



Submission

Education, Employment and Workplace Relations Senate Committee

Inquiry into Industry Skills Councils

August 2010

5th August 2010

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

Dear Dr Batge,

Recognition Australia provides the following response to the Senate Inquiry into Industry Skills Councils.

Recognition Australia is a consultancy company providing a suite of services to a range of industry organisations, national associations, industry workers and management. We have had the privilege of representing the interests of industry groups and have worked closely with national associations on relevant Training Package matters and remain firmly focused on providing better outcomes for the respective industries.

Training Packages

The AgriFood track record on meeting deadlines for Training Package production is woeful. Of the current batch of Training Packages under development, the status is:

ACM10 Animal Care and Management:	One year overdue and recently endorsed.
FDF03 Food Processing:	2 years overdue and not endorsed.
SFI04 Seafood:	One year overdue and not endorsed.
RTD02 Conservation and Land Management;	3 years overdue and not endorsed.
RTE03 Rural Production	2 years overdue and not endorsed.
RTF03 Amenity Horticulture:	2 years overdue and not endorsed.
SUG02 Sugar Milling:	3 years overdue and not started.

The merger of three training packages RTD02 Conservation and Land Management, RTE03 Rural Production and RTF03 Amenity Horticulture has resulted in a disaster zone known as the AHC10 Training Package.

For AgriFood the merger was a means of avoidance of performing the maintenance duties of the three separate Training Packages. By combining these three Training Packages the Review recommendations and development work were sidelined and bypassed.

AgriFood attempted to merge three Training Packages into one package on the basis of the original packages containing common RTC units and conveniently using an NQC directive to remove duplication from the Training Package system. The entire suite of units of competency were tipped into one big bucket and never reviewed for cohesiveness and areas of overlap. The existing duplications and anomalies remain. The merger has produced the worst Training Package in AQF history - the AHC10 Training Package. Anecdotally one long standing Quality Assurance panel member described this package as "the worst Training Package that she has ever seen."

AgriFood have admitted that this merger was a mistake, and in hindsight would not have attempted the merger, as the volume of demands of stakeholders and the conflicting interests of the diverse

stakeholder groups, are too overwhelming. The aggregation of industries in this instance has led to disengagement of numerous stakeholder groups and the disenfranchisement of entire industry sectors.

There was no professional research done into the AHC merger from an Industry perspective. There was no academic base or justification for the merger. It was purely an administrative decision based on the avoidance of the volume of work that was required to be done. AgriFood instead constructed a grandiose modelling system for rationalisation of training packages and dumped this model shortly afterwards.

A sensible approach to the rationalisation of training Packages would have resulted in a proposal to merge the SUG02 Sugar Milling Training Package (3 qualifications) into rural production, and the absorption of the ill fated AGF07 Training Package (1 entry level qualification with 5 units) into existing training packages.

If all of the Review work had been implemented the financial cost would have been considerable but AgriFood have had highly appropriate funding. In avoiding this work AgriFood now enjoy comparative luxury in a financial accounting sense. AgriFood now have the envious task of looking to spend \$500,000 per month for the next twelve months, are floundering around looking for the next grandiose scheme and have no core business directions outlined for their aggregated hoard of tax dollars.

"The great bulk of necessary work can never be anything but painful" (Bertrand Russell).

The flock of ten Training Packages in the AgriFood dominion is numerous and diverse. The number of Training packages under AgriFood control needs to be rationalised and consolidated. Why the Racing Training Package is a part of the AgriFood Industry is unknown. This industry group is more closely aligned to the Sport and Leisure Industries and is more appropriately housed there and should be excised from the AgriFood dominion.

AgriFood are too fragmented and non responsive in meeting the needs of such a broad and diverse patchwork of industries. The support for Forestworks ISC strongly indicates the advantages and benefits of ISCs with a tight industry focus. ISCs that are responsive to their industry needs and provide timely and appropriate action are to be applauded.

Industry diversity

Rural Production and the production side of horticulture have much common ground. Rural production and urban Amenity Horticulture have little in common. The Training Package known as Conservation and Land Management had disparate connections within its component sections and relatively in common with the other two Training Packages.

The entire and diverse industries covering Conservation, Land Management, Natural Resource Management, Sustainability, Biosecurity, Biodiversity, Green Skills, Eco-Services and Indigenous Land Management are due to be buried into the combined Agriculture, Horticulture and Conservation and Land Management (AHC) Training Package. Each of these industry sectors has received the poorest quality of treatment within the AHC Training Package development. Many have been largely ignored due to a focus on the rural and related industries of agribusiness.

Highlighting this situation is the case of the emergent green industry sector. At the precise moment in time when sustainable resource use, biosecurity and efficiency of carbon management have hit the forefront of national priorities, AgriFood have buried these sectors deep in the backyard of a poorly developed Training Package. The incorporation of Green Skills into the AHC10 Training Package has been a cynical and lazy application of inserting sustainability units into some qualifications. No evaluation of Green Skills was undertaken. No research was done. No individual units were developed or modified. No Green employability skills were added.

Industry Intelligence

Five years ago in 2005, AgriFood were alerted to the well known existence of Biosecurity as a high level issue and urgent national priority. AgriFood flagged biosecurity as an emerging industry trend and recommendations for review and development work were noted and recorded as industry feedback. Five years later and little has been done in development by AgriFood, to the incomprehension of the biosecurity industry, despite the national endorsement of the national emergency biosecurity response plans AUSVETPLAN and PLANTPLAN.

If AgriFood were competent at their job, initial biosecurity Training Package products would have been completed by 2007 under normal training package development.

If AgriFood were competent at delineating industry intelligence they would have discovered that a sophisticated national Biosecurity Environmental Management and Audit training program had been developed by the Nursery and Garden Industry of Australia (NGIA), in association with Animal Health Australia (AHA) and Plant Health Australia (PHA), and had been in implementation for some time.

If AgriFood were competent at their job, they would have incorporated biosecurity qualifications, auditing skill sets and industry approved units into the training package by 2008. If AgriFood comprehended current industry practice, listened to their stakeholders and even sourced intelligence from its own publications, it would have realised in 2008/9 the urgency for action on biosecurity product, instead of treating biosecurity as an "optional add-on".

This suggests that the training package research and consultation has not kept pace with what have been, for some time, well-established industry practices across the majority, if not all, industries and enterprises dealing with animals and plants. **Stakeholder Feedback Report, AHC10 Agriculture, Horticulture and Conservation and Land Management Training Package 24/11/09**

Several sectors are well placed to ~~ drive much of the Government's agenda on sustainability, innovation, biosecurity and conservation. **2009 Environmental Scan, Agrifood Skills Australia**

Several sectors were well placed and developed major education programs, national policy, national emergency response plans and international biosecurity agreements. AgriFood did not contribute nor develop product apart from a couple of ill-conceived and incorrect units of competency. Skill sets and qualifications were ignored. A major submission for an innovative online biosecurity training and auditing program was rejected.

In the middle of 2010, Biosecurity was eventually recognised and mentioned in a late revision of the 'Continuous Improvement' program at AgriFood Skills Australia after five years of inaction in developing an accurate product for industry needs. This pattern of events is a consistently recurring theme.

It appears that AgriFood have a seriously distorted definition of urgent national priority and the dramatic statements in their glossy national industry Environmental Scans are disputed by their lack of action where it matters.

Failure to understand the absolute urgency for action by the training system, policy makers and industry itself will not simply become an issue of skills deficit, it will leave our industry and our nation globally exposed both economically and climatically. **2010 Environmental Scan, AgriFood Skills Australia**

Indigenous Aspects

The greatest civil crime that Agrifood has committed has been against the Indigenous peoples of this country. The Indigenous Land Management component of the Training Package [is a national disgrace](#). Other reports have already detailed the lack of transparency, the lack of accountability and the disregard for national stakeholder input, and these are serious issues that also must be faced and resolved.

The Indigenous situation is frightening. Absolutely no work has been done on the development of Indigenous workforce skills in the Training Package. There has been 6 years of inaction that have built upon the previous 10 years of largely irrelevant Training Package products for the Indigenous workers and learners. At the critical time of our need for nationwide solutions of Indigenous workforce skills development, employment participation and attraction and retention, AgriFood have done very little.

There is no point in developing productive skills utilisation when the baseline skills and job roles have not been identified and described. The core work of a Training Package has not been done. Over the last decade of Australia's history when there has been a desperate need for an effective solution, AgriFood have failed to recognise their primary role in workforce development that has relevant employment and training outcomes.

There are several hundred millions dollars spent annually by the combined efforts of Governments, authorities, corporations and Industry groups to work together to provide improved solutions and AgriFood has been missing in action. AgriFood have failed to provide the national framework for Indigenous workforce skills development.

The work required will take several years and a few more million dollars of public funds. AgriFood should be accountable for the required expenditure and directly contribute funds to ensure the overdue work is done to the standards required by key stakeholders and technical requirements, contractual obligations and quality assurance obligations.

Inform, engage and consult

AgriFood's critical failing in this area is the failure to inform properly and engage effectively. AgriFood has failed to provide Training Package intelligence to all the stakeholders that are in their core industry groups. AgriFood has failed to identify all of their stakeholders and their key stakeholder groups.

The essential information about what a Training Package is and what it means, and what a Training Package can do, has not been provided to key stakeholders to allow an appropriate set of responses to be forthcoming. By far the greatest failure is to the Indigenous people of Australia who are uninformed about the true role of an ISC, and how an appropriate Training Package will provide a set of solutions that are relevant to Indigenous learners and workers.

Informing leads to engagement which leads to consultation and dialogue that results in culturally appropriate and industrially relevant products being developed. Effective engagement confirms the information component is comprehended and evaluates whether the stakeholder has a valid viewpoint. Effective engagement is not about the size of the stakeholder database, the frequency of project alerts, the articulation of newsletters, the glossiness of a report, the constancy of contact emails for industry response, the volume of web site hits or the frequency of downloads. Giving sophisticated lip service via spamming emails to the stakeholders is an inadequate approach, and for particular stakeholders, a very inappropriate method of communications. A client focused approach determines the identity of all the stakeholders, takes action on issues about the precise levels of stakeholder satisfaction and provides a transparent response mechanism.

No set of guidelines exist for the interaction of stakeholders with this Skills Council. A set of rules of engagement needs to be drawn up by industry as the key stakeholders on how their servant will provide the required standards of service. Otherwise, AgriFood will surely draw up an MOU that decrees that Industry representatives sign an agreement not to criticise, release information or publicly complain about AgriFood outside of standing committees and reference groups. In the pipeline is the production of an MOU that would require the confidentiality of committee meetings and non disclosure of AgriFood problems, processes and procedures.

Stakeholder Engagement

The AgriFood Business Plan incorporates a stakeholder engagement plan that consists of “a communication and promotion plan together with a marketing strategy to promote and inform stakeholders about the AgriFood skills and workforce initiatives including training package reform strategies”. This is a communications strategy and not an engagement strategy. There is little likelihood of effective engagement emerging from this plan or from the performance measures that have stated outcomes of ‘enhancement of communications and promotion’, ‘database growth’, ‘production of newsletters’, ‘web site visit increases and a ‘stakeholder satisfaction survey’ of carefully selected stakeholders.

According to AgriFood's business plan there is a substantial budget item for the development of a stakeholder ‘engagement’ plan, to confirm that the existing strategy of holding afternoon tea parties with the five standing committees, ITABs, STAs and RTO reference groups, is all that is required for national consultation practices and industry engagement. It is well known that AgriFood largely ignore the outcomes of these meetings and hold the meetings out of an obligation to meet a DEEWR KPI.

Finally there is an annual conference budget item that always blows out as very few paying stakeholders are willing to attend, and AgriFood are forced to fund the attendance of standing committee members and industry representatives, in order to announce a 5% increase in attendance on last year’s numbers. This is an annual sham of minor and trivial proportions but very amusing.

Little if any effective engagement occurs that results in productive AgriFood work output that benefits stakeholders or produces industry feedback that AgriFood actually makes use of. These lightweight surveillance techniques are a gross waste of resources, waste the productivity of industry stakeholders and are a cynical betrayal of the well intentioned industry participants attempting to provide informed feedback and to better the outcomes for their industry groups.

Training Package Department Staffing

There appears to have been a senior management decision to ensure that the Training Package department has been chronically understaffed for several years despite having healthy budgets and lavish resources. The budget for training package staff amounted to one part-time position for the three years 2006 - 2008, and one other part-time staff member joined in 2009.

The low staffing levels have resulted from a management decision to outsource the bulk of the training package work. Most of this work was to be done by competent consultants out of house. The AHC10 Training Package was kept in house and the one project manager was looking after the ten Training Packages part-time, four days a week, resulting in a massive backlog of work, and ultimately, in no work being done.

Instead AgriFood devised another grandiose model called ‘Bridging the Gap’ , which had the lofty objectives of replacing current Training Packages with a suite of non endorsed products, and which has either been dumped or shelved. The wasted productivity, time and resources have never been accounted for.

The staffing issues originate with a senior management policy of rigid adherence to outsourcing the development work to specialist consultants. All development work on training packages was outsourced except the AHC10 package for reason known only to project management. No additional budget for staffing the AHC10 package meant that the package languished for three years until the middle of 2009 in June when the merged package was placed before external consultants for validation and sign off following some minor editing to the standards.

The consultants confirmed that the only work done on the package since 2006 had been to change the initial three letters of the training package title to ‘AHC’. No other development work had been done over the last three years on the three packages due to be merged. The consultants requested 120 days to implement the recommendations of the reviews and were given thirty days due to budget considerations and due to pressure from industry and authorities to get it finished.

Following the blind rush to 'fix' the package a version was uploaded for industry response and was howled down immediately by industry with an enormous response comprising 80 pages of fine print on A3 paper. This was approximately 3 kg of total rejection. Further versions were attempted and rejected and the unfinished and long overdue package is again up for endorsement.

Ethical Work Practices

Built into the fabric of the VET system is the capacity for rigorous examination of processes for quality and continuous improvement. This is an accepted part of who we are and what we do as professional VET practitioners.

A number of questionable practices were used in the fabrication of AHC10:

- the use of part time personnel unqualified and inexperienced in training and assessment to edit the units of competency and qualifications
- the use of untrained staff in technical editing and document control of endorsed training package product
- the editing and storage of master copies of the national standards on unsecured home computers
- the lack of documented procedure in all areas of training package development work
- the lack of standardised process in review and development work on training package product
- the ignorance of, contempt for, and often refusal to use the processes outlined in the TPDH and to follow the guidelines of the Training Package Development and Endorsement Process
- the use of a Skills Council employee as an ITAB to provide industry advice on the training package
- the construction and development of a private functional skills database during Training Package project work time
- the frequent use of AgriFood funds to construct and develop a privately owned database
- the marketing and hawking of the products and services of the privately owned database to key stakeholders during, and in lieu of, formal consultation processes.

Development staff and consultants desperate to meet deadlines had to delay functional work frequently as the only administrative staff had school sport commitments that day or was unavailable for that week due to school holidays. No replacements were allowed as there was no budget for extra staff.

Should it be acceptable that the deadlines stipulated by DEEWR and expected by industry are not met because there is a school swimming carnival that day?

The package development was characterised by the large volume of part-time editors working on the editing of the package. Family members, part-time admin staff, contract admin personnel, contracted consultants, additional local training package project managers, the office receptionist, the local ITAB representative, as well as the full-time office training package specialist staff and the project manager all were directly involved in the editing of units of competency.

There was no achievable consistency of quality given the various styles of editing and given that there was no formal documented procedures available. There was little or no procedural training and consequently there were numerous errors and omissions requiring global text changes and multiple

changes to previously agreed work.

How can there be confidence in the quality of this Training Package when the training package development work practices are unconscionable and unacceptable within in the modern quality system of VET?

Communications

AgriFood are primarily a communications company. AgriFood employ a noted communications specialist on staff to ensure the quality of perception of the product and services and the wide dispersal of the quality and quantity of key messages that proliferate from the AgriFood media and communications department.

The primary concern of these communications is the importance of AgriFood as a corporation and the absolute relevance of AgriFood as the peak organisation in the agrifood industry sector.

- Stakeholder surveys are not undertaken with the primary aim of gauging stakeholder satisfaction or developing better methods of engagement.
- Perception audits that target key stakeholders in existing committees are not designed to provide better methods of consultation with stakeholders or to gain more accurate insights into industry feedback.

These surveys and perception audits are pure research on how AgriFood can improve their communications strategy and how AgriFood can develop a more effective media campaign for future self promotions.

AgriFood Skills Australia is a 'slick-on-the-surface' communications and marketing machine that lacks substance in the quality and volume of the work produced.

Specialist consultants on annual retainers produce high quality but largely irrelevant snapshots of the current status of the industry called an Environmental Scan. These absolutely beautiful, glossy magazines come at the high price of \$200K per annum. The material is collected, analysed and reproduced in a process that provides content from desktop research and gossip from conferences that AgriFood sees only in pre-production. Yet AgriFood claim this is a rigorous process of national consultation that provides the content and their first rate analysis is due to being innately tapped into the heartbeat of industry. The use of the phrase 'consultation' in this instance is a selective piece of disinformation. The 2010 Environmental Scan has a detailed piece on Sugar industry's unique technical skills and diverse work functions, but the Sugar Milling Training Package is three years overdue for completion of a review that has not been started, and is not likely to be completed for another two or three years.

The Scans might be somewhat useful if AgriFood actually used any of the intelligence gathered in other areas of their operations other than the latest new 'initiative' or pilot program. The Scans are great for reading once a year, as they do contain beautifully written content with interesting trivial information that is at least one level higher than Twitter. As they do form the basis of the annual AgriFood work plan my advice to Government is not to listen to AgriFood advice.

The identification and cultivation of new and existing stakeholders does not rate in the AgriFood communications strategy. There has never been a published list of key stakeholders and a published confirmation of stakeholder satisfaction. A transparent mechanism for industry feedback and AgriFood response conveniently arrived after the completion of the four recent training package review processes.

Training Package Product relevance

Agrifood qualifications have hit an all time low in completion rates of 26% and learners are walking away from finishing their enrolled courses of study.

While only reflecting a relatively small proportion of Training Package usage, in 2008 a total of 77,528 persons were enrolled across the AgriFood qualifications - equating to nearly nine per cent of the AgriFood workforce.

In the same period only 19,782 learners completed their chosen qualification.

Typically, only one quarter to a third of all publicly funded qualification enrolments in AgriFood convert into qualification completions. **2010 Environmental Scan, Agrifood Skills Australia.**

Agrifood says that industry consultations and feedback from industry throughout 2008 and 2009 strongly disagree that the issue is their value or relevance. The reality is that industry has widely criticised Agrifood draft products each and every time they have been published for industry feedback and has loudly criticised the appalling lack of consultation with all sectors of industry.

Industry is not saying the qualification has no value or relevance; it is the AgriFood content of the qualifications that often has little of no relevance to the real world of industry and business. The reality is that the Agrifood product has issues of value, relevance and credibility.

On face value, these relatively low completion rates could be perceived as declining support for the product.

2010 Environmental Scan, Agrifood Skills Australia.

A lack of product quality turns off many learners from the training programs. The training providers have enormous difficulties implementing courses that are largely irrelevant to the current needs of students and businesses.

Rather, it reinforces industry's message that for several sectors, full qualifications are not the goal and as a consequence, once learners have acquired the sought after skills, they withdraw from the remainder of the qualification and the publicly funded system. **2010 Environmental Scan, Agrifood Skills Australia.**

The blame is being shifted onto the learners who are walking away from the product when they discover the lack of relevance to their current needs on the job and the outdated, irrelevant and stale units of competency that make up many qualifications. The AgriFood comment on 'withdrawal after acquiring required skills' is cleverly doctored spin from the fairytale land of make-believe.

ASA have recognised the need for Skill Sets rather than whole qualifications, but have done little work to develop Skill Sets in the vast majority of their industry sectors, and more pertinently in their own training package product. Once again AgriFood are the barrier to the effectiveness of VET sector training and the roadblock to workforce skills development.

Productive work outcomes of ISCs

There has been no independent assessment of the productive work outcomes of the collective group of ISCs and on the balance of probabilities this is not required. Most ISCs appear to be performing well and are accountable to their industry groups and to DEEWR. A control mechanism is required for the maverick ISC. A compliance enforcement mechanism is required for an ISC that is operating outside the boundaries of acceptable business practices and for the ISC that has gone off the rails, and gone rogue.

Every ISC is different and reflects the needs of different industries. It is not the intention to create divisiveness amongst the ISC group but it is noted that there has been a 'hands off' policy in existence with little or no self regulation of operational business practices, no policing of a known renegade ISC and no set of internal business or professional standards that are enforceable. Finally there are no transparent and robust formal governance arrangements of ISCs currently in place.

Summary

AgriFood has not grasped the fundamental connection that a Training Package is the core business of an ISC:

- that a Training Package is the core focus of workforce skills development projects.
- that a Training Package is compilation of the national standards for the industry job roles and, is therefore the most valuable piece of documentation that an ISC can produce.
- that a Training Package requires long term forensic industry intelligence to be utilised productively in Training Packages.
- that each Training Package requires a continuity of industry specialist staff to manage the maintenance of a Training Package.

AgriFood are not grounded in their industry groups. The AgriFood stakeholder base is too diverse and not represented. In the current structure of coverage of overly diverse industry groups AgriFood are not relevant in meeting the needs of industry. AgriFood is a communications company when it needs to be a stakeholder engagement company like Forestworks and many other ISCs. The AgriFood Training Package Department is chronically and deliberately understaffed and the completion rate of Training Package production is woeful. The completion rates of AgriFood qualifications are dismal.

AgriFood are a barrier to the effectiveness of VET sector training and the roadblock to workforce skills development in the agrifood industries.

The AgriFood business model perpetuates unethical work practices, and encourages a slick and cynical disinformation system through a specialist communications and marketing division, rather than providing the basic range of goods and services for industry stakeholders through the core business of development of quality Training Packages. This serially under performing private corporation is not publicly accountable to their industry groups and regulatory authorities.

It is the recommendation of this submission

- that AgriFood Industry Skills Council be the focus of a separate Senate Inquiry that incorporates an independent forensic audit of their financial, commercial and business activities in meeting both their contractual performance requirements and provides an independent evaluation of the value of the work output to meet current industry needs.
- that the industry framework of AgriFood Industry Skills Council be reviewed and a restructuring of the Training package areas be undertaken to allow a more appropriate industry response to be provided to the diverse industry stakeholder groups.
- that the AgriFood contractual funds be frozen pending the outcomes of the Senate Inquiry and the structural review.
- that an unacceptable review outcome leads to the public tendering of the corporate role to manage the Skills Council.