

## CHAPTER 9

### TRAINING

National estimates of expenditure by employers on the formal training of their employees are provided by the *Training Expenditure Survey*. The survey also provides estimates of the paid time employees spend receiving formal training. Industry and employer size statistics on training expenditure are provided. These statistics are used to analyse industry training and monitor employer training expenditure.

Further, national details about the extent and the types of training and education being undertaken by wage and salary earners are provided through the 1989 survey of *How Workers Get Their Training* and the *Survey of Training and Education 1993*. The *Training Expenditure Survey* is a repeat of surveys conducted in 1989 and 1990, although the sample size for the 1989 survey was smaller. The *Training Practices Survey 1994* was conducted to provide additional information on how and why employers train employees. This data will be released in late 1994.

#### Training Expenditure

Total expenditure on formal training during 1 July to 30 September 1993 by Australian employers was estimated at \$A1.1 billion. This was an increase of 18 per cent from the expenditure reported for the same period in 1990 (\$943 million).

On average, employers spent the equivalent of 2.9 per cent of gross wages and salaries on formal training during the 3 month period. The corresponding figure for 1990 was 2.6 per cent. Large organisations (those with 100 or more employees) spent 3.2 per cent of gross wages and salaries on training employees, whereas small employers spent 1.7 per cent of gross wages and salaries. The average expenditure on training per employee, in the period July to September 1993 was \$192. The average hours each employee spent receiving formal training during the 3 months was 5.6 hours, a decrease from 5.9 hours in 1990.

In both 1990 and 1993, the private sector reported a higher total expenditure on training than the public sector. In 1993, organisations in the private sector spent \$661 million, compared with \$448 million by the public sector (the comparable figures for 1990 were \$525 million and \$418 million respectively).

However, training expenditure per employee in both 1990 and 1993 was lower in the private sector than in the public sector. During July to September 1993, the average training expenditure per employee was \$163 in the private sector and \$263 in the public sector.

CHART 9.1. TOTAL TRAINING EXPENDITURE BY SECTOR, AUSTRALIA,  
JULY TO SEPTEMBER 1990 AND 1993

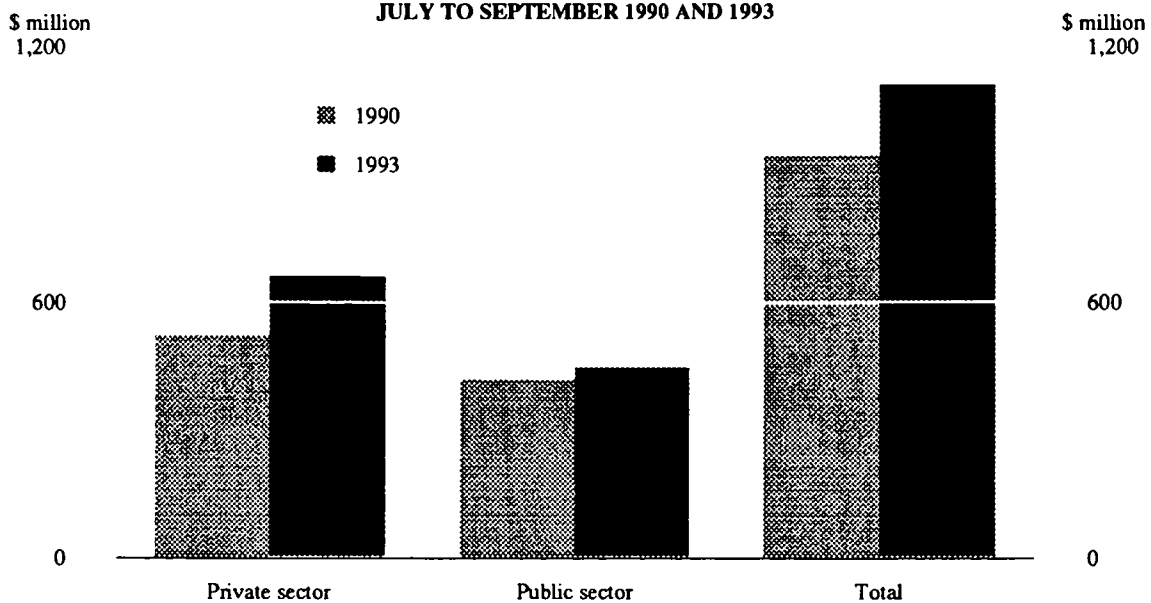


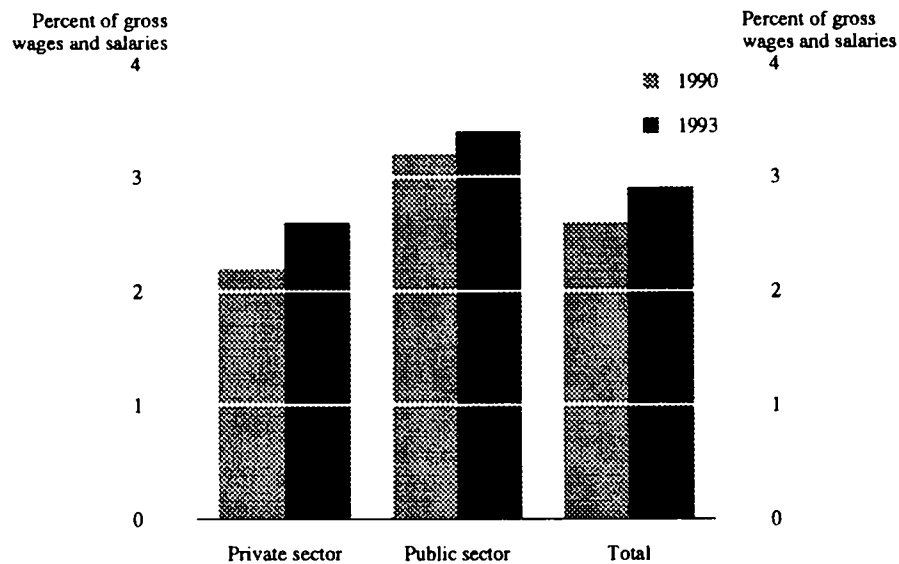
TABLE 9.1. TRAINING EXPENDITURE: EMPLOYER SIZE BY SECTOR, JULY TO SEPTEMBER 1993

	1-19 employees	20-99 employees	100 or more employees	Total
<b>PRIVATE</b>				
Total training expenditure (% of gross wages and salaries)	1.7	2.8	3.0	2.6
Average training expenditure per employee (\$)	85	180	208	163
Average training hours per employee (hours)	4.11	5.34	5.53	5.03
Employers reporting training expenditure(a) (% of employers)	18.0	79.4	97.6	24.0
Total training expenditure (\$ million)	110.0	165.7	385.0	660.7
<b>PUBLIC</b>				
Total training expenditure (% of gross wages and salaries)	*	2.5	3.4	3.4
Average training expenditure per employee (\$)	*	178	267	263
Average training hours per employee (hours)	*	4.81	6.89	6.79
Employers reporting training expenditure(a) (% of employers)	*	95.1	99.3	57.5
Total training expenditure (\$ million)	*	12.1	433.8	448.2
<b>TOTAL</b>				
Total training expenditure (% of gross wages and salaries)	1.7	2.7	3.2	2.9
Average training expenditure per employee (\$)	86	180	236	192
Average training hours per employee (hours)	4.11	5.30	6.17	5.55
Employers reporting training expenditure(a) (% of employers)	18.0	80.3	97.9	24.6
Total training expenditure (\$ million)	112.3	177.8	818.8	1,108.9

(a) The percentage of employers is based on the statistical unit for the survey.

Source: *Employer Training Expenditure, Australia (6353.0)*.

CHART 9.2. AVERAGE TRAINING EXPENDITURE BY SECTOR, AUSTRALIA, JULY TO SEPTEMBER 1990 AND 1993



Source: *Employer Training Expenditure, Australia (6353.0)*.

TABLE 9.2. AVERAGE TRAINING EXPENDITURE: INDUSTRY, JULY TO SEPTEMBER 1993

<i>Industry</i>	<i>Percentage of gross wages and salaries</i>	<i>Dollars per employee</i>	<i>Hours per employee</i>
Mining	5.1	687	13.9
Manufacturing	2.6	204	6.5
Food, beverages and tobacco	2.4	169	4.7
Textiles, clothing and footwear	2.3	150	4.6
Wood, wood products and furniture	1.8	106	6.1
Paper, paper products and printing	2.8	234	6.6
Chemical, petroleum and coal products	3.5	344	6.6
Non-metallic mineral products	2.0	175	4.8
Basic metal products	5.0	502	16.0
Fabricated metal, machinery and equipment	1.8	140	5.0
Transport equipment	3.5	282	11.5
Miscellaneous manufacturing	2.2	170	5.4
Electricity, gas and water	4.4	383	10.0
Construction	1.8	135	5.9
Non-building construction	1.9	153	4.1
Building and other construction	1.8	130	6.5
Wholesale and retail trade	2.4	117	4.2
Wholesale trade	2.8	207	4.5
Retail trade	2.0	75	4.1
Transport and storage	2.7	223	5.7
Air transport	3.9	463	12.2
Other transport and storage	2.3	170	4.3
Communication	5.4	452	9.2
Finance, property and business services	3.2	228	5.4
Finance and investment	3.0	225	5.1
Insurance	4.2	361	10.0
Property and business services	3.1	210	5.0
Public administration and defence	3.2	238	6.0
Community services	2.9	193	5.6
Health	2.3	143	4.2
Other community services	3.2	225	6.4
Recreation, personal and other services	1.9	82	3.1
Entertainment and recreational services	2.4	124	2.6
Restaurants, hotels and clubs	1.6	65	2.9
Personal services	1.8	86	5.5
<b>Total</b>	<b>2.9</b>	<b>192</b>	<b>5.6</b>

Source: *Employer Training Expenditure, Australia (6353.0)*.

*Training Expenditure by Industry*

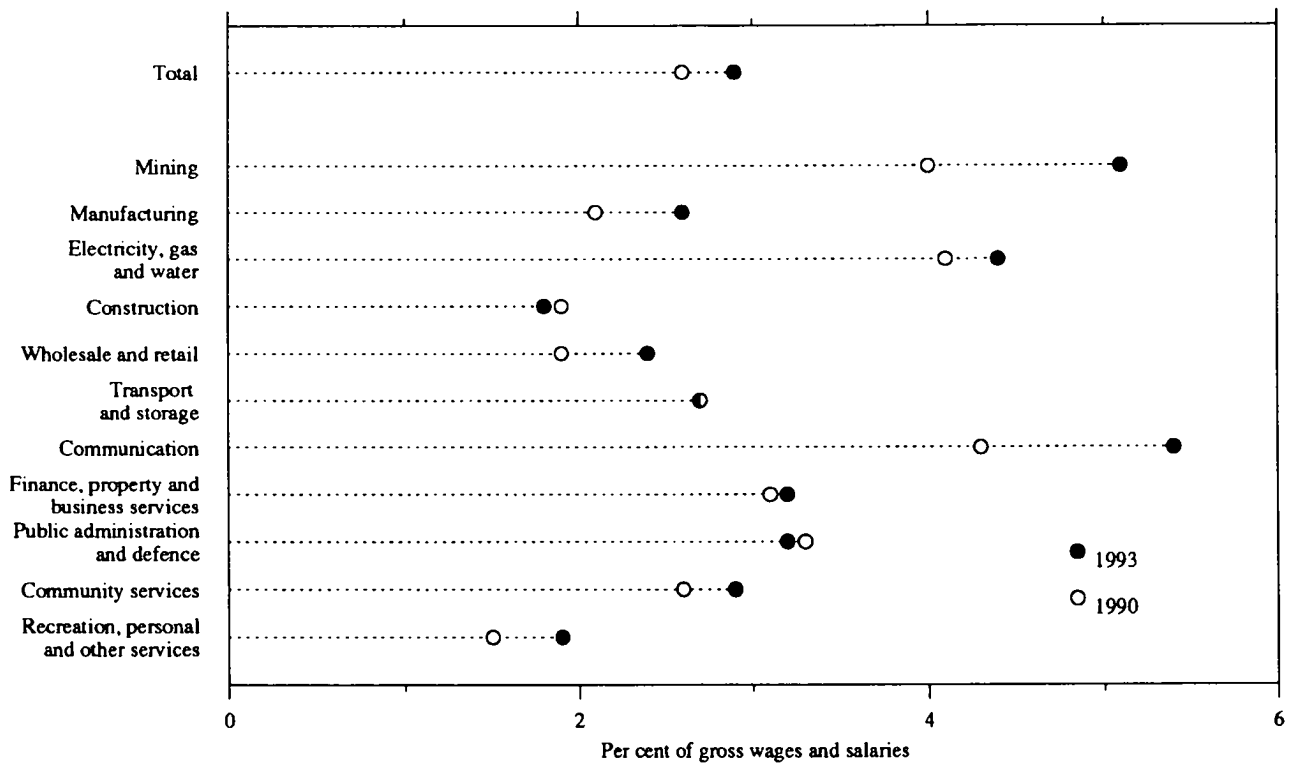
The industries which recorded the largest percentage of gross wages and salaries spent on training were Communication (5.4%), Mining (5.1%) and Basic metal products manufacturing industries (5.0%). On the other hand, the industry which spent the lowest proportion of gross wages and salaries on training was the Restaurants, hotels and clubs industry (1.6%).

The average number of hours employees spent training, ranged from 2.6 hours in the Entertainment and recreational services industry, to 16.0 hours in the Basic metal products manufacturing industry.

Employees in the Mining industry spent, on average, more time receiving training in 1993 (13.9 hours) than in 1990 (10.7 hours). The Insurance industry also recorded an increase – from 6.0 hours to 10.0 hours over the same period.

A number of industries showed a decrease in the time employees spent training. For example, employees in the Construction industry received 5.9 hours of training in 1993 and 9.0 hours in 1990.

**CHART 9.3. TRAINING EXPENDITURE BY INDUSTRY, AUSTRALIA, JULY TO SEPTEMBER 1990 AND 1993**



Source: *Employer Training Expenditure, Australia (6353.0)*.

### Fields of Training

The graph below shows that in July to September 1993, the largest amount of gross wages and salaries was spent on Management and professional training (\$20 per employee). This was only a slight increase from 1990 when the corresponding figure was \$19 per employee.

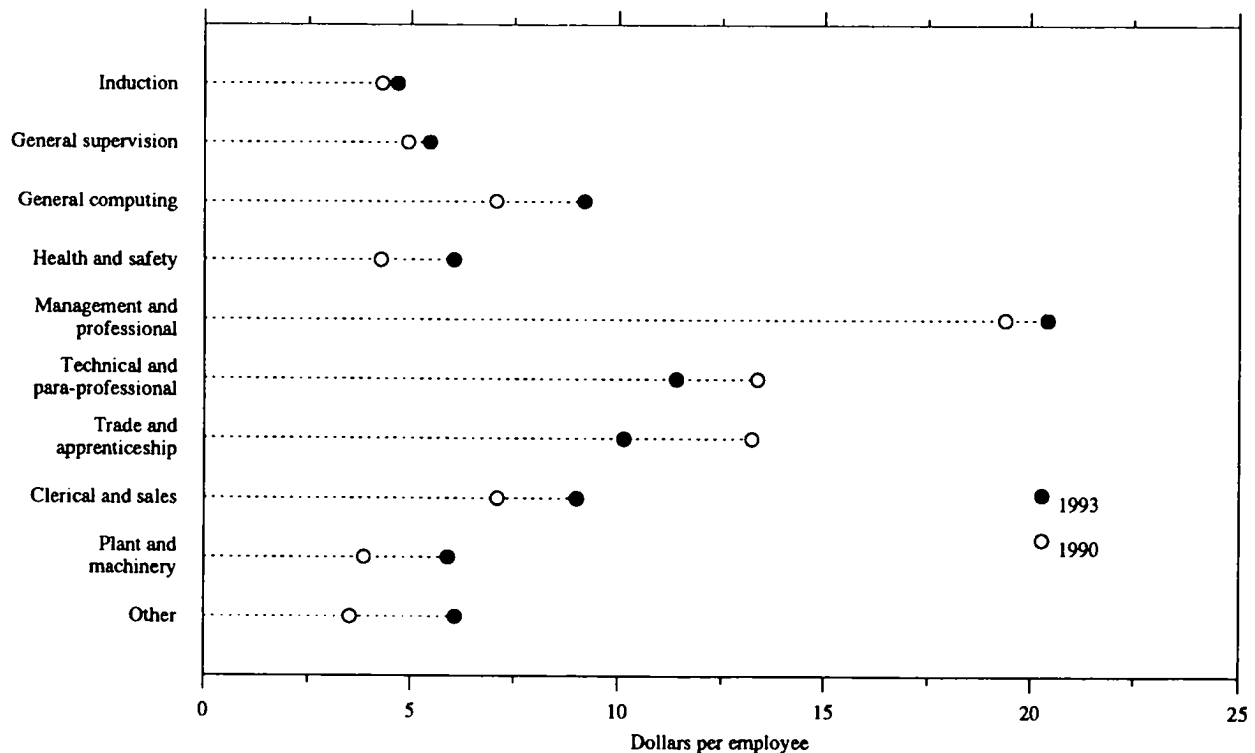
Two fields of training reported a decline in spending since the 1990 survey. These were Technical and para-professional training (\$13 per employee was spent in 1990 and \$11 in 1993) and Trade and apprenticeship training (\$13 per employee in 1990 and \$10 in 1993). This reduction in spending on Trade and apprenticeship training reflects the decline in the number of apprentices employed in Australian organisations.

Trade and apprenticeship training was also the field of training where employees spent the largest amount of time training (1.07 hours per employee). The second highest amount of time was spent in Management and professional training (0.93 hours per employee).

Table 9.3 illustrates that overall, during the three-month reference period, employees spent more time receiving in-house training (3.60 hours per employee) than external training (1.96 hours per employee).

The only field of training where employees spent more time receiving external training, rather than in-house training, was Trade and apprenticeship training. This is due to attendance at TAFE (an external training body) by employees completing an apprenticeship or a post trade certificate.

**CHART 9.4. GROSS WAGES AND SALARIES FOR TIME RECEIVING TRAINING BY FIELD OF TRAINING, AUSTRALIA, JULY TO SEPTEMBER, 1990 AND 1993**



Source: *Employer Training Expenditure, Australia (6353.0)*.

**TABLE 9.3. AVERAGE PAID TRAINING TIME: FIELDS OF TRAINING BY TYPE OF TRAINING, JULY TO SEPTEMBER 1993**  
(hours per employee(b))

<i>Fields of training(a)</i>	<i>In-house</i>	<i>External</i>	<i>Total</i>
Induction	0.34	*0.01	0.35
General supervision	0.24	0.06	0.30
General computing	0.36	0.15	0.52
Health and safety	0.24	0.10	0.34
Management and professional	0.48	0.44	0.93
Technical and para-professional	0.44	0.15	0.59
Trade and apprenticeship	0.29	0.78	1.07
Clerical, sales	0.59	0.11	0.70
Plant and machinery	0.33	0.05	0.38
Other	0.28	0.11	0.38
<b>Total</b>	<b>3.60</b>	<b>1.96</b>	<b>5.55</b>

(a) Formal training was classified according to the main content of the course or program. (b) The total time receiving formal training averaged over the total number of employees.

Source: *Employer Training Expenditure, Australia (6353.0)*.

#### *Composition of Training Expenditure*

The largest component of training expenditure was the employees' wages and salaries for time spent receiving training. In both sectors, this accounted for 46 per cent of total training expenditure. This was a decrease from 1990, when this component represented 48 per cent of expenditure in private sector organisations and 52 per cent in the public sector.

Table 9.4 shows that private sector employers spent almost the same amount on the wages and salaries of their own trainers, as the fees paid to training consultants and institutions (approximately \$32 per employee). However, in the public sector just over double was spent on the wages and salaries of their own trainers (\$77), compared with fees paid to consultants and institutions (\$35).

An average of \$26 per employee was spent on other training expenses. These expenses included training equipment and materials, travel, accommodation and meals, the cost of training rooms and payments made to industry training bodies. This expenditure represented 13 per cent of total training expenditure, a slight decrease from 1990 when other expenditure was 15 per cent of the total.

#### *Components of Training Expenditure*

Employees' wages for time receiving training (\$88 per employee) was the largest single component of training expenditure during the period. Employers also spent an average of \$78 per employee for trainers' costs which covers gross wages and salaries for employees providing training, consultants' fees, and training institution fees. A further \$25 per employee was spent on other items such as training equipment, travel, meals, accommodation, consumables, training rooms, and payments to industry training bodies.

**TABLE 9.4. COMPOSITION OF TRAINING EXPENDITURE: SECTOR, JULY TO SEPTEMBER 1993**  
(dollars per employee)

<i>Components of expenditure</i>	<i>Private</i>	<i>Public</i>	<i>Total</i>
Employees' wages and salaries for time receiving training	74.6	120.9	88.3
Cost of trainers to employers	64.0	112.0	78.2
Wages and salaries for time providing training	31.6	77.0	45.0
Fees paid to consultants and institutions	32.4	35.1	33.2
Other expenditure(a)	23.9	30.4	25.8
<b>Total training expenditure</b>	<b>162.6</b>	<b>263.3</b>	<b>192.3</b>

(a) Other expenditure includes equipment, travel, accommodation and meals, training rooms, payments to industry training bodies, materials, books, computer based training packages, printing, etc.

Source: *Employer Training Expenditure, Australia (6353.0)*.

### Training and Education Experience

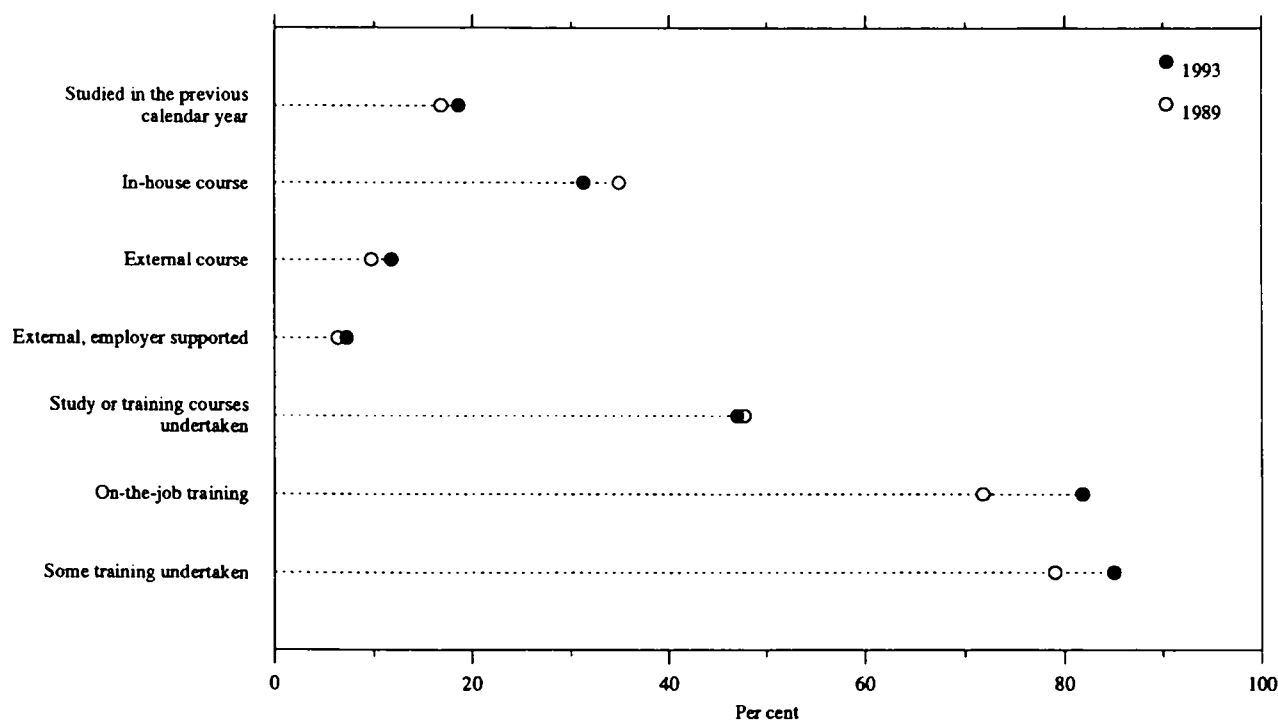
More employees received training in Australia in 1993 than in 1989, when the previous set of comparable statistics were produced. In the 12 months prior to the survey of Training and Education, conducted in April and May 1993, an estimated 86 per cent of those who had a wage or salary job in the last 12 months undertook some form of training, compared to 79 per cent during a comparable 1989 period.

The largest component of this increase related to on-the-job training, which rose from 72 per cent to 82 per cent. The percentage receiving more formal training (i.e. undertaking study or training courses) is unchanged from 1989 (47%). However, there was a small shift from in-house training courses (4% decrease) to external training courses and study for an educational qualification (2% increase for each).

For the estimated 7,078,700 persons who were wage or salary earners in the 12 months prior to the survey:

- A similar proportion of male and female wage or salary earners (46% and 48% respectively) stated that they had undertaken study or training courses.
- Those born in Australia or in the main English-speaking countries undertook more study or training courses (49% and 46% respectively) than did those born in other countries (35%).
- An estimated 56 per cent of wage or salary earners with post-school qualifications reported undertaking study or training courses in the 12-month period, compared to 39 per cent of those without post-school qualifications.

CHART 9.5. PERSONS WHO HAD A WAGE OR SALARY JOB IN THE LAST 12 MONTHS: CATEGORIES OF TRAINING UNDERTAKEN AUSTRALIA, 1989 AND 1993



Source: *Training and Education Experience, Australia (6278.0)*.

TABLE 9.5. PERSONS WHO HAD A WAGE OR SALARY JOB IN THE LAST 12 MONTHS: SUMMARY OF CHARACTERISTICS AND CATEGORIES OF TRAINING UNDERTAKEN (a)  
AUSTRALIA, 1989 AND 1993

	<i>Study or training courses undertaken</i>							
	<i>Studied in the previous calendar year</i>	<i>In-house</i>	<i>External training</i>		<i>Total</i>	<i>On-the-job</i>	<i>Some training undertaken</i>	<i>Total</i>
			<i>Employer supported</i>	<i>Total (b)</i>				
	1989							
	— per cent —							
Age —								('000)
15-19	53.7	23.6	2.8	5.6	65.4	90.9	95.7	628.9
20-24	28.6	34.2	5.0	8.0	54.3	85.8	90.8	1,076.3
25-34	13.8	39.6	7.8	11.9	49.8	76.0	83.2	1,939.1
35-44	9.0	40.2	8.0	12.0	47.8	68.1	77.1	1,621.9
45-54	5.2	31.5	6.5	9.3	36.8	56.5	64.6	977.9
55-64	2.9	20.4	3.1	4.7	23.6	40.9	49.0	460.5
<i>State of usual residence —</i>								
New South Wales	17.1	33.6	6.2	9.2	47.1	71.1	78.3	2,215.4
Victoria	16.2	35.5	7.3	10.2	47.7	72.3	79.5	1,739.1
Queensland	16.6	33.1	4.8	9.1	46.4	70.3	77.1	1,112.7
South Australia	14.9	38.6	7.6	11.0	49.3	73.3	80.5	562.4
Western Australia	18.3	34.9	6.9	11.4	49.7	73.7	81.3	680.4
Tasmania	14.6	32.5	4.9	7.7	44.6	65.4	74.7	176.2
Northern Territory	16.8	36.7	2.9	7.8	49.5	75.0	82.1	42.0
Australian Capital Territory	22.1	47.5	8.9	12.0	60.5	80.5	87.6	136.5
<i>Birthplace —</i>								
Born in Australia	17.9	36.2	6.3	9.9	49.7	73.3	80.6	5,039.0
Born outside Australia	13.2	30.8	6.7	9.6	42.0	67.2	74.4	1,665.8
Main English-speaking countries	12.7	37.3	8.5	12.9	48.3	71.9	79.4	777.0
Other countries	13.7	25.0	5.2	6.8	36.6	63.1	70.0	888.7
<i>Level of educational attainment —</i>								
With post-school qualifications	17.2	44.2	9.9	14.9	56.4	76.2	84.1	3,172.6
Without post-school qualifications	16.4	26.5	3.2	5.2	40.1	67.9	74.5	3,532.1
<i>Sex —</i>								
Males	17.0	35.1	7.4	10.4	48.5	71.1	78.8	3,740.7
Females	16.5	34.6	5.2	9.1	47.0	72.7	79.4	2,964.0
<b>Total</b>	<b>16.8</b>	<b>34.9</b>	<b>6.4</b>	<b>9.8</b>	<b>47.8</b>	<b>71.8</b>	<b>79.0</b>	<b>6,704.7</b>
	1993							
	— per cent —							
Age —								('000)
15-19	56.6	13.5	1.5	5.7	63.3	92.3	96.3	479.0
20-24	34.8	26.7	4.5	9.4	54.4	89.9	93.7	1,124.8
25-34	17.0	33.2	8.5	13.0	46.8	85.3	88.6	2,001.3
35-44	11.6	37.8	9.4	14.5	47.6	82.2	86.0	1,764.8
45-54	8.1	33.0	7.8	12.2	40.8	74.1	78.9	1,231.9
55-64	2.0	23.2	5.2	7.7	26.9	56.3	61.6	476.9
<i>State of usual residence —</i>								
New South Wales	19.8	30.6	7.8	12.1	47.2	81.3	85.0	2,402.6
Victoria	16.4	29.1	6.8	11.6	44.3	80.1	84.5	1,753.3
Queensland	19.1	32.6	5.8	10.3	47.0	84.1	87.7	1,244.6
South Australia	19.1	33.8	7.6	12.4	49.0	81.3	85.7	588.9
Western Australia	18.0	31.5	7.4	12.1	47.7	82.8	86.5	692.5
Tasmania	18.2	30.7	6.1	12.2	47.3	81.1	86.6	179.5
Northern Territory	11.6	34.5	7.1	10.0	43.0	82.9	85.9	72.7
Australian Capital Territory	24.8	44.3	15.9	19.7	63.4	90.1	92.6	144.6
<i>Birthplace —</i>								
Born in Australia	20.0	32.5	7.7	12.5	49.1	83.2	87.3	5,311.5
Born outside Australia	14.4	27.7	6.0	9.8	40.5	77.6	81.2	1,767.2
Main English-speaking countries	15.0	33.1	7.6	12.3	46.3	80.2	84.4	854.8
Other countries	13.8	22.6	4.6	7.5	35.0	75.3	78.3	912.4
<i>Level of educational attainment —</i>								
With post-school qualifications	20.4	40.9	11.2	17.2	56.2	86.2	90.4	3,381.1
Without post-school qualifications	16.9	22.5	3.7	6.9	38.5	77.9	81.6	3,697.6
<i>Sex —</i>								
Males	18.3	30.5	8.0	11.7	46.1	81.3	85.4	3,873.2
Females	19.0	32.2	6.4	12.0	48.0	82.4	86.2	3,205.5
<b>Total</b>	<b>18.6</b>	<b>31.3</b>	<b>7.3</b>	<b>11.8</b>	<b>47.0</b>	<b>81.8</b>	<b>85.8</b>	<b>7,078.7</b>

(a) Multi-response categories collected. For further details, see the Glossary. (b) Includes persons who attended external training courses while working that were not employer supported and persons who attended external training courses while not working.

Source: *Training and Education Experience, Australia (6278.0)*.



Fewer older workers, aged 55 to 64, received training than did younger workers. Only 27 per cent of these older workers undertook study or training courses, compared with 63 per cent of those aged 15 to 19 and 54 per cent of those aged 20 to 24.

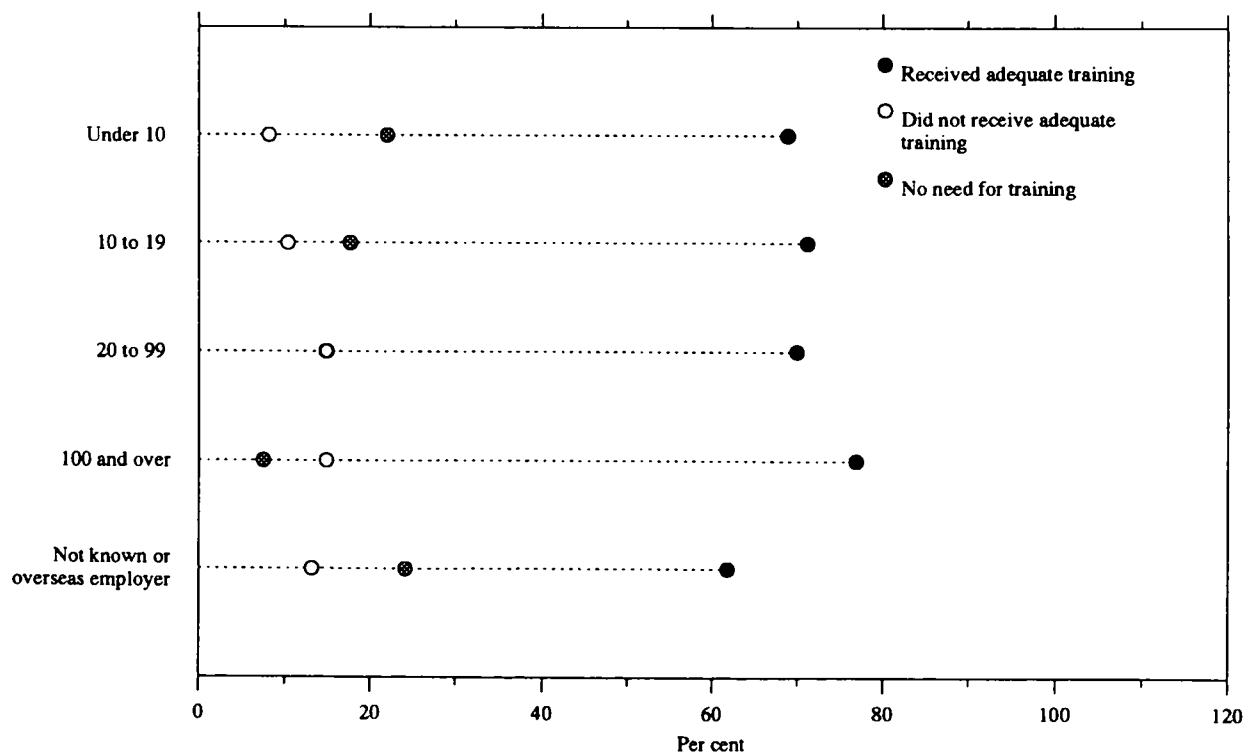
As the size of the employer increased, so did the incidence of training. Some 36 per cent of those working at locations with fewer than 10 employees undertook study or training courses compared to 55 per cent of those working at locations with 100 or more employees. However, there was little difference in the percentage undertaking on-the-job training (79% and 83% respectively).

Of the estimated 2,214,200 who did an in-house training course and the 752,000 who did an external training course while they were employed:

- An estimated 40 per cent did their main in-house course for retraining, while 46 per cent did so in respect of the main external course they attended while working.
- Some 85 per cent considered that skills gained from their main in-house course could be transferred to another employer, while 91 per cent considered that skills gained from the main external course they attended while working, were transferable.
- Around 84 per cent believed that their main in-house course had resulted in improved job performance, while 81 per cent believed that the main external course they attended while working resulted in improved job performance.

Overall, some 14 per cent of those still working with their employer did not consider that they had received adequate job training. However, an estimated 23 per cent of those born in Australia but whose first language was not English did not consider that they had received adequate job training, as did 24 per cent of wage or salary earners of Aboriginal or Torres Strait Islander origin. Those working for smaller businesses considered that they had no need for training more often than did those working for larger businesses (22% of employees working for businesses with fewer than 10 employees compared with just 8% of those working for businesses with 100 or more employees).

CHART 9.6. EMPLOYEES WORKING WITH THEIR MAIN PERIOD EMPLOYER  
SIZE OF EMPLOYER'S BUSINESS (NUMBER OF EMPLOYEES  
THROUGHOUT AUSTRALIA) AND ADEQUACY OF JOB TRAINING  
AUSTRALIA, 1993

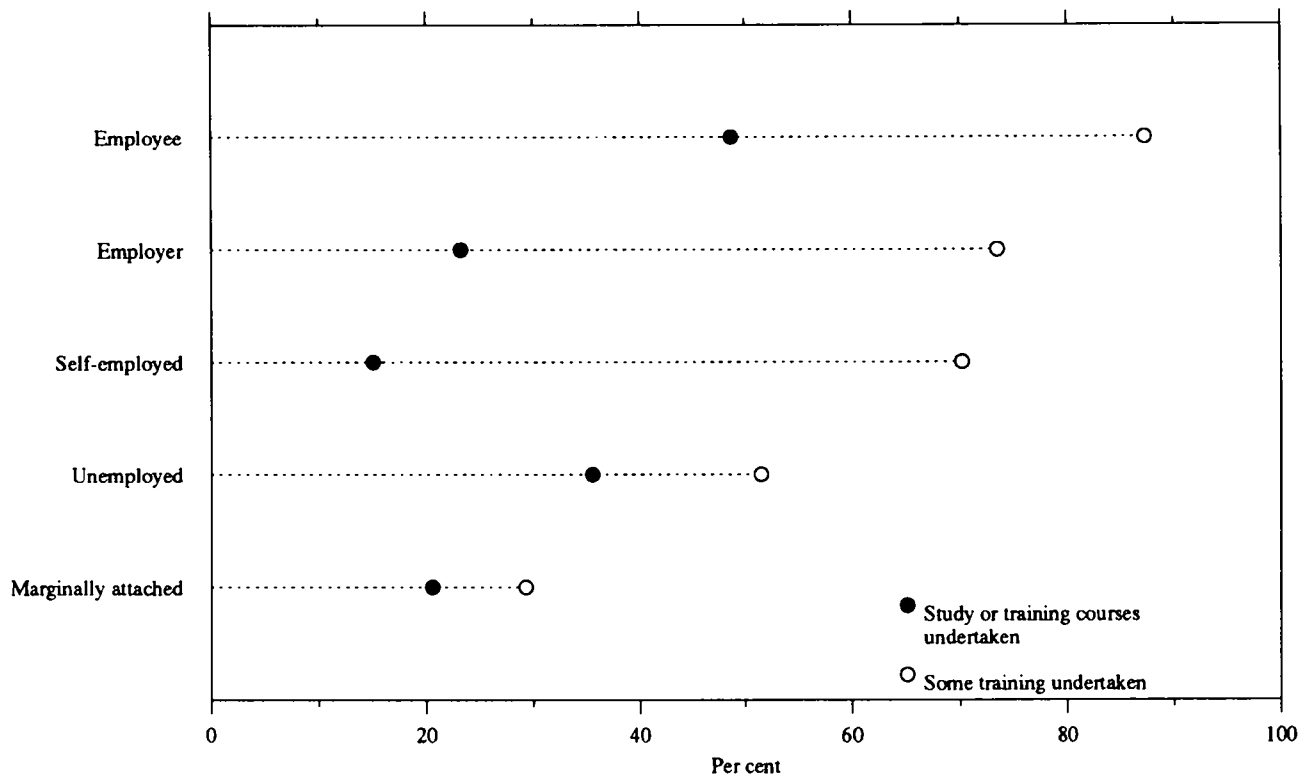


Source: *Training and Education Experience, Australia (6278.0)*.

For the 9,241,900 who were employed, unemployed or marginally attached to the labour force at the time of the survey:

- Almost 50 per cent of employees had undertaken study or training courses compared with 23 per cent of employers and 15 per cent of self-employed persons. Almost twice as many unemployed persons as marginally attached persons (i.e. those not actively looking for work but who would like to work) undertook study or training courses (36% compared with 21%).
- An estimated 1,513,600 (16%) had studied for an educational qualification in 1992. Of the 599,100 full-time students, 45 per cent were enrolled at universities, with a further 24 per cent enrolled at secondary schools. In contrast, some 61 per cent of part-time students were enrolled at TAFE colleges, with a further 22 per cent enrolled at universities.
- Some 29 per cent of those who were employed at the time of the survey had attended training courses in work time. Of the one third who reported difficulties in attending these courses, finding time to attend them presented the greatest problem. Just over two-thirds gave either 'No time' or 'Scheduling work and training' as their main difficulty.
- For one third of the 5,385,000 employed persons who did not attend a training course in work time, the perception that there was 'No need or little difference to work prospects' was their main reason for not attending, although 22 per cent gave 'No time' or 'Scheduling work and training'. A further 20 per cent gave 'No courses available' as their main reason.

**CHART 9.7. PERSONS IN, OR marginally ATTACHED TO, THE LABOUR FORCE:  
EMPLOYMENT STATUS AND SUMMARY OF TRAINING UNDERTAKEN  
AUSTRALIA, 1993**



Source: *Training and Education Experience, Australia (6278.0)*.