

Employer Training Practices Australia

February 1997



Employer Training Practices, Australia

February 1997

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INTRODUCTION

POLICY CONTEXT

Investment in human capital through education and training can contribute to stronger economic growth and productivity at the enterprise, national and international level. The provision of training by enterprises is an integral component of this investment.

An employer's decision to provide training to its employees is subject to a number of influences. Generally there is an expectation that the skill levels and competencies of the employees will improve. Government policies may also affect whether and how training is conducted.

The Department of Employment, Education, Training and Youth Affairs and the Australian National Training Authority recognised that they required data on employer training to assist in policy development on enterprise-based training and to assist in the evaluation of national training policies. They commissioned the Australian Bureau of Statistics (ABS) to conduct employer surveys on training expenditure and training practices. Together with household surveys on education and training, these surveys will contribute to a comprehensive integrated database of national training statistics.

EMPLOYER TRAINING PRACTICES SURVEY

The 1997 Training Practices Survey (TPS) provides statistics about the type of training employers provided to their employees in the 12-month period ending February 1997, and about factors affecting its provision. It contacted the same group of employers that were included in the 1996 Training Expenditure Survey (TES).

The 1996 TES provided estimates of the costs to employers of providing structured training to their employees between 1 July and 30 September 1996. The results were published in *Employer Training Expenditure, Australia, July to September 1996* (Cat. no. 6353.0) which was released in August 1997.

The TPS was previously conducted in 1994. There are, however, some significant differences between the 1997 and 1994 surveys.

Unstructured training

The 1997 survey asked for details of both structured and unstructured training employers provided to their employees, whereas the 1994 survey was limited to structured training. Structured training is defined as all training activities that have a predetermined plan and format designed to develop employment-related skills and competencies. Unstructured training is all training activities which do not have a specified content or predetermined plan.

Revised industry classification

The industry classification used by the ABS was revised between the 1994 and 1997 surveys. In 1994, the sample for the survey was designed using the Australian Standard Industrial Classification. The 1997 survey sample was based on the Australian and New Zealand Standard Industrial Classification (ANZSIC).

Other changes

Through the development of the 1997 TPS, changes were also made to some of the questions asked in 1994. Where possible, however, the results of the 1997 survey have been produced to enable comparisons to be made between the two surveys.

CHAPTER 1

OVERVIEW

TRAINING IN AUSTRALIA

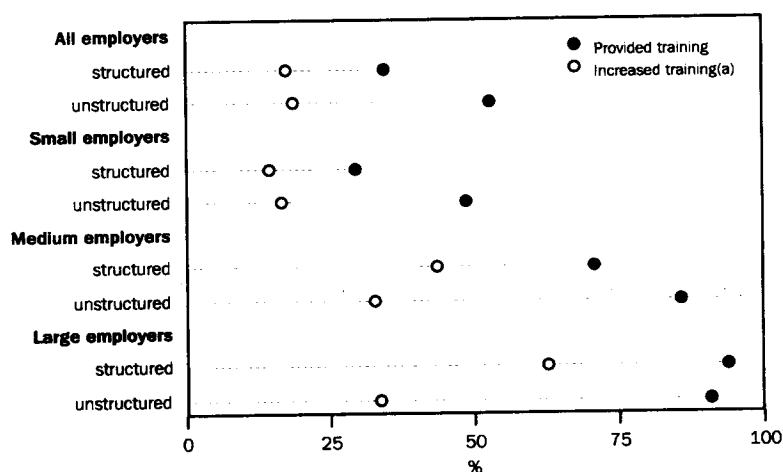
During the 12-month period ending February 1997, 61% of all employers provided some training for their employees. More employers provided unstructured training (53%) compared to structured training (35%), with 27% providing both structured and unstructured training. Most Australian employees (92%) worked for an organisation that provided some training in the 12-month period.

More than half (53%) of the employers who provided structured training during the year reported increased expenditure on structured training compared with the previous 12 months, while just over a third (36%) of those who provided unstructured training increased their level of unstructured training.

By employer size

Almost 100% of large employers (100 or more employees) and 94% of medium employers (20–99 employees) provided training compared to 57% of small employers (1–19 employees). Of those who provided training, more large employers (95%) provided structured training than medium (76%) and small employers (53%). Of those providing structured training, expenditure on structured training increased for over 60% of large and medium employers, and 50% of small employers, in the year ending February 1997, compared to the previous 12 months.

1.1 TRAINING PROVIDED IN LAST 12 MONTHS



(a) An increase in expenditure on structured training or an increase in the overall level of unstructured training.

By sector

A higher proportion of employers in the public sector provided training for their employees (84%) than in the private sector (61%). The most marked difference between the sectors was in the provision of structured training with twice the proportion of public sector employers providing structured training (70% compared to the private sector's 34%). Public sector employers who provided training reported increases in structured or unstructured training more frequently than those in the private sector.

1.2 TRAINING PROVIDED IN LAST 12 MONTHS, By Sector

Type of training	EMPLOYER SIZE.....			
	1-19 employees	20-99 employees	100 or more employees	All employers
	%	%	%	%
PRIVATE				
Provided training				
Structured training				
Training expenditure increased	15	43	62	18
No change in training expenditure	13	23	24	14
Training expenditure decreased	2	5	7	3
Total	30	70	93	34
Unstructured training				
Increased level of training	17	32	33	19
No change in level of training	31	51	54	33
Decreased level of training	*1	2	4	1
Total	49	85	90	53
Employers providing training	57	94	99	61
Did not provide training	43	6	*1	39
Total	100	100	100	100
PUBLIC				
Provided training				
Structured training				
Training expenditure increased	*24	73	66	48
No change in training expenditure	**	**	19	*12
Training expenditure decreased	**	**	14	*10
Total	*38	99	100	70
Unstructured training				
Increased level of training	**	*38	41	34
No change in level of training	**	*50	48	39
Decreased level of training	**	**	*5	**
Total	60	88	93	76
Employers providing training	67	100	100	84
Did not provide training	**	0	0	**
Total	100	100	100	100
ALL SECTORS				
Provided training				
Structured training				
Training expenditure increased	15	44	63	18
No change in training expenditure	13	22	23	14
Training expenditure decreased	2	5	8	3
Total	30	71	94	35
Unstructured training				
Increased level of training	17	33	34	19
No change in level of training	31	51	53	33
Decreased level of training	*1	2	4	1
Total	49	86	91	53
Employers providing training	57	94	99	61
Did not provide training	43	6	*1	39
Total	100	100	100	100
Proportion of all employers	90	8	2	100

By industry

Industries with higher proportions of employers providing training were GOVERNMENT ADMINISTRATION AND DEFENCE (99%) and ELECTRICITY GAS AND WATER SUPPLY (87%). Most employers in these industries provided both structured and unstructured training. They were the only industries where more employers provided structured than unstructured training. Over 60% of employers in these industries reported increased expenditure on structured training during the 12-month period ending February 1997, compared to the preceding 12 months.

1.3 TRAINING PROVIDED IN LAST 12 MONTHS, By Industry

STRUCTURED TRAINING(a)..... UNSTRUCTURED TRAINING(b).....

Industry	STRUCTURED TRAINING(a)			Employer providing structured training	UNSTRUCTURED TRAINING(b)			Employer providing unstructured training	Total employers providing training	No training provided	Total
	Increased	No change	Decreased		Increased	No change	Decreased				
	%	%	%	%	%	%	%	%	%	%	%
Mining	*28	*3	**	37	**	*27	**	39	54	46	100
Manufacturing	17	15	*3	35	20	37	**	60	68	32	100
Electricity, gas and water supply	60	**	*1	83	**	*49	**	77	87	**	100
Construction	11	15	**	29	11	23	**	36	47	53	100
Wholesale trade	21	16	**	40	22	30	**	53	61	39	100
Retail trade	12	15	**	29	16	39	**	55	60	40	100
Accommodation, cafes and restaurants	*10	11	*2	24	17	33	**	52	55	45	100
Transport and storage	*21	**	*1	31	*12	*23	**	37	43	57	100
Communication services	*19	*16	**	37	*14	27	**	45	54	46	100
Finance and insurance	31	*16	*1	47	*15	36	**	53	68	32	100
Property and business services	22	12	**	36	21	31	**	53	60	40	100
Government administration and defence	61	*21	**	99	*34	52	**	88	99	*1	100
Education	30	19	**	52	19	43	**	64	76	24	100
Health and community services	23	16	*3	42	25	32	**	59	68	32	100
Cultural and recreational services	15	*14	*0	29	*13	28	**	44	50	50	100
Personal and other services	*24	**	**	36	*26	43	**	70	78	*22	100
All employers	18	14	3	35	19	33	1	53	61	39	100

(a) Relates to change in expenditure on structured training.

(b) Relates to change in overall level of unstructured training.

By State and Territory

Lower proportions of employers in New South Wales and Victoria provided training to their employees in the 12 months ending February 1997 than other States or Territories. The Northern Territory had the highest proportion of employers providing training (92%) with almost two-thirds of Northern Territory employers providing structured training.

1.4 TRAINING PROVIDED IN LAST 12 MONTHS, By State and Territory

	NSW	Vic.	Qld.	SA	WA	Tas.	NT	ACT	Australia
Type of training	%	%	%	%	%	%	%	%	%
Provided training									
Structured training									
Training expenditure increased	20	15	17	23	17	*20	*53	**	18
No change in training expenditure	11	14	18	17	14	**	**	**	14
Training expenditure decreased	*3	*2	**	*0	**	**	**	**	3
Total	34	32	37	41	34	43	62	*44	35
Unstructured training									
Increased level of training	16	15	25	23	20	*28	**	*46	19
No change in level of training	33	33	32	32	38	*20	64	**	33
Decreased level of training	**	**	*1	**	**	**	**	**	1
Total	51	50	59	56	58	49	74	59	53
Employers providing training	58	59	66	65	63	63	92	66	61
Did not provide training	42	41	34	35	37	*37	**	**	39
Total	100	100	100	100	100	100	100	100	100

By structured training expenditure reported in September quarter 1996

Costs associated with the provision of structured training were measured for the three-month period 1 July to 30 September 1996 in the TES (see *Employer Training Expenditure, Australia, July to September 1996* (Cat. no. 6353.0)). Expenditure on structured training for the quarter was the equivalent of 2.5% of employers gross wages and salaries, with half of employers who provided structured training in the period spending 3% or more. It is important to note that training expenditure information collected in the September quarter for TES related to employers who provided paid time for employees to attend training in that period.

When the structured training expenditure characteristics of employers in the September quarter are linked with training patterns for the 12 months ending February 1997, it shows that more employers who reported expenditure of 3% or more of their gross wages and salaries also reported increased structured training expenditure (61%) and increased levels of unstructured training (40%).

One-fifth of employers who did not report training expenditure in the September quarter 1996 provided some structured training to their employees during the 12-month period ending February 1997. They represented almost half of all employers who provided structured training in that period.

1.5 TRAINING PROVIDED IN LAST 12 MONTHS, By Training Expenditure(a)

	<i>Nil expenditure</i>	<i>Less than 3% GWS(b)</i>	<i>3% GWS(b) or more</i>	<i>All employers</i>
<i>Type of training</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Provided training				
Structured training				
Training expenditure increased	10	46	61	18
No change in training expenditure	9	43	30	14
Training expenditure decreased	*1	10	*9	3
Total	20	100	100	35
Unstructured training				
Increased level of training	15	35	40	19
No change in level of training	31	47	36	33
Decreased level of training	*1	*3	*2	1
Total	47	85	78	53
Employers providing training	52	100	100	61
Did not provide training	48	**	**	39
Total	100	100	100	100
Proportion of all employers	81	9	9	100

(a) Training expenditure for the three-month period July–September 1996.

(b) Gross wages and salaries.

By employer and employee profile

Less than two-thirds (61%) of all employers provided training in the 12 months ending February 1997, whereas most employees (92%) worked for an employer that provided training. When training characteristics are looked at in conjunction with the occupations employed, some occupation groups appear to have greater access to employer provided training. Two measures of access are provided. The first measure is based on the proportion of employers who employed people in specific occupation groups; the second is based on the proportion of employees in each occupation group.

Most employers who employed ASSOCIATE PROFESSIONALS (81%) provided training and the vast majority of ASSOCIATE PROFESSIONALS (96%) worked for an employer that provided training. A high proportion of these employees worked in organisations that had increased their expenditure on structured training in the previous 12 months (59%).

In contrast, fewer employers who employed LABOURERS AND RELATED WORKERS provided training (66%) and a lower proportion of LABOURERS AND RELATED WORKERS worked for employers that provided training (89%), with less than three-quarters working in an organisation that provided structured training.

1.6 TRAINING PROVIDED IN LAST 12 MONTHS, By Employer and Employee Occupation Profile

STRUCTURED TRAINING(a)..... UNSTRUCTURED TRAINING(b).....

Occupation	STRUCTURED TRAINING(a)			Employers providing structured training	UNSTRUCTURED TRAINING(b)			Employers providing unstructured training	Total employers providing training	No training provided	Total
	Increased	No change	Decreased		Increased	No change	Decreased				
	%	%	%	%	%	%	%	%	%	%	%
EMPLOYERS(c)											
Labourers and related workers	19	14	*4	38	22	35	*2	59	66	34	100
Production and transport workers	20	14	*3	37	22	40	1	63	68	32	100
Clerical, sales and service workers											
Elementary	24	16	*4	44	21	36	*1	58	67	33	100
Intermediate	24	18	3	46	26	40	1	67	74	26	100
Advanced	27	19	4	50	27	39	1	67	76	24	100
All	21	17	3	41	22	36	1	59	68	32	100
Tradespersons and related workers	26	19	*3	48	24	36	*1	61	71	29	100
Associate professionals	37	17	5	59	35	37	1	74	81	19	100
Professionals, managers and administrators	27	18	3	48	24	39	1	64	73	27	100
All employers	18	14	3	35	19	33	1	53	61	39	100
EMPLOYEES											
Labourers and related workers	45	20	7	72	32	44	3	79	89	11	100
Production and transport workers	51	16	10	78	29	50	6	85	91	9	100
Clerical, sales and service workers											
Elementary	57	15	6	77	30	48	6	84	93	7	100
Intermediate	51	20	9	80	36	46	4	86	92	8	100
Advanced	48	21	9	77	34	47	4	85	90	10	100
All	52	18	8	78	33	47	5	85	92	8	100
Tradespersons and related workers	50	23	7	79	32	43	4	78	90	10	100
Associate professionals	59	23	9	90	35	49	3	87	96	4	100
Professionals, managers and administrators	59	16	13	88	43	44	2	89	94	6	100
All employers	53	19	9	80	35	46	4	84	92	8	100

(a) Relates to change in expenditure on structured training.

(b) Relates to change in overall level of unstructured training.

(c) An employer may be counted more than once depending on the type of occupations employed.

ENTRY LEVEL TRAINING

Organisations that employ apprentices or entry level trainees have additional training responsibilities. Of the 11% of employers who employed an apprentice or trainee in February 1997, almost all reported that they provided training in the previous 12 months (99%). More of these employers provided structured (94%), than provided unstructured training (83%).

In contrast, 28% of employers who did not employ either apprentices or trainees provided some type of structured training for their employees and 49% provided unstructured training.

ENTRY LEVEL TRAINING *continued*

During the 12 months ending February 1997, almost half of employers with apprentices or trainees increased their expenditure on structured training and more than a third (37%) increased their level of unstructured training compared to the previous 12 months.

1.7 TRAINING PROVIDED IN LAST 12 MONTHS—By presence of apprentice or trainee in February 1997

EMPLOYERS WITH.....

Type of training	Apprentices %	Trainees %	Either apprentices or trainees %	Employers without apprentices or trainees %	All employers %
Provided training					
Structured training					
Training expenditure increased	47	54	48	15	18
No change in training expenditure	42	33	40	11	14
Training expenditure decreased	*6	**	*6	2	3
Total	94	93	94	28	35
Unstructured training					
Increased level of training	36	40	37	17	19
No change in level of training	44	45	44	32	33
Decreased level of training	**	**	**	1	1
Total	82	87	83	49	53
Employers providing training	100	98	99	56	61
Did not provided training	**	**	**	44	39
Total	100	100	100	100	100
Proportion of all employers	8	3	11	89	100

A third of employers with high training expenditure in the September quarter 1996 (equivalent to 3% or more of their gross wages and salaries) employed an apprentice or trainee, compared to one-quarter of those with low expenditure (below 3%), and 7% of those with no training expenditure in the September quarter.

**1.8 PRESENCE OF APPRENTICE OR TRAINEE IN FEBRUARY 1997,
By Training Expenditure(a)**

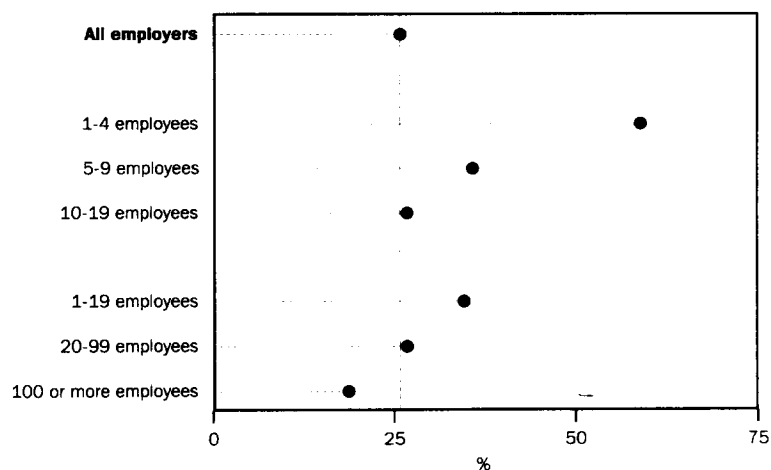
Type of employer	Nil expenditure %	Less than 3% GWS(b) %	3% GWS(b) or more %	All employers %
Employers with				
Apprentices	5	20	24	8
Trainees	2	9	12	3
Either apprentices or trainees	7	26	34	11
Employers without apprentices or trainees	93	74	66	89
Total	100	100	100	100

(a) Training expenditure for three-month period July–September 1996.

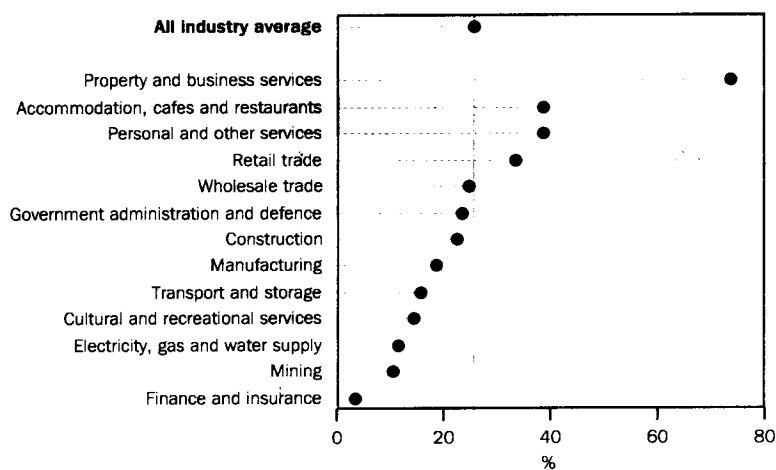
(b) Gross wages and salaries.

ENTRY LEVEL TRAINING *continued*

Just over a quarter of all employees classified as TRADESPERSONS AND RELATED WORKERS were apprentices. The proportion of tradespersons who were apprentices varied according to the size of employers, with the proportion of apprentices being higher for smaller employers (35%), than either medium (27%) or large (19%) employers. The majority of employers with apprentices in February 1997 (61%) employed only one apprentice.

1.9 APPRENTICES AS A PROPORTION OF TRADESPERSONS, By Employer Size

The proportion of apprentices was high in the PROPERTY AND BUSINESS SERVICES industry (74%) and low in the FINANCE AND INSURANCE industry (4%). The high proportion in the PROPERTY AND BUSINESS SERVICES industry largely reflects the high number of apprentices employed by group training companies (see Paragraph 19 of Explanatory Notes).

1.10 APPRENTICES AS A PROPORTION OF TRADESPERSONS, By Industry(a)

(a) Industries where estimates were not sufficiently reliable are not shown separately.

EFFECT OF LENGTH OF SERVICE OF EMPLOYEES ON TRAINING

The stability of an employer's workforce can also impact on training provided. In general, as the length of service of the majority of employees increased, a greater proportion of employers did not provide any training for their employees. Two-thirds of employers who employed 50% or more of their staff for less than one year provided training, while just over half (53%) of employers who employed 50% or more of their staff for over five years provided training.

In contrast, employers who had the most continuous turnover of staff (i.e. reported less than 50% of their employees in each time interval) were more likely to provide structured training (62%) or unstructured training (85%) during the 12-month period.

1.11 TRAINING PROVIDED IN LAST 12 MONTHS, By Length of Service of Employees

50% OR MORE EMPLOYEES EMPLOYED(a).....

	Less than one year	One year to less than five years	Five years or more	Other(b)	All employers
Type of training	%	%	%	%	%
Provided training					
Structured training					
Training expenditure increased	16	20	15	36	18
No change in training expenditure	13	12	13	22	14
Training expenditure decreased	**	*3	*3	**	3
Total	31	35	31	62	35
Unstructured training					
Increased level of training	23	20	13	34	19
No change in level of training	36	31	29	50	33
Decreased level of training	**	*1	*2	*1	1
Total	61	52	44	85	53
Employers providing training	66	60	53	91	61
Did not provide training	34	40	47	*9	39
Total	100	100	100	100	100
Proportion of all employers	16	48	37	8	100

(a) An employer can be counted more than once.

(b) Employers who did not report 50% or more of their employees in any of the previous categories.

EFFECT OF YEARS OF OPERATION OF BUSINESS ON TRAINING

The incidence of training provision also varied according to the maturity of a business. The longer an organisation had been in operation, the more likely it was to have provided training for employees during the 12-month period ended February 1997.

Almost two-thirds of employers who had been in operation for five years or more provided training compared to just over half of employers who had operated for less than five years. Higher proportions of employers who had been in operation longer increased their expenditure on structured training and the level of unstructured training provided in the 12-month period.

1.12 TRAINING PROVIDED IN LAST 12 MONTHS, By Years of Operation of Business

Type of training	YEARS OF OPERATION.....			
	Less than five years	Five years to less than ten years	Ten years or more	All employers
	%	%	%	%
Provided training				
Structured training				
Training expenditure increased	11	20	21	18
No change in training expenditure	12	14	15	14
Training expenditure decreased	**	*2	3	3
Total	26	36	38	35
Unstructured training				
Increased level of training	16	21	19	19
No change in level of training	28	33	36	33
Decreased level of training	**	**	*1	1
Total	44	55	56	53
Total employers providing training	51	63	64	61
Did not provide training	49	37	36	39
Total	100	100	100	100
Proportion of all employers	23	27	50	100

LIMITATIONS TO PROVIDING STRUCTURED TRAINING

There can be barriers that limit the amount that employers spend on training. Employers were asked to indicate whether selected factors limited their expenditure on structured training in the 12-month period ending February 1997. Of the 83% of employers who reported a limitation, over half indicated that their current employees were adequately trained. This factor was reported more frequently by employers who did not provide structured training (55%), than those who did (22%).

Employers who provided structured training in the 12-month period were more likely to cite cost (48%) and time constraints (51%) as factors that limited further expenditure on structured training. Both these factors were reported by higher proportions of large employers who provided structured training.

1.13 FACTORS LIMITING EXPENDITURE ON STRUCTURED TRAINING PROVIDED IN LAST 12 MONTHS

EMPLOYER SIZE.....				
	1-19 employees	20-99 employees	100 or more employees	All employers
Factor(a)	%	%	%	%
EMPLOYERS WHO PROVIDED STRUCTURED TRAINING				
Cost constraints	46	54	58	48
Time constraints	48	57	66	51
Lack of suitable trainers in this organisation	8	14	21	10
External providers ran courses at unsuitable times	12	9	9	11
External providers ran courses at unsuitable locations	12	12	10	12
No suitable training available	7	*9	9	7
Current employees adequately trained	23	18	10	22
Recruited trained people	11	10	15	11
Employee resistance to training	*2	6	8	3
No limitations(b)	19	15	18	18
All employers	100	100	100	100
EMPLOYERS WHO DID NOT PROVIDE STRUCTURED TRAINING				
Cost constraints	23	40	*25	24
Time constraints	25	42	*33	25
Lack of suitable trainers in this organisation	5	**	**	5
External providers ran courses at unsuitable times	4	**	**	4
External providers ran courses at unsuitable locations	4	**	**	4
No suitable training available	10	*24	**	11
Current employees adequately trained	56	44	*41	55
Recruited trained people	15	42	*36	16
Employee resistance to training	*2	**	**	*2
No limitations(b)	17	*6	**	16
All employers	100	100	100	100
ALL EMPLOYERS				
Cost constraints	30	50	56	32
Time constraints	32	52	64	34
Lack of suitable trainers in this organisation	6	11	20	7
External providers ran courses at unsuitable times	6	7	9	6
External providers ran courses at unsuitable locations	6	10	10	7
No suitable training available	9	13	10	9
Current employees adequately trained	46	25	12	44
Recruited trained people	14	20	16	14
Employee resistance to training	2	*7	8	2
No limitations(b)	17	12	19	17
All employers	100	100	100	100

(a) An employer may indicate more than one factor limiting expenditure.

(b) Includes not stated.

1.14 SELECTED FACTORS(a) LIMITING EXPENDITURE ON STRUCTURED TRAINING, By Industry

Industry	Cost constraints	Time constraints	No suitable training available	Current employees adequately trained	Recruited trained people	No limitations(b)
	%	%	%	%	%	%
EMPLOYERS WHO PROVIDED STRUCTURED TRAINING						
Mining	*51	*51	**	*37	*8	**
Manufacturing	36	46	*10	35	*13	19
Electricity, gas and water supply	84	93	**	**	**	**
Construction	34	32	**	30	*9	34
Wholesale trade	32	51	*6	30	*16	*14
Retail trade	45	53	**	36	*12	*14
Accommodation, cafes and restaurants	49	44	**	*19	*20	*21
Transport and storage	*47	*50	**	*11	**	**
Communication services	66	*47	**	**	**	**
Finance and insurance	*29	48	**	**	**	*33
Property and business services	59	62	**	*16	*9	*9
Government administration and defence	74	77	*6	**	**	*14
Education	75	59	*7	**	*10	*10
Health and community services	55	53	*12	*7	*9	*17
Cultural and recreational services	61	41	*8	**	*8	**
Personal and other services	57	*35	**	**	**	*32
All industries	48	51	7	22	11	18
EMPLOYERS WHO DID NOT PROVIDE STRUCTURED TRAINING						
Mining	**	**	**	65	**	**
Manufacturing	25	32	*9	60	*18	*11
Electricity, gas and water supply	**	**	**	**	0	**
Construction	18	23	*12	57	*10	*18
Wholesale trade	29	28	*7	57	14	*11
Retail trade	27	29	15	51	13	20
Accommodation, cafes and restaurants	*25	*19	**	45	24	*22
Transport and storage	*28	*24	**	53	**	**
Communication services	*18	*27	**	55	**	*21
Finance and insurance	**	*31	**	49	**	*27
Property and business services	19	22	*6	55	18	18
Government administration and defence	0	0	0	*70	0	**
Education	*24	*24	**	52	*15	**
Health and community services	19	23	**	56	21	19
Cultural and recreational services	*15	*13	*16	66	*18	**
Personal and other services	*37	*31	**	66	**	**
All industries	24	25	11	55	16	16
ALL EMPLOYERS						
Mining	*20	32	**	54	**	**
Manufacturing	29	37	*10	51	17	13
Electricity, gas and water supply	73	79	**	**	**	**
Construction	23	26	*9	49	*10	22
Wholesale trade	30	37	*7	46	15	12
Retail trade	32	36	12	47	13	18
Accommodation, cafes and restaurants	31	25	*9	39	23	22
Transport and storage	34	32	**	40	**	*16
Communication services	36	35	**	35	*14	*22
Finance and insurance	*26	39	**	32	**	30
Property and business services	33	36	*7	41	15	15
Government administration and defence	74	76	*6	*7	**	*14
Education	50	42	*11	30	*12	*14
Health and community services	34	36	*8	35	16	18
Cultural and recreational services	28	21	14	51	15	*12
Personal and other services	44	32	**	48	**	*14
All industries	32	34	9	44	14	17

(a) An employer may indicate more than one factor limiting expenditure.

(b) includes not stated.

LIMITATIONS TO PROVIDING STRUCTURED TRAINING *continued*

Cost and time constraints were factors limiting expenditure on structured training that were reported more frequently in the industries, ELECTRICITY, GAS AND WATER SUPPLY (73% and 79% respectively); and GOVERNMENT ADMINISTRATION AND DEFENCE (74% and 76% respectively). These industries had the highest proportions of employers providing structured training in the 12-month period. They also had higher than average proportions of employers who increased their structured training expenditure in the 12-month period ending February 1997.

Of employers who reported cost or time constraints, three-quarters provided training, with two-thirds of those providing structured training. In contrast, of employers who reported that their employees were adequately trained, only half provided training with a third of those providing structured training.

1.15 TRAINING PROVIDED IN LAST 12 MONTHS, By Limitations to Expenditure on Structured Training

STRUCTURED TRAINING(a)..... UNSTRUCTURED TRAINING(b).....

Factor that limited expenditure on structured training	STRUCTURED TRAINING(a)				UNSTRUCTURED TRAINING(b)				Total training provided	No training provided	Total
	Increased	No change	Decreased	Employer providing structured training	Increased	No change	Decreased	Employer providing unstructured training			
	%	%	%	%	%	%	%	%	%	%	%
Cost constraints	29	19	4	52	26	39	1	66	77	23	100
Time constraints	29	18	4	52	30	37	*1	68	76	24	100
Lack of suitable trainers in this organisation	32	*14	**	51	28	42	**	71	79	21	100
External providers ran courses at unsuitable times	39	21	**	63	33	39	**	73	82	*18	100
External providers ran courses at unsuitable locations	40	20	*1	62	35	36	**	72	81	*19	100
No suitable training available	14	*10	**	26	19	48	**	68	72	28	100
Current employees adequately trained	6	9	*2	17	12	32	*1	45	50	50	100
Recruited trained people	13	13	*1	27	23	37	**	62	66	34	100
Employee resistance to training	23	*22	**	48	*24	47	**	73	74	*26	100
No limitations(c)	20	15	**	38	15	32	**	49	58	42	100
All employers	18	14	3	35	19	33	1	53	61	39	100

(a) Relates to change in expenditure on structured training.

(b) Relates to change in overall level of unstructured training.

(c) Includes not stated.

TRAINING IN SMALL BUSINESSES

Of all employers, 90% had less than 20 employees. Whether these small employers provided training varied according to the number of employees. Most small employers with 10–19 employees provided some training in the 12-month period ending February 1997 (86%) with over two-thirds of those who trained providing structured training (70%). In contrast less than half of small employers with fewer than 5 employees provided training (45%); with less than half of those providing structured training (44%).

1.16 SMALL EMPLOYERS—Training provided in last 12 months

	EMPLOYER SIZE.....			
	1–4 employees	5–9 employees	10–19 employees	All small employers
Type of training	%	%	%	%
.....				
Provided training				
Structured training				
Training expenditure increased	10	23	26	15
No change in training expenditure	8	17	29	13
Training expenditure decreased	*1	*3	*4	2
Total	20	43	60	30
Unstructured training				
Increased level of training	10	30	29	17
No change in level of training	27	34	47	31
Decreased level of training	*1	**	*2	*1
Total	38	65	78	49
Employers providing training	45	74	86	57
Did not provide training	55	26	14	43
Total	100	100	100	100
Proportion of small employers	63	25	12	100
.....				

CHAPTER 2

EMPLOYERS PROVIDING STRUCTURED TRAINING

CHANGES IN THE LEVELS OF EXPENDITURE ON STRUCTURED TRAINING

Of the 35% of employers who provided structured training, just over half (51%) reported that they increased their overall expenditure on structured training in the year ending February 1997 compared with the preceding 12 months. A further 40% maintained their level of expenditure and 9% reported a fall in expenditure on structured training (see Chapter 1).

The incidence of increasing training expenditure varied according to employer size. Half of all small employers who provided structured training reported increased expenditure compared to two-thirds of large employers.

Employers indicated the impact that specific factors had on their level of expenditure on structured training in the 12 months to February 1997. Of those employers who provided structured training in the last 12-month period, 57% reported at least one factor that increased their expenditure compared to the previous 12 months.

'Technological change' was a factor that resulted in increased training expenditure for almost a third (32%) of employers who provided structured training. Over half of those employers (53%) stated it was the factor that caused the greatest increase in expenditure in the 12-month period.

'Changes in management practices or philosophies' (25%) was also a significant factor that resulted in employers spending more on structured training. For large employers, the impact of 'Regulations or awards' also contributed towards higher expenditure (45%). This factor was less significant for small (13%) and medium (30%) employers.

The impact of 'Enterprise bargaining' in the 12-month period ending February 1997 did not contribute towards higher expenditure on structured training for most organisations with only 4% of employers who provided structured training reporting this as a factor that increased their expenditure in the period. Large employers, however, were more likely to report this as a factor (17%) compared to small employers (2%).

2.1 FACTORS THAT INCREASED EXPENDITURE ON STRUCTURED TRAINING IN LAST 12 MONTHS

Factor	EMPLOYER SIZE.....			
	1-19 employees	20-99 employees	100 or more employees	Employers providing structured training
	%	%	%	%
FACTORS INCREASING TRAINING EXPENDITURE(a)				
Reported a factor causing increase				
Technological change	28	42	52	32
Availability of external training providers	14	22	16	16
Difficulty in recruiting skilled labour	10	20	13	12
Quality assurance/quality control	17	33	38	21
Enterprise bargaining	*2	*9	17	4
Competition from business in Australia or overseas	12	11	19	12
Availability workplace assessors	*4	4	10	4
Regulations or awards	13	30	45	18
Restructuring	9	21	34	12
Changes in management practices	21	37	44	25
Reported a factor causing increase	53	69	80	57
Did not report a factor causing increase	47	31	20	43
Total	100	100	100	100
FACTOR CAUSING GREATEST INCREASE				
Reported a factor causing increase				
Technological change	16	18	24	17
Availability of external training providers	6	*5	2	5
Difficulty in recruiting skilled labour	6	**	2	5
Quality assurance/quality control	6	9	10	7
Enterprise bargaining	**	*1	3	0
Competition from business in Australia or overseas	*2	*2	2	*2
Availability workplace assessors	**	**	*1	**
Regulations or awards	5	*11	10	6
Restructuring	*3	7	10	4
Changes in management practices	7	9	14	8
Total(b)	52	67	78	56
Did not report a factor causing increase(b)	48	33	22	44
Total	100	100	100	100

(a) An employer may report more than one factor causing an increase in training expenditure.

(b) A small number of respondents did not state a factor causing greatest increase.

Of those employers who reported high expenditure on structured training in the September quarter 1996 (equivalent to 3% or more gross wages and salaries), almost two-thirds (64%) reported a factor that increased their training expenditure in the last 12 months. A high proportion of these employers reported technological change (64%) as a factor that increased expenditure.

2.2 FACTORS THAT INCREASED EXPENDITURE ON STRUCTURED TRAINING IN LAST 12 MONTHS, By Training Expenditure(a)

	Nil expenditure	Less than 3% GWS(b)	3% GWS(b) or more	Employers providing structured training
Factor	%	%	%	%
FACTORS INCREASING TRAINING EXPENDITURE(c)				
Reported a factor causing increase				
Technological change	27	31	41	32
Availability of external training providers	17	17	13	16
Difficulty in recruiting skilled labour	10	14	13	12
Quality assurance/quality control	20	20	24	21
Enterprise bargaining	**	*6	*4	4
Competition from business in Australia or overseas	10	10	17	12
Availability workplace assessors	*4	*5	**	4
Regulations or awards	13	22	21	18
Restructuring	7	20	13	12
Changes in management practices	20	30	27	25
Reported a factor causing increase	54	54	64	57
Did not report a factor causing increase	46	46	36	43
Total	100	100	100	100

FACTOR CAUSING GREATEST INCREASE				
Reported a factor causing increase				
Technological change	16	17	19	17
Availability of external training providers	9	*3	**	5
Difficulty in recruiting skilled labour	*5	*3	*8	5
Quality assurance/quality control	8	5	*8	7
Enterprise bargaining	**	1	*1	0
Competition from business in Australia or overseas	*2	*1	**	*2
Availability workplace assessors	**	*0	**	**
Regulations or awards	*4	*9	*7	6
Restructuring	*3	*7	*4	4
Changes in management practices	*7	9	*9	8
Total	53	54	63	56
Did not report a factor causing increase	47	46	37	44
Total	100	100	100	100
Proportion of employers providing structured training	46	27	27	100

(a) Training expenditure for the three-month period July–September 1996.

(b) Gross wages and salaries.

(c) An employer may report more than one factor causing an increase in training expenditure.

TRAINING PRACTICES

Most employers (91%) who provided structured training regarded 'To improve employees' work performance in current job' as either an important or crucial reason for doing so. 'To improve the quality of goods and services provided' was regarded as important or crucial by over three-quarters (81%) of all employers.

TRAINING PRACTICES *continued*

By contrast, 'To meet enterprise bargaining requirements' was not an applicable reason to most employers who provided structured training (71%) with a minority regarding it as crucial or important (14%).

2.3 REASONS FOR PROVIDING STRUCTURED TRAINING IN LAST 12 MONTHS, By Level of Importance

Reason	EMPLOYER SIZE.....			
	1-19 employees	20-99 employees	100 or more employees	Employers providing structured training
	%	%	%	%
.....				
CRUCIAL				
Improve performance in current job	37	40	49	38
Enable employees to move to other positions	*2	*7	9	3
Overcome skill shortages/recruitment difficulties	11	14	13	11
Develop a more flexible workforce	14	22	25	16
Improve quality of goods/services	34	45	54	37
Meet enterprise bargaining requirements	*2	*2	7	2
Improve employee safety in the workplace	11	28	39	15
Respond to new technology	20	29	34	22
Competition from Australia/overseas	9	14	19	10
.....				
IMPORTANT				
Improve performance in current job	52	56	50	53
Enable employees to move to other positions	24	48	58	30
Overcome skill shortages/recruitment difficulties	30	50	47	35
Develop a more flexible workforce	42	61	62	46
Improve quality of goods/services	43	49	40	44
Meet enterprise bargaining requirements	8	23	32	12
Improve employee safety in the workplace	30	45	46	33
Respond to new technology	38	44	50	39
Competition from Australia/overseas	28	34	36	29
.....				
NOT IMPORTANT				
Improve performance in current job	*1	**	*1	*1
Enable employees to move to other positions	17	26	22	19
Overcome skill shortages/recruitment difficulties	13	15	23	14
Develop a more flexible workforce	10	9	9	10
Improve quality of goods/services	*4	**	2	3
Meet enterprise bargaining requirements	13	23	25	15
Improve employee safety in the workplace	9	10	7	9
Respond to new technology	8	9	7	8
Competition from Australia/overseas	9	17	15	11
.....				
NOT APPLICABLE				
Improve performance in current job	9	2	*0	8
Enable employees to move to other positions	57	19	10	48
Overcome skill shortages/recruitment difficulties	46	22	16	40
Develop a more flexible workforce	35	8	4	29
Improve quality of goods/services	19	5	*4	16
Meet enterprise bargaining requirements	77	52	37	71
Improve employee safety in the workplace	51	17	8	43
Respond to new technology	35	19	9	31
Competition from Australia/overseas	54	36	30	50
.....				

2.4 REASONS FOR PROVIDING STRUCTURED TRAINING IN LAST 12 MONTHS, By Level of Importance and Training Expenditure(a)

Reason	Nil expenditure	Less than 3% GWS(b)	3% GWS(b) or more	Employers providing structured training
	%	%	%	%
CRUCIAL				
Improve performance in current job	39	34	42	38
Enable employees to move to other positions	*2	*4	*4	3
Overcome skill shortages/recruitment difficulties	9	11	15	11
Develop a more flexible workforce	13	18	18	16
Improve quality of goods/services	36	42	36	37
Meet enterprise bargaining requirements	**	*3	*3	2
Improve employee safety in the workplace	11	22	15	15
Respond to new technology	22	22	23	22
Competition from Australia/overseas	9	12	11	10
IMPORTANT				
Improve performance in current job	49	57	54	53
Enable employees to move to other positions	24	39	31	30
Overcome skill shortages/recruitment difficulties	30	40	38	35
Develop a more flexible workforce	44	52	44	46
Improve quality of goods/services	43	41	47	44
Meet enterprise bargaining requirements	11	15	10	12
Improve employee safety in the workplace	32	38	31	33
Respond to new technology	37	39	44	39
Competition from Australia/overseas	27	29	34	29
NOT IMPORTANT				
Improve performance in current job	*1	*2	**	*1
Enable employees to move to other positions	18	18	23	19
Overcome skill shortages/recruitment difficulties	10	16	19	14
Develop a more flexible workforce	7	11	13	10
Improve quality of goods/services	*4	*3	**	3
Meet enterprise bargaining requirements	12	19	19	15
Improve employee safety in the workplace	*5	11	12	9
Respond to new technology	*7	8	*9	8
Competition from Australia/overseas	9	14	11	11
NOT APPLICABLE				
Improve performance in current job	11	*6	**	8
Enable employees to move to other positions	57	39	42	48
Overcome skill shortages/recruitment difficulties	51	33	28	40
Develop a more flexible workforce	36	20	24	29
Improve quality of goods/services	17	14	*14	16
Meet enterprise bargaining requirements	76	64	68	71
Improve employee safety in the workplace	52	29	42	43
Respond to new technology	35	31	24	31
Competition from Australia/overseas	56	44	44	50

(a) Training expenditure for the three-month period July–September 1996.

(b) Gross wages and salaries.

TRAINING PRACTICES *continued*

An employer may provide support for structured training in a number of ways. The majority of employers reported paying employees' wages and salaries while attending training (91%) and paying employees' course fees (60%). These were the most common forms of support across all employer size groups as well as across all levels of training expenditure.

2.5 SUPPORT FOR STRUCTURED TRAINING PROVIDED BY EMPLOYERS IN LAST 12 MONTHS

Type of support provided(a)	EMPLOYER SIZE.....			Employers providing structured training
	1-19 employees	20-99 employees	100 or more employees	
	%	%	%	%
Paid employees wages and salaries while attending training	89	96	100	91
Allowed employees unpaid time off work to attend training	15	25	44	18
Paid employees course fees	55	71	87	60
Paid for employees training books/manuals and/or training course materials	37	57	75	43
Other training support	22	31	54	25
All employers	100	100	100	100

(a) An employer may have reported more than one type of support.

2.6 SUPPORT FOR STRUCTURED TRAINING PROVIDED BY EMPLOYERS IN LAST 12 MONTHS, By Training Expenditure(a)

Type of support provided(c)				Employers providing structured training
	Nil expenditure	Less than 3% GWS(b)	3% GWS(b) or more	
	%	%	%	%
Paid employees wages and salaries while attending training	82	100	100	91
Allowed employees unpaid time off work to attend training	12	21	24	18
Paid employees course fees	53	62	69	60
Paid for employees training books/manuals and/or training course materials	37	45	49	43
Other training support	21	22	34	25
All employers	100	100	100	100

(a) Training expenditure for the three-month period July-September 1996.

(b) Gross wages and salaries.

(c) An employer may have reported more than one type of support.

TRAINING PRACTICES *continued*

Employers used a variety of methods to determine their employees' requirements for structured training provided in the 12-month period ending February 1997.

Nearly half of all employers who provided structured training (47%) used 'Informal methods' such as ad hoc discussions with employees to determine training requirements. 'Individuals flagging their own requirements' was reported by over one-third (40%) of employers. These were the two methods most commonly reported across all employer size groups.

Most employers used more than one method to determine training needs. Small employers used an average of between one and two methods; medium-sized employers between two and three; and large employers between three and four methods.

When employers were asked which method they used most often to determine employees' requirements for structured training, 'Informal methods' was the method used most often by more employers (24%). While this was the method used most often by small (25%) and medium employers (23%), more large employers reported 'Skills audit and training needs analysis' as the method used most often (29%).

2.7 METHODS USED TO DETERMINE REQUIREMENTS FOR STRUCTURED TRAINING IN LAST 12 MONTHS

Method used to determine employee training requirements	EMPLOYER SIZE.....			Employers providing structured training
	1-19 employees	20-99 employees	100 or more employees	
	%	%	%	%
ALL METHODS USED(a)				
Performance appraisal	24	47	66	30
Skills audits/training needs analysis	16	34	63	22
Training determined by regulations or awards	27	39	66	31
Individual employees flag their own training requirements	36	49	70	40
Informal methods	44	55	68	47
Response to external client feedback	13	20	28	15
Other	9	*10	16	10
No methods	10	**	**	9
All methods	100	100	100	100
METHOD USED MOST OFTEN				
Performance appraisal	13	23	23	15
Skills audits/training needs analysis	9	16	29	11
Training determined by regulations or awards	15	12	11	15
Individual employees flag their own training requirements	19	14	13	18
Informal methods	25	23	12	24
Response to external client feedback	**	*1	*2	*2
Other	7	*7	7	7
No methods	10	**	**	9
Total	100	100	100	100

(a) An employer may have reported more than one method.

TRAINING PRACTICES *continued*

Whether employers reported high training expenditure did not impact on which methods were used most often to determine employee training requirements; however more employers with high training expenditure used 'Performance appraisal' and 'Skills audit/training needs analysis' than employers with low or no expenditure.

2.8 METHODS USED TO DETERMINE REQUIREMENTS FOR STRUCTURED TRAINING IN LAST 12 MONTHS, By Training Expenditure(a)

Method used to determine employee training requirements	Nil expenditure	Less than 3% GWS(b)	3% GWS(b) or more	Employers providing structured training
	%	%	%	%
ALL METHODS USED(c)				
Performance appraisal	24	34	37	30
Skills audits/training needs analysis	15	25	29	22
Training determined by regulations or awards	28	37	31	31
Individual employees flag their own training requirements	32	44	49	40
Informal methods	38	62	50	47
Response to external client feedback	13	15	19	15
Other	9	9	*11	10
No methods	13	*5	*6	9
All methods	100	100	100	100
METHOD USED MOST OFTEN				
Performance appraisal	15	14	18	15
Skills audits/training needs analysis	8	11	16	11
Training determined by regulations or awards	15	15	13	15
Individual employees flag their own training requirements	19	17	16	18
Informal methods	21	30	22	24
Response to external client feedback	**	**	**	*2
Other	*8	*5	*8	7
No methods	13	*5	*6	9
Total	100	100	100	100

(a) Training expenditure for the three-month period July–September 1996.

(b) Gross wages and salaries.

(c) An employer may have reported more than one method.

For the vast majority of employers (84%) Managers and proprietors were involved in determining the requirements for structured training provided to their employees during the 12-month period. This group was reported most often irrespective of employer size or level of training expenditure. For just over a third (39%) of employers, Individual employees were involved. Although 62% of large employers and 46% of medium employers involved Individual employees in this process, greater proportions involved Immediate supervisors, 79% and 57% respectively.

2.9 WHO DETERMINED REQUIREMENTS FOR STRUCTURED TRAINING IN LAST 12 MONTHS

	EMPLOYER SIZE.....			Employers providing structured training
	1-19 employees	20-99 employees	100 or more employees	
Who determined training requirements of employees(a)	%	%	%	%
Managers/proprietors	82	94	92	84
Immediate supervisors	17	57	79	27
Trainers/training managers	*4	19	56	9
External consultants	9	10	19	10
Workplace assessors	*2	3	11	2
Individual employees	35	46	62	39
Other	9	*2	5	7
All employers	100	100	100	100

(a) More than one person may have been involved.

2.10 WHO DETERMINED REQUIREMENTS FOR STRUCTURED TRAINING IN LAST 12 MONTHS, By Training Expenditure(a)

	Nil expenditure	Less than 3% GWS(b)	3% GWS(b) or more	Employers providing structured training
	%	%	%	%
Who determined training requirements of employees(c)				
Managers/proprietors	78	91	88	84
Immediate supervisors	19	37	29	27
Trainers/training managers	*3	14	15	9
External consultants	*7	9	15	10
Workplace assessors	*2	3	**	2
Individual employees	37	37	42	39
Other	10	*4	*6	7
All employers	100	100	100	100

(a) Training expenditure for the three-month period July–September 1996.

(b) Gross wages and salaries.

(c) More than one person may have been involved.

Just over two-thirds of all employers providing structured training kept records of their training (69%). Large employers who provided structured training were more likely to keep records (95%) than medium (84%) or small employers (64%). Of those who kept records, almost two-thirds (64%) reported that the records were kept for 'Administrative or accounting purposes'. While this was the most common use of records for small and medium employers who kept training records (61% and 68% respectively), more large employers reported 'Monitoring training provided to employees' as a reason for keeping training records (74%).

2.11 USE OF RECORDS OF STRUCTURED TRAINING IN LAST 12 MONTHS

Presence and reason for keeping records of structured training(a)	EMPLOYER SIZE.....			Employers providing structured training
	1-19 employees	20-99 employees	100 or more employees	
	%	%	%	%
Had training records				
Administrative/accounting purposes	39	57	68	44
Planning training	14	29	53	18
Monitoring training provided to employees	18	40	70	24
Evaluating/assessing training	11	29	46	16
Quality assurance/quality control	11	21	38	14
Other	6	3	5	5
Employers with training records	64	84	95	69
Did not have training records	36	16	5	31
Total	100	100	100	100

(a) Records may have been used for more than one purpose.

The use of records on structured training was more prevalent among employers who reported training expenditure in the September quarter 1996. In addition to using the records for 'Administrative/accounting purposes', higher proportions of these employers also used their records to 'Plan training', to 'Monitor training provided to their employees' or as part of their 'Quality assurance/quality control' programs compared to other employers who provided structured training in the 12-month period.

2.12 USE OF RECORDS OF STRUCTURED TRAINING IN LAST 12 MONTHS, By Training Expenditure(a)

Presence and reason for keeping records of structured training(c)	Nil expenditure	Less than 3% GWS(b)	3% GWS(b) or more	Employers providing structured training
	%	%	%	
Had training records				
Administrative/accounting purposes	42	45	46	44
Planning training	9	26	27	18
Monitoring training provided to employees	17	28	32	24
Evaluating/assessing training	9	21	23	16
Quality assurance/quality control	10	18	18	14
Other	*4	*6	*7	5
Employers with training records	63	70	77	69
Did not have training records	37	30	23	31
Total	100	100	100	100

(a) Training expenditure for the three-month period July–September 1996.

(b) Gross wages and salaries.

(c) Records may have been used for more than one purpose.

USE OF WRITTEN TRAINING PLANS

Written training plans were used by 22% of employers who provided structured training. The proportion was higher in the public sector (51%) than the private (21%); and for large employers (64%) compared to medium (32%) and small (17%).

One-fifth of employers with written training plans had a plan that covered all employees in their organisation, although two-fifths had plans that covered fewer than half of their employees.

Over a quarter of employers who reported structured training expenditure in the September quarter 1996 had a written training plan.

2.13 PRESENCE OF WRITTEN TRAINING PLANS IN LAST 12 MONTHS

Presence of plan and proportion of employees covered by written training plan	EMPLOYER SIZE.....			Employers providing structured training
	1-19 employees	20-99 employees	100 or more employees	
	%	%	%	%
PRIVATE				
Had written training plan				
Less than 50% of employees covered	7	12	24	9
50% to less than 100% of employees covered	5	14	31	8
100% of employees covered	*4	6	9	4
Total	17	31	63	21
Did not have written training plan	83	69	37	79
Total	100	100	100	100
PUBLIC				
Had written training plan				
Less than 50% of employees covered	**	**	21	*18
50% to less than 100% of employees covered	**	**	36	24
100% of employees covered	**	**	*10	*9
Total	**	*49	67	51
Did not have written training plan	67	*51	33	49
Total	100	100	100	100
ALL SECTORS				
Had written training plan				
Less than 50% of employees covered	7	12	23	9
50% to less than 100% of employees covered	6	14	31	8
100% of employees covered	*4	6	9	4
Total	17	32	64	22
Did not have written training plan	83	68	36	78
Total	100	100	100	100

2.14 PRESENCE OF WRITTEN TRAINING PLANS IN LAST 12 MONTHS, By Training Expenditure(a)

Presence of plan and proportion of employees covered by written training plan	Nil expenditure %	Less than 3% GWS(b) %	3% GWS(b) or more %	Employers providing structured training %
Had written training plan				
Less than 50% of employees covered	6	13	10	9
50% to less than 100% of employees covered	*6	11	10	8
100% of employees covered	*3	*5	*5	4
<i>Total</i>	16	29	25	22
Did not have written training plan	84	71	75	78
Total	100	100	100	100

(a) Training expenditure for the three-month period July–September 1996.

(b) Gross wages and salaries.

Over two-thirds (68%) of employers with written training plans specified skills and competencies to be developed by employees in their plans. This was specified by the majority of medium and large employers who had written training plans (88% and 83% respectively) compared to 59% of small employers.

2.15 DETAILS SPECIFIED IN WRITTEN TRAINING PLANS FOR STRUCTURED TRAINING PROVIDED IN LAST 12 MONTHS

EMPLOYER SIZE.....

Details specified in plan(a)	1–19 employees %	20–99 employees %	100 or more employees %	Employers providing structured training %
Had written training plan				
Amount of money to be spent on training	4	8	28	5
Amount of time to be spent on training	6	14	32	9
Number or type of courses to attended by employees	6	16	44	10
Skills and competencies to be developed or attained by employees	10	28	53	15
None of the above	*4	*2	2	3
<i>Employers with written training plan</i>	17	32	64	22
Did not have written training plan	83	68	36	78
Total	100	100	100	100

(a) More than one detail can be specified in a written training plan.

CHARACTERISTICS OF IN-HOUSE AND EXTERNAL TRAINING PROVIDED BY EMPLOYERS

Employers may choose to provide their employees with either in-house or external training. Of those who provided structured training in the 12 months to February 1997, over half (59%) reported that they provided in-house training; more (87%) reported external training.

High proportions of large and medium employers provided both types of training whereas small employers were more likely to provide external training (86%) than in-house (51%).

Of the employers who provided in-house training, over 90% 'Used their own knowledge or experience from within their organisation' to decide on the content and subject of the training. This was so irrespective of employer size. Large employers also made considerable use of 'Skills audit and training needs analysis' (57%), 'Evaluation of earlier courses' (48%) and 'Consideration of training practices in similar organisations' (42%).

2.16 METHODS USED TO DECIDE IN-HOUSE STRUCTURED TRAINING PROVIDED IN LAST 12 MONTHS

Method used to decide content and subject of in-house training(a)	EMPLOYER SIZE.....			Employers providing structured training
	1-19 employees	20-99 employees	100 or more employees	
	%	%	%	%
.....				
Provided in-house training				
Used own knowledge/experience from within the organisation	46	81	91	54
Considered training practices in similar organisation	14	32	40	18
Considered training practices in other industries	*2	*11	19	4
Considered training practices used overseas	*4	6	15	5
Evaluated earlier courses	9	21	46	13
Skills audit/training needs analysis	9	28	54	14
Other	*4	*7	8	5
<i>Employers providing in-house training</i>	51	86	95	59
Did not provide in-house training	49	14	*5	41
Total	100	100	100	100

(a) An employer may use more than one method.

Almost three-quarters of employers who reported training expenditure in the September quarter 1996, provided in-house training in the 12 months to February 1997. When deciding the content of their in-house training, these employers were more likely to use 'Skills audit/training needs analysis', 'Evaluation of earlier courses' and 'Consideration of training practices in similar organisations' than employers who did not report training expenditure in the September quarter.

2.17 METHODS USED TO DECIDE IN-HOUSE STRUCTURED TRAINING PROVIDED IN LAST 12 MONTHS, By Training Expenditure(a)

Method used to decide content and subject of in-house training(c)	Nil expenditure	Less than 3% GWS(b)	3% GWS(b) or more	Employers providing structured training
	%	%	%	%
Provided in-house training				
Used own knowledge/experience from within the organisation	41	64	68	54
Considered training practices in similar organisation	10	26	24	18
Considered training practices in other industries	**	5	*6	4
Considered training practices used overseas	**	*4	*9	5
Evaluated earlier courses	*6	16	22	13
Skills audit/training needs analysis	5	22	23	14
Other	*2	*8	*6	5
Employers providing in-house training	44	72	73	59
Did not provide in-house training	56	28	27	41
Total	100	100	100	100

(a) Training expenditure for the three-month period July–September 1996.

(b) Gross wages and salaries.

(c) An employer may use more than one method.

Methods used for delivery of training varied depending on whether in-house or external training was provided. Most employers who provided external training used 'Traditional classroom style' training (77%) whereas the most reported method of in-house training was 'Structured on-the-job' (63%).

The methods used for training delivery were reasonably comparable across employer size groups for employers who provided external training but varied for the provision of in-house training. Typically large employers used a wider range of methods for in-house training (average of four) and predominantly used 'Traditional classroom style' (77%), 'Facilitated discussions' (76%) and 'Structured on-the-job training' (76%).

Small and medium employers relied more heavily on 'Structured on-the-job training' as the method of delivery for in-house training (61% and 66% respectively).

2.18 METHODS OF DELIVERY OF STRUCTURED TRAINING USED IN LAST 12 MONTHS

Method of training delivery(a)	EMPLOYER SIZE.....			
	1-19 employees	20-99 employees	100 or more employees	Employers providing structured training
	%	%	%	%
IN-HOUSE				
Provided in-house training				
Traditional classroom style	15	47	73	23
Facilitated discussions	23	52	72	30
Training by correspondence	*4	6	10	5
On-line computer services or networks	5	8	17	6
Other computer based training	12	23	35	15
Video/audio conferencing	*2	8	12	4
Using television as a training medium	9	25	45	13
Practical exercises	21	47	54	27
Structured on-the-job training	31	57	72	37
Employers providing in-house training	51	86	95	59
Did not provide in-house training	48	14	*5	41
Total	100	100	100	100
EXTERNAL				
Provided external training				
Traditional classroom style	65	72	81	67
Facilitated discussions	38	46	63	41
Training by correspondence	9	11	24	10
On-line computer services or networks	5	5	10	5
Other computer based training	12	16	23	13
Video/audio conferencing	6	4	7	6
Using television as a training medium	9	9	22	10
Practical exercises	27	28	37	28
Structured on-the-job training	11	12	15	12
Employers providing external training	86	90	96	87
Did not provide external training	14	*10	*4	13
Total	100	100	100	100
ALL STRUCTURED TRAINING				
Traditional classroom style	71	83	93	74
Facilitated discussions	50	71	87	56
Training by correspondence	12	15	29	13
On-line computer services or networks	9	11	20	9
Other computer based training	22	32	47	25
Video/audio conferencing	8	11	15	9
Using television as a training medium	16	28	49	20
Practical exercises	41	57	63	45
Structured on-the-job training	37	58	74	43
Total	100	100	100	100

(a) More than one method can be used.

CHARACTERISTICS OF IN-HOUSE AND EXTERNAL TRAINING PROVIDED BY EMPLOYERS *continued*

Employers who reported training expenditure in the September quarter 1996 used a broader range of delivery methods for in-house training than employers who did not report training expenditure.

**2.19 METHODS OF DELIVERY OF STRUCTURED TRAINING USED
IN LAST 12 MONTHS, By Training Expenditure(a)**

Method of training delivery(c)	Nil expenditure	Less than 3% GWS(b)	3% GWS(b) or more	Employers providing structured training
	%	%	%	%
IN-HOUSE				
Provided in-house training				
Traditional classroom style	13	36	29	23
Facilitated discussions	16	42	42	30
Training by correspondence	**	*6	*7	5
On-line computer services or networks	*5	7	*9	6
Other computer based training	11	15	23	15
Video/audio conferencing	*2	*7	4	4
Using television as a training medium	6	19	21	13
Practical exercises	16	37	34	27
Structured on-the-job training	26	46	48	37
Employers providing in-house training	44	72	73	59
Did not provide in-house training	56	28	27	41
Total	100	100	100	100
EXTERNAL				
Provided external training				
Traditional classroom style	61	70	74	67
Facilitated discussions	37	44	45	41
Training by correspondence	8	12	11	10
On-line computer services or networks	*4	*6	*7	5
Other computer based training	10	15	18	13
Video/audio conferencing	*6	*6	*5	6
Using television as a training medium	*8	9	14	10
Practical exercises	27	31	28	28
Structured on-the-job training	11	11	14	12
Employers providing external training	83	89	92	87
Did not provide external training	17	*11	*8	13
Total	100	100	100	100
ALL STRUCTURED TRAINING				
Traditional classroom style	68	80	80	74
Facilitated discussions	46	64	63	56
Training by correspondence	11	15	16	13
On-line computer services or networks	8	10	11	9
Other computer based training	20	27	32	25
Video/audio conferencing	8	11	*8	9
Using television as a training medium	13	24	28	20
Practical exercises	39	50	50	45
Structured on-the-job training	32	48	55	43
All employers	100	100	100	100

(a) Training expenditure for the three-month period July–September 1996.

(b) Gross wages and salaries.

(c) More than one method can be used.

USE OF EXTERNAL TRAINING PROVIDERS

Employers may use an external training provider to provide either in-house or external training. The majority (89%) of employers who provided structured training used some type of external training provider.

Of employers who used an external training provider almost half used 'TAFE' (48%). About two-thirds of 'TAFE' users reported 'TAFE' as the provider used most often (65%).

Large and medium employers who used an external training provider reported usage of a wider range of providers than small employers. While a large proportion of these employers reported 'TAFE' usage (70% and 48% respectively), more reported usage of 'Private training provider' (81% and 56% respectively). This was also the provider used most often by large and medium employers.

2.20 USE OF EXTERNAL PROVIDERS FOR STRUCTURED TRAINING IN LAST 12 MONTHS

EMPLOYER SIZE.....				
	1-19 employees	20-99 employees	100 or more employees	Employers providing structured training
External training provider	%	%	%	%
EXTERNAL TRAINING PROVIDERS USED(a)				
Used external training provider				
TAFE	41	44	68	43
University	10	22	56	14
Private training provider	27	51	79	34
Professional association	24	33	54	27
Industry association	15	34	49	20
Equipment manufacturer	19	34	48	23
Other	6	*8	4	6
Employers using external training providers	88	91	97	89
Did not use external providers	12	*9	**	11
Total	100	100	100	100
EXTERNAL TRAINING PROVIDER USED MOST OFTEN				
Used external training provider				
TAFE	30	23	20	28
University	5	**	4	5
Private training provider	16	31	46	20
Professional association	15	9	8	13
Industry association	7	9	10	8
Equipment manufacturer	10	9	7	10
Other	*5	*7	*2	5
Employers using external training providers	88	91	97	89
Did not use external providers	12	*9	**	11
Total	100	100	100	100

(a) An employer may use more than one type of provider.

USE OF EXTERNAL TRAINING PROVIDERS *continued*

External providers were used by over 80% of employers in all industries except COMMUNICATION SERVICES (69%) and TRANSPORT AND STORAGE (77%). High proportions of employers in most industries reported usage of 'TAFE' and/or a 'Private training provider'.

For 8 of the 16 industry divisions, 'TAFE' was the provider used by more employers. Industries where more employers used 'TAFE' included MANUFACTURING (88% of employers who used an external training provider); ELECTRICITY, GAS AND WATER SUPPLY (83%); and CONSTRUCTION (81%).

By contrast, use of 'Private training providers' was most frequently reported by employers in the industries—GOVERNMENT ADMINISTRATION AND DEFENCE (87%); FINANCE AND INSURANCE (60%); and MINING (60%).

2.21 USE OF EXTERNAL PROVIDERS FOR STRUCTURED TRAINING IN LAST 12 MONTHS(a), By Industry

Industry	TAFE	University	Private training provider	Professional association	Industry association	Equipment manufacturer	Other	Used external training providers	Total
	%	%	%	%	%	%	%	%	%
Mining	*40	*29	59	*32	*42	*52	0	99	100
Manufacturing	80	11	21	14	22	13	**	91	100
Electricity, gas and water supply	83	**	*69	**	**	*62	0	100	100
Construction	71	*4	*19	*4	*10	*9	**	88	100
Wholesale trade	49	*12	34	16	25	33	**	95	100
Retail trade	46	**	*14	*6	*13	34	**	82	100
Accommodation, cafes and restaurants	61	*8	29	*10	*15	*15	**	85	100
Transport and storage	*18	*5	*25	**	*29	*11	**	77	100
Communication services	*35	**	*46	**	**	**	**	69	100
Finance and insurance	*31	13	60	55	*30	*37	**	100	100
Property and business services	20	21	31	48	*15	21	**	86	100
Government administration and defence	60	44	84	48	*29	47	**	97	100
Education	37	38	53	47	23	15	*12	95	100
Health and community services	17	20	54	42	26	20	5	93	100
Cultural and recreational services	42	**	39	*19	*37	*24	**	87	100
Personal and other services	67	**	54	**	**	**	**	94	100
Employers providing structured training	43	14	34	27	20	23	6	89	100

(a) An employer may use more than one type of provider.

As well as nominating the external training provider used most often, employers were asked to specify why the nominated provider was used most often. They could specify more than one reason.

More than half of employers who used an external training provider (56%) selected the one they used most often because the content of the course was suitable. This was the most commonly reported reason across all employer size groups, although it was reported by more large (77%) than medium (63%) or small employers (53%) who used an external training provider.

2.22 REASON FOR SELECTING PROVIDER USED MOST OFTEN FOR STRUCTURED TRAINING IN LAST 12 MONTHS

Reason for selecting external training provider used most often(a)	EMPLOYER SIZE.....			
	1-19 employees	20-99 employees	100 or more employees	Employers who used an external training provider
	%	%	%	%
Only suitable provider available	31	30	24	30
Best provider available	39	44	57	40
Expertise not available internally	31	43	61	34
Cost of training course represented value for money	31	34	46	32
Location of training course was convenient	28	34	38	30
Content of training course was suitable	53	63	77	56
Training course was run at a suitable time	28	29	38	29
Favoured method of training delivery	16	21	22	17
Training course was accredited	41	38	44	40
Given opportunity to tailor course to meet own needs	10	21	42	13
Insufficient number of employees	7	*5	10	7
None of these reasons	*4	**	0	*4
Employers providing structured training	100	100	100	100

(a) An employer may report more than one reason.

The majority of employers who used 'TAFE' or 'University' most often did so because the course was accredited (59% and 56% respectively). By contrast, employers who used 'Professional associations' or 'Private training providers' most often reported that the content of the course was suitable (72% and 66% respectively).

2.23 EXTERNAL PROVIDER USED MOST OFTEN FOR STRUCTURED TRAINING IN LAST 12 MONTHS, By Reason

Reason for using external training provider used most often(a)	TAFE	University	Private training provider	Professional association	Industry association	Equipment manufacturer	Other	Employers who used an external training provider
	%	%	%	%	%	%	%	%
Only suitable provider available	45	*33	20	*21	*20	36	*15	30
Best provider available	31	*44	41	59	46	40	*31	40
Expertise not available internally	15	*24	52	36	42	49	*37	34
Cost of training course represented value for money	22	*18	42	48	43	29	*19	32
Location of training course was convenient	20	**	45	44	27	*16	*23	30
Content of training course was suitable	42	53	66	72	71	45	55	56
Training course was run at a suitable time	18	**	40	41	39	*18	*25	29
Favoured method of training delivery	14	**	22	*21	*19	*21	**	17
Training course was accredited	59	56	26	41	42	**	**	40
Given opportunity to tailor course to meet own needs	*6	**	30	*3	*18	*22	**	13
Insufficient number of employees	*2	**	*5	**	*17	**	**	7
Employers providing structured training	100	100	100	100	100	100	100	100
Proportion of employers providing structured training	28	5	20	13	8	10	5	89

(a) An employer may report more than one reason.

USE OF EXTERNAL TRAINING PROVIDERS *continued*

'TAFE' was the most frequently reported external training provider used by employers who provided structured training. Its usage was highest by employers in New South Wales and Tasmania where 47% of employers providing structured training used 'TAFE'.

2.24 TAFE USAGE FOR STRUCTURED TRAINING IN LAST 12 MONTHS, By State and Territory

State and Territory	Used TAFE	Used TAFE most often
	%	%
New South Wales	47	30
Victoria	44	30
Queensland	37	27
South Australia	33	*20
Western Australia	44	26
Tasmania	*47	**
Northern Territory	**	**
Australian Capital Territory	**	**
Employers providing structured training	43	28

The majority of employers who used 'TAFE' most often in the 12-month period ending February 1997 (59%) reported accreditation as a reason for their choice while 42% reported that the content of the course was suitable. The latter was reported more frequently by medium and large employers; more small employers reported accreditation.

2.25 REASON TAFE WAS PROVIDER USED MOST OFTEN FOR STRUCTURED TRAINING IN LAST 12 MONTHS

Reason why TAFE was used most often(a)	EMPLOYER SIZE.....			
	1-19 employees	20-99 employees	100 or more employees	Employers using TAFE most often
	%	%	%	%
Only suitable provider available	45	48	38	45
Best provider available	30	33	51	31
Expertise not available internally	*11	25	54	15
Cost of training course represented value for money	20	28	44	22
Location of training course was convenient	18	26	42	20
Content of training course was suitable	39	51	68	42
Training course was run at a suitable time	17	22	35	18
Favoured method of training delivery	*14	*13	22	14
Training course was accredited	60	50	66	59
Given opportunity to tailor course to meet own needs	**	*5	30	*6
Insufficient number of employees	**	**	**	*2
Employers providing structured training	100	100	100	100

(a) An employer may have reported more than one reason for using TAFE.

USE OF EXTERNAL TRAINING PROVIDERS *continued*

An employer's choice to use an external training provider may be influenced by the degree of flexibility offered. An external training provider was considered to provide employer flexibility if it offered courses at convenient locations or ran courses at suitable times or the employer had an opportunity to tailor the course to meet its own needs.

Of training providers used most often, 'Private training providers' were regarded as having the most flexibility. Two-thirds of employers who used 'Private training providers' did so because of the flexibility offered. Other providers considered to offer flexibility included 'Industry association' and 'Professional associations'; this contrasts with 'TAFE' where only 27% of their users cited any measure of flexibility as a reason for using it most often.

2.26 USE OF EXTERNAL PROVIDERS WHO PROVIDED FLEXIBILITY(a)

External training provider used most often	EMPLOYER SIZE.....			
	1-19 employees	20-99 employees	100 or more employees	Employers using external providers
	%	%	%	%
TAFE	24	35	60	27
University	**	**	37	*35
Private training provider	64	66	75	66
Professional association	56	*40	60	54
Industry association	54	43	56	52
Equipment manufacturer	*24	56	64	31
Other	*38	**	66	*39
Employers who used an external training provider	40	51	66	43

(a) Refers to external training providers who were used for at least one of the following reasons—location of course was suitable; course was run at a suitable time; employer was given opportunity to tailor course to own needs.

STRUCTURED TRAINING IN SMALL BUSINESSES

The cost to small employers of providing structured training can impose a significant overhead. Of the 30% of small employers who provided structured training, half increased their expenditure in the 12-month period ending February 1997 compared with the previous 12 months.

Factors that resulted in increased training expenditure for small employers included 'Technological change' (28%); 'Changes in management practices' (21%); and 'Quality assurance/quality control' (17%). The latter was reported more often by small employers with 5 or more employees.

Most small employers used 'Informal methods' to determine the structured training requirements of their employees (44%). This was the most frequently reported method used by over half of small employers with 5 or more employees; small employers with less than 5 employees relied more on 'Individuals flagging their own needs' when determining their requirements (39%).

2.27 SMALL EMPLOYERS—Key measures of structured training provided in last 12 months

Key measures	EMPLOYER SIZE.....			
	1-4 employees	5-9 employees	10-19 employees	Small employers providing structured training
	%	%	%	%
CHANGE IN LEVEL OF EXPENDITURE ON STRUCTURED TRAINING				
Training expenditure increased	50	54	44	50
No change in training expenditure	42	39	49	43
Training expenditure decreased	*8	*8	*7	8
Total	100	100	100	100
Proportion of all employers	20	43	60	30
FACTORS CAUSING AN INCREASE IN EXPENDITURE				
Reported a factor causing increase				
Technological change	26	32	28	28
Availability of external training providers	17	14	11	14
Difficulty in recruiting skilled labour	**	16	12	10
Quality assurance/Quality control	*10	24	18	17
Enterprise bargaining	**	**	*2	*2
Competition from business in Australia or overseas	*9	15	10	12
Availability workplace assessors	**	**	**	*4
Regulations or awards	*9	19	12	13
Restructuring	*8	*8	11	9
Changes in management practices	21	20	21	21
<i>Reported a factor causing increase(a)</i>	52	56	50	53
Did not report a factor causing increase	48	44	50	47
Total	100	100	100	100
METHODS USED TO DETERMINE TRAINING REQUIREMENTS				
Performance appraisal	18	26	31	24
Skills audits/training needs analysis	12	19	19	16
Training determined by regulations or awards	26	28	27	27
Individual employees flag their own training requirements	39	34	34	36
Informal methods	33	52	52	44
Response to external client feedback	*10	15	14	13
Other	*12	*9	*5	9
No methods	*11	*10	*10	10
All employers	100	100	100	100

(a) An employer may report a factor that increased expenditure but not report an overall increase.

STRUCTURED TRAINING IN SMALL BUSINESSES *continued*

Most small employers who provided structured training in the 12-month period ending February 1997 used an external training provider (88%). Almost half of these employers used 'TAFE' (47%). Most small employers who used 'TAFE' reported it as the provider they used most often (73%). Although most smaller employers with less than five employees reported 'TAFE' as the provider used most often, more reported usage of a 'Professional association'.

2.28 SMALL EMPLOYERS—Use of external providers for structured training in last 12 months

	EMPLOYER SIZE.....			
	1-4 employees	5-9 employees	10-19 employees	Small employers providing structured training
External training provider	%	%	%	%
EXTERNAL TRAINING PROVIDERS USED(a)				
Used external training provider				
TAFE	28	52	47	41
University	*11	*6	12	10
Private training provider	28	28	25	27
Professional association	30	22	16	24
Industry association	*10	18	20	15
Equipment manufacturer	13	24	23	19
Other	**	**	*8	6
Employers using external training providers	91	89	83	88
Did not use external providers	*9	*11	*17	12
Total	100	100	100	100
EXTERNAL TRAINING PROVIDER USED MOST OFTEN				
Used external training provider				
TAFE	26	35	30	30
University	*7	**	*6	5
Private training provider	18	15	16	16
Professional association	22	*12	*4	15
Industry association	*3	*11	*9	7
Equipment manufacturer	*8	*11	*12	10
Other	**	**	**	*5
Employers using external training providers	91	89	83	88
Did not use external providers	*9	*11	*17	12
Total	100	100	100	100

(a) An employer may use more than one type of provider.

TYPES OF UNSTRUCTURED TRAINING PROVIDED BY EMPLOYERS

Overall, more than half of all employers (53%) provided unstructured training to their employees during the 12 months ended February 1997 and over one-third of these increased the level provided compared to the previous 12 months. For almost half of employers providing unstructured training, this was the only form of training provided.

Employers who provided unstructured training were asked to indicate the importance of various types of unstructured training. They divided their employees into two broad groups based on skill levels and indicated the importance of each type of unstructured training provided to the two groups. The first group (employees with lower skill levels) included the occupation groups: LABOURERS AND RELATED WORKERS; PRODUCTION AND TRANSPORT WORKERS; and all CLERICAL, SALES AND SERVICE WORKERS. The second group (employees with higher skills level) included: TRADESPERSONS AND RELATED WORKERS; ASSOCIATE PROFESSIONALS; and PROFESSIONALS, MANAGERS AND ADMINISTRATORS.

Overall, more employers who provided unstructured training employed persons in occupations with lower skill levels (84%) than in those requiring higher skill levels (76%). There was variation across employers who employed persons in these groups in the degree of importance they attached to the different types of unstructured training.

Most employers who provided unstructured training considered that 'Showing or explaining how to perform a task on-the-job' applied to employees with either high or low skill levels. However, it was more frequently reported as 'Crucial' for lower skilled employees (45%) than for higher skilled employees (39%). Similarly, 'Training employees to perform a job mainly through on-the-job experience' was considered as 'Crucial' by more employers for lower skilled employees (33%) than for higher skilled employees (28%).

By contrast, more employers considered that unstructured training provided through 'Employees acquiring knowledge/skills relevant to performing a job through reading manuals, journals, visual aids or training notes' or 'Employees acquiring knowledge/skills relevant to performing a job through group discussion' applied to employees with higher skill levels and were more frequently reported as 'Crucial' for this group (20% and 16% respectively) than for lower skilled employees (8% for both types of training).

Rotating employees into different jobs to gain a range of competencies was a training strategy used by fewer employers. More employers considered it applicable for lower skilled employees (74%) than for those with higher skills (66%) although in both cases where it applied, this form of training was considered 'Crucial' by 20% of employers.

3.1 TYPE OF UNSTRUCTURED TRAINING PROVIDED IN LAST 12 MONTHS, By Importance

Type of unstructured training	Not important	Important	Crucial	Not applicable (a)	Total	Employers providing unstructured training(b)
	%	%	%	%	%	%
..... LOWER SKILLS LEVEL(c)						
Employees showing or explaining to other employees how to perform a task on-the-job	**	50	45	4	100	84
Rotating employees into different jobs to train them to perform a range of tasks	10	49	15	26	100	84
Training employees to perform a job mainly through on-the-job experience	3	61	33	3	100	84
Employees acquiring knowledge/skills relevant to performing a job through reading manuals, journals, visual aids or training notes	22	52	8	18	100	84
Employees acquiring knowledge/skills relevant to performing a job through group discussion	21	46	8	25	100	84
..... HIGHER SKILLS LEVEL(c)						
Employees showing or explaining to other employees how to perform a task on-the-job	5	46	39	10	100	76
Rotating employees into different jobs to train them to perform a range of tasks	15	37	13	34	100	76
Training employees to perform a job mainly through on-the-job experience	6	53	27	13	100	76
Employees acquiring knowledge/skills relevant to performing a job through reading manuals, journals, visual aids or training notes	14	56	20	11	100	76
Employees acquiring knowledge/skills relevant to performing a job through group discussion	14	52	16	18	100	76

(a) The type of training was not applicable to an employer's situation.

(b) Total employers providing unstructured training who employed persons in skills level group.

(c) Skill levels are based on occupation groups. 'Lower skills level' includes the occupations: Labourers and related workers; Production and transport workers; and All clerical, sales and service workers. 'Higher skills level' includes Tradespersons and related workers; Associate professionals; Professionals, managers and administrators.

Employers were asked to indicate how much of the training provided was unstructured, for each occupational group during the 12 months ending February 1997.

At least a third of employers who provided unstructured training and employed LABOURERS AND RELATED WORKERS (37%); or ELEMENTARY CLERICAL, AND SERVICE WORKERS (34%); or PRODUCTION AND TRANSPORT WORKERS (33%) reported that unstructured training was the only training these employees received.

ASSOCIATE PROFESSIONALS and PROFESSIONALS, MANAGERS AND ADMINISTRATORS were the two occupation groups for which employers had least reliance on unstructured training. About one-fifth of employers who provided unstructured training and employed PROFESSIONALS, MANAGERS AND ADMINISTRATORS (22%) or ASSOCIATE PROFESSIONALS (19%) did not provide unstructured training to these employees and almost 60% provided less than half of their training for these occupation groups as unstructured training.

3.2 AMOUNT OF UNSTRUCTURED TRAINING PROVIDED IN LAST 12 MONTHS, By Occupation

	<i>Nil</i>	<i>Some (less than half)</i>	<i>Most (more than half)</i>	<i>All</i>	<i>Total</i>	<i>Employers providing unstructured training(a)</i>
<i>Occupation</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Labourers and related workers	10	26	26	37	100	35
Production and transport workers	17	29	21	33	100	19
Clerical, sales and service workers						
Elementary	7	28	31	34	100	33
Intermediate	10	34	25	30	100	47
Advanced	15	35	21	28	100	53
Tradespersons and related workers	10	31	32	27	100	35
Associate professionals	19	39	19	23	100	33
Professionals, managers and administrators	22	36	19	24	100	60

(a) Total employers providing unstructured training who indicated that the occupation group was applicable to their organisation.

Overall, the majority of employers (62%) who provided unstructured training for their employees reported that the level of unstructured training had not changed in the 12 months ended February 1997, compared with the preceding 12 months. In comparison, 36% reported that the overall level of unstructured training had increased and 2% stated that the overall level had decreased.

Employers were asked to indicate the effect that selected factors had on the level of unstructured training they provided in the 12-month period. More than half of employers who provided unstructured training (56%) reported at least one factor that had resulted in an increase, although only two-thirds of those reported an overall increase.

'Technological change' and 'Recruitment of new employees' were reported by nearly one-third of employers who provided unstructured training as factors that increased the amount of unstructured training they provided in the 12 months to February 1997 (32% and 30% respectively). By contrast, 'Cost considerations' and 'Restructuring of the organisation/changes in management personnel' led to an increase in the level of unstructured training for 11% of employers who provided unstructured training.

3.3 CHANGE FROM PREVIOUS YEAR IN UNSTRUCTURED TRAINING PROVIDED IN LAST 12 MONTHS, By Selected Factors(a)

	Increased unstructured training	No change in unstructured training	Decreased unstructured training	Not applicable (b)	Total
Factor(a)	%	%	%	%	%
Recruitment of new employees	32	40	*2	27	100
Cost considerations	11	49	3	37	100
Ease of providing employees with unstructured training	16	62	*2	20	100
Effectiveness of unstructured training in meeting training requirements	19	60	*1	20	100
Technological change	30	37	*1	33	100
Competition from businesses in Australia or overseas	10	37	**	52	100
Restructuring of the organisation/ changes in management personnel	11	28	1	60	100
Changes in management practices or philosophies	19	33	*1	47	100
Overall level of unstructured training provided	36	62	2	0	100

(a) An employer is counted once against each factor.

(b) The factor was not considered relevant to unstructured training provided by the employer.

Employers were asked which factor had caused the greatest increase in the level of unstructured training provided in the last 12 months. 'Recruitment of new employees' and 'Technological change' were the most frequently reported factors that caused the greatest increase (21% and 14% respectively).

While these two factors were the ones most frequently reported across all employer size groups, 'Technological change' applied to more large employers (18%) while the 'Recruitment of new employees' was reported by higher proportions of medium (27%) and small (20%) employers.

3.4 FACTORS THAT INCREASED LEVEL OF UNSTRUCTURED TRAINING PROVIDED IN LAST 12 MONTHS

EMPLOYER SIZE.....				
	1-19 employees	20-99 employees	100 or more employees	Employers providing unstructured training
Factor	%	%	%	%
FACTORS INCREASING UNSTRUCTURED TRAINING(a)				
Reported a factor causing increase				
Recruitment of new employees	30	43	38	32
Cost considerations	10	17	16	11
Ease of providing employees with unstructured training	15	18	22	16
Effectiveness of unstructured training in meeting training requirements	18	20	22	19
Technological change	29	32	41	30
Competition from businesses in Australia or Overseas	10	13	10	10
Restructuring of the organisation/ changes in management personnel	9	14	29	11
Changes in management practices or philosophies	18	21	32	19
<i>Employers reported a factor causing increase</i>	55	56	67	56
Did not report a factor causing increase	45	44	33	44
Total	100	100	100	100
FACTOR CAUSING GREATEST INCREASE				
Reported a factor causing increase				
Recruitment of new employees	20	27	17	21
Cost considerations	*2	*2	4	*2
Ease of providing employees with unstructured training	*2	1	3	*2
Effectiveness of unstructured training in meeting training requirements	*3	3	4	3
Technological change	14	9	18	14
Competition from businesses in Australia or Overseas	*2	*2	*1	*2
Restructuring of the organisation/ changes in management personnel	*3	4	8	4
Changes in management practices or philosophies	6	6	9	6
<i>Employers reported a factor causing greatest increase(b)</i>	53	54	64	53
Did not report a factor causing greatest increase(b)	47	46	36	47
Total	100	100	100	100

(a) An employer may report more than one factor.

(b) A small number of respondents did not indicate a factor that caused the greatest increase in the level of unstructured training they provided.

STRUCTURED TRAINING IN SMALL BUSINESS

Almost half of all small employers provided unstructured training in the 12 months ending February 1997. While most small employers with between 5 and 19 employees provided unstructured training, just over a third with less than 5 employees did so.

The level of unstructured training provided by small employers increased from the previous 12 months for over one-third of those who provided it. Again more small employers with 5 or more employees reported that their levels of unstructured training had increased compared to markedly fewer employers who had less than 5 employees.

Over half of small employers who provided unstructured training reported at least one factor that had increased the level they provided (55%). For small employers with 5 or more employees, 'Recruitment of new employees' was most frequently reported while 'Technological change' was the most frequently reported factor that increased unstructured training for small employers with less than 5 employees.

3.5 SMALL EMPLOYERS—Key measures of unstructured training provided in last 12 months

Key measures	EMPLOYER SIZE.....			
	1-4 employees	5-9 employees	10-19 employees	Small employers providing structured training
	%	%	%	%
CHANGE IN LEVEL OF UNSTRUCTURED TRAINING				
Training increased	27	47	38	35
No change in training	71	53	60	63
Training decreased	*3	**	*2	*2
Total	100	100	100	100
Proportion of all employers	38	65	79	50
MAIN FACTORS CAUSING AN INCREASE IN LEVEL OF TRAINING				
Reported a factor causing increase				
Recruitment of new employees	18	38	45	30
Cost considerations	8	11	11	10
Ease of providing employees with unstructured training	13	17	18	15
Effectiveness of unstructured training in meeting training requirements	14	23	21	18
Technological change	29	31	26	29
Competition from businesses in Australia or Overseas	*7	13	*11	10
Restructuring of the organisation/ changes in management personnel	8	8	15	9
Changes in management practices or philosophies	16	20	22	18
<i>Employers reported a factor causing increase(a)</i>	49	62	61	55
Did not report a factor causing increase	51	38	39	45
Total	100	100	100	100

(a) An employer may report a factor that increased the level of unstructured training but not report an overall increase.

CHAPTER 4

INFLUENCES ON TRAINING PRACTICES

There are a number of factors that impact on an organisation which can potentially influence its training practices, such as factors changing the operations of the organisation, changes in business activity, an increase or decrease in size; and recruitment difficulties.

FACTORS CHANGING THE OPERATIONS OF BUSINESS

Nearly one-third of all employers (32%) reported that the operations of their organisation had significantly changed in the 12 months ended February 1997 with more large employers (74%) undergoing significant change than medium (57%) or small employers (29%). The 'Introduction of new technology' was reported as significantly changing the operations of the organisations by 15% of employers overall, about half those reporting significant change.

4.1 FACTORS THAT SIGNIFICANTLY CHANGED THE OPERATIONS OF AN ORGANISATION IN LAST 12 MONTHS(a)

Factor	EMPLOYER SIZE.....			
	1-19 employees	20-99 employees	100 or more employees	All employers
	%	%	%	%
Significant change in operations				
Development of new product/services	12	21	29	13
Introduction of new technology	14	29	43	15
Significant capital investment in machinery or equipment to increase productive capacity	7	16	24	8
Restructuring of the organisation/changes in management personnel	7	27	44	10
Introduction of new work practices	8	25	35	10
Changes in industrial relations legislation	2	11	17	3
Employers with significant change in operations	29	57	74	32
No significant change in operations	71	43	26	68
Total	100	100	100	100

(a) An employer may have reported more than one factor.

A significant change in the operations of an organisation was often accompanied by higher levels of training. Most employers who experienced significant change to their operations reported training (88%); over half (57%) provided structured training and over three-quarters (78%) provided unstructured training.

This contrasts with employers who did not experience significant change. About a quarter (24%) of these provided structured training and less than half provided unstructured training (42%).

FACTORS CHANGING THE OPERATIONS OF BUSINESS *continued*

Of employers reporting changes in their operations, 37% increased their expenditure on structured training in the 12 months ended February 1997 compared with the preceding 12 months. By contrast only 10% of employers, among those who did not experience significant change in their operation, increased their training expenditure.

More employers who underwent significant change in their operations reported that their level of unstructured training had increased. Of employers reporting changes in their operation, 40% increased their level of unstructured training provided in the 12 months to February 1997 compared to 9% of employers who did not experience significant change in their operation.

The training response to a significant change in the operations of an organisation was similar regardless of the type of change reported. In all cases more than 80% of employers who had a particular type of change, provided training.

4.2 TRAINING PROVIDED IN LAST 12 MONTHS, By Significant Change in Operations

STRUCTURED TRAINING(a)..... UNSTRUCTURED TRAINING(b).....

Factor that significantly changed operations of organisations(c)	Employer providing structured training			Employer providing unstructured training			Total employers providing training			No training provided	Total
	Increased	No change	Decreased	Increased	No change	Decreased	Increased	No change	Decreased		
	%	%	%	%	%	%	%	%	%	%	%
.....											
Significant change in operations											
Development of new product/services	38	17	*1	56	42	34	**	77	88	12	100
Introduction of new technology	45	13	*4	62	45	39	*1	85	92	*8	100
Significant capital investment in machinery or equipment to increase productive capacity	34	13	*7	54	43	35	*1	79	85	*15	100
Restructuring of the organisation/changes in management personnel	41	20	*4	64	44	35	*2	82	88	12	100
Introduction of new work practices	44	12	**	59	47	33	*2	82	90	*10	100
Changes in industrial relations legislation	53	*11	*3	67	35	34	**	72	82	*18	100
Employers with significant change in operations	37	17	3	57	40	37	1	78	88	12	100
No significant change in operations	10	12	2	24	9	31	*1	42	49	51	100
All employers	18	14	3	35	19	33	1	53	61	39	100
.....											

(a) Relates to change in expenditure on structured training.

(b) Relates to change in overall level of unstructured training.

(c) An employer may have reported more than one factor.

CHANGES IN LEVEL OF BUSINESS ACTIVITY

Employers were asked if their overall level of business activity, in terms of the volume of sales or service, had changed in the 12 months ended February 1997, compared to the preceding 12 months.

Over one-third of employers (36%) reported that the level of business activity had increased, with a greater proportion of large (65%) than small employers (34%) reporting 'Increased business activity'.

Overall, the greatest proportion of employers (42%) reported that there had been 'No change in business activity', with more small (43%) than large employers (25%) reporting that the level of business activity was stable.

Of the 36% of employers who reported 'Increased business activity', the majority (75%) provided some training for their employees with almost two-thirds (61%) providing structured training and more (89%) providing unstructured.

The training response from employers whose business activity had not changed or had decreased was markedly different. Employers with 'No change' or 'Decreased business activity' showed similar results. Just over half of employers reporting no change or a decrease (54% and 52% respectively) provided some training for their employees. Unstructured training was provided by under half (47% and 44% respectively), and less than one-third (29% and 27% respectively) provided structured training.

There were variations depending on employer size. Of the large employers reporting increased business activity nearly all (97%) provided structured training. This was almost two and a half times the proportion (40%) of small employers reporting an increase and providing structured training. Medium-sized employers reporting an increase provided structured training in over three-quarters (78%) of cases.

A similar proportion of medium and large employers with 'Increased business activity' provided unstructured training (86% and 92% respectively). There were significant differences between these two groups and small employers. Small employers reporting 'Increased business activity' provided unstructured training in just under two-thirds (63%) of cases.

Whereas nearly one-third of small employers with increased business activity provided no training at all, half of those reporting no change or decreased business activity provided no training.

4.3 TRAINING PROVIDED IN LAST 12 MONTHS, By Change in Business Activity

Type of training	EMPLOYER SIZE.....			
	1-19 employees	20-99 employees	100 or more employees	All employers
	%	%	%	%
.....				
INCREASED BUSINESS ACTIVITY				
Provided training				
Structured training				
Training expenditure increased	23	50	71	28
No change in training expenditure	14	25	19	15
Training expenditure decreased	*3	*4	7	*3
Total	40	78	97	46
Unstructured training				
Increased level of training	30	38	40	31
No change in level of training	32	47	49	35
Decreased level of training	**	**	3	*1
Total	63	86	92	67
Employers providing training	71	94	100	75
Did not provide training	29	**	**	25
Total employers with increased activity	100	100	100	100
Proportion of all employers	34	52	65	36
.....				
Provided training				
Structured training				
Training expenditure increased	10	45	49	13
No change in training expenditure	14	21	35	15
Training expenditure decreased	*1	*5	8	*1
Total	25	71	92	29
Unstructured training				
Increased level of training	11	25	25	12
No change in level of training	32	55	61	33
Decreased level of training	**	*3	3	*1
Total	43	83	88	46
Employers providing training	50	93	99	54
Did not provide training	50	*7	**	46
Total employers with no change in activity	100	100	100	100
Proportion of all employers	43	33	25	42
.....				
DECREASED BUSINESS ACTIVITY				
Provided training				
Structured training				
Training expenditure increased	13	*23	49	14
No change in training expenditure	8	*19	17	9
Training expenditure decreased	*4	*9	16	*4
Total	25	51	82	27
Unstructured training				
Increased level of training	10	*29	18	11
No change in level of training	28	56	58	30
Decreased level of training	**	**	11	*3
Total	41	89	88	44
Employers providing training	49	95	100	52
Did not provide training	51	*5	0	48
Total employers with decreased activity	100	100	100	100
Proportion of all employers	23	15	10	22

CHANGE IN SIZE OF ORGANISATION

A significant change in the size of an organisation also impacted on training. In this publication a significant change in the size of an organisation was defined as a minimum difference of 10% and at least 20 employees between the start and finish of the 12 months ended February 1997. Only 2% of all employers underwent a significant change in size in that period.

Employers who experienced a significant change in size of their operations were more likely to provide training than those who did not. This applied regardless of whether the change related to expansion or downsizing. Nearly 100% of employers who significantly expanded their operation provided training compared to 89% who downsized. By contrast, 60% of employers who did undergo a significant change provided training.

4.4 TRAINING PROVIDED IN LAST 12 MONTHS, By Significant Change in the Size of Organisation(a)

Type of training	Increased %	No change %	Decreased %	All employers %
Provided training				
Structured training				
Training expenditure increased	*32	18	48	18
No change in training expenditure	**	14	13	14
Training expenditure decreased	*1	3	9	3
Total	66	34	71	35
Unstructured training				
Increased level of training	*18	19	32	19
No change in level of training	66	33	45	33
Decreased level of training	*1	1	*5	1
Total	85	53	81	53
Employers providing training	99	60	89	61
Did not provide training	**	40	*11	39
Total	100	100	100	100
Proportion of all employers	1	98	1	100

(a) The definition of a significant change in size of the organisation is a difference in the number of employees between the start and finish of the 12-month period of at least 10% and 20 employees.

RECRUITMENT DIFFICULTIES

Recruitment difficulties in the 12 months ended February 1997 were reported by a limited number of employers (16%). Of those employers who reported recruitment difficulties, over three-quarters (83%) reported providing training for their employees. In contrast, 57% of employers who did not report recruitment difficulties provided training. Over half of employers who reported recruitment difficulties (55%) provided structured training compared to less than one-third (31%) of employers who did not report recruitment difficulties. More employers with recruitment difficulties also provided unstructured training (76%) compared to those who did not report recruitment difficulties (49%).

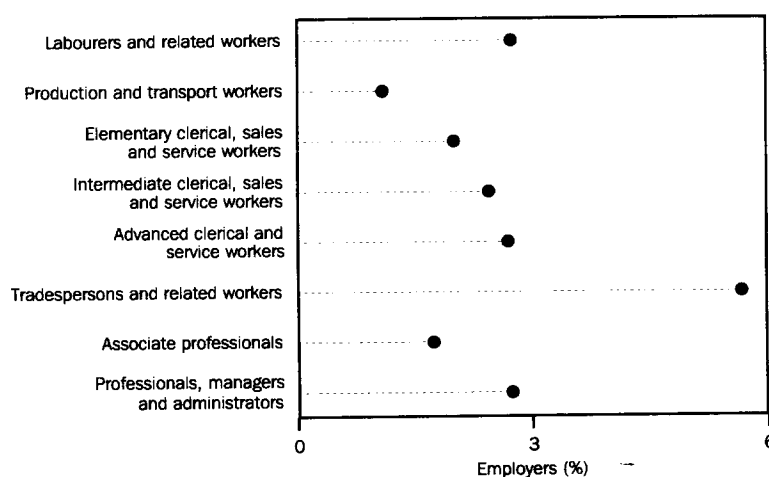
Interestingly, approximately one-third of employers who experienced recruitment difficulties increased their expenditure on structured training, and 43% increased their level of unstructured training, compared to 15% and 14% respectively of those reporting no recruitment difficulties.

4.5 TRAINING PROVIDED IN LAST 12 MONTHS, By Recruitment Difficulties

	<i>Difficulties</i>	<i>No difficulties</i>	<i>All employers</i>
<i>Type of training</i>	<i>%</i>	<i>%</i>	<i>%</i>
.....			
Provided training			
Structured training			
Training expenditure increased	34	15	18
No change in training expenditure	17	13	14
Training expenditure decreased	*3	2	3
Total	55	31	35
Unstructured training			
Increased level of training	43	14	19
No change in level of training	31	33	33
Decreased level of training	*1	1	1
Total	76	49	53
Employers providing training	83	57	61
Did not provide training	17	43	39
Total	100	100	100
Proportion of all employers	16	84	100
.....			

RECRUITMENT DIFFICULTIES *continued*

TRADESPERSONS AND RELATED WORKERS were the group that employers had the most difficulty recruiting. Six times as many employers (6%) had difficulty recruiting TRADESPERSONS AND RELATED WORKERS than in recruiting PRODUCTION AND TRANSPORT WORKERS (1%).

4.6 RECRUITMENT DIFFICULTIES IN LAST 12 MONTHS, By Occupation

Whether employers with recruitment difficulties provided training depended to some extent on the occupations they were looking for. High proportions of employers with difficulties recruiting PRODUCTION AND TRANSPORT WORKERS (94%); ASSOCIATE PROFESSIONALS (94%); TRADESPERSONS AND RELATED WORKERS (90%); ADVANCED CLERICAL AND SERVICE WORKERS (89%); or LABOURERS AND RELATED WORKERS (89%) provided training to their employees in the 12 months to February 1997. While most provided unstructured training, a high proportion of employers with difficulty recruiting ADVANCED CLERICAL AND SERVICE WORKERS provided structured training (71%) with most of those reporting increased expenditure (75%).

4.7 TRAINING PROVIDED IN LAST 12 MONTHS, By Occupations with Recruitment Difficulties

STRUCTURED TRAINING(a).....				UNSTRUCTURED TRAINING(b).....							
Recruitment difficulties by occupation(c)	Increased	No change	Decreased	Employer providing structured training	Increased	No change	Decreased	Employer providing unstructured training	Total employers providing training	No training provided	Total
	%	%	%	%	%	%	%	%	%	%	%
.....											
Had recruitment difficulties											
Labourers and related workers	*21	*22	**	44	53	29	**	83	89	**	100
Production and transport workers	*33	**	**	49	*30	62	**	92	94	**	100
Clerical, sales and service workers											
Elementary	*33	**	**	43	44	*17	**	64	66	*34	100
Intermediate	39	*12	**	53	41	*27	*0	69	78	**	100
Advanced	53	**	**	71	66	*19	**	86	89	**	100
All	43	*13	*3	60	52	19	**	73	79	*21	100
Tradespersons and related workers	32	21	**	55	40	39	**	79	90	*10	100
Associate professionals	46	**	**	64	65	27	**	93	94	**	100
Professionals, managers and administrators	46	*15	**	69	49	25	*1	74	79	*21	100
Employers with recruitment difficulties	34	17	*3	55	43	31	*1	76	83	17	100
Did not have recruitment difficulties	15	13	2	31	14	33	1	49	57	43	100
All employers	18	14	3	35	19	33	1	53	61	39	100
.....											

(a) Relates to change in expenditure on structured training.

(b) Relates to change in overall level of unstructured training.

(c) An employer may be counted more than once if they reported recruitment difficulties for more than one occupation group.

EXPLANATORY NOTES

INTRODUCTION

1 This publication presents the results of the 1997 Training Practices Survey (TPS). The survey collected information on factors affecting the provision of structured and unstructured training by employers in Australia during the 12-month period ending February 1997. The TPS was previously conducted in 1994, although the 1994 survey was limited to structured training.

2 The TPS complements the 1996 Training Expenditure Survey (TES). The TES collected data on employers' expenditure on structured training during the three-month period, 1 July to 30 September 1996. The results of the 1996 TES were published in *Employer Training Expenditure, Australia, 1996* (Cat. no. 6353.0).

CHANGES IN THIS ISSUE

3 The TPS questionnaire was revised between the 1994 and 1997 surveys to obtain a broader view of training provided by employers and to target current statistical needs related to employer training. Some additional questions were included, particularly on unstructured training, and some previous questions were removed or updated. The changes to the questionnaire limit comparability with the 1994 TPS in some cases.

4 The industry classification used by the Australian Bureau of Statistics (ABS) was revised between the 1994 and 1997 surveys. In 1994, the survey was designed using the Australian Standard Industrial Classification. The 1997 survey was based on the Australian and New Zealand Standard Industrial Classification (ANZSIC). To allow comparisons to be made at the industry level it is necessary to convert the 1994 results to an ANZSIC basis.

SURVEY DESIGN

5 The 1997 TPS collected information from the same sample of employers included in 1996 TES. The TES sample consisted of approximately 6,000 employers selected from the ABS register of businesses. The sample was stratified by sector, industry and employer size, and was optimally allocated to ensure adequate representation in each of these areas. The use of a common sample for the two surveys allows the TES data to be linked with TPS.

6 The number of employers surveyed in the TPS was approximately 4% less than that included in the TES. This was due to businesses ceasing to operate, being taken over by other businesses or not having employees when the TPS questionnaire was despatched. No provisions were applied to allow for the inclusion of either new businesses or other businesses to replace those that no longer existed. The impact of the sample loss was mainly reflected in estimates of actual numbers of employers being slightly lower than obtained from TES but does not have a significant effect on estimates of percentages included in this publication.

7 The TES and TPS surveys were designed to produce accurate estimates of training provision at the national level. While the sample was not designed to produce accurate State and Territory data, the relative standard errors are generally low enough to enable the estimates to be used with confidence at the broad level.

SURVEY DESIGN *continued*

8 The sample for the 1997 TPS included approximately 35% of employers who participated in the 1994 TPS. The common sample assists the comparability of results derived from consistent data items between the two surveys.

SCOPE OF THE SURVEY

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

STATISTICAL UNIT

10 The statistical unit for the survey was an organisation in a particular State or Territory that employed at least one person during the last pay period ending on or before 21 February 1997. Each statistical unit was classified to an industry which reflected the predominant activity of the organisation in the State or Territory.

SURVEY METHODOLOGY

11 The TPS was a mail-based survey that was dispatched in February 1997 to the same contact person who had provided data for the 1996 TES conducted five months earlier. In some cases questions may have been completed by persons other than the contact person. The contact person was encouraged to consult with others in their organisation when providing information for the TPS.

12 The TPS sought information on training practices that applied within an organisation. The information related to the whole organisation in the selected State although the training practices may not have applied to all parts of the organisation. Most questions in the TPS required 'tick' box responses.

13 Most estimates derived from the TPS are expressed as a percentage of the number of employers. Where data from the TES has been analysed against responses in the TPS, these estimates are presented as training expenditure for the September quarter 1996 and expressed in ranges that reflect the equivalent proportion of employers' gross wages and salaries.

SURVEY DATA

14 All employers answered questions relating to:

- number and occupation of employees in February 1997;
- number of apprentices and entry level trainees;
- employee turnover;
- limitations to expenditure on structured training;
- years of operation of the organisation;
- significant changes affecting the operations of the organisation;
- change in business activity; and
- recruitment difficulties.

This information was used to identify factors which may have been related to the training practices of the organisation and provide a profile of those organisations that did or did not provide training.

SURVEY DATA *continued*

15 If employers provided structured or unstructured training during the 12-month period ending February 1997, they answered questions relating to the provision of that training and factors affecting its provision. The following definitions were used to distinguish between the two types of training:

- *Structured training*: all training activities which have a predetermined plan and format designed to develop employment-related skills and competencies.
- *Unstructured training*: all training activities which do not have a specified content or predetermined plan.

16 Employers decided whether or not they provided structured and/or unstructured training. It is possible that some employers may not have included skills development or enhancement activities if they did not consider them to be a form of training. This mainly applied to unstructured types of training.

17 Employers who reported providing structured training for their employees in the 12 months ending February 1997 answered questions on:

- change in expenditure on structured training;
- effect of selected factors on the level of expenditure on structured training;
- support for and reasons for providing structured training;
- methods and people involved in determining requirements for structured training;
- how records of structured training were used;
- use and basic characteristics of written training plans;
- how content and subject of structured in-house training was decided;
- methods of training delivery; and
- use of external training providers.

18 Employers who reported providing unstructured training for their employees in the same period answered questions on:

- the importance of different types of unstructured training;
- extent of training that was unstructured by occupation;
- change in level of unstructured training; and
- effect of selected factors on level of unstructured training provided.

GROUP TRAINING COMPANIES

19 Group training companies employ large numbers of apprentices and trainees who they place with host employers, often on a rotational basis. When the TPS was conducted, approximately 15% of all apprentices and trainees in Australia were employed by group training companies. Information relating to these apprentices and trainees was provided by the group training company, rather than the host employer. A significant proportion of group training companies are included in the industry, PROPERTY AND BUSINESS SERVICES. The TPS was not able to separately identify training characteristics of group training companies.

RELIABILITY OF ESTIMATES

20 Approximately 90% of employers in Australia are small businesses, 8% medium and 2% large. The TPS survey sample included a high proportion of larger employers and a low proportion of smaller employers. Estimates for small employers are therefore subject to higher sampling variability and may be subject to high standard errors. See Technical Notes for explanations of sampling and non-sampling error.

21 In many cases estimates of proportions of all employers have been shown by employer size. Because the majority of employers are small businesses, it may be more meaningful to examine the training characteristics of each size group, rather than focus on the proportions of all employers.

RELIABILITY OF ESTIMATES *continued*

22 A Post Enumeration Survey (PES) was conducted to review the 1997 survey questionnaire and methodology and to assess non-sampling errors. The results of the PES showed that the quality of the data was acceptable but that there was some variation in employers' perception of unstructured training. Most employers reported unstructured training if there was a definite training intention or strategy. Employers were less likely to report some forms of unstructured training if they felt it was a normal part of the job.

23 The reliability of estimates are also affected by the level of response to a survey. Employers responded favourably to the TPS, with 97% providing completed questionnaires.

24 The TPS was designed to provide reliable estimates of the proportion of employers using various training practices. The TPS was not designed to provide reliable estimates of the number of employees in different occupations or the number of apprentices and trainees. This information is collected by other ABS surveys (e.g. *Labour Force, Australia* (Cat. no. 6203.0)).

GENERAL ACKNOWLEDGMENT

25 ABS publications draw extensively on information provided freely by businesses. Their continued cooperation is very much appreciated: without it, the range of statistics included in this publication would not be available. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

RELATED PUBLICATIONS

26 The companion publication to TPS is: *Employer Training Expenditure, Australia, July to September 1996* (Cat. no. 6353.0)—issued August 1997.

27 Background information discussing concepts, methodology and coverage of the TES is provided in *Information Paper: Development of the Employer Training Expenditure Survey* (Cat. no. 6355.0)—issued October 1989.

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

A Directory of Education and Training Statistics, October 1997
(Cat. no. 1136.0)—issued 1997.

Australians' Employment and Unemployment Patterns, Jobseekers, 1995
(Cat. no. 6286.0)—issued February 1997.

Career Paths of Persons with Trade Qualifications, Australia, 1993
(Cat. no. 6243.0)—issued 1994.

Commercial Training Providers, Australia, 1994 (Cat. no. 6352.0)—issued 1996.

Education and Training in Australia, 1996 (Cat. no. 4224.0)—issued 1996.

Employer Training Expenditure, Australia, July to September 1989, 1990 and 1993 (Cat. no. 6353.0)—issued 1990, 1991 and 1994.

Employer Training Practices, Australia, February 1994 (Cat. no. 6356.0)—issued 1994.

Graduate Outcomes—Technical and Further Education, 1995
(Cat. no. 4225.0)—issued 1995.

How Workers Get Their Training, Australia, 1989 (Cat. no. 6278.0)—issued 1990.

Participation in Education, Australia (Cat. no. 6272.0)—issued annually.

RELATED PUBLICATIONS *continued*

Small Business in Australia, 1995 (Cat. no. 1321.0)—issued 1996.

Contains some training expenditure statistics that are not published elsewhere.

Survey of Education and Training, Australia, 1997 (Cat. no. 6278.0)—to be released 1998. This publication was previously entitled *Training and Education Experience, Australia*.

Training and Education Experience, Australia, 1993 (Cat. no. 6278.0)—issued 1994. This publication was previously *How Workers Get Their Training, Australia*. This publication contains results of the 1993 Survey of Training and Education.

Transition from Education to Work, Australia (Cat. no. 6227.0)—issued annually.

SYMBOLS AND OTHER USAGES

29 The following abbreviations and symbols are used in this publication:

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
GWS	Gross wages and salaries
n.a.	not available
PES	Post Enumeration Survey
TAFE	Technical and Further Education colleges
TES	Training Expenditure Survey
TPS	Training Practices Survey
*	The estimate has a relative standard error of between 25% and 40% and should be used with caution.
**	Subject to sampling variability too high for most practical purposes; relative standard error greater than 40%.

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

DATA ITEM LISTING

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

DATA ITEMS

- Proportion of employees in occupational groups
- Proportion of apprentices and entry level trainees
- Employee turnover
- Employers providing structured training
- Change in the overall level of expenditure on structured training
- Factors affecting the level of expenditure on structured training
- Factor causing the greatest increase in the level of expenditure on structured training
- The importance of reasons for providing structured training
- Types of support for structured training
- Methods used to determine requirements for structured training
- Method used most often to determine requirements for structured training
- Who was involved in determining requirements for structured training
- How records of structured training were used
- Employers with written training plans
- Percentage of employees covered by written training plans
- Details specified in the written training plans
- Employers providing structured in-house training
- How the content and subject of structured in-house training was decided
- Methods of training delivery used for structured in-house and external training
- Employers using external training providers
- Type of external training providers used
- Type of external training provider used most often
- Reasons for using external training provider used most often
- Factors limiting the level of expenditure on structured training
- Employers providing unstructured training
- Importance of types of unstructured training
- Level of unstructured training by occupational group
- Change in overall level of unstructured training
- Factors affecting the level of unstructured training
- Factor causing the greatest increase in the level of unstructured training
- Years of operation of organisation in the specified State and Territory
- Factors significantly changing the operations of organisation
- Change in the overall level of business activity
- Employers with recruitment difficulties
- Occupational groups in which organisations experienced recruitment difficulties.

ESTIMATES

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

- Private/public sector
- Employer size
- Industry
- State and Territory
- All employers
- Employers reporting structured training
- Employers reporting unstructured training.

MEASURES

Data can also be cross-classified with the 1996 TES to obtain the following measures:

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

However, it must be noted that while the TPS relates to a 12-month period, the TES collected data for the three-month period, 1 July to 30 September 1996.

TECHNICAL NOTES

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 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.

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 19 chances in 20 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% and up to 40% of the estimate have been labelled with an asterisk. Estimates with standard errors over 40% have not been published and two asterisks appear in place of the estimate.

The estimate of the proportion of private sector employers who provided training is 61% (see table 1.2). From table T1 this estimate has a relative standard error of 3%, and thus an absolute standard error of $0.03 \times 61\%$, or 2%. Hence, the estimate minus one standard error is 61% less 2% equals 59% (rounded), and the estimate plus one standard error is similarly 63%. Again, the estimate minus and plus two standard errors is 57% and 65% respectively. There would, therefore, be about two chances in three that a full enumeration would have given a figure in the range of 59% to 63% and about 19 chances in 20 that it would have been in the range of 57% to 65%.

T1 RELATIVE STANDARD ERRORS

EMPLOYER SIZE.....				
	1-19 employees	20-99 employees	100 or more employees	All employers
Type of training	%	%	%	%
PRIVATE				
Provided training				
Structured training				
Training expenditure increased	7	8	4	6
No change in training expenditure	8	13	9	7
Training expenditure decreased	22	17	16	18
Total	5	5	2	4
Unstructured training				
Increased level of training	7	10	7	6
No change in level of training	5	7	4	4
Decreased level of training	27	24	10	22
Total	3	3	2	3
Employers providing training	3	2	0	3
Did not provide training	4	25	37	4
Total	0	0	0	0
PUBLIC				
Provided training				
Structured training				
Training expenditure increased	35	18	6	15
No change in training expenditure	48	65	17	26
Training expenditure decreased	67	90	17	35
Total	26	1	0	11
Unstructured training				
Increased level of training	44	39	11	20
No change in level of training	43	34	10	20
Decreased level of training	103	40	29	51
Total	24	11	3	10
Employers providing training	21	0	0	9
Did not provide training	43	0	0	46
Total	0	0	0	0
ALL SECTORS				
Provided training				
Structured training				
Training expenditure increased	7	8	3	6
No change in training expenditure	8	12	8	7
Training expenditure decreased	22	17	13	17
Total	5	5	2	4
Unstructured training				
Increased level of training	7	10	6	6
No change in level of training	5	7	4	4
Decreased level of training	27	24	10	22
Total	3	3	2	3
Employers providing training	3	2	0	2
Did not provide training	4	25	37	4
Total	0	0	0	0

GLOSSARY

Accredited course	A course which leads to a nationally recognised qualification.
Advanced clerical and service workers	See Occupational groups.
All employers	All statistical units as defined for the survey. See paragraph 10 of the Explanatory Notes for a description of the statistical unit.
Apprentices	Employees who enter into a legal contract (an indenture or contract of training) with an employer to serve a period of training for the purpose of attaining tradesperson status in a recognised trade.
Associate professionals	See Occupational groups.
Average training expenditure per employee	Average training expenditure per employee has been derived from data provided in the 1996 TES. It is the estimated total expenditure on structured training from 1 July to 30 September 1996 divided by the estimated total number of employees. The TES did not collect information on the number of employees who actually received structured training.
Average training hours per employee	Average training hours per employee has been derived from data provided in the 1996 TES. It is the estimated total hours of structured training divided by the estimated total number of employees. The TES did not collect information on the number of employees who actually received structured training.
Clerical, sales and service workers	See Occupational groups.
Crucial	Essential; critical; decisive.
Elementary clerical, sales and service workers	See Occupational groups.
Employees	All persons who received a wage or salary for the last pay period, ending on or before 21 February 1997. All permanent, temporary, casual, managerial and executive employees were included. Employees on paid leave and those employees on workers' compensation who continued to be paid through the employer's payroll were also included. Excluded were employees who were not paid for the survey reference period, employees on leave without pay, on strike or stood down without pay for the whole reference period.
Employer size	To produce statistics for various employer sizes, each statistical unit is allocated a size classification based on the number of employees reported.
Employers	See All employers.
Entry level/traineeship trainees	Employees who require a contract of training registered with the relevant State training authority. They usually attract a Commonwealth Government Traineeship employment incentive payment.

External structured training	Structured training organised and conducted by training/educational institutions, agencies or consultants which is generally available to individuals or organisations (e.g. TAFE courses, university studies assistance, training consultants). Although prerequisite qualifications or experience may apply, external structured training is not organised by or conducted for one specific employer.
External training providers	Trainers who are not employees of the selected organisation and who provide structured training on a fee-for-service basis. The training can be either in-house or external.
Gross wages and salaries	Gross wages and salaries information has been derived from 1996 TES. It includes payments to all employees before tax and other items such as superannuation are deducted which were made between 1 July and 30 September 1996. 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 retrospective payments; salaries paid to company directors, board members and office holders; payments to employees on workers' compensation which are not covered by insurance i.e. 'make-up' pay. Excluded are severance, termination and redundancy payments.
Group training companies	Organisations that employ apprentices and/or entry level trainees that they place with host employers to obtain on-the-job experience. The group training companies are responsible for handling the administrative and training requirements for their apprentices and/or trainees.
Higher skills level	Those employees who are Tradespersons and related workers; Associate professionals; Professionals, managers and administrators.
Important	Significant; of consequence.
In-house structured training	Structured training organised by employers primarily for their own employees, using the employer's own staff, or external training providers e.g. where a consultant designs or conducts a program specifically for the employer. Note that in-house training could be conducted at an off-site location.
Industry	Industry is classified according to the <i>Australian and New Zealand Standard Industrial Classification (ANZSIC), 1993 (Cat. no. 1292.0)</i> .
Intermediate clerical, sales and service workers	See Occupational groups.
Labourers and related workers	See Occupational groups.
Large employers	Organisations which employ 100 or more employees in a specific State or Territory.
Lower skills level	Those employees who are Labourers and related workers; Production and transport workers; and Clerical, sales and service workers.
Managers and administrators	See Occupational groups.
Medium employers	Organisations which employ 20–99 employees in a specific State or Territory.
Not applicable	Irrelevant; does not apply to this organisation.

Not important Unnecessary; could do without.

Occupational groups Employers were asked to indicate the number of employees in each of the following occupation groups. The definitions provided were based on the Australian Standard Classification of Occupations (2nd edition).

Labourers and related workers perform routine tasks, either manually or using equipment (e.g. cleaners, factory hands, trades assistants, kitchenhands).

Production and transport workers operate vehicles or large equipment (e.g. bulldozer operator, forklift driver, bus driver, storeperson, machine operators and their supervisors).

Clerical, sales and service workers perform administrative, organisational, liaison, sales and clerical tasks and may provide support services in the fields of education, health, finance and recreation. This group is split into elementary, intermediate and advanced workers:

- *Elementary clerical, sales and service workers* perform basic clerical, sales and service tasks under supervision. Previous experience is not required to perform these tasks (e.g. filing clerks, office trainees, sales assistants, transport conductors, security officers, domestic housekeepers).
- *Intermediate clerical, sales and service workers* perform a range of clerical, sales and service tasks requiring some in depth knowledge and often requiring interpersonal communication skills (e.g. word processors, bank workers, purchasing officers, library assistants, customs inspectors, sales representatives, child care workers, nursing assistants, bar attendants, retail sales supervisors).
- *Advanced clerical and service workers* perform more complex clerical and service tasks requiring substantial depth of knowledge. They are often involved in tasks supporting management (e.g. secretary, bookkeeper, insurance agent, flight attendant, law clerk, loans officer).

Tradespersons and related workers perform tasks requiring trade or industry specific technical knowledge. Includes all apprentices and trade supervisors (e.g. welders, hairdressers, electricians, fire fighters, sound technicians, camera operators).

Associate professionals perform complex technical or administrative tasks, usually in support of professionals or managers (e.g. technical officers, building inspectors, office managers, shop managers, enrolled nurses, senior fire fighters, police officers, sportspersons).

Professionals, managers and administrators:

- *Professionals* perform analytical, conceptual or creative tasks with skills equivalent to a bachelor degree (e.g. scientist, accountant, engineer, lawyer, journalist, teacher, doctor, registered nurse, training officer, musician).
- *Managers and administrators* head large organisations or departments within these organisations and determine the policy of the organisations or departments (e.g. school principals, general managers, directors of nursing, child care coordinators, finance managers).

Organisations In this publication the terms 'employers' and 'organisations' are used interchangeably (see paragraph 10 of the Explanatory Notes for an explanation of the statistical unit of the survey).

Overall level of business activity	Refers to the volume of sales and services. It does not refer to the profitability of the organisation or to the revenue earned by the organisation.
Post Enumeration Survey (PES)	A survey of a small number of respondents undertaken to evaluate the questionnaire, survey methodology and to assess non-sampling errors. See paragraph 22 of the Explanatory Notes.
Private/public sector	See Sector.
Production and transport workers	See Occupational groups.
Professionals	See Occupational groups.
Proportion of gross wages and salaries	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 training costs.
Provider used most often	Refers to the number of employees attending training courses or programs.
Quality assurance/quality control	The measures or procedures to ensure that a given product or service conforms to given standards.
Reference period	The survey collected employers' training practices during the 12-month period ending 21 February 1997.
Sector	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 Parliament and State Parliaments. The remaining statistical units are classified to the private sector.
September quarter	The period 1 July to 30 September.
Small employers	Organisations which employ 1-19 employees in a specific State or Territory.
Structured on-the-job training	On-the-job training that has a predetermined plan and format and is monitored. It is often associated with the assessment of accredited competency-based skills.
Structured training	All training activities which have a predetermined plan and format designed to develop employment-related skills and competencies. 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. It can also include structured on-the-job training.
Total training expenditure	Training expenditure has been derived from data provided in the 1996 TES. It comprises the sum of employers' expenditure for employees' gross wages and salaries for time receiving and providing structured training, fees paid to consultants and institutions and other expenditure on structured training during the period 1 July to 30 September 1996.
Tradespersons and related workers	See Occupational groups.
Trainees	See Entry level/traineeship trainees.
Training delivery method	Refers to the style and supporting equipment used for course presentation.

Training expenditure per employee	See Average training expenditure per employee.
Training Expenditure Survey (TES)	This survey was conducted for the September quarter (1 July to 30 September) 1996. Information was collected on the amount of money and time spent by employers providing structured training for their employees, including wage and salary costs for the time spent by employees receiving training.
Training hours per employee	See Average training hours per employee.
Training records	Show either the amount of expenditure on employee training, and/or the amount or type of training provided to individual employees or groups of employees.
Workplace assessor	A person who carries out employee training assessments either on or off-the-job <i>and</i> has been formally trained under national assessor competency standards.
Written training plan	Sets out the actions by which the organisation plans to improve the skills and competencies of its employees. It includes human resource development plans, but excludes written lists or timetables of training courses, written budgets, corporate plans, training manuals and course documentation.
Unstructured training	Training activity that does not have a specified content or predetermined plan. It includes unplanned training that is provided as the need arises and training activity that is not monitored such as self training through reading manuals or using self training computer packages.



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