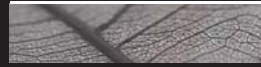


Statistical snapshot

Chapter 2



This chapter explores current demographic and structural patterns of Australian public servants covered by the *Public Service Act 1999*, as well as changes over time. 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 several years of sustained growth. Several consistent trends have emerged—fewer jobs at lower classification levels, an ageing workforce and further feminisation of the APS workforce.

The main source of data for the chapter is the APS Employment Database (APSED), which is maintained by the Commission.¹ ASPED 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 2005–06*.²

Size of the APS

The APS grew strongly during 2005–06, with a total of 146,434 employees at June 2006 compared with 133,593 at June 2005, an increase of 9.6%. A significant proportion of this increase was due to Medicare Australia moving into coverage of the PS Act on 1 October 2005. This machinery of government change covered almost 5000 ongoing Medicare Australia employees, and accounted for nearly a quarter of total ongoing engagements during the year.

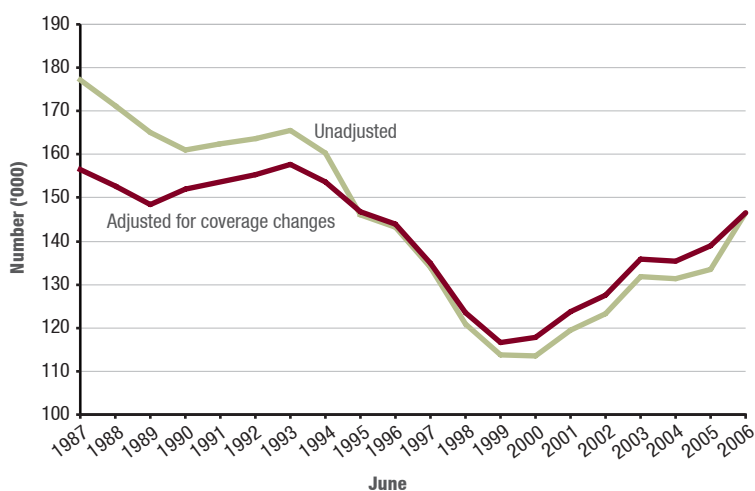
Other agencies affected by machinery of government changes this year were the Australian Sports Anti-Doping Authority which moved into coverage of the PS Act; employees from the Australian National Training Agency which moved into coverage in DEST; some employees of the Australian Film Commission which moved into coverage; the Office of Indigenous Policy Coordination which moved from DIMIA to FaCSIA; the Australian Broadcasting Authority and Australian Communications Authority which merged to form the Australian Communications and Media Authority; establishment of the Office of the Australian Building and Construction Commissioner, Australian Fair Pay Commission Secretariat, and Office of Workplace Services (previously part of DEWR); and establishment of Cancer Australia and the Future Fund Management Agency.

Excluding Medicare Australia, total employee numbers increased by 7448 or 5.6%—the largest increase for many years. Figure 2.1 shows the change in total employee numbers from 1987 to 2006. The adjusted in those functions that remained in the APS at June 2006. Adjusted for these coverage changes, the APS is now at its largest since 1996.

¹ Every effort is made to ensure the integrity of APSED data, but 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 2005–06*.

Figure 2.1: APS employees, 1987 to 2006



Source: APSED

Ongoing and non-ongoing employees

The growth in overall employee numbers during the past year reflected growth in both ongoing and non-ongoing employment categories. Ongoing employees grew more in actual numbers, but the proportional growth was greatest for non-ongoing employment.

Ongoing employees

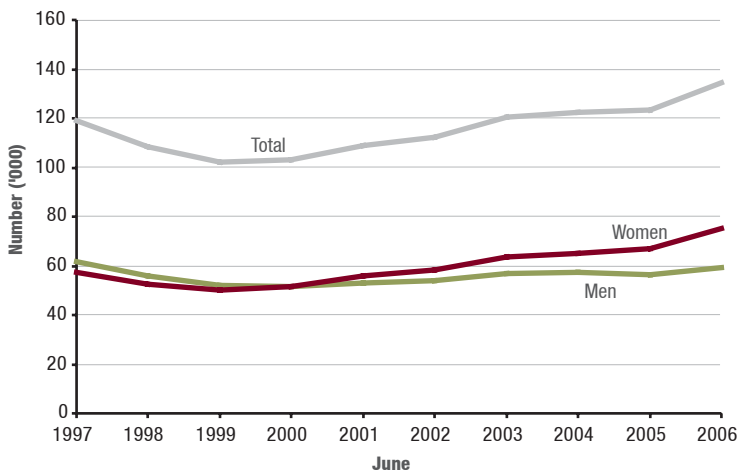
During 2005–06, ongoing employment rose by 9.1%, from 123,452 at June 2005 to 134,632 at June 2006. This increase continued a trend that has been evident for the past seven years. The growth was the largest proportional increase in that period, and considerably higher than the 0.8% growth in 2004–05 and 1.7% growth in 2003–04.

The largest increases in ongoing employee numbers were in Centrelink (up by 978 or 4.0%), Defence (921 or 5.2%), DEWR (592 or 20.3%) and Customs (531 or 10.8%). Smaller agencies that increased in size were the National Water Commission (16 or 66.7%), PM&C (119 or 32.9%), Qwestacon (16 or 28.1%), and the National Blood Authority (9 or 28.1%). The largest decreases in ongoing employment were DVA (down by 97 or 4.0%), BoM (64 or 4.8%), Defence Housing Authority (61 or 10.3%) and Health (54 or 1.4%).

The largest contributor to the total growth was Medicare Australia, which moved into coverage, with 4968 ongoing employees. Due to its size, this agency's contribution to changes in the structure of the APS over the year is significant.

Medicare Australia, for example, has a highly feminised workforce, with 80.3% of its ongoing employees being female. Partly reflecting the impact of Medicare Australia, increases in ongoing employment for women were much greater than for men. The number of women rose from 66,872 to 75,114, a rise of 12.3%. For men the number rose from 56,580 to 59,518, an increase of 5.2%. Trends for employment by sex are shown in Figure 2.2.

Figure 2.2: Ongoing employees by sex, 1997 to 2006



Source: APSED

There is wide variation between agencies in the proportional representation of men and women. Further analysis can be found in Chapter 5.

Non-ongoing employees

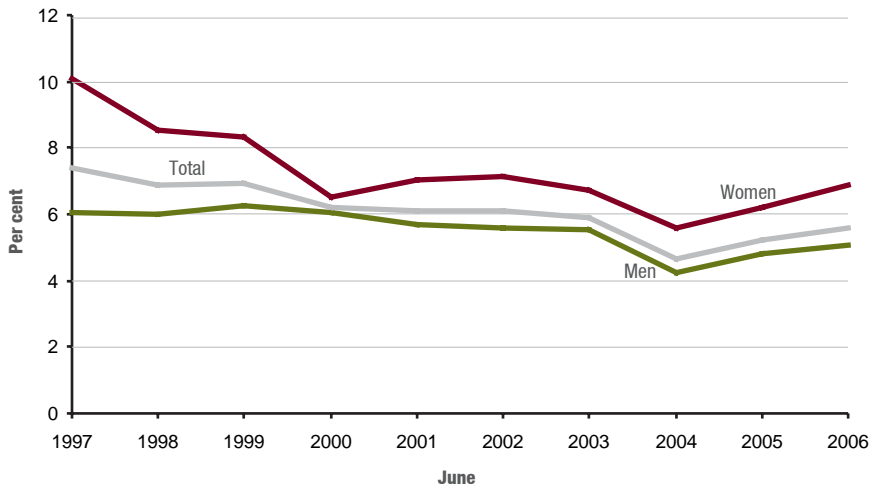
Non-ongoing employee numbers grew substantially this year too, from 10,141 at June 2005 to 11,802 at June 2006—an increase of 16.4%. This was the highest proportional growth in non-ongoing employment for many years. The growth in non-ongoing employment during the past two years has more than compensated for the large decline in 2003–04.

The growth in non-ongoing employment was greater for men (17.2%) than for women (15.9%), although women still account for a much higher proportion of non-ongoing employees (62.8% of non-ongoing employees are women compared with 55.8% of ongoing employees).

Over half of the growth in non-ongoing employment was concentrated in five agencies: Centrelink (up by 258), Defence (256), ABS (236), DEST (209) and DIMA (207). The only agency to experience a large decrease in non-ongoing employment was the ATO where non-ongoing numbers fell by 787 or 43.3%.

Figure 2.3 shows how non-ongoing employment as a proportion of total employment has changed over the past decade. While the proportion has grown in the past two years, it is still lower than it was ten years ago. The representation rate for women has been consistently higher than that for men over this period. Non-ongoing employment in Medicare Australia (5.5%) is proportionally lower than in the APS overall. Excluding Medicare Australia, the proportional increase in non-ongoing employment during 2005–06 would have been even higher.

Figure 2.3: Non-ongoing employees as a proportion of total employees, 1997 to 2006



Source: APSED

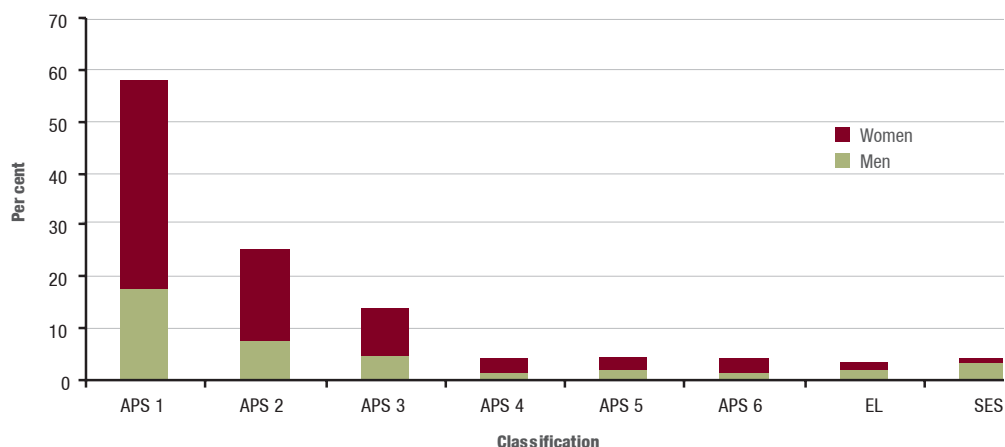
As a proportion of total employment, non-ongoing employment has increased to 8.1%, up from 7.6% in June 2005. The proportion of non-ongoing employment among men rose to 6.9% (up from 6.2%) and women to 9.0% (up from 8.7%).

Non-ongoing employees can be engaged in three different categories: specified term, specified task or for duties that are irregular or intermittent. At June 2006, the majority (82.9%) were engaged for a specified term, 4.9% for a specified task, and 12.2% for irregular or intermittent duties. This varies widely between agencies. At June 2006 the following agencies had at least 40% of their non-ongoing employees engaged as irregular or intermittent—CGC (83.3%), Finance (74.3%), GBRMPA (66.7%), Questacon (55.4%), NAA (49.2%), APSC (46.6%), AAT (46.5%) and ABCC (42.9%).

Non-ongoing employees have historically been concentrated at lower classification levels—at June 2006, 67.4% of non-ongoing employees were in the APS 1–4 range, compared with 40.5% of ongoing employees. Well over half of all APS 1 employees (55.3%) are non-ongoing, as are a quarter of APS 2 employees (25.4%).

As Figure 2.4 shows, the representation of non-ongoing employees at higher classifications is much lower.

Figure 2.4: Proportion of total employees at each classification who are non-ongoing by sex, June 2006



Source: APSED

Nevertheless, over the past five years non-ongoing employment has become less concentrated at the APS 1–4 classifications, falling from 76.8% at June 2000 to 67.4% at June 2006. Over the same period, EL employees, as a proportion of all non-ongoing employees, rose from 5.6% to 10.5%. The growth in non-ongoing employment has been much stronger at higher classification levels. For example, at June 2006, 5.6% of APS 5 employees were non-ongoing, up from 4.4% last year and 3.9% of ELs were non-ongoing, compared with 3.3% last year. For SES employees, 4.8% were engaged as non-ongoing at June 2006, up from 4.7% last year and 3.9% in 2000.

The reasons for this shift are not clear. It may reflect agencies’ preferences in the way they structure their employment arrangements, particularly in allowing them more flexibility in the allocation of resources and to deal with fluctuating budgets and short-term priorities. It may also reflect a tightening labour market, where agencies are providing more flexible options to employees, including those interested in working on shorter-term projects. There appears to be a trend for employees who have left the APS, particularly mature-age workers, to return on a non-ongoing basis. At June 2006, 31.3% of non-ongoing employees were aged 45 and over, up from 30.4% last year and 24.6% in 2000. These trends will be monitored in future reports. This issue is discussed further in the section on re-engagement and prior service later in this chapter.

As Figure 2.4 shows, non-ongoing employment is highly feminised, especially at lower classifications. Women account for at least 60% of non-ongoing employees up to APS 5. Female non-ongoing representation at EL classifications is similar to female representation among ongoing employees at these levels (42.4% compared with 42.2%) but is much lower in the SES (17.5% among non-ongoing employees compared with 34.8% among ongoing employees).

The three largest agencies—Centrelink (1179), Defence (1176) and ATO (1032)—accounted for 28.7% of all non-ongoing employees. These agencies account for 48.7% of all ongoing employees.

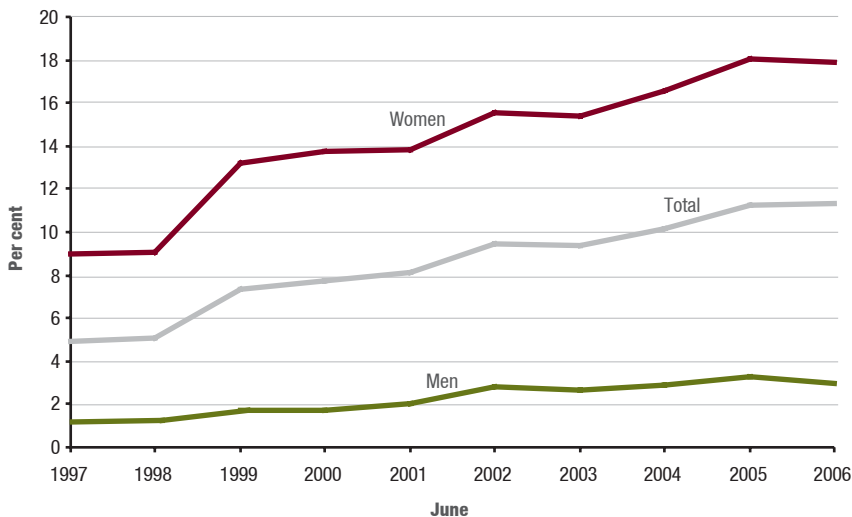
In general, smaller agencies engage a higher proportion of their employees on a non-ongoing basis than do large agencies. Of the 20 agencies with more than 20% of their employees employed as non-ongoing, all had fewer than 250 ongoing employees, except for DHA, Aboriginal Hostels Ltd and Comsuper. Those agencies with the highest proportion of non-ongoing employment were Questacon (68.3%), AIATSIS (55.5%), TSRA (54.2%) and EOWA (50.0%).

Part-time employees

At June 2006, 11.3% of ongoing employees were working part-time, a very slight increase on the previous year.³ The proportion would have fallen to 10.9% if Medicare Australia had not moved into coverage, as this agency has 21.2% of its ongoing employees working part-time. Women are still much more likely to work part-time, with 17.9% working part-time at June 2006 compared with 3.0% of men. The proportion of men working part-time fell this year, for only the second time in the past decade.

These trends are shown in Figure 2.5.

Figure 2.5: Proportion of ongoing employees working part-time by sex, 1997 to 2006



Source: APSED

Non-ongoing employees are much more likely to work part-time, with 26.0% of non-ongoing women and 17.9% of non-ongoing men in this category. Overall, 23.0% of non-ongoing employees were working part-time at June 2006.

Centrelink is the largest employer of part-time employees with 4650 or 30.5% of all ongoing part-time employees in the APS at June 2006. This group accounted for 18.3% of Centrelink's ongoing workforce—down slightly from the previous year. Other agencies with large numbers of part-time employees are ATO (2019 or 9.4% of its ongoing workforce), DHS⁴ (1158 or 21.9%) and Medicare Australia (1080 or 21.2%).

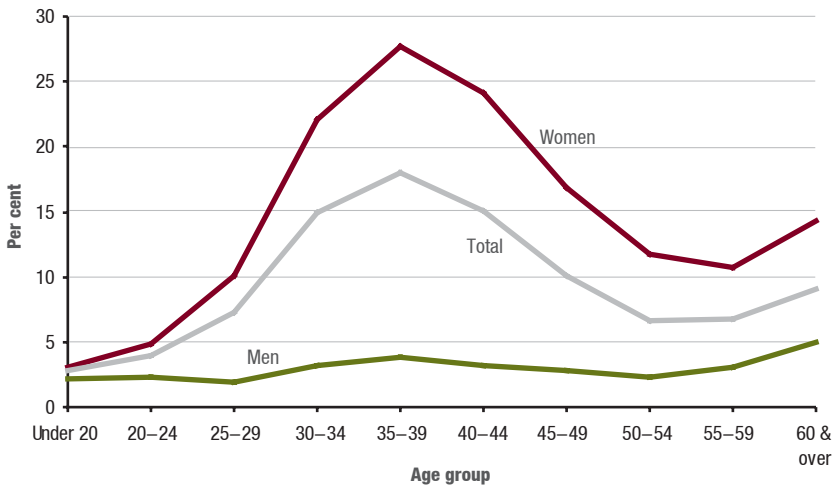
Part-time work by age

Part-time work for women continues to be highest in the 30–44 age group, with 24.6% of ongoing women in this age group working part-time at June 2006. For men, the proportion in this age group was 3.4%—considerably lower, but somewhat higher than the proportion for men overall of 3.0%. Older workers (i.e. those aged 45 and over) are less likely to work part-time, with only 2.9% of men and 13.9% of women in this age group working part-time at June 2006. Older workers, however, are more likely to work part-time as they get older (as shown in Figure 2.6).

³ The increase was from 11.26% to 11.31%; however, when rounded to one decimal place there was no change.

⁴ In this report, unlike in previous years, APSED data for DHS includes CSA and CRS which are both legally part of the Department. All three agencies submitted separate responses for the State of the Service agency survey, and are considered separate agencies for that purpose. Separate employee survey results for CSA and CRS Australia are also provided where they are significantly different from the APS average on important variables. DHS itself was too small for employees to be included in the employee survey.

Figure 2.6: Proportion of ongoing employees working part-time by age group and sex, June 2006



Source: APSED

Although still less likely to work part-time than the APS average, the trend towards part-time employment for older workers continued this year. During the past year, the proportion of ongoing employees aged over 60 who worked part-time increased from 8.3% to 9.1%; for those in the 55–59 age group the proportion rose from 6.0% to 6.8%. This trend is encouraging as agencies appear to be using more flexible employment arrangements for older workers. As mentioned above, this trend is also apparent for mature-age non-ongoing employees.

Classification structures

Table 2.1 compares ongoing employee numbers by classification, at June 2005 and 2006. Numbers rose in all classification levels, except for APS 1 and APS 2. The drop at these levels continues a very significant long-term decline. At June 1992 APS 1–2 classifications accounted for 33.4% of all ongoing employees, but by June 2006 this had dropped to 4.5%—the first year in which this group accounted for less than 5% of total ongoing employment in the APS.

The strongest growth in proportional representation this year was in the Graduate APS classification which grew by 26.8%, and APS 3 which increased by 25.6% (compared to overall growth of 9.1%). Growth for this latter group was, in part, due to Medicare Australia coming into coverage as this agency has a very high proportion of its employees at APS 3 (59.0% compared with the APS average of 16.2%). Trainees also grew strongly, up by 19.2% on the previous year. The number of ongoing Graduate APS employees engaged during 2005–06 was 990, up from 815 the previous year. Engagement of trainees increased from 405 to 633 during the same period. Further analysis on engagements can be found later in this chapter.

As a proportion of total ongoing employment, the SES rose from 1.6% to 1.7%.

Table 2.1: Ongoing employees by classification, 2005 and 2006

Classification	2005		2006	
	Number	%	Number	%
APS 1	1050	0.9	1029	0.8
APS 2	5245	4.2	4999	3.7
APS 3	17363	14.1	21800	16.2
APS 4	26665	21.6	26748	19.9
APS 5	16826	13.6	18720	13.9
APS 6	25219	20.4	26744	19.9
EL 1	18281	14.8	20408	15.2
EL 2	9629	7.8	10506	7.8
SES	2028	1.6	2253	1.7
Trainee	375	0.3	447	0.3
Graduate APS	771	0.6	978	0.7
Total	123452	100.0	134632	100.0

Source: APSED

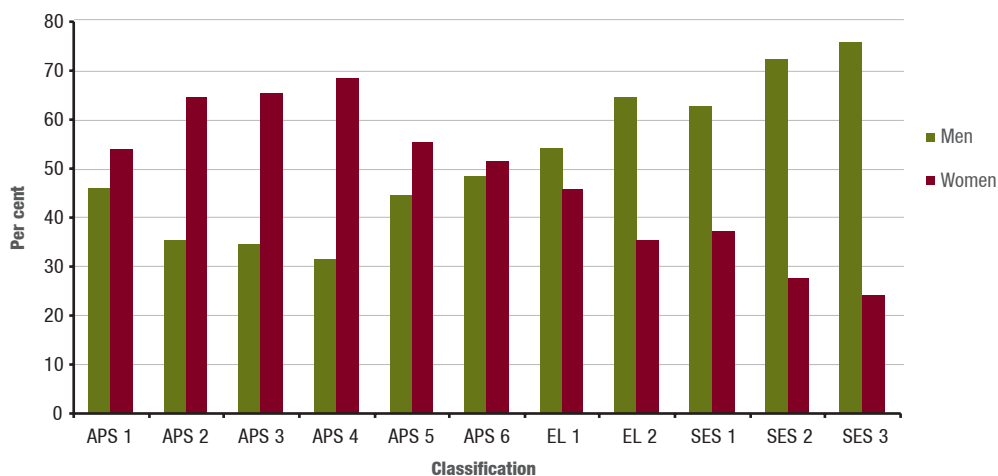
Women by classification

Women's representation continued to increase at all classification levels this year. The move of Medicare Australia into coverage supported the strong growth in women's representation at APS 3 level (up from 60.9% at June 2005 to 65.5% at June 2006).

Women's representation at higher levels also continued to rise during 2005–06. At June 2006, women comprised 34.8% of the SES (an increase from 33.2% in 2005) and 42.2% of EL employees (up from 40.2% in 2005). In particular, there was also a substantial increase at SES Band 3 level (up from 19.8% to 24.3%).

Women still outnumber men at all classification levels up to and including APS 6, with the proportion of women falling at higher classification levels. Figure 2.7 shows the proportion of men and women at selected classifications at June 2006.

Figure 2.7: Ongoing employees by classification and sex, June 2006

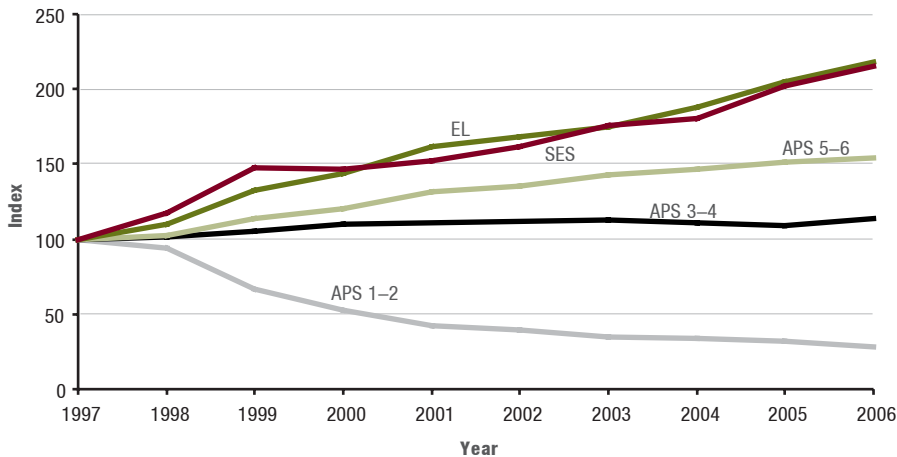


Source: APSED

As discussed above, the increase in female representation at EL and SES classifications continues at a faster pace than at lower classifications. In Figure 2.8, each number is weighted using the total number of ongoing employees at June 1997 as a base.⁵ The growth of women in the EL and SES classifications has substantially outstripped their growth in representation in other classifications. Women's representation at the APS 1–2 level has declined substantially.

Trends in women's employment by classification are discussed in detail in Chapter 5.

Figure 2.8: Change in the number of women at selected classifications, weighted and indexed, 1997 to 2006



Source: APSED

Mobility within the APS

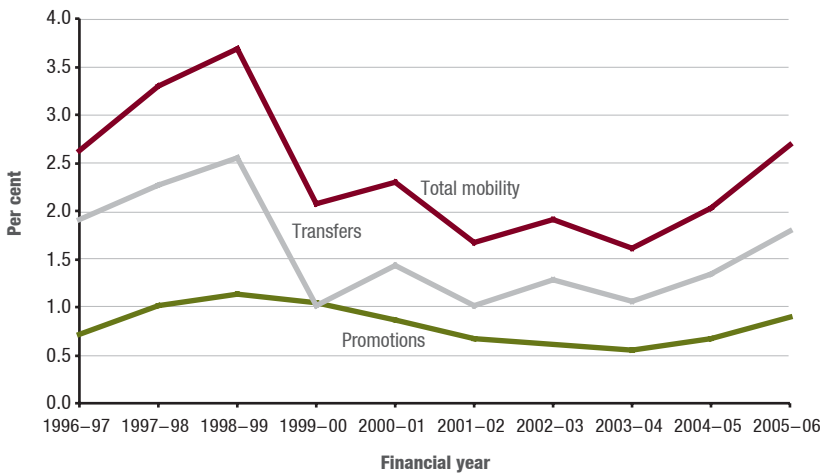
Mobility between agencies has varied over the past ten years, with a period of decline followed by recent growth (see Figure 2.9). The transfer rate has been higher than the promotion rate for most years, and the overall variation in mobility has been due more to fluctuations in transfers than in promotions.⁶ During 2005–06, the promotion rate between agencies was 0.9% and the transfer rate was 1.8%, compared with 0.7% and 1.3% respectively in the previous year. Overall, promotions⁷ rose from 13,070 to 14,604—a rise of 11.7%. Promotions between agencies rose at a higher rate than promotions within agencies, rising from 6.4% of all promotions in 2004–05 to 7.9% in 2005–06.

⁵ 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 1997, and rises and falls proportionally with the particular group's change in the weighted number over time.

⁶ 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 transfers 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)'. Movements due to machinery of government changes are not included in this analysis.

⁷ Advancements within a broadband are included with promotions for this analysis.

Figure 2.9: Ongoing employees—promotion and transfer rates between agencies, 1996–97 to 2005–06



Source: APSED

Over the past decade, mobility between agencies has been higher for women than for men. During 2005–06, the overall mobility rate (including both promotions and transfers) was 3.0% for women, and 2.4% for men.

Mobility rates are highest for SES employees, followed by EL employees. During 2005–06, mobility increased for all classification groups except for APS 1–2s—the increase was greatest for SES employees.

The MAC report, *Managing and Sustaining the APS Workforce*,⁸ noted concerns about a declining interagency mobility rate. The recent rise in mobility, particularly at the EL and SES levels, is pleasing and may well be a response to mobility being highlighted; however, the growth will need to be sustained for some years before it could be said that the decline has reversed.

Educational qualifications

The APS workforce is increasingly becoming a graduate workforce. The employee survey continues to confirm this trend. Employees at all levels are increasingly likely to have such qualifications, regardless of whether they entered the APS through a specific graduate programme or through general recruitment. Results from the employee survey show that around 47% of APS employees have a bachelor's degree or higher qualification. Data for APSED, while incomplete, shows a similar proportion with 51.9% of ongoing employees at June 2006 having graduate qualifications, an increase from 50.9% last year.⁹ Educational qualifications for newly engaged APS employees are discussed further below.

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

⁹ 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.

Age profile

The median age at June 2006 was 42 years (44 years for men, and 40 years for women) and was unchanged from the previous year. The largest age group is the 45–54 age group, followed by the 30–34 age group. Over 10% of employees are now aged 55 or over.

Last year's decline in employment of young people has reversed slightly this year. The number of employees aged under 25 rose both in actual number (from 4987 to 5973) and in proportional terms (from 4.0% to 4.4%) during 2005–06. This follows two years of decline for this age group. The proportional growth is particularly pleasing considering the strong growth in the size of the overall APS. In the 20–24 age group, the increase during 2005–06 compensates for the decline the previous year. For the under 20 years age group the number of employees, albeit small, is larger than it has been for most of the past decade. During 2005–06, the number rose from 145 to 255, an increase of 75.9%.

There was also substantial growth in mature workers, with the 55 and over age group increasing by 15.4% over the year. This age group now accounts for 10.6% of total ongoing employment, up from 10.1% in 2005. Table 2.2 shows the proportion of employees in ten year age groups, at June 1994, 1997, 2000, 2003 and 2006. Over this period, the median age of ongoing employees overall has risen one year every three years. The largest increase has been in the 45–54 age group, which has increased its share by eight percentage points and, for the first time, outnumbers the 35–44 age group. The 55 and over age group has also grown substantially, particularly in the past few years, and has increased its representation by over five percentage points over this period.

Table 2.2: Ongoing employees—proportion by age, 1994 to 2006

Age group	1994 %	1997 %	2000 %	2003 %	2006 %
Under 25	8.4	5.4	4.2	5.0	4.4
25–34	30.9	28.3	26.1	26.0	24.8
35–44	33.0	34.0	33.5	31.4	30.0
45–54	22.1	26.6	29.6	29.3	30.1
55 and over	5.6	5.7	6.6	8.3	10.6
median age	38	39	40	41	42

Source: APSED

In general, the APS has an older age profile than the Australian labour force, with a much lower proportion of young people and more in the 35–54 age group—60.1% of ongoing APS employees were aged 35–54 compared with only 45.1% of the labour force. The APS also has a lower proportion aged 55 or over—10.6% compared with 14.2% for the labour force.

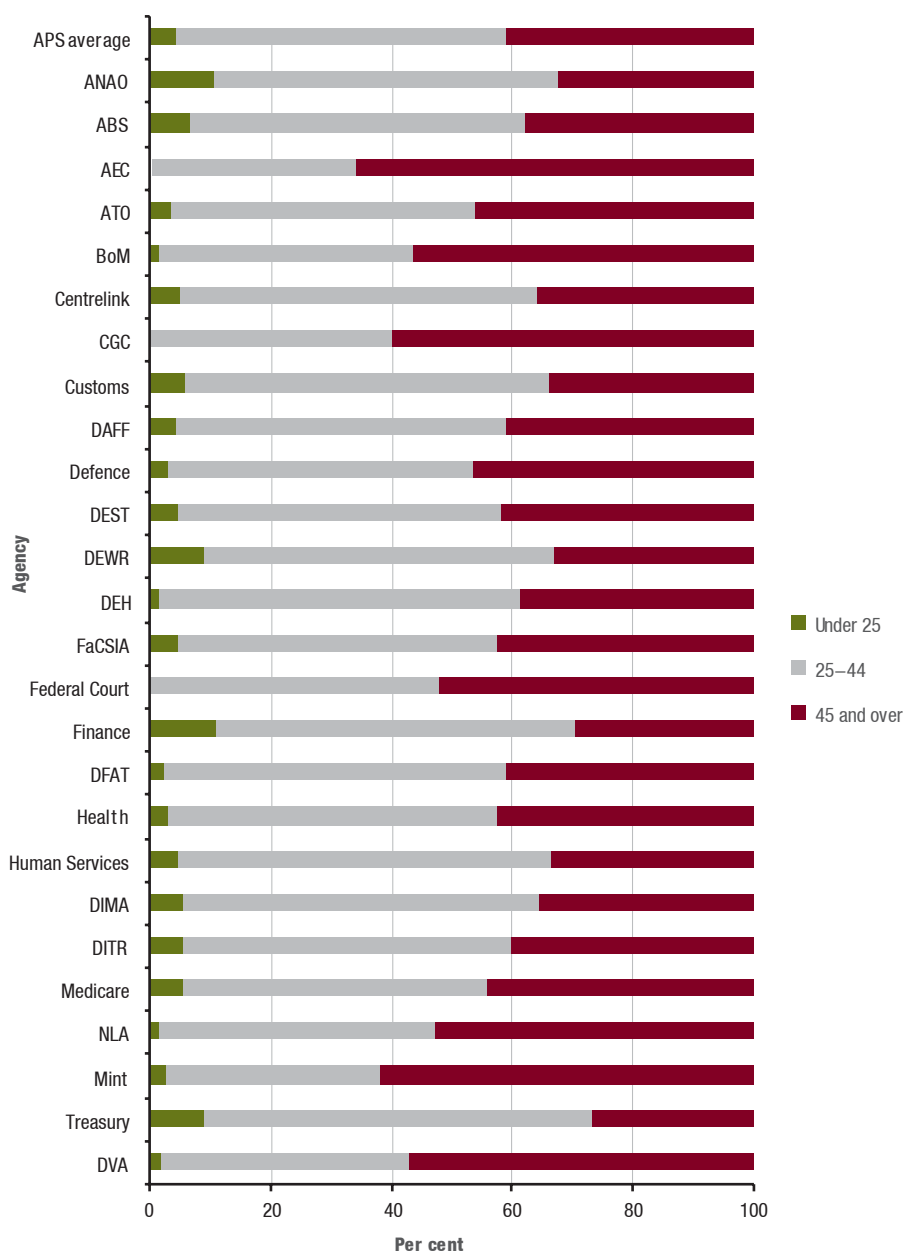
Employees in the 45 and over age group, who will be eligible for retirement in the next 10 years, account for 40.8% of ongoing employees. This group's representation has risen steadily over time, up from 40.4% last year and 32.3% in 1997. For EL and SES employees the proportions are even higher: 48.3% of ELs and 71.1% of SES are aged 45 or over (up from 45.1% and 69.5% in 1997).

The ageing of the cohort at more senior classifications over the past 10 years is particularly evident: for example, at June 2006 17.7% of SES and 10.9% of ELs were aged 55 and over compared with 13.0% of SES and 6.4% of ELs in 1997.

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 employees aged over 45 years may face more critical and different workforce planning, knowledge management and leadership capability

development issues than those with a younger age profile. Figure 2.10 shows comparative age profiles for ongoing employees in selected agencies at June 2006. 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, Finance (11.0%), ANAO (10.8%), Treasury (9.2%) and DEWR (8.9%) all have a proportion of their workforce aged under 25 that is at least twice the APS average of 4.4%. Similarly, some agencies have a much older age profile, with a higher proportion of employees aged 45 and over. Agencies in this group include AEC (65.9%), Royal Australian Mint (61.9%), CGC (60.0%), DVA (57.1%), BoM (56.3%), National Library (52.8%) and the Federal Court (52.0%).

Figure 2.10: Ongoing employees in selected agencies by age group, June 2006



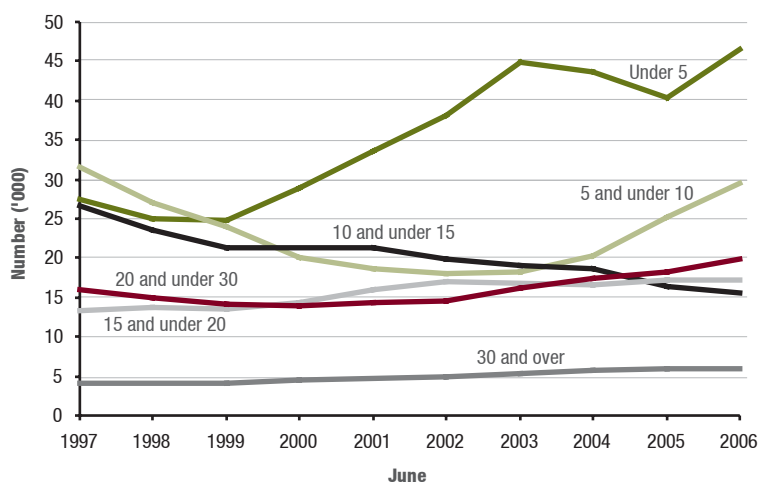
Source: APSED

Length of service

The median length of service in the APS for ongoing employees at June 2006 was 7.5 years, down from 9.0 years in 2005. This drop reflects the strong growth in engagements during 2005–06, both in Medicare Australia moving into coverage¹⁰ and engagements to other agencies. Figure 2.11 shows the profile of length of service over the past 10 years. The number of employees with fewer than five years service has risen steadily over this period, reflecting the growth in engagements, especially since 2000. As a proportion of all ongoing employees, those with fewer than five years service has risen from 23.0% in 1997 to 34.5% this year. In the past five years there have been 68,948 ongoing engagements, compared with 45,458 in the five years before that.

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

Figure 2.11: Ongoing employees—length of service, 1997 to 2006



Source: APSED

Location

Over one third (35.0%) of ongoing APS employees are located in Canberra. This is a slight increase over the previous year (34.9%). The rise would have been larger (to 35.6%) if not for the inclusion of Medicare Australia, which has a high proportion of employees located outside Canberra.

The proportion of employees located in Canberra increases at higher classification levels, for example, 62.2% of EL employees and 76.0% of SES are in Canberra compared with only 15.2% of APS 1–2s and 14.5% of APS 3–4s.

¹⁰ Length of service for all Medicare Australia employees is taken as their date of movement to the APS unless they had prior APS employment.

Diversity trends

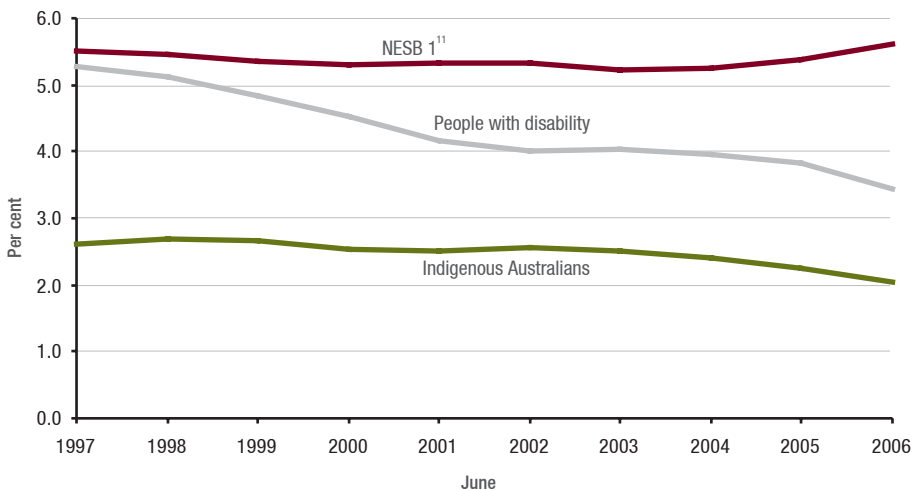
Workplace diversity makes a major contribution to capability in the APS, as well as being important to equity in employment. Trends in diversity in terms of sex, race and ethnicity, Indigenous status or having a disability, are particularly relevant to monitoring employment-related disadvantage. Information on the representation of EEO groups in the APS comes from individual agencies and is stored on APSED. The provision of EEO data by APS employees to their agency is voluntary (with the exception of sex). It is important that employees are given the opportunity to update their personal information, and that agencies then provide that data to the Commission. This issue is discussed further in Chapter 5.

Women's representation in the APS continues to grow. At June 2006, women's representation in the APS was 55.8%, up from 54.2% at June 2005. This increase of 1.6 percentage points was the largest since 1989–90. More than half of this growth relates to Medicare Australia. However, if Medicare Australia had not moved into coverage, women's representation would still have increased to 54.8%—an increase of 0.6 percentage points.

As outlined earlier in this chapter, women's representation continued to grow at all classification levels, particularly at EL and SES classifications.

Figure 2.12 shows changes in the proportion of ongoing employees in the equal employment opportunity groups other than women over the past ten years.

Figure 2.12: Trends in diversity for ongoing employees, 1997 to 2006



Source: APSED

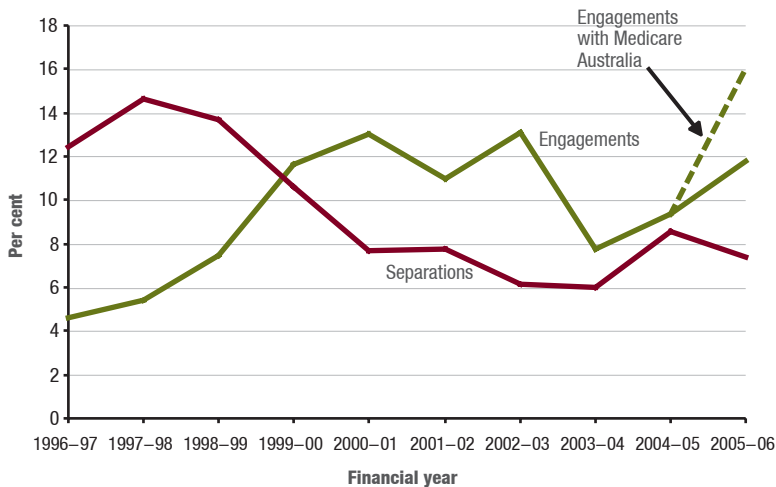
¹¹ In the absence of alternative measures, the concept 'NESB', representing people from a non-English speaking background, is used with APSED. This captures information about first language spoken, place of birth and parents' language. NESB1, the measure reported here, includes people born overseas whose 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.

For non-English speaking background (NESB1) employees, there was growth in both actual and proportional representation over the year to June 2006 (up from 5.4% in 2005 to 5.6% in 2006). However, the decline in employment for Indigenous Australians and people with disability has continued. The proportion of Indigenous Australians fell to 2.0%, down from 2.2% the previous year. Representation of people with disability fell more sharply, from 3.8% in 2005 to 3.4%. Both these groups declined in actual numbers as well as proportionally, despite strong growth in overall employee numbers. Some of this decline is likely to reflect the change in coverage of the Public Service Act in 2005–06, but the declines also reflect the systemic change in the nature of skill requirements in the APS. A detailed analysis of diversity in the APS, including the impact of Medicare Australia moving into coverage of the Act, can be found in Chapter 5.

Engagements and separations

There were 20,688 engagements and 9,506 separations of ongoing employees during 2005–06. Engagements rose by 79.4% over the previous year, and separations fell by 9.8% over the same period. However, all employees of Medicare Australia, which moved into coverage of the PS Act on 1 October 2005, are considered as engagements which artificially inflates this figure. Figure 2.13 shows ongoing engagements and separations as a proportion of all ongoing employees for the past 10 years. The dotted line represents the growth in engagements including Medicare Australia and the solid line represents the growth in engagements excluding Medicare Australia.

Figure 2.13: Ongoing engagements and separations as a proportion of ongoing employees, 1996–97 to 2005–06¹²



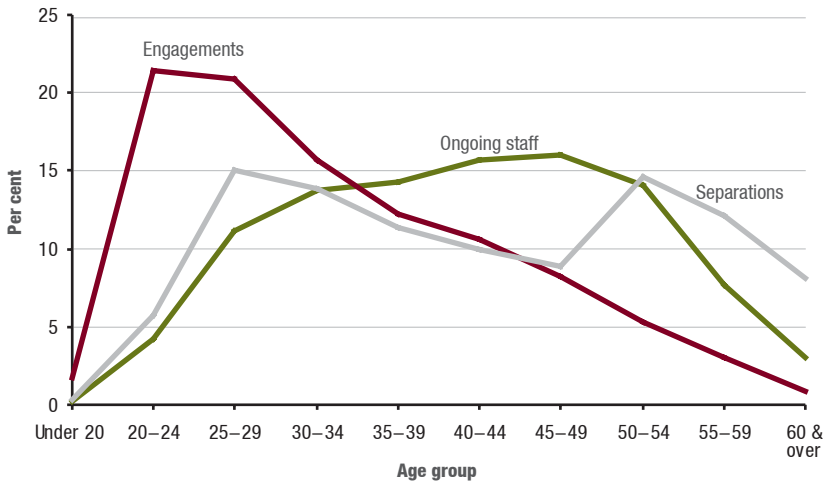
Source: APSED

Given that Medicare Australia accounted for over one-quarter (5471 or 26.4%) of all engagements during the year, further analysis in this section excludes all engagements to Medicare Australia to avoid distortion of the trends in engagements during 2005–06. Excluding Medicare Australia, there were 15,217 engagements during 2005–06, an increase of 32.0% over the previous year.

¹² All employees of Medicare Australia who moved into coverage of the PS Act on 1 October 2005 are considered as engagements to the APS.

Figure 2.14 compares the age profile of engagements and separations during 2005–06 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 2005–06, 21.0% of those who left were aged under 30 years. For further analysis of ageing trends, see Chapter 5.

Figure 2.14: Age profile of ongoing engagements and separations, 2005–06

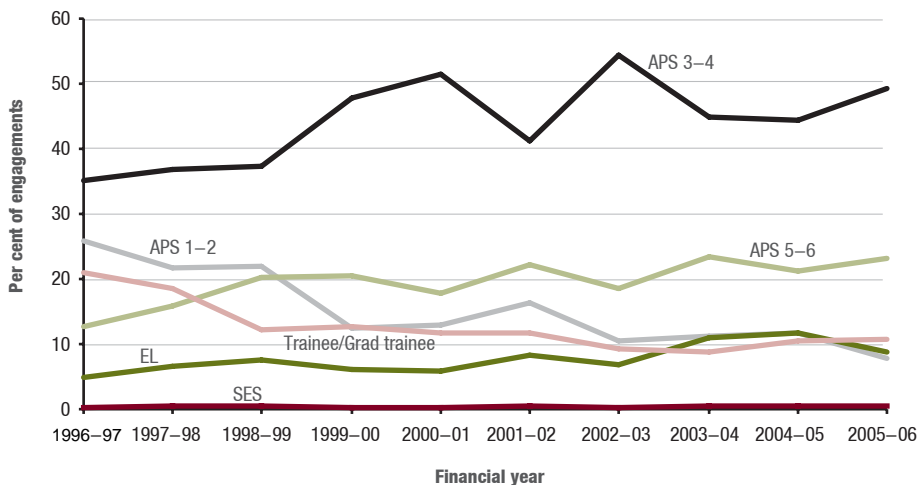


Note: Excludes engagements to Medicare Australia
Source: APSED

Engagements

The sharp rise in engagements this year continues the fluctuating pattern for most of the past decade. However, even excluding Medicare Australia, the total number of engagements was the highest for almost 20 years.

Figure 2.15: Ongoing engagements by classification, 1996–97 to 2005–06



Note: Excludes engagements to Medicare Australia
Source: APSED

Figure 2.15 shows the proportion of engagements by classification for the past 10 years. The long-term fall in engagements at APS 1–2 classification levels has continued this year—down from 1350 in 2004–05 to 1170 in 2005–06—after reversing in the previous two financial years. The decline in engagements at these levels was not large, however the fall in proportional terms was much greater (from 11.7% of all engagements in 2004–05 to 7.7% in 2005–06). This was due to the large increase in overall engagements.

Most ‘base-grade’ recruitment is now at the APS 3–4 levels, or through Graduate and other trainee classifications. During 2005–06, engagements at APS 3–4 levels rose from 5127 to 7501, an increase of 46.3%. APS 3–4 engagements accounted for almost half of all engagements during 2005–06, more than twice the number of any other classification level.

The other classification group which grew most in proportional terms was the SES, where engagements rose from 48 in 2004–05 to 73 in 2005–06—an increase of 52.1%.

Trainee and Graduate engagements rose by 33.0% during 2005–06, remaining relatively steady as a proportion of total engagements. The agencies with the largest increase in Graduate APS recruitment were Defence (up from 29 in 2004–05 to 125 in 2005–06), DEWR (up from 64 to 120) and ABS (up from 48 to 87). The agency with the greatest decrease in Graduate APS engagements was the ATO (down from 259 in 2004–05 to 130 in 2005–06).

Engagements at APS 5–6 levels also increased strongly this year, up by 44.4%. Engagements of ELs actually fell by 1.2% (from 1349 to 1333). As a proportion of all engagements, ELs fell from 11.7% in 2004–05 to 8.8% in 2005–06.

Although data on educational qualifications is incomplete, it does show that the trend for new recruits to also be graduates has risen from around 27% twenty years ago to over 63% in 2005–06.¹³ The quality of data on educational qualifications, provided by agencies however, continues to be of concern. Agencies have provided data for only around one-quarter of those engaged during 2005–06.

Women accounted for 59.9% of engagements during 2005–06, up from 58.1% last year.

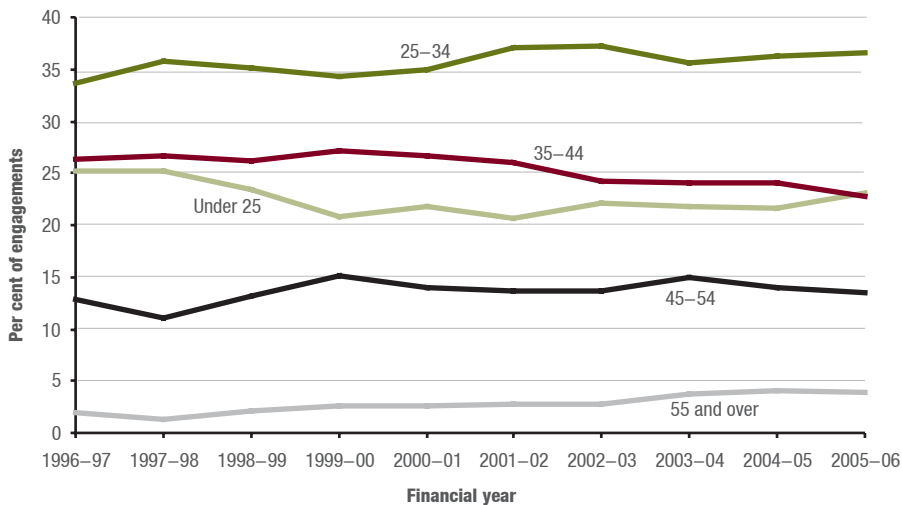
The number of ongoing engagements rose in all age groups this year. As a proportion of all engagements, however, all age groups from 35 and above fell. Figure 2.16 shows changes in the age profile of engagements for the past 10 years. The strongest growth this year was in the under 25 age group, which rose from 21.7% of all engagements during 2004–05 to 23.1% during 2005–06. Engagements in the 25–34 age group also rose proportionally, up from 36.2% to 36.6% of all engagements. This is an important development given the ageing of the APS workforce identified earlier in this chapter, and discussed further in Chapter 5.

There was a slight fall in the proportion of engagements in the 55 and over age group—the first time that this group has not risen in proportional terms since 1997–98.

The median age of engagements during 2005–06 was 31 years.

¹³ 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.

Figure 2.16: Ongoing engagements by age group, 1996–97 to 2005–06



Note: Excludes engagements to Medicare Australia
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 proportion of opportunities filled by engagements and promotions. Over the past decade, there has been a steady increase in the proportion of opportunities filled by engagement—from 35.3% in 1996–97 to 51.5% in 2005–06. Excluding ‘base-grade’ recruitment—APS 1 to APS 3, Graduate APS and trainee classifications—the proportion of opportunities filled by engagement has risen from 19.9% in 1996–97 to 33.6% in 2005–06.

Last year’s report noted that the long-term trend towards filling employment opportunities by engagement had reversed for some classification levels, particularly APS 6 and EL classifications during 2004–05. This year, the trend towards engagements is again evident for these and all other classifications except for APS 2, EL 2 and SES Band 3. Growth in engagements was particularly strong for the APS 4 classification.

Re-engagement and prior service

Of the 15,217 ongoing engagements (excluding Medicare Australia) during 2005–06, 1912 (12.6%) had previously worked in the APS as ongoing employees. Of these, just over one-quarter (515) 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 6.2 years.

Of these ongoing engagements who had previously also worked as ongoing employees, the majority have returned to either the same level, or one level higher or lower, than the level they were at as ongoing employees.

A total of 4666 people (30.7% of engagements) who were engaged as ongoing employees during 2005–06 had previously worked as non-ongoing employees in the APS. Of these, 3939 were engaged as ongoing employees by the same agency in which they were previously non-ongoing. This group accounted for over one-quarter of all engagements during 2005–06—non-ongoing employment continues to be a major entry point into the APS. The median length of service as a non-ongoing employee prior to their ongoing engagement was 1.0 years.

These two totals include 873 people who had both non-ongoing and ongoing previous service.

A total of 9497 (62.4%) of the ongoing engagements during 2005–06 had no prior experience in the APS.¹⁴

Of the 11,802 non-ongoing employees at 30 June 2006 (including those in Medicare Australia), 2104 (17.8%) had previously worked in the APS as ongoing employees. In general, the proportion with this prior experience increased with classification, up to EL 2 level where 46.5% of non-ongoing employees had previously worked as ongoing employees. For non-ongoing SES employees, the proportion with previous ongoing experience was 39.5%. Previous ongoing experience was also high among older non-ongoing employees, with 55.3% of non-ongoing employees in the 55–59 age group and 47.2% in the 60 and over age group having previously worked as ongoing employees. These high levels of prior ongoing experience suggest that some people, especially mature-aged workers, are returning to the APS on a more flexible basis after retiring or resigning.

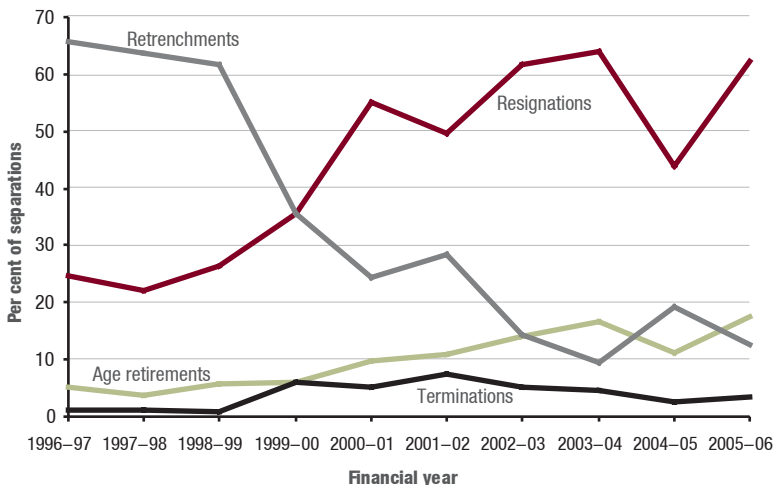
As was the case for ongoing engagements, most non-ongoing employees with previous ongoing experience have returned to either the same level, or one level higher or lower, than the level they were at as ongoing employees.

Separations

There were 9506 separations of ongoing employees during 2005–06, a decrease of 9.8% on the 10,540 the previous year. The decrease was mainly due to the large number of separations during 2004–05 resulting from compulsory moves to non-APS agencies. The other separation type that fell this year was retrenchments (down by 631 or 36.7%). The largest proportional increases in separations were invalidity retirements (up by 24.8%) and terminations of appointment (up by 23.5%), although these groups are both small, accounting for only 5.9% of all separations during 2005–06.

Figure 2.17 shows how the main separation types have varied over the past 10 years.

Figure 2.17: Ongoing separations, 1996–97 to 2005–06



Source: APSED

¹⁴ 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.

Women accounted for 55.2% of ongoing separations during 2005–06—an increase from 46.4% the previous year. They were slightly over-represented in resignations (58.0%), and under-represented in age retirements (47.3%).

The agencies with the largest number of separations were Centrelink (2048), Defence (1090) and the ATO (1049). These three agencies accounted for 44.0% of all separations.

Separations by age group for 2004–05 and 2005–06 are shown in Table 2.3. The proportion of ongoing employees in each age group at June 2005 is included for comparison.

Table 2.3: Separations of ongoing employees by age group, 2004–05 and 2005–06

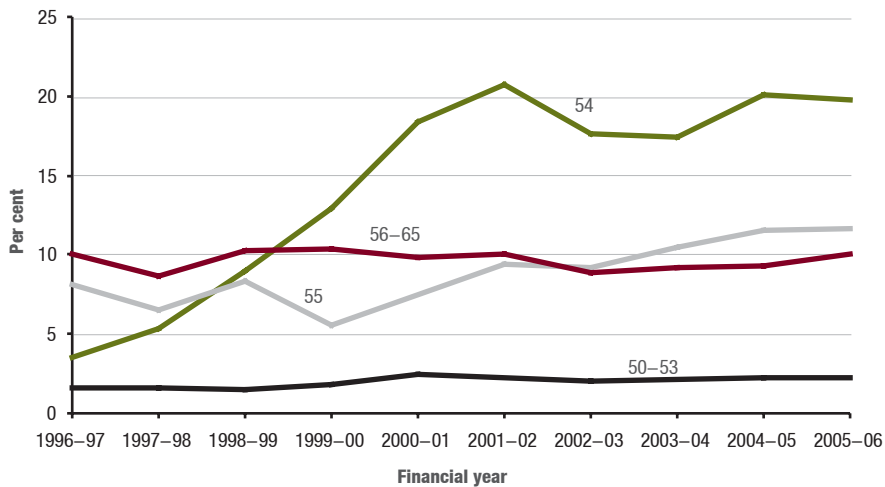
Age group	2004-05		2005-06		% change 2004–05 to 2005-06	Ongoing employees at June 2006 %
	No.	%	No.	%		
Under 20	19	0.2	27	0.3	42.1	0.2
20–24	608	5.8	541	5.7	-11.0	4.2
25–29	1585	15.0	1431	15.1	-9.7	11.1
30–34	1552	14.7	1316	13.8	-15.2	13.7
35–39	1213	11.5	1085	11.4	-10.6	14.3
40–44	1191	11.3	949	10.0	-20.3	15.7
45–49	954	9.1	842	8.9	-11.7	16.0
50–54	1507	14.3	1391	14.6	-7.7	14.1
55–59	1135	10.8	1156	12.2	1.9	7.6
60 & over	776	7.4	768	8.1	-1.0	3.0
Total	10540	100.0	9506	100.0	-9.8	100.0

Source: APSED

Although the number of separations fell in most age groups, the fall was generally smallest in older age groups. Comparing separations to the age profile of the APS, those employees aged under 30 and those aged 55 or older separated at a higher rate than their APS representation. The 40–49 age group was particularly under-represented in separations (see Figure 2.15).

Figure 2.18 shows the proportion of 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 incentives 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 part of that period. The actual number of age 54 resignations has risen steadily for each of the past three years.

Figure 2.18: Resignation/retirement rate for selected ages, 1996–97 to 2005–06



Source: APSED

Demography of the SES leadership group

The SES constitutes the senior management and leadership group of the APS, and comprised 1.7% of total ongoing APS employment at June 2006, a very slight increase on the previous year.¹⁵ The size of the SES has fluctuated over the past decade, from a low of 1574 in 1998 to 2253 this year—the largest since the SES was established in 1984.

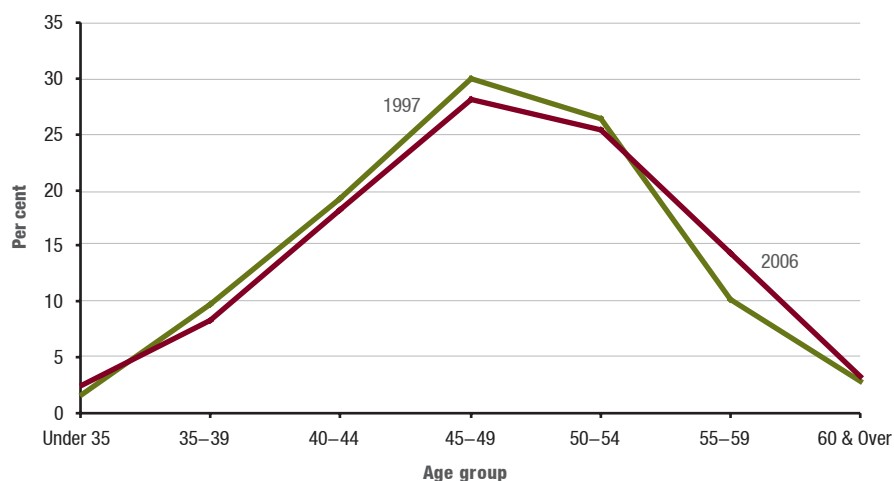
Band 1 SES employees make up the largest proportion at 75.6% of all ongoing SES employees. Band 2 comprise 19.5% and Band 3 comprise 4.9%. Proportionally, most of the growth this year was in the Band 3 cohort which grew by 15 or 15.6% during 2005–06. In actual numbers, the strongest growth was in Band 1 which grew by 174 or 11.4%. The agencies with the largest net increases in Band 1 employees were DIMA (up by 16 or 28.6%), DEST (15 or 30.6%) and Finance (12 or 27.3%).

The proportion of women in the SES continued to rise this year to 34.8%, up from 33.2% at June 2005; at June 1997 women’s representation was 19.7%. As is the case for the overall APS, women are concentrated at lower levels in the SES: 81.1% of SES women are at Band 1 compared with 72.6% of men, 15.4% are at Band 2 compared with 21.7% of men, and 3.4% are at Band 3 compared with 5.7% of men. During 2005–06, the strongest proportional growth for women in the SES was at Band 3, where their representation increased from 19 to 27 people—a rise of 42.1%.

Figure 2.19 shows the changing age profile of the SES over the past 10 years. The shift indicates an ageing of the SES workforce, consistent with the ageing of the APS overall. This year, the median age of SES remained steady at 48 years—49 years for men and 47 years for women. Since 1997 the proportion of ongoing SES employees aged under 45 has fallen slightly from 30.5% to 28.9%. The major change over time has been the increase in the proportion of SES in the 55–59 age group. This year is the first in which the proportion aged 50–54 is lower than it was 10 years ago. Overall, the trend towards an ageing of the SES appears to have settled somewhat.

¹⁵ The increase was from 1.64% to 1.67%—a rise of only 0.03 percentage points, but when rounded to one decimal place the increase is 0.1 decimal points.

Figure 2.19: Age profile for ongoing SES employees, 1997 and 2006



Source: APSED

The age profile for female SES is somewhat younger than for males: 35.2% of female SES are aged under 45 compared with 25.6% of male SES.

Table 2.4 indicates that over one third of SES Band 1s (37.8%) are aged 50 years or over. For Band 2s, over half are in that age group (55.4%). Band 3s have an even older age profile with almost three-quarters (73.9%) being over 50. Currently, 75 SES employees (comprising 3.3% of the SES cohort) are aged 60 and over. This compares with 74 or 3.6% at June 2005

Table 2.4: Ongoing SES employees by age group, sex and level, June 2006

Age group	SES 1			SES 2			SES 3			Total		% who are female
	M	F	Total	M	F	Total	M	F	Total	No.	%	
25-29	1	1	2	0	0	0	0	0	0	2	0.1	50.0
30-34	30	21	51	1	1	2	0	0	0	53	2.4	41.5
35-39	106	68	174	10	1	11	0	1	1	186	8.3	37.6
40-44	182	152	334	38	29	67	8	2	10	411	18.2	44.5
45-49	311	187	498	76	40	116	11	7	18	632	28.1	37.0
50-54	267	139	406	89	32	121	32	12	44	571	25.3	32.0
55-59	142	60	202	79	16	95	23	3	26	323	14.3	24.5
60 & over	27	9	36	25	2	27	10	2	12	75	3.3	17.3
Total	1066	637	1703	318	121	439	84	27	111	2253	100.0	34.8

Source: APSED

Further analysis of the composition of the SES leadership group can be found in Chapter 7. The data in that chapter excludes inoperative SES as, for that particular analysis, the focus is on capability requirements of the leadership cadre currently active within agencies, and this chapter focuses on trends in the overall composition of the APS.

Key chapter findings

The APS grew strongly this year, even allowing for Medicare Australia moving into coverage of the Act. Growth was evident in both ongoing and non-ongoing employment, and was spread across many agencies. The increase in employees reflects a range of new initiatives including in the areas of Welfare to Work, providing more support for families and carers, and further initiatives aimed at improving Australia's security, and enhancing levels of international engagement.

There has been a general consolidation of trends towards a more skilled workforce. This is shown, for example, in:

- continuing falls in recruitment at the APS 1 and 2 classifications
- a focus on the APS 3 and 4 classifications as the major entry point into the APS
- an increase in the proportion of employees with graduate qualifications
- the high proportion of recruits with graduate qualifications
- an increase in engagements at more senior levels.

There are some signs that the trend towards reduced mobility between agencies, highlighted through MAC's report on *Managing and Sustaining the APS Workforce* as a concern about the limited breadth of experience in future leaders, may be beginning to reverse. There have been improved rates of mobility between agencies for two years; however, this growth will need to be sustained for some years before the concerns identified through MAC could be said to have been addressed. Continuing high rates of external engagements, including from some employees returning to APS employment, is also adding to the breadth of experience in the APS.

Excluding Medicare Australia, the 'typical' new starter in the APS is a 31 year old with graduate qualifications, at the APS 3 level and more likely to be a woman than a man.

As in 2005, the 'typical' APS employee continues to be a 42 year old with graduate qualifications, at the APS 4 level and is again more likely to be a woman than a man.

The feminisation of the APS, evident for many years, appears to be accelerating, especially at higher classification levels. The growth in women's representation this year was exaggerated by the movement of Medicare Australia into coverage of the Act, but even allowing for this impact, growth in female representation is still strong. Women are, however, still concentrated at lower classifications, although their representation grew most strongly at SES Band 3 this year.

The decline in employment of people with disability and Indigenous Australians continued this year. These trends are symptomatic of structural change in the APS and a short-term turnaround is unlikely. The APS is making strenuous efforts to improve employment outcomes for these groups. These trends are discussed in more detail in Chapter 5.

A positive outcome this year was the strong growth in engagements for graduate trainees. The long-

term decline in youth employment continues to be of concern; however, the proportional growth in the under 25 age group this year is encouraging. This growth needs to be sustained to counter the further ageing of the APS workforce, reflecting the general ageing of the Australian workforce. At the other end of the spectrum, the continuing trend towards more flexible employment arrangements for older workers, such as part-time work and shorter-term non-ongoing projects, appears to be helping agencies do better at retaining mature-age workers.

The challenges for agencies for workforce planning and succession management, especially in the SES leadership group, remain a priority, particularly for those agencies with a substantial proportion of their workforce aged 45 or over.

Agencies need to ensure that they market themselves as a potential employer to a wide range of employees and continue to draw on the full diversity of the workforce. In this regard, some agencies need to look at how they can be more attractive, particularly at junior levels, to men and to younger employees.