



# Employer Training Expenditure

Australia  
July-September 1993

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# **EMPLOYER TRAINING EXPENDITURE**

## **AUSTRALIA**

**JULY TO SEPTEMBER 1993**

**IAN CASTLES**

**Australian Statistician**

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## INQUIRIES

- *for further information about statistics in this publication and the availability of related unpublished statistics, contact Murray Klee on Canberra (06) 252 6751 or any ABS State Office.*
- *for information about other ABS statistics and services please refer to the back page of this publication.*



## MAIN FEATURES

### *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 reference 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, whereas small employers spent 1.7 per cent of gross wages and salaries on training employees.

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 1993, 75 per cent of organisations above the Training Guarantee threshold reported expenditure on training during the 3 months. This was an increase from 1990 when 60 per cent of these organisations reported some training expenditure.

### *Industry*

The three industries with the highest expenditure on training were: Communication (5.4%), Mining (5.1%), and Basic metal products manufacturing (5.0%). The Restaurants, hotels and clubs industry spent the lowest proportion of gross wages and salaries on training, the equivalent of 1.6 per cent.

When the field of training is considered, Management and professional training is the area where the largest proportion of gross wages and salaries was spent (\$20 per employee).

Employees in the Basic metal products manufacturing industry spent, on average, the most amount of time training (16 hours). The industry in which employees received the lowest amount of training was the Entertainment and recreational services industry, where employees received 2.6 hours of training during the reference period.

Australian employers spent approximately 70 per cent of their training expenditure on in-house training, the remaining 30 per cent was spent on external training.

# TRAINING BY SIZE OF THE ORGANISATION

**TABLE 1. TRAINING EXPENDITURE — Employer Size by Sector  
July to September 1993**

	1-19 employees	20-99 employees	100 or more employees	Total
PRIVATE				
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
PUBLIC				
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
TOTAL				
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 (see Explanatory Notes).

\* Subject to sampling variability too high for most practical purposes (see Technical Notes).



## TRAINING BY SIZE OF THE ORGANISATION *CONTINUED*

### *Percentage of gross wages and salaries*

During July to September 1993 it was estimated that Australian employers spent the equivalent of 2.9 per cent of gross wages and salaries on the formal training of employees (for a definition of formal training see the Glossary of Terms). Small employers (those with 1 to 19 employees) spent an average of 1.7 per cent of gross wages and salaries on training, whereas large organisations (100 employees or more) spent 3.2 per cent.

The average percentage of gross wages and salaries spent on training increased for employers in each size grouping, since the same period in 1990. The largest increase was recorded for employers with 20 to 99 employees. Average training expenditure in this group increased from 1.9 per cent of gross wages and salaries to 2.8 per cent.

### *Expenditure per employee*

The average amount of expenditure for each employee during the 3 months was \$192. Compared with 1990, all employment sizes recorded increases in expenditure on training employees. The largest increase was in organisations with 20 to 99 employees whose average training expenditure per employee increased from \$113 to \$180.

### *Time spent receiving training*

For each employee, an average of 5.6 hours was spent receiving training. While small and medium sized organisations recorded an increase in the time each employee spent training, organisations with over 100 employees reported a decrease from 7.1 hours in 1990 to 6.2 hours in 1993.

### *Employers reporting training expenditure*

Twenty five per cent of all employers reported some expenditure on training during the reference period. It should be noted that the survey only collects information for a 3 month period and organisations may train employees at another time during the year (see Explanatory Notes).

Ninety eight per cent of large employers recorded some training expenditure during the reference period – an increase of four per cent from 1990. Eighty per cent of medium sized organisations reported some training expenditure. This was a significant increase since 1990, when the corresponding figure was 64 per cent.

For small employers, 18 per cent reported training expenditure, a slight decrease from 1990 when 18.5 per cent recorded some expenditure.

## TRAINING BY SECTOR

### Total training expenditure

Expenditure by employers in the private sector amounted to 60 per cent of all expenditure on training during July to September 1993 (\$661 million). This was an increase of 26 per cent from 1990, when \$525 million was spent. The public sector recorded only a seven per cent increase, from \$418 million to \$448 million over the same period.

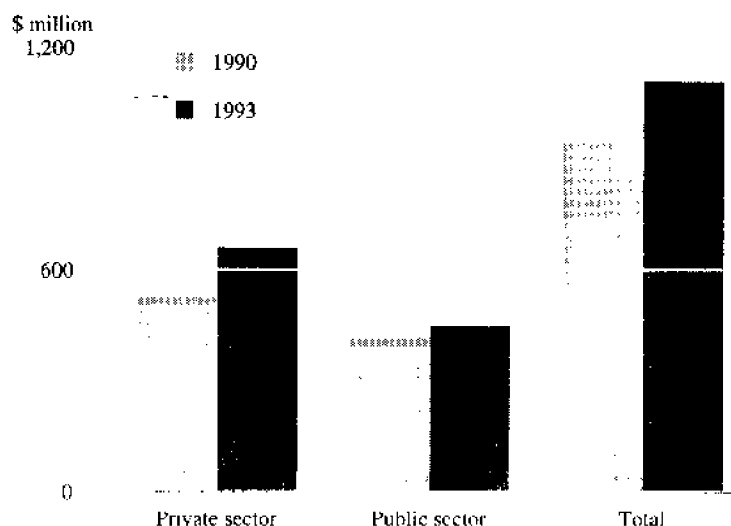
### Time spent receiving training

Employees in private sector organisations with 1 to 19 employees received the lowest amount of training (4.1 hours per employee). Private sector organisations with 100 or more employees, received an average of 5.5 hours of training during the 3 months, while employees in the same sized public sector organisations received 6.9 hours of training.

### Expenditure per employee

In both 1990 and 1993, the public sector reported a higher expenditure per employee on training than the private sector. In 1993, organisations in the public sector spent an average of \$263 per employee, compared with \$163 by the private sector (the comparable figures for 1990 were \$230 and \$132 respectively).

GRAPH 1. TOTAL TRAINING EXPENDITURE BY SECTOR  
JULY TO SEPTEMBER 1990 AND 1993



## EMPLOYERS REPORTING TRAINING EXPENDITURE

Organisations included in the Training Expenditure Survey can be split into two groups – those who reported some training expenditure during the 3 months and those who did not. This section looks specifically at the group who reported some training expenditure (25% of all employers).

### Size of organisation

Graph 2 illustrates that in small organisations that reported training expenditure, employees received a larger amount of training (13 hours) compared with medium or large employers (in both of the larger groups, employees received an average of 6 hours training). Sixty five per cent of organisations with 1 to 19 employees employed at least one apprentice or trainee which contributed to their higher expenditure.

### Sector

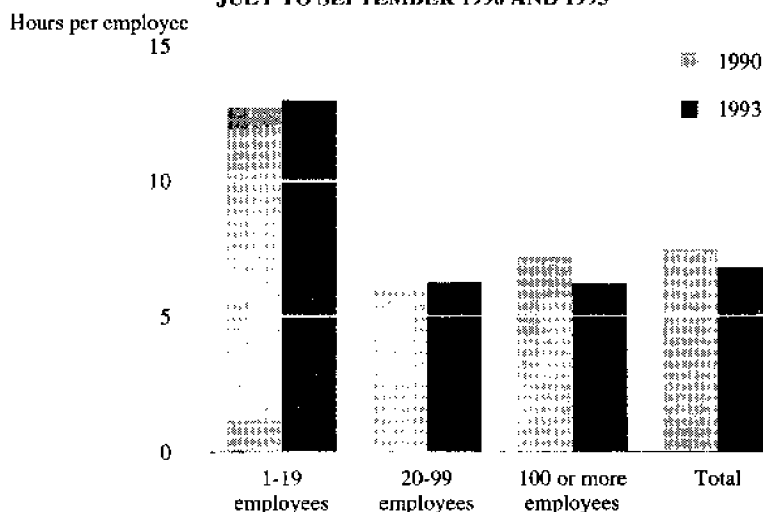
When only those organisations reporting training expenditure are considered, the differences between the public and private sector are not as large as outlined in the section *Training by sector*. In fact, the average hours spent receiving training is the same for both sectors (6.8 hours). However, there was a small difference between the proportion of wages and salaries spent on training – 3.2 per cent in the private sector and 3.4 per cent in the public sector.

### Training Guarantee threshold

Figures are based on the Training Guarantee threshold valid in that financial year. In the September quarter 1990 this was equivalent to \$50,000 and in 1993 was \$56,500 (See Glossary of Terms).

Organisations below the Training Guarantee threshold were not required, by legislation, to train employees. Organisations below the threshold which reported training expenditure during July to September 1993 reported higher levels of expenditure than those above the threshold. They spent the equivalent of 5.1 per cent of gross wages and salaries on training, compared with 3.3 per cent by organisations above the threshold.

**GRAPH 2. EMPLOYERS REPORTING TRAINING EXPENDITURE  
AVERAGE HOURS OF TRAINING  
JULY TO SEPTEMBER 1990 AND 1993**



# THE TRAINING GUARANTEE

**TABLE 2. TRAINING EXPENDITURE — Payroll Size by Sector  
July to September 1993**

	<i>Less than \$56,500(a)</i>	<i>\$56,500 and over(a)</i>	<i>Total</i>
<b>PRIVATE</b>			
Total training expenditure (% of gross wages and salaries)	1.1	2.9	<b>2.6</b>
Average training expenditure per employee (\$)	45	200	<b>163</b>
Average training hours per employee (hours)	2.57	5.83	<b>5.03</b>
Employers reporting training expenditure(b) (% of employers)	13.3	73.8	<b>24.0</b>
Total training expenditure (\$ million)	44.9	615.8	<b>660.7</b>
<b>PUBLIC</b>			
Total training expenditure (% of gross wages and salaries)	*	3.4	<b>3.4</b>
Average training expenditure per employee (\$)	*	264	<b>263</b>
Average training hours per employee (hours)	*	6.82	<b>6.79</b>
Employers reporting training expenditure(b) (% of employers)	*	97.1	<b>57.5</b>
Total training expenditure (\$ million)	*	447.8	<b>448.2</b>
<b>TOTAL</b>			
Total training expenditure (% of gross wages and salaries)	1.1	3.1	<b>2.9</b>
Average training expenditure per employee (\$)	45	223	<b>192</b>
Average training hours per employee (hours)	2.56	6.18	<b>5.55</b>
Employers reporting training expenditure(b) (% of employers)	13.3	75.0	<b>24.6</b>
Total training expenditure (\$ million)	45.2	1,063.6	<b>1,108.9</b>

(a) This is equivalent to the Training Guarantee threshold of \$226,000 gross wages and salaries per year (see Glossary of Terms).

(b) The percentage of employers is based on the statistical unit for the survey (see Explanatory Notes).

\* Subject to sampling variability too high for most practical purposes (see Technical Notes).

## THE TRAINING GUARANTEE CONTINUED

### *Organisations above the Training Guarantee threshold*

Organisations above the Training Guarantee threshold were required, by legislation, to spend a proportion of their gross wages and salaries on training. Seventy five per cent of organisations with an annual payroll greater than the Training Guarantee threshold reported training expenditure during the reference period. This was an increase from 1990, when the corresponding figure was 60 per cent. These organisations accounted for 96 per cent of all training expenditure during the quarter.

The average expenditure on training per employee by organisations above the Training Guarantee threshold in 1993 was \$223, an increase from the figure of \$181 reported in 1990. However, a slight decrease in the average hours employees spent receiving training was recorded (from 6.3 hours in 1990 to 6.2 hours in 1993).

This decrease reflects a general trend in the data. That is, while the amount of money spent per employee has increased, the number of hours spent training has decreased. Several factors could have contributed to this finding. Firstly, the introduction of the Training Guarantee legislation resulted in better record keeping practices. Organisations may be conducting a similar amount of training but now document all costs associated with this training. Secondly, wage increases during the three years between the surveys will have caused an increase in expenditure on training. Another factor may be that the costs associated with training have increased. For example, the fees paid to external consultants and providers, the cost of purchasing training equipment and costs associated with travelling to training courses may have increased. Alternatively, organisations may now be training more highly paid employees.

### *Organisations below the Training Guarantee threshold*

Thirteen per cent of organisations below the threshold recorded training expenditure during July to September 1993.

During that quarter, organisations below the Training Guarantee threshold spent the equivalent of 1.1 per cent of gross wages and salaries on training employees; employees received an average of 2.6 hours training; and an average expenditure of \$45 per employee was recorded on training activities.

When 1990 and 1993 data are compared, a small decrease in expenditure on training by organisations below the threshold is found. The corresponding figures for 1990 were: 1.2 per cent of gross wages and salaries; 3.5 hours of training; and \$52 expenditure per employee.

# TRAINING BY INDUSTRY

**TABLE 3. 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 & tobacco	2.4	169	4.7
Textiles, clothing & footwear	2.3	150	4.6
Wood, wood products & furniture	1.8	106	6.1
Paper, paper products & printing	2.8	234	6.6
Chemical, petroleum & 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 & 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 & business services	3.2	228	5.4
Finance & investment	3.0	225	5.1
Insurance	4.2	361	10.0
Property & 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 & other services	1.9	82	3.1
Entertainment & recreational services	2.4	124	2.6
Restaurants, hotels & 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>

## TRAINING BY INDUSTRY CONTINUED

### Percentage of gross wages and salaries

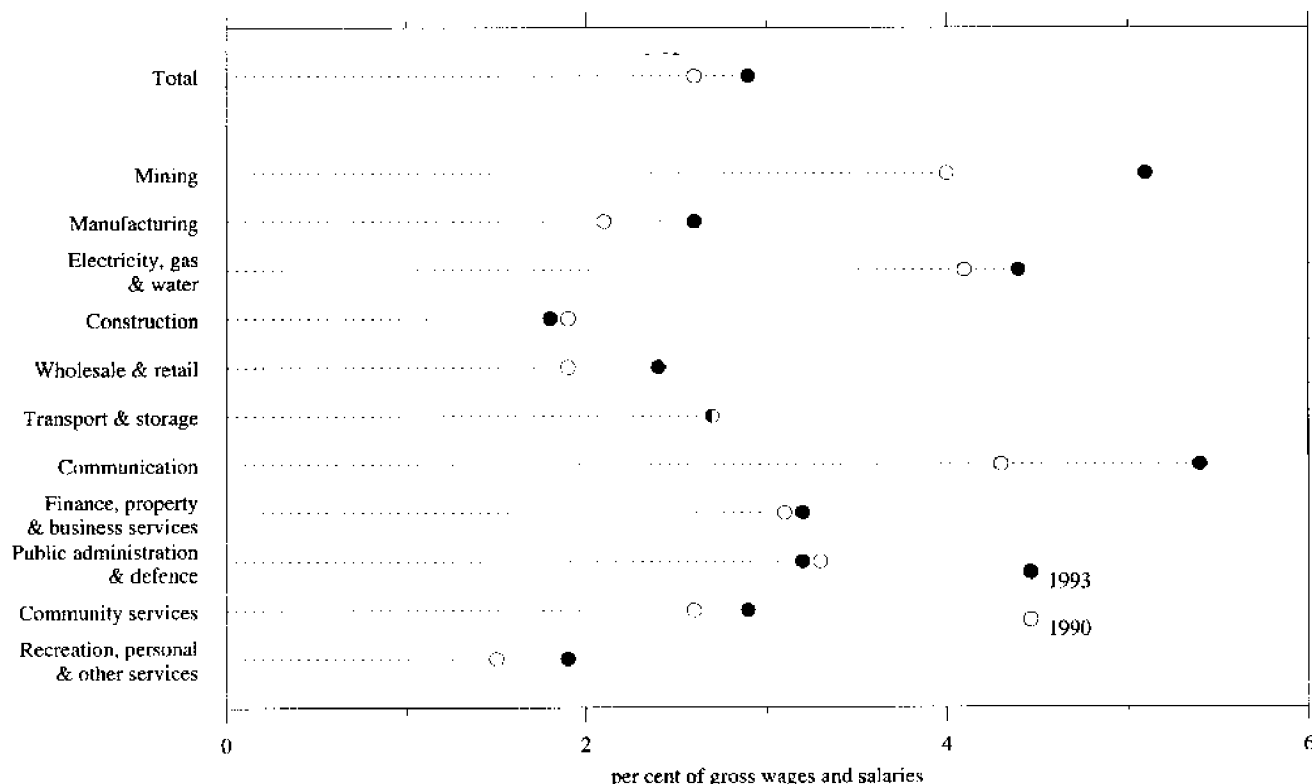
Employers in all industry groups spent the equivalent of 2.9 per cent of gross wages and salaries training employees. The highest percentage of gross wages and salaries spent on training were recorded by employers in the Communication (5.4%), Mining (5.1%) and Basic metal products manufacturing industries (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 industry which showed the largest increase in the proportion of wages and salaries spent on training, between 1990 and 1993, was the Food, beverages and tobacco manufacturing industry – increasing by 85 per cent (from 1.3% in 1990 to 2.4% in 1993). The industry which recorded the largest decrease in expenditure over the same period, was the Personal services industry, decreasing by 45 per cent. In 1990, the equivalent of 3.3 per cent of gross wages and salaries was spent on training by employers in this industry and in 1993, 1.8 per cent was spent.

### Expenditure per employee

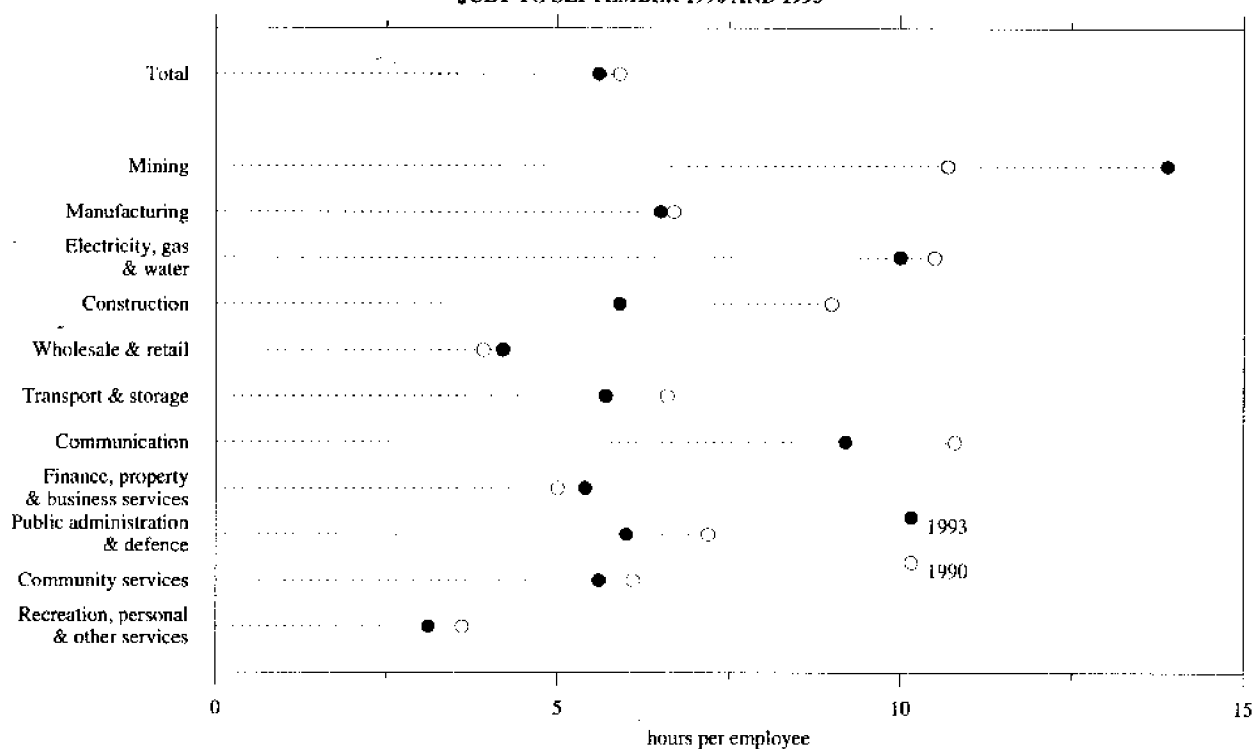
The average expenditure on training per employee for employers in all industries was \$192, an increase of 18 per cent from 1990 when \$163 was spent. The amount spent training each employee during the 1993 reference period ranged from \$65 for employers in the Restaurants, hotels and clubs industry to \$687 in the Mining industry.

GRAPH 3. TRAINING EXPENDITURE BY INDUSTRY  
JULY TO SEPTEMBER 1990 AND 1993

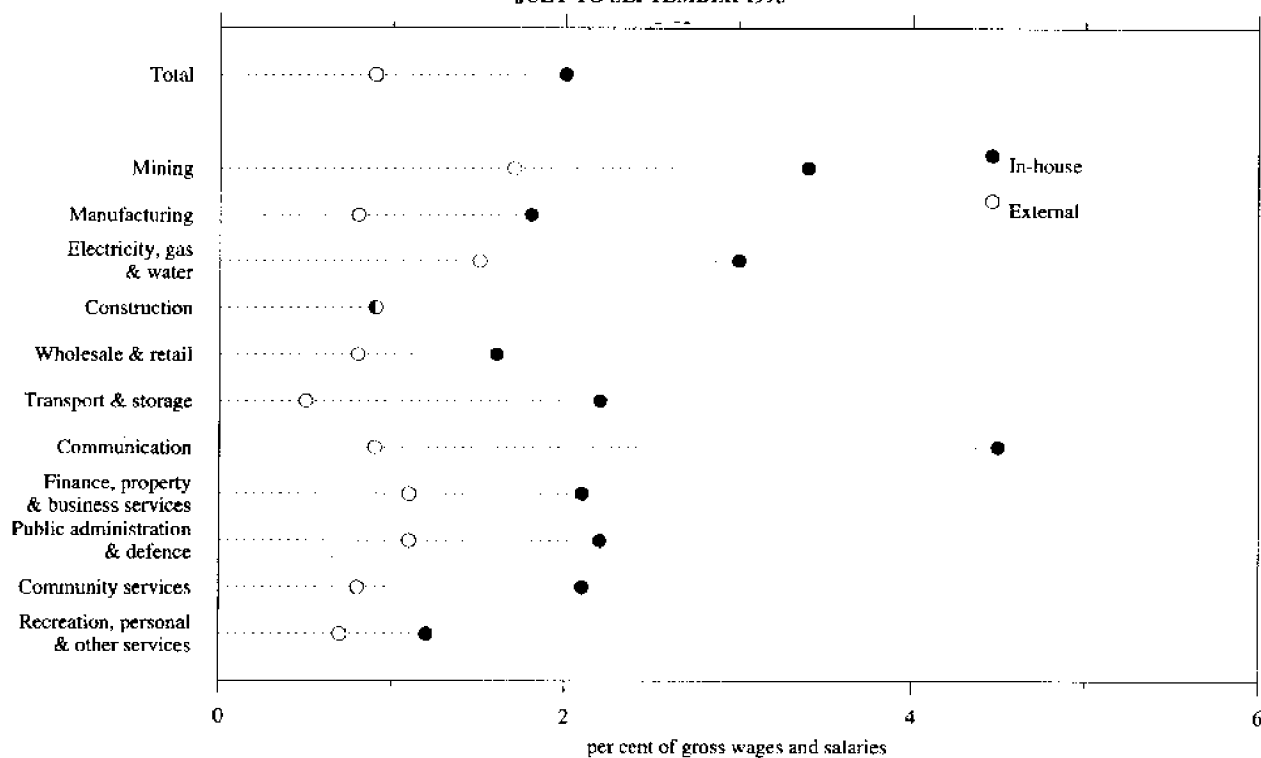


# TRAINING BY INDUSTRY CONTINUED

**GRAPH 4. AVERAGE HOURS OF TRAINING BY INDUSTRY  
JULY TO SEPTEMBER 1990 AND 1993**



**GRAPH 5. TRAINING EXPENDITURE, INDUSTRY BY TYPE OF TRAINING  
JULY TO SEPTEMBER 1993**





## TRAINING BY INDUSTRY CONTINUED

### *Time spent receiving training*

On average, each employee spent 5.6 hours receiving formal training during the reference period. This was a decrease from 5.9 hours during the same 3 month period in 1990. The number of hours spent on training ranged from 2.6 hours in the Entertainment and recreational services industry, to 16.0 hours in the Basic metal products manufacturing industry (not all industries are shown in Graph 4).

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.

### *In-house and external training*

During July to September 1993, Australian employers spent the equivalent of 2.0 per cent of gross wages and salaries on in-house training, compared with 0.9 per cent spent on external training. In all industries, except the Construction and Personal services industries, a larger proportion of gross wages and salaries was spent on in-house training, compared with external training. Both the Construction and Personal services industries spent 0.9 per cent of gross wages and salaries on both types of training.

The three industries which recorded the highest expenditure on in-house training were employers in the Communication industry (spending the equivalent of 4.5% of gross wages and salaries), the Basic metal products manufacturing industry (which spent 3.7%) and the Air transport industry (which spent 3.6%).

The three industries which spent the largest amount on external training were employers in the Mining industry (1.7% of gross wages and salaries), the Electricity, gas and water industry (1.5%) and the Property and business services industry (1.4%).

Since 1990, the average expenditure per employee on in-house training has increased by 19 per cent, while expenditure on external training increased by 16 per cent. The average time employees spent attending in-house training remained stable at 3.6 hours, while the time spent at external training dropped from 2.3 hours in 1990 to 2.0 hours in 1993.

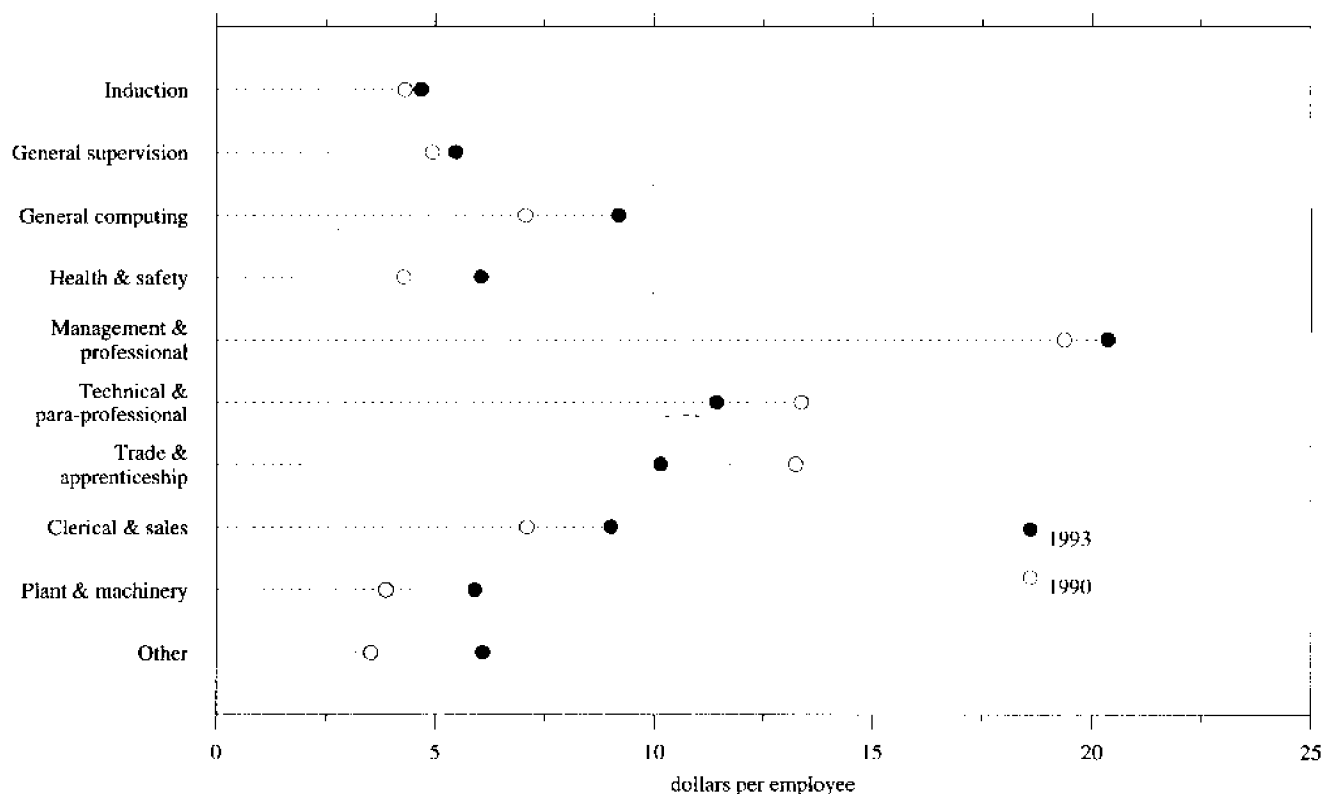
## FIELDS OF TRAINING

### Expenditure per employee

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). Over the period 1990 to 1993 there has been a reduction in spending on Trade and apprenticeship training due to the decline in the number of apprentices employed in Australian organisations.

**GRAPH 6. GROSS WAGES AND SALARIES FOR TIME RECEIVING TRAINING, BY FIELD OF TRAINING, JULY TO SEPTEMBER 1990 AND 1993**



# FIELDS OF TRAINING CONTINUED

**TABLE 4. AVERAGE WAGES AND SALARIES AND HOURS FOR TIME SPENT RECEIVING TRAINING(a)**  
**Fields of Training by Industry, July to September 1993**

Field of training(b)	Mining		Manufacturing		Electricity, gas & water		Construction	
	Dollars per employee	Hours per employee	Dollars per employee	Hours per employee	Dollars per employee	Hours per employee	Dollars per employee	Hours per employee
Induction	*14.40	*0.63	4.96	0.38	0.84	0.06	*4.14	*0.30
General supervision	*15.45	*0.64	6.36	0.33	10.83	0.54	3.76	0.18
General computing	14.70	0.59	*10.16	*0.63	14.78	0.75	4.94	0.30
Health & safety	55.63	2.31	7.01	0.45	25.77	1.48	6.45	0.39
Management & professional	26.20	0.64	14.22	0.59	28.26	1.29	8.65	0.43
Technical & para-professional	19.6	0.8	7.2	0.4	16.9	0.9	5.9	*0.32
Trade & apprenticeship	59.99	3.34	20.66	1.93	29.82	2.49	26.78	3.32
Clerical, sales	2.57	0.13	4.69	0.31	16.12	0.95	2.76	0.22
Plant & machinery	112.41	4.36	14.47	1.03	19.45	1.07	4.16	0.26
Other	11.53	0.45	7.05	0.48	8.27	0.45	3.02	0.19
<b>All fields</b>	<b>332.49</b>	<b>13.87</b>	<b>96.79</b>	<b>6.52</b>	<b>171.03</b>	<b>9.98</b>	<b>70.58</b>	<b>5.90</b>

Field of training(b)	Wholesale & retail trade		Transport & storage		Communication		Finance, property & business services	
	Dollars per employee	Hours per employee	Dollars per employee	Hours per employee	Dollars per employee	Hours per employee	Dollars per employee	Hours per employee
Induction	4.50	0.40	2.89	0.24	6.66	0.38	6.25	0.42
General supervision	*	*	5.31	0.26	4.44	0.29	3.99	0.21
General computing	6.10	0.35	6.00	0.38	46.63	1.94	13.81	0.77
Health & safety	1.86	0.13	13.91	0.64	8.57	0.50	*	*0.14
Management & professional	8.03	0.41	7.74	0.40	22.85	1.33	34.70	1.48
Technical & para-professional	2.8	0.2	37.6	1.5	28.1	1.4	4.9	0.3
Trade & apprenticeship	10.78	1.42	11.61	0.91	12.20	0.82	*	*
Clerical, sales	9.80	0.77	5.10	0.35	8.15	0.53	19.32	1.63
Plant & machinery	1.04	0.08	11.62	0.86	2.23	0.18	*2.29	*
Other	1.70	0.09	2.41	0.16	33.32	1.81	2.83	0.17
<b>All fields</b>	<b>53.18</b>	<b>4.23</b>	<b>104.15</b>	<b>5.71</b>	<b>173.12</b>	<b>9.19</b>	<b>92.63</b>	<b>5.44</b>

See footnotes at end of table.

# FIELDS OF TRAINING CONTINUED

**TABLE 4 Continued. AVERAGE WAGES AND SALARIES AND HOURS FOR TIME SPENT RECEIVING TRAINING(a)**  
Fields of Training by Industry, July to September 1993

Field of training(b)	Public administration & defence		Community services		Recreation, personal & other services		All industries	
	Dollars per employee	Hours per employee	Dollars per employee	Hours per employee	Dollars per employee	Hours per employee	Dollars per employee	Hours per employee
Induction	2.18	0.16	4.60	0.33	4.41	0.38	4.66	0.35
General supervision	4.77	0.27	4.85	0.25	3.77	0.28	5.46	0.30
General computing	13.49	0.77	7.43	0.42	2.82	0.18	9.19	0.52
Health & safety	7.13	0.48	5.23	0.31	1.38	0.10	6.04	0.34
Management & professional	22.6	1.1	34.9	1.6	6.7	0.3	20.4	0.9
Technical & para-professional	8.7	0.5	21.9	1.2	*2.28	*0.12	11.4	0.6
Trade & apprenticeship	3.44	0.31	*1.94	*	7.89	1.14	10.14	1.07
Clerical, sales	14.76	0.96	7.66	*0.64	4.77	0.42	9.01	0.70
Plant & machinery	3.22	0.23	0.74	*	*0.55	*0.04	5.90	0.38
Other	*16.13	*1.25	8.01	0.46	1.49	0.11	6.08	0.38
<b>All fields</b>	<b>96.41</b>	<b>6.01</b>	<b>97.22</b>	<b>5.56</b>	<b>36.09</b>	<b>3.12</b>	<b>88.28</b>	<b>5.55</b>

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

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

\* Subject to sampling variability too high for most practical purposes (see Technical Notes).

## *Average wages and salaries and hours for time spent receiving training*

Table 4 shows the average gross wages and salaries and hours for time spent receiving training per employee. (This differs to earlier tables which expressed all training expenditure as a percentage of gross wages and salaries).

When the figure for each industry in *All fields* (dollars per employee for time spent receiving training) is deducted from the corresponding industry figure in Table 3 (dollars per employee), the difference is all the other costs of training. This includes: the cost of trainers; fees paid to consultants and institutions; and the cost of training equipment, travel, accommodation and meals, training rooms, payments to industry bodies, books and training consumables. For example, the total gross wages and salaries for time spent receiving training in the Public administration and defence industry was \$96 per employee. In Table 3, the total expenditure per employee in this industry was \$238. This means that \$142 per employee was spent on other training costs.

Over all industries and fields of training, the average wages and salaries for time spent receiving training was \$88, an increase from the 1990 average of \$81 per employee. The average time spent receiving training dropped from 5.9 hours in 1990 to 5.6 hours in 1993.

## FIELDS OF TRAINING CONTINUED

### *Industry*

The Mining industry recorded the largest amount of time spent in training per employee (14 hours) and also the largest expenditure for time spent receiving training per employee (\$332). Other industries with high levels of training were the Communication and Electricity, gas and water industries.

Industries which recorded low levels of training per employee were the Recreation, personal and other services industry (where employees spent an average of 3.1 hours in training and the cost per employee was \$36) and the Wholesale and retail trade industry (where an average of \$53 per employee was spent and the training received averaged 4.2 hours).

Management and professional training was the field which had the highest expenditure per employee (\$20). The amount of gross wages and salaries for time spent receiving Management and professional training was much higher in some industries than the overall average. For example, the Finance, property and business services and the Community services industries both spent approximately \$35 per employee.

When the average time spent receiving training in all industries is considered, the largest amount of time (1.1 hours per employee) was spent in Trade and apprenticeship training. Industries which recorded high levels of this training were the Mining and Construction industries. In both of these industries, employees received an average of 3.3 hours Trade and apprenticeship training.

The amount of time and expenditure per employee in each field of training reflects the nature of the industry and regulations that govern that industry. For example, in high risk industries, the amount of Health and safety training is high. The gross wages and salaries per employee spent on Health and safety training in the Mining industry was \$56 and 2.3 training hours per employee, while the corresponding figures were \$2 and 0.13 hours in the Wholesale and retail trade industry.

An example of how the training received reflects the nature of the industry, is in the Construction industry, where the wages and salaries for time spent receiving training were high in the field of Trade and apprenticeship training (\$27 per employee). In comparison, expenditure on Trade and apprenticeship training was quite low in the Public administration and defence industry (\$3).

## FIELDS OF TRAINING CONTINUED

### *In-house and external training*

Table 5 illustrates that overall, during the 3 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.

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

**TABLE 5. AVERAGE PAID TRAINING TIME**  
**Fields of Training by Type of Training**  
**July to September 1993**

<i>Fields of training(a)</i>	<i>In-house</i>	<i>External</i>	<i>Total</i>
	hours per employee(b)		
Induction	0.34	*0.01	0.35
General supervision	0.24	0.06	0.30
General computing	0.36	0.15	0.52
Health & safety	0.24	0.10	0.34
Management & professional	0.48	0.44	0.93
Technical & para-professional	0.44	0.15	0.59
Trade & apprenticeship	0.29	0.78	1.07
Clerical, sales	0.59	0.11	0.70
Plant & 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.

\* Subject to sampling variability too high for most practical purposes (see Technical Notes).

## COMPOSITION OF TRAINING EXPENDITURE

### *Employees' wages and salaries*

The largest component of training expenditure is 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.

### *Cost of trainers to employers*

Table 6 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).

### *Other expenditure*

An average of \$26 per employee was spent on other training expenses. These expenses can include 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.

**TABLE 6. COMPOSITION OF TRAINING EXPENDITURE — Sector  
July to September 1993**

<i>Components of expenditure</i>	<i>Private</i>	<i>Public</i>	<i>Total</i>
dollars per employee			
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.

## COMPOSITION OF TRAINING EXPENDITURE CONTINUED

### *Net training expenditure*

The net training expenditure in Australia for the months July to September 1993 was \$187 per employee. This figure is calculated by deducting the subsidies received for training and the payments received from other employers for training, from the total expenditure on training.

### *Training subsidies*

Approximately \$5 per employee was received in the form of training subsidies such as CRAFT (the apprentice rebate). This was a decrease since 1990 when \$4 per employee was received. In 1993 private sector employers received more training subsidies (\$5 per employee) than the public sector, which received \$3 per employee.

**TABLE 7. NET TRAINING EXPENDITURE — Sector  
July to September 1993**

<i>Components of expenditure</i>	<i>Private</i>	<i>Public</i>	<i>Total</i>
dollars per employee			
Employees' gross wages and salaries for time spent receiving and providing training	106.3	197.8	133.3
Total costs other than wages and salaries(a)	56.3	65.4	59.0
<b>Total training expenditure</b>	<b>162.6</b>	<b>263.3</b>	<b>192.3</b>
Training subsidies received	5.4	3.3	4.8
Payments received from other employers(b)	*0.6	0.5	0.6
<b>Net training expenditure</b>	<b>156.5</b>	<b>259.5</b>	<b>186.9</b>

(a) Fees paid to consultants and institutions, and Other expenditure.

(b) Payments received for employees of other organisations to attend training (see Glossary of Terms).

\* Subject to sampling variability too high for most practical purposes (see Technical Notes).



## COMPOSITION OF TRAINING EXPENDITURE *CONTINUED*

### *In-house and external training*

Organisations with 20 to 99 employees spent the highest percentage of gross wages and salaries on external training (1.2%).

In the September quarter 1993, small organisations' expenditure on external training accounted for almost half of their total gross wages and salaries spent on training. On the other hand, large organisations' expenditure on in-house training was three times greater (2.4%) than their expenditure on external training (0.8%).

Since 1990, the largest growth in training expenditure occurred in organisations with 20 to 99 employees. Expenditure on in-house training by employers in this size group grew over 50 per cent, from 1.0 per cent to 1.5 per cent, while external training reported grew 33 per cent, from 0.9 per cent to 1.2 per cent.

**TABLE 8. TRAINING EXPENDITURE — Components of In-house and External Training by Employer Size July to September 1993**

<i>Components of expenditure</i>	<i>1-19 employees</i>	<i>20-99 employees</i>	<i>100 or more employees</i>	<i>Total</i>
per cent of gross wages and salaries				
Total in-house training	0.9	1.5	2.4	2.0
Time spent receiving training	0.5	0.6	1.0	0.9
Time spent providing training	0.3	0.5	0.8	0.7
Total costs other than wages and salaries(a)	0.2	0.4	0.5	0.4
Total external training	0.8	1.2	0.8	0.9
Total wages and salaries for employees' time spent receiving training	0.5	0.6	0.4	0.4
Total costs other than wages and salaries(a)	0.3	0.7	0.4	0.4
<b>Total</b>	<b>1.7</b>	<b>2.7</b>	<b>3.2</b>	<b>2.9</b>

(a) Fees paid to consultants and institutions, and Other expenditure.

## EMPLOYEES

### *Males and females*

The number of males and females employed by an organisation was collected for the first time in the 1993 survey. However, the data collected does not identify whether the recipient of training was male or female. Therefore, it is not possible to link the actual expenditure on training with males or females.

The data collected gives an indication that the larger the proportion of females in an organisation, the lower the amount of training expenditure per employee. For example, in organisations with more than 75 per cent females, an average of \$105 per employee was spent on training, while organisations with less than 75 per cent females spent \$210 per employee.

By comparison, organisations with 75 per cent or more males spent \$235 per employee on training, and organisations with less than 75 per cent or more males spent \$175 per employee.

**TABLE 9. TRAINING EXPENDITURE — Proportion of Males and Females  
July to September 1993**

	<i>Males</i>		<i>Females</i>	
	Less than 75%	75% or more	Less than 75%	75% or more
Total training expenditure (% of gross wages and salaries)	2.8	2.9	3.0	2.2
Average training expenditure per employee (\$)	175	235	210	105
Average training hours per employee (hours)	4.80	7.47	5.95	3.62
Total training expenditure (\$ million)	724.4	384.4	1,005.2	103.7

## EMPLOYEES CONTINUED

### *Permanent and casual employees*

The 1993 survey also collected for the first time, information on the number of permanent/casual and full-time/part-time employees. The data from the survey indicates that the number of casual and permanent employees in an organisation has an impact on the amount of training provided to employees. In organisations with less than 50 per cent casual employees, each employee received an average of 6.2 hours of training. However, when 50 per cent or more of employees are casuals only 1.9 hours of training was received per employee.

**TABLE 10. TRAINING EXPENDITURE**  
Proportion of Casual Employees  
July to September 1993

	<i>Less than 50%</i>	<i>50% or more</i>
Total training expenditure (% of gross wages and salaries)	3.0	1.5
Average training expenditure per employee (\$)	219	50
Average training hours per employee (hours)	6.23	1.91
Total training expenditure (\$ million)	1,063.0	45.9

### *Full-time and part-time permanent employees*

When only permanent employees are considered, differences can be identified between organisations with a large proportion of full-time and part-time employees. In organisations with less than 50 per cent full-time employees, each employee received an average of 2.9 hours of training. However, in organisations with 50 per cent or more full-time employees double this time was spent training (6.0 hours).

## APPRENTICES AND TRAINEES

### Apprentices

The presence of apprentices has an impact on the amount of training provided to employees because apprentices usually attend TAFE. As illustrated in Graph 7, this effect is most marked for organisations with 1 to 19 employees with apprentices. These organisations spent the equivalent of 3.4 per cent of gross wages and salaries on training, compared with 1.5 per cent for those with no apprentices.

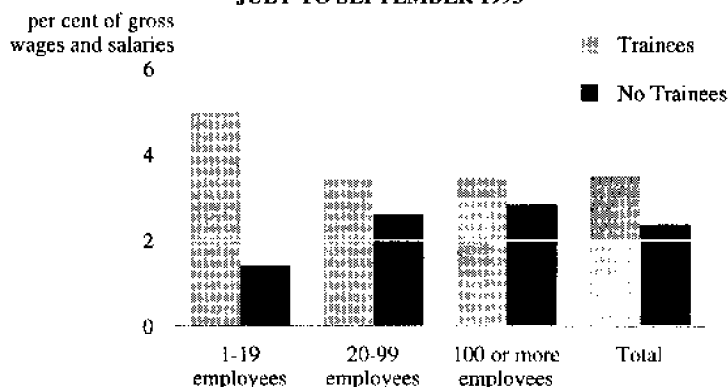
**GRAPH 7. TRAINING EXPENDITURE, PRESENCE OF APPRENTICES  
JULY TO SEPTEMBER 1993**



### Trainees

The survey collected the number of employees who were employed under the Australian Traineeship System, professional and specialist trainees, management trainees and other trainees in each organisation. Organisations which had one or more of these types of trainees recorded higher levels of training than those which had no trainees (\$252 per employee compared with \$150 per employee). As with apprentices, the affect was greatest in smaller organisations. Graph 8 shows that small employers which had trainees spent the equivalent of 5 per cent of gross wages and salaries on training, compared with 1.4 per cent in organisations with no trainees.

**GRAPH 8. TRAINING EXPENDITURE, PRESENCE OF TRAINEES(a)  
JULY TO SEPTEMBER 1993**



(a) Trainees include Australian Traineeship System employees, Management, Professional and Specialist and Other trainees (see Glossary of Terms).

## TRAINING EXPENDITURE BY STATES AND TERRITORIES

Employers in the Australian Capital Territory recorded the highest level of training expenditure for the 3 months July to September 1993, spending the equivalent of 4.2 per cent of their gross wages and salaries on training, and an average of \$274 per employee. Organisations in Queensland recorded the lowest training expenditure – 2.4 per cent of gross wages and salaries and \$150 per employee.

Queensland recorded the largest increase in total training expenditure, increasing by 30 per cent from \$112.8 million in 1990 to \$146.5 million in 1993. The total training expenditure of employers in the Australian Capital Territory decreased by 5 per cent from \$40.8 million to \$38.8 million over the same period.

**TABLE 11. TRAINING EXPENDITURE — States and Territories  
July to September 1993**

	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>ACT</i>	<i>Aust.</i>
Total training expenditure (% of gross wages and salaries)	2.9	3.0	2.4	2.7	2.9	2.7	2.9	4.2	2.9
Average training expenditure per employee (\$)	199	210	150	174	201	162	185	274	192
Average training hours per employee (hours)	5.86	5.76	4.62	5.29	5.87	5.72	4.25	5.55	5.55
Employers reporting training expenditure(a) (%)	18.8	24.8	31.9	38.7	32.5	*	*	*16.1	24.6
Total training expenditure (\$ million)	381.5	318.6	146.5	84.1	106.0	25.6	7.8	*38.8	1,108.9

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

\* Subject to sampling variability too high for most practical purposes (see Technical Notes).

## TRAINING EXPENDITURE BY STATES AND TERRITORIES *CONTINUED*

### Sector

In all States and Territories, except Western Australia and the Northern Territory, the public sector spent a higher proportion of wages and salaries on training than the private sector. This difference is most marked in the Australian Capital Territory where the public sector spent the equivalent of 5.4 per cent of wages and salaries on training while the private sector spent 1.8 per cent. Many Commonwealth Government departments are located in the Australian Capital Territory which contributes to this figure.

When private sector organisations are considered, the Northern Territory and Western Australia recorded the largest proportion of gross wages and salaries spent on training (both 3%).

GRAPH 9. TRAINING EXPENDITURE, SECTOR BY STATES AND TERRITORIES, JULY TO SEPTEMBER 1993



## EXPLANATORY NOTES

### *Introduction*

This publication contains results of the 1993 Training Expenditure Survey (TES). The survey collected information on employers' expenditure in providing formal training for their employees during the period 1 July to 30 September 1993 (September quarter). It is a repeat of surveys conducted in 1989 and 1990, although the sample size for the 1989 survey was smaller.

Training expenditure included wages and salaries and other expenditure on formal training. The estimates of expenditure on training are expressed primarily as percentages of the employers' total gross wages and salaries expenditure for the September quarter. In addition, statistics are presented as expenditure in dollars and hours per employee and expenditure per training hour.

Table 2 presents estimates of training expenditure by employer payroll size. A payroll size of \$56,500 for the quarter has been used. This is the equivalent of annual gross wages and salaries of \$226,000 which represents the Training Guarantee legislation threshold level in 1993-94.

### *Scope of the survey*

The survey covered employers in all States and Territories and all industries except for employers primarily engaged in agriculture, forestry, fishing and hunting; private households employing staff; overseas embassies, consulates, etc.; and the Australian permanent defence forces.

### *Survey design*

A sample of approximately 6,000 employers was selected from the ABS register of businesses for the 1993 and 1990 TES. The sample for the 1989 survey was 2,000 employers. The samples were stratified by sector, detailed industry and employer size, and were optimally allocated to ensure adequate representation in each of these areas. In order to achieve some comparability between the 1990 and 1993 results, approximately 42 per cent of employers were common to both surveys.

The surveys were designed to produce accurate estimates of total training expenditure at the national level and to produce accurate detailed industry results.

The statistical unit for the survey comprised all activities of a management unit in a particular State or Territory. Each statistical unit was classified to an industry which reflected the predominant activity of the management unit in the State or Territory. In the case where a management unit had a significant number of employees in more than one industry, a separate statistical unit was created for each industry.

The statistical units are referred to as employers for this collection.

## EXPLANATORY NOTES CONTINUED

### *Survey data*

The survey collects data on employers' formal training expenditure. Formal training is defined as training activities which have a structured plan and format designed to develop employment related skills and competencies.

Despite the importance of informal training in improving job skills, informal training has been excluded from the scope of the survey because of the considerable difficulties associated with its measurement. However, if on-the-job training is structured and so fits the definition of formal training, it is included in the survey.

The TES collected data on gross wages and salaries for employees' time receiving and providing formal training, the number of hours receiving training, fees and other training expenditure. The total number of employees, the number of males and females, full-time permanent, part-time permanent and casual employees and the gross wages and salaries for all employees were also collected. In addition, the number of apprentices, Australian Traineeship System employees, management trainees, professional and specialist trainees and other trainees were collected.

The survey covered all expenses incurred by employers in training their own employees. The survey excluded the cost of training volunteers, customers or dealers etc. since they are not defined as employees.

The survey collected direct costs associated with training time. It excluded the replacement costs of employees on training courses. For example, if a bank teller undertook a training course and his/her normal work was done by a replacement teller, then the training cost collected in the survey was the bank teller's gross wages and salary for the time attending the training course. The cost for the replacement teller was excluded. The survey excluded training undertaken outside normal working hours at no expense to the employer.

Data in the survey were recorded on a cash basis. Annual fees (such as enrolment fees for educational institutions) were only included if they were paid during the September quarter. Fees were not apportioned.

### *Survey methodology*

A three month reference period was used for the survey, in preference to a full year reference period, in order to minimise the inconvenience of the survey to respondents, to enable high quality data to be reported, and to satisfy the demand for timely results.



## EXPLANATORY NOTES CONTINUED

### *Survey methodology (continued)*

It was recognised that in adopting the September quarter as the three month reference period, seasonal influences may effect the results since the chosen period may not have been a typical period for all employers training in 1993. In developing the TES, investigation of the representativeness of the September quarter was undertaken. This was also targeted during analysis of the 1989 and 1990 surveys and it was found that the September quarter was representative of other quarters.

Employers were notified of their selection prior to the commencement of the survey reference period to ensure that they could provide accurate data. They were provided with a Guide containing: an example of the questionnaire; explanations of the concepts and definitions; and some worksheets to assist in the recording of data during the reference period. ABS officers discussed the requirements of the survey in detail with many employers to assist them in preparing for the survey.

### *Reliability of estimates*

Estimates are subject to sampling and non-sampling errors. These concepts are explained in the Technical Notes.

A Post Enumeration Survey was conducted to assess non-sampling errors and to review the survey questionnaire and methodology. The Post Enumeration Survey showed that employers reported accurate data overall.

The reliability of estimates is also affected by the level of response to a survey. Employers responded favourably to the TES, with 99 per cent providing completed questionnaires.

### *Related publications*

Background information on this survey discussing concepts, methodology and coverage of the TES is provided in *Information Paper: The Development of the Employer Training Expenditure Survey* (6355.0) issued on 24 October 1989.

Users may also wish to refer to the following publications which are available on request:

*Employer Training Expenditure, Australia, July to September 1989 and 1990* (6353.0) — These publications contain results of the Training Expenditure Survey 1989 and 1990.

*Training and Education Experience, Australia, 1993* (6278.0) — to be released in June 1994. This publication was previously *How Workers Get Their Training*. It will include information on: who receives training, what training they receive, what assistance people receive to train, what training people need for their jobs, how training is provided, why people train and with what outcomes, recent study towards an educational qualification, educational attainment, computer literacy, demographic and labour force characteristics.

## EXPLANATORY NOTES *continued*

### *Related publications (continued)*

*Career Paths of Persons with Trade Qualifications* (6243.0)

— to be released in August 1994. Last issued 1990.

It will include information on: what trade qualifications are held and whether obtained through an apprenticeship, how many are still working in their trade, those using trade skills, any breaks from the trade and why, who has left the trade and why and demographic and labour force characteristics.

*How Workers Get Their Training, Australia, March to July 1989* (6278.0) — issued 1990.

*Education and Training in Australia* (4224.0) — issued in 1992.

*A Directory of Education and Training Statistics* (1136.0)  
— issued March 1993.

*Transition From Education to Work, Australia* (6227.0)  
— issued annually.

*Labour Force Status and Educational Attendance, Australia* (6272.0) — issued annually.

*Labour Force Status and Educational Attainment, Australia* (6325.0) — issued annually.

### *Symbols and other usages*

- \* subject to sampling variability too high for most practical purposes. See Technical Notes.

Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

## UNPUBLISHED STATISTICS

The ABS offers a range of unpublished data from this survey upon request. Subject to reliability and confidentiality constraints, unpublished estimates from the Training Expenditure Survey are available for the following data items:

### *Data items*

- Number of employees including: males, females, full-time/part-time, casual/permanent
- Formal in-house training
- Formal external training
- Field of training
- Employers' trainers and support staff gross wages and salaries
- Fees paid to consultants and institutions for conducting in-house courses
- Fees paid to consultants and institutions for conducting external courses
- Other training expenditure for in-house and external training including: equipment, travel and accommodation and meals for trainers and trainees to attend courses, cost of training rooms, payments to industry training bodies and other expenditure
- Training subsidies received from government sources
- Payment received from employees of other organisations attending training
- Number of apprentices
- Number of trainees including: Australian Traineeship System employees, management trainees, professional and specialist trainees and other trainees.

### *Estimates*

Estimates of these data items can be cross classified by the following :

- Sector
- Employer size
- Payroll size
- Industry
- State and Territory
- All employers
- Employers reporting training expenditure.

### *Measures*

Data can also be cross classified by the following measures:

- Training expenditure expressed as a percentage of gross wages and salaries
- Average training expenditure per employee
- Average training hours per employee
- Average training expenditure per training hour
- Total training expenditure.

Any inquiries about unpublished data and the cost of this service should be directed to Murray Klee on (06) 252 6751.

Estimates in this publication are subject to sampling variability because they are based on information relating to a sample of employers rather than a full enumeration, (i.e. they may differ from figures that would have been produced if the information had been obtained from all employers). This difference, called sampling error, should not be confused with inaccuracy that may occur, for example, due to imperfections in reporting by respondents and errors made in processing the data. Such inaccuracy is referred to as non-sampling error and may occur in any enumeration, whether it be a full count (census) or sample.

## *Non-sampling error*

Efforts have been made to reduce the non-sampling error by careful design of the questionnaire and detailed checking of completed returns. In order to minimise under-enumeration, all employers in the survey were advised of their selection prior to the commencement of the reference period and encouraged to keep records of expenditure during the reference period, rather than relying on recall at the conclusion of the reference period.

## *Sampling error*

The sampling error associated with any estimate can be estimated from the sample results. One measure of sampling error is given by the standard error which indicates the degree to which an estimate may vary from a value that would have been obtained from a full enumeration (the 'true' figure). There are about two chances in three that a sample estimate differs from the 'true' value by less than one standard error, and about nineteen chances in twenty that a sample estimate differs from the 'true' value by less than two standard errors.

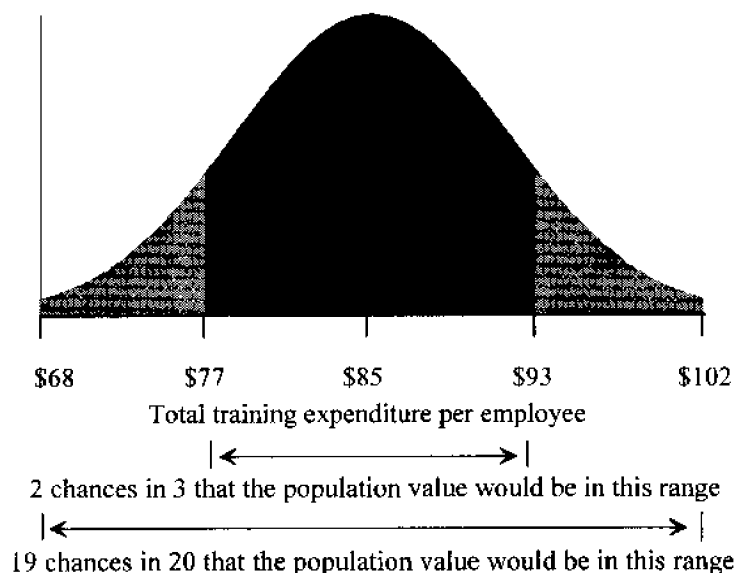
If the standard error of an estimate is large, relative to the size of the estimate, the usefulness of that estimate is seriously impaired. For the tables in this publication, estimates with standard errors greater than 25 per cent and less than 40 per cent of the estimate have been labelled with an asterisk. Estimates with standard errors greater than 40 per cent have not been published and an asterisk appears in place of the estimate.

The estimate of total training expenditure per employee for private sector organisations with 1 to 19 employees is \$85 (see Table 1). From Table A1 this estimate has a relative standard error of 10.0 per cent, and thus an absolute standard error of  $0.10 \times \$85$ , or \$8.50. Hence, the estimate minus one standard error is \$85 less \$8 equals \$77 (rounded to whole dollars), and the estimate plus one standard error is similarly \$93. Again, the estimate minus and plus two standard errors is \$68 and \$102 respectively. There would, therefore, be about two chances in three that a full enumeration would have given a figure in the range of \$77 to \$93 and about 19 chances in 20 that it would have been in the range of \$68 to \$102. This is shown in Diagram 1.

For further information on the standard errors relating to data in this publication contact Murray Klee on (06) 252 6751.

# TECHNICAL NOTES CONTINUED

**DIAGRAM 1. PROBABILITY DISTRIBUTION OF THE ESTIMATE OF TOTAL TRAINING EXPENDITURE**



**TABLE A1. RELATIVE STANDARD ERRORS FOR TRAINING EXPENDITURE — Sector by Employer Size, 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) . . .	9.7	5.0	2.6	2.6
Average training expenditure per employee (\$)	10.0	5.9	3.0	3.0
Average training hours per employee (hours)	13.2	6.2	2.9	4.0
Employers reporting training expenditure (% of employers)	9.5	5.4	0.5	7.4
Total training expenditure (\$ million)	10.0	6.3	3.5	3.0
<b>PUBLIC</b>				
Total training expenditure (% of gross wages and salaries)	40.2	13.8	2.2	2.2
Average training expenditure per employee (\$)	44.6	15.4	2.5	2.5
Average training hours per employee (hours)	40.2	14.5	2.6	2.5
Employers reporting training expenditure (% of employers)	38.0	4.8	0.7	9.9
Total training expenditure (\$ million)	48.5	18.2	3.6	3.5
<b>TOTAL</b>				
Total training expenditure (% of gross wages and salaries)	9.6	4.8	1.7	1.8
Average training expenditure per employee (\$)	9.8	5.6	2.0	2.2
Average training hours per employee (hours)	13.1	5.9	2.0	2.8
Employers reporting training expenditure (% of employers)	9.4	5.1	0.5	7.2
Total training expenditure (\$ million)	9.8	6.0	2.5	2.3

## GLOSSARY OF TERMS

<i>All employers</i>	Estimates are based on all statistical units who reported at least one employee during the reference period.
<i>Apprentices</i>	Apprentices receive instruction and training in a relevant trade.
<i>Australian Traineeship System</i>	An employment scheme set up by the Commonwealth Government as a means of entry into non-trade employment for young people.
<i>Casual employees</i>	Are not entitled to paid holiday or sick leave.
<i>Clerical/office, sales and personal service training</i>	Programs that qualify or upgrade clerical, secretarial and receptionist skills, sales skills (e.g. insurance, real estate), bar and waiting skills and personal service skills (e.g. child care assistance, enrolled nursing, dental nursing, tourist guidance). Excluded are word processing, computer operations and data processing which are included in <i>General computing skills training</i> .
<i>Conferences and seminars</i>	The survey included training costs associated with conferences and seminars where the primary objective was training.
<i>Cost of trainers to employers</i>	Employees' wages and salaries for time providing training plus fees paid to consultants or institutions for in-house and external courses.
<i>CRAFT</i>	Commonwealth Rebate for Apprentice Full-time Training.
<i>Employees</i>	All persons who received a wage or salary during the survey reference period. All permanent, temporary, casual, managerial and executive employees are included. Part-time and casual employees who may have worked only a few hours during the reference period are included. Employees on paid leave and those employees on workers' compensation who continue to be paid through the employer's payroll are also included. Excluded are employees who were not paid during the survey reference period, employees on leave without pay, on strike or stood down without pay for the whole reference period.
<i>Employees, number of</i>	The number of employees of an organisation who received pay for any part of the last pay period ending on or before 20 August 1993.
<i>Employees' wages and salaries for time receiving training</i>	Gross wages and salaries for the number of hours spent by employees receiving formal training including paid travel time. Amounts paid to employees who commenced or terminated employment during the survey reference period are also included.
<i>Employer size</i>	To produce statistics for various employer sizes, each statistical unit is allocated a size classification based on the number of employees reported (see the <i>Survey design</i> section in the Explanatory Notes for an explanation of the statistical unit).

## GLOSSARY OF TERMS *CONTINUED*

<i>Employers</i>	The statistical unit used in the survey (see the <i>Survey design</i> section in the Explanatory Notes).
<i>Employers reporting training expenditure</i>	Estimates are derived from those statistical units which reported some training expenditure during the reference period.
<i>Equipment, training</i>	Payments for the purchase or hire of equipment for which the primary purpose is training. Payments for repairs and maintenance are also included. Depreciation on training equipment is excluded.
<i>External formal training</i>	Training organised and conducted by training or educational institutions, agencies or consultants (e.g. College of Technical And Further Education courses, university studies assistance, training consultants).
<i>Fees paid for in-house and external courses</i>	Fees paid to consultants, training companies, educational and training institutions for designing, conducting and evaluating training courses (e.g. Colleges of Technical And Further Education, Higher Education establishments, Business Colleges, Skills Centres, Industry Training Institutes). Studies assistance paid to employees for attending courses. This includes scholarships, bursaries, reimbursements and book allowances paid to employees. All other costs in the full course fees (e.g. accommodation) are also included.
<i>Field of training</i>	The field of training classification used for the survey is based on the main content of each course/program. Each field appears as a separate entry in this glossary.
<i>Formal training</i>	All training activities which have a structured plan and format designed to develop employment related skills and competencies are defined as formal training. It consists of periods of instruction, or a combination of instruction and monitored practical work. The instruction can take the form of workshops, lectures, tutorials, training seminars, audio-visual presentations, demonstration sessions or monitored self-paced training packages.
<i>Full-time employees</i>	These employees usually work a standard week of 35 hours or more in their main job.
<i>General computing skills training</i>	Training programs that provide skills in the use of micro, mini and mainframe computer programming and use of software packages (e.g. spreadsheets, micro databases, desk-top publishing), word processing, computer operations and data processing. Training designed for computer professionals is included under <i>Management and professional training</i> .
<i>General supervisory training</i>	Training programs which qualify or upgrade skills in supervising staff.

## GLOSSARY OF TERMS *CONTINUED*

<i>Gross wages and salaries</i>	Payments to all employees before tax and other items such as superannuation are deducted. Payments comprise ordinary time and overtime earnings; over-award payments; penalty payments, shift and other remunerative allowances; commissions and retainers; payments under incentive or piecework; payments under profit-sharing schemes; leave loadings; bonuses; annual and long service leave payments; sick leave payments; advance and retrospective payments; salaries and fees paid to company directors who are paid a salary, members of boards, committees, commissions, councils, etc.; payments to employees on workers' compensation which are not covered by insurance i.e. 'make-up' pay. Excluded are severance, termination and redundancy payments.
<i>Health and safety training</i>	Training in general health, fitness, safety and waste management.
<i>In-house formal training</i>	Organised by employers primarily for their own employees, using the employers' own staff, or consultants eg where a consultant designs a program specifically for the employer. Note that in-house training could be conducted at an off-site location.
<i>Induction training</i>	Formal employee orientation, introduction to the organisation.
<i>Industry</i>	Industry is classified according to the <i>Australian Standard Industrial Classifications</i> (ASIC) 1983 Edition (1201.0).
<i>Informal training</i>	Informal training is excluded from the scope of this survey. That is, any unstructured on-the-job training, being shown how to do things as the need arises, learning by doing a job.
<i>Large employers</i>	Organisations which employ 100 or more employees.
<i>Management and professional training</i>	Training programs that qualify or upgrade skills in organising and directing the major functions of an organisation, in specialist management (e.g. financial marketing) or professional occupations (i.e. involving at least a three year degree/diploma).
<i>Management trainees</i>	Employees of the organisation undertaking a structured or unstructured formal training scheme, set up by the organisation. Successful completion of the scheme will normally lead to promotion to management (e.g. trainee manager in a supermarket).
<i>Medium employers</i>	Organisations which employ between 20 and 99 employees.
<i>Net training expenditure</i>	Total training expenditure minus subsidies received for training and payments received from other employers.
<i>Organisations</i>	In this publication the terms 'employers' and 'organisations' are used interchangeably (see the <i>Survey design</i> section in the Explanatory Notes for an explanation of the statistical unit of the survey).



## GLOSSARY OF TERMS CONTINUED

<i>Other expenditure on formal training</i>	Total expenditure on training equipment, travel, accommodation, meals, consumables, training rooms and payments to industry training bodies.
<i>Other trainees</i>	Employees of the organisation undertaking a training scheme which does not require a formal post-secondary qualification (e.g. cadet journalist).
<i>Other training (field of training)</i>	Formal training which cannot be classified to the fields of training which have been described elsewhere. For example, training in literacy, numeracy, language and interpersonal skills (except where part of another field of training), trade union training.
<i>Paid time receiving training</i>	Refers to the reported hours of formal training received by all employees during the reference period. This includes paid time to travel to training courses.
<i>Part-time employees</i>	These employees usually work a standard week of less than 35 hours in their main job.
<i>Payments received from other employers</i>	Payments received for employees of other organisations to attend in-house courses. Includes payments received from individuals as well as other employers.
<i>Payments to industry training bodies</i>	Payments include donations and membership fees paid to educational institutions, training centres or industry training bodies and the purchase of equipment and materials donated to training institutions. Fees for training courses are excluded.
<i>Payroll size</i>	All employers in the survey have been classified to payroll size according to the total amount paid to employees as gross wages and salaries during the survey reference period.
<i>Payments received from other employers</i>	Payments received from other organisations for their employees to attend in-house courses.
<i>Percentage of gross wages and salaries</i>	Estimates of training expenditure are expressed as a percentage of employers' total gross wages and salaries for the reference period. Training expenditure includes both wages and salaries and other expenditure.
<i>Permanent employees</i>	Are entitled to paid holiday and/or sick leave.
<i>Plant and machinery operating and driving, labouring and related training</i>	Training programs that qualify or upgrade skills in driving road or rail transport, operation of plant and machinery (e.g. forklift driving, cranes, drilling plants, chemical plants, metal presses, packaging machines), labouring and other assistance tasks (e.g. cleaning, security).
<i>Private sector</i>	See sector.

## GLOSSARY OF TERMS CONTINUED

<i>Professional and specialist trainees</i>	Employees of the organisation undertaking a structured or unstructured formal training scheme for a professional or other specialist position for which they require a formal post-secondary qualification. Successful completion of the scheme will normally lead to promotion (e.g. trainee economist in a bank, graduates on a formal program of training).
<i>Reference period</i>	The survey collected employers' training expenditure during the period 1 July to 30 September 1993. The reference period for reporting all employees' total gross wages and salaries was all pay periods ending during the above period. The reference period for reporting the number of employees was the last pay period ending on or before 20 August 1993. All employees who received pay during that pay period were included.
<i>Sector</i>	All statistical units are classified to the public or private sector. The public sector includes local government authorities and all government departments, agencies and authorities created by, or reporting to the Commonwealth and State Parliaments. The remaining statistical units are classified as private sector.
<i>September quarter</i>	The period 1 July to 30 September.
<i>Small employers</i>	Organisations which employ 1 to 19 employees.
<i>Subsidies received for training</i>	These are grants or subsidies received from the government for formal training of employees (eg Commonwealth Rebate for Apprentice Full-time Training (CRAFT)). Subsidies received outside the reference period are excluded.
<i>TAFE</i>	College of Technical And Further Education.
<i>Technical and para-professional training</i>	Programs that qualify or upgrade skills in the work performed by technical officers and technicians in the medical, science and engineering fields (e.g. research, quality control, laboratory tests and drafting), air and sea technical work (e.g. piloting, air traffic control), registered nursing, community work, police work and child care co-ordination. Excluded is personal service training such as child care assistance, enrolled nurse and dental nurse training which are included in <i>Clerical/office, sales, and personal service training</i> .
<i>Total training expenditure</i>	The sum of employers' expenditure for employees' gross wages and salaries for time receiving and providing formal training, fees paid to consultants and institutions and other expenditure on formal training during the period 1 July to 30 September.
<i>Trade and apprenticeship training</i>	Programs that qualify or upgrade skills in trades. For example, in carpentry; bricklaying; plumbing; vehicle mechanics; printing; metal fitting; electrical fitting; electronics; and butchery.

## GLOSSARY OF TERMS *CONTINUED*

<i>Training expenditure per employee</i>	Estimated training expenditure divided by the estimated total number of employees. The survey did not collect information on the number of employees receiving training.
<i>Training expenditure per training hour</i>	Estimated total training expenditure divided by the estimated total hours of training.
<i>Training Guarantee legislation</i>	The Training Guarantee legislation was introduced in 1990. The legislation states that Australian employers with an annual payroll over a set amount will commit a proportion of their payroll to training employees. At the time of the 1990 survey, the threshold was \$200,000 (or \$50,000 per quarter) and employers with a payroll exceeding that amount were to spend the equivalent of 1.0 per cent of their payroll on training their employees. At the time of the 1993 survey, the threshold was \$226,000 (or \$56,500 per quarter) and the percentage increased to 1.5 per cent.
<i>Training equipment</i>	See Equipment, training.
<i>Training hours per employee</i>	The estimated total number of hours of training received divided by the estimated total number of employees. The survey did not collect information on the number of employees receiving training.
<i>Training rooms</i>	Costs include the rent, lease and purchase of training rooms or floor space. Also included are training room overheads for floor space owned by the organisation (e.g. cleaning, electricity, maintenance etc.). Depreciation on training rooms is excluded.
<i>Training subsidies</i>	See Subsidies received for training.
<i>Travel, accommodation and meals</i>	Payment for trainers and trainees to attend courses including fares (air, taxi, car hire etc.), travel allowances, incidental travel expenses, accommodation, meals, morning and afternoon tea and kilometre allowance.
<i>Wages and salaries for time providing training</i>	The gross wages and salaries for the time spent by any employee providing formal training for employees of the organisation. This includes the development, delivery, evaluation and administration of formal training. Also included is paid time and wages of support staff for time spent on activities related to the provision of training.







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