



ACCI RESPONSE TO LANGUAGE LITERACY AND NUMERACY PROGRAM SERVICES

DISCUSSION PAPER

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INTRODUCTION

The Australian Chamber of Commerce and Industry is Australia's largest and most representative business and employer organisation. ACCI represents the interests of approximately 350 000 employers across the country and in a wide range of industry sectors. ACCI presents a robust and independent voice in the national skills arena that stems from the depth and breadth of ACCI's membership base.

ACCI welcomes the opportunity to respond to the discussion paper for the Language Literacy and Numeracy Program Services. ACCI recognises the value that this initiative brings to the productivity agenda through building the basic levels of skills and knowledge amongst those outside the workforce and ensuring the sustainable supply of skilled labour to Australian industry.

ACCI member organisations also value the Workplace English Language and Literacy (WELL) Program and the Adult Migrant English Program (AMEP) for recent adult migrants that together provide a suite of interventions in conjunction with the Language, Literacy and Numeracy Program (LLNP) to address Australia's Language, Literacy and Numeracy (LLN) needs.

The ACCI - SAI Global Survey of Investor Confidence recently identified the availability of suitably qualified employees as the single largest constraint on business investment for the sixth consecutive quarter ¹.

The prevalence of inadequate LLN skills, evident in both school leavers and the Australian workforce as a whole, is a contributing factor towards this limitation. ACCI believes that high levels of functional literacy and numeracy are essential foundational skills to build the capacity of the nation's workforce to boost productivity and drive economic growth. Australian industry needs competent, skilled workers with the flexibility to adapt to the changing workplace environment.

OECD research indicates that a 1 percent rise in average literacy will lead to a 1.5 percent increase in GDP per capita and a 2.5 percent rise in labour productivity ².

Australia's performance on literacy compared with other countries has been relatively good in the past but recent OECD Programme for International Student Assessment (PISA) and Adult Literacy and Lifeskills Survey (ALLS) results show a worryingly "long tail" of Australians performing below what is the required level to be deemed functionally literate.

The results of the 2006 Adult Literacy and Life Skills Survey (ALLS) released in November 2007 indicate that 46% of Australian adults lack the literacy and numeracy skills to function effectively in the workforce and in everyday situations ³.

Overseas business and industry work in this area also shows that low levels of functional literacy and numeracy are a major barrier to growth. A 2006 report produced by the Confederation of British Industry (CBI), *Working on the Three Rs: Employers' Priorities for Functional Skills in Maths and English* ⁴, identified key areas of literacy and numeracy that are considered essential by employers. These are **ATTACHED**. It identified the major business impact of the perceived gaps in functional literacy and numeracy as waste. The issues and solutions identified in this report translate broadly to the Australian context.

WHAT SERVICES SHOULD THE AUSTRALIAN GOVERNMENT BE PURCHASING?

The ability to engage in further education and training relies upon a foundational level of language, literacy and numeracy skills. Without the basic skills, it is difficult to further develop vocational skills in a working environment that is becoming increasingly technical.

Employers expect that prospective employees will possess basic literacy and numeracy skills. It is desirable for the modern employee to have multiple literacies, from basic computer and information technology skills, language and communication skills, critical and cognitive thinking skills as well as the ability to comprehend Occupational Health and Safety (OHS), Hazard Analysis and Critical Control Point (HACCP) and other legislative requirements.

LLN skills are not static notions and have changed over time. With the advent of technology and the impact of other historical variables, new LLN skills have come into being and are essential in a post-modern environment. For example, a generation ago the composition of text for email was an undreamt skill requirement. Even though LLN skills are constantly evolving, employers require that standards apply.

An important development in Vocational Education and Training (VET) has been the requirement to ensure that industry developed and endorsed Training Packages clearly outline literacy and numeracy outcomes and skill requirements in specific work competencies. This is strongly supported by industry.

1 *SAI Global - ACCI Survey of Investor Confidence*, http://www.acci.asn.au/text_files/surveys/Survey_of_Investor_Confidence/SOICJuly2008.pdf.p3

2 *Literacy scores, human capital and growth across fourteen OECD countries*. OECD, 2004.

3 *Australian Bureau of Statistics, Adult Literacy and Lifeskills Survey*, Canberra, 2006. [http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts4228.0Main%20Features22006%20\(Reissue\)?opendocument&tabname=Summary&prodno=4228.0&issue=2006%20\(Reissue\)&num=&view=](http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts4228.0Main%20Features22006%20(Reissue)?opendocument&tabname=Summary&prodno=4228.0&issue=2006%20(Reissue)&num=&view=)

4 *Working on the Three Rs: Employers' Priorities for Functional Skills in Maths and English*, Confederation of British Industry, 2006.

The Commonwealth government needs to purchase LLN skills outcomes that align with the standards set out in Training Packages and the Australian Qualifications Framework (AQF).

Vocationally specific LLN access courses outside the AQF structure also need to align as far as possible with the standards developed and endorsed by industry. Such courses could potentially have direct pathways into further VET studies upon successful completion. National consistency in these preparatory courses is also highly desirable.

With the increasing uses of technology in the workplace and the need to develop cross sectoral skills in many occupations, the need for a stronger concentration in the field of numeracy is becoming increasingly apparent. Many of the most dire skills shortage areas are in technical trades occupations, which require strong functional numeracy.

In the economy, some of the key driving factors for the increased use of numeracy are:

- Widespread use of networked computers into which there is a constant flow of data, e.g., from “sensors” such as scanners at check out counters. This information is collected and analyzed using databases, spreadsheets, and “business intelligence” and other reporting tools. All of this requires ever higher degrees of numeracy on the part of everyone concerned.
- Concern for quality in both manufacturing and services. This involves the use of data for control and analysis (e.g., Statistical Process Control, and also analysis of feedback from customers, through a variety of channels).
- Availability of more information through the Internet, e.g., in areas such as comparative pricing (where buyers must analyze the competing prices and merits of different products and services).
- Increasing knowledge content in all areas most notably in the trades and professions, but also in many other fields: much of this knowledge has a mathematical or numerical dimension or aspect.
- Increased teamwork: In teams, people need to develop and exercise a wider range of skills, e.g., planning, budgeting, scheduling, and process control⁵.

The current LLNP courses are available as follows:

- Initial: Language only
- Basic: Language, and Literacy and Numeracy
- Advanced: Language, and Literacy and Numeracy

Given the growing importance of numeracy skills, it may be advantageous to introduce a fourth category that focuses on numeracy for specific industries, such as automotive, printing, electrotechnology etc.

How Should the Services be Purchased and Measured?

The CBI report on employers’ needs in relation to LLN clearly sets out standards individuals should achieve. While there is a need for a study to validate these standards in an Australia context, they could be used by providers as a benchmark for measuring the progress of individuals. The results could form part of a suite of personal attributes for employment service providers to market the skills of clients to employers.

The numbers of clients achieving competency on employer identified and endorsed standards should be included as part of the performance measures for providers.

⁵ Department of Human Resources and Social Development Canada, Improving Numeracy in Canada, 2000.

Key Conclusions from the Report “Working on the Three Rs”

1. The ability to read and understand basic information texts is an obvious and fundamental component of functional literacy. In functional terms, what matters is for people to be able to identify a relevant item of text, to read it reasonably rapidly and easily, to take in the essential information and, if appropriate, to act on it. The ability to cope with more complex text is important if individuals are to be able to progress to higher level jobs.
2. Reading and writing must be considered separately. They tend to be rolled up together and treated as one, but writing tends to pose much more of a problem. The ability to put together a piece of writing that conveys meaning clearly and accurately is an essential functional skill. The inability to put together a short coherent piece of writing has serious implications for those seeking work or thinking of changing jobs.
3. Spelling and grammar are important and are widely seen as weak. Correct spelling of everyday words and proper use of basic grammar are important for clarity of expression and fostering a reader’s confidence. There is particular dislike of ‘text speak’. A functionally literate employee should be expected to be able to observe the basic rules of grammar, be able to spell everyday words correctly, use capital letters and basic punctuation properly, and use a writing style appropriate to the situation.
4. Legibility of handwriting matters. The case studies repeatedly threw up the importance of legible handwriting. There is a wide range of forms to be completed by hand in most organisations. In certain circumstances, some of these are documents that may potentially be called in evidence in legal proceedings. A functionally literate employee should have handwriting that is sufficiently well formed that others will be able to read the text with confidence.
5. Because reading and writing are different skills, both need to be tested. A multiple-choice, online comprehension exercise is not an adequate means of assessment of writing as well as reading.
6. Understanding and responding appropriately to oral communications are essential skills. Employees also need to be sufficiently articulate to be able to raise queries if the instructions are not clear to them, or to raise practical matters of concern that flow from the instruction.
7. Multiplication tables and mental arithmetic without using a calculator constitute an essential aid in all sorts of work activities.
8. The ability to interpret and respond to quantitative data is a key part of modern working life. Data of this type is presented not only to keep employees in the picture, but employees are also expected to interpret it sufficiently to contribute to problem solving and quality improvement.
9. Calculating and understanding percentages is a functional maths skill. Percentages are widely used in internal communications and in many jobs it is essential to be able to calculate them readily. A functionally numerate person should therefore both be able to calculate a percentage and interpret the significance of percentages communicated to them.
10. As well as percentages, a mathematically literate person will be able to work comfortably with fractions, decimals and ratios. For many organisations, the ability to use a formula is also highly desirable.
11. It is important for employees to have awareness of different measures and the ability to convert between them. Despite all the moves towards metrication, imperial and metric measures both remain in daily use. Employees need to be able to cope with that reality.
12. Spotting errors and rogue figures is an important element of functional maths. A functionally numerate employee will almost instinctively carry out a reality check and pause to check what may potentially be a rogue result.
13. Some basic understanding of odds and probabilities to enable people to make a more realistic assessment, rather than treating every risk as equally likely to happen, could form a useful element of functional mathematics.
14. Functional skills are skills that have a practical purpose. It is important to boost awareness of their potential application, particularly key elements of mathematical literacy, in real and different contexts.
15. Employers need to know not only whether young people have passed or failed their functional skills modules but also the margin by which they have done so. The right approach is that the simple pass or fail should be accompanied by release of the percentage marks for each element of the modules.
16. To ensure employer buy-in, it is essential that the Qualifications and Curriculum Authority standards are clear to employers both in terms of the skills they will deliver and the level of mastery they reflect, using ‘can do’ illustrations of skills.
17. IT skills are of growing importance in most jobs, but the ability to acquire those depends on a solid foundation of literacy and maths skills.
18. During the course of the research, employers voiced concerns about a number of other aspects of what they viewed as basic skills. These included the decline in practical or ‘hand’ skills of young people, the increasing need for social skills and some concerns about general attitude.

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