



STATE OF THE SERVICE REPORT 2002-03

STATE OF THE SERVICE SERIES 2002-03



© Commonwealth of Australia 2003

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth available from the Department of Communications, Information Technology and the Arts. Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Intellectual Property Branch, Department of Communications, Information Technology and the Arts, GPO Box 2154, Canberra ACT 2601 or posted at <http://www.dcita.gov.au/cca> .

ISBN 0 975101463



This chapter explores current demographic and labour force patterns of staff covered by the PS Act. The main source of data is the APS Employment Database (APSED), maintained by the APS Commission.¹ APSED contains information about recruitment, separation, mobility and diversity for all ongoing and non-ongoing APS employees.² Further information on the size and composition of the APS can be found in the *Australian Public Service Statistical Bulletin 2002–03*.³

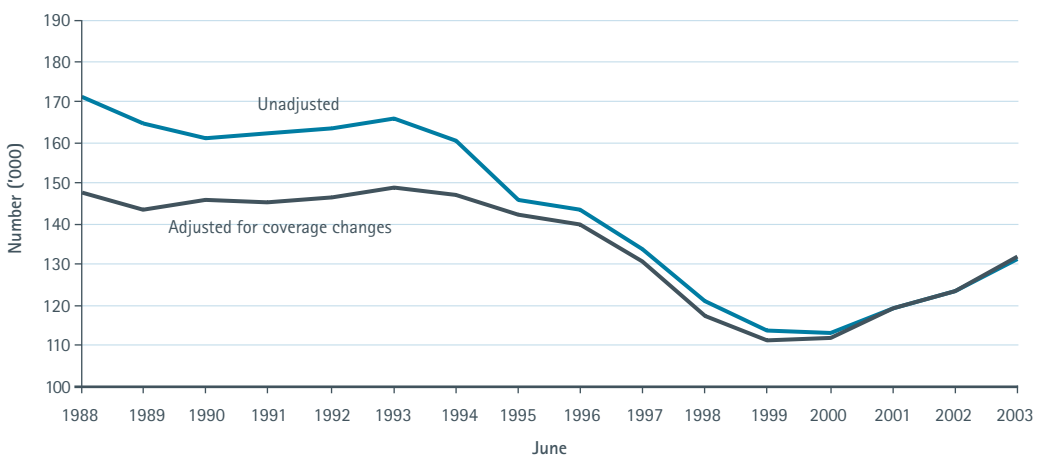
The structure of the APS has changed considerably over the past decade. A period of restructure and reduction in size and function has been followed by recent significant growth. As well, there have been changes in the profile of the workforce, with fewer unskilled jobs, an ageing workforce and an increasing proportion of women (though still concentrated in the lower classifications). These latter trends have been evident for some years, and are likely to persist.

GROWTH IN THE APS

The APS grew strongly during 2002–03, with a total of 131,711 employees at June 2003 compared with 123,533 at June 2002, an increase of 6.6%. This follows increases of 3.7% during 2001–02 and 5.1% during 2000–01. Adjusting for coverage changes, the APS is now back to the size it was in 1997.

Figure 2.1 shows the change in total staff numbers from June 1988 to June 2003. The adjusted line takes account of coverage changes in the APS over the period, by showing those staff employed in those functions that remained in the APS at 30 June 2003.

Figure 2.1: APS staff, 1988 to 2003



Source: APSED

¹ While every effort is taken to ensure data integrity, the APS Commission cannot be held responsible for inaccuracies in the data supplied. The APS Commission undertakes extensive audits of the data provided by agencies, and as a result of these audits, the APS Commission is able to correct errors in historical data. For this reason, some caution should be exercised when comparing the data presented in this volume with those from previous years. Most significantly, previously published data on ongoing staff may have been revised and therefore may not be directly comparable. Due to different data sources and data definitions, there may be variations between the data published here and those published by individual agencies.

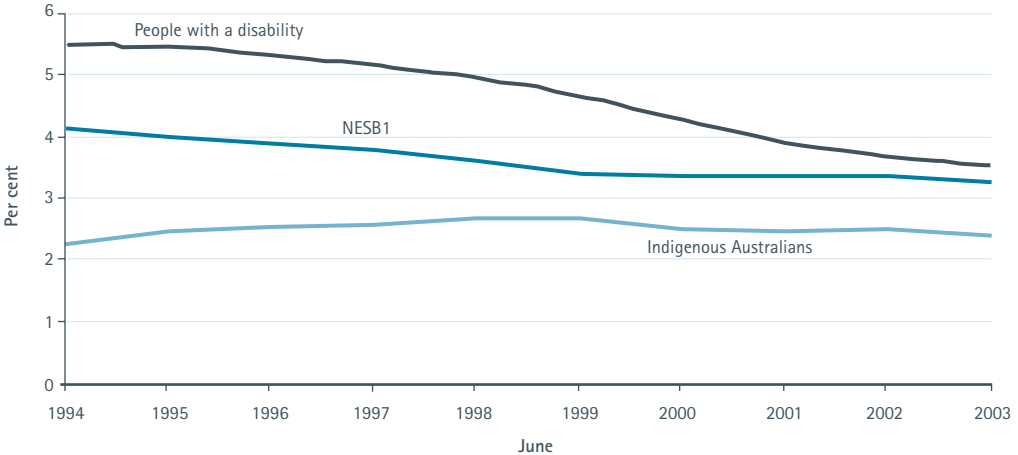
² SES data in this chapter include employees who are not in SES positions, but who receive a similar level of remuneration.

³ Conceptual definitions used in workforce analysis are set out in the Introduction and Explanatory Notes to the APS Statistical Bulletin.

DIVERSITY TRENDS

Workplace diversity is a major contribution to capability in the APS as well as being important to equity in employment. Trends in diversity, in terms of gender, race and ethnicity, Indigenous status or having a disability, are particularly relevant to monitoring employment-related disadvantage. Apart from gender, statistics on these areas of workplace diversity are dependent upon staff identifying themselves as belonging to these groups.

Figure 2.2: Trends in diversity for ongoing staff, 1994 to 2003



Source: APSED

Women represented 53.7% of total staff at June 2003, a slight increase from 52.8% last year. As shown in Figure 2.2, the proportion of staff in each of the other diversity groups declined slightly during 2002–03. The actual number of employees increased in all groups; however, their growth was not as large as that of the APS overall, so their proportional representation decreased. The number of ongoing employees who identified themselves as Indigenous rose from 2799 to 2879; of those from a non-English speaking background (NESB 1)⁴ the number rose from 3792 to 3920; the number for people who reported themselves as having a disability rose from 4138 to 4287.⁵ The proportion of NESB 1 fell from 3.4% to 3.3% and for those with a disability from 3.7% to 3.6%. These continue previous strong downward trends. The proportional decline amongst Indigenous employees was from 2.5% to 2.4%, confirming that the growth to 2.7% in 1999 has stalled.

A detailed analysis of diversity in the APS can be found in Chapter 8.

⁴ 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 parental heritage. 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 NESB parent, and those who were Australian born and had neither parent speaking English as a first language. Analysis of APSED data has found that this group does not have a substantial employment disadvantage compared to other workers, and is therefore not reported here.

⁵ The number of employees for whom incomplete data are recorded remains a concern, and will be monitored in next year’s report. In part, this incompleteness reflects the voluntary nature of providing EEO data. There is, however, a problem with some agencies either not collecting the data, or not having their HR system configured in such a way that the data can be readily provided to APSED.

ONGOING AND NON-ONGOING STAFF

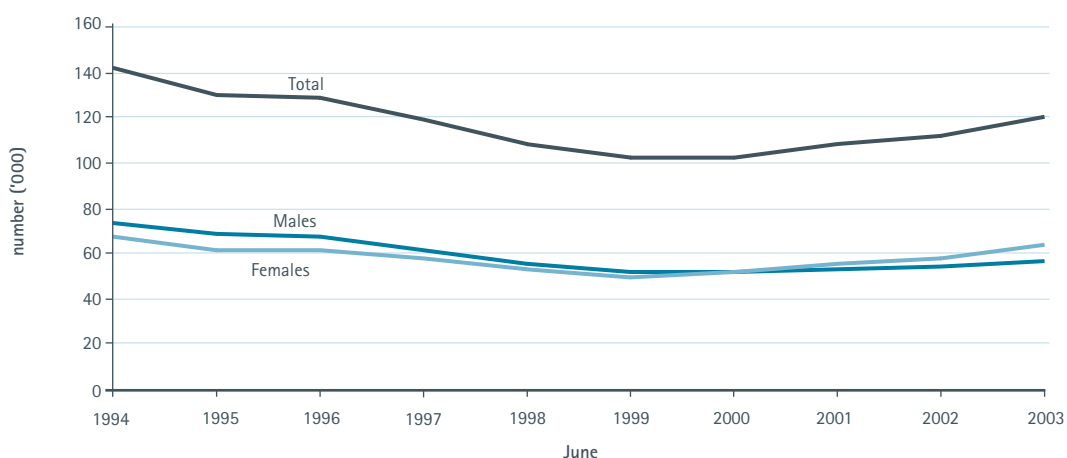
Both ongoing and non-ongoing staff numbers increased over the last year.

ONGOING STAFF

At June 2003 there were 120,062 ongoing staff in the APS, an increase of 7.0% on the previous year. This increase continued the pattern set for the previous two years, although the increase was much higher than either of the previous years (3.3% in the year to June 2002 and 5.6% to June 2001).

While numbers increased for both men and women, the increase was greater for women (8.8%) than for men (5.1%). These trends are shown in Figure 2.3.

Figure 2.3: Ongoing staff by gender, 1994 to 2003



Source: APSED

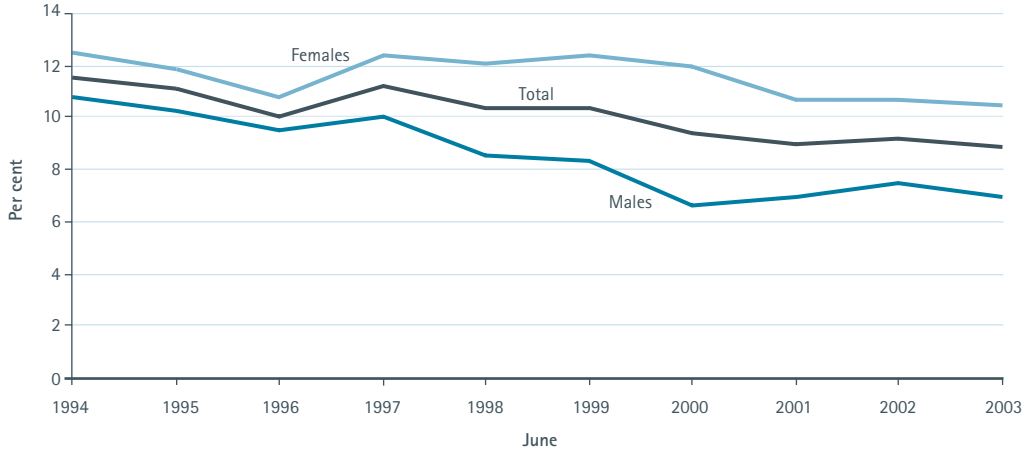
During 2002–03, the proportion of ongoing employees who were women rose from 51.9% to 52.8%, continuing the upward trend from previous years. At June 2003, women comprised 30.4% of the SES, an increase from 28.3% the previous year, and 37.8% of ELs, an increase from 36.7% the previous year.

The large increase in ongoing staff numbers was mainly due to increases in the Australian Taxation Office (ATO) (2560 or 14.5%), Centrelink (1877 or 8.1%) and the Department of Defence (Defence) (1232 or 7.2%). Smaller agencies that increased significantly in size included Defence Housing Authority (DHA) (185 or 38.9%), and National Museum of Australia (NMA) (45 or 32.1%). Those agencies that decreased their ongoing staff numbers during the year included the ABS (39 or 1.3%) and the National Library of Australia (NLA) (36 or 7.5%).

NON-ONGOING STAFF

Non-ongoing staff numbers rose slightly, from 11,371 to 11,649 at June 2003, although in percentage terms this was a fall from 9.2% to 8.8% of total staff. This fall in percentage continued the trend shown for most of the past decade, except for a slight rise last year. Figure 2.4 provides details of non-ongoing staff as a proportion of total staff from 1994 to 2003. As Figure 2.4 shows, the proportion of non-ongoing employment for both men and women has generally declined over the past decade, and the rate for women has been consistently higher than that for men.

Figure 2.4: Non-ongoing staff as a proportion of total staff, 1994 to 2003



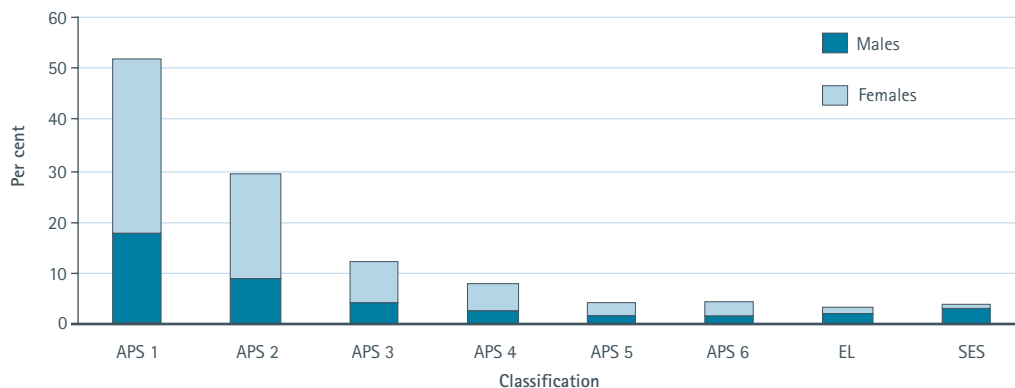
Source: APSED

The number of non-ongoing men decreased from 4377 (7.5%) at June 2002 to 4225 (6.9%) at June 2003. For women, the number increased from 6994 to 7424 over the same period; however, their representation in percentage terms dropped from 10.7% to 10.5% of total female staff. This percentage drop continues the downward trend of the past few years and reflects the large increase in the number of ongoing women rather than a decline in non-ongoing numbers for women.

Non-ongoing staff are concentrated at lower levels with 76.4% at the APS 1–4 classification levels. This compares with 43.8% of ongoing staff. More than half of all APS 1 staff (51.8%) are non-ongoing as are 29.2% of APS 2 staff. The representation of non-ongoing staff is much lower at higher classifications. This is shown in Figure 2.5, which also shows the proportion of non-ongoing employment for both men and women.

Women account for 63.7% of non-ongoing employees but are concentrated at lower levels. Women outnumber men at all classification levels up to APS 6, with more men than women at higher levels. For example, 68.4% of non-ongoing APS 1–2 employees are women compared with only 18.4% of non-ongoing SES employees.

Figure 2.5: Proportion of total staff at each classification who are non-ongoing by gender, June 2003



Source: APSED

In general, small agencies have a greater proportion of their staff engaged as non-ongoing than do large agencies, with the Equal Opportunity for Women in the Workplace Agency (EOWA) (62.1%), the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) (51.2%) and the Australian Institute of Family Studies (AIFS) (48.7%) having the greatest proportion of non-ongoing staff at 30 June 2003.

The median length of service for non-ongoing employees who separated during 2002–03 was six months.

PART-TIME

At June 2003, part-time staff accounted for 9.4% of total ongoing staff. While the absolute number of ongoing staff working part-time increased from 10,570 to 11,255 during the year, their proportional representation dropped marginally,⁶ and it will be interesting to see whether this trend continues next year in the light of the findings of the Management Advisory Committee (MAC) report on organisational renewal.⁷

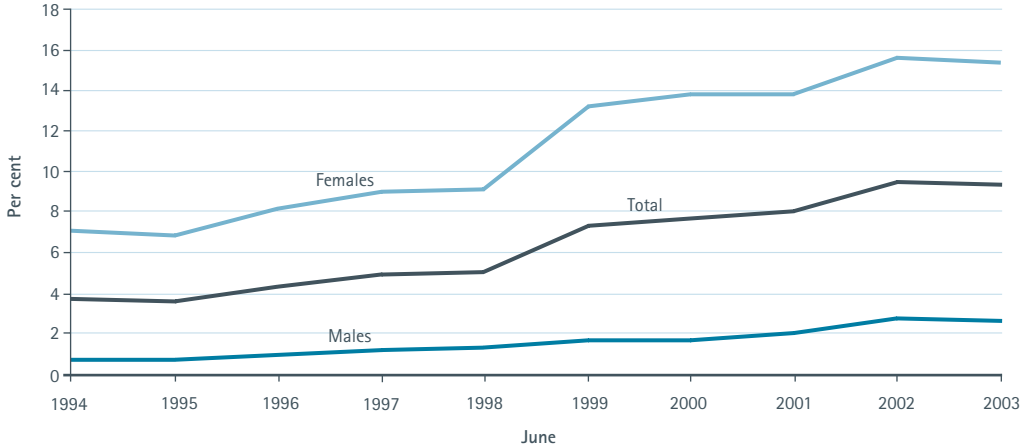
The representation of ongoing women working part-time continued to increase in absolute terms this year, but dropped slightly as a proportion of all women. For men, the trend towards part-time work has reversed slightly; for the first time in over a decade, both the number and proportion of men working part-time dropped slightly.

Female non-ongoing employees are more likely to be working part-time than any other group, with almost a quarter (24.9%) of non-ongoing women working part-time compared with 15.4% of ongoing women. For men the proportions are much lower; 16.6% of non-ongoing and 2.6% of ongoing work part-time.

⁶ While the percentage remained unchanged at 9.4%, there was a slight decrease (from 9.42% to 9.37%) that does not appear when the proportion is rounded to one decimal place.

⁷ MAC, *Organisational Renewal*, Report 3, 2003

Figure 2.6: Part-time ongoing staff by gender, 1994 to 2003



Source: APSED

Part-time work for women is highest in the 25–44 age group (18.5%). Only 2.8% of men in this age group work part-time, although this is still slightly higher than the overall male rate of 2.6%. For both men and women aged 45 and over, the proportion working part-time is lower (2.3% and 11.1% respectively) than the overall rates for men and women. Part-time employment is also concentrated at lower classification levels for both men and women, with 4.7% of ongoing men and 17.9% of ongoing women in APS 1–4 classifications working part-time.

Centrelink continues to be the largest employer of part-time staff, employing 33.9% of all part-time ongoing staff in the APS. These comprise 15.2% of their staff. The AIFS (28.2%), Australian Institute of Health and Welfare (AIHW) (25.0%) and NMA (25.4%) are the agencies with the highest proportion of ongoing part-time staff. Agencies with the largest increase in ongoing part-time staff over the year to June 2003 were Centrelink (an increase of 201 to 3816), the Department of Health and Ageing (Health) (an increase of 90 to 873), the Australian Customs Service (Customs) (an increase of 66 to 658) and the Department of Family and Community Services (FaCS) (an increase of 61 to 601).

CLASSIFICATION STRUCTURES

Table 2.1 compares staff numbers by classification, for June 2002 and 2003. Overall, there were increases at all classification levels above the APS 2 level, with the largest proportional increases at APS 3 and APS 6.

The decline in the proportion of staff at APS 1–2 levels (from 7.2% to 6.5%) continues a very significant long-term trend; the proportion in 1993 was 29.0% and in 1983 was 47.3%.

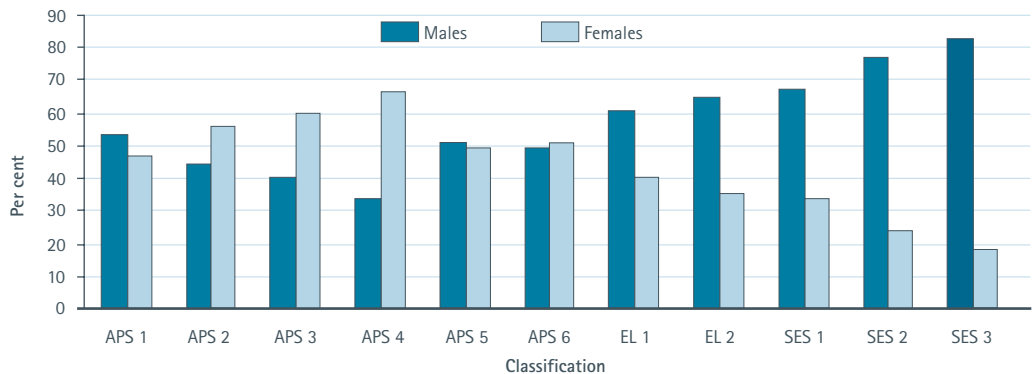
Table 2.1: Ongoing staff numbers by classification, June 2002 and 2003

Classification	30 June 2002	%	30 June 2003	%
APS 1	1548	1.4	1507	1.3
APS 2	6533	5.8	6352	5.3
APS 3	13781	12.3	15585	13.0
APS 4	28452	25.4	29124	24.3
APS 5	11966	10.7	12766	10.6
APS 6	24398	21.8	26969	22.5
EL 1	13100	11.7	14276	11.9
EL 2	9713	8.7	10343	8.6
SES	1730	1.5	1872	1.6
Trainee	388	0.3	363	0.3
Graduate	553	0.5	905	0.8
Total	112162	100.0	120062	100.0

Source: APSED

There is still a considerable gender difference, especially at higher classification levels. Figure 2.7 shows the proportion of men and women at selected classification levels. With the exception of APS 1, women outnumber men at lower levels, with the proportion of women falling sharply at higher levels.

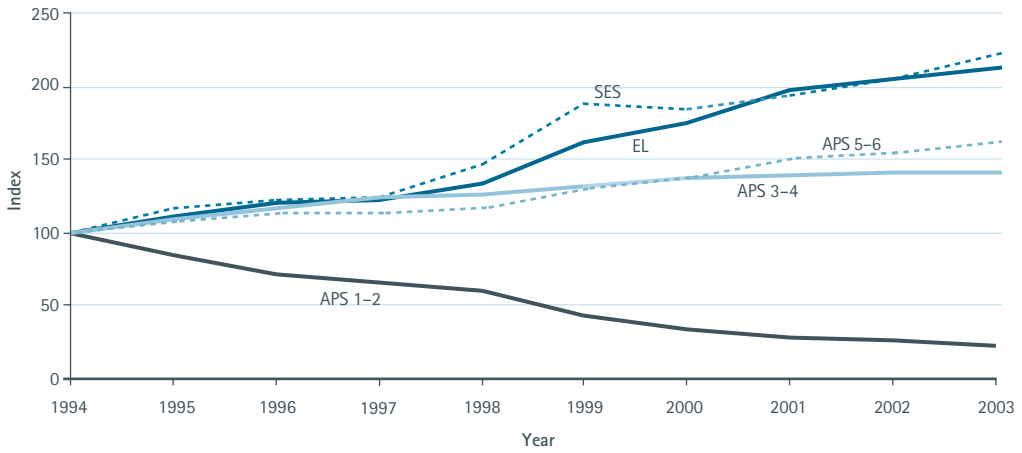
Figure 2.7: Ongoing staff by classification and gender, June 2003



Source: APSED

The very high representation of women at APS 3 and 4 levels reflects in part the high proportion of base grade recruits and graduate trainees now who are women. The pattern of lower representation of women at higher classification levels is slowly changing. Figure 2.8 is based on an index with a base of 100 at June 1994. The value rises and falls proportionally with a particular group’s change in the weighted number over time. It shows that the greatest improvements have been at the most senior levels (SES followed by ELs), though obviously these are from the lowest base levels in 1994.

Figure 2.8: Ongoing staff—change in number of women at selected classifications, weighted and indexed, 1994 to 2003

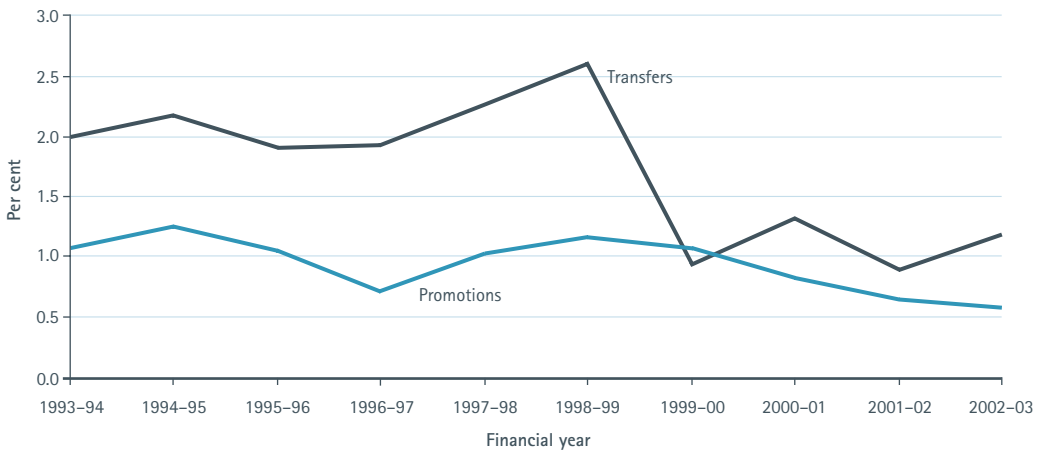


Source: APSED

MOBILITY

Mobility between agencies has varied over the past 10 years, with some decline since 1998–99. As shown in Figure 2.9, the transfer rate between agencies has mostly been higher than the promotion rate.⁸ During 2002–03, the transfer rate between agencies was 1.2%, and the promotion rate was 0.6%. While mobility between agencies has declined a little over the last four years, engagements from outside the APS at nearly all classification levels have increased significantly.

Figure 2.9: Ongoing staff—promotion and transfer rates between agencies, 1993–94 to 2002–03



Source: APSED

⁸ The terminology of ‘transfers’ and ‘promotions’ have been used in this chapter because they are commonly understood by most APS employees. The terminology used in the PS Act is ‘movement at level’ for transfer between agencies. Promotion is defined as ‘the assignment to the employee of duties as a higher classification than the employee’s current classification (whether or not the employee moves to another agency)’.

AGE PROFILE

In absolute terms there were increases in the number of staff in all age groups during 2002–03. In percentage terms, the largest increases were in the 20–24 and 55 and over age groups.

Table 2.2 shows the proportion of staff in 10 year age groups at June 1994, 1997, 2000 and 2003. In the year to June 2003, the largest increase was in the 55 and over age group, which rose 0.7 percentage points. In contrast, the 35–44 year age group’s representation, while the largest of any age group, dropped 1.0 percentage points. This pattern is very similar to that which occurred in the previous year.

Table 2.2: Ongoing staff—proportion by age

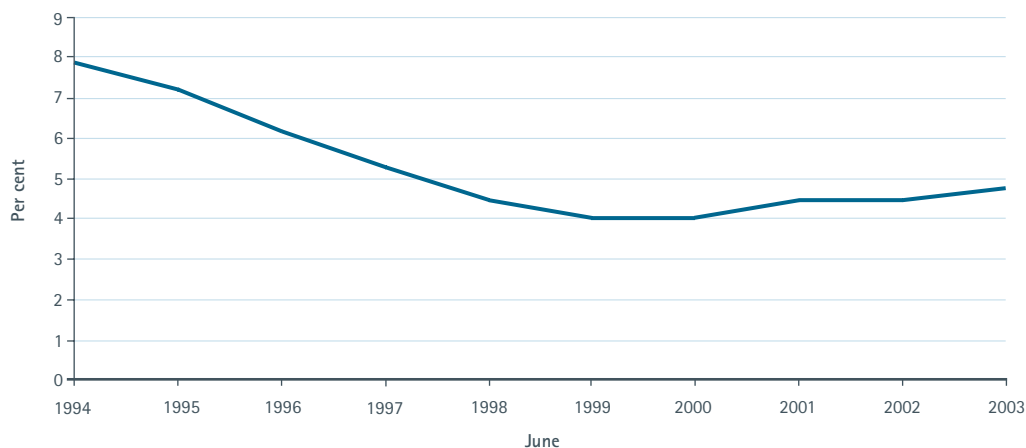
Age group	June 1994 (%)	June 1997 (%)	June 2000 (%)	June 2003 (%)
Under 25	8.4	5.4	4.2	4.9
25–34	30.9	28.3	26.1	26.0
35–44	33.0	34.0	33.5	31.4
45–54	22.1	26.6	29.6	29.3
55 and over	5.6	5.7	6.6	8.3

Source: APSED

In the 10 years to June 2003, the strongest growth, in percentage terms, has been in the 45–54 age group. The group to show the highest percentage decline over the decade was the under 25s, although this is mainly due to decline in the under 20 group. The 55 and over age group has grown steadily over the period, particularly in the past couple of years.

Figure 2.10 shows that the proportion of employees aged 20–24 has recovered somewhat since 2000, after declining substantially for several years. At June 2003, this age group accounted for 4.8% of ongoing employees, up slightly from 4.5% the previous year.

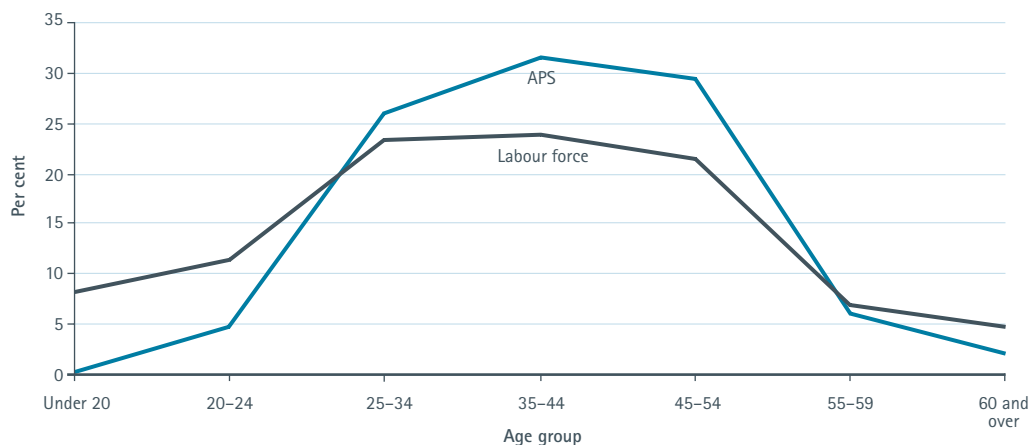
Figure 2.10: Ongoing staff—representation of 20–24 year olds, 1994 to 2003



Source: APSED

Figure 2.11 shows that, in general, the APS is older than the wider Australian labour force, with a significantly lower proportion of young people and more in the 35–54 age group. There is also a lower proportion of older people (aged over 55) in the APS. In 2003, 60.8% of APS employees were aged 35–54, compared with only 45.2% of the labour force.

Figure 2.11: Age profile of APS ongoing staff and labour force, June 2003



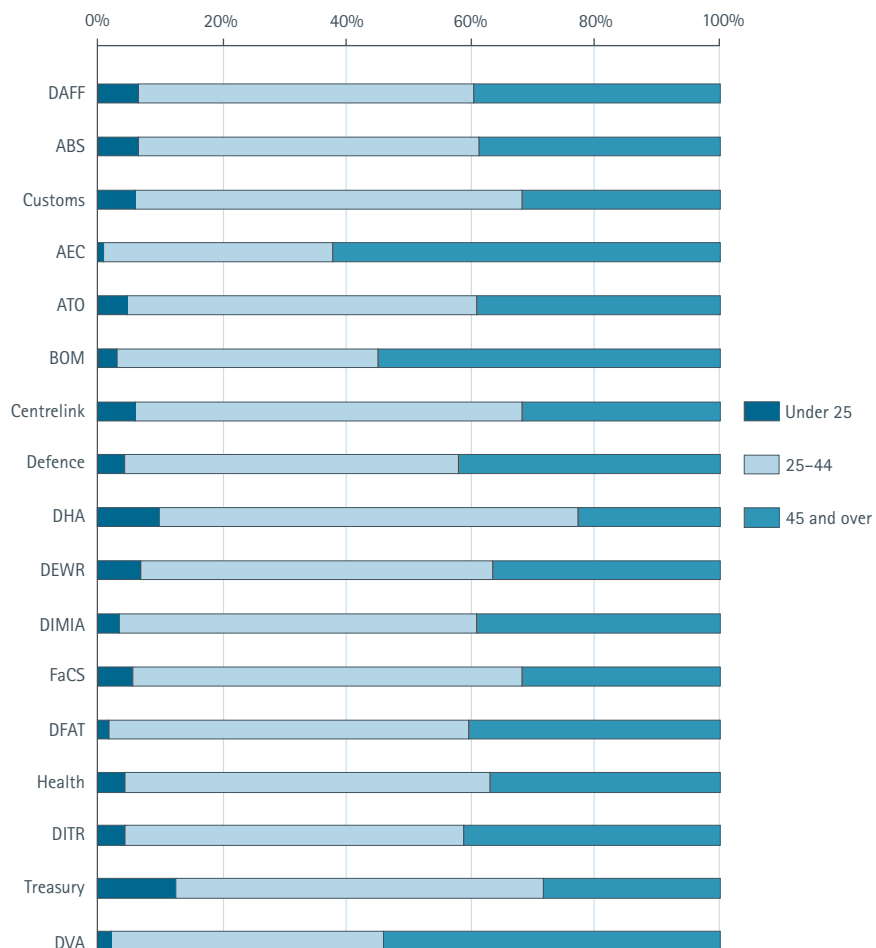
Source: APSED and ABS

In broad terms, the age profile of the APS would seem to reflect four major factors: the ageing of the Australian workforce generally; the large cohort of recruits into the APS in the late 1960s and early 1970s; the skills structure of the APS with its emphasis on graduates and clerical skills; and its superannuation arrangements, offering pensions from age 55.

Staff in the 45 and over age group, who will be eligible for retirement within the next 10 years, account for over a third of ongoing employees (37.6%). They are more likely to be in senior classifications and, in general, have longer length of service than average. The proportion of staff in this age group varies between agencies. For example, only 21.7% of staff in the Australian Protective Service (Protective Service) and 28.1% of Treasury staff are aged over 45, compared with 55.0% in the Bureau of Meteorology (BOM) and 53.9% in the Department of Veterans’ Affairs (DVA). More typically, around 40% of staff in Defence, ATO, the Department of Foreign Affairs and Trade (DFAT) and ABS are in this age group.

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 may face more critical workforce planning and knowledge management issues than those with a younger age profile. Figure 2.12 shows comparative age profiles for selected APS agencies at June 2003. The graph includes all those agencies with more than 1500 ongoing staff, as well as some others with particularly young or old age profiles.

Figure 2.12: Ongoing staff in selected agencies by age group, June 2003



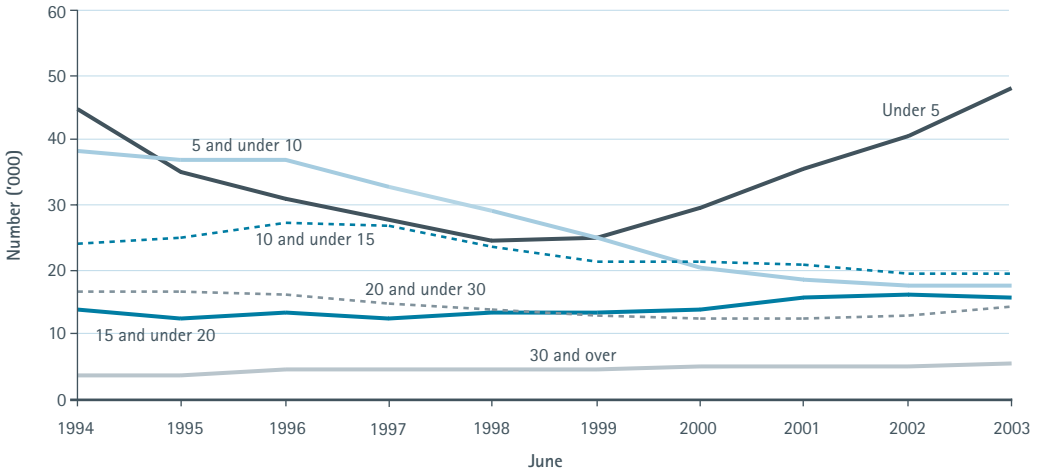
Source: APSED

The ageing of more senior ongoing employees over the last 10 years is particularly pronounced. For example, 27.4% of SES and 18.1% of EL employees were aged 50–54 years at June 2003; compared with 21.1% and 11.9% at June 1994. A similar pattern is shown for the 55 and over age group, with 15.1% of SES and 8.5% of ELs aged over 55, compared with 9.9% and 6.0% 10 years ago. Thus, 42.5% of the SES and 26.6% of ELs could, if they wished, retire with superannuation benefits within five years.

LENGTH OF SERVICE

At June 2003, the median length of service for ongoing employees was eight years. This was a reduction from nine years at June 2002, caused mainly by the continued increase in engagements into the APS in recent years. Men have a median length of service of 10 years, which is considerably longer than the six years for women. Figure 2.13 shows the profile of length of service over the 10 years to 2003.

Figure 2.13: Ongoing staff—Length of service, 1994 to 2003



Source: APSED

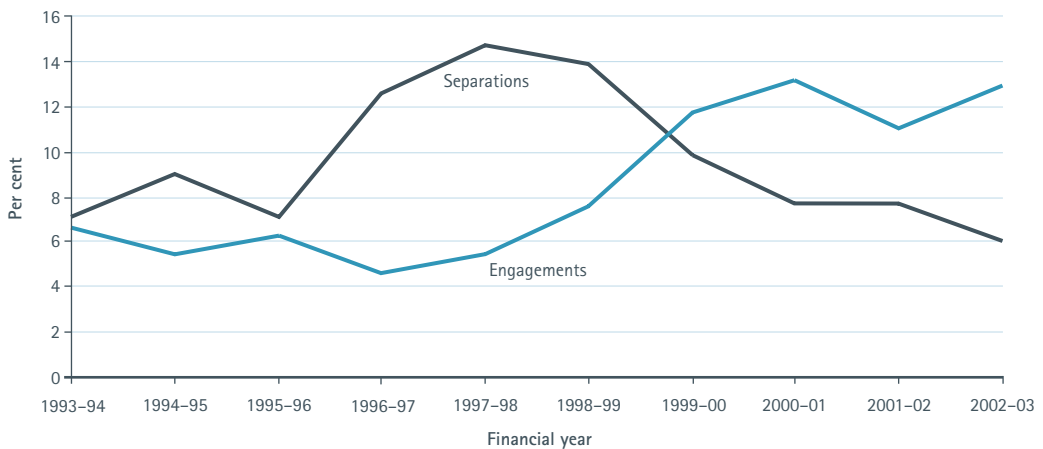
The rise in the number of staff with fewer than five years service, from 24,234 at June 1998 to 47,778 in 2003 reflects the increase in engagements for the past five to six years. As a proportion of total ongoing staff, this group’s representation has risen from 22.4% to 39.8% between 1998 and 2003.

In contrast, the number of staff with between five and 10 years service continued the decline that has been reported in previous years, although the decline levelled somewhat this year.

ENGAGEMENTS AND SEPARATIONS

There were 14,973 engagements and 7070 separations of ongoing staff during 2002–03. Engagements were up and separations were down (from 12,196 and 8560 respectively the previous year). Engagements have more than doubled in the past five years, and separations have halved over the same period. Figure 2.14 shows ongoing engagements and separations as a proportion of all ongoing staff for the past 10 years. The widening gap between engagements and separations during 2002–03 reflects the increased rate of growth in the APS overall.

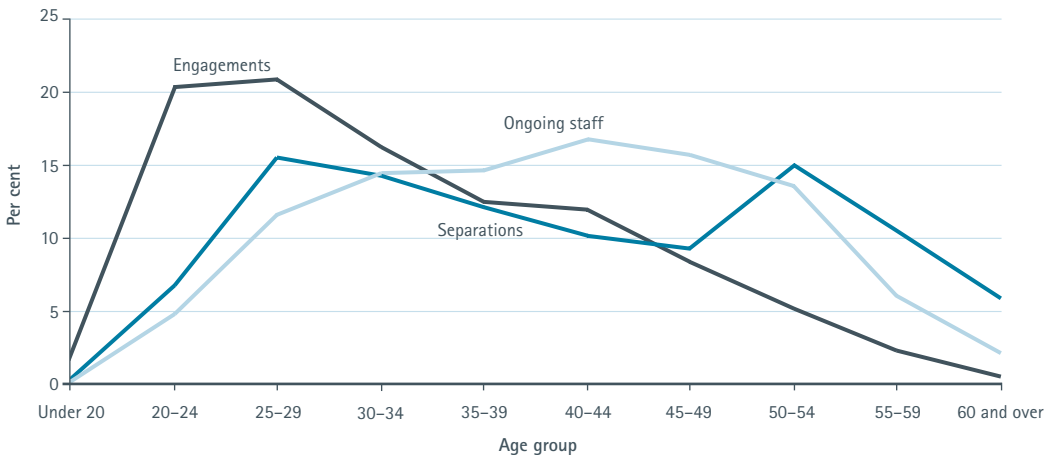
Figure 2.14: Ongoing engagements and separations as a proportion of total ongoing staff, 1993–94 to 2002–03



Source: APSED

Figure 2.15 compares the age profile of engagements and separations during 2002–03 with the age profile of the APS overall. As expected, the age profile for engagements is much younger than for the APS overall. Separations for those aged under 30 are also higher than the APS average. During 2002–03, 22.6% of those who separated were aged under 30. This was a slight increase from 19.5% the previous year. For separations, there are two peaks—in the 25–29 age group and also in the 50–54 age group. For more analysis of ageing trends, see Chapter 8.

Figure 2.15: Age profile of ongoing engagements and separations, 2002–03



Source: APSED

ENGAGEMENTS

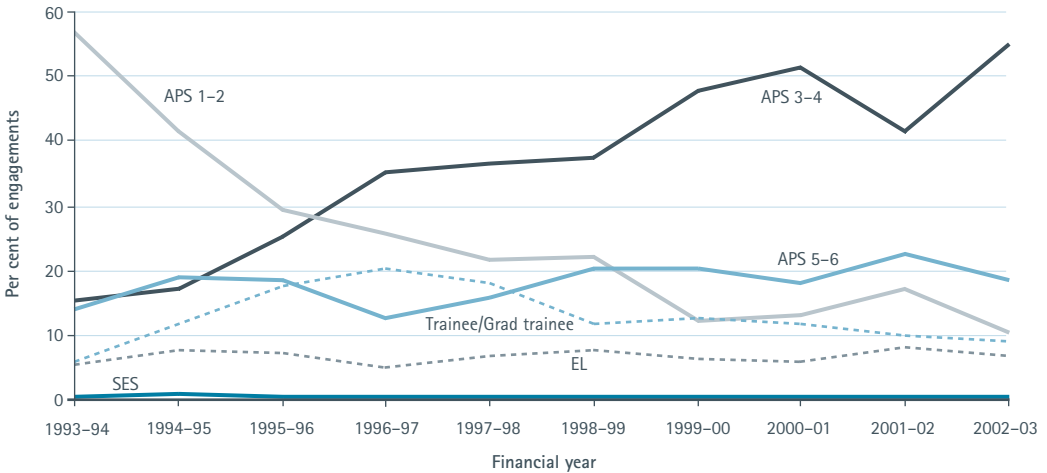
During 2002–03, there was strong growth in engagements, with a rise of 2777 or 22.8%, after a decline the previous year. The number of engagements has not been this high since 1989–90. Figure 2.16 shows the proportion of engagements at all classification levels for the past 10 years. Engagements at the APS 1–2 levels have dropped dramatically over the period, and fell again during 2002–03, after recovering slightly during the previous year. This was the only classification group to fall in actual numbers in 2002–03 except for SES which fell slightly.

Most ‘base-level’ recruitment now is at APS 3–4, and through trainees and graduate trainees. Engagements at the APS 3–4 levels grew again during 2002–03, after falling the previous year. This group accounted for 54.8% of all engagements (over 8200 people), up from 41.7% the previous year. Those recruited as trainees and graduate trainees also increased in number, but fell slightly in percentage terms. The number recruited as graduate trainees almost doubled from 421 to 815, while the number of other trainees recruited fell from 810 to 529. Most of those engaged at APS 3–4 levels (and above), but not as graduate trainees, are believed also to be graduates. Although data on educational qualifications is incomplete, there is sufficient to show that the trend for new recruits to also be graduates has increased substantially, from around 20% in 1985–86 to over 60% in 2002–03.

A high proportion of the engagements at APS 3–4 and trainees and graduate trainees are women (64.9%, compared with the total proportion of women in the APS—52.8%), suggesting that the trend towards feminisation of the APS will continue. (The trend is tempered a little, however, by the higher proportion of women than men amongst separations—see following section.)

Engagements at higher levels (APS 5–6 and ELs) increased in 2002–03, but the strong growth at the APS 3–4 levels meant that the other classifications fell in percentage share. Nevertheless, engagements at these higher classification levels have been growing over the last five years, both in raw numbers and as a percentage of the APS, if not as a percentage of total engagements.

Figure 2.16: Ongoing engagements by classification, 1993–94 to 2002–03

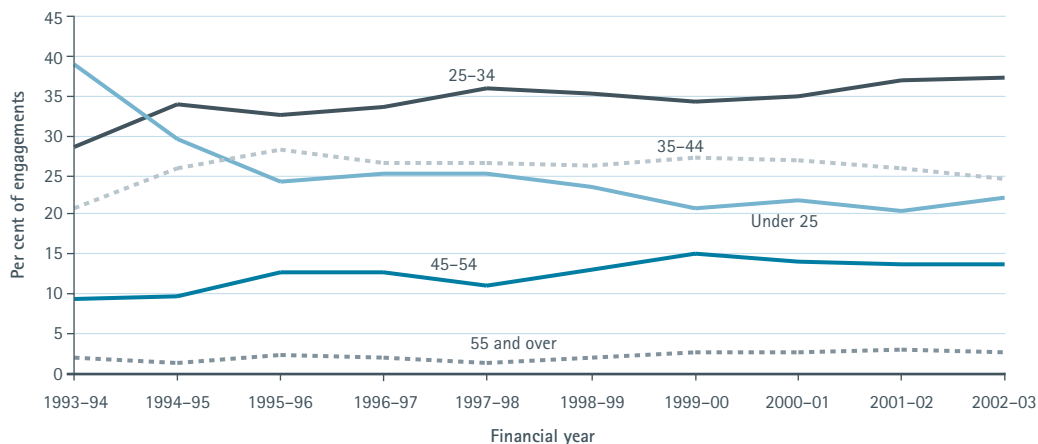


Source: APSED

Figure 2.17 shows changes in the age profile for engagements during the past 10 years. After some years of decline, engagements in the under 25 age group plateaued, and then rose slightly last year, in both actual number and proportion. Engagements in the under 20 age group rose from 188 in 2001–02 to 257 in 2002–03. For the 20–24 age group, the number of engagements rose from 2316 to 3055. The 25–34 age group also showed strong growth, increasing from 4496 (36.9% of all engagements) to 5559 (37.1%). All other age groups also showed growth in real terms; however, their share of engagements fell.

The number of engagements in the 55 and over age group rose again this year to 416, and are now more than double the number 10 years ago. The beginning of this trend corresponds with the removal of the compulsory age 65 retirement provision, with the introduction of the PS Act.

Figure 2.17: Ongoing engagements by age group, 1993–94 to 2002–03



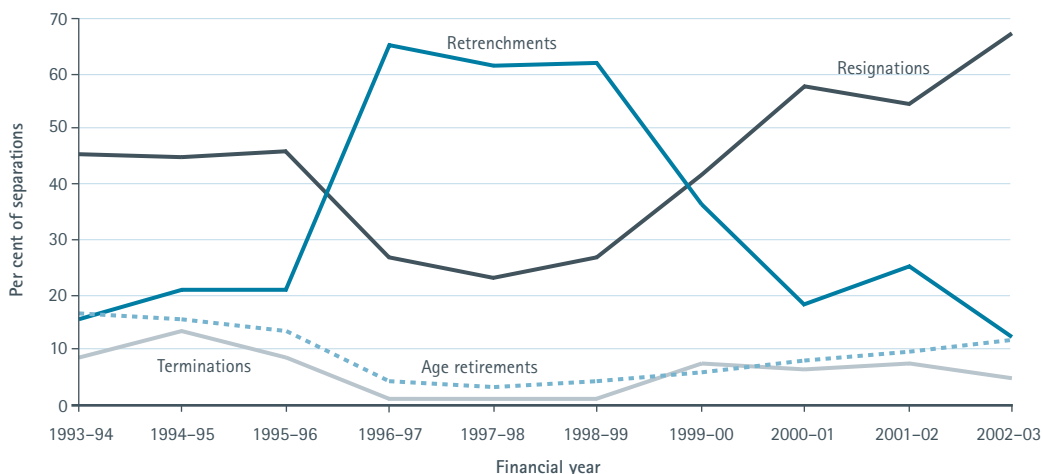
Source: APSED

Engagements were concentrated in Centrelink (3465, up from 2116 the previous year), ATO (3076, up from 242 the previous year) and Defence (2071, down from 2662 the previous year); these three agencies accounted for 57.5% of all engagements. In FaCS, which includes the Child Support Agency (CSA), engagements increased from 316 to 986.

SEPARATIONS

The number of separations fell by 1490 or 17.4% during 2002–03. This decline was mainly due to a fall in retrenchments (from 2137 to 871). This was the smallest number of retrenchments since 1991–92. Separations due to termination of engagement also fell (down from 639 to 344). Resignations and age retirements rose slightly (from 4685 to 4754 and from 802 to 830 respectively). Figure 2.18 shows how the different separation types have varied over the past 10 years.

Figure 2.18: Separations for ongoing staff by type, 1993–94 to 2002–03



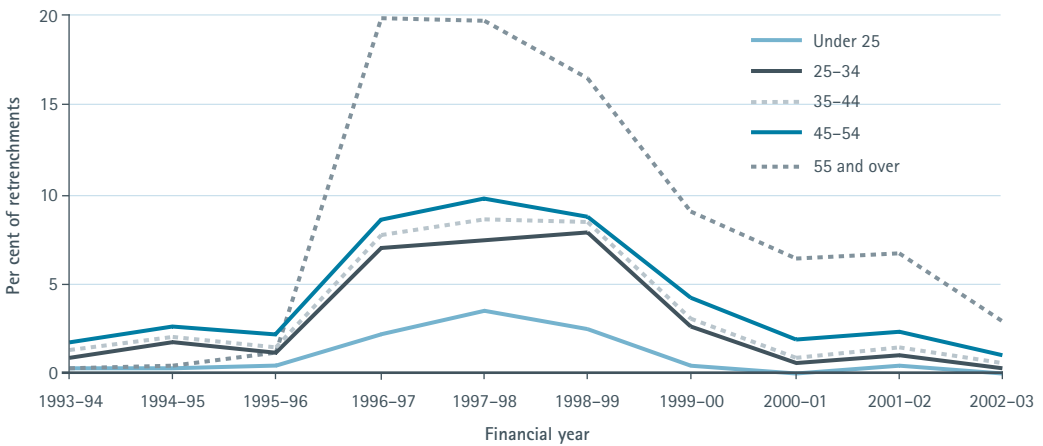
Source: APSED

The decline in separations was mainly due to a drop in retrenchments from ATO (down from 992 to 17). Centrelink (133) and Defence (112) were the only agencies to have substantial numbers of retrenchments during the year.

Women represent 53.1% of separations, dominating resignations in particular (57.1%). This offsets in part the very high proportion of women amongst engagements.

Figure 2.19 shows the impact of retrenchments all age groups over the past 10 years, with the impact on those aged 55 and over particularly noticeable. While retrenchments fell for all age groups during 2002–03, the drop was greatest in the 55 and over group. In 2001–02, 6.7% of those aged 55 and over were retrenched; in 2002–03 the proportion fell to 2.9%.

Figure 2.19: Ongoing staff—retrenchments as a proportion of total ongoing staff by age group, 1993–94 to 2002–03



Source: APSED

The Public Service Commissioner wrote to all APS agency heads on 6 May 2003 about the need for agencies to consider the appropriateness and nature of redundancy packages for people approaching retirement, particularly in the light of the abolition of a compulsory retirement age. The Commissioner stated that careful management of these processes is essential to avoid creating expectations that anybody who leaves should receive a redundancy benefit, and stressed that it is essential that redundancy arrangements are not used as an alternative to rigorous performance management processes.

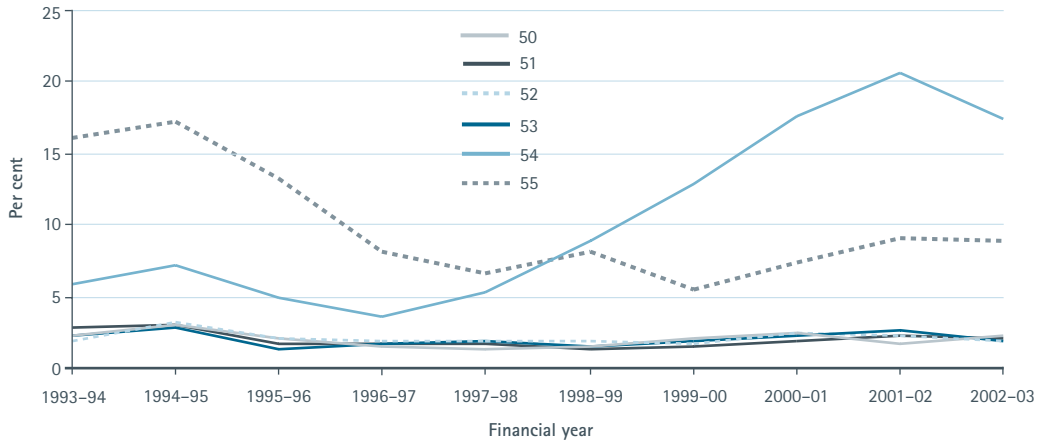
Overall, separations decreased in all age groups, with the greatest decline being for the 50–54 age group (down 439 or 29.3%). Figure 2.20 shows the magnitude of resignations at age 54, compared with others between age 50 and age 55. The sharp rise in resignations between 1996–97 and 2001–02 is most likely due to the effect of the financial incentive for some members of the Commonwealth Superannuation Scheme (CSS) to resign just before their 55th birthday (the 54/11 effect).

This issue of the impact of superannuation was dealt with in detail in MAC’s report on organisational renewal, including by looking at projections of the size of the 54/11 effect into the future.⁹ Based on current

⁹ MAC, Organisational Renewal, Report 3, 2003

trends of around 40% of all CSS members who are approaching age 55 taking a 54/11 exit, MAC estimated that the numbers of 54/11 resignations may rise to just above 600 in 2004–05 before gradually falling to around 300 in 2016–17.

Figure 2.20: Resignation/retirement rate for selected ages, 1993–94 to 2002–03



Source: APSED

The rise in resignations at age 54 appears to be quite closely matched with a reduction in retirements at age 55, suggesting that, in most cases, employees may have brought their retirement plans only slightly forward. In any case, the trend to resignation at age 54 reversed this year and the number of age 54 resignations fell for the first time in almost a decade from 550 to 479, a decline of 12.9%. This change will be monitored to see if it continues. Despite the fall, age 54 resignations still accounted for 64.7% of all resignations in the 50–54 age group.

DEMOGRAPHY OF THE SES LEADERSHIP GROUP

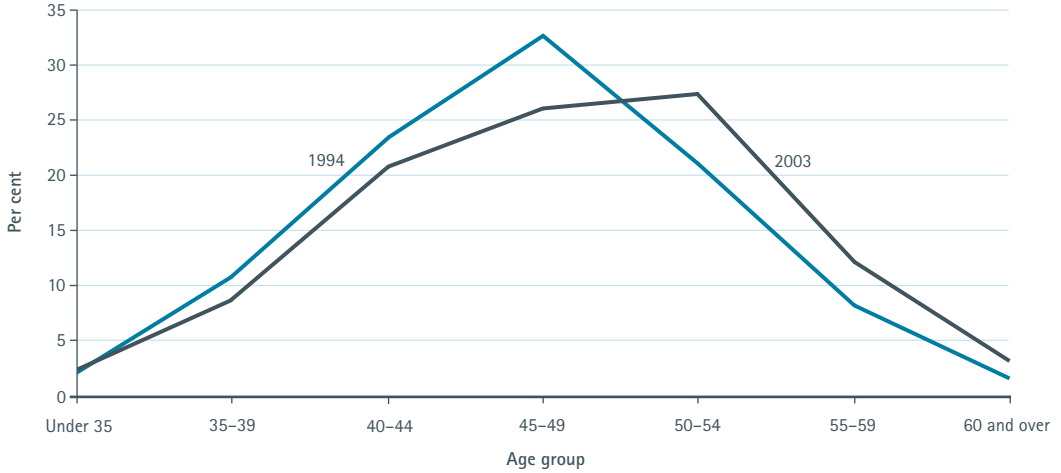
The SES constitutes the senior management and leadership group of the APS, comprising 1.6% of total ongoing APS employment at 30 June 2003, a slight rise on the figure for 2002 (1.5%).¹⁰ The size of the SES has fluctuated slightly over the past decade, decreasing from 1777 in 1994 to 1543 in 1998, but returning to 1730 by 2002, and increasing over the last year to 1872 in 2003. Band 1 executives make up the largest proportion at 74.4% of all SES employees. Band 2 executives comprise 20.5%, and Band 3 5.1%.

The proportion of women in the SES has increased steadily over the last decade from 17.1% in 1994 to 30.4% at June 2003. Women are more likely than men to be at Band 1 of the SES (81.2% of all women in the SES compared with 71.4% of all men) and less likely to be at Band 2 and 3 of the SES (15.8% and 3.0% compared with 22.6% and 6.1%). Put another way, women comprise 33.3% of Band 1s, 23.4% of Band 2s and 17.7% of Band 3s.

Figure 2.21 indicates the changing age profile for the SES as a whole. The shift of the age profile between 1994 and 2003 indicates an ageing of the SES workforce. Since 1994 the proportion of SES employees aged less than 45 has fallen from 36.4% to 31.6%.

¹⁰ Data for the SES include employees grouped with the equivalent SES bands under the *Public Service Classification Rules 2000*. Data also include inoperative SES.

Figure 2.21: Changing age profile for ongoing SES, 1994 and 2003



Source: APSED

The age profile for female SES is younger than for male SES: 40.9% of female SES are less than 45, compared with 27.5% of male SES.

Table 2.3 indicates that the 45–49 and 50–54 age groups are the most populous for Band 1 and Band 2, with over half the SES in these two bands (53.0%) in this age range. The age profile for Band 3 SES is older, with the 50–54 and 55–59 age ranges being the most populous (64.6% of SES at this level). This is a change from 2002, when the most populous age ranges for Band 3 were 45–49 and 50–54 (61.9% of Band 3 staff).

Currently 57 SES employees (3.0% of the SES) are aged over 60 years and 43 (2.3%) are aged less than 35 years. However, the youngest age group for Band 3 employees is 40–44 years, with 9.4% of total Band 3 employees in this age group.

Table 2.3: SES by age group, gender and classification at 30 June 2003

Age in years	Band 1			Band 2			Band 3			Total	
	M	F	Total	M	F	Total	M	F	Total		%
<30	2	-	2	-	-	-	-	-	-	2	0.1
30-34	21	19	40	1	-	1	-	-	-	41	2.2
35-39	89	64	153	4	4	8	-	-	-	161	8.6
40-44	192	124	316	42	20	62	7	2	9	387	20.7
45-49	241	123	364	73	31	104	12	6	18	486	26.0
50-54	255	100	355	92	26	118	34	6	40	513	27.4
55-59	103	31	134	60	9	69	19	3	22	225	12.0
60 & over	26	2	28	22	-	22	7	-	7	57	3.0
Total	929	463	1392	294	90	384	79	17	96	1872	100.0

Source: APSED

CONCLUSIONS

There has been strong growth in the APS in recent years and this trend continued in 2002–03. This growth reflects government priorities in such areas as security and border protection, but also increased workloads in agencies such as the ATO and Centrelink.

Over the last year there has also been a general consolidation of trends towards an older and more skilled workforce. This is shown, for example, in the

- continuing falls in recruitment at the APS 1 and 2 levels
- a focus on the APS 3–4 levels as the principal levels for recruitment
- a doubling in the number of graduate trainees recruited after a fall in the previous year
- the high proportion of all recruits who had tertiary qualifications
- an increased number of engagements at more senior levels.

The ‘typical’ new starter in the APS is now a 31 year old who is at the APS 4 level and more likely to be a woman than a man.

The older APS workforce is consistent with the general ageing of the Australian workforce. However, the APS faces specific challenges, notably the passing through of the large cohort recruited in the late 1960s and early 1970s, and the incentive for early retirement from its superannuation schemes.

The representation of women in the APS continues to grow, including through slow but sustained growth in the proportion of women employed at more senior levels. The number of women at these levels is set to increase further, given the high proportion of engagements of women, their increasing representation in feeder groups to senior levels, and the impending ‘changing of the guard’ over the next five years or so, with those senior people leaving being predominantly men.

The trends in representation of other diversity groups highlight some concerns which are discussed in more detail in Chapter 8. In particular, the downward trend in the employment of people with a disability and employees from non-English speaking backgrounds is now firmly in place, and previous growth in the employment of Indigenous employees has clearly stalled and is now falling as a proportion of the APS.

A key factor in these trends has been the fall in recruitment at the APS 1–2 levels. Apart from its impact on diversity, a continued decline in engagements of APS 1–2s might be cutting off an alternative source of potentially high performing APS employees in the future context of stronger market competition for talent.

