

KINEXUS

DEFENCE INDUSTRY WORKFORCE SURVEY

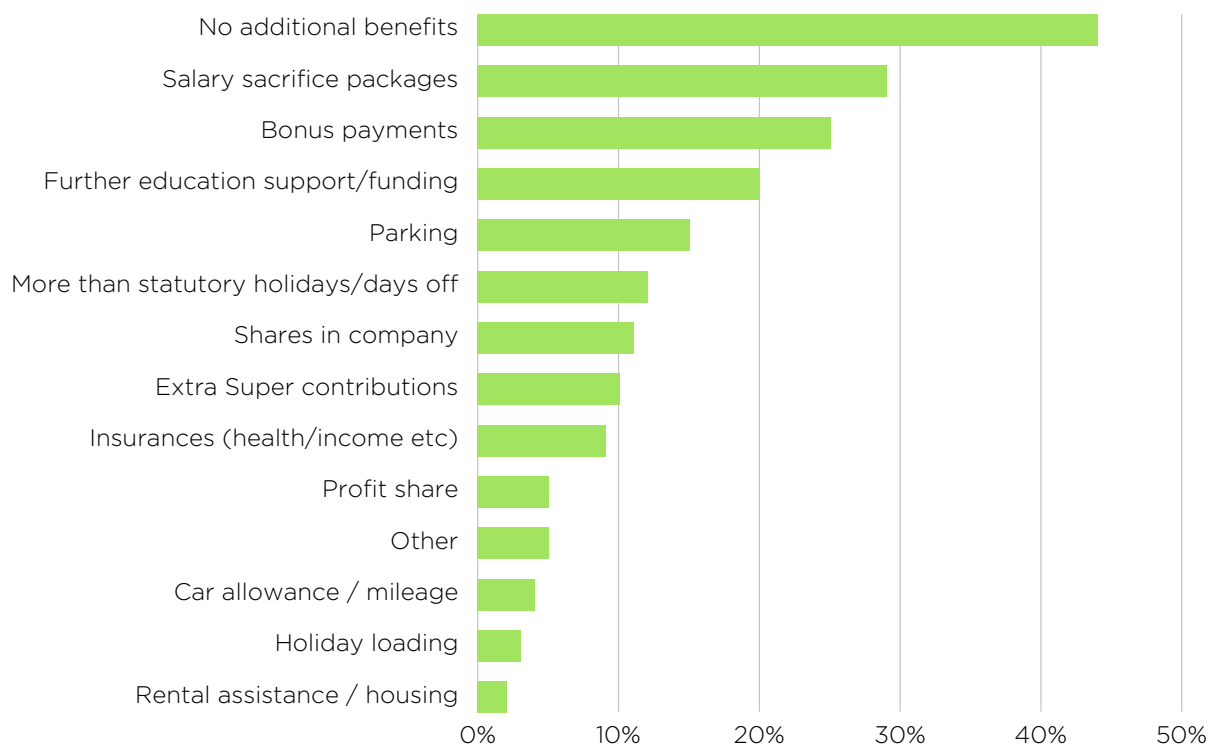
www.kinexus.com.au

Published May 2023

WORKFORCE SURVEY

Since 2005, Kinexus has been surveying the defence sector workforce to gain insights into the composition and expectations of the workforce. The below results are from the survey conducted in May 2023.

Additional Benefits



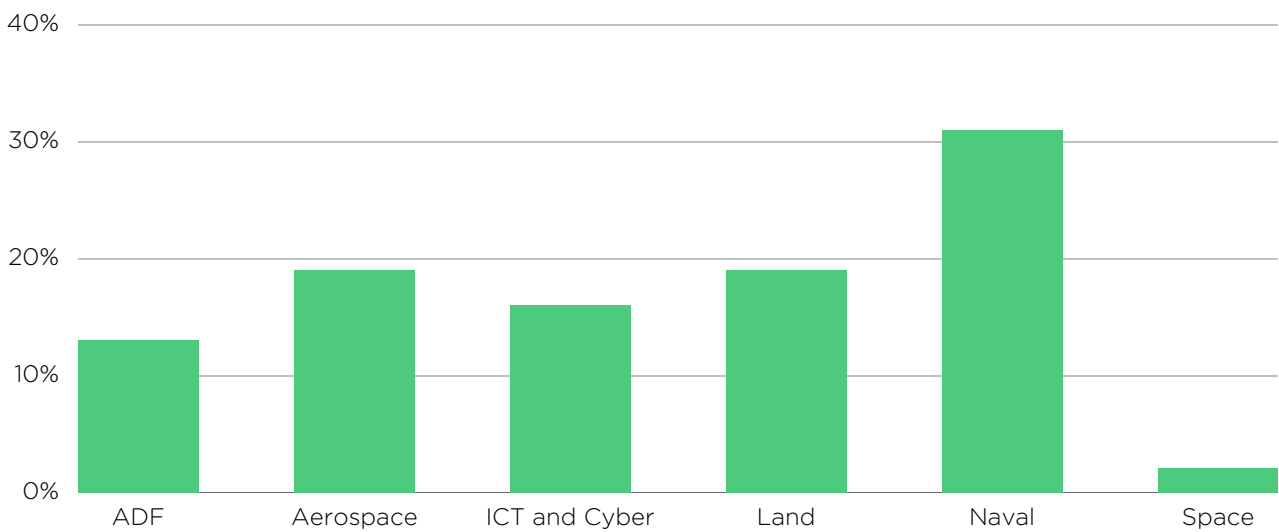
Other included flexible work arrangements (including work from home, nine-day fortnight and flexible hours), phone allowance, paid Reserve leave and well-being allowance.

The proportion of people receiving benefits has dropped from around 60-65% (steady for the last four years) to just 56% of the population.

The proportion of people receiving further education support, salary sacrifice packages and more than statutory days off have all risen steadily over the past four years. Rising from just 2% in 2019, 20% of the population now receive funding for further education.

Defence Workforce by Sector

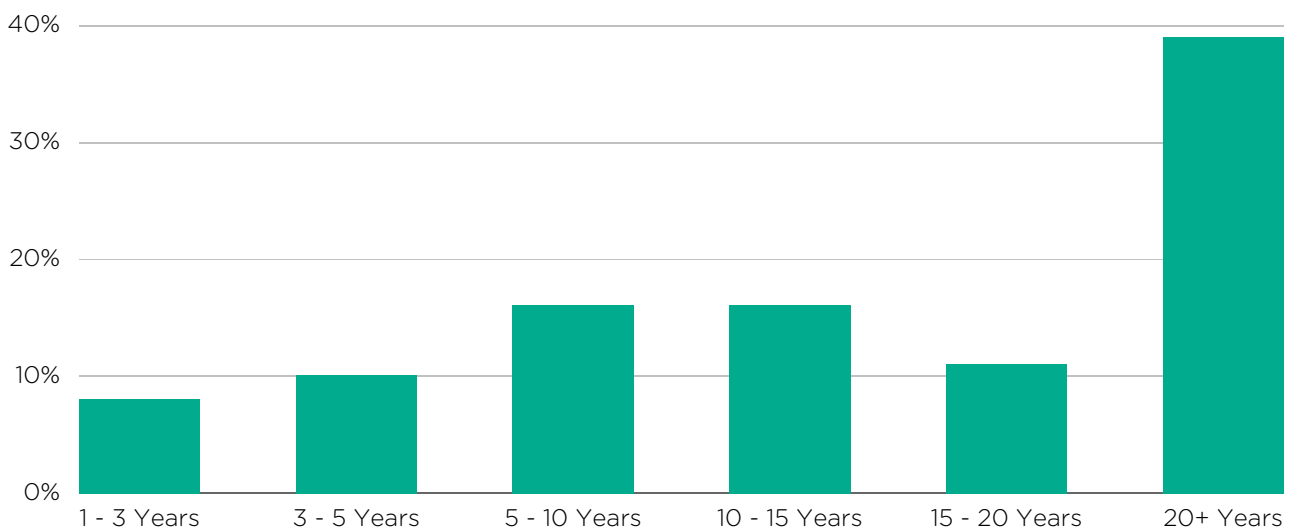
The following chart shows the proportion of respondents working within each sector.



The space sector, which we began surveying in 2022, has remained at 2% of the overall defence sector population.

Commercial Experience

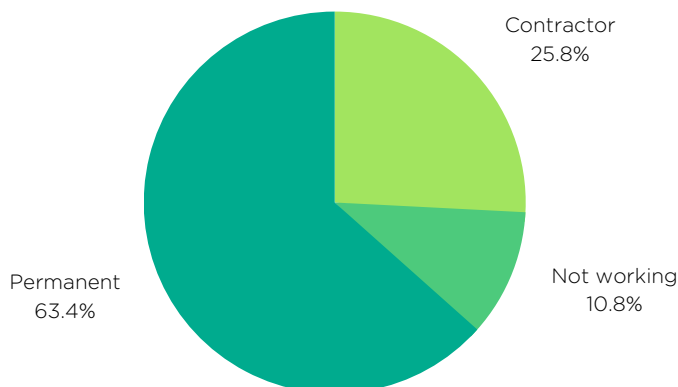
This chart shows the years of experience respondents have had working within the defence sector, including any time spent in the ADF.



The percentage of respondents with 1 - 3 years' experience has decreased from 14% in 2022 to 8% in 2023. Those with 20+ years' experience has increased significantly from 31% in 2022 to 39% in 2023.

Current Employment Status

This chart shows the current employment status of respondents to the Kinexus salary survey conducted in May 2023.

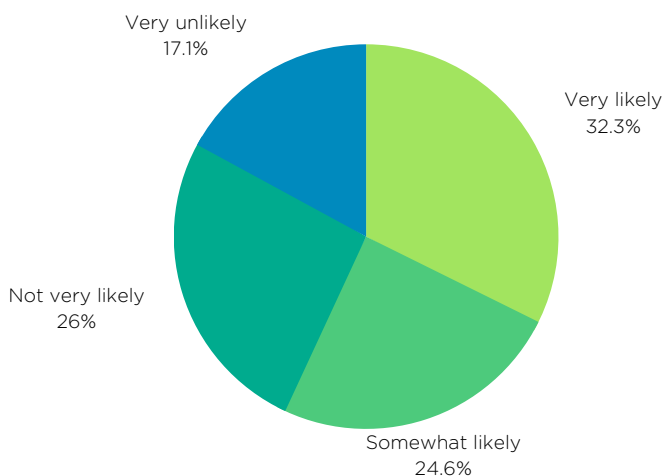


Respondents in contract roles increased significantly from 19% in 2022 to 26% in 2023. This is in line with the findings of our 2022 question, 'how likely are you to seriously consider taking a contract role in the next 12 months?' where over half of the workforce told us they would consider taking a contract role in the coming year.

Those in permanent roles have decreased to the lowest level recorded at just 63% of respondents.

Interest in Future Contracting

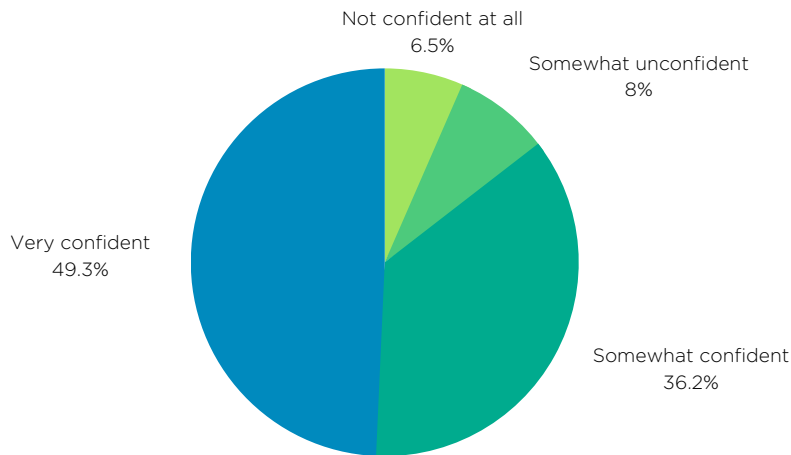
This chart shows how interested salary survey respondents are in taking contract roles in the future. The respondents were asked 'How likely are you to seriously consider taking a contract role in the next 12 months?'



Over the past year, the proportion of respondents who are somewhat or very likely to consider taking a contract role has increased from 51% to 57%.

Industry Career Confidence

This chart represents the opinion of the respondents when asked 'What is your current confidence in defence industry being able to provide you with a long-term career?'



Confidence in long-term defence industry career opportunities remains very strong in 2023, with 85% of responders feeling somewhat or very confident.

Impact of DSR on Confidence

Released just weeks after the DSR, in this year's survey we asked our respondents 'To what extent has the recent DSR announcement influenced your response to the previous question [on industry career confidence]?'

We asked them to rank their answer on a scale from 0 to 10 out of 10, where 0 meant not at all, and 10 meant very much so. This chart shows the respondents' answers, grouped into those who were not impacted much at all (answers 0 to 3), those who were impacted somewhat (answers 4 to 7) and those who were impacted strongly (answers 8 to 10).



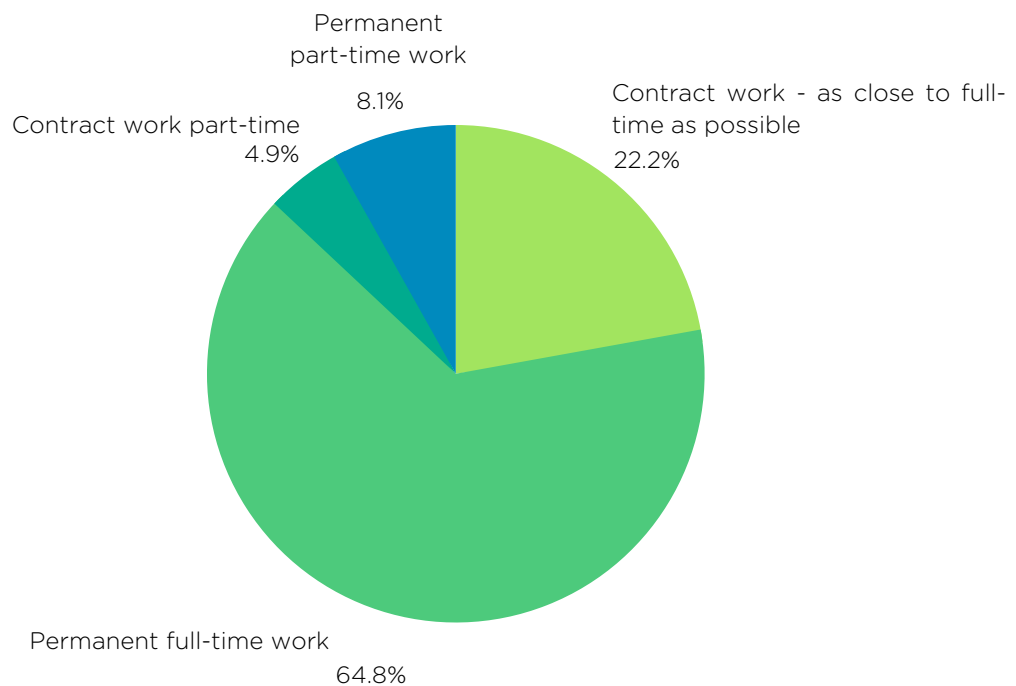
Only 20% of respondents scored 8, 9 or 10 out of 10, indicating that only a small proportion of respondents had been strongly impacted by the DSR.

Nearly a fifth of all respondents scored 0, therefore indicating that the DSR had not impacted their confidence in defence industry at all.

From these results, we can see that the DSR has impacted the confidence of some respondents but has not had a significant impact. Confidence in defence industry providing a long-term career remains high despite broad industry change.

Ideal Work Arrangements

This chart shows the preference of respondents when asked 'What are your ideal work arrangements?'



There's been a significant change in ideal work arrangement statistics. In 2022, just 16% of respondents ideally wanted contract work (full or part-time), whereas, in 2023, this has increased to 22%.

We also asked respondents why they selected their preferred work arrangement. For those who preferred part-time work (either contract or permanent), work-life balance, flexibility, and a transition into retirement were common reasons for this preference.

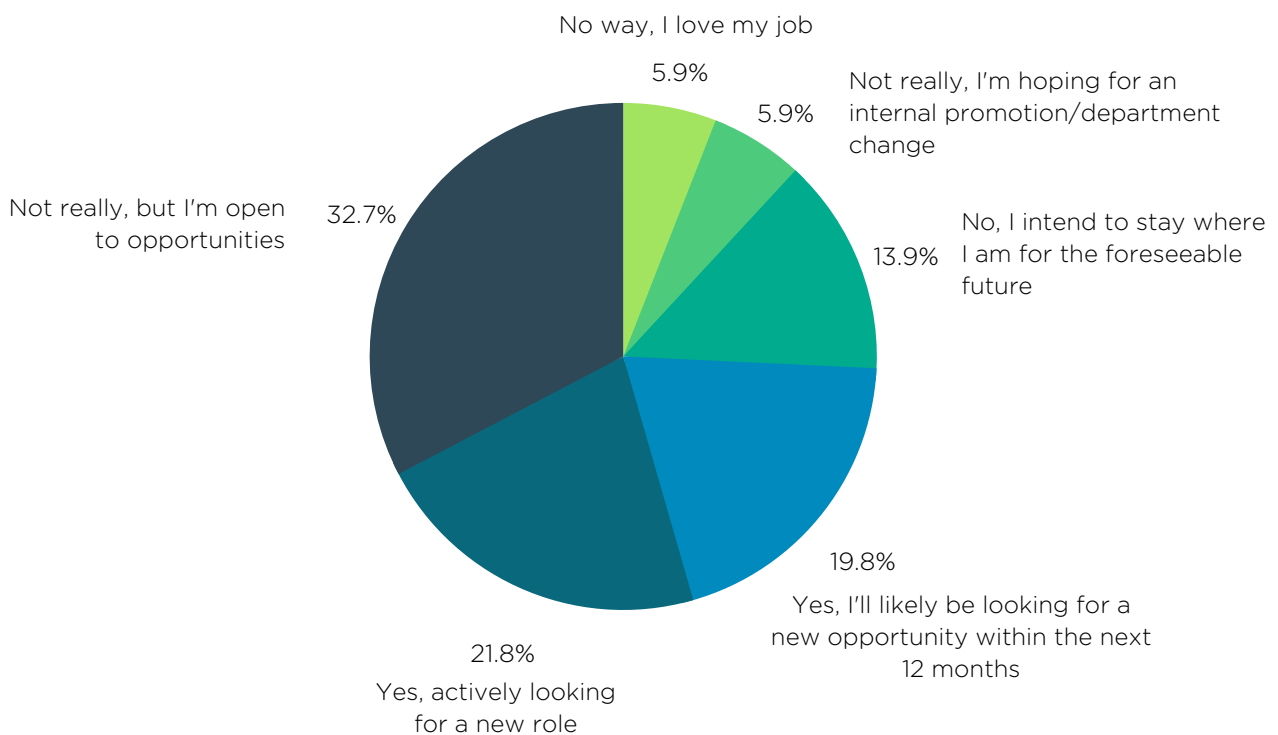
Those who selected contract work as their preference included higher take-home salary, less involvement in office politics and greater flexibility to choose their own projects, organisations and contract duration. Lack of attractive permanent work in defence industry was also listed as a reason.

Where permanent work was the preference, respondents were motivated by the stability of income, allowing for family support and access to loans. Involvement in organisational culture was also important, including a better connection with others, access to training and room to grow professionally.



Employment Changes in the Near Future

This chart shows the opinion of the respondents when asked 'Are you considering a change in employment in the near future?'



The responses on employment change have remained steady over the last few years. 42% of respondents are looking to move roles now or in the near future.

Job Satisfaction

This graph presents the opinion of the respondents when asked, 'What has the most impact on your job satisfaction?' Respondents were asked to select their top five.

The percentages show the proportion of respondents that feel the factors below contribute most to their job satisfaction.



Other includes factors such as making a difference, having a professional and respectful team and job security.

Interesting work, work-life balance and remuneration have been the top three factors impacting job satisfaction since 2019.

Just 29% of respondents listed development opportunities in their top five, a percentage that has steadily decreased since 2019.

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2023 DEFENCE INDUSTRY HIRING INTENTIONS AND WORKFORCE SURVEY METHODOLOGY

In compiling this report, Kinexus interviewed senior leaders and managers in the majority of the prime contractor and larger SME employers. The companies surveyed employ approximately 80% of the total defence industry material engineering and technology workforce. Images: © Commonwealth of Australia 2019.