



6 August 2010

Dr Shona Batge
Committee Secretary
Senate Education, Employment and Workplace Relations Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Dr Batge
Re: Inquiry into Industry Skills Councils

The Fisheries Research and Development Corporation (FRDC) seeks to provide a brief assessment of our experience with Industry Skills Councils to date and in particular our relationship with Agrifood Skills Australia.

The FRDC is a statutory corporation founded in 1991 under the Primary Industries and Energy Research and Development (PIERD) Act 1989. It is responsible to the Minister for Agriculture Fisheries and Forestry. Our mission is to maximise economic, environmental and social benefits for its stakeholders through effective investment and partnership in research, development and extension. Our stakeholders are the Australian Government and the three sectors of the fishing industry: commercial (wild catch and aquaculture), recreational and indigenous. Workforce development for the commercial sector is within the scope of Agrifood Skills Australia.

The seafood industry (commercial fishing, aquaculture and through chain activities) makes a large, unique contribution to the wellbeing and economy of Australians. Commercial wild-catch and aquaculture is Australia's sixth most valuable food-based primary industry. The combined gross value of production of commercial wild-catch and aquaculture for 2007–08 (landed/farmgate value) was \$2.19 billion. Exports earned \$1.3 billion. Increased seafood consumption is a global trend for modern, health-conscious consumers. Commercial fishers and aquaculturists provide fresh, high-quality products to meet this demand.

(a) The role and effectiveness of Industry Skills Councils (ISCs) in the operation of the national training system particularly as it relates to states and territories and rural and regional Australia;

The FRDC has observed the evolution of the ISC model, and specifically the maturation of Agrifood Skills Australia, since its formation in 2004. While the current model cannot seek to duplicate the individual sector focus that the preceding ITAB model delivered, we have noted and supported the enhanced capacity for cross-industry collaboration and leadership on skills and workforce development. We also now see the skills councils addressing training and skills development as part of a broader agenda for workforce development in the context of building Australia's productivity. Testimony to this is the developing work of

Agrifood Skills Australia to partner with Cooperative research centres to support adoption of R&D by producers. As a result Agrifood Skills Australia is now being seen as a legitimate future partner in our aim to support innovation through our investments in research, development and extension to industry capability building.

However, while there are positive developments, the model struggles to make a difference within the fishing and aquaculture sector. AgriFood's stated role is to:

- provide industry intelligence and advice to industry, governments and Skills Australia on workforce development, skills and labour needs – which includes an annual Environmental Scan on the factors shaping and impacting on agrifood industry workforce development;
- provide independent skills, workforce, education and training needs advice to enterprises, matching identified needs with best-practice solutions (including facilitating PPP training places);
- advise governments on VET reform and related policy impediments;
- continuously improve Training Packages and their implementation in delivering job-ready people and enhancing enterprise capability.

Pertinent to the first of these roles, the FRDC is actively seeking advice from Agrifoods on how to collect better labour market intelligence specific to our industry sectors. Data is needed to understand our workforce profiles and labour market trends. Data collected by the ABS is not broken down in sufficient detail to be useful for planning or strategic purposes. The data also tends to under-report employees, including through attribution of some fishing industry activities to other industries such as transport and generalised food processing. For example, in 1998 the ABS recorded 22,400 people directly employed in “wild catch, aquaculture and processing” and during 2004 recorded 12,000 people in “commercial fishing” (comprising the same components). This data does not appear to be consistent and does not compare well with data collected in connection with the number of boats, fishing licences (e.g. 16,000 Australia-wide in 2004) and other forms of fishing regulation. Unfortunately, the latter sources are not sufficiently comprehensive to substitute for ABS data.

The capacity of Agrifood Skills Australia to be effective in carrying out the second of these roles is an enormous challenge given the complexity and diversity of the industry sectors it covers - rural and related industries, food processing (including beverages, wine and pharmaceuticals), meat, seafood and racing. The pilot project/case study approaches that Agrifood Skills Australia has taken to meet this challenge are reasonable, given the task, but this approach needs to be supported by a sound strategic approach to planning, delivering and extension of such activities. This is addressed in the following section.

(b) Accountability mechanisms in relation to Commonwealth funding for the general operation and specific projects and programs of each ISC;

While this submission has recognised the importance of the ISC model in supporting innovation and improving productivity, it is understood that an ISC will never have sufficient capacity to undertake activities within all enterprises or regions. The approach appears to be

to support pilot, or example activities that can then be adopted by others. However, for this approach to be truly effective and efficient it is essential that decision making on what investment are to be made, and what activities are to be progressed are made within a broader strategic framework and that decisions are transparent to stakeholders and beneficiaries. Without these mechanisms the risk is that only sectors or enterprise with well-developed capability to articulate their needs are beneficiaries of the model. There must also be effective mechanisms (supported by a solid monitoring and evaluation framework) to extend outputs of activities to other groups and enterprises.

(c) Corporate governance arrangements of ISCs;

The FRDC supports an expertise based board for ISCs, supported by effective industry advisory structures. The membership of the seafood industry standing committee is appropriate and well placed to support Agrifoods, however the industry in partnership with Agrifoods needs to establish processes for ensuring that advice is two way, is informed, and is representative of industry. These processes may well need appropriate resourcing.

(g) The effectiveness of each ISC in implementing specific training initiatives, for example the Skills for Sustainability initiative under the National Green Skills Agreement;

The FRDC has no awareness of the initiative. We are interested in knowing more as sustainability skills are critical for our workforce as the seafood industry is unique among the Agrifood industries, being dependent on access to publically owned aquatic resources

In summary, the FRDC is currently working with Agrifood Skills Australia to identify areas for future co-operation. The FRDC identifies Agrifood as being an important partner in advancing the goals and priorities of our People Development Program, which are developed through significant and ongoing consultation with our industry stakeholders. The FRDC is shortly to formalise arrangements to become a member organisation of Agrifood Skills Australia.

Yours sincerely

Jo-Anne Ruscoe
Program manager - strategy