

Employer Commitment to Training: Some issues Related to Firm Size and Sector (summarised from *You Value What You Pay For: Enhancing Employers' Contributions to Skill Formation and Use*, ACIRRT and DSF, Sydney, 2002).

At first glance, the overall picture of employer provided training appears quite positive particularly for employees in large and medium sized organisations. The most recent comprehensive data set relating to employer contributions to training relates to 1997. In that year large and medium sized employers generally reported extensive provision of both structured and unstructured training with very few reporting that they provided no training at all. Put another way, seven out of 10 (72%) of all employees worked for an employer who provided workplace training. Employees in small organisations, who account for 29 per cent of all employees did not fare as well. Just under half of all small employers provided no training at all and less than a third provided structured training (see Table 1).

Table 1. Employer reported type of training provided in the previous 12 months, Australia, 1997

Type of Training Provided	Number of Employees in Organisation			All employees
	1 – 19 small	20 – 99 medium	100+ large	
	%	%	%	%
Structured training	30	71	94	35
Unstructured training	49	86	91	53
Did not provide training	43	6	1*	39
Percentage of all employers	90	8	2	100
Percentage of all employees	28.5	15.5	56	100

Source: ABS Employer Training Expenditure, 1997. ABS Cat. No. 6353.0. Sept Quarters

Population: All employers defined as organisational units.

Note: employers may provide more than one type of training.

* Standard errors around this figure may make results unreliable.

In spite of employer reports of a high level of training, closer analysis shows that, throughout the 1990s, there was a general decline in employer provided training. Nominal expenditure per employee declined from \$191.25 in 1993 to \$185.49 in 1996. However, the clearest demonstration of this decline was evidenced in the average number of hours of training per employee. Shown in Table 3, the average hours of training fell from an average of 5.7 hours per employee in 1990 to 4.9 hours in 1996. As with the type of training provided, there were distinct differences in the average number of training hours when comparisons were made by employer size. Large employers provided, on average, more hours of training than small or medium size organisations. Despite these differences however, amongst all employers (large, medium and small) the average number of hours spent training decreased from 1989 to 1996. The notable exception to this decline was the higher rate of employer provided training for small and medium

sized employers in 1993, coinciding with the third year of operation of the Training Guarantee.

Table 2. Employer reported average number of training hours per employee by employer size, Australia, 1989 – 1996 (select years)

	Number of Employees in Organisation			All Employers
	1 – 19	20 – 99	100+	
	Average Hours Spent Training			
1989*	3.30	3.40	7.30	5.70
1990	3.99	4.10	7.06	5.92
1993	4.11	5.30	6.17	5.55
1996	2.42	3.79	6.45	4.91

Source: ABS Employer Training Expenditure, 1997. ABS Cat. No. 6353.0. Sept Quarters

Population: All employers, For example, in 1989, of all employers who employed more than 100 employees the average number of hours spent training was 7.3.

* Based on a sample of 2000 employers. The sample for 1990, 1993 and 1996 was the same 6000 employees surveyed in the Employer Training Practices Survey.

In terms of sectors, there were some notable poor performers including Construction and Accommodation, Cafes and Restaurants. Between 1993 and 1996, employer expenditure on training in the Construction and Accommodations, Cafes and Restaurants industries fell by 25.5 per cent and 14.6 per cent respectively (Dumbrell 2000a). Across the board industry expenditure on training dropped by 3 percentage points between 1993 and 1996, but massive fluctuations in expenditure were apparent. For example, in the Wholesale trade industry, and the services sector there were significant declines in expenditure, while the Mining, Utilities and Education sectors showed substantial increases in expenditure.

Business Capacity to Engage in a Community Partnership to Improve Local Education, Training and Employment Outcomes for Young People: Some Lessons from Whittlesea (summarised from P Kellock, *The Whittlesea Youth Commitment: A Review*, DSF, Sydney, 2001)

The Whittlesea Youth Commitment (WYC) is a long-term community initiative that aims to guarantee every young person in the City of Whittlesea has the opportunity and support to complete Year 12 or its equivalent through training or employment, and to develop new learning, training, further education and work options and arrangements to achieve this goal. The key initial focus has been on enabling those young people who leave before completing Year 12 to make a smooth transition between school and further education, training or employment. The Youth Commitment aims to provide a safety net in the community for all young people, and in particular to improve the processes as young people leave school.

The involvement of business takes a number of forms including:

- making part-time employment available to students, participating in work-placement programs
- assisting education and training providers develop new program arrangements that could transfer learning from the school setting to the workplace under different arrangements.

Growth in structured workplace opportunities is more dependent on student interest and demand than on the commitment of employers to providing opportunities. An important issue is the need to explore ways in which learning could be transferred from the school setting to the workplace under different arrangements. Local coordinators report that the overwhelming majority of employers are prepared to offer workplacements for students on request, and that growth in workplacements has resulted from increased student demand. Low part-time New Apprenticeship numbers are the result of both low demand and low employer take-up.

Key Finding:

- Part-time employment for school students is an important component of employment preparation, and use of a measure of part-time employment while students are still at school should be developed and reported against.
- Reporting is also needed against benchmarks established for increasing employment, apprenticeship and traineeship opportunities to focus attention in these areas.

Despite a number of local employers signing up to the WYC, and participating in employer roundtables, the level of engagement remains relatively low. Examples of new initiatives creating local employment opportunities for young people remain isolated. Progress might be facilitated by identifying one or two industry sectors with identified potential for the employment of young people, and then working collaboratively with

economic development agencies, employers and other relevant services to construct pathways and appropriate support systems.

Key Finding:

An employment strategy that focuses on a few key industry sectors with high employment potential for young people (such as retail and construction) could allow a targeted approach to both employers and to the development of programs and support structures. There are also some useful examples of strategies linking schools and local employers that could be effectively promoted to these sectors.