

The socio-economic backgrounds of APS employees

September 2025

Research Note 04-25



Executive summary

- The UK and French Civil Services have examined the socioeconomic backgrounds of their workforces and identified an over-representation of those from privileged backgrounds.
- The UK Civil Service additionally identified barriers to progression for low socio-economic background employees.
- Both have implemented actions to improve socioeconomic diversity within their workforces.
- The APSC has subsequently investigated the socioeconomic status of its workforce using available data, reporting both APS data and Commonwealth Government level data where necessary.
- It has found that the Commonwealth Government has a slight over-representation of employees that appear to come from higher socio-economic status backgrounds. They tended to:
 - have parents that lived in more advantaged locations
 - have parents who, on average, earnt higher incomes
 - be more highly educated than the employees in other sectors.

- Further analysis showed that there are differences in employee incomes between Commonwealth Government employees who came from more advantaged backgrounds compared to those from more disadvantaged backgrounds, though this disparity was larger in the private sector.
- Closer examination showed that more APS roles may require employees with higher skill levels. When Commonwealth Government ICT and legal professionals were compared to those employed in the private sector, they had a similar level of educational qualifications.
- The requirement for a highly skilled workforce may be leading to the slight over-representation of higher socio-economic background employees observed.
- Additional analysis could be conducted to more closely investigate socio-economic background differences specifically within the APS workforce, and across APS classification levels, once the project to integrate a snapshot of the APS Employment Database with the ABS Person Level Integrated Data Asset is complete.

The UK Civil Service has examined the socio-economic backgrounds of its workforce



The UK Civil Service collects data on the socio-economic background of its workforce as part of its diversity and inclusion efforts.

Historically, employment in the Senior Civil Service has been tied to socio-economic background.

A series of reforms aiming to increase lower socio-economic background employment at the top of the service were introduced after World War 2.

- In 1929, 7% of senior civil servants were of low socio-economic background.
- This rose to 19% in 1967 and was 18% when measured again in 2021.

In 2021, data from approximately 67% (308,556) of civil servants showed that:

- employees from high socio-economic backgrounds were significantly over-represented (54%) in the UK Civil Service compared to the UK workforce (37%)
- just 18% of the Senior Civil Service come from disadvantaged backgrounds, and 72% come from privileged backgrounds
- their London-based workforce is significantly less socio-economically diverse than the rest of the country (66% are of a high socio-economic background, while 22% are from a 'working class' background)
- some departments are more exclusive than others (e.g. only 12% of HM Treasury employees were of low socio-economic background in 2021).



It found that measuring their workforce's socio-economic background was a challenging undertaking

- The UK Civil Service, the Social Mobility Commission, and the UK Census each have a similar set of standard socio-economic background related questions asking:
 - type of school attended
 - parental qualification and occupation
 - type of employment for the highest income earner in the household
 - information about free school meals.
- The UK's Government Statistical Service are responsible for setting the data standards for published UK Government data and the UK Census. Their research highlighted challenges that some respondents faced in answering previous versions of these questions, and they have suggested new versions of these questions for use by UK statistical agencies.
- Discussions with the UK Cabinet Office's Government People Group (email, 1 October 2024) indicate that the standardisation of such questions across UK Government surveys is an ongoing process.

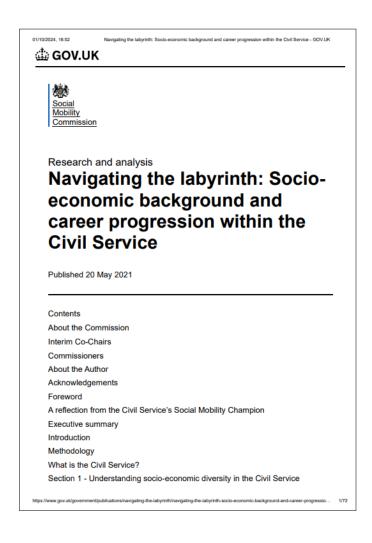








Ambiguous unwritten rules of progression cause barriers to promotion for low socioeconomic background employees in the UK Civil Service



In 2021, research showed that:

- securing particular high-profile jobs leads to fast-tracked progression due to exposure to senior employees
- low socio-economic background employees tend to report confusion and ethical discomfort when it comes to negotiating career progression opportunities, and high socio-economic background employees often exploit the ambiguity of the process and create opportunities
- physical proximity to senior managers and roles is critical for building visibility and these types of job postings are disproportionately located in London, with employees from low socio-economic backgrounds tending to be more regionally dispersed
- employees from low socio-economic backgrounds opt into more operational career paths that have clear bottlenecks and limit progression
- employees of low socio-economic backgrounds see policy work as dependent on mastering a certain 'behavioural code' based around accent and style of speech, understated self-presentation and an intellectual approach to culture and politics.

An <u>action plan</u> was released at the same time to improve socio-economic progression within the UK Civil Service.

The French Civil Service is also targeting low socio-economic background employees in their recruitment efforts



Liberté Égalité Fraternité

- A 2016 study showed that only one in 10 young people enrolled at university planned to take one of the civil service competitive entry exams.
- 21% believed that the competitions are too selective and 17% that they do not have enough qualifications for the competitions in question.
- In 2019, 1% of students at the National Institute of Public Service had a 'blue-collar' father. The proportion of students with a father with a higher skilled profession is on average 73%.
- To increase openness, transparency and diversity of recruitment, the French Civil Service has a *Talents du service public programme*, which offers preparatory courses and specially designed competitive examinations for socially disadvantaged individuals.





In light of these international findings, the APS has chosen to examine the socioeconomic backgrounds of its workforce to see if there are comparable differences

Research questions investigated were:

- are the socio-economic backgrounds of Commonwealth Government employees comparable to other sectors?
- are there differences in the outcomes of Commonwealth Government employees from different socio-economic backgrounds?
- could educational requirements be driving the observed differences in backgrounds of APS/Commonwealth Government employees, compared to other sectors?



These questions were answered using the following data sources:

- the ATO's <u>ALife longitudinal dataset</u>, a de-identified, random sample of Australian income tax return data from 1990-91 to 2020-21, combined with an experimental linkage of children to parents records and with ABS Index of Relative Socio-economic Advantage and Disadvantage data
- the APSC's APS Employment Database
- the ABS Census of Population and Housing 2021.



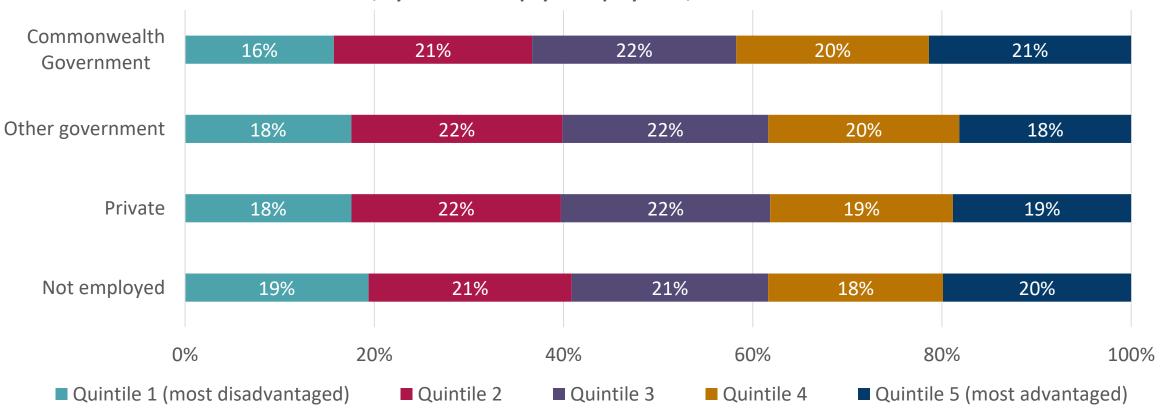






Commonwealth Government employees at age 16 had parents who were slightly more likely to live in advantaged areas

Chart 1: Distribution of IRSAD scores for primary parents' usual residences when taxpayers were 16 years old, by sector of taxpayer employment, 1990-91 to 2020-21

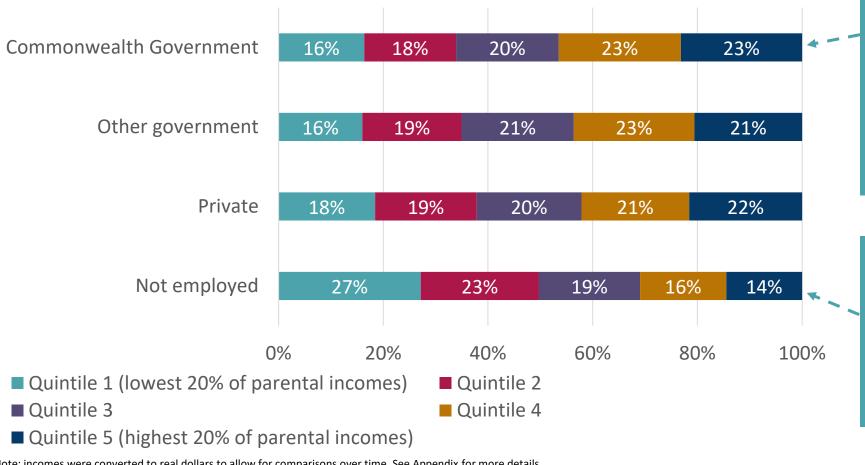


Note: Commonwealth Government includes Australian Public Service employees as well as other Commonwealth entities and companies. The Index of Relative Socio-economic Advantage and Disadvantage (IRSAD), published by the ABS, summarises information about the economic and social conditions of people and households within an area and ranks areas according to their relative socio-economic advantage and disadvantage. Where necessary, primary parental usual residence IRSAD index scores were averaged if they differed. IRSAD index scores for 2021 are used and so results should be treated with caution as areas could change in their rankings over time.

Source: ALife dataset; Australian Bureau of Statistics; Socio-Economic Indexes for Areas (SEIFA), Australia, ABS website, 2023, accessed 27 August 2025; Australian Bureau of Statistics, Socio-Economic Indexes for Areas (SEIFA): Technical Paper, ABS website, 2023, accessed 27 August 2025.

Commonwealth Government employees at age 16 were also slightly more likely to have had parents with higher incomes

Chart 2: Per cent of taxpayers by parental income quintile (when taxpayer was aged 16) by sector of employment in 2020-21



Close to half (47%) of
Commonwealth government
employees had parents whose
earnings were in the top 2
quintiles when they were aged 16,
compared with 44% of other
government employees and 42%
of private sector employees

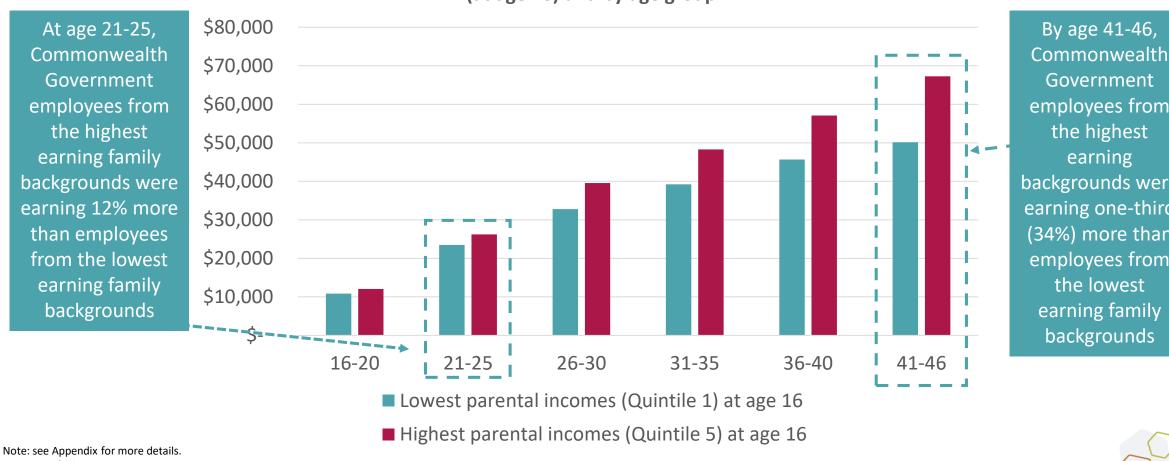
Those who were not employed were less likely to have had parents whose earnings were in the top 2 quintiles at age 16 (31%) and more likely to have parents whose earnings were in the bottom 2 quintiles (50%)

Note: incomes were converted to real dollars to allow for comparisons over time. See Appendix for more details. Source: ALife dataset.



Commonwealth Government employees with the highest earning family backgrounds were more likely to earn more themselves as their careers progressed

Chart 3: Commonwealth Government employees average annual total income (adjusted to 1991) by the lowest and highest parental incomes (at age 16) and by age group



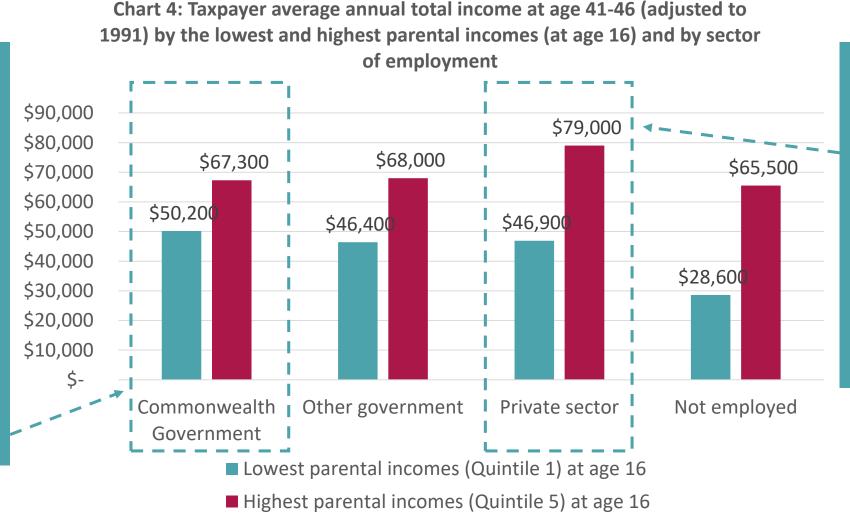
Government employees from the highest earning backgrounds were earning one-third (34%) more than employees from the lowest earning family backgrounds

Source: ALife dataset.



However, compared to the private sector, the difference between lowest and highest parental income Commonwealth Government employees was less pronounced

Commonwealth Government employees from families with the lowest earning backgrounds earnt more on average than any other sector, while employees from the highest earning backgrounds earnt the lowest on average of all the sectors



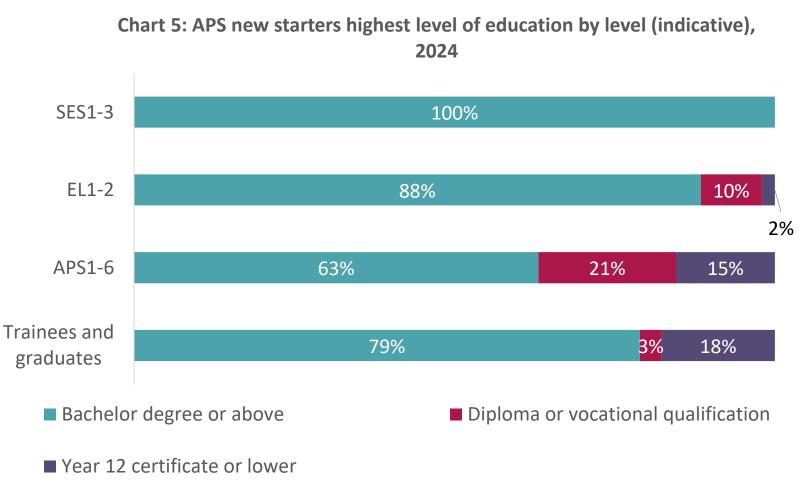
By age 41-46, private sector employees from the highest earning family backgrounds earnt, on average, two-thirds (68%) more than those from the lowest earning family backgrounds

Note: see Appendix for more details. Source: ALife dataset.



The need for higher education qualifications among the APS workforce may be driving these trends

- Australian Institute of Health and Welfare research shows that being a member of a more advantaged SES group is associated with a higher probability of enrolling in a bachelor degree at university.
- Department of Education data for 2023 shows that only 17% of commencing onshore domestic students were from low socio-economic areas.
- Available data on the qualifications held by APS new starters indicates a high level of bachelor degree and above attainment, particularly for senior executives.

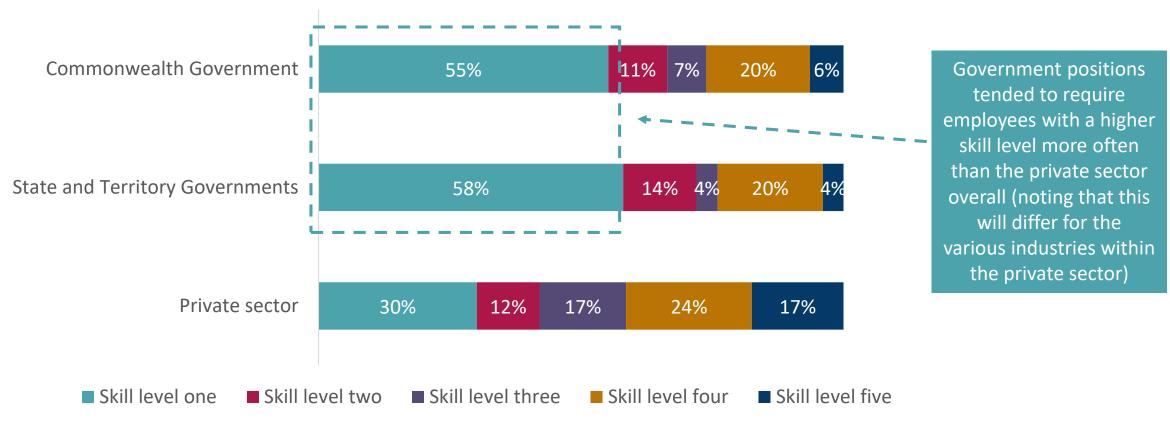


Note: APS new starters are those who joined the APS in 2024 without any prior service. Highest educational qualification data in the APSED is incomplete and so highest level of education data should be treated with caution. Source: T Zajac and W Tomaszewski, 'Relative influence of different markers of socioeconomic status on university participation', Australia's welfare 2023 data insights, Australia Institute of Health and Welfare, 2023, accessed 13 August 2025; Department of Education, 'Key findings from the 2023 Higher Education Student Statistics', Selected Higher Education Statistics – 2023 Student data, Department of Education website, 2023, accessed 13 August 2025; APS Employment Database December 2024 and ABS Census of Population and Housing 2021, accessed via TableBuilder, ABS website, 6 August 2025.



University education patterns may reflect the skill levels needed for jobs in the public sector

Chart 6: Proportion of occupations at each skill level by sector, 2021



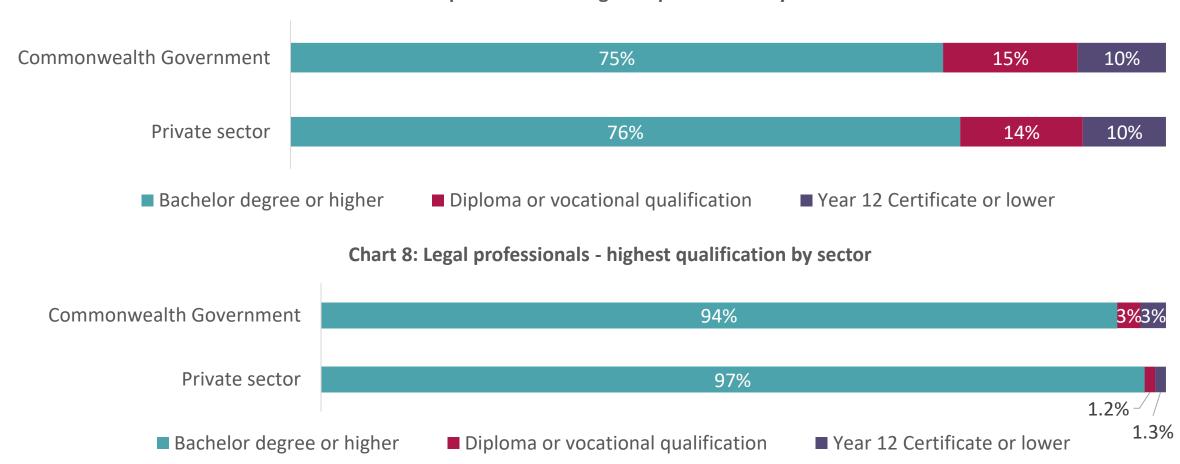
Note: Commonwealth Government includes Australian Public Service employees as well as a range of other Commonwealth entities and companies. Occupations at skill level 1 have a level of skill commensurate with a bachelor degree or higher qualification, or 5 years of relevant experience. Occupations at skill level 2 have a level of skill commensurate with an Advanced Diploma, Diploma or Associate Degree, or 3 years of relevant experience. Occupations at skill level 3 have a level of skill commensurate with Certificate IV or Certificate III including at least two years of on-the-job training, or at least 3 years of relevant experience. Occupations at skill level 4 have a level of skill commensurate with a Certificate II or III, or 1 year of relevant experience. Occupations at skill level 5 have a level of skill commensurate with a Certificate I or compulsory secondary education. For further information see ABS, How ANZSCO works, ABS website, 2021, accessed 17 October 2024.

Source: ABS Census of Population and Housing 2021, accessed via TableBuilder, ABS website, 27 August 2024.



When Government roles were compared with similar roles in the private sector, education levels were much the same

Chart 7: ICT professionals - highest qualification by sector



Note: Some figures may not add up to 100% due to rounding. Source: ABS Census of Population and Housing 2021, accessed via TableBuilder, ABS website, 22 April 2025.

Conclusions and next steps

Conclusions

- The APS and wider Government needs skilled people, with employees holding higher levels of education on average, due to a higher proportion of professional and manager occupations required than the private sector overall.
- This has naturally resulted in a slightly higher level of socio-economic background people entering the Commonwealth Government.
- However, those from higher socioeconomic backgrounds tended to earn more than those from lower socioeconomic backgrounds as their careers progressed, suggesting there may be some issues for further investigation.
- Note that this disparity was less pronounced within the Commonwealth Government sector than for other sectors.

Possible next steps

- The APSC and ABS are currently integrating a snapshot of the APS Employment Database into the <u>ABS Person Level Integrated Data</u> Asset (PLIDA).
- This project will link APS workforce data with Australian Census of Population and housing data and a wide array of other information sources, offering analysis specifically of the APS workforce within the datasets.
- This could allow socio-economic background analysis of the APS workforce itself to be compared with the wider workforce, rather than the broader Commonwealth Government sector.
- It could also allow socio-economic background analysis by APS classification level, by job family, and by employee residential location (e.g. by comparing employees who reside in the ACT to those who reside in other states and territories).
- The UK Civil Service explored the interconnections between their employees' socio-economic backgrounds, workplace behaviours, and career choices. They also examined systemic bias issues in their recruitment. Further work on whether these issues are present in the APS could be explored.

Appendix



Explanatory notes about the ALife data used in this analysis (1/3)

ALife dataset overview

• The ALife longitudinal dataset is a 10% sample of the full population of Australian Tax Office (ATO) clients (Australian taxpayers). The dataset contained Australian tax records from 1991 through to 2021. This dataset was combined with the ALife-Family dataset, which links children's records to their parents, to create a final reduced sample for analysis. While generally reliable, there remains a small degree of uncertainty with these links.

Analysis of parental usual residences

- The Index of Relative Socio-economic Advantage and Disadvantage (IRSAD), published by the ABS, summarises information about the economic and social conditions of people and households within an area and ranks areas according to their relative socio-economic advantage and disadvantage.
- The IRSAD index scores of the usual residences of a taxpayer's primary parents when a taxpayer was aged 16, as reported in the Alife dataset, were used in this analysis.
 Where necessary, primary parental usual residence IRSAD index scores were averaged if they differed.

- Age 16 was selected because it was considered an important age for parental resources to support a child in their current and near future career endeavours. This includes potential support for educational fees, living expenses, possible access to business networks, and other supports.
- IRSAD index scores for 2021 are used and so results should be treated with caution as areas could change in their rankings over time.
- The ABS also notes that the IRSAD measures the relative advantage and disadvantage of areas, not people living in those areas per se.
- Secondary parents were excluded from the analysis. It is unknown if a child/employee lived with their primary parents or secondary parents. For ease of analysis, primary parents were analysed in this project. Future work could attempt to more accurately determine who a child lived with, through attempting analysis via PLIDA.



Explanatory notes about the ALife data used in this analysis (2/3)

Analysis of parental incomes

- Parental incomes derived for the analysis are the combined income of the child/employee's primary parents at age 16. These incomes are reported through their tax returns and include incomes and losses from the parent's salary, investments, pensions, superannuation, and other sources.
- This data only includes income that is declared to the ATO.
 Gifted money and unreported incomes are not included.
- CPI adjustments have been made to ensure parental incomes are comparable over the time range from 1990-91 to 2020-21.
- As with the parental usual residences analysis above, age 16 was selected as the parental income year of analysis because it was considered an important age for parental resources to support a child in their current and near future career endeavours. This includes potential support for educational fees, living expenses, possible access to business networks, and other supports.

• As with the parental usual residences analysis above, secondary parents were excluded from the analysis. It is unknown if a child/employee lived with their primary parents or secondary parents. For ease of analysis, primary parents were analysed in this project. Future work could attempt to more accurately determine who a child lived with, through attempting analysis via PLIDA.

Analysis by quintile

- A quintile is a statistical term referring to one of 5 equal groups into which a population can be divided according to a characteristic.
- Parental usual residences' IRSAD scores and incomes in the dataset have been divided into quintiles which each represent 20% of all IRSAD scores or incomes in the data.
- Segregating the children/employees in this manner allowed for analysis by 5 different levels of financial advantage/disadvantage and incomes respectively.



Explanatory notes about the ALife data used in this analysis (3/3)

Sector definitions

- The "Commonwealth Government" sector includes those listed in the <u>PGPA Act Flipchart</u>.
- The "Other government" sector includes State and Territory Governments and local government entities and authorities.
- The private sector includes non-government employees and business owners.
- Not employed includes those without employment who are seeking employment and those who are not seeking employment such as retirees, people living on passive incomes, those who are supported by other family member incomes, and those who are unable to participate in the labour market.



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