

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**TREASURY**

**Australian Taxation Office**

Supplementary Budget Estimates 22 October 2008

**Question**                    **SBT 41**  
**Topic:**                        **Graduates**  
**Hansard Page:**            **Written QON**

**Senator Bushby asked:**

1. How competitive are graduate salaries compared to competing accounting and law firms?
2. What percentage of new graduate recruits later leave the ATO during the first five years?

**Answer:**

1. The Australian Association of Graduate Employers (AAGE) Graduate Recruitment Survey 2007 advised that the median graduate starting salary for 2007 was \$45,700. Median starting salaries for law firms was \$48,500, and accounting firms approx \$43,800. The Tax Office, in January 2007, offered a starting salary of \$45,322.

The Tax Office offered a graduate starting in 2008 a salary of \$49,753. At the end of the graduate development year, a graduate who meets all eligibility requirements could be advanced to a salary of \$55,453.

The Commonwealth Government, which accounts for nearly one quarter of all recorded graduate vacancies, had in 2007 a median starting salary of \$43,412. Specific programs, mostly Canberra based, in agencies such as the Department of Education, Employment and Workplace Relations, Treasury, Department of Foreign Affairs and Trade, and the Australian Office of Financial Management can offer larger salaries to commencing graduates.

2. On average 38% of new graduate program recruits leave the ATO during the first five years. This equates to a Tax Office graduate exit rate of less than 8% a year over the five year period. This is comparable with the exit rates for (non-graduate program) staff aged 25-29 over this period, and lower than the exit rates for (non-graduate program) staff aged under 25 (on average around 10% over this period). The 2006/07 State of the Service Report indicated that only 38% of employees under 25 years of age intended to stay in their current agency over the next two years.

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The ATO Graduate Development Program has changed substantially in the past two years, and has implemented new retention strategies seeking to lower attrition. Currently, attrition for the past two years is tracking at 9% a year on average.

Note that the statistics refer to the Graduate Taxation Officer (GTO) program which is the stream for law, commerce, accounting and finance graduate disciplines. Other graduate programs (e.g. marketing and communication, design and people management) had only minimal recruitment over five years ago.