

Transcript – ABC AM program – 18 January 2016

KIM LANDERS: It's a common complaint from employers - workers unable to cope with basic literacy and numeracy tasks.

A report out today from the Australian Industry Group says 93 per cent of businesses are being hurt by staff who can't do simple sums or use a computer.

The AI Group's chief executive Innes Willox is speaking with our Business editor Peter Ryan.

INNES WILLOX: There are problems around things like being able to write out order forms, being able to add up basic numbers for material ordering.

And it's also leading to problems across workforces in terms of team work and cohesiveness because orders aren't being given with confidence or being read and undertaken with confidence because the basic skills aren't there when those orders are being made.

PETER RYAN: A common complaint is also language and grammar, which is particularly important when they are facing customers.

INNES WILLOX: Oh absolutely.

You're hearing from employers all the time about basic mistakes being made when people are talking to customers and customers being upset, and sort of concerned about that because it goes to the reputation of a business if people from a business aren't able to put a sentence together or add up properly. That goes to perceptions of competence of the business.

And employers aren't teachers and they're not nannies. When 9 out of 10 employers say this is impacting my business, we know that we have to start to address these problems.

PETER RYAN: But you're not talking about just poorly educated people. You hear examples of when people at university level don't know how to add up or conduct a simple conversation.

INNES WILLOX: Well that's right. And employers are saying that they are increasingly concerned about the standards of the education that prospective employees are coming out of school and university with, not being able to undertake basic tasks because they can't read and write to essentially a basic level. And that tells us there's a problem with the education system.

PETER RYAN: So what's the solution given that Australia's meant to be now building a digital economy?

INNES WILLOX: Well before we can build a digital economy we have to have the basics in place.

If our workforce of the now and of the future are having difficulty reading and writing, it's going to be very, very difficult if not impossible for them to pick up those high edge technical skills that we're going to need to compete.

That's why employers are suggesting that we do need from federal and state governments a national foundation skills strategy and that we need to put more funding into the training of language, literacy and numeracy teachers, those who can go into the workplaces to assist employees, hone and develop their skills.

PETER RYAN: So in a sense we're seeing chickens coming home to roost at the moment in terms of the education system not delivering these basic skills that the workforce requires?

INNES WILLOX: In many ways we are and employers are unfortunately the ones who bear the brunt of it. And that's why it needs to be addressed very quickly at a root and branch level by federal and state governments.

KIM LANDERS: The chief executive of the Australian Industry Group Innes Willox with our business editor Peter Ryan.