

## Chapter 3 ACCI National Education and Training Survey

As part of ACCI’s ongoing work on education and skills in the linkages with industry, a new major survey of employers was conducted. This chapter details the major findings from the survey of 1,337 employers with a combined total employment of 291,828 employees.

The survey covers a broad range of areas such as:

- Skills shortages and labour shortages;
- School to work transition;
- Apprentices;
- Types of skills, literacy and quality of the education system;
- Qualifications; and
- Public and Private TAFE.

The data from respondents generally reflects the numbers and sizes of firms in the industries that make up the Australian economy. However, some variation in industry and size of firm can occur and therefore the data is weighted by industry and size of firms within each industry. This post-stratification ensures that no one industry or size classification can skew the results away from what would result if all firms were covered.

The firm size categories that are used are small, medium

and large businesses. For the purpose of our surveys small businesses are those that employ less than 20 employees, medium firms are those from 20 to 99 employees and large 100 employees or more.

The weighting data is provided by the ABS and comes by broad industry classifications by our size classifications. This ensures that our data reflect the relative importance of particular industries and sizes of firms within these industries in the national economy.

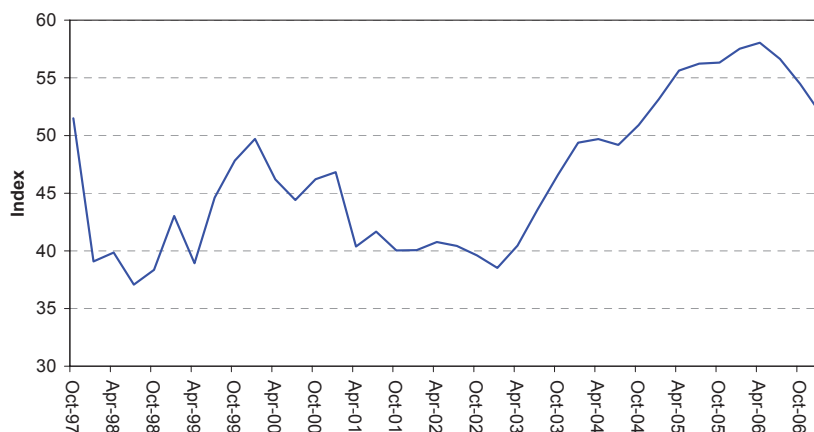
The major findings are illustrated below and the full tabulation of the results is presented as an attachment.

### SKILLS AND SKILL SHORTAGES

Sustained economic growth over the past 15 years has significantly improved labour market prospects in Australia. Unemployment has fallen from the peak of 10.7 percent in February 1993 to 4.5 percent in January 2006. This fall of the unemployment rate creates significant opportunities in terms of greater welfare and supporting economic growth but also presents challenges in meeting this growth. The *SAI Global – ACCI Survey of Investor Confidence* tracks information on the availability of suitably qualified employees as a constraint on investment (see Figure 3.1). The significant rise of the index over the past four years highlights how critical this area has become for Australia’s economy.

The ACCI National Employment, Education and Training

**Figure 3.1**  
**Constraints on Investment**  
**Availability of Suitably Qualified Employees**



Source: SAI Global - ACCI Survey of Investor Confidence, 2007.

Survey provides further detail in this key area. This major national survey shows that while 47.9 percent of employers were able to attract employees with the right level of qualifications this left 52.1 percent of employers with mixed results.

The survey was then able to drill down deeper into this area and indicated that 55.2 percent of employers found TAFE graduates had appropriate skills for their industry and 51.5 percent thought those skills were up-to-date. However, only 44.9 percent of employers felt that TAFE graduates met their expectations overall.

TAFE flexibility remains a key concern with the survey indicating that significant work needs to be conducted in improving flexibility of training times, the location at which training occurs, and the times classes are held (see Figure 3.2).

In terms of the equipment used in teaching 50.3 percent of employers felt that modern equipment was used but that only 38.1 percent of employers agreed that the teachers had industry skills that were up-to-date. The data on teachers highlights a critical area where business feels that emphasis should be placed.

Another priority area is providing enough choice between TAFE and non-TAFE training providers. The survey showed that 25 percent of employers felt they did not have enough choice between the public and private sector

training providers.

While the data on specific industry products showed that 51.7 percent of employers felt that training on the products their company used was more important than further qualifications. However, the data is a fair degree of heterogeneity across industry sectors (see Figure 3.3).

Within broad industry groups there is likely to be significant variation. For example in intermediary services such as wholesale and retail trade, and transport and storage the data is significantly more polarised than within manufacturing sector. Manufacturing largely agreed that vendor training was more important where as in the intermediary industries there was a significant agreement and disagreement indicating that some areas within sectors required increased levels of vendor training compared with others.

Skilled migration is also an important target area for government policy with business strongly endorsing a skilled migration policy. 73.9 percent of employers indicated agreement that Australia will only be able to fully address its current skill shortages through policies that include programs and skilled migration to supplement the supply local skills.

An interesting aspect of the skill shortage issues that business has indicated an inclination to provide training for those workers over 45 years of age with 82.5 percent of employers stating that they do indeed provide this

**Figure 3.2  
TAFE Flexibility**

	Satisfaction (%)	Neither (%)	Dissatisfaction (%)
Training Times	45.2	36.0	18.8
Training Venues	48.5	36.1	15.5
Hours of Operation	47.1	35.7	17.1

Source: ACCI National Education and Training Survey, 2007.

**Figure 3.3  
Cross Tabulation on Training on Company Products and further Qualifications by Industry**

	Agree (%)	Neither (%)	Disagree (%)
Primary	53.4	29.0	17.5
Manufacturing	57.6	26.9	15.5
Construction	44.9	38.1	17.0
Wholesale and Retail Trade/Transport and Storage	56.0	16.0	28.0
Personal Services	50.7	31.8	17.5
Services to Business	58.5	26.2	15.3

Source: ACCI National Education and Training Survey, 2007.

training.

## EMPLOYABILITY SKILLS

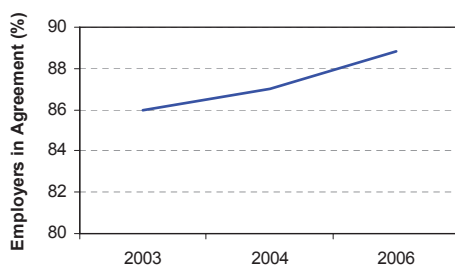
Employability skills are a critical ingredient within workplaces with employability skills such as teamwork, communication, problem solving being at least as important as the technical skills a person has. ACCI has invested considerable time in ensuring that employability skills receive adequate attention in discussions with policy makers and educators. The latest survey of employers bears out this priority with 88.8 percent of employers agreeing that employability skills such as teamwork, communication, and problem solving are as important as the technical skills an individual possesses.

As shown in Figure 3.4 the most recent data is fully consistent with previous ACCI work in this area.

In a related question on entrepreneurship the data shows that it is the view of business that entrepreneurial skills can be taught but that opportunities to learn through formal programs are not generally available. Approximately 60 percent of employers felt that entrepreneurship could be taught but of these only 20.5 percent thought there were enough opportunities to learn.

Apprenticeships are also a key feature of skills development with 56.1 percent of employers stating that they employ

**Figure 3.4**  
Employability Skills  
Important as Technical Skills



Source: ACCI Business and Industry to work Alliance School, 2004; ACCI National Education and Training Survey, 2007; Employability Skills for the Future, 2003.

apprentices. This is not to say that all of these employers are currently employing apprentices but simply that they do take on apprentices. This shows that there is a great awareness amongst business of the benefits of taking on apprentices.

For those that do take on apprentices 91.8 percent have indicated that apprentices are valuable to their business. However, business also felt that there were ways to strengthen the apprenticeship system by allowing students to commence an apprenticeship while completing secondary school (73 percent agreement) and that apprentices should be allowed to fast-track their studies if they're competent at industry standards (79.1 percent agreement). Business also viewed school-based apprenticeships as a good way to attract young people to their industry with 68.4 percent of businesses in agreement on this matter. Additionally, the survey demonstrates that having senior secondary students in the workplace provided business with an opportunity to test whether or not they might be suitable for hiring when they leave school.

The survey also found that of those that employ to apprentices 59.3 percent were readily willing to pay higher wages to an apprentice to keep them in their employ.

## SCHOOLS

There was an overwhelming belief within the business community that there should be benchmarking and transparent reporting of schools' teaching performance with 83.8 percent agreement. This feeling amongst business is perhaps reflective of the data on how schools are interacting with industry – 51.7 percent of employers felt that schools had not provided up-to-date advice on careers in their industry. In a similar manner industry express significant concern that career advisors, teachers and parents did not value apprenticeship pathways equally to higher education options. Figure 3.5 shows that in particular business felt that teachers were the least supportive of the apprenticeship system.

**Figure 3.5**  
Careers Advice and Apprenticeships

	Value Apprenticeship Pathways Equally to Higher Education	
	Yes	No
Careers Advisors	48.3	51.7
Teachers	33.3	66.7
Parents	43.6	56.4

Source: ACCI National Education and Training Survey, 2007.

In terms of higher education many businesses did not have any interaction with universities to provide them with advice, guidance or partnership approaches. This highlights a key area that policy makers might look to address in the higher education sector. The data showed that only about a quarter of all businesses had either a formal or informal interaction with universities. This is despite the private sector accounting for the vast majority of economic activity and employment. For example, the private sector accounts for approximately 80 percent of the labour force and about 75 percent of GDP.<sup>1</sup>

## **CONCLUSION**

The results of this survey provide an evidence base for the policies put forward in this Blueprint.

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<sup>1</sup> GDP data sourced from December 2006 5206.0, Employment data from August 2005 6310.0.

**APPENDIX - ACCI NATIONAL EMPLOYMENT AND TRAINING SURVEY**

**Question 10(a)**

When I hire staff, I am about to attract employees who have the right level of qualifications for my business.

	Data
Strongly Agree	7.9
Agree	40.0
Neither Agree/Nor Disagree	15.5
Disagree	28.3
Strongly Disagree	8.3

Weighted by Industry and Employment Characteristics.

**Question 10(b)**

Do you employ apprentices?

	Data
Yes	56.1
No	43.9

Weighted by Industry and Employment Characteristics.

**Question 10(c)**

Apprentices are valuable to my business.

	Data
Strongly Agree	30.9
Agree	30.4
Neither Agree/Nor Disagree	27.9
Disagree	7.9
Strongly Disagree	2.9

Weighted by Industry and Employment Characteristics.

**Question 10(d)**

Students should be able to commence an apprenticeship while they are completing their secondary schooling.

	Data
Strongly Agree	27.1
Agree	45.9
Neither Agree/Nor Disagree	13.2
Disagree	11.8
Strongly Disagree	2.0

Weighted by Industry and Employment Characteristics.

**Question 10(e)**

Employing school based apprentices is a good way to attract young people to my industry?

	Data
Strongly Agree	24.7
Agree	43.7
Neither Agree/Nor Disagree	20.3
Disagree	8.8
Strongly Disagree	2.4

Weighted by Industry and Employment Characteristics.

**Question 10(f)**

Having senior secondary students in the workplace provides you with an opportunity to test out whether or not they might be suitable for hiring when they leave school?

	Data
Strongly Agree	21.7
Agree	55.6
Neither Agree/Nor Disagree	17.4
Disagree	4.4
Strongly Disagree	1.0

Weighted by Industry and Employment Characteristics.

**Question 11(a)**

TAFE graduates have appropriate skills for my industry?

	Data
Strongly Agree	7.2
Agree	48.0
Neither Agree/Nor Disagree	25.8
Disagree	16.6
Strongly Disagree	2.4

Weighted by Industry and Employment Characteristics.

**Question 11(b)**

TAFE graduates have skills that are up to date for my needs?

	Data
Strongly Agree	6.8
Agree	44.7
Neither Agree/Nor Disagree	30.7
Disagree	15.2
Strongly Disagree	2.6

Weighted by Industry and Employment Characteristics.

**Question 11(c)**

Private non-TAFE, including VET, graduates have skills for my industry?

	Data
Strongly Agree	5.1
Agree	39.4
Neither Agree/Nor Disagree	36.7
Disagree	16.5
Strongly Disagree	2.3

Weighted by Industry and Employment Characteristics.

**Question 11(d)**

Private non-TAFE, including VET, graduates have skills that are up to date for my needs?

	Data
Strongly Agree	5.1
Agree	37.2
Neither Agree/Nor Disagree	39.1
Disagree	16.8
Strongly Disagree	1.9

Weighted by Industry and Employment Characteristics.

**Question 11(e)**

The quality of TAFE graduates meets my expectations?

	Data
Strongly Agree	4.0
Agree	40.9
Neither Agree/Nor Disagree	38.5
Disagree	13.1
Strongly Disagree	3.5

Weighted by Industry and Employment Characteristics.

**Question 11(f)**

The quality of non-TAFE graduates meets my expectations?

	Data
Strongly Agree	2.3
Agree	35.9
Neither Agree/Nor Disagree	48.1
Disagree	11.2
Strongly Disagree	2.5

Weighted by Industry and Employment Characteristics.

**Question 11(g)**

TAFE courses provide flexibility:

(i) training times, eg over summer?

	Data
Strongly Agree	3.6
Agree	41.6
Neither Agree/Nor Disagree	36.0
Disagree	15.8
Strongly Disagree	3.0

Weighted by Industry and Employment Characteristics.

**Question 11(g)**

TAFE courses provide flexibility:

(ii) Training venue, eg at your workplace?

	Data
Strongly Agree	4.7
Agree	43.8
Neither Agree/Nor Disagree	36.1
Disagree	12.6
Strongly Disagree	2.9

Weighted by Industry and Employment Characteristics.

**Question 11(g)**

TAFE courses provide flexibility:

(iii) hours of operation that are not restricted to 9am - 5pm?

	Data
Strongly Agree	3.2
Agree	43.9
Neither Agree/Nor Disagree	35.7
Disagree	14.4
Strongly Disagree	2.7

Weighted by Industry and Employment Characteristics.

**Question 11(h)**

Non-TAFE courses provide flexibility:

(i) training times, eg over summer?

	Data
Strongly Agree	3.4
Agree	32.4
Neither Agree/Nor Disagree	54.2
Disagree	7.9
Strongly Disagree	2.2

Weighted by Industry and Employment Characteristics.

**Question 11(h)**

Non-TAFE courses provide flexibility:

(ii) training times, eg at your workplace?

	Data
Strongly Agree	3.3
Agree	33.7
Neither Agree/Nor Disagree	53.1
Disagree	7.5
Strongly Disagree	2.3

Weighted by Industry and Employment Characteristics.

**Question 11(h)**

Non-TAFE courses provide flexibility:

(iii) hours of operation that are not restricted to 9am - 5pm?

	Data
Strongly Agree	3.7
Agree	31.0
Neither Agree/Nor Disagree	55.1
Disagree	7.7
Strongly Disagree	2.5

Weighted by Industry and Employment Characteristics.

**Question 11(i)**

TAFE courses use modern equipment when teaching trade skills?

	Data
Strongly Agree	2.4
Agree	47.9
Neither Agree/Nor Disagree	38.6
Disagree	10.1
Strongly Disagree	1.1

Weighted by Industry and Employment Characteristics.

**Question 11(j)**

TAFE Teachers have industry skills that are current and up-to-date?

	Data
Strongly Agree	1.7
Agree	36.4
Neither Agree/Nor Disagree	41.1
Disagree	18.7
Strongly Disagree	2.0

Weighted by Industry and Employment Characteristics.

**Question 11(k)**

Apprentices should be able to fast track their studies if they are competent at industry standards?

	Data
Strongly Agree	17.1
Agree	62.0
Neither Agree/Nor Disagree	9.7
Disagree	9.5
Strongly Disagree	1.6

Weighted by Industry and Employment Characteristics.

**Question 11(l)**

Vocational Education and Training Institutions should be able to raise funds by charging fees to students to provide more resources for TAFEs?

	Data
Strongly Agree	2.9
Agree	29.9
Neither Agree/Nor Disagree	36.4
Disagree	24.7
Strongly Disagree	6.0

Weighted by Industry and Employment Characteristics.

**Question 11(m)**

I am willing to pay higher wages to an apprentice to keep them in my employ?

	Data
Strongly Agree	3.8
Agree	51.2
Neither Agree/Nor Disagree	31.1
Disagree	12.0
Strongly Disagree	1.9

Weighted by Industry and Employment Characteristics.

**Question 11(n)**

I have enough choice between TAFE and non-TAFE providers to meet my training needs?

	Data
Strongly Agree	2.0
Agree	42.6
Neither Agree/Nor Disagree	30.4
Disagree	19.8
Strongly Disagree	5.2

Weighted by Industry and Employment Characteristics.

**Question 11(o)**

Training on products my company uses is more important than obtaining further qualifications?

	Data
Strongly Agree	7.0
Agree	44.7
Neither Agree/Nor Disagree	26.6
Disagree	19.3
Strongly Disagree	2.5

Weighted by Industry and Employment Characteristics.

**Question 11(p)**

Employability skills such as teamwork, communication, problem solving are as important as the technical skills a person has?

	Data
Strongly Agree	35.9
Agree	52.9
Neither Agree/Nor Disagree	8.9
Disagree	1.9
Strongly Disagree	0.4

Weighted by Industry and Employment Characteristics.

**Question 11(q)**

Can entrepreneurship be taught?

	Data
Yes	59.5
No	40.5

Weighted by Industry and Employment Characteristics.

**Question 11(q) continued**

If yes, are there enough opportunities to learn through formal programs?

	Data
Yes	20.5
No	79.5

Weighted by Industry and Employment Characteristics.

**Question 12(a)**

Australia will only be able to fully address its current skill shortages through policies that include programs of skilled migration to supplement the supply of local skills?

	Data
Strongly Agree	20.1
Agree	53.8
Neither Agree/Nor Disagree	16.4
Disagree	6.3
Strongly Disagree	3.4

Weighted by Industry and Employment Characteristics.

**Question 12(b)**

Do you provide training for workers over 45 years of age?

	Data
Yes	82.5
No	17.5

Weighted by Industry and Employment Characteristics.

**Question 12(c)**

There should be benchmarking and transparent reporting of school teaching performance?

	Data
Strongly Agree	32.0
Agree	51.8
Neither Agree/Nor Disagree	13.5
Disagree	2.4
Strongly Disagree	0.3

Weighted by Industry and Employment Characteristics.

**Question 12(d)**

Schools are providing up-to-date advice on careers about my industry?

	Data
Strongly Agree	2.0
Agree	12.7
Neither Agree/Nor Disagree	33.6
Disagree	38.4
Strongly Disagree	13.3

Weighted by Industry and Employment Characteristics.

**Question 12(e)**

Careers advisers/teachers/parents value apprenticeship pathways equally to higher education options:

(i) careers advisers?

	Data
Yes	48.3
No	51.7

Weighted by Industry and Employment Characteristics.

**Question 12(e)**

Careers advisers/teachers/parents value apprenticeship pathways equally to higher education options:

(ii) teachers?

	Data
Yes	33.3
No	66.7

Weighted by Industry and Employment Characteristics.

**Question 12(e)**

Careers advisers/teachers/parents value apprenticeship pathways equally to higher education options:

(iii) parents?

	Data
Yes	43.6
No	56.4

Weighted by Industry and Employment Characteristics.

**Question 12(f)**

University graduates have a good level of literacy and numeracy to meet my business needs?

	Data
Strongly Agree	5.2
Agree	50.9
Neither Agree/Nor Disagree	26.2
Disagree	14.9
Strongly Disagree	2.7

Weighted by Industry and Employment Characteristics.

**Question 12(g)**

Does your business have any interaction with universities to provide them with advice, guidance or partnership approaches etc?

	Data
Yes	28.2
No	71.8

Weighted by Industry and Employment Characteristics.

