



Australian Government
Department of Industry

Skills

National Foundation Skills Strategy for Adults

The following publication was endorsed by the former Standing Council for Tertiary Education Skills and Employment (SCOTESE). On 13 December 2013, COAG agreed that its council system should be streamlined and refocused. As a result the COAG Industry and Skills Council has been established to replace the former SCOTESE.

This publication remains current and applicable to the VET sector.

SCOTese STANDING COUNCIL on TERTIARY EDUCATION SKILLS & EMPLOYMENT

NATIONAL FOUNDATION SKILLS STRATEGY FOR ADULTS



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The document must be attributed as the National Foundation Skills Strategy for Adults.

MINISTERIAL FOREWORD

More than 7.5 million Australian adults do not have the literacy and numeracy skills needed to participate fully in today's workforce.

We know that the jobs of the future will increasingly be high skilled and will require higher levels of training and education.

We know that it is imperative that more Australians are able to access quality training to improve their language, literacy, numeracy and employability skills.

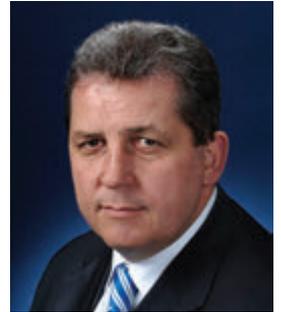
The Gillard Government is driving vital reform with state and territory governments to ensure that all working-age Australians have the necessary foundation skills to succeed at work and share in the prosperity of the nation.

The National Foundation Skills Strategy for Adults has been endorsed by all governments and identifies common goals and priorities for the next decade.

We have set a target that, by 2022, at least two thirds of working age Australians will have the literacy and numeracy skills needed to take full advantage of opportunities afforded by the new economy.

One of the top priorities will be to enhance the quality of foundation skills training on offer and to build the workforce that delivers this training. To help boost the number of people who undertake training, governments will work together to improve access to foundation skills training at work and through the national training system.

The strategy will guide national, collaborative and jurisdictional efforts to equip the Australian workforce with essential skills for the future Australian economy and will complement work already underway in the early childhood, school age, vocational and higher education sectors.



A handwritten signature in black ink, appearing to read 'Chris Evans', written in a cursive style.

Senator the Hon Christopher Evans
Minister for Tertiary Education, Skills, Science and Research

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EXECUTIVE SUMMARY

WHAT ARE FOUNDATION SKILLS?

For the purpose of this Strategy, foundation skills¹ are defined as the combination of:

- English language, literacy and numeracy (LLN) – listening, speaking, reading, writing, digital literacy and use of mathematical ideas; and
- employability skills, such as collaboration, problem solving, self-management, learning and information and communication technology (ICT) skills required for participation in modern workplaces and contemporary life.

Foundation skills development includes both skills acquisition and the critical application of these skills in multiple environments for multiple purposes. Foundation skills are fundamental to participation in the workplace, the community and in adult education and training.

The importance of strong foundation skills in a modern, knowledge-based society is well established. These skills underpin workforce participation, productivity and social inclusion. People with higher LLN skills are more likely to be employed, participate in their community, experience better health and engage in further training.² Research also shows employability skills are critically important to people gaining employment and remaining employed. The link between numeracy, literacy and problem solving skills and the central use of technology in contemporary communication means that foundation skills are increasingly important for effective participation in modern workplaces and contemporary life.

A move away from low-skilled work to greater knowledge-based work has increased the need for workers with good LLN skills.³ As modern workplaces become increasingly complex and supporting technologies evolve, there are rising expectations around acceptable levels of foundation skills. The need for individuals to continually build and adapt their foundation skills for new contexts, technologies and purposes means that these skills extend beyond the entry-level skills required to obtain employment and enter the workforce. Foundation skills exist across a continuum of levels and affect an individual's ability to progress through a career, change career paths, participate in education and training and engage with their community.

Given this, it is important that all Australian adults be encouraged to lift their foundation skills. However, findings from the 2006 Adult Literacy and Life Skills (ALLS) survey revealed that 44 per cent of Australia's working age population (around 6 million people) have literacy levels below Level 3; that is, the level needed to meet the complex demands of work and life in modern economies.⁴ This equates to 40 per cent of employed Australians, 60 per cent of unemployed Australians and 70 per cent of those outside the labour force. At a national level, the ALLS survey results have serious implications for Australia's future productivity and lend weight to concerns about our ability to meet projected skills demands in coming years. The ALLS survey findings also represent the many individuals who have had their work and life opportunities narrowed due to their inability to fully participate in Australian society. Despite ongoing investment in foundation skills by Australian governments – the Australian Government together with all state and territory governments – in the decade leading up to the 2006 ALLS survey, the survey results remained largely unchanged from the results of 1996. This suggests that a more coordinated approach by Australian governments is needed.

Consequently, Australian governments have worked in partnership to develop the National Foundation Skills Strategy for Adults (the National Strategy), a 10 year strategy built around a shared vision for a productive and inclusive Australia in which adults develop and maintain the foundation skills they need to participate confidently in the modern economy and meet the complex demands of modern life.

The National Strategy will focus on improving outcomes for working age Australians (aged 15–64 years) with a view to moving more people to higher levels, but with a particular focus on those with low levels of foundation skill proficiency. Australian governments have set an aspirational target for the National Strategy that by 2022, two thirds of working age Australians will have literacy and numeracy skills at Level 3 or above. The benchmark for this target will be established using the results of the Program for International Assessment of Adult Competencies (PIAAC) Survey which is due to be released in 2013.

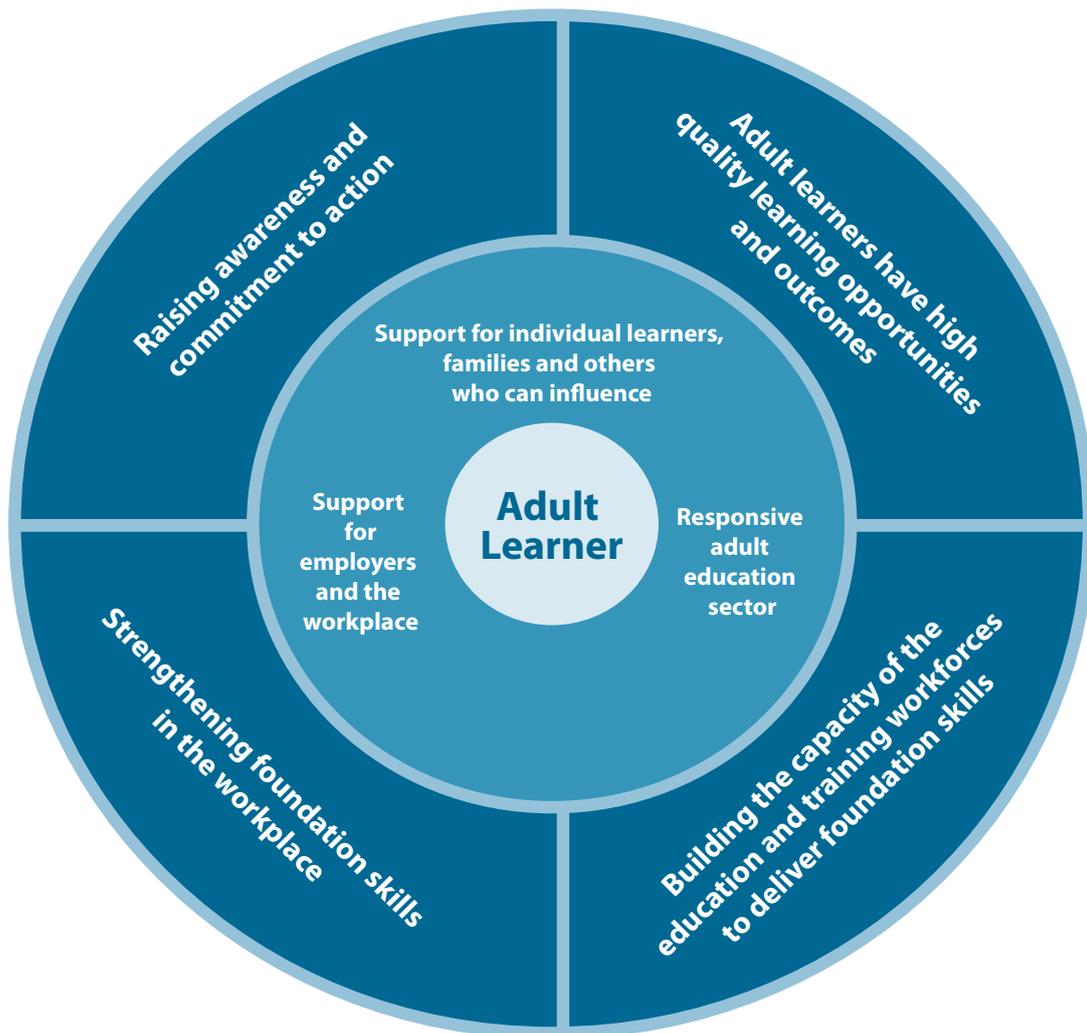
1 Please note that in Victoria this term is used for a different purpose.

2 Skills Australia (2010) *Australian Workforce Futures*.

3 Industry Skills Councils (2011) *No More Excuses*.

4 Australian Bureau of Statistics (2006) *Adult Literacy and Life Skills Survey: Summary Results*.

DIAGRAM 1: COMPONENTS OF THE NATIONAL FOUNDATION SKILLS STRATEGY FOR ADULTS



The National Strategy is centred on the needs of the adult learner as depicted in Diagram 1. The components of the National Strategy are designed to work together to enable adult learners to access and benefit from foundation skills development opportunities. Four key priority areas for action focus on the conditions necessary for adult learners to successfully engage with foundation skills provision, namely:

- *Raising awareness and commitment to action* – building understanding of foundation skills in the workplace and the community, and removing the stigma associated with low adult foundation skills, will empower individuals to seek out development opportunities to build their skills.
- *Adult learners have high quality learning opportunities and outcomes* – providing a variety of foundation skills development opportunities that can be tailored to individual needs will make it easier for learners to build skills that are relevant to their situation.
- *Strengthening foundation skills in the workplace* – establishing strong and lasting partnerships between governments, industry, employers and unions and providing foundation skills training that is responsive to the needs of employers and industry will strengthen the foundation skills of the current workforce.

- *Building the capacity of the education and training workforces to deliver foundation skills* – building the skills of specialist LLN practitioners, developing the workforce to enable the effective teaching of employability skills and supporting vocational trainers to better integrate foundation skills with vocational training will enable high quality delivery of foundation skills.

The National Strategy was developed following extensive consultation with stakeholders and recognises that all sections of the community play an important role in ensuring that adults have the foundation skills they need to participate confidently in life and at work. This collaborative approach will remain a feature of the National Strategy and Australian governments will actively engage with stakeholders to deliver on agreed priority areas for action.

Australian governments will undertake a biennial review of progress against the National Strategy's policy objectives to ensure they remain responsive to changing demands and priorities at national and jurisdictional levels.



CHAPTER 1: THE CASE FOR A NATIONAL FOUNDATION SKILLS STRATEGY FOR ADULTS

1.1 CURRENT SITUATION

The increasing complexity of modern workplaces and contemporary life means that for many, making the most of this opportunity means taking steps to strengthen their foundation skills. Australia's current economic strength provides a unique opportunity for more people to engage in the workforce and ensure that the benefits of work and economic prosperity are shared by all.⁵

Australian governments recognise foundation skills as important for maximising employment opportunities, learning new skills, adapting to changing circumstances and requirements, and progressing or changing careers. Australian governments also recognise the benefits that improved foundation skills can deliver to individuals and the community through enriched personal lives and greater community participation.

⁵ Commonwealth of Australia (2011) *Building Australia's Future Workforce: Trained Up and Ready for Work*.

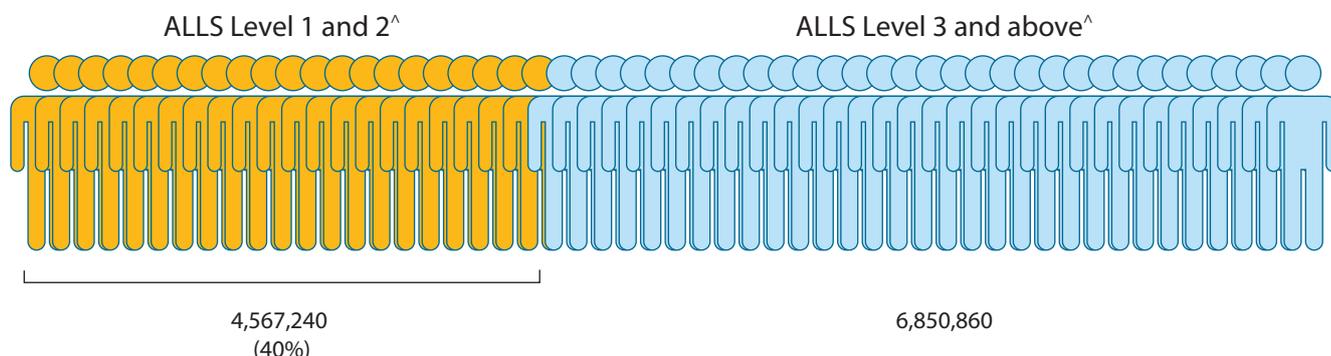
Survey data on adult literacy and numeracy competency in Australia indicates that many adult Australians have scope to improve their foundation skills. The 2006 ALLS survey⁶ found that 40 per cent of employed Australians, 60 per cent of unemployed Australians and 70 per cent of those not in the labour force have a level of literacy and/or numeracy below the level needed to meet the complex demands of work and life in modern economies.⁷

⁶ Australian Bureau of Statistics (2006) *Adult Literacy and Life Skills Survey: Summary Results*.

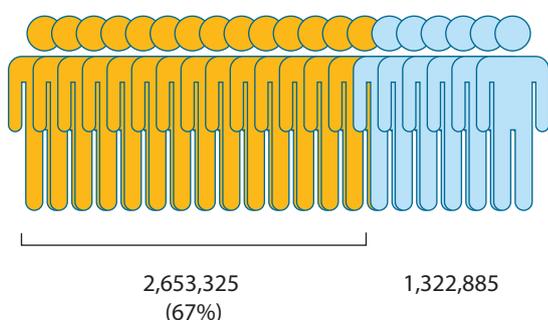
⁷ Skill Level 3 on the ALLS scale is considered by the Council of Australian Governments (COAG) to be the minimum level required by individuals to meet the complex demands of work and life in modern economies (COAG Reform Council (2010) *National Agreement for Skills and Workforce Development: Performance report for 2009*, pg. 16). Additionally, there is substantial anecdotal evidence, particularly from industry, that indicates that increased levels of employability skills are required to enable businesses to remain competitive.

DIAGRAM 2: THE PROPORTION OF WORKING AGE AUSTRALIANS, BY LABOUR FORCE STATUS, WHO HAVE 'DOCUMENT' LITERACY BELOW SKILL LEVEL 3 ON THE ALLS SCALE.

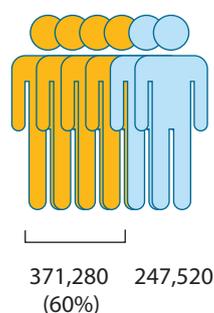
Employed (11,418,100)[‡]



Not in the Labour Force (3,976,210)[¥]



Unemployed (618,800)[‡]





Legend
= 100,000 people

[‡] Trend series data from ABS 2010, 6202.0 Labour Force Australia, December 2010 (pg. 1).
[¥] Data taken from ABS 2009, 6220.0 Persons not in the Labour Force, Summary Results, September 2009 (pg. 10).
[^] The ALLS levels here are extrapolated from ABS 2006, 4228.0 Adult Literacy and Life Skills Survey, Summary Results (pg. 38), which shows that approximately 40% of the employed, approximately 60% of the unemployed and approximately 67% of people not in the labour force had document literacy scores below Level 3.

As Industry Skills Councils noted in their 2011 report *No More Excuses*, the complexity of LLN demands in modern society need to be taken into account when interpreting the ALLS survey findings. Referring to the proportion of Australian adults with reading skills below Level 3, the report noted:

This does not mean that this number of adults cannot read at all. It means that the reading tasks required in work or personal environments are sometimes beyond the skill level of 46% of Australian adults. People experience difficulties, or make mistakes, reading and following instructions, communicating reliably via email or interpreting graphs and charts.⁸

The ALLS survey also gathered information on the problem solving skills, a key employability skill, of working age Australians. The survey results indicate that 68 per cent of working age Australians have problem solving skills below Level 3.

The ALLS survey data reveals that gaps in foundation skills exist throughout the adult population including for those who are employed, unemployed and not in the labour force. As shown in Diagram 2 above, the majority of Australian adults with literacy at Levels 1 and 2 are already employed. The same is true for both the numeracy and problem solving domains. For these individuals, stronger foundation skills would enhance their ability to keep up with technological changes in the workplace, retrain in other areas or change careers.

8 Industry Skills Councils (2011) *No More Excuses* (pg. 2).

Strengthening the skills of those who are currently employed also has the potential to free up jobs at entry-level for those Australians who are unemployed and would like to work, or who would like to work more hours. At the same time, many unemployed individuals would increase their ability to participate in work or pursue further education and training if they developed stronger foundation skills.

Some 22 per cent of those not currently engaged in the labour force have indicated that they would like to pursue work. For many of these people, stronger foundation skills could build confidence to engage in further education, training, work or other activities in the community. However, Australian governments recognise that building foundation skills cannot be viewed as a stand-alone solution and need to be considered alongside initiatives in the areas of health, housing and community services. For many people, the motivation to improve their foundation skills will come from personal, family or community imperatives, rather than an employment goal.

Continually building and extending foundation skills is a feature of lifelong learning, particularly in the modern context. Australian governments recognise that all Australian adults can benefit from increasing their foundation skills capability regardless of their current level of skill. Throughout life, individuals need to continually acquire new foundation skills and apply them in new contexts. The constantly changing digital literacy requirements of an increasingly technology rich environment highlight the importance of continual skill development.

However, the ALLS survey does suggest that a number of learner cohorts may particularly benefit from building their foundation skills. These include:

- young people with limited or interrupted schooling;
- mature workers with low levels of educational attainment or limited participation in further education and training; and
- people whose first language is not English, particularly those with limited or interrupted schooling in their first language.

Although not captured in the ALLS survey, data on the performance of Indigenous Australians in both the education and training sectors highlights that foundation skills development is a priority for this learner cohort.

1.2 THE BENEFITS TO INDIVIDUALS

All individuals have the potential to benefit from foundation skills development due to the changing nature of modern workplaces and society and technologies that support both. People need to use and develop foundation skills throughout their lives for a range of purposes. Foundation skills are essential for participation in work, learning and community spheres. Improved foundation skills provide individuals with economic benefits and contribute to broader quality of life outcomes.

The ALLS survey found statistical links between improved foundation skills and employment outcomes. Most significantly, improving literacy and numeracy skills from Level 1 to Level 3 on the ALLS scale increases the likelihood of labour force

participation by about 15 percentage points for women and about five percentage points for men, and increases hourly wage rates by about 25 per cent for women and 30 per cent for men.⁹ The advantages of strong foundation skills development for employment outcomes continue through to the higher levels of skills development, with the ALLS survey showing that 76.5 per cent of people in the highest quintile for gross weekly income have document literacy skills at Level 3 or above.¹⁰ International studies have shown that employment returns to Indigenous people from LLN training are even higher than those for non-Indigenous people.¹¹

Additionally, the ALLS survey established links between foundation skills and the capacity of the individual to understand and use information relating to health issues such as drugs and alcohol, disease prevention and treatment, safety and accident prevention, first aid, emergencies and staying healthy. People with strong foundation skills are more likely to maintain and enhance their own health and wellbeing and that of their family.¹² Studies have also shown that within a family environment children's literacy improves as a result of increased adult participation in foundation skills building.¹³ The importance of digital literacy has been identified for ensuring that individuals are able to enjoy the benefits of the digital economy. It promotes opportunities for social inclusion, creative expression, innovation, collaboration and employment.¹⁴

However, studies show that many people are unaware of the extent to which they could benefit from foundation skills development and participation in learning more broadly.¹⁵ Australian governments need to raise individual and community understanding of the role of foundation skills in maximising employment and career opportunities, supporting community participation and engagement in lifelong learning.

1.3 THE BENEFITS TO EMPLOYERS

Industry groups consistently express concern about the need for foundation skills development in Australia's workforce. Australian Industry Group research found that 75 per cent of respondents to a national employer survey reported that their business was affected by low levels of literacy and numeracy.¹⁶ A wide range of impacts on the business bottom line were cited, including poor completion of workplace documents, time

9 Productivity Commission (2010) *Staff Working Paper: Links Between Literacy and Numeracy Skills and Labour Market Outcomes*.

10 The highest quintile for gross weekly income for the 2006 ALLS population is earnings of \$1151 or more per week.

11 Skills Australia (2010) *Australian Workforce Futures: A National Workforce Development Strategy*.

12 The Scottish Government (2011) *Adult Literacies in Scotland 2020: Strategic guidance*; Productivity Commission (2008) *Staff Working Paper: Links Between Literacy and Numeracy Skills and Labour Market Outcomes*.

13 Lowe, K. et al (2009) *Review of the Literature: Family Literacy Program*, The National Capital Centre for Literacy Research, University of Canberra.

14 Commonwealth of Australia (2009) *Australia's Digital Economy: Future Directions*.

15 Industry Skills Councils (2011) *No More Excuses*.

16 Australian Industry Group (2010) *Employer views on workplace literacy and numeracy skills, their impact on business and the most effective measures for improving skills*.

wasting through repeated work and material wastage through incorrect calculations or misinterpreted instructions.

Employers who have provided their workforce with LLN development opportunities have reported the following benefits to their business:

- enhanced efficiency and workplace productivity;
- improved flexibility in adapting to technological change;
- enabled staff retention and progression;
- increased compliance with occupational health and safety standards; and
- improved staff confidence and teamwork.¹⁷

Employers can maximise returns to their business by providing a workplace environment where foundation skills development is valued and normalised. International research points to the benefits to business of doing so – a one per cent increase in literacy can lead to a 2.5 per cent increase in labour productivity, and there is evidence that stronger LLN skills in the workplace can lead to reduced downtime and reduced maintenance costs.¹⁸

Research shows that the possession of employability skills is critical in the employment decisions of employers to achieve the workforce they require and to support modern work practices that emphasise teamwork, communication and problem solving.

However, many employers do not see the connection between developing the foundation skills of employees and enhancing productivity in their enterprise.¹⁹ On this basis, Australian governments need to raise employer awareness of the benefits of foundation skills development. Employers should be encouraged to consider integrating foundation skills development with regular training and development activities.

1.4 THE BENEFITS TO THE ECONOMY

For the Australian economy, the trend away from low-skilled to knowledge-based work has increased the need for workers with stronger LLN skills.²⁰ As the now Prime Minister noted in 2008:

*We are living in a time of skill shortages arising from demographic and technological change and the proportion of jobs requiring vocational education and training qualifications is expected to significantly increase in the future, yet the capacity of many individuals to re-skill and up-skill is constrained by poor language, literacy and numeracy.*²¹

For the Council of Australian Governments (COAG), lifting adult foundation skills will be critical to achieving its broader skills and workforce development objectives, including in relation to assisting individuals to engage in, and complete, further training, which provides an important pathway to better employment opportunities. COAG has agreed that progress will be measured by two long-term targets:

- Halve the proportion of Australians aged 20 to 64 years without qualifications at Certificate III level and above between 2009 and 2020.
- Double the number of higher qualification completions (diploma and advanced diploma) between 2009 and 2020.²²

To achieve these goals, it is critical that more working age Australians build the foundation skills that will be essential for the successful completion of qualifications at these levels.

Foundation skills development will also be invaluable in contributing towards the achievement of COAG's Closing the Gap targets, with benefits for all six targets, but in particular contributing towards halving the gap in employment outcomes between Indigenous and non-Indigenous Australians by 2018.

Indirect economic benefits from increasing the foundation skills of the adult population have also been identified in Australian and international research. Links have been demonstrated between low literacy levels and poor access to health services, poor health, higher risk of hospitalisation, higher rates of depression and an inability to understand and comply with the use of prescription drugs.²³ Increasing foundation skills has a positive impact on the development of both human and social capital and has the potential to realise significant cost savings at a national level.

1.5 INTERNATIONAL COMPARISONS

A comparison of findings from the International Adult Literacy Survey (IALS) in 1996 and the ALLS survey in 2006 shows that, over that decade, the percentage of adult Australians with Levels 1 or 2 document literacy skills decreased from 44.8 per cent to 43.5 per cent. The results of the 2006 survey show that Australia is currently ranked in the middle of the seven comparable countries.²⁴

Over the same 10 year period, New Zealand achieved a reduction in Levels 1 and 2 from 51 per cent to 43 per cent.²⁵ While the reasons behind New Zealand's success in this sphere are sometimes debated, it is clear that their improved results coincided with a major shift in the New Zealand Government's

17 www.deewr.gov.au/Skills/Programs/LitandNum/WorkplaceEnglishLanguageandLiteracy/training/Pages/case_studies.aspx

18 Skills Australia (2010) *Australian Workforce Futures: A National Workforce Development Strategy*.

19 Skills Australia (2010) *Australian Workforce Futures: A National Workforce Development Strategy*; Industry Skills Councils (2011) *No More Excuses*.

20 Industry Skills Councils (2011) *No More Excuses*.

21 Commonwealth of Australia (2008) *Foreword to the Australian Core Skills Framework*.

22 Council of Australian Governments (2008) *National Agreement on Skills and Workforce Development*.

23 Hartley, R. & Horne, J. (2006) *Social and economic benefits of improved adult literacy: Towards a better understanding*, National Centre for Vocational Education Research, Adelaide.

24 Australian Bureau of Statistics (2006) *Adult Literacy and Life Skills Survey: Summary Results*.

25 Ministry of Education (1996) *Adult Literacy in New Zealand: Results from the International Adult Literacy Survey*; Tertiary Education Commission (2008) *New Zealand Skills Strategy – Literacy, Language and Numeracy Action Plan 2008-2012*.

view of the importance of foundation skills, culminating in *More than Words: The New Zealand Adult Literacy Strategy* in 2001 and the subsequent investment in and implementation of associated programs and initiatives.²⁶

The movement in New Zealand's adult literacy and numeracy levels between 1996 and 2006 demonstrates the potential for significant gains where government is able to bring a coordinated and long-term focus to supporting adult foundation skills development.

1.6 WHY A NATIONAL FOUNDATION SKILLS STRATEGY FOR ADULTS?

For individuals, industry and the economy, there are substantial benefits to be gained from improving the foundation skills of the adult population. These skills are fundamental to improved workforce participation, productivity and social inclusion.²⁷

Australian governments currently commit significant resources to the delivery of programs offering education and training opportunities that are accessed by individuals seeking to develop their foundation skills. However, while Australian governments have developed collaborative approaches to supporting literacy and numeracy in the early childhood, school and Indigenous sectors, Australia has not had a specific national framework or strategy in place to promote adult foundation skills development since the early 1990s.

The National Strategy provides Australian governments with a framework for collaborative action to encourage broader engagement in foundation skills programs, make positive systemic changes to the education and training sectors in relation to foundation skills and improve learning outcomes for individuals over the next decade.

²⁶ Ministry of Education (2001) *More Than Words: The New Zealand Adult Literacy Strategy*.

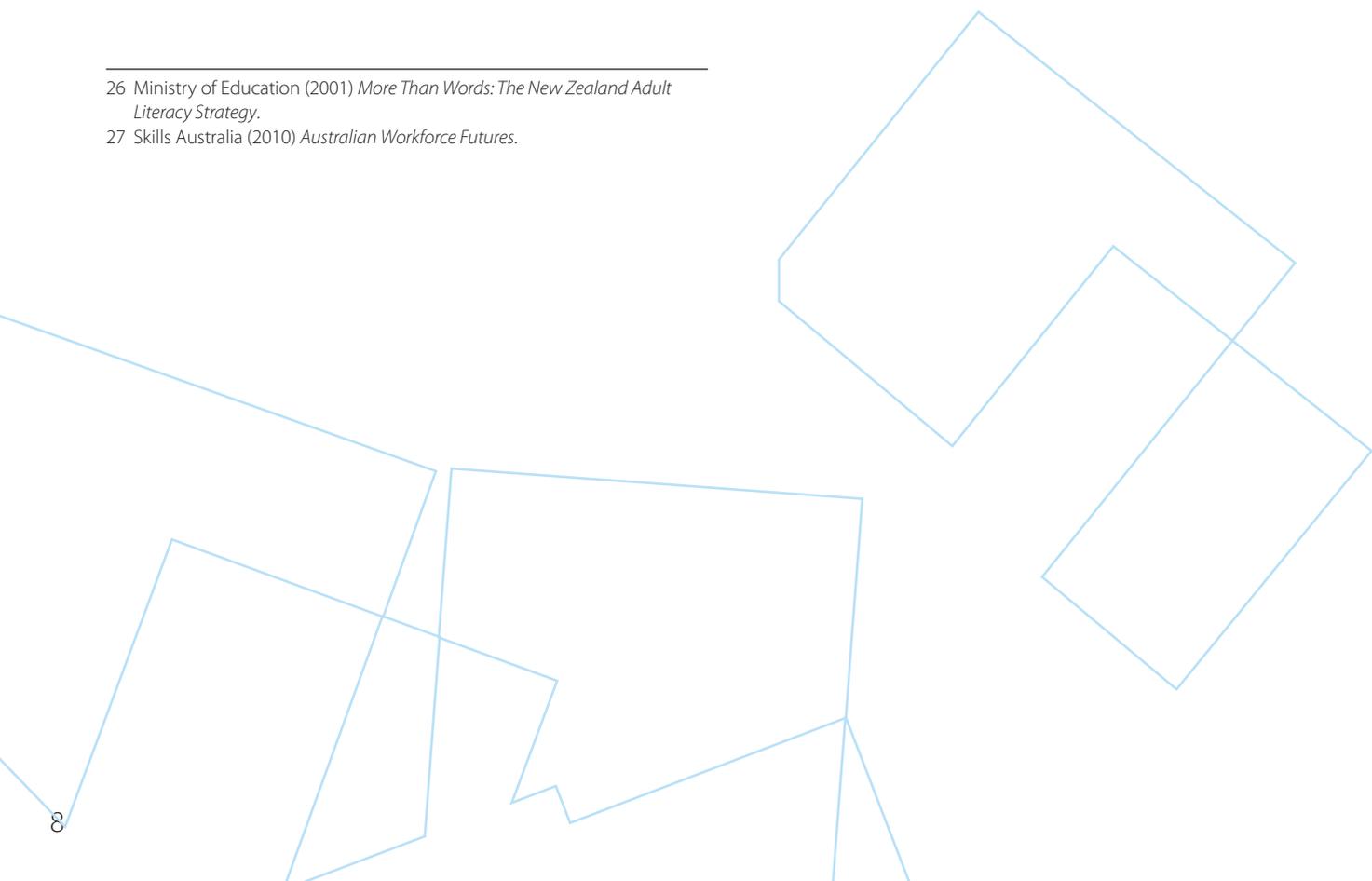
²⁷ Skills Australia (2010) *Australian Workforce Futures*.

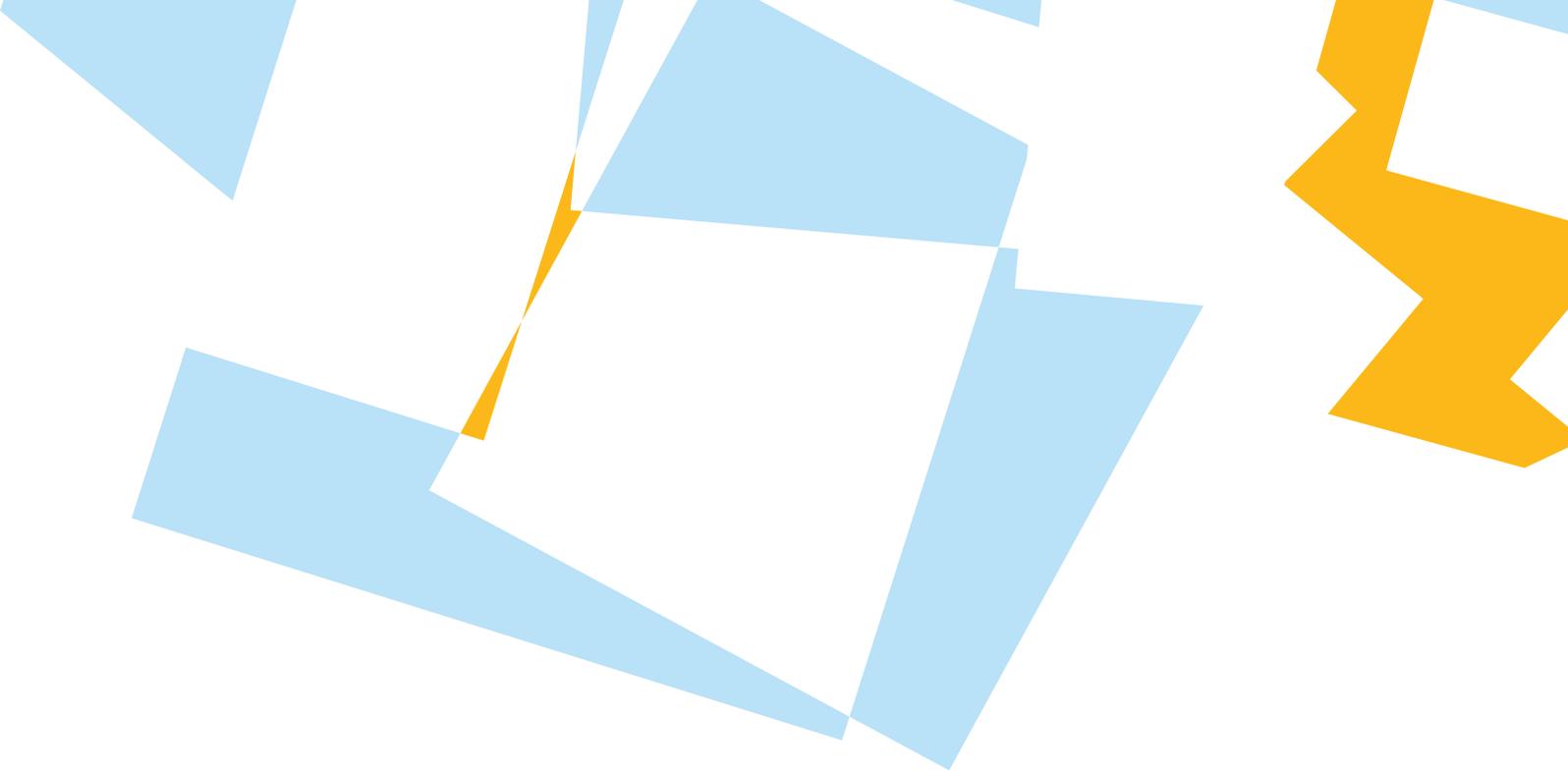
1.7 DEVELOPMENT OF THE NATIONAL STRATEGY

In 2010, Australian governments agreed to work collaboratively to develop the National Strategy. As collaboration across all levels of government was essential to the development and success of the National Strategy, the Foundation Skills Working Group was established under the auspices of the Access and Participation Principal Committee of the then Ministerial Council on Tertiary Education and Employment (MCTEE).

From March to May 2011, the Foundation Skills Working Group held consultations with key stakeholders to inform the development of the National Strategy. A range of stakeholders were invited to participate in focus groups including peak industry bodies, employers, training practitioners, research organisations, service providers and others with an interest in improving the foundation skills of adults. The views of a cross-section of potential learners were also taken into account through consultations with Indigenous people, people from culturally and linguistically diverse backgrounds and people with low level foundation skills who were engaged in foundation skills training. In addition to the focus groups, interested stakeholders were also able to provide input into the development of the National Strategy by making a written or oral submission. A summary of the outcomes of the national consultation process is included in Appendix 1.

The National Strategy was agreed by Ministers at the Standing Council on Tertiary Education, Skills and Employment (SCOTESE) in November 2011.





CHAPTER 2: THE NATIONAL FOUNDATION SKILLS STRATEGY FOR ADULTS

Vision: A productive and inclusive Australia in which adults develop and maintain the foundation skills they need to participate confidently in the economy and meet the complex demands of modern life.

In 2010, Australian governments agreed to develop the National Strategy. The National Strategy brings a national focus to building the foundation skills of adults by setting the policy direction and providing a framework for Australian government action over the next decade.

2.1 SCOPE OF THE NATIONAL STRATEGY

Australian governments recognise that all individuals can benefit from improved foundation skills. The National Strategy will focus on improving outcomes for working age Australians (from 15 year olds not participating in the schooling system up to 64 year olds) to enable them to participate in the workforce, advance in their career and participate fully in the community. In the early stages of the National Strategy the emphasis will be on those who currently have foundation skills at the lower levels in recognition of the impact that their improvement can have on workplace and community participation, and quality of life outcomes.

From an economic perspective, evidence suggests that government investment in increasing the literacy skills of adults has a direct and positive impact on labour productivity and gross domestic product per capita and that the greatest impact can be gained by investing in improving the skills at the lower levels.²⁸ Research suggests that raising the literacy and numeracy of those at the lower levels has a larger impact on workplace participation than improving educational attainment.²⁹

While the National Strategy is focused on improving outcomes for working age Australians, Australian governments recognise that this strategy has a strong relationship with work underway in the early childhood sector, the schools sector, other parts of the tertiary sector and also in terms of Closing the Gap. This strategy is one important part of a broader agenda to improve the nation's foundation skills with a view to building a productive and inclusive Australia.

Biennial reviews will provide an opportunity to review the National Strategy in line with changing circumstances and priorities at national and jurisdictional levels.

28 Coulombe, S., Tremblay, J. & Marchland, S. (2004) *Literacy scores, human capital and growth across fourteen OECD countries*, Statistics Canada, Ottawa.

29 Productivity Commission (2010) *Staff Working Paper: Links Between Literacy and Numeracy Skills and Labour Market Outcomes*.

2.2 PRINCIPLES

The National Strategy is underpinned by the three key principles of collaboration and coordination, equitable access to learning and a stronger research base. These principles are outlined below.

PRINCIPLE 1 – COLLABORATION AND COORDINATION

Australian governments will ensure that information, advice and resources to support foundation skills development are coordinated and complementary. Australian governments will collaborate, coordinate programs and share resources, to achieve the best outcomes at the national level by:

- supporting diverse programs and approaches to meet diverse needs and to be genuinely responsive to learner priorities and demands;
- enabling systemic changes to the tertiary education sector that will deliver maximum foundation skills outcomes for learners;
- promoting national consistency in high quality learner outcomes; and
- targeting resources to the areas of greatest need and reducing duplication of effort.

PRINCIPLE 2 – EQUITABLE ACCESS TO, AND INCREASED PARTICIPATION IN, LEARNING

In line with the Equity Blueprint produced by the National VET Equity Advisory Council, all adult learners should have the opportunity to undertake foundation skills development regardless of location, socio-economic status and any other potential barriers to access. This involves removing systemic barriers and designing the system to meet diverse learning needs.

PRINCIPLE 3 – A STRONGER RESEARCH BASE

Australian governments recognise the need to develop a stronger evidence base to inform future policy development around improving outcomes for learners. Accordingly, Australian governments agree to progress the research priorities identified in the National Strategy, and investigate ways in which research is best able to inform the delivery of high quality foundation skills development opportunities in the future.

Further research priorities will be agreed as part of the biennial review of the National Strategy.

2.3 NATIONAL PRIORITY AREAS FOR FOUNDATION SKILLS

Australian governments have identified four key priority areas for action, which form the basis of a nationally consistent and coordinated framework of approaches to lifting the foundation skills of adult Australians. These include:

- raising awareness and commitment to action;
- adult learners having high quality learning opportunities and outcomes;
- strengthening foundation skills in the workplace; and
- building the capacity of the education and training workforces to deliver foundation skills.

To underpin all four national priorities, Australian governments will support adult learners, trusted intermediaries, researchers, practitioners and employers by improving access to language, literacy and numeracy advice, information, resources and training.

2.4 IMPLEMENTING THE NATIONAL STRATEGY

The National Strategy provides a policy direction and framework for the development of adult foundation skills nationally over the next decade. The priorities set by the National Strategy will inform the future actions of Australian governments, both individually and collaboratively, to encourage broader engagement in foundation skills programs, make positive systemic changes to the education and training sectors in relation to foundations skills, and improve outcomes for individual learners.

From 2012, the implementation of policies, actions and priorities prescribed by the National Strategy will be addressed and developed both individually by jurisdictions and through broader national processes aimed at supporting Australia's vocational education and training system, including the National Agreement on Skills and Workforce Development and its associated National Partnerships and implementation plans.

As a priority for Australian governments, adult foundation skills development and the national collaborative actions identified in the National Strategy will also be addressed in the annual work plan of the Standing Council on Tertiary Education, Skills and Employment (SCOTESE).

2.5 FUNDING

Australian governments currently commit significant resources to adult foundation skills development. In 2010-11, Australian governments spent approximately \$725 million on the delivery of programs offering education and training opportunities that are accessed by individuals seeking to develop their foundation skills. Additional resources are committed by Australian governments in the form of integrated teaching approaches that develop foundation skills in the context of other training and learning opportunities, and Australian governments will continue to provide significant resources towards these initiatives over the next decade.

2.6 MEASURING SUCCESS

Assessing foundation skills levels on a population wide basis is a difficult undertaking. While it is anticipated that the National Strategy will have an important effect on people's confidence, participation in the labour force, health outcomes and on their children's literacy, these outcomes are difficult to measure. What can be measured is the literacy and numeracy levels of Australian adults at a point in time.

Australian governments have agreed the following overall performance measure for the National Strategy:

By 2022, two thirds of working age Australians will have literacy and numeracy skills at Level 3 or above.³⁰

³⁰ Level 3 on the ALLS scale. See page 4 (footnote 7) for more information.

Internationally, as within Australia, the most reliable and comparable measure to date has been provided by the OECD literacy and numeracy surveys. Accordingly, it has been determined that the most effective way to measure the success of the National Strategy will be through Australia's participation in the OECD Program for International Assessment of Adult Competencies (PIAAC).

The PIAAC survey will form the baseline for the target and was conducted in Australia in 2011-12, with the results due to be published in 2013. This will be measured against the results of the following PIAAC survey, which is due to be conducted in 2022 and published in 2023. Comparison of the literacy, numeracy and problem solving skills of the Australian working age population at the beginning and end of the National Strategy will provide the best possible indication of the overall effectiveness of the National Strategy on improving foundation skills levels.

In addition, Australian governments will explore options for measuring progress against the National Strategy, including the feasibility of a new Australian Adult Competencies Survey to be conducted at the mid-point of the National Strategy in 2017. Such a survey could be developed specifically for the purpose of measuring progress against the target and to be comparable with the PIAAC surveys.

To ensure the National Strategy is responsive to changing demands and priorities at national and jurisdictional levels, Australian governments will also undertake a biennial review of progress against the National Strategy's policy objectives. This review will provide an opportunity to update the National Strategy as required. It will also provide an opportunity to review performance against a series of secondary performance measures, including key indicators of success identified for each national priority area.

The reviews will be undertaken under the auspices of SCOTese.

2.7 WHO IS IMPORTANT TO THE SUCCESS OF THE STRATEGY?

Australian governments recognise that all sections of the community play an important role in ensuring that individuals have the foundation skills needed to participate confidently in life and at work. Individuals, families, governments, communities, early childhood education and care services and schools all play a part, as do industry and employers, who ultimately stand to benefit from a stronger and more skilled workforce.

Individuals: Adult Australians must have both the opportunity and desire to strengthen their foundation skills. Under the National Strategy, Australian governments will work to communicate the value and importance of foundation skills throughout the community and ensure that flexible and accessible learning opportunities are available for the broadest range of people so as to encourage, inspire and empower individuals to develop the courage and confidence to improve their foundation skills.

Families: Families influence educational decision making for both adults and children. Families are also important as research shows that foundation skills acquisition is influenced by intergenerational and socio-economic factors. In particular, maternal literacy has been shown to have a significant bearing on the likelihood of children to develop adequate literacy skills for participation in school and later in the workforce.³¹

Trusted intermediaries and active agents: Trusted intermediaries and active agents are people (such as career counsellors, health practitioners and others) and service organisations (such as housing providers, employment services organisations, community organisations and others) who can influence the opinion of prospective learners and who may be well positioned to either identify the need for foundation skills development in others and/or point them in the right direction to get support when they need it, or in certain circumstances, provide support and learning environments.

LLN practitioners: LLN practitioners include teachers and trainers who specialise in the delivery of literacy, numeracy or English as a Second Language programs to adults, using either stand-alone or vocationally-integrated delivery. LLN practitioners and their professional associations are critical to the success of the National Strategy. Their expertise and professionalism place them in the best position to provide tailored and high quality assistance to adult learners of all backgrounds and needs. They are also uniquely positioned to provide leadership and advice to other practitioners and to contribute expertise to government funded programs and initiatives, and government supported research.

31 Sastry, N. & Pebley, A.R. (2010) *Family and Neighborhood Sources of Socioeconomic Inequality in Children's Achievement*, Demography, Volume 47-Number 3, August 2010: 777-800.

Other educators and trainers: Population wide improvements in foundation skills cannot be delivered by LLN practitioners alone. Accordingly, it is a priority to build on the knowledge and skills of all educators and trainers, thereby enabling them to better recognise and respond to the foundation skills development needs of adult learners.

Adult education and training providers: Providers of vocational education and training have a key role to play in raising the profile of, delivering and integrating foundation skills learning and development within vocational education and training (VET).

Providers of adult education in community settings are critical to providing diverse foundation skills programs for adults, including through pre-vocational and bridging programs. The adult and community education (ACE) sector provides flexible pathways to help learners build their skills and confidence and progress to further learning or employment.

Industry Skills Councils: Industry Skills Councils (ISCs) bring together industry, educators and governments and unite them on a common industry-led agenda for action on skills and workforce development, including in the area of foundation skills. ISCs are revising Training Packages to more clearly identify the opportunities to develop underpinning foundation skills as part of vocational training. ISCs are mapping Training Packages against the Australian Core Skills Framework (ACSF) to clearly identify the foundation skills required to successfully complete those training packages. ISCs are also developing the Foundation Skills Training Package and the training tools and products that support it.

Industry associations: Industry groups have a key role to play in promoting the benefits of foundation skills development in the workplace to both employers and employees. Governments will work collaboratively with industry associations to identify opportunities and support initiatives to better integrate foundation skills into workforce development and regular workplace training activities.

Employers: Employers stand to benefit from improved foundation skills in the workforce through enhanced efficiency and productivity within their enterprises. Employers are uniquely placed to partner with government to strengthen the foundation skills of the workforce.

Unions: Unions are strong advocates for the development needs of Australian workers. Their ability to connect with the workforce at an individual and national level will be important for raising awareness of the issues and supporting actions to strengthen foundation skills in the Australian workforce.

Regulators: VET regulators at the national and jurisdictional level are responsible for ensuring the operation of a quality national training system. Their participation in, and support for, the development and implementation of systemic actions within the National Strategy will be essential for successful outcomes.

Governments: Australian governments have a responsibility to provide, through a variety of collaborative means, leadership and build capacity through funding, planning, policy development, program delivery, research and monitoring to ensure progress against the National Strategy's targets.

Australian governments also have a responsibility to work across sectors (early childhood, education, health, employment, community, immigration and citizenship) to ensure support is complementary and integrated where appropriate.



CHAPTER 3: NATIONAL PRIORITY AREAS FOR FOUNDATION SKILLS

Australian governments have identified four key priority areas for action, which form the basis of a nationally consistent and coordinated framework of approaches to improving the foundation skills of adult Australians.

National collaborative, jurisdictional and systemic actions have been developed for each key priority area. These are detailed in Chapter 4.

3.1 RAISING AWARENESS AND COMMITMENT TO ACTION

Objectives:

- Raise individual, community, industry, employer and training provider awareness of the benefits of strengthening foundation skills.
- Promote a collective responsibility and a commitment within the Australian community to promote, support and facilitate foundation skills development opportunities.
- Provide individuals and employers with easily accessible foundation skills information, services and resources that are relevant to individual circumstances and needs.
- Remove the stigma associated with having trouble with reading, writing and maths and encourage learners to seek support.
- Foster positive attitudes about engaging with foundation skills learning.

Many Australian adults are unaware of their potential to benefit from some form of additional foundation skills learning.³² Traditional notions of literacy as basic reading and writing skills prevent many individuals from recognising the need to continually build skills for different purposes and in different contexts.

Others are aware of the need to strengthen their foundation skills but are deterred by the difficulty of fitting learning activities into their day-to-day life and the stigma that is often associated with having trouble with reading, writing or maths. A lack of clear and consistent information also prevents people from accessing learning opportunities and support.

Many employers do not recognise employee foundation skills development as an important part of improving the productivity of their workforce. A range of industry and employer bodies, including Skills Australia, the Industry Skills Councils, Australian Industry Group and the Business Council of Australia, have identified this as a priority for Australia's workforce and have been vocal in their calls for a national strategy.

³² Research indicates that the need for broader development of LLN in Australia is not generally perceived as a mainstream issue deserving concerted action, but rather an issue for a minority of individuals on the margins of society. (Perkins, K. (2009) *Adult Literacy and Numeracy: Future Research and Strategy*, National Centre for Vocational Education Research).

A priority for Australian governments under the National Strategy is to provide individuals and employers with more information about foundation skills education and training, encourage broader community understanding of the importance of developing these skills, and promote the idea that everyone has a role to play in supporting adult foundation skills.

Key indicators of success:

Progress in this priority area will be measured by the following key indicators of success:

- Changes in public attitudes around the need for sound foundation skills and the acceptability of taking action to improve foundation skills.
- The number of queries fielded by relevant information services and visits to relevant websites.

COMMUNITY AWARENESS OF THE BENEFITS OF IMPROVING FOUNDATION SKILLS

Many individuals are unaware of the significant benefits associated with taking on foundation skills learning opportunities and many employers are unaware of the benefits of supporting employees to develop these skills. Australian governments will work collaboratively to increase public understanding of broader notions of foundation skills, raise awareness of the benefits of strengthening foundation skills and develop a culture where people both aspire to improve their skills and are supported to do so.

COLLECTIVE RESPONSIBILITY AND A COMMITMENT TO ACTION

Everyone has a role to play in supporting potential learners, including putting potential learners in touch with adult foundation skills learning opportunities. A shared sense of responsibility will go a long way to assisting those who are seeking opportunities to develop their foundation skills.

To support this shared sense of responsibility, Australian governments will:

- encourage and inspire **individual learners and families** to seek opportunities to build on their skills, through improved access to clear information, resources and programs in supportive learning environments;
- provide support to **employers/industry** to encourage them to implement initiatives to facilitate foundation skills learning and development in the workplace, and supporting literacy-friendly workplaces, including through the use of plain English;
- establish and maintain a formal partnership between **governments and industry and other peak bodies** whereby peak bodies agree to:
 - promote the benefits of foundation skills learning in the workplace to their members, and
 - encourage their members to commit to taking action to strengthen the foundation skills of the workforce;
- encourage **adult education and training providers** to raise the profile of, and integrate, foundation skills learning and development within VET programs; and

- encourage **community organisations and communities more generally** to identify and support hard to reach learners to develop foundation skills on a recognised pathway to further learning and employment.

ACCESSIBLE INFORMATION AND RESOURCES

Access to up-to-date foundation skills advice, information and resources is important for adult learners and employers who are seeking to engage in foundation skills development. Australian governments agree to:

- support adult learners, trusted intermediaries, researchers and employers who are seeking foundation skills advice and information; and
- ensure that government funded resources and information is readily available to practitioners and other educators and trainers.

3.2 ADULT LEARNERS HAVE HIGH QUALITY LEARNING OPPORTUNITIES AND OUTCOMES

Objectives:

- Adult learners have access to high quality foundation skills education and training that is tailored to their needs.
- Adult learners have the foundation skills they need to effectively participate in further training and work and to contribute to the community.
- Effective pathways are available to assist disengaged learners to progress into work and training.

Adult learners come to foundation skills education and training with different needs, expectations and backgrounds and at different stages of life. Different learners also take on foundation skills development in different contexts and for different purposes. Given this diversity of circumstances, learners need learning opportunities that are appropriate, engaging, relevant to their needs and, most importantly, available when and where they are needed.

Individuals are not good at assessing their own foundation skill levels or recognising their skills gaps. For individuals, building foundation skills is more often a means to an end rather than a discrete learning. As a result foundation skills building opportunities that are integrated in other vocational, community or individual development opportunities can be an effective means of increasing access to and take up of, foundation skills development.

In order to encourage adults to explore and take up learning opportunities it will be necessary for education providers to understand what adults most want to learn and for what purpose and then design programs that are likely to be attractive and useful. A significant commitment of time and effort is needed to substantially develop foundation skills and adults have competing claims on their time and financial resources. Foundation skills programs will need to be innovative, highly effective and learner-centred in order to attract and retain new customers.

Key indicators of success:

Progress in this priority area will be measured by the following key indicators of success:

- The number of adult learners commencing and completing foundation skills training, including units, modules and qualifications.
- Learner satisfaction surveys showing good outcomes for foundation skills programs.
- Trends in the number of adult learners accessing work and training opportunities.
- The number of adult learners accessing unaccredited foundation skills training and programs that clearly lead to further work and training opportunities.

CONNECTIONS TO LEARNING

Individuals are motivated to learn at different times in their lives and learn in different ways, so a number of pathways are needed to provide opportunities for individuals to connect – or reconnect – to learning. Individuals need multiple entry points to training, with a range of options from which to select the learning pathway that is best suited to their needs. Transitions through and across the adult community education, pre-vocational, VET, and higher education systems are not linear; individuals move within these systems to achieve a range of different outcomes according to their aspirations and employment circumstances. In particular, for those not currently engaged in the labour force and not pursuing work (such as parents with young children), building foundation skills through a broader pathways approach may increase positive outcomes for these hard to reach learners.

Over the next decade, Australian governments will adopt approaches to support prospective learners to engage in foundation skills development at a time and place that is right for them.

INFORMATION ON EDUCATIONAL PATHWAYS

To choose the right learning pathway, learners need access to information and advice on the range of foundation skills training and qualifications and other educational opportunities available to them. Learners may also need information about how the training they would like to do, or are currently doing, might lead to employment opportunities or provides opportunities to engage in higher level qualifications in the future. Australian governments agree to make information on qualifications and educational pathways more readily available to prospective learners.

DIVERSITY AND RESPONSIVENESS IN PROGRAM DELIVERY

Australian governments understand that learners have a diverse range of needs and live and work in differing circumstances, and therefore need access to a range of different opportunities and programs. Given that no one type of foundation skills program will meet the needs of all learners, Australian governments will support the increasing availability of a range of high quality learning options, from stand-alone accredited programs, through integrated vocational delivery to informal, workplace and online learning.

Learners need to be supported by effective teaching strategies and class sizes, quality resources, and robust program evaluation. To support the best outcomes for learners, and to ensure that education and training is high quality and fit-for-purpose, Australian governments will ensure training providers have access to the information and resources needed to design and deliver high quality and flexible education and training.

HIGH QUALITY ASSESSMENT OF LEARNERS' NEEDS

For learners to access foundation skills education and training that meets their needs, practitioners need the right resources with which to assess these needs, whether it is in the context of dedicated foundation skills tuition or VET. By using nationally consistent tools to determine the foundation skills of individual learners and the foundation skills demands of training specifications, educators and training practitioners can gather information that enables them to design learning programs that address individual needs. Australian governments agree that the ACSF will be used as the standard framework for measuring foundation skills and will support the use of tools based on the ACSF.

HIGH QUALITY AND ACCESSIBLE PROGRAM DESIGN RESOURCES

To enable practitioners and providers to implement a suitable response to learners' needs, Australian governments will improve access to advice on good practice program design and pedagogy for a range of adult foundation skills development contexts.

INCREASING USE OF TECHNOLOGY TO SUPPORT DELIVERY OF TRAINING

For many learners, including those in both regional and urban areas, the increasing availability of ubiquitous high-speed broadband has the potential to significantly increase the reach, availability, quality and convenience of adult foundation skills learning opportunities. As the National Broadband Network is rolled out over the next decade, e-learning and ICT will help to connect practitioners with learners by supplementing, expanding and enhancing traditional classroom-based adult foundation skills education and training through the provision of accessible online resources and the effective use of supportive technologies such as virtual interactive training rooms, laboratories and community learning capabilities.

Over the early years of the strategy, Australian governments will work with communities, adult educators and employers to promote the design, development and use of online resources and ICT for foundation skills development, including by the provision of online assessment tools.

The Australian Government also recognises the broader significance of e-learning and ICT applications in the education sector and has set an ambitious online education goal in the National Digital Economy Strategy. The digital literacy encompassed by foundation skills will become increasingly important for all Australians taking up education and training opportunities and will be essential for the achievement of goals within the National Digital Economy Strategy.

RESEARCH

For adult learners to get the best outcomes from foundation skills education or training, the system that delivers this education and training and the government policy that supports the system should be informed by up-to-date research and a strong evidence base. Australian governments will support further research aimed at maximising outcomes for learners. The ongoing direction of the research priorities will be overseen by a panel that includes representatives from Australian governments and foundation skills experts.

From 2012 to 2014, foundation skills research priorities will focus on the most effective ways of delivering adult foundation skills education and training to adults generally, and also to specific client groups. This research will include further studies into learner motivation, persistence and progression, and approaches to effective teaching and learning. Indigenous Australians have been identified as one learner cohort for which greater analysis of foundation skills needs and outcomes should be gathered to inform the development of effective skills building programs.

Research priorities will also assist government to better meet the needs of learners, though further assessments of the impacts of government funding mechanisms on the delivery of quality and flexible services and the impact of foundation skills interventions on national productivity and the economy.

Australian governments also consider that research into changes in public attitudes around foundation skills and learner satisfaction with foundation skills programs (including to ensure that foundation skills programs are of a high quality and meet the needs of learners) is a priority.

In addition, Australian governments will explore options for measuring progress against the National Strategy, including the feasibility of a new Australian Adult Competencies Survey to be conducted at the mid-point of the National Strategy in 2017. Such a survey could be developed specifically for the purpose of measuring progress against the target and to be comparable with the PIAAC surveys.

IMPROVING ACCESS TO QUALIFICATIONS AND PROGRAMS THAT DELIVER FOUNDATION SKILLS

For adult learners seeking to develop their foundation skills, and for employers seeking to strengthen the skills of employees, education and training should be easily available, where and when it is needed. As demand for adult foundation skills development increases over the next decade, the availability of the full range of learning options will also need to increase. Ongoing attention to systemic changes or adjustments that may be required in the national training system will also be an essential part of the National Strategy.

INFORMAL LEARNING AS A STEPPING STONE

For many individuals who are not engaged in formal learning, non-accredited education and training can build self-esteem and confidence and can provide a viable pathway into pre-vocational training, education or employment.³³ Adult and community education (ACE) currently provides a diverse array of vocational and learner interest focused education and training that fosters the development of skills required for individuals to participate fully in their communities and the economy. Australian governments will continue to support purpose-built community based approaches to delivery through the ACE sector.

Individuals often face multiple barriers to learning. Jurisdictions will work to better integrate informal learning opportunities with wrap around services to help break down these barriers.

FUNDING FOR PLACES

To provide learners and employers with access to learning opportunities, Australian governments will continue to commit significant resources to foundation skills training over the next decade.

33 Ministerial Council for Vocational and Technical Education (2008) *Ministerial Declaration on Adult Community Education*.

INFORMED REFERRALS

Not all individuals requiring assistance with foundation skills development self-refer to education providers. They are more likely to be clients of a range of community and social welfare services. Frontline workers within referring agencies need resources and expertise to identify job-seekers and others who would benefit from developing their foundation skills. Australian governments will work with national and state-based referring agencies to ensure that these agencies are equipped with the right information to assist individuals to make decisions about taking on foundation skills development opportunities.

IMPROVING LEARNING PRODUCTS

Foundation skills education and training occurs in a range of settings, both formal and informal, and across multiple sectors, including ACE, pre-vocational, VET, and higher education. In all these areas, continual improvement and innovation in program design and delivery, guided by research and a strong evidence base, will be essential to ensuring that foundation skills education and training remains of a high standard and responsive to the needs of learners and to the changing demands of society and the workplace.

For example, within the VET sector the strengthened Australian Qualifications Framework (AQF) is a significant driver of change in the purpose and design of all training packages and qualifications. The AQF supports the maintenance of pathways that provide access to qualifications and assist people to more easily move between education and training sectors, and between these sectors and the labour market. Such approaches to continuous improvement are ongoing in the national training system and will continue to shape the development and use of quality foundation skills learning products.

PURPOSE-BUILT LEARNING PRODUCTS

Foundation skills development is supported through the VET system and the ACE sector with a range of products in accordance with the diversity of learner needs and learning contexts. Under current work to streamline Training Packages, foundation skills will be made more explicit within vocational qualifications and units, enabling greater attention to foundation skills development in the delivery and assessment of VET programs. Additionally, the development and endorsement of a Foundation Skills Training Package by governments, industry and ISCs will provide opportunities for packaging vocational qualifications with specific foundation skills units to support individual learner needs and build the particular foundation skills required by vocational contexts.

Stand-alone foundation skills development programs will continue to be available through existing accredited courses as well as the new Foundation Skills Training Package to ensure that learning products address the foundation skills needs of various learner cohorts.

The development and interpretation of foundation skills training products is assisted by the ACSF which describes the core skills of learning, reading, writing, oral communication and numeracy.

The Australian Government funded the development of a new Core Skills for Work Framework, which assists with the identification, description and measurement of employability skills. Specific strategies for the use of the Framework will be included in the National Strategy at the first review.

PROVIDER FUNDING ARRANGEMENTS AND ACCOUNTABILITY

Underpinning quality outcomes for learners are effective funding arrangements and accountability requirements for providers. Governments require providers in receipt of public funds to deliver cost effective and efficient services, while governments and the community both expect providers to deliver high quality, flexible, responsive and accessible foundation skills services on an ongoing basis. Providers need to be supported to achieve both of these expectations.

BALANCED FUNDING MECHANISMS

To support high quality and flexible delivery of education and training to learners, Australian governments will support research into effective ways to achieve an efficient and effective balance between accountability and flexibility in service delivery. This research will take account of both the true costs of delivering high quality and flexible adult foundation skills education and training, and the need to ensure that providers are delivering high quality foundation skills development.

3.3 STRENGTHENING FOUNDATION SKILLS IN THE WORKPLACE

Objectives:

- Governments, industry, employers and unions work together to provide foundation skills development for the workforce.
- Employers and industry have access to foundation skills training for their workforce that is responsive to their needs.
- Supervisors and mentors are supported and provided with practical assistance to promote the value of foundation skills training and development in their workplace.

Arguably, the greatest opportunity to improve the foundation skills of working age Australians over the next decade will be through a concerted effort to strengthen the foundation skills levels of the current workforce. More than half of those working age Australians identified as having literacy and numeracy skills below Level 3 in the 2006 ALLS survey were in the labour force; but beyond that, improvements to the foundation skills levels of all working Australians, including those at Level 3 and above, can be expected to lead to significant productivity gains both for individual employers and for the Australian economy and industry more broadly.

Achieving this will require strong and lasting partnerships between governments, industry, employers and unions. Industry and employer bodies recognise the importance of foundation skills development in the workplace and in particular, agree that employers, as well as governments, have a responsibility to their employees to ensure that, as with any other job specific skill or training requirement, employees are provided with ongoing opportunities for foundation skills training and development that will enable them to keep up with the changing demands of the technology rich workplace.

Australian governments will work with employers, industry and unions to ensure the provision of foundation skills training that is responsive to the needs of employers and industry. This will involve collaboration on training programs and skills development both within the workplace and in formal training and education settings outside the workplace that take into consideration the requirements of both employers and their employees. Australian governments will also work with employers and industry groups to ensure that this collaborative approach takes into account the differing needs and capabilities of small-medium and large enterprises across a range of industries, and develops appropriately tailored solutions for each group.

Key indicators of success:

Progress in this priority area will be measured by the following key indicators of success:

- The number of employers referring employees to accredited foundation skills programs.
- The number of government-enterprise partnerships providing workforce development solutions that incorporate foundation skills as a core element.
- The extent to which employers are both aware of and satisfied with the availability and quality of foundation skills training and development programs and support available to them.
- Advice from industry associations on the extent to which enterprises have the capacity to address foundation skills issues in their workforce.

PARTNERSHIPS

Governments have long recognised the importance of industry, employers and unions in improving the skills, including foundation skills, of those in the labour force. Strong and lasting partnerships will be integral to promoting and building a culture of integrating foundation skills into training opportunities provided in the workplace.

Over the next decade, Australian governments will form partnerships with industry, employers and unions to maximise the opportunities for workplace foundation skills development.

A range of funded opportunities for workplace skill building programs are required that not only assist enterprises to develop an understanding of how foundation skills issues are directly linked with the success of a business and the development of the community as a whole, but also promote innovative and customised training models and explore opportunities for enterprises to cluster together to access tailored, integrated training relevant to their industry and their work site requirements.

WORKFORCE DEVELOPMENT

Undertaking foundation skills development in the workplace has the advantage of providing foundation skills learning in a way that is contextualised for the learner and is relevant to the workplace. The integration of foundation skills learning into workplace training will lead to better skilled employees and safer, more productive and innovative workplaces.

AUSTRALIAN WORKFORCE AND PRODUCTIVITY AGENCY

The National Strategy recognises that the Australian Workforce and Productivity Agency (the Agency) was established by the Australian Government on 1 July 2012, as part of its broader workforce productivity agenda, to work closely with industry to determine the key workforce planning and development areas needed to overcome skill shortages and to lift workforce productivity. The Agency has high level industry and union leadership and collaboration and is recognised as an authority on workforce development policy and advice.

A primary role of the Agency is to administer the industry driven National Workforce Development Fund (the Fund). The Fund will assist individual enterprises to increase their workforce capacity by providing existing workers and new workers with the opportunity to enhance their skill levels through formal training.

JURISDICTIONAL WORKFORCE DEVELOPMENT STRATEGIES

Workforce development strategies include activities which increase the capacity of individuals to participate effectively in the workforce through their working life and which increase the capacity of enterprises to adopt high performance work practices. While the form and requirements of workforce development strategies and plans differ between state/territory jurisdictions, Australian governments agree that these strategies will include foundation skills as a priority area. This will promote the integration of foundation skills training into regular work-based training activities. By ensuring that foundation skills development is a normal and expected part of everyday training for all employees, employers will help to overcome individual barriers to participation in foundation skills development.

WORKPLACE CHAMPIONS

The introduction of workplace champions will be important to creating workplace environments where people feel comfortable to seek assistance in relation to their foundation skills development needs. Workplace champions would act as ambassadors and promoters of foundation skills training and would help to connect employers and employees with information on foundation skills.

Australian governments will work with industry to explore opportunities to establish a support network of workplace champions who will act as ambassadors of foundation skills learning within workplaces.

BUILDING ENTERPRISE CAPACITY

Recent research has identified a number of factors that influence enterprise capacity to address foundation skills issues in the workplace. They include:

- exposure to workforce literacy programs;
- opportunities to partner with specialist practitioners;
- awareness of the ACSF; and
- skill building for supervisors and leading hands.³⁴

As well as providing links to external sources of support, Australian governments will ensure that enterprises have access to advice on building their internal capacity to address foundation skills issues. This may include advice in areas such as: mechanisms for identifying foundation skills issues in the workplace, skill sets that help supervisors and leading hands support the foundation skills needs of workers, and approaches for including foundation skills considerations in workforce development planning.

ACCESSIBLE INFORMATION AND RESOURCES

Access to up-to-date foundation skills advice, information and resources is important for employers who are seeking to strengthen the skills of their workforces. Australian governments will ensure that information is available to employers on how and where to access advice and training.

RESEARCH INTO RETURN ON INVESTMENT

In developing a stronger evidence base to inform future policy development, the research priorities supported by Australian governments will include consideration of outcomes from foundation skills development for learners and for enterprises. Methods for measuring the return on investment from foundation skills development will be examined. Findings will provide concrete evidence to raise employer awareness of the value of investing in foundation skills and advice on the design of effective workforce development programs.

³⁴ Australian Industry Group (2011) *National Workforce Literacy Project Final Report*.

3.4 BUILDING THE CAPACITY OF THE EDUCATION AND TRAINING WORKFORCES TO DELIVER FOUNDATION SKILLS

Objectives:

- New entrants are encouraged to enter the adult foundation skills specialist workforces.
- New VET practitioners have the skills they need to identify and address the foundation skills needs of learners.
- Existing VET practitioners are provided with training to enable them to identify and address the foundation skills needs of learners.
- Useful, effective and relevant professional development is provided for both specialist LLN practitioners and VET practitioners.
- The value and contribution of the foundation skills specialist workforces to VET outcomes is widely recognised.

For adult learners and employers to have access to high quality foundation skills education and training, they need to be taught by well-trained practitioners. Australian governments recognise that practitioner quality is an important determinant in improving learning outcomes. The workforce responsible for the delivery of foundation skills content across the adult community and VET system is not a homogeneous group of practitioners. There are multiple sets and subsets of practitioners who work with learners in community, workplace and education settings delivering both stand-alone programs that offer combinations of LLN and employability skills, and programs that integrate these skills into vocational and other learning.

Stand-alone courses and programs will continue to be a significant component of foundation skills development supported by Australian governments. Practitioners delivering these courses constitute the specialist workforce, i.e. their primary role is the delivery of English LLN training. However, learner cohorts and learner needs are changing. If they are to continue to provide effective support, practitioners within dedicated programs will require new skills and understandings,

particularly in relation to the links between LLN and employability skills and expanding notions of digital literacy. Quality purpose-built credentials and opportunities for professional development are critical for this group.

Only a fraction of adults with low foundation skills currently access formal accredited or non-accredited foundation skills programs. Many of these adults are already in the workforce or are disengaged from education and employment environments. In addition to specialist practitioners, there are a range of education and training providers and frontline workers operating within workplace, community services and education settings who have the opportunity to assist adults with foundation skills needs. Examples of these education and training providers and frontline workers include employment and referral agency staff, counsellors, human resources managers and trade teachers, among many others. Although they are not foundation skills specialists, in the course of their work these people need some capacity to recognise individuals who need assistance with foundation skills development and the ability to do something about it within the limits of their job role.

From a workforce development perspective it is critical that a raft of fit-for-purpose options is made available to a range of people who want to increase their understanding of this area and develop skills and knowledge at a level that is consistent with their job role. A number of pathways are required for practitioners who want to move from novice to expert within the foundation skills field. A focus of the National Strategy will be to expand the qualifications available to the specialist foundation skills practitioner workforce and the VET workforce more broadly.

Due to the combination of an aging workforce,³⁵ a small number of new entrants to the foundation skills field in recent decades³⁶ and a corresponding shortage of personnel to 'train the trainers', there will soon be a critical shortage of specialist practitioners with in-depth knowledge and formal qualifications. To meet this challenge, Australian governments will implement a range of measures to attract new entrants to the workforce and build the capacity of specialist and VET practitioners to identify and address the foundation skills needs of learners.

Key Indicators of Success:

Progress in this priority area will be measured by the following key indicators of success:

- A national framework of qualifications and skill sets for practitioners responsible for delivery of foundation skills is established and functioning.
- The number of practitioners commencing and completing specialist foundation skills professional development.
- The number of education providers and frontline workers undertaking professional development or completing units and skill sets that build their ability to address individuals' foundation skills needs.
- The number of enrolments in foundation skills specialist teacher/trainer qualifications.

35 Perkins, K. (2009) *Adult Literacy and Numeracy: Future Research and Strategy*, from the National Centre for Vocational Education Research, suggests that many LLN practitioners are female, over 50, employed on a casual or part-time basis and are likely to have an undergraduate degree, often in primary teaching, and possibly a postgraduate university qualification in adult literacy/numeracy or Teachers of English to Speakers of Other Languages (TESOL).

36 Roberts, A. & Wignall, L. (2010) *Briefing on Foundation Skills for the National VET Equity Advisory Council*.

MORE SKILLED PRACTITIONER WORKFORCES

For many individuals, improving their foundation skills is a challenging, lengthy and involved process, as it requires the use and development of complex cognitive and communication skills. Skilled education and training workforces are critical to ensuring that learners receive education and training that meets their foundation skills needs, is high quality, engaging and provides an effective pathway into work or further education.

Australian governments will focus on enhancing professional standards associated with the delivery of adult foundation skills education and training, while facilitating industry-wide professional development to meet these standards.

COORDINATION OF PROFESSIONAL DEVELOPMENT

Focused investment in the professional development of foundation skills practitioners will occur in the early years of the National Strategy, to build the capacity of the workforce to meet additional demand for high quality and flexible learning opportunities resulting from increased public awareness of adult foundation skills issues. This investment will take account of existing professional development activities that are occurring at local and jurisdictional levels and across different adult education sectors and work to ensure that such development is delivered in a coordinated manner.

STRENGTHENING THE SKILLS OF VET PRACTITIONERS

It is widely agreed that while not all VET practitioners need to become foundation skills experts, more can be done to ensure that this group of educators have a greater awareness and understanding of foundation skills issues. This includes strengthening their ability to adjust their practice to accommodate the foundation skills needs of all learners. For example, through information sharing with foundation skills practitioners and practitioners from other fields and engaging in national and regional dialogue to share and build their knowledge and skills. These educators also need the understanding and awareness to connect learners with appropriate specialist support.

Australian governments agree to build on the current level of foundation skills awareness and expertise amongst VET practitioners through formal training and professional development opportunities and support. This will help practitioners to provide interventions that may significantly contribute to a learner's achievement of a qualification or successful completion of training.

ATTRACTING NEW FOUNDATION SKILLS PRACTITIONERS

As with the general VET workforce, the supply of specialist foundation skills practitioners is not sufficient to meet education and training needs across the nation and will continue to decline as many members of the current workforce retire. To ensure that the adult foundation skills workforce will be sufficient to meet Australia's skills development needs over the next decade, Australian

governments need to support adult foundation skills education as an important, rewarding and recognised career path.

To do this, Australian governments will work with the VET and higher education sectors to build incentives and address barriers to entering the profession.

BUILDING EDUCATIONAL AND CAREER PATHWAYS

The attractiveness of a career in the delivery of adult foundation skills will be enhanced where prospective practitioners see clear educational and career pathways that provide opportunities for advancement. From 2014, Australian governments will support stronger educational and career pathways by establishing a national adult foundation skills practitioner qualifications framework that builds on existing qualifications³⁷ and specifies qualifications requirements for different levels of practice.

RAISING THE PROFILE OF SPECIALIST FOUNDATION SKILLS PRACTITIONERS

A stronger identity for the specialist workforce and attractive educational and career pathways will raise the profile of the adult foundation skills field. To support this process, Australian governments will develop strategies aimed at strengthening general perceptions of the importance of the field. Strategies will also be developed that aim to improve community understanding of the importance of foundation skills support in the context of post-school education and training.

Australian governments will also take action to strengthen and diversify the identity of the field and develop and maintain professional expertise in foundation skills delivery, including by exploring options for developing professional standards for practitioners, establishing a voluntary register of members and supporting the processes of professional development and peer review of teaching and training. In addition, Australian governments will take action to recognise excellence in the provision of foundation skills training/training.

REPORTING AND ADMINISTRATIVE PROCESSES

Foundation skills education is a complex field and involves more than just teaching. Many stakeholders believe that the complexity of current administrative and reporting processes is a barrier to achieving the best outcomes for learners and attracting more practitioners to the field.

Australian governments' research priorities will include effective ways to achieve a balance between accountability and flexibility in service delivery, and will examine current reporting and administrative processes to ensure they provide maximum support for adult foundation skills practitioners.

³⁷ Including the TAE70110 Vocational Graduate Certificate in Adult LLN Practice and the TAE80110 Vocational Graduate Diploma of Adult LLN Leadership.



CHAPTER 4: ACTIONS FOR NATIONAL PRIORITY AREAS

4.1 RAISING AWARENESS AND COMMITMENT TO ACTION

National Collaborative Action	Jurisdictional Action	Systemic Action
<ul style="list-style-type: none"> ● From 2012, Australian governments will work collaboratively to: <ul style="list-style-type: none"> – increase public understanding of broader notions of foundation skills; – raise awareness of the benefits of strengthening foundation skills; and – develop a culture where people both aspire to improve their skills and are supported to do so. ● From 2012, Australian governments agree to work collaboratively to: <ul style="list-style-type: none"> – support adult learners, trusted intermediaries, researchers and employers who are seeking foundation skills advice and information; and – ensure that government funded resources and information are readily available to practitioners and other educators and trainers. 	<ul style="list-style-type: none"> ● In each jurisdiction, Australian governments will work to : <ul style="list-style-type: none"> – increase public understanding of broader notions of foundation skills; – raise awareness of the benefits of strengthening foundation skills; and – develop a culture where people both aspire to improve their skills and are supported to do so. 	

4.2 ADULT LEARNERS HAVE HIGH QUALITY LEARNING OPPORTUNITIES AND OUTCOMES

National Collaborative Action	Jurisdictional Action	Systemic Action
<ul style="list-style-type: none"> ● From 2012, Australian governments agree that the ACSF will be used as the standard framework for measuring LLN and will support the use of tools based on the ACSF. ● From 2013, Australian governments agree to make information on qualifications and educational pathways more readily available to prospective learners. ● Australian governments will improve access to advice on good practice program design and pedagogy for a range of adult foundation skills development contexts. ● From 2012-14, Australian governments will work with communities, adult educators and employers to support the design and development of e-learning resources and ICT to supplement, enhance and expand foundation skills training and development. ● From 2012-15, Australian governments will support research against agreed priorities, including: <ul style="list-style-type: none"> – methods to maximise adult foundation skills training and education outcomes for specific client groups, in particular Indigenous Australians; – adult learner motivation, persistence and progression, inclusive approaches to effective teaching and learning; – the impacts of government funding mechanisms on the delivery of quality and flexible services; and – the impact of foundation skills interventions on national productivity and the economy. ● From 2012, surveys will be implemented as part of foundation skills programs to measure program outcomes. ● Australian governments will explore the feasibility of a new Australian Adult Competencies Survey to be conducted at the mid-point of the National Strategy in 2017. 	<ul style="list-style-type: none"> ● From 2012, Australian governments will participate in, and contribute to, the development of the Foundation Skills Training Package. ● From 2013, Australian governments agree to make information on qualifications and educational pathways more readily available to prospective learners. ● Australian governments will improve access to advice on good practice program design and pedagogy for a range of adult foundation skills development contexts. ● At the first biennial review of the National Strategy in 2014, Australian governments will consider how best to use the Foundation Skills Training Package in each jurisdiction to maximise outcomes for learners. ● From 2012-22, Australian governments will continue to fund adult foundation skills training. ● From 2012-22, Australian governments will ensure that referring agencies and training providers have access to the information, products and tools they need to assist individual learners to make decisions about addressing their foundation skills development needs. ● From 2012, Australian governments will support the use of assessment tools based on the ACSF. ● By 2012, Australian governments will engage with industry and/or employers to ensure foundation skills are a priority area of workforce development strategies in each jurisdiction. 	<ul style="list-style-type: none"> ● At the first biennial review of the National Strategy in 2014, Australian governments will consider how best to use the Foundation Skills Training Package to maximise outcomes for learners. ● From 2012, Australian governments agree to support initiatives to strengthen foundation skills pathways between the ACE, VET and higher education sectors and workplaces.

4.3 STRENGTHENING FOUNDATION SKILLS IN THE WORKPLACE

National Collaborative Action	Jurisdictional Action	Systemic Action
<ul style="list-style-type: none"> From 2012, Australian governments will work with industry and unions to explore opportunities to establish a support network of workplace champions who will act as ambassadors of foundation skills learning within workplaces. From 2012, Australian governments will work collaboratively to ensure that enterprises have access to advice on building their internal capacity to address foundation skills issues. 	<ul style="list-style-type: none"> From 2012, Australian governments will form partnerships with industry, employers and unions to maximise the opportunities for workplace foundation skills development. By 2012, Australian governments will engage with industry and/or employers to ensure foundation skills are a priority area of workforce development strategies in each jurisdiction. 	<ul style="list-style-type: none"> This National Strategy recognises that on 1 July 2012 the Australian Workforce and Productivity Agency was established by the Australian Government to administer the National Workforce Development Fund, to allow industry, registered training organisations and government to work in partnership to deliver training that addresses skills requirements, including foundation skills, through participation in formal training.

4.4 BUILDING THE CAPACITY OF THE EDUCATION AND TRAINING WORKFORCES TO DELIVER FOUNDATION SKILLS

National Collaborative Action	Jurisdictional Action	Systemic Action
<ul style="list-style-type: none"> From 2012-15, Australian governments will fund professional development, resources and training for foundation skills practitioners. This will be nationally coordinated to reduce duplication and ensure the funding is targeted according to agreed priorities. From 2012, Australian governments will build on the current level of foundation skills awareness and expertise among VET practitioners through formal training and professional development opportunities. From 2012, Australian governments will work collaboratively to: <ul style="list-style-type: none"> strengthen and diversify the identity of the foundation skills practitioner field; and support professional expertise in foundation skills delivery, including by exploring options for developing professional standards for practitioners. By 2014, Australian governments agree to establish a national framework for specialist adult foundation skills practitioner qualifications that strengthens qualifications requirements. From 2012, Australian governments will work together to support the recognition of excellence in the provision of foundation skills training/training. Australian governments will support research into current reporting and administrative processes to ensure they provide maximum support for adult foundation skills practitioners. 	<ul style="list-style-type: none"> From 2012, Australian governments will work to: <ul style="list-style-type: none"> raise the profile of specialist adult foundation skills practitioners in each jurisdiction; and strengthen the perceived value of foundation skills interventions as a part of the delivery of post-school education and training. Australian governments will work with the VET and higher education sectors to build incentives and address barriers to entering the profession of foundation skills practitioner. From 2012, Australian governments will support the recognition of excellence in the provision of foundation skills training/training. 	<ul style="list-style-type: none"> By 2014, Australian governments agree that all new VET practitioners will be required to complete the adult LLN unit (TAELLN401A – Address adult LLN skills) as part of their Certificate IV in Training and Education. From 2015, Australian governments agree that all existing VET practitioners will be required to complete the adult LLN unit (TAELLN401A – Address adult LLN skills). Australian governments agree that from July 2014, all VET practitioners who undertake the Diploma of Vocational Education and Training (TAE50111) will be required to undertake the adult LLN units TAELLN401A - Address adult LLN skills and TAELLN501B - Support the development of adult language, literacy and numeracy skills.

APPENDIX 1: SUMMARY ON THE OUTCOMES OF THE NATIONAL CONSULTATION PROCESS

BACKGROUND

In 2010, Australian governments agreed to work collaboratively to develop the National Foundation Skills Strategy for Adults (the National Strategy). As collaboration across all levels of government is essential to the development and success of the National Strategy, the Foundation Skills Working Group (the Working Group) was established under the auspices of the Access and Participation Principal Committee of the former Ministerial Council on Tertiary Education and Employment.

From March to May 2011, the Foundation Skills Working Group held consultations with key stakeholders to inform the development of the National Strategy. A range of stakeholders were invited to participate in focus groups including peak industry bodies, employers, training practitioners, research organisations, service providers and others with an interest in improving the foundation skills of adults. To ensure that the National Strategy takes into account the views of all stakeholders, focus groups were also conducted with individuals with low LLN skills and individuals from Aboriginal and Torres Strait Islander and culturally and linguistically diverse backgrounds. Interested stakeholders were also able to provide input into the development of the National Strategy by making a written or oral submission.

CONSULTATION PROCESS

The Working Group determined that for the National Strategy to be truly effective, it should be consultative, evidence-based and take into account the views of a wide range of stakeholders.

This process had two elements:

- A written and oral submission process (over 70 submissions received)
- A series of focus groups held in all capital cities and some regional centres (over 400 stakeholders attended).

SUMMARY OF FINDINGS

The consultation process was highly productive, the input received from stakeholders was very valuable and key findings are reflected in the National Strategy.

KEY THEMES

Several key themes emerged from the consultation process. These included:

- A **national approach is needed** – the Australian Government and state/territory governments need to work together to achieve the best results. There is a need for more formal linkages between agencies and jurisdictions to address foundation skills development needs.
- The National Strategy should have a **long term focus** (10 years) and should be **appropriately funded** for the life of the strategy.
- The term **‘foundation skills’ may not be the right term** – many felt that this term does not adequately represent LLN skills which are the main skills that are being targeted through the National Strategy.
- The National Strategy should be **learner-centric** – some learners require more support or development than others, many require alternative learning styles and some face highly individualised barriers to training. A **one-size-fits-all approach** to the provision of services and delivery of training may not be appropriate.
- The National Strategy should **include all adult Australians** with priority given to providing foundation skills to the unemployed, underemployed and the disadvantaged and to strengthening the LLN skills of the currently employed. This approach would maximise benefits to individuals, families, employers, society and the Australian economy.
- The National Strategy should be supported by a strong **communications campaign** that raises awareness of the need for foundation skills and actively works to reduce the stigma associated with possessing poor LLN skills by promoting the benefits to all Australians of improving their skills, whatever their current level. The communication campaign should include a call to action and refer people to pertinent information on programs and how to access them.
- **Workforce development** is a priority due to the shortage of LLN practitioners, the aging workforce and increased casualisation of the workforce. In addition to this, LLN practitioners should be trained to deliver foundation skills in a broad range of contexts.
- Foundation skills delivery should include **digital literacy** and be delivered flexibly to meet the individual needs of learners.

APPENDIX 2: 2006 ADULT LITERACY AND LIFE SKILLS SURVEY

THE SCALE OF THE PROBLEM

The Adult Literacy and Life Skills (ALLS) survey was conducted by the Australian Bureau of Statistics (ABS) in 2006. The ALLS survey found that 43.5 per cent (approximately 6 million) of working age Australians (aged 15-64) had not attained skill Level 3 in document literacy and 49.8 per cent of working age Australians (approximately 6.8 million) had not attained skill Level 3 in numeracy. Skill Level 3 is considered by the Council of Australian Governments to be the minimum level required by individuals to meet the complex demands of work and life in modern economies.

WHAT IS THE ADULT LITERACY AND LIFE SKILLS SURVEY?

The ALLS survey was conducted in Australia as part of an international study coordinated by Statistics Canada and the Organisation for Economic Cooperation and Development. The ALLS survey was designed to identify and measure literacy which can be linked to the social and economic characteristics of people both across and within countries. The ALLS survey in Australia was jointly funded by the then Department of Education, Science and Technology, the Department of Employment and Workplace Relations and the ABS.

The ALLS survey provides information on knowledge and skills in the following four domains:

- Prose literacy: the ability to understand and use information from various kinds of narrative texts, including texts from newspapers, magazines and brochures.
- Document literacy: the knowledge and skills required to locate and use information contained in various formats including job applications, payroll forms, transportation schedules, maps, tables and charts.
- Numeracy: the knowledge and skills required to effectively manage and respond to the mathematical demands of diverse situations.
- Problem solving: goal-directed thinking and action in situations for which no routine solution is available.

The ALLS survey defines skills along a continuum of proficiency. There is no arbitrary standard distinguishing adults who have or do not have skills; rather, the ALLS survey conceptualises proficiency along a continuum and this is used to denote how well adults use information to function in society and the economy.³⁸

For each domain, proficiency is measured on a scale ranging from 0 to 500 points. Each score denotes a point at which a person has an 80 per cent chance of successfully completing tasks that are associated with a similar level of difficulty.

To facilitate analysis, these continuous scores are grouped into five skill levels (apart from the problem solving scale, which has only defined four levels), with Level 1 being the lowest measured level of literacy.

WHAT DO THE ALLS LEVELS MEAN?

The following descriptions of the tasks associated with each level give an indication of the proficiency of individuals at each level.

Level 3 is considered by experts as 'a suitable minimum level for coping with the increasing demands of the emerging knowledge society and information economy.'³⁹

PROSE LITERACY

LEVEL 1 (0-225 POINTS)

Most of the tasks in this level require the respondent to read relatively short text to locate a single piece of information which is identical to or synonymous with the information given in the question or directive. If plausible but incorrect information is present in the text, it tends not to be located near the correct information.

LEVEL 2 (226-275)

Some tasks in this level require respondents to locate a single piece of information in the text; however, several distractors or plausible but incorrect pieces of information may be present, or low-level inferences may be required. Other tasks require the respondent to integrate two or more pieces of information or to compare and contrast easily identifiable information based on a criterion provided in the question or directive.

LEVEL 3 (276-325)

Tasks in this level tend to require respondents to make literal or synonymous matches between the text and information given in the task, or to make matches that require low-level inferences. Other tasks ask respondents to integrate information from dense or lengthy text that contains no organisational aids such as headings. Respondents may also be asked to generate a response based on information that can be easily identified in the text. Distracting information is present, but is not located near the correct information.

38 Statistics Canada (2005) *Learning a Living: First results from the Adult Literacy and Life Skills Survey*.

39 Statistics Canada (2005) *Learning a Living: First results from the Adult Literacy and Life Skills Survey* (pg. 31).

LEVEL 4 (326-375)

These tasks require respondents to perform multiple-feature matches and to integrate or synthesise information from complex or lengthy passages. More complex inferences are needed to perform successfully. Conditional information is frequently present in tasks at this level and must be taken into consideration by the respondent.

LEVEL 5 (376-500)

Some tasks in this level require the respondent to search for information in dense text which contains a number of plausible distractors. Others ask respondents to make high-level inferences or use specialized background knowledge. Some tasks ask respondents to contrast complex information.

DOCUMENT LITERACY

LEVEL 1 (0-225 POINTS)

Tasks in this level tend to require the respondent either to locate a piece of information based on a literal match or to enter information from personal knowledge onto a document. Little, if any, distracting information is present.

LEVEL 2 (226-275 POINTS)

Tasks in this level are more varied than those in Level 1. Some require the respondents to match a single piece of information; however, several distractors may be present, or the match may require low-level inferences. Tasks in this level may also ask the respondent to cycle through information in a document or to integrate information from various parts of a document.

LEVEL 3 (276-325 POINTS)

Some tasks in this level require the respondent to integrate multiple pieces of information from one or more documents. Others ask respondents to cycle through rather complex tables or graphs which contain information that is irrelevant or inappropriate to the task.

LEVEL 4 (326-375)

Tasks in this level, like those at the previous levels, ask respondents to perform multiple-feature matches, cycle through documents, and integrate information; however, they require a greater degree of inferencing. Many of these tasks require respondents to provide numerous responses but do not designate how many responses are needed. Conditional information is also present in the document tasks at this level and must be taken into account by the respondent.

LEVEL 5 (376-500)

Tasks in this level require the respondent to search through complex displays that contain multiple distractors, to make high-level text-based inferences, and to use specialised knowledge.

NUMERACY

LEVEL 1 (0-225 POINTS)

Tasks in this level require the respondent to show an understanding of basic numerical ideas by completing simple tasks in concrete, familiar contexts where the mathematical content is explicit with little text. Tasks consist of simple, one-step operations such as counting, sorting dates, performing simple arithmetic operations or understanding common and simple percents such as 50%.

LEVEL 2 (226-275 POINTS)

Tasks in this level are fairly simple and relate to identifying and understanding basic mathematical concepts embedded in a range of familiar contexts where the mathematical content is quite explicit and visual with few distractors. Tasks tend to include one-step or two-step processes and estimations involving whole numbers, benchmark percents and fractions, interpreting simple graphical or spatial representations, and performing simple measurements.

LEVEL 3 (276-325 POINTS)

Tasks in this level require the respondent to demonstrate understanding of mathematical information represented in a range of different forms, such as in numbers, symbols, maps, graphs, texts, and drawings. Skills required involve number and spatial sense, knowledge of mathematical patterns and relationships and the ability to interpret proportions, data and statistics embedded in relatively simple texts where there may be distractors. Tasks commonly involve undertaking a number of processes to solve problems.

LEVEL 4 (326-375)

Tasks at this level require respondents to understand a broad range of mathematical information of a more abstract nature represented in diverse ways, including in texts of increasing complexity or in unfamiliar contexts. These tasks involve undertaking multiple steps to find solutions to problems and require more complex reasoning and interpretation skills, including comprehending and working with proportions and formulas or offering explanations for answers.

LEVEL 5 (376-500)

Tasks in this level require respondents to understand complex representations and abstract and formal mathematical and statistical ideas, possibly embedded in complex texts. Respondents may have to integrate multiple types of mathematical information, draw inferences, or generate mathematical justification for answers.

PROBLEM SOLVING

LEVEL 1 (0-250 POINTS)

Tasks in this level typically require the respondent to make simple inferences, based on limited information stemming from a familiar context. Tasks in this level are rather concrete with a limited scope of reasoning. They require the respondent to make simple connections, without having to systematically check any constraints. The respondent has to draw direct consequences, based on the information given and on his/her previous knowledge about a familiar context.

LEVEL 2 (251-300 POINTS)

Tasks in this level often require the respondent to evaluate certain alternatives with regard to well-defined, transparent, explicitly stated criteria. The reasoning however may be done step by step, in a linear process, without loops or backtracking. Successful problem solving may require the combination of information from different sources, e.g. from the question section and the information section of the test booklet.

LEVEL 3 (301-350 POINTS)

Some tasks in this level require the respondent to order several objects according to given criteria. Other tasks require the respondent to determine a sequence of actions/events or to construct a solution by taking non-transparent or multiple interdependent constraints into account. The reasoning process goes back and forth in a non-linear manner, requiring a good deal of self-regulation. At this level respondents often have to cope with multi-dimensional or ill-defined goals.

LEVEL 4 (351-500)

Items in this level require the respondent to judge the completeness, consistency and/or dependency among multiple criteria. In many cases, the respondent has to explain how the solution was reached and why it is correct. The respondent has to reason from a meta-perspective, taking into account an entire system of problem solving states and possible solutions. Often the criteria and the goals have to be inferred from the given information before actually starting the solution process.

OTHER NOTABLE FINDINGS

Analysing data from the ALLS survey, the 2010 Productivity Commission Staff Working Paper *Links between Literacy and Numeracy Skills and Labour Market Outcomes* makes the following observations:

IMPACT ON PARTICIPATION

- Improving functional literacy and numeracy from Level 1 to Level 2 or above has a positive, and statistically significant, impact on labour force participation for both men and women.
- The increase in participation that occurs from improving these skills is greater for women than for men (consistent with the effects of greater education, and likely to occur because of the higher participation rate for men).

- For women, an increase in skills from Level 1 to Level 2 raises participation by 11 percentage points. Raising skills from Level 1 to Level 3 (or Level 4 or 5) raises participation by about 15 percentage points. Thus, the largest additional increase in participation occurs from improving lower skilled workers' functional literacy and numeracy.
- For men, an improvement in skills from Level 1 to Level 2 raises participation by almost 4 percentage points, and from Level 1 to Level 4 or 5 raises participation by about 6 percentage points.

IMPACT ON WAGES

- Increasing skills from Level 1 to Level 2 or above had a positive and statistically significant effect on wages, for both men and women.
- Increasing skills has a larger impact on returns to wages for men compared with women. This is in contrast to the effect that skills had on the likelihood of participation for men and women.
- For men, increasing skills from Level 1 to Level 3 increases wages by 32 per cent (14 percentage points more than from increasing skills from Level 1 to Level 2). However, an increase in skills from Level 1 to Levels 4 or 5 raises wages by 54 per cent (a difference of 22 percentage points compared with raising skills from Level 1 to Level 3). Furthermore, the increase in wages from increasing skills from Level 1 to Level 2 is significantly different than from increasing skills to Level 4 or Level 5.
- For women, the additional increase in wages is roughly 10 per cent from increasing skills from Level 1 to Level 2, compared with increasing skills from Level 1 to Level 3. The additional increase from improving skills to Levels 4 or 5 (compared with Level 3) is also about 10 per cent.

SUMMARY OF FINDINGS

A profile of Australian's functional literacy and numeracy skills in 2006 showed that skills typically:

- decrease with age
- are higher for more educated people
- are lower for people born in a non-English speaking country.

Skills were also shown to be important for labour market outcomes – people with higher skills are more likely to participate in the labour force, be employed in higher-skilled occupations and earn more, compared to people with lower skills.

GLOSSARY

Acronym/Term	Definition
ABS	AUSTRALIAN BUREAU OF STATISTICS The Australian Bureau of Statistics is the central statistical agency for the Commonwealth government.
ACE	ADULT AND COMMUNITY EDUCATION Education and training for adults that generally involves informal and/or non-accredited learning programs and activities that contribute to the development of a person's skills, knowledge and/or social participation. Adult and community education is generally delivered through providers such as evening and community colleges, schools and technical education institutions.
ACSF	AUSTRALIAN CORE SKILLS FRAMEWORK The Australian Core Skills Framework is a mechanism for describing a person's performance in five core skills areas – learning, reading, writing, oral communication and numeracy.
ALLS survey	ADULT LITERACY AND LIFE SKILLS SURVEY The Adult Literacy and Life Skills Survey was conducted in 2006 in Australia as part of an international study to measure adult literacy and numeracy skills. This survey is the successor of the International Adult Literacy Survey, which was conducted in 1996 in Australia.
AQF	AUSTRALIAN QUALIFICATIONS FRAMEWORK The Australian Qualifications Framework provides the standards and specifications for Australian qualifications in schools, vocational education and training, and higher education.
Australian Workforce and Productivity Agency	In the 2011-12 Budget, it was announced that the Australian Government would establish a National Workforce and Productivity Agency from 1 July 2012. This Agency is resourced for intensive engagement with industry, ISCs, employer associations and unions in order to help inform government and industry workforce planning. The Agency administers the National Workforce Development Fund.
COAG	COUNCIL OF AUSTRALIAN GOVERNMENTS The Council of Australian Governments is the peak intergovernmental forum consisting of the Commonwealth government, state and territory governments and the Australian Local Government Association.
Digital Literacy	The use of foundation skills in technology rich environments encompasses the concept of digital literacy which can be understood as comprising: <ul style="list-style-type: none"> • the technical ability to engage at a basic level with a computer and the internet • the ability to understand and critically evaluate digital media and digital media content • the ability to create content and communications.
Employability skills	The skills required not only to gain employment but also to progress within an industry or field so as to achieve one's potential.
IALS	INTERNATIONAL ADULT LITERACY SURVEY The International Adult Literacy Survey was conducted in three stages in the 1990s as part of an international study to measure adult literacy and numeracy skills. In Australia, this survey was conducted in 1996. This survey was the predecessor of the Adult Literacy and Life Skills Survey, which was conducted in 2006 in Australia.
ISCs	INDUSTRY SKILLS COUNCILS Industry Skills Councils are a set of 11 bodies that provide advice to government on the training that is required for industry.
Levels	Throughout this document, 'levels' is always used in reference to ALLS/PIAAC levels and should not be confused with any other framework for evaluating skills (such as the ACSF).

Acronym/Term	Definition
MCTEE	<p>MINISTERIAL COUNCIL ON TERTIARY EDUCATION AND EMPLOYMENT</p> <p>The Ministerial Council on Tertiary Education and Employment (MCTEE) is the predecessor of the Standing Council on Tertiary Education, Skills and Employment (SCOTESE).</p>
National Digital Economy Strategy	<p>The National Digital Economy Strategy sets out a vision for Australia to realise the benefits of the National Broadband Network (NBN) and position Australia as a leading digital economy by 2020.</p>
Practitioners	<p>Teaching and training workforces encompass a range of occupations with varying levels of experience and qualifications, from specialist LLN practitioners to VET teachers and trainers. They include a range of education and training providers and frontline workers operating within workplace, community services and education settings who have the opportunity to assist adults with foundation skills needs.</p> <p>While the distinctions between, and the particular operating environments and needs of, each group are understood and will require tailored responses, for the sake of simplicity throughout this Strategy, all groups will be encompassed by the general term ‘practitioner’.</p>
SCOTESE	<p>STANDING COUNCIL ON TERTIARY EDUCATION, SKILLS AND EMPLOYMENT</p> <p>The Standing Council on Tertiary Education, Skills and Employment (SCOTESE) is a key decision-making body and has responsibility for higher education, vocational education and training, international education, adult and community education, the Australian Qualifications Framework and employment. SCOTESE comprises of Commonwealth, state and territory and New Zealand government ministers. SCOTESE is the successor of the Ministerial Council for Tertiary Education and Employment (MCTEE).</p>