

CHAPTER 9

TRAINING

Training is a major factor in both labour market adjustment, and occupational mobility. In addition, the manner in which training is acquired can be a major influence on labour market efficiency. National estimates of the expenditure by employers for 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.

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*.

Training Expenditure

The *Training Expenditure Survey* is designed to produce national estimates of expenditure on formal training by industry and employer size. It was first run in the September quarter 1989, when 2,000 employers Australia wide, participated in the survey.

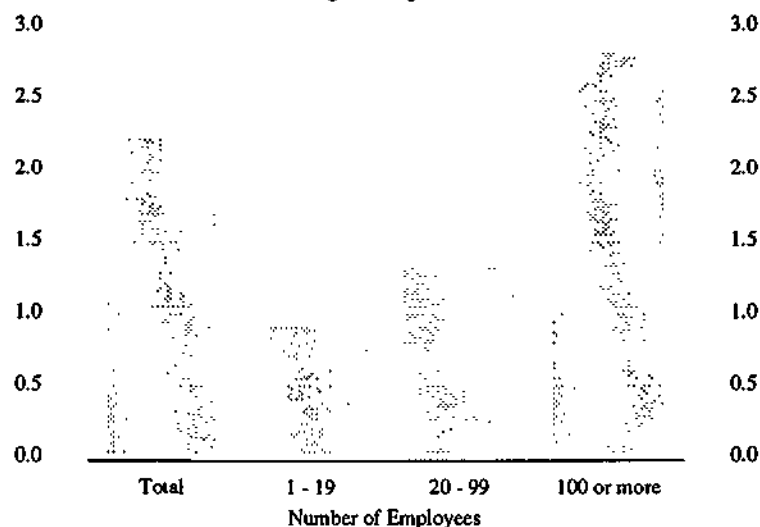
Formal training is defined as all training activities which have a structured plan and format designed to develop job related skills and competence. By contrast, informal training, that is, unstructured on-the-job training, is excluded from the scope of the survey.

During the three months July to September 1989 Australian employers spent an amount equivalent to 2.2 per cent of gross wages and salaries on the formal training of their employees. This represents \$133 per employee, or five and a half hours of training per employee.

Only 22 per cent of all employers reported formal training expenditure during the period. Although they employed approximately three quarters of all Australian employees, not all of these employees received training during the period. Overall, employers who provided training spent 2.9 per cent of gross wages and salaries on training. This represents \$182, or nearly 8 hours of training received per employee.

Employers with a large number of employees spent a higher proportion of gross wages and salaries on formal training than did those with few employees. Taken over all employers, large employers (with 100 or more employees) spent 2.8 per cent of gross wages and salaries. By contrast, medium employers (with 20 to 99 employees) spent 1.3 per cent, and small employers (with 1 to 19 employees) spent 0.9 per cent on formal training during the quarter. A greater number of large employers (88%) reported formal training expenditure than did either medium (46%) or small employers (18%).

CHART 9.1. AVERAGE TRAINING EXPENDITURE,
EMPLOYER SIZE, AUSTRALIA, JULY TO SEPTEMBER 1989
Per cent of gross wages and salaries



Source: *Employer Training Expenditure, Australia, July to September, 1989* (6353.0).

TABLE 9.1. AVERAGE TRAINING EXPENDITURE — AUSTRALIA
SECTOR BY EMPLOYER SIZE, JULY TO SEPTEMBER 1989

	<i>1 - 19 employees</i>	<i>20 - 99 employees</i>	<i>100 or more employees</i>	<i>Total</i>
PRIVATE				
Total training expenditure	0.8	per cent of gross wages and salaries 1.2	2.4	1.7
Total training expenditure per employee	40.6	dollars 69.1	148.8	97.5
Training hours per employee	3.4	hours 3.3	5.6	4.4
Employers reporting training expenditure(a)	17.6	per cent of all employers 47.8	84.8	21.4
PUBLIC				
Total training expenditure	*0.6	per cent of gross wages and salaries 2.9	3.3	3.3
Total training expenditure per employee	*30.6	dollars 177.9	224.5	221.5
Training hours per employee	*1.1	hours 7.9	9.3	9.2
Employers reporting training expenditure(a)	*26.9	per cent of all employers 100.0	98.8	61.4
TOTAL				
Total training expenditure	0.8	per cent of gross wages and salaries 1.3	2.8	2.2
Total training expenditure per employee	40.5	dollars 74.1	183.2	132.9
Training hours per employee	3.3	hours 3.5	7.3	5.7
Employers reporting training expenditure(a)	17.7	per cent of all employers 49.8	87.9	22.1

(a) The percentage of employers is based on the statistical unit for the survey (see paragraph 105 of the Technical Notes).

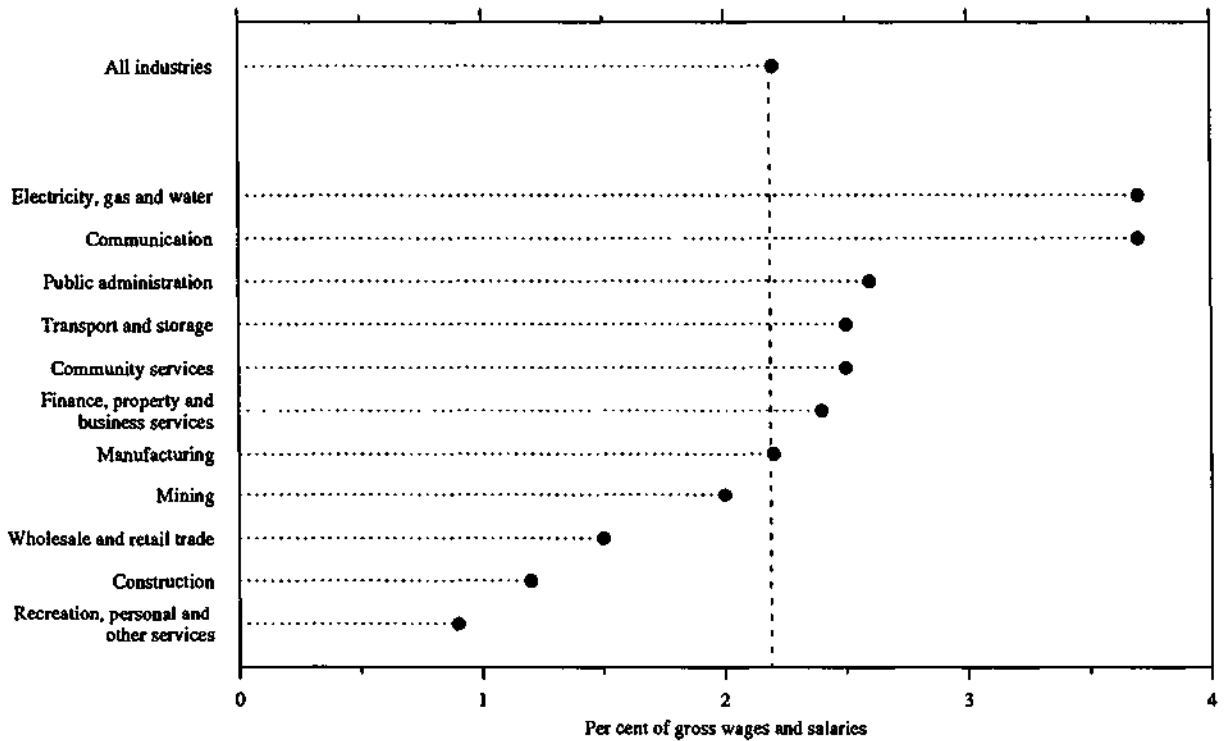
Source: *Employer Training Expenditure, Australia, July to September 1989* (6353.0).

Training Expenditure by Industry

The Electricity, gas and water industry and the Communication industry had the highest expenditure on formal training, equivalent to 3.7 per cent of gross wages and salaries. This represents \$274 and \$262 per employee respectively, or ten and a half hours and nine hours per employee respectively for the period. These industries showed a high proportion of trade and apprenticeship training. Communication also showed a high proportion of clerical and sales training.

The Recreation, personal and other services industry had the lowest expenditure with 0.9 per cent. This represents \$36, or three and a half hours per employee for the period. This industry is characterised by a high level of part-time employment.

CHART 9.2. AVERAGE TRAINING EXPENDITURE, INDUSTRY, AUSTRALIA, JULY TO SEPTEMBER 1989



Source: *Employer Training Expenditure, Australia, July to September 1989* (6353.0).

TABLE 9.2. AVERAGE TRAINING EXPENDITURE — AUSTRALIA
SECTOR BY INDUSTRY, JULY TO SEPTEMBER 1989

Industry	Private			Total		
	In-house	External	Total	In-house	External	Total
	per cent of gross wages and salaries					
Mining	*1.4	*0.5	*1.9	*1.5	0.5	2.0
Manufacturing	1.4	0.7	2.1	1.5	0.7	2.2
Electricity, gas and water	3.0	0.9	4.0	2.8	1.0	3.7
Construction	*0.1	0.7	0.8	*0.6	0.7	1.2
Wholesale and retail trade	1.0	0.5	1.5	1.0	0.5	1.5
Transport and storage	*0.4	*0.5	*0.9	2.1	*0.4	2.5
Communication	*0.7	*0.5	*1.1	3.2	0.5	3.7
Finance, property and business services	1.6	0.7	2.3	1.7	0.7	2.4
Public administration and defence	..	..	..	1.9	0.7	2.6
Community services	0.8	0.5	1.3	2.0	0.5	2.5
Recreational, personal and other services	*0.2	*0.6	*0.8	*0.3	*0.6	0.9
All industries	1.1	0.6	1.7	1.6	0.6	2.2
	dollars per employee					
Mining	*135.1	*44.3	*179.4	*143.0	*43.0	*186.0
Manufacturing	93.2	42.6	135.8	99.0	43.0	142.0
Electricity, gas and water	229.6	71.4	301.0	201.9	71.7	273.6
Construction	*7.6	*43.8	51.4	*39.0	44.3	83.2
Wholesale and retail trade	46.5	26.0	72.5	46.9	26.4	73.3
Transport and storage	*25.2	*31.3	*56.5	144.8	*30.6	175.4
Communication	*45.0	*32.6	*77.6	228.2	34.3	262.4
Finance, property and business services	100.8	43.2	144.1	107.6	43.0	150.6
Public administration and defence	..	..	..	128.8	45.3	174.1
Community services	*36.6	22.4	58.9	113.2	28.8	142.0
Recreational, personal and other services	*6.4	*22.4	28.8	*13.0	23.1	36.1
All industries	63.7	33.9	97.5	97.1	35.8	132.9
	hours per employee (a)					
Mining	*4.2	*1.8	*6.0	4.8	1.9	6.7
Manufacturing	3.7	2.4	6.1	4.1	2.4	6.5
Electricity, gas and water	6.7	3.6	10.3	7.1	3.4	10.4
Construction	*0.2	*4.9	*5.2	*1.5	*4.4	5.9
Wholesale and retail trade	1.9	2.5	4.4	1.9	2.5	4.4
Transport and storage	*0.9	*0.6	*1.5	3.5	1.2	4.8
Communication	*2.4	*1.3	*3.7	8.0	1.1	9.1
Finance, property and business services	2.9	1.2	4.2	3.4	1.2	4.6
Public administration and defence	..	..	..	4.6	1.6	6.2
Community services	1.4	0.9	2.3	5.4	1.4	6.7
Recreational, personal and other services	*0.3	*3.2	*3.5	*0.6	*3.0	*3.6
All industries	2.3	2.1	4.4	3.7	2.0	5.7

(a) The total time receiving formal training averaged over the total number of employees.

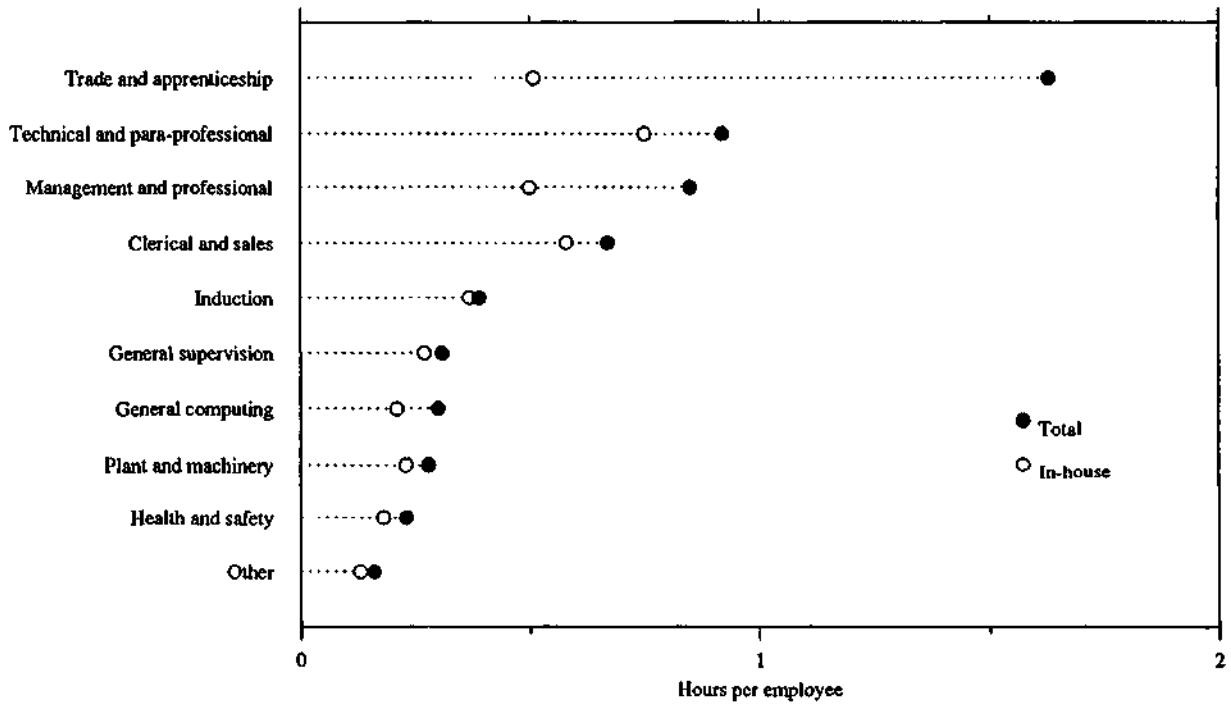
Source: Employer Training Expenditure, Australia, July to September 1989 (6353.0).

Fields of Training

Formal training was classified into fields of training according to the main content of the training course or program. Trade and apprenticeship training was the field in which most formal training was received, with an average of 1 hour and 40 minutes received per employee. This was mostly external training (1 hour and 6 minutes).

The fields of training in which the least training was undertaken were health and safety training with an average of 14 minutes per employee, and the category "Other" training with an average of 10 minutes per employee.

CHART 9.3. AVERAGE PAID TRAINING TIME PER EMPLOYEE, FIELD OF TRAINING(a), AUSTRALIA, JULY TO SEPTEMBER 1989



(a) Formal training was classified according to the main content of the course or program.

Source: *Employer Training Expenditure, Australia, July to September 1989* (6353.0).

TABLE 9.3. AVERAGE PAID TRAINING TIME PER EMPLOYEE(a) — AUSTRALIA
FIELD OF TRAINING BY SECTOR, JULY TO SEPTEMBER 1989

<i>Field of training(b)</i>	<i>In-house</i>	<i>External</i>	<i>Total</i>
PRIVATE			
	hours per employee		
Induction	0.34	*0.01	0.35
General supervision	0.26	*0.04	0.30
General computing	0.18	0.06	0.24
Health and safety	0.12	0.05	0.17
Management and professional	0.35	0.27	0.62
Technical and para-professional	0.09	0.07	0.16
Trade and apprenticeship	0.30	1.45	1.75
Clerical, sales	0.34	0.08	0.42
Plant and machinery	0.22	*0.05	0.28
Other	0.08	*0.02	0.10
<i>All fields</i>	2.29	2.09	4.38
PUBLIC			
	hours per employee		
Induction	0.49	*0.00	0.49
General supervision	0.30	0.05	0.35
General computing	0.30	0.15	0.45
Health and safety	0.30	0.07	0.38
Management and professional	0.88	0.55	1.42
Technical and para-professional	2.42	0.40	2.82
Trade and apprenticeship	0.96	0.38	1.34
Clerical, sales	1.18	0.11	1.30
Plant and machinery	0.24	*0.05	0.29
Other	0.27	0.05	0.32
<i>All fields</i>	7.35	1.81	9.17
TOTAL			
	hours per employee		
Induction	0.38	*0.01	0.39
General supervision	0.27	0.04	0.31
General computing	0.21	0.09	0.30
Health and safety	0.18	0.05	0.23
Management and professional	0.50	0.35	0.85
Technical and para-professional	0.75	0.16	0.92
Trade and apprenticeship	0.49	1.14	1.63
Clerical, sales	0.58	0.09	0.67
Plant and machinery	0.23	*0.05	0.28
Other	0.13	0.03	0.16
<i>All fields</i>	3.73	2.01	5.74

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

Source: *Employer Training Expenditure, Australia, July to September 1989* (6353.0).

Components of Training Expenditure

Employees' wages for time receiving training (\$69 per employee) was the largest single component of training expenditure during the period. Employers also spent an average of \$45 per employee for trainers' costs which includes gross wages and salaries for employees providing training, consultants fees, and training institution fees. A further \$19 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 AVERAGE TRAINING EXPENDITURE — AUSTRALIA
SECTOR, JULY TO SEPTEMBER 1989

<i>Components of expenditure</i>	<i>Private</i>	<i>Public</i>	<i>Total</i>
	<i>dollars per employee</i>		
<i>Employees' wages and salaries for time receiving training</i>	<i>51.5</i>	<i>113.3</i>	<i>69.1</i>
<i>Trainers' costs (including fees)</i>	<i>32.9</i>	<i>76.4</i>	<i>45.3</i>
<i>Wages and salaries for time providing training</i>	<i>15.9</i>	<i>58.1</i>	<i>28.0</i>
<i>Fees to consultants and institutions</i>	<i>16.9</i>	<i>18.3</i>	<i>17.3</i>
<i>Other expenditure</i>	<i>13.2</i>	<i>31.7</i>	<i>18.5</i>
<i>Equipment</i>	<i>2.0</i>	<i>8.3</i>	<i>3.8</i>
<i>Travel, accommodation and meals</i>	<i>6.9</i>	<i>12.8</i>	<i>8.6</i>
<i>Training rooms</i>	<i>1.8</i>	<i>5.9</i>	<i>3.0</i>
<i>Payments to industry training bodies</i>	<i>*0.6</i>	<i>*1.2</i>	<i>*0.7</i>
<i>Other(a)</i>	<i>2.0</i>	<i>3.6</i>	<i>2.4</i>
 <i>Total wages and salaries costs(b)</i>	 <i>67.4</i>	 <i>171.4</i>	 <i>97.1</i>
 <i>Total costs other than wages and salaries(c)</i>	 <i>30.1</i>	 <i>50.0</i>	 <i>35.8</i>
 <i>Total training expenditure</i>	 <i>97.5</i>	 <i>221.5</i>	 <i>132.9</i>
 <i>Training subsidies received</i>	 <i>3.2</i>	 <i>2.5</i>	 <i>3.0</i>
<i>Net training expenditure</i>	<i>94.4</i>	<i>218.9</i>	<i>129.9</i>

(a) Materials, books, computer based training packages, printing, etc. (b) Employees' gross wages and salaries for time receiving and providing training. (c) Fees to consultants and institutions, and *Other expenditure*.

Source: *Employer Training Expenditure, Australia, July to September 1989* (6353.0).

How Workers Get Their Training

The survey was conducted as a Special Supplementary Survey during the period March to July 1987.

Some 72 per cent of all employees received on-the-job training. A little more than a third undertook in-house training courses, 17 per cent studied for an educational qualification, and 10 per cent attended at least one external training course.

No training at all was undertaken by an estimated 21 per cent of the 6,704,700 persons who had a wage or salary job in the twelve months to July 1989.

A similar proportion of males and females undertook training in external courses, in-house courses, on-the-job training, and study for an educational qualification. However, for full time workers, a higher proportion of females (84%) undertook some form of training than did males (79%).

Industries in which employees reported a high participation in training were the Electricity, gas, and water; Communication; and Finance, property and business services industries (each with 85%). Employees in the Agriculture, forestry, fishing and hunting industry reported the lowest participation (68%) with only 9 per cent receiving in-house training.

Some 84 per cent of public sector employees received training compared with 77 per cent of workers in the private sector. For in-house training the proportion of public sector workers taking courses (52%) was nearly double that for the private sector (28%).

Professionals had the highest participation in training (92%) and 23 per cent of this group undertook study for an educational qualification in 1988. Plant and machine operators, and drivers recorded the lowest rate (64%).

Qualifying Training

Of the 6,704,700 persons who had a wage or salary job during the year, 32 per cent (2,122,400) required a post-school qualification to secure their main job, and 13 per cent (863,400) required a secondary school certificate. For public and private sector employees, 63 per cent and 37 per cent respectively required an educational qualification to obtain their jobs.

In-house training courses

Some 2,337,500 persons who had a wage or salary job in the last twelve months attended in-house training courses. Of these persons, 42 per cent attended one course only, and 14 per cent attended 5 per cent or more courses.

Approximately, 26 per cent of those attending in-house training courses nominated management and professional training as the type of courses on which they spent most time.

External training courses

An estimated 658,400 wage and salary earners took 1,012,400 places on principal external training courses during the year. Two thirds of persons who had undertaken external courses while working had employer support for that training.

For 77 per cent of those taking an external course, the main course attended took less than 40 hours, and for 41 per cent the main course was for less than 10 hours.

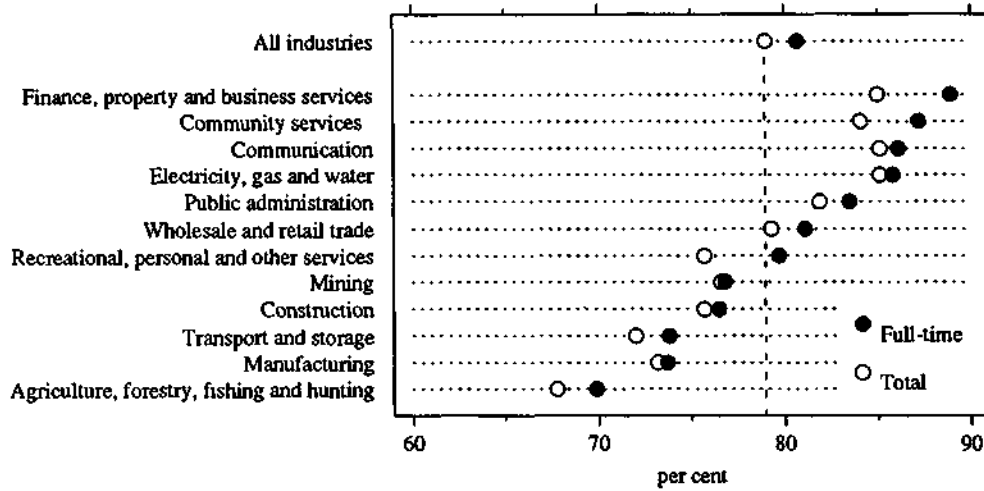
TABLE 9.5. PERSONS WHO HAD A WAGE OR SALARY JOB IN THE LAST 12 MONTHS : SUMMARY OF CHARACTERISTICS AND CATEGORIES OF TRAINING UNDERTAKEN IN THE LAST 12 MONTHS, 1989

	Training courses undertaken							Total
	Studied for educational qualification in 1988	External training			Some training undertaken	No training undertaken	Total	
		Employer supported	Total	In-house					On-the-job
				— per cent —				('000)
Marital status —								
Married	9.0	7.0	10.1	36.0	66.6	74.5	25.5	4,031.6
Not married	28.5	5.5	9.4	33.1	79.6	86.0	14.0	2,673.1
Family status —								
Member of a family	15.9	6.4	9.6	34.4	70.9	78.3	21.7	5,441.4
Husband or wife	9.0	7.0	10.1	36.2	66.6	74.5	25.5	3,901.8
With dependents present	8.7	7.2	10.5	37.5	68.0	76.1	23.9	2,367.2
Without dependents present	9.3	6.8	9.6	34.3	64.5	72.1	27.9	1,534.6
Other family head	12.4	5.0	10.7	32.2	70.7	77.9	22.1	273.8
Full-time student aged 15-24(a)	85.4	* 0.9	* 2.2	23.5	81.5	99.1	* 0.9	136.5
Other child of married couple or family head	32.9	5.2	8.5	30.7	84.9	89.2	10.8	1,051.5
Other relative of married couple or family head	22.1	* 2.9	* 3.5	23.8	77.1	81.3	18.7	77.8
Not a member of a family	20.0	7.2	11.8	38.6	76.1	83.1	16.9	960.7
Family status not determined	22.6	4.6	8.2	30.5	74.6	80.4	19.6	302.7
Birthplace and period of arrival —								
Born in Australia	17.9	6.3	9.9	36.2	73.3	80.6	19.4	5,039.0
Born outside Australia	13.2	6.7	9.6	30.8	67.2	74.4	25.6	1,665.8
Main English speaking countries	12.7	8.5	12.9	37.3	71.9	79.4	20.6	777.0
Other countries	13.7	5.2	6.8	25.0	63.1	70.0	30.0	888.7
Arrived before 1960	5.5	7.5	11.3	30.7	54.5	62.9	37.1	272.4
Arrived 1960-1969	9.7	6.6	9.5	31.7	61.3	68.8	31.2	473.3
Arrived 1970-1979	17.5	6.3	8.9	31.4	70.2	76.9	23.1	435.2
Arrived 1980-1989	17.2	6.7	9.5	29.4	77.4	84.0	16.0	484.8
Age (years) —								
15-24	37.9	4.2	7.1	30.3	87.7	92.6	7.4	1,705.3
25-34	13.8	7.8	11.9	39.6	76.0	83.2	16.8	1,939.1
35-44	9.0	8.0	12.0	40.2	68.1	77.1	22.9	1,621.9
45-54	5.2	6.5	9.3	31.5	56.5	64.6	35.4	977.9
55-64	2.9	3.1	4.7	20.4	40.9	49.0	51.0	460.5
Level of educational attainment —								
With post-school qualifications	17.2	9.9	14.9	44.2	76.2	84.1	15.9	3,172.6
Post-graduate degree or graduate diploma	20.6	18.5	28.0	59.8	84.4	92.9	7.1	315.7
Bachelor degree or diploma	23.4	15.8	21.8	56.2	84.9	90.8	9.2	747.6
Trade qualification or apprenticeship	9.4	5.6	8.5	31.5	65.8	74.3	25.7	936.0
Post-secondary certificate	18.8	7.4	12.1	42.6	76.6	85.3	14.7	1,143.7
Full-time student aged 15-24(a)	* 12.1	* 7.9	* 12.1	32.8	79.4	83.4	* 16.6	29.6
Without post-school qualifications(b)	16.4	3.2	5.2	26.5	67.9	74.5	25.5	3,532.1
Attended highest level of secondary school available	33.4	6.2	8.5	36.6	79.4	87.5	12.5	1,006.6
Did not attend highest level of secondary school available	9.4	2.0	3.8	22.4	63.2	69.2	30.8	2,496.5
Left at age —								
16 years or over	14.4	2.5	4.8	26.7	72.8	79.0	21.0	1,091.0
15 years or under	5.6	1.6	3.1	19.1	55.7	61.7	38.3	1,405.5
Total	16.8	6.4	9.8	34.9	71.8	79.0	21.0	6,704.7
<i>Males</i>	17.0	7.4	10.4	35.1	71.1	78.8	21.2	3,740.7
<i>Females</i>	16.5	5.2	9.1	34.6	72.7	79.4	20.6	2,964.0
				— '000 —				
Total	1,124.0	429.2	658.4	2,337.5	4,814.4	5,300.1	1,404.6	6,704.7
<i>Males</i>	634.1	276.5	388.3	1,311.2	2,659.0	2,947.5	793.2	3,740.7
<i>Females</i>	489.9	152.7	270.1	1,026.4	2,155.4	2,352.6	611.5	2,964.0

(a) Excludes persons attending school. (b) Includes those who never attended school and those for whom secondary school qualifications could not be determined.

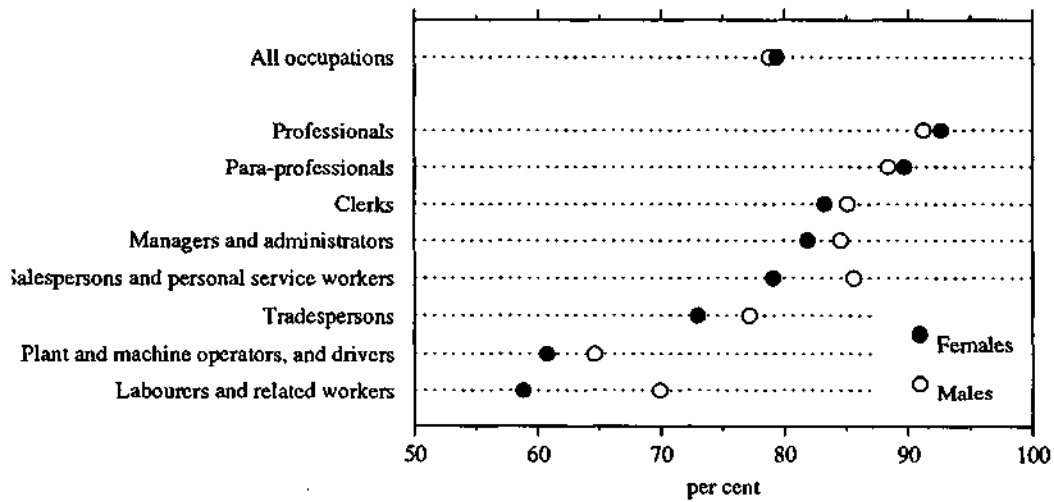
Source: *How Workers Get Their Training, 1989* (6278.0).

CHART 9.4. PERSONS WHO HAD A WAGE OR SALARY JOB IN THE LAST 12 MONTHS: PARTICIPATION IN TRAINING BY INDUSTRY AND FULL-TIME/TOTAL WORKERS, 1989, AUSTRALIA



Source: *How Workers Get Their Training, 1989* (6278.0).

CHART 9.5. PERSONS WHO HAD A WAGE OR SALARY JOB IN THE LAST 12 MONTHS: PARTICIPATION IN TRAINING BY OCCUPATION, 1989, AUSTRALIA



Source: *How Workers Get Their Training, 1989* (6278.0).