



6 AUGUST 2010

AgriFood Skills Australia

**Submission To Senate Education, Employment and
Workplace Relations Committee Inquiry Into Industry
Skills Councils**

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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,

**AgriFood Skills Australia Submission To Senate Education, Employment and Workplace Relations
Committee Inquiry Into Industry Skills Councils**

Please find enclosed the Board submission for AgriFood Skills Australia. We would welcome appearing before the Committee to provide support to our submission and respond to questions from the Committee.

Yours sincerely

John Baker

Chair

AgriFood Skills Australia

Background

AgriFood Skills Australia (AgriFood) was established in May 2004 as one of 11 Industry Skills Councils to provide accurate industry intelligence on current and future skill and training requirements for the agrifood industry: rural and related primary industries, food processing (including beverages, wine and pharmaceuticals), meat, seafood and racing.

AgriFood is a not for profit public Company limited by guarantee, with an industry-led and skills-based Board of nine Directors, and five industry sector advisory Standing Committees . Core funding is provided under contract by the Australian Government through the Commonwealth Department of Education, Employment and Workplace Relations (DEEWR).

The Company's name was changed to AgriFood Skills Australia from AgriFood Industry Skills Council at the annual general meeting of the Company on Monday 17th November 2008. The change of name highlighted the Company's revised and expanded charter under a new funding agreement with DEEWR, its national remit and to simplify the Company name.

Complementary to its vision of *'sustainable economic growth of agrifood industries through world class capabilities'*, AgriFood's 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 national Training Packages and their implementation in delivering quality training outcomes, job-ready people and enhanced enterprise capability.

In undertaking this role, AgriFood draws on widespread industry networks and active stakeholder engagement and works in collaboration with other Industry Skills Councils, training providers, enterprises and producers, as well as all three tiers of government.

AgriFood is a highly visible participant in a broad range of national engagement and networking activities. These activities underpin research and work to enhance industry productivity and participation in the workforce.

AgriFood has achieved wide recognition from industry, its industry stakeholder organisations and government as the primary national adviser on these priority issues. Key agrifood stakeholder groups include the five broad industry sector Standing Committees, producers and processors, national and State-based peak bodies and training advisory Boards, enterprises and corporate consortia, training providers and brokers, and other Industry Skills Councils and the three tiers of government.

Measures Of AgriFood's Success

AgriFood's contribution is important to Australia's economy. Agrifood industries generate \$200 billion a year, which represents 46% of retail sales and roughly 17% of national export earnings. Approximately to 880,000 people work in the agrifood industry, comprising some 140,000 enterprises.

AgriFood's has been very successful in meeting a range of objectives:

- The requirements of its charter as set out in the Company's Constitution
- Its key performance indicators under core funding agreements with DEEWR and its predecessors
- The requirements of various State and Commonwealth grant funding agreements
- Its obligations under the Productivity Places Program (PPP)
- Engagement with stakeholders
- Progress on its regional pilots which have validated an integrated and cross-industry model to assist in attracting and retaining of people and enterprises to regional Australia.

Company Constitution

The following is an extract from the AgriFood Constitution:

The Company is formed with the object to:

(a) advance education and training and to identify generic and emerging skills to support the employability of individuals and provide for local community development and to give strategic advice to government on these issues;

(b) support the development, implementation and continuous improvement of high quality, nationally recognised training products and services, including enhancing innovation, rationalising materials where there are cross-industry synergies, and improving efficiency;

(c) assist the Industry enterprises and their workforce to integrate skills development with business goals;

(d) support accurate industry intelligence on future directions, including provision of strategic advice on industry skills and training needs to the National Industry Skills Forum;

(e) work with the Industry to set the future direction for education and training within the Industry in order to meet both current and future needs;

(f) research, collect, plan, coordinate and provide input to national research and develop strategies relating to education and training within the Industry;

(g) establish acquire, administer and maintain for the purpose of the Company any real or personal property, and in particular any lands buildings furniture or furnishings fittings and appliances and to sell, let, mortgage or dispose of the same;

(h) alone and/or in association with other bodies to undertake hold and promote competitions, displays, seminars, workshops, conventions and other meetings of whatsoever type or nature in connection with the training of persons within the Industry;

(i) advertise and to otherwise make known the objects and expertise of the Company;

(j) invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities and in such manner as may from time to time be determined by the Directors and from time to time vary and realise such investments;

(k) borrow or raise money by such means as the Directors may see fit;

(l) engage professional or other assistance of any kind and to remunerate any person for services rendered or to be rendered in or about the formation carrying on or promoting of the Company or its objects or the conduct of its affairs;

(m) do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the Company;

(n) act as the principal voice of the Industry on issues related to education and training;

(o) market the advantages of recognised training to all users and stakeholders relevant to the Industry; and

(p) work with all relevant government agencies to ensure a coordinated response to Industry training needs.

The Board and management of AgriFood have operated diligently to meet the objects as set out above.

The Company's direction in meeting these objects is shaped by many factors and by an ongoing process of engagement with industry. This engagement process includes the Company's Board, with all Directors drawn from industry and employee organisations and providing a skill-based capability.

The Company facilitates input from industry advisory Standing Committees which comprise employers and peak bodies, the new tier of Company members, and from the comprehensive Company engagement, collaboration and communication activities throughout the year.

Directors, the CEO and staff work closely with key stakeholders. One key development in 2009 was the Regional Jobs Summit initiative, initiated by AgriFood and designed to identify job demand and worker availability for regional communities. This is a whole-of-community and cross industry approach designed to examine issues of attraction and retention, job design, 'employer of choice' development, and the benefits of higher training and skill levels in meeting contemporary industry needs. This also involves working across the VET/Higher Education continuum and collaboration

with research organisations in assisting the adoption and extension of research, technology and new ideas. The most advanced regional pilot is at Narrabri, NSW with a second pilot commenced in 2010 at Emerald, Queensland. These pilots are based on matching funds from AgriFood and State Governments. Other requests for regional pilots are being considered.

AgriFood maintains strategic relationships with the leadership of national organisations, including peak industry organisations, leading industry enterprises, the DEEWR, Skills Australia, the National Quality Council, governments, VET and Higher Education institutions and industry research bodies.

AgriFood produces an annual Environmental Scan that gives a vivid contemporary picture of the factors that are shaping the agrifood industry and are likely to impact on the skills and capabilities of the workforce over the next 12 months. The Scan also informs Government of policy reforms necessary to remove impediments to skills and workforce development in the Agrifood industry and regional Australia particularly. Details of the stakeholder and consultation processes used to produce the Environmental Scan are described in the 2010 Scan.

The annual National AgriFood Conference has become a signature event for the industry in identify trends and new thinking for the agrifood industry, and for the broader tasks of skilling and workforce innovation. The Conference brings industry representatives together and fosters an interactive and collegiate atmosphere. It allows Company Directors and staff to examine new trends or challenges facing various sectors and to draw together leading industry and academic innovators.

The scope of Company activities was extended in 2007-08 with the release of the Australian Government's Skilling Australia for the future initiative and the advent of the Productivity Places Program (PPP). This created several hundred thousand new training places in vocational education and training across all industries, over the next four years. This expanded AgriFood's participation in industry productivity and workforce participation and proved an invaluable tool to provide targeted and higher level training to existing workers and new entrants.

DEEWR DEST & ANTA Core Funding Agreements

Since the 2004/2005 financial year, AgriFood has been financed primarily by, in turn the Australian National Training Authority (ANTA), the Commonwealth Department of Education, Science and Training (DEST) and DEEWR.

In each case AgriFood was required to present to the funding body a range of financial and non financial reports to indicate interim and final progress against the key performance indicators set out in those agreements. The funding agreements have provisions for withholding of funds in the event of non delivery of agreed milestones, projects or outcomes.

All funding agreements from 2005 have been satisfactorily acquitted to date, with all funds under those agreements being remitted to AgriFood.

The report for the second year of the current three year DEEWR core funding agreement is due in November 2010. This report will be in the form of progress against the business plan agreed with DEEWR in 2009 as a milestone in the funding agreement.

Commonwealth And State Grant Funding Agreements

Since the 2004/05 financial year, AgriFood has applied for and been successful in receiving a wide range of grants for purposes relating to its objects and commensurate with its approved activities under the core funding agreements. Grants have been received from, for example:

- Commonwealth Department of Agriculture Fisheries and Forestry (DAFF)
- DEEWR
- DEST
- NSW Department of Education and Training (DET NSW)

Grants have ranged from below \$20,000 to over \$250,000 and covered a range of activities including Workplace English Language and Literacy (WELL) programs, indigenous training and machinery and saleyards training.

All grants have been successfully acquitted with the appropriate funding body through delivery of agreed outputs.

Productivity Places Program (PPP)

AgriFood has participated in several versions of PPP. These are described below.

National Enterprise Trials

National Enterprise Trials for PPP were successfully completed with Inghams Chickens Pty Ltd (front line management) and Woolworths (baking) in December 2009.

During July 2008 DEEWR requested that AgriFood supply an indication of national enterprises that could make a commitment to place existing workers into certificate III and above qualifications. AgriFood was able to provide written commitment from over 3,000 participants in a very short time. This is testimony to the demand for and value of PPP-style support in our industries and what could be done with a more substantial budget.

AgriFood proceeded with two pilots under this scheme with Woolworths¹ and Inghams². The PPP enterprise trials were enthusiastically received by the enterprises. In each case it was clear that without the financial inducement from the PPP trials project, the existing worker training in its current format was unlikely to have taken place. The different criteria and approaches of PPP in each State was a major impediment to national enterprises of this type conducting training on this scale. Attrition has been minimal.

¹ 55 participants completing either a Cert III in Food Processing (Retail Baking-Bread) or a Cert III in Meat Processing (Food Services). RTO is Hunter Institute (Newcastle)

² 80 current employees undertaking the Cert IV in Front Line Management. The RTO is Bannister Technical (Sydney based).

The cross-border, cross-regional and targeted nature of the training undertaken have been highlighted by the enterprises and participants as a key benefit of the national enterprise trials. It has created synergies and a much richer learning experience. This was made possible because of the national brokering role of AgriFood, which helped the enterprises concerned side-step the costs of navigating the confusing plethora of grants requirements under the various state-based PPP.

Enterprise Based Productivity Placement Program

AgriFood has achieved agreement to the training of 1062 individuals comprising a total value of \$5.98 million including Government and enterprise contributions. It should be noted that the full amount of this core allocation of funds was invested in training places delivered by RTOs, with a modest and separate allocation of funds provided by DEEWR to AgriFood and other ISCs to assist with administering the Program.

There has been a very good response from enterprises in the agrifood industry to the opportunities offered by the EBPPP. A key attraction has been the perceived advantages and greater simplicity through dealing with AgriFood, rather than with individual States and Territory governments. The financial inducement (up to 90% of course costs) to enterprises with less than 100 employees has also been well received. From AgriFood's perspective, the EBPPP is providing new and more frequent opportunities to engage directly with the full range of enterprises which make up the industry. The EBPPP application process requires significant consultation between applicants and AgriFood which fosters a better understanding of each party's working environment and constraints. As well, AgriFood now has an improved understanding of RTOs which operate in the industry. This all assists AgriFood to gather intelligence for compiling the annual Environmental Scan.

Despite a "light touch" marketing campaign in regard to EBPPP, AgriFood received a strong response, made all the more striking given the timing of the first round of the program over the Christmas period. This is testimony to the high demand for this style of program, as opposed to the PPP as it is currently being deployed in States.

Particular aspects which appealed to enterprises in the agrifood industry included being able to access funding directly from one entity for themselves rather than via an RTO, the inclusion of funding for industry groups and networks, generous funding ratios, encouragement for small to medium sized enterprises, and assistance through TNAs to identify and demonstrate specific training needs. AgriFood sees TNAs as a key prerequisite to assist companies to build enterprise capability and to make a start in developing a more serious commitment to workforce development

State-based PPP

A number of enterprises and RTOs were also assisted successfully in making applications for State-based funding of PPP. An example is Swifts Meats which, working with a private provider, had training funded and conducted at its Tasmanian plants.

Stakeholder Satisfaction

AgriFood has a challenging task in achieving engagement with its diverse and geographically dispersed stakeholders. It seeks to have regular face to face interactions with key stakeholders at the State and national levels, and relies also on working with established networks to maximise reach and engagement. Electronic communication is critical to reaching broader stakeholder groups, and also to maintain the currency of information.

AgriFood is currently doing a comprehensive review of its communication activities and performance as part of developing a revised communication strategy, and this review will also embrace electronic communication.

The following are key points from a recent stakeholder perception audit evaluation conducted by an independent research firm:

- Most stakeholders regard AgriFood in positive terms.
- The organisation is widely considered to be effective in developing and providing training packages, which is the role the majority say they expect from AgriFood.
- The brand is considered visible among stakeholders working at the top of their departments or industry.
- CEO Arthur Blewitt is well respected and liked. Those who have direct communication with him tend to have the best impression of the organisation.
- There is a widely held perception that AgriFood's website and newsletter have improved recently.
- The parliamentary updates circulated to stakeholders by e-mail are valued. The stakeholders who mentioned receiving these updates were very positive about them and many said they read and circulated information from the updates regularly.
- The Environmental Scan is well known among stakeholders who tend to agree with the findings.
- Some respondents are very happy with their communication with AgriFood.

The overall result is positive for AgriFood and indicates successful stakeholder engagement, with particular processes leaving room for development.

Integrated Regional Initiative

Based on the premise of enhancing productivity, participation and economic growth in the regions, AgriFood was invited by the Primary Industries Ministerial Council (PIMC) to advise the Council on sustainable ways to address chronic regional skills and workforce shortages, and related policy and other impediments. Based on AgriFood's research and industry, government and community dialogue and feedback over the past few years, AgriFood developed (in consultation with SkillsDMC) an integrated Regional Skills and Workforce Development Strategy. This was refined in consultation

with the Primary Industries Standing Committee (PISC), and AgriFood's CEO presented the proposal to PIMC at its April 2010 meeting. PIMC subsequently:

- (a) SUPPORTED AgriFood's development of a *Regional Agrifood Skills and Workforce Development Strategy (2010–2014)* to underpin productivity growth and lift workforce training participation levels in regional Australia
- (b) AGREED to support and advocate high level reform and extension of the current National Training System for regional skills and workforce development which will:
 - (i) build a contemporary system for skills and workforce development that focuses on building the capability of individual enterprises, new and existing workers, and delivers robust, highly skilled labour pools to the regions
 - (ii) enable and encourage delivery of incremental building blocks of skills that can, where required, contribute to the attainment of full qualifications
 - (iii) drive flexible provision of services along the full skills and workforce continuum, and which are tailored to meet the needs of rural and regional industry.
- (c) AGREED to write to the Ministerial Council for Tertiary Education and Employment supporting AgriFood's *2010 Environmental Scan* and their proposals to extend the National Training System.
- (d) REQUESTED that government officials engage with AgriFood and industry stakeholders to progress development of a *Regional Agrifood Skills and Workforce Development Strategy (2010-2014)*. Note – AgriFood Skills Australia is developing the *Regional Agrifood Skills and Workforce Development Strategy*. It is an industry specific strategy which sits underneath this proposal.

The Department of Agriculture, fisheries and Forestry (DAFF) is currently undertaking internal consultative processes prior to finalising a proposal for submission to the Government. It should be noted that this is a cross-industry and community/employer driven initiative covering all regional industries, including Agrifood, mining/resources industries and transport particularly. The three relevant ISCs work in partnership on this initiative. It should be noted that the NSW Government has given strong financial and on-the-ground support to the Narrabri pilot, and is promoting the extension of this approach to other regions of the State.

This pilot has demonstrated the importance of regional skills ecosystems approaches to attracting and retaining workers and ensuring effective skills utilisation. The Narrabri pilot has been highly successful in demonstrating the power of a community/employer led group who make up the North West Advisory Group (NWAG) – locally selected leaders and appointed during an AgriFood jobs summit held in Narrabri in July 2009, and empowered to determine and drive the agenda. AgriFood provides advice and engages specialists to support NWAG (eg John Buchanan, Sydney Uni on 'employer of choice' strategies) and on-ground support (an experienced facilitator based in Narrabri). A similar pilot is underway in Emerald in the central highlands of Queensland.

Response To Matters Referred To The Inquiry

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

AgriFood has invested significant resources in capturing data and information to validate enterprise cases for critical training support from government to:

- Promote the use of skills sets and unit clusters as an effective means of providing entry to and sustainable pathways within agrifood industry sectors
- Provide support for registered training organisations (RTOs) to implement effective strategies addressing their core skills in training and assessment practices

AgriFood's major contribution to the operation of the national training system is the development and improvement of its agrifood industry training packages. The current AgriFood endorsed training packages on the National Training Information Service (NTIS) website are as follows:

1. Amenity Horticulture (RTF03)
2. Animal Care (RUV04)
3. Australian Meat Industry (MTM07)
4. Conservation and Land Management (RTD02)
5. Food Processing (FDF03)
6. Racing Industry (RGR02)
7. Rural Production (RTE03)
8. Seafood (SF104)
9. Sugar Milling (SUG02).

These training packages cover over 80 individual qualifications.

Since inception in 2004, AgriFood has worked to simplify the structure and increasing the level of flexibility within agrifood training packages, to respond to the evolving nature of job roles within the industries. AgriFood has worked closely with all its stakeholders in this complex task. Stakeholders are diverse and range from an individual greyhound owner to large multinational major food producers.

AgriFood's major task has been the merger of three rural training packages into one: Rural Production RTE03, Amenity Horticulture RTF03 and Conservation and Land Management RTD03.

AgriFood recognises the need for economic development in the regions and has therefore been active in rural and regional Australia with its job summits and work on the ground relating to

workforce development in Narrabri in NSW and Emerald in Qld (see below). With matching funding from the relevant State Governments, AgriFood is focusing on growth and productivity improvements in these areas as pilots for future Commonwealth and State/territory funded programmes.

In mid 2009, AgriFood Skills Australia initiated a regional jobs summit at Narrabri, north western NSW with a view to working with local employers, industry and community leaders and government to address cross-industry attraction and retention issues for the region.

The overall objective was to secure, develop and retain the workforce, now and into the future. At the jobs summit - attended by 90 employers and community leaders – an advisory group representative of employers from most local industries was established to drive the initiative and take responsibility for forming and delivering agendas and outcomes.

The group is advised by AgriFood and supported by a full time locally-based development manager - funded jointly by AgriFood and NSW's Department of Industry and Investment. Issues addressed by the group include becoming an 'Employer of Choice', operating in a competitive jobs market, enhancing business skills of employers, skills utilisation, contemporary job design and titles, retaining school leavers and developing regional strategies to attract people and workers.

The group is also developing a Regional Skills Formation Strategy to:

- Encourage the development of industry and regional career pathways
- Utilise existing resources and infrastructure to support skills and professional development
- Identify skills needs across the region and skill clusters
- Facilitate access to new technologies and industry resources
- Break down artificial barriers that preclude people from moving between enterprises and industries within a region, and
- Build local capacity to manage skills utilisation on an on-going basis.

The "Make it Work" approach is one of facilitation, collaboration and capacity building as a means of developing the region's human capital.

A policy and practice focus on engaging local enterprising human capital is the way forward for regions. Because of its highly regionalised presence, its established connections with local business, its size, and its core business of creating human capital through education and training, the vocational education and training sector has an important role in facilitating successful regional growth.

This initiative is demonstrating the importance of addressing regional skills and workforce challenges at the local level. A similar model is being developed at Emerald in Queensland.

AgriFood supports the NSW ITAB which advises the NSW Government on training and workforce needs operating under contract with that State. AgriFood works collaboratively with industry

training advisory groups in other States and the Northern Territory, with two of these under a Memoranda of Understanding.

AgriFood's five industry advisory Standing Committees provide "on the ground" feedback on training packages, training and development requirements and workforce issues.

The five AgriFood Industry Standing Committees are as follows:

- Seafood Standing Committee
- Meat Standing Committee
- Racing Standing Committee
- Rural and Related Industries Standing Committee
- Food and Beverages Standing Committee.

During 2008-09 the Board reviewed the role and composition of these committees to reflect the AgriFood's expanded role and changed governance arrangements. These enhanced arrangements were designed to lift the profile of industry advisory Standing Committees to ensure their relevance to informing the Company's future directions, with membership focused around employers.

The changes aimed to create a stronger industry voice in Company activities for peak industry organisations and enterprises with a broader role in supporting work AgriFood undertakes. Advisory Standing Committees now meet up to four times a year with independent committee chairs reporting twice a year to the Board on committee performance and projects.

Formal MOU's are in place with these Standing Committees. The Memorandum of Understanding (MOU) sets out the arrangements by which Agri-Food and its five industry sector Standing Committees will work together to maintain services and networks. AgriFood will build on established networks to promote the needs of these industry sectors in relation to Vocational Education and Training (VET), skills and workforce development. Standing Committees are appointed by the Board of AgriFood under the provisions of the Company Constitution in order to assist the Company achieve its stated objectives under the Funding Agreement with DEEWR. Standing Committees are regarded as key Company and industry stakeholders with a valuable contribution to make on issues like industry skills and workforce innovation and reviews of training products and services, including training packages.

AgriFood works collaboratively with Rural Skills Australia which supports training in agriculture and horticulture in conjunction with the National Farmers' Federation, State Farm Associations, Wool Producers, Commodity Councils, Australian Workers' Union and related industry bodies.

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

AgriFood is structured a private sector not for profit public Company limited by guarantee. Its accounts are audited annually and regular reports have been provided since inception to, in turn, ANTA, DEST and DEEWR, on its activities pursuant to funding agreements.

AgriFood's income has been derived principally from the Commonwealth, principally DEEWR and its predecessor bodies with some funds from DAFF and State Governments. Relevant acquittals have been audited and provided to the funding bodies.

In engaging consultants for its projects, AgriFood, whilst a private sector organisation, has a comprehensive procurement policy that maps to the Commonwealth Procurement Guidelines. It selects appropriate expertise via formal expressions of interest and panel provider arrangements, with the overarching proviso the delivery of value for money. Consultants are engaged under formal contracts that contain provisions matched to AgriFood's core funding agreement with DEEWR.

Contracts are approved by delegates in accordance with a set of delegations approved by the Board, Contracts above a specified sum are approved by the Board itself.

Regular management accounting reports are provided to the Board, showing performance against budget. Reports are split between Company overheads and projects included in the business plan provided to DEEWR.

Corporate governance arrangements of ISCs

AgriFood has moved from the initial representative style Board of 14 in 2004 to the current skills based Board of 9. AgriFood's Board in 2004 was comprised of industry and union representatives, with fixed allocations written into AgriFood's Constitution. This was the result of complex negotiations on the establishment of the ISC. In 2006 DEST commissioned a review of ISC corporate governance arrangements. AgriFood was rated as "Medium Performance", principally due to the size and structure of its Board. AgriFood subsequently made a number of changes to its Constitution to reduce Board size to a maximum of nine, remove the representation requirements, expand eligibility for Company membership and address Constitutional amendment restrictions.

Current Board membership is achieved on merit, through the use of an external governance consultant and a Board selection Committee to screen applicants - drawn from a public advertisement of Board vacancies - and recommend appointments to the Board.

The Board's strategic and tactical direction is informed by five industry advisory Standing Committees and is supported by professional staff, headed by the CEO who is not a Board member.

The AgriFood Board uses the ASX Corporate Governance Principles as guidelines for its operations and benchmarks itself regularly against best practice in Board operations. Board professional education programmes are in place and annual evaluations of Board, Committee and director performance is undertaken.

A comprehensive up to date governance manual is maintained by the Company Secretary on behalf of the Board.

AgriFood's financial operations are subject to annual audit by a Canberra based Chartered Accounting firm and Annual Reports, including the financial statements, are made available to DEEWR and to stakeholders via the AgriFood website.

Commonwealth Government processes to prioritise funding allocations across all ISCs

On renewal of DEEWR funding agreements AgriFood provides an indicative bid for funding.

AgriFood considers that its current allocation of funding is commensurate with the breadth of its coverage of industries, which it considers to be unique among the 11 ISC's. Industry coverage is rural and related industries, food processing (including beverages, wine and pharmaceuticals), meat, seafood and racing. The diversity, spread and location of AgriFood's 140 000 enterprises, together with the number and complexity of its training packages, reinforces the need for substantial resources to ensure a reasonable level of servicing of its stakeholders.

ISC network arrangements and co-operative mechanisms implemented between relevant boards

A collective ISC response has been provided to the Inquiry.

AgriFood has worked collaboratively with all ISC's and on specific projects with a number of ISC's, principally Skills DMC, IBSA, Transport and Logistics and Services.

Also, several officers of the Transport and Logistics ISC share office space and infrastructure in Canberra with AgriFood on a commercial basis.

The accrual of accumulated surpluses from public funding over the life of each ISC's operation and its use and purpose

As it does not run a commercial arm of the business, AgriFood is almost totally dependent upon the Commonwealth for funding.

AgriFood received no funds from its predecessor ITAB's on commencement. In the 2004/05 financial year its principal source of income was the funding pursuant to the ANTA agreement.

AgriFood has not accrued significant operating surpluses as its funding and grant agreements have required the funds to be expended on agreed projects. Any cash surpluses that have arisen at year end due to project timing issues have been spent in subsequent periods.

The following is a summary of AgriFood's audited published results and income since its first Annual Report:

Financial Year	\$	\$
	Surplus	Income
	(Deficit)	
2004/05	187,583	1,649,805
2005/06	34,460	3,050,351
2006/07	221,911	2,825,083
2007/08	(92,109)	2,565,073
2008/09	(97,952)	3,741,342

AgriFood's accumulated surplus at 30 June 2009 was \$253,893 on total income of \$13,831,654 from 2004.

Audited financial statements for the 2009/10 financial year will be available in November 2009.

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

AgriFood has established a Skills Provider Reference Group to assist with the implementation of training packages. The Reference Group operates a strategic level, comprising senior representatives from public, private and enterprise training providers. Members of the group have agreed to share resources through the AgriFood website to enable access by other training providers to materials which will enhance capability to deliver consistent high standard training. The Reference Group will be instrumental in developing targeted professional development for training providers and auditors. The Reference Group is chaired by Mr Peter Batten from TAFENSW.

The Australian Government unveiled its Green Skills plan in October 2009 aimed at incorporating environmental sustainability into all levels of vocational training and therefore industry practices.

The Green Skills Agreement was endorsed by the Council of Australian Governments (COAG) with the key objective of enabling individuals and businesses to contribute to a sustainable, low-carbon economy in their workplaces and communities, and the provision of sustainable jobs, services and advice.

The objective is to be achieved by:

- A review of training packages to embed sustainability knowledge, skills and principles
- Embedding skills for sustainability in vocational education and training, within the requirements of the national regulatory framework
- Upgrading the skills of VET instructors and teachers to deliver skills for sustainability

- Implementing a transition strategy to re-skill vulnerable workers.

As its contribution, six of AgriFood's eight training packages have been upgraded to incorporate Skills for Sustainability as a part of their recent three yearly review. The remaining two will be reviewed and compliant by December 2010 as required.

AgriFood's development of implementation materials for its updated training packages will address the up-skilling of RTO staff to deliver the Green Skills embedded in those training packages.

Any related matters

AgriFood recognised from inception that given its limited funding it must leverage off its stakeholder base and partner with States, Territories and Commonwealth bodies in workforce development initiatives.

It has been successful in running DAFF and DEEWR programmes (e.g. WELL), expanding VET in Schools and related career promotion initiatives and increasing business skills in its constituency.

WELL

The Workplace English Language and Literacy (WELL) Program is designed to assist workers to improve their English language, literacy and numeracy skills in order to help meet their employment and training needs.

The program is provided by DEEWR to give assistance for the delivery of workplace-based language, literacy and numeracy training activities and the development of language, literacy and numeracy resources that will facilitate ongoing and cost-effective workplace language, literacy and numeracy (LLN) training.

AgriFood has retained a Training Development Officer (Well Broker). Her role is to promote the WELL program, assist enterprises apply for funding and facilitate a working relationship between the enterprise and RTO who will deliver the LLN training.

VET In Schools and school to work pathways

According to NCVET statistics, AgriFood Skills Australia does not have a training package within the top 10 delivered in schools across Australia. AgriFood's VET in schools take-up has an enrollment figure of 3.6 percent of the total VET in school students nationally. This compares to Innovation and business ISC at 35% and Services at 31.7%. AgriFood is entering into partnerships with State Governments in Queensland, South Australia and Western Australia to create partnerships between schools and agri-businesses to increase the uptake of agrifood qualifications and support industry with well-trained.

The 2009 – 2012 Strategic Plan outlines three goals for the organisation:

- Attraction and retention of high quality employees at all skill levels;
- Adoption of higher skill levels across the workforce; and
- Adoption and diffusion of new research, practice and technology across the industry.

The VET in schools partnerships are an important aspect to support the delivery of these goals. To date AgriFood has been successful in leveraging matching funding from the Queensland and South Australian Governments. Meetings with the West Australian Government will begin in August 2010. This initiative will help students gain respected qualifications in the agrifood sector at certificate I to III levels and ensure they are job ready and able to contribute productively to agrifood businesses on leaving school.

In Queensland, the partnership focuses on the agricultural sector, South Australia on food processing and wine, and discussions with the Western Australian government will focus on pathways and qualifications for the garden, nursery, landscape and conservation land management sectors.

AgriFood Skills Australia and the Queensland Government have signed an agreement to partner on a project aimed at increasing the number of students undertaking vocational education opportunities while at school in Queensland. AgriFood has invested \$100,000 which has been matched jointly by the Department of Education and Training (DET) and the Department of Employment, Economic Development and Innovation (DEEDI) in Queensland. The project will drive the expansion of the AgriBusiness Gateway School model to incorporate at least seven additional schools in Central and Far North Queensland. The funding will be used to financially support a new position to coordinate agribusiness opportunities for teachers and students in these selected schools.

The main objectives of the partnership are:

- To engage school communities, industry and government by providing relevant and innovative learning experiences to enable access to relevant career pathways in Agribusiness by:
 - Raising the profile of careers in the Agribusiness sector
 - Developing and promoting a relevant industry focused curricula
 - Creating opportunities for work experience, structured work placements and school based traineeships or cadetships with Agrifood industries at all levels
 - Aligning schools to better or improved pathways for students into tertiary study.
- To increase the number of students undertaking qualifications in agrifood industries or skill sets pertaining to these qualifications;
- To undertake an agreed recruitment and selection process to select suitable Project Manager/s to implement the expansion of the project;
- The provision of a quarterly report and a final report to AgriFood Skills Australia on the progress of the project.

Business Skills

AgriFood Skills Australia has developed a best practice delivery model designed to enhance engagement and business skills. The model, "Growing Your Business", has been designed for industry, including enterprises of all sizes and types, managers and Registered Training Organisations

(RTOs). The model seeks to equip business owners and trainers with the knowledge and skills to maximise business potential in four key areas:

- Financial Management
- Business Management
- Marketing
- Managing Staff.

Growing Your Business has been tested with enterprises from rural and related industries, food processing and seafood. Two pilot studies were implemented in the wheatbelt of Western Australia and the tablelands of north Queensland. Case studies are provided below.

The project materials include: a best practice model, independent research evaluation and all supporting materials for use by enterprises and RTOs.

Growing Your Business has been divided into a number of elements (or steps) with each element representing a part of a holistic approach to learning which increases engagement of participants and retention of the knowledge and skill.

The outcomes from the implementation of this model have indicated an increased proactive approach to the management of small businesses from participants, and in turn, an increase in their confidence to grow the businesses.

Business skills case studies

During the period from June 2009 to March 2010, Agrifood Skills Australia conducted a series of skill development activities in the Tablelands region of north Queensland and the Wheatbelt region of Western Australia. The activities, which aimed to improve the business management skills of small to medium sized business owners in each region, were the culmination of many months of research and consultation to develop a model that would meet the learning needs of small business owners in the agrifood sector and identify appropriate pilot sites in which to test the model.

The project was designed to address two of the priority areas of the DEEWR Industry Pathfinders Program, under which the project was funded:

- to enable flexible training delivery and assessment services that meet industry needs; and
- address skills shortages in industries and regions.

This led to the overall objective of the project, which arose from issues identified by Agrifood Skills Australia in its national Environmental Scan consultations:

- to address the chronic lack of general business capability and skills evident across the agrifood industry though:

- piloting an innovative skills training model with small business owners within the agrifood industry
- identifying improvements that could be made to the model from outcomes of pilots
- distributing a best practice model, based on research and pilot outcomes, to broader agrifood industry sectors and networks.

The best practice model is available on the AgriFood website and is being tested by other organisations such as TAFE with rural communities. To support the model for implementation by other organisations, materials covering the topics requested by participants have been made available on the AgriFood website. These materials cover critical issues to regional and remote business:

- Plan and Manage Your Business Finances
- Plan For Your Business
- Marketing Your Business
- Managing Your Team.

The units were designed to meet the competencies as listed in the Certificate IV Small Business Management Package.

The project was evaluated by an independent research agency that found the program was highly successful and has delivered significant change to business practices of participants.

AgriFood is about to undertake the production of additional units and support the meat retailing industry with the implementation of a pilot for this sector.

Other

Other AgriFood initiatives include providing three overseas study scholarships and launching its environmental scan for 2009 at the National Press Club, with widespread publicity.

AgriFood has run successful annual conferences, covering a range of relevant themes with increasing participation from industry and employers.