⁹ Length of service has been calculated differently this year. In past years, only length of service on an employee's current Australian Government Service (AGS) number has been used. Due to improvements in data quality, from this year length of service will be calculated based on an employee's complete history (including service as a non-ongoing employee since 1999); for example, an employee who had five years of service, left the APS for two years and then returned for seven years would have a total length of service of 12 years. Previously, this employee would have been recorded as having seven years of service. The impact of this will be an overall increase in length of service, but the data will more accurately represent the relevant APS experience of employees.

Figure 2.14: Ongoing employees—length of service, 1996 to 2005



Source: APSED

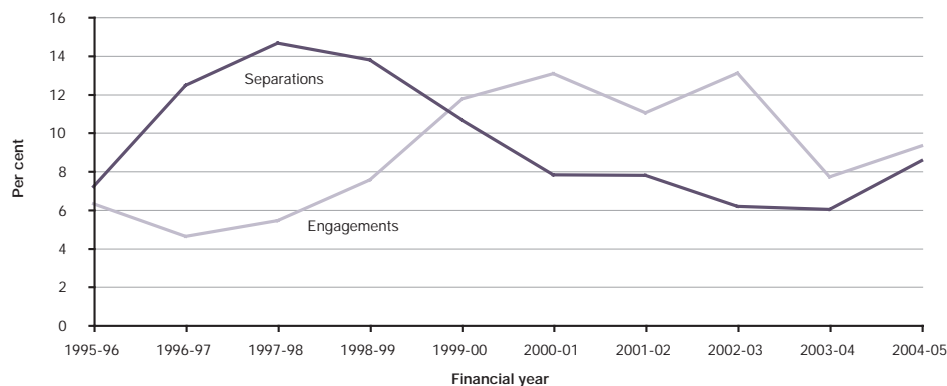
Location

Over one-third (34.9%) of ongoing APS employees are located in Canberra. The proportion increases at higher classification levels; for example, over three-quarters (75.5%) of SES employees are in Canberra compared with only 16.2% of APS 1–2s. Over the past 10 years the proportion of APS employees in Canberra has risen from 31.8% in 1996.

Engagements and separations

There were 11,424 engagements and 10,482 separations of ongoing employees during 2004–05. Engagements rose by 22.6% over the previous year, and separations rose by 44.2% over the same period. Figure 2.15 shows ongoing engagements and separations as a proportion of all ongoing employees for the past 10 years.

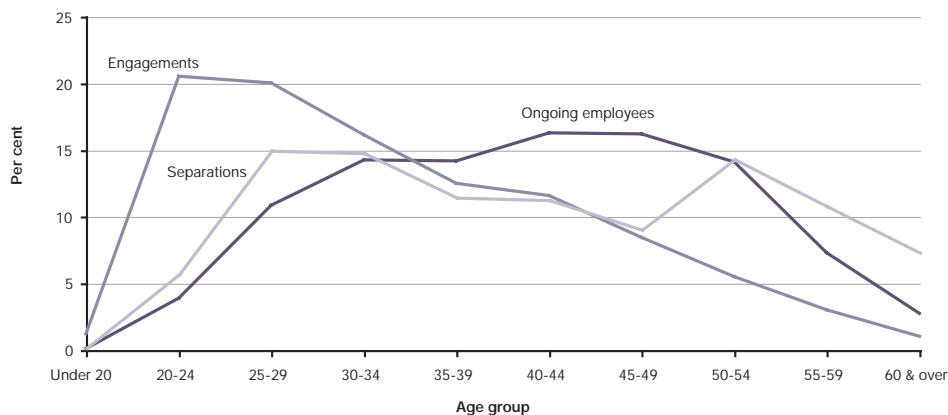
Figure 2.15: Ongoing engagements and separations as a proportion of ongoing employees, 1995–96 to 2004–05



Source: APSED

Figure 2.16 compares the age profile of engagements and separations during 2004–05 with the age profile of the APS overall. As expected, the age profile for engagements is much younger than for the APS overall. For separations, there are two peaks—in the 25–34 and 50–54 age groups. During 2004–05, 20.9% of those who left were aged under 30 years. For further analysis of ageing trends, see Chapter 9.

Figure 2.16: Age profile of ongoing engagements and separations, 2004–05



Source: APSED

Engagements

The strong growth in ongoing engagements during 2004–05 continued the fluctuating pattern of much of the past decade. The growth was from an unusually low number in 2003–04, and total engagements remained below the level of the previous few years.

Figure 2.17 shows the proportion of engagements of ongoing employees by classification for the past 10 years. The long-term fall in engagements at the APS 1–2 levels has slowed, and indeed reversed very slightly. This group’s representation appears to have stabilised at around 10% of total engagements.

Most ‘base-level’ ongoing recruitment is now at the APS 3–4 levels or through graduate and other trainee classifications. Engagements at APS 3–4 levels fell proportionally this year; however, engagements at the trainee classifications (including both graduate and other trainees) experienced the strongest growth of any classification level with an increase of 47.6% on the previous year. Trainee classifications rose as a proportion of total engagements from 8.9% in 2003–04 to 10.7% in 2004–05—the only classification group to increase by more than one percentage point.

Despite their proportional decline, the APS 3–4 levels still accounted for almost half of all ongoing engagements during the year, more than twice the number of any other classification level.

Although data on educational qualifications is incomplete, it does show that the trend for new recruits to also be graduates has increased substantially, from around 25% twenty years ago to around 67% in 2004–05.¹⁰

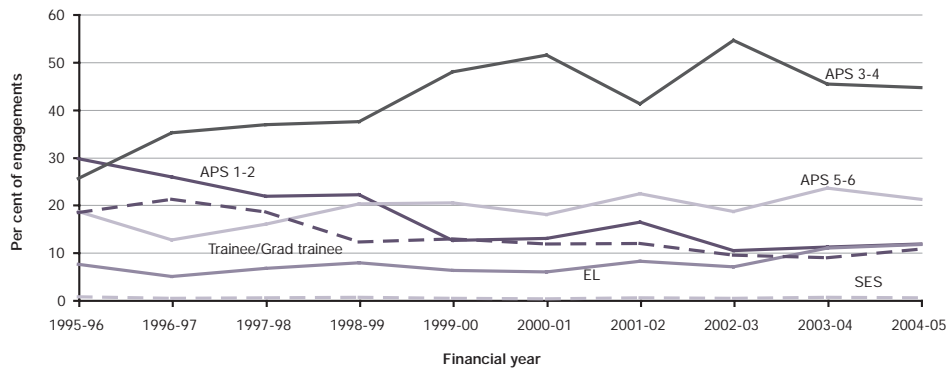
¹⁰ The method used to calculate the proportion of employees with graduate or tertiary qualifications includes those with qualifications at bachelor degree and above. It excludes from the denominator those for whom no data was provided by agencies, and those who chose not to provide details for their highest educational qualification.

Women accounted for 58.0% of ongoing engagements during 2004–05, almost unchanged from the previous year (57.9% in 2003–04).

In the middle management group, ongoing engagements at the APS 5–6 levels experienced relatively less growth (up by only 10.2% compared with the APS average of 22.6%). In contrast, the number of ongoing engagements at EL classifications grew by 31.3%.

Engagements to the SES grew by the smallest amount, with an increase of 6.4% over the previous year, with most growth in the SES being through promotion within and between agencies.

Figure 2.17: Ongoing engagements by classification, 1995–96 to 2004–05

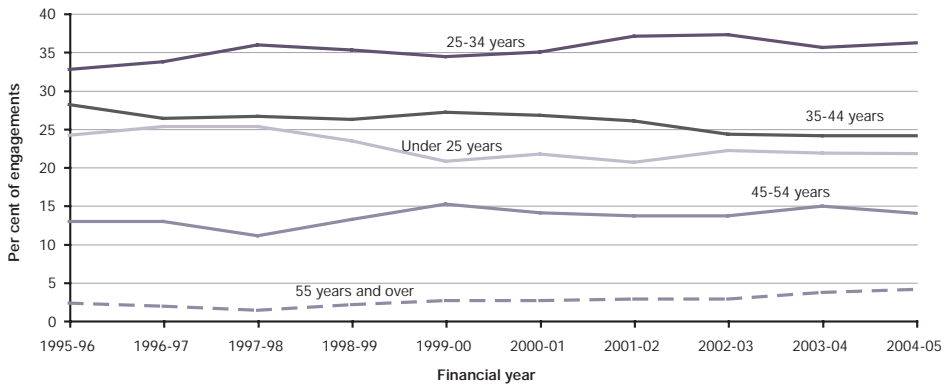


Source: APSED

Mobility between the APS and the wider labour market can be gauged by the proportion of employment opportunities filled by engagements (i.e. from outside the APS) as a percentage of opportunities filled by engagements and promotions. Over the past decade there has been an increase in the proportion of opportunities filled by engagements, from 33.7% in 1995–96 to 47.6% in 2004–05. There has, however, been some variation between classification levels in this trend towards engagement rather than promotion. As noted above, this year there has been an increase in the total number of employees in the APS 6 and EL classifications, and a decline at lower levels. The trend towards filling employment opportunities by engagement rather than promotion is no longer evident at these levels—indeed, the proportion of employment opportunities at the APS 6 and EL classifications filled by engagement has fallen over the past three years. During 2004–05, the number of promotions to the APS 6 and EL 1 classifications rose by 1358. In contrast, the number of engagements at these levels increased by only 285.

Ongoing engagements rose in all age groups this year. Figure 2.18 shows changes in the age profile of engagements to the APS over the past 10 years. After several years of decline, engagements in the under 25 years age group seem to have stabilised at just over 20% of all engagements. During 2004–05, the age groups that fell in proportional terms were the under 25 and 45–54 age groups. The latter group had experienced above average growth during 2003–04. By far, the greatest growth in engagements this year was in the 55 years and over age group, which grew by more than a third. This continues a long-term trend which has strengthened since the removal of compulsory age retirement in 1999.

Figure 2.18: Ongoing engagements by age group, 1995–96 to 2004–05



Source: APSED

During 2004–05, ongoing engagements were concentrated in the three largest agencies: ATO (1913), Centrelink (1458) and Defence (1130). The growth in engagements during the year was due mainly to large increases in ATO (867 or an 82.9% increase on the previous year) and Customs (up by 376 or 432.2%). Other agencies which increased numbers of engagements were Centrelink (229), CSA (197) and DIMIA (167).

Prior service

Of the 11,424 ongoing engagements during 2004–05, 1584 had previously worked in the APS as ongoing employees. Of these, over one-quarter (428) were re-engaged by the same agency in which they had previously worked. The median length of service prior to re-engagement as ongoing employees was 7.6 years.

A total of 4052 people who were engaged as ongoing employees during 2004–05 had previously worked as non-ongoing employees in the APS. Of these, 3504 were engaged as ongoing employees by the same agency in which they were previously non-ongoing. The median length of service as a non-ongoing employee prior to their ongoing engagement was 1.0 years.

These two totals include 684 people who had both non-ongoing and ongoing previous service.

A total of 6472 of the ongoing engagements during 2004–05 had no prior experience in the APS.¹¹ Put another way, close to half of those people engaged as ongoing employees during 2004–05 (43.3%) had previously worked in the APS.

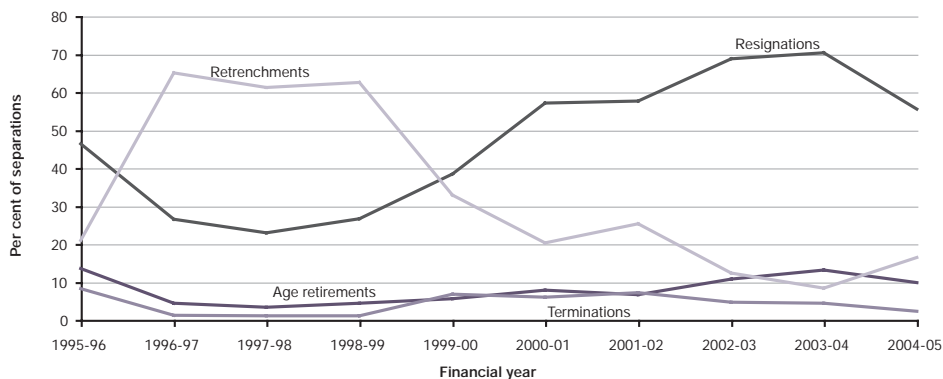
Separations

There were 10,482 separations of ongoing employees during 2004–05, an increase of 44.2% on the 7270 the previous year. This was the largest number of separations since 1999–00. There were increases in most separation types, except for termination

¹¹ As previous service is, in part, linked through an employee's name, it is possible that a small proportion of these people who may have changed their name had some prior experience that is not included here.

of employment. Retrenchments more than doubled, from 604 to 1715, after falling the previous year. Age retirements¹² fell proportionally after rising for the past two years. Figure 2.19 shows how the different separation types have varied over the past 10 years.

Figure 2.19: Ongoing separations, 1995–96 to 2004–05



Source: APSED

Women represented 46.3% of separations during 2004–05, down from 53.0% last year. They were particularly over-represented in resignations (56.4%) and under-represented in retrenchments (36.8%).

Variation in the number of retrenchments has been the major factor influencing overall trends in separations during the past decade. During 2004–05, Defence (698) and Centrelink (463) accounted for two-thirds of all retrenchments.

Compulsory moves to non-APS agencies were also high this year, with 1236 ongoing employees transferred with the movement of the Australian Protective Service out of coverage of the Act. In total, there were 1361 compulsory moves of ongoing employees to non-APS agencies.

Separations by age group for 2003–04 and 2004–05, and the change over the two years, are shown in Table 2.3. The proportion of ongoing employees in each age group at June 2005 is included for comparison.

¹² Age retirements includes resignations after age 55.

Table 2.3: Separations of ongoing employees by age group, 2003–04 and 2004–05

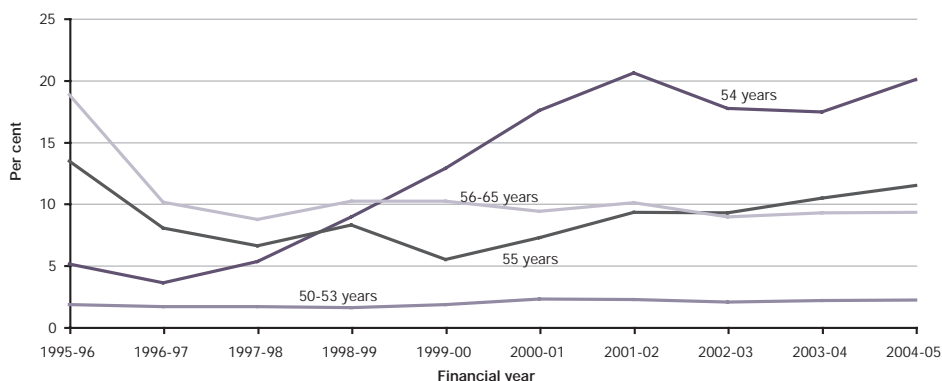
	2003–04		2004–05		% change 2003–04 to 2004–05	Ongoing employees at June 2005
	No.	%	No.	%		
Under 20	24	0.3	19	0.2	-20.8	0.1
20–24	476	6.5	602	5.7	26.5	3.9
25–29	1081	14.9	1569	15.0	45.1	10.9
30–34	1106	15.2	1549	14.8	40.1	14.3
35–39	794	10.9	1204	11.5	51.6	14.2
40–44	751	10.3	1183	11.3	57.5	16.3
45–49	645	8.9	950	9.1	47.3	16.2
50–54	1065	14.6	1502	14.3	41.0	14.1
55–59	824	11.3	1133	10.8	37.5	7.3
60 & Over	504	6.9	771	7.4	53.0	2.8
Total	7270	100.0	10482	100.0	44.2	100.0

Source: APSED

While the number of separations increased in most age groups, the rise was generally greater for older employees. This is consistent with the continuing ageing of the APS. Interestingly, the largest proportional increase was for those in the 40–44 age group.

Figure 2.20 shows the proportion of ongoing employees in the 50–65 years age range that separated through resignation or retirement, for the past 10 years. The sharp rise for 54 year-olds since 1996–97 is most likely linked to the overall reduction in retrenchments since then and to the financial incentive for some members of the Commonwealth Superannuation Scheme (CSS) to resign just before their 55th birthday (the 54/11 effect). The relative decline in age 54 resignations during 2002–03 and the plateau during 2003–04 may be related to the lower exit rates from the CSS during some eighteen months of that period. The number of resignations for age 54 rose again during 2004–05 (as did the CSS exit rates).

Figure 2.20: Resignation/retirement rate for selected ages, 1995–96 to 2004–05



Source: APSED

Demography of the SES leadership group

The SES constitutes the senior management and leadership group of the APS, and comprised 1.6% of total ongoing APS employment at June 2005.¹³ This was a very slight increase, compared with the previous year.¹⁴ The size of the SES has fluctuated over the past decade, decreasing from 1766 in 1996 to 1561 in 1998. The number at June 2005, 2025, is the largest since the SES was established in 1984. Band 1 SES employees make up the largest proportion at 75.5% of all ongoing SES employees, Band 2 comprise 19.9% and Band 3 comprise 4.7%. Most of the growth in the SES this year was at Band 1 which grew by 102 or 7.2%. The agencies with the largest net increases in Band 1 employees were ATO (up by 34 or 20.2%), DEWR (up by 33 or 73.3%) and DIMIA (up by 16 or 39.0%). The net increase of 33 SES Band 1s in DEWR consisted of 44 new Band 1s and 11 who left or were promoted. Of the 44, 23 were promoted within the department, and nine transferred in due to machinery of government changes. For DIMIA, eight were transferred in due to machinery of government changes and there was one internal promotion.

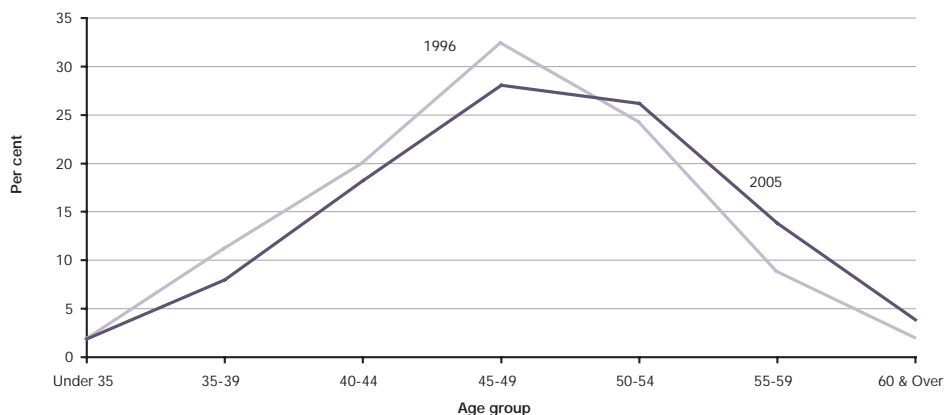
The proportion of women in the SES has increased steadily over the past decade, from 19.3% in 1996 to 33.0% in 2005. As is the case for the overall APS, women are concentrated at lower levels: 81.3% of SES women are at Band 1 compared with 72.6% of men, 15.7% are at Band 2 compared with 21.9% of men, and 3.0% are at Band 3 compared with 5.5% of men.

Figure 2.21 shows the changing age profile for the SES over the past 10 years. The shift indicates an ageing of the SES workforce, consistent with the ageing of the APS overall. Since 1996, the proportion of ongoing SES employees aged less than 45 years has fallen from 32.8% to 28.1%, while the proportion aged over 50 years has risen from 34.9% to 43.9%.

¹³ Data for the SES includes employees grouped with the equivalent SES bands under the *Public Service Classification Rules 2000*. Data also includes inoperative SES.

¹⁴ The increase was from 1.55% to 1.64%, and when rounded to one decimal place there is no change.

Figure 2.21: Age profile for ongoing SES employees, 1996 and 2005



Source: APSED

The age profile for female SES is younger than for males: 35.8% of female SES are aged less than 45 years compared with 24.3% of male SES.

Table 2.4 indicates that over one-third of SES Band 1s (38.5%) are aged 50 years or over. For Band 2s, over half are in that age group (55.5%). Band 3s have an even older age profile, with over three quarters (80.0%) being over 50. Currently, 78 SES employees (comprising 3.9% of the SES cohort) are aged 60 and over. This compares with 61 or 3.2% at June 2004.

In line with their younger age profile, women comprise a substantially lower proportion of the SES in older age groups.

Table 2.4: Ongoing SES employees by age group, sex and level, June 2005

	SES 1			SES 2			SES 3			Total		% who are female
	M	F	Total	M	F	Total	M	F	Total	No.	%	
30-34	24	13	37	1	0	1	0	0	0	38	1.9	34.2
35-39	89	64	153	7	2	9	0	0	0	162	8.0	40.7
40-44	172	133	305	31	25	56	6	2	8	369	18.2	43.4
45-49	293	151	444	77	36	113	7	4	11	568	28.0	33.6
50-54	250	127	377	91	23	114	30	9	39	530	26.2	30.0
55-59	124	49	173	65	15	80	24	3	27	280	13.8	23.9
60 & Over	33	6	39	25	4	29	8	2	10	78	3.9	15.4
Total	985	543	1528	297	105	402	75	20	95	2025	100.0	33.0

Source: APSED

Key chapter findings

The APS returned to a period of growth this year, with much of the increase due to a rise in non-ongoing employees. In the past few years, variation has been due mostly to growth or contraction in the three largest agencies—Centrelink, ATO and Defence.

The feminisation of the APS, evident for many years, appears to be accelerating. Despite this growth, women are still concentrated at lower classification levels.

The 'typical' new starter in the APS is now a 32 year-old with graduate qualifications,¹⁵ who is at the APS 3 level and more likely to be a woman than a man.

The decline in employment of young people, noted in last year's report, continues to be of concern. In contrast, the trend towards increased employment of older workers seems to be growing each year. With an ageing workforce, especially in the SES leadership group, and a projected tightening of the labour market, agencies still face the challenge of succession management and planning for the future workforce.

¹⁵ The method used to calculate the proportion of employees with graduate or tertiary qualifications includes those with qualifications at bachelor degree and above. It excludes from the denominator those for whom no data was provided by agencies, and those who chose not to provide details of their highest educational qualification.