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Topic 4

MEASURING TRAINING IN AUSTRALIA

Supporting paper submitted by the Australian Bureau of Statistics¹

BACKGROUND

1. In the mid 1980s, Australian industry moved from a position of being relatively protected, to one of high trade exposure. This movement forced a rapid structural adjustment, with a resulting decrease in security of employment. It became clear that employment prospects would be limited for workers without formal skills, and that industry needed a conscious change in strategy to meet the challenges of an increasingly competitive world market.
2. In September 1987, the Secretary of the (then) Department of Employment, Education and Training (DEET) and the Secretary of the Department of Industry, Technology and Commerce wrote to the Australian Statistician asking the ABS to extend coverage of the existing Major Labour Costs Survey to include training costs. The concern of the two departments was that the training data currently available was selective in coverage and variable in quality. The ABS responded by offering to investigate their requirements, and to develop specific proposals and methodologies.
3. Around the same time a variety of government initiatives were introduced to increase participation in training. The most significant of these was the federal Government's Training Guarantee Act 1990, which required all employers above a certain payroll threshold (initially set

¹ Labour Statistics Branch.

at \$200,000, usually equating to 10 or more employees) to spend a minimum percentage of payroll in each financial year on eligible training. Eligible training had to be employment-related, "structured" (ie essentially have defined aims and outcomes), and approved or developed by a person with specified minimum qualifications. Eligible costs included the wages paid to employees attending such training. Although the Training Guarantee was suspended in July 1994, and abolished in July 1996, the ensuing years have seen the refinement of surveys which continue to build a valuable time series for the important topics of education and training.

EMPLOYER SURVEYS

Training Expenditure Survey, 1989, 1990, 1993, 1996

4. The first Training Expenditure Survey (TES) was conducted in respect of the September quarter 1989, and covered some 2,000 employers Australia wide. In 1990 the survey was run again, this time with an expanded sample of 6,000 employers, and provided the first available statistics on employer training expenditure since the introduction of the Training Guarantee. The purpose of the collection was to measure the amount and types of formal training provided by employers, and the total cost of such training (including the wages and salaries of employees receiving and delivering training). Measures of training produced included total training expenditure as a per cent of gross wages and salaries, average training expenditure per employee, average training hours per employee, average training expenditure per training hour, percentage of employers reporting training, distribution of employers reporting training expenditure, and total training expenditure. Unstructured training was excluded from the survey because of the considerable difficulties associated with its measurement.

5. TES was repeated in 1993 and 1997, with the (then) Department of Employment, Education, Training and Youth Affairs using TES data to formally evaluate training expenditure by employers in Australia. However, with the abolition of the Training Guarantee, businesses gradually dismantled the recording systems they had in place to comply with the guarantee, making it more difficult for them to supply data to the ABS training expenditure surveys. This became apparent during the 1997 TES, when it was obvious that the detailed expenditure information required for this survey was inflicting considerable provider load on respondents, particularly those with large numbers of employees.

6. Key data collected includes;

- . number of employees;
- . number of trainers and support staff;
- . total training expenditure;
- . expenditure on structured in-house training;
- . expenditure on structured external training;
- . field of training;
- . employee costs for time receiving training and training hours;
- . employer's trainers and support staff gross wages and salaries;
- . fees paid to consultants and institutions for conducting external courses, and
- . other training expenditure, eg equipment, travel and accommodation for trainers and trainees to attend courses, cost of training rooms.

Training Practices Survey, 1994, 1997

7. In addition to quantitative data about employers' spending on training, there was a need for qualitative information about training methods. Using the same sample as TES, ABS conducted the Training Practices Survey (TPS), which was despatched as a separate questionnaire in the February following the running of TES. TPS, which had a reference period of 12 months, sought information on factors affecting the provision of training and how training is planned, and applied to the organisation as a whole, and not individual employees. For 1994, specific questions also related to the impact of the Training Guarantee legislation, and how this legislation affected employer training practices. The survey was last run in 1997.

8. Key data collected includes:

- . 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;
- . employers with written training plans;
- . details specified in the written training plans, and
- . employers using external training providers.

BUSINESS SURVEYS

Commercial Training Providers, 1994

9. In 1994 the ABS conducted the Commercial Training Providers Survey, which was designed to investigate private sector organisations conducting vocational training on a fee-for-service (commercial) basis. The aim of the survey was to measure the contribution that private training providers make to vocational training in Australia. The survey included organisations operating primarily as providers of training on a commercial basis; professional and industry associations which provided training to employees of other organisations on a fee-for-service basis but whose training is primarily directed at their own employees; and equipment manufacturers and suppliers who provide training on a commercial basis. The survey excluded government-sponsored training and education institutions, schools and colleges.

10. Key data collected includes:

- . providers and their courses;
- . trainers and delivery hours;
- . fields of training;
- . course participants;
- . registration/Accreditation/Endorsement;
- . revenue and marketing of courses, and
- . factors affecting private training providers' level of training activity.

HOUSEHOLD SURVEYS

How Workers Get Their Training, 1989

11. The first large scale, comprehensive training survey of individuals undertaken by the ABS was titled "How Workers Get Their Training" (HWGTT). This survey broke new ground in the development of easily understood concepts, definitions and procedures for collecting information about training. The purpose of the survey was to establish benchmark data about the extent and types of training and education being undertaken by persons in the labour force, and to assist in the formulation of policies on the training and re-training of workers.

12. Key data collected includes:
- . a wide range of demographic characteristics;
 - . details of work history;
 - . study for an educational qualification;
 - . educational attainment;
 - . qualification required to obtain main period job;
 - . in-house training courses;
 - . external training courses;
 - . training categories; and
 - . on-the-job training activities.

Survey of Training and Education, 1993

13. The Survey of Training and Education, conducted in 1993, followed on from HWGTT, but expanded in both scope and content. Specific questions were asked on computer proficiency, and on issues surrounding access to training.

14. Key data collected includes:
- . a wide range of demographic characteristics;
 - . details of work history;
 - . study for an educational qualification;
 - . educational qualifications (details of the two highest);
 - . qualification required to obtain job with main period employer;
 - . requirements for, and barriers to, training;
 - . in-house training courses attended in the last 12 months;
 - . external training courses attended in the last 12 months;
 - . on-the-job training activities; and
 - . whether involved in the provision of training.

Survey of Education and Training, 1997

15. The 1997 Survey of Education and Training followed on from the surveys conducted in 1993 and 1989, but with an increased emphasis on the education component. The survey was

designed to provide information on education and training outcomes, with a focus on pathways of education and training, and on access to education and training in Australia.

16. Key data collected is similar to the Survey of Training and Education (listed above), but in addition includes:

- . main reason did not complete highest available year of secondary school;
- . whether undertook TAFE (vocational education and training) accredited subjects or courses as part of secondary school;
- . whether enrolled for, but did not complete, study for a qualification in the last five years;
- . whether received recognition for prior learning;
- . whether intends to enrol to study for a qualification in the next three years; and
- . educational qualifications (details of the three highest).

OTHER TRAINING DATA STAKEHOLDERS

The National Centre for Vocational Education Research (NCVER)

17. NCVER is Australia's national vocational education and training research and development centre. NCVER is also responsible for the collection of national vocational education and training statistics from government funded training institutions, and for managing employer, student and graduate surveys relating to vocational education and training outcomes and performance. NCVER is an important source of data relating to the restructuring of Australia's apprenticeship system, producing a number of annual publications relating to apprentices and trainees.

The Australian National Training Authority (ANTA)

18. ANTA was established through a Heads of Government agreement in 1992 to develop a national system of vocational education and training in cooperation with State and Territory governments, the Commonwealth government and industry. Although not involved with the direct collection of training statistics, ANTA works closely with government, industry and other stakeholders in providing advice to the Ministerial Council to develop a strategic focus and make recommendations on national policies and strategies. ANTA is a prime user of ABS data to produce key performance measures for training, strategic direction papers, and an annual report to parliament.

CURRENT ISSUES

19. In recent times the Government's training reform initiatives have included upgrading the output and responsiveness of the training system; rewarding skills acquisition; and increasing industry's involvement in all of this, both in setting the agenda, and in funding the process. The increased extent, and diversification of training activities undertaken by Australians, combined with a growing need for continuous reskilling, have seen increased pressure for reliable information to determine and measure the economic and personal outcomes of such activity.

20. Key policy issues which require appropriate statistical attention include:

- . an increased emphasis on the links between education, training and work;

- . a greater emphasis on lifelong learning, with people taking and being encouraged to take, different pathways at various times in their lives to upgrade their skills and qualifications;
- . the blurring of boundaries between the traditional sectors of schools, vocational education and training and higher education;
- . the changing arrangements and practices for the delivery of services to clients within the training sector;
- . the increasing emergence of the private sector as a provider of training; and
- . a growing interest in the measurement of outcomes and performance.

21. In response to these needs, the ABS has moved to include a regular survey of education and training (SET) in its ongoing statistical program. The survey will next run in 2001, and include questions on all the major issues covered last time.

22. The possibility also exists for a rerun of the Training Expenditure Survey in 2001, possibly linking output with the 2001 SET. However, while earlier training surveys had benefited from the record keeping requirements of the Training Guarantee, the demise of that scheme has meant a gradual dismantling of the associated record keeping systems. Results of a recent field test indicate that in many large organisations, the responsibility for training has been devolved from centralised training areas to a local level (eg individual managers or individual departments or locations), making the collection of information about training more difficult and time consuming. Overall, the field test found that details of time spent receiving training (and the associated wages and salaries) are difficult and time consuming to collect through an employer survey. In light of this, alternate sources of information were studied, and the ABS is currently proposing that such information is sourced from respondents in the 2001 household survey SET.

23. The ABS has also contributed to the enhancement of the collection of training statistics in the broader arena, through its contribution to the OECD document Manual for Better Training Statistics, which provides guidance on collecting data on training delivered in the private and public sectors.

24. With training now a fundamental ingredient in Australia's ability to meet the challenges of the future, ABS intends to improve and expand its position in providing a wide range of education and training data to meet the emerging information needs of the nation.

Selected ABS publications on training.

How Workers Get Their Training, Australia, 1989 (Cat. Nr. 6278.0)

Training and Education Experience, Australia, 1993 (Cat. Nr. 6278.0)

Career Paths of Persons with Trade Qualifications, Australia, 1989/1993 (Cat. Nr. 6243.0)

Employer Training Expenditure, Australia 1989/1993/1996 (Cat. Nr. 6353.0)

Employer Training Practices, Australia 1994/1997 Cat. Nr. 6356)

Survey of Training and Education, Australia, 1993 (Cat. Nr. 6278.0)

Commercial Training Providers, Australia, 1994 (Cat. Nr. 6352.0)

Survey of Education and Training, Australia, 1997 (Cat. Nr. 6278.0)