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AgriFood Skills Australia

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

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

Dear Dr Batge

Senate Education, Employment and Workplace Relations Committee Inquiry on Industry Skills Councils

AgriFood Skills Australia (AgriFood) seeks the opportunity to respond to an extraordinary and damaging submission by Recognition Australia (submission number 77) which is critical of AgriFood and its work.

On behalf of the Board of AgriFood Skills Australia, I strongly refute the uninformed, and mostly unfounded claims contained in Recognition Australia's submission. AgriFood Skills Australia's only contact with Recognition Australia was the brief engagement in 2009 of their consultant, Mr Richard Lynch, to assist with documentation work associated with the preparation of the AHC10 Agriculture, Horticulture and Conservation and Land Management Training Package. Neither Recognition Australia nor Mr Lynch has been re-engaged since.

As outlined in its submission to the Senate Inquiry, AgriFood Skills Australia has been very successful in meeting its objectives in collaboration with a diverse range of stakeholders. It is regarded as authoritative, innovative and effective in progressing and delivering benefits to industry, government and regional Australia, and this has been demonstrated by meeting the following objectives:

- The requirements of its charter as set out in the Company's Constitution
- Key performance indicators under core funding agreements with DEEWR and its predecessors
- The requirements of various State and Commonwealth grant funding agreements
- The company's obligations under the Productivity Places Programs (PPP and Enterprise Based PPP)
- Interactive engagement and partnerships with key stakeholders
- Influencing government policy in terms of its invitation to advise the Primary Industries Ministerial Council on a national regional skills and workforce development proposal, including the adoption of a 'building blocks' approach to acquiring qualifications and the funding of skill sets
- Strong progress on its regional employer/community driven skills and workforce ecosystem pilots which have validated an integrated and cross-industry approach to attracting and retaining people and enterprises to regional Australia
- The completion of a highly commended annual environmental scan which, based on broad stakeholder consultation and research, provides authoritative analysis of, and solutions for meeting the contemporary training, skills and workforce needs of the agrifood industry and the

regions. It also identifies policy impediments in the VET system as it applies to agrifood and other industries in regional Australia.

- Adopting a best-practice governance model, including the move to a skills-based Board selected by an independent committee, following a national press advertisement calling for expressions of interest.

A number of submissions to the Inquiry attest to the value and success of AgriFood in meeting the skills and workforce needs of industry and other stakeholders, and this is also verified in the results of a stakeholder survey reported in our submission to the Inquiry. .

It is not my intention to address in detail all of the claims made in Recognition Australia's submission but I will respond to a number of the more significant matters raised under the headings in its submission. .

Training Packages

AgriFood's sector coverage is diverse and complex but through this diversity comes a strong commonality of purpose and skills and workforce needs across the agrifood industry. Training Package reviews and reforms have been a focus for AgriFood - and other ISCs- to ensure that contemporary industry skills and training needs are built into new and continuously improved Training Packages.

The agrifood industry is comprised of a broad range of industries, sectors and Training Packages, and is predominately made up of small enterprises. Comprehensive stakeholder consultation on Training Package development in this context is complex and unlikely to satisfy fully the interests of all parties, due to the vast array of views and often conflicting ideas, including within industry sectors and between States.

Recognition Australia's particular criticism targets the new merged Training Package (AHC10) where three packages were merged, and its submission states that "the merger has produced the worst Training Package in AQF history". To the contrary, the new and reformed package is being commended by a number of industry sectors, training providers and AgriFood's representative Rural and Related Standing Committee as meeting current and prospective training needs.

The new merged package represents the inputs of hundreds of stakeholders and organisations over a considerable time, as well as the expertise of staff and specialist consultants. Like all large Training Package reviews the AHC10 review has been complex and time consuming due to the number and diversity of stakeholders, and the technical reforms required. Much of our time is spent on brokering outcomes and seeking to accommodate the majority of industry needs within tight Training Package requirements. This led to delays in finalising the merged package particularly, but the final product reflects the flexibility, currency and standards of COAG's 21st Century Training Package guidelines.

AgriFood has earlier recognised and acknowledged that the communication and feedback processes used in managing consultations during various stages of the review of the merged Training Package were inadequate, and this has and will continue to be addressed.

The different business and operational requirements between small and multinational enterprises impact on the complexity of Training Package reviews. This applies particularly in areas such as wine making and food processing. These issues, together with the make-up of the food processing

industry and the speed of technological innovation taking place, required three full rounds of national consultations to finalise the Food Processing Training Package. This package has now been signed off for endorsement by industry and all States and Territories.

Recognition Australia's submission also states that "there was no professional research done into the AHC merger from an Industry perspective". This is factually wrong and misleading. A detailed feasibility study on the desirability of the merger was commissioned by the Board and was done by a highly regarded industry and training package specialist, in close consultation with industry, other stakeholders and AgriFood. The Board carefully considered and tested the review's findings with industry before endorsing the merger. It should also be noted that it was a government preference at that time to rationalise the number of Training Packages.

All of AgriFood's Training Package reviews have now been completed and incorporate required green skills, with the exception of Sugar Milling which, with the support of the industry, has not been reviewed as yet due to a low uptake. Some required changes, including the incorporation of green skills in the package, will be completed as required by 31 December 2010.

A structured continuous improvement process is now facilitating the handling of ongoing changes to Training Packages in a streamlined process aimed at minimizing the time in delivering priority changes required by industry.

Other extravagant comments by Recognition Australia under the 'Training Packages' and 'Industry Diversity' headings do not warrant a response.

Industry Intelligence

AgriFood uses an array of existing industry, enterprise and government networks to understand and capture data and information that underpin its priorities and activities. Recognition Australia claims that AgriFood had not responded in a timely way to biosecurity issues. AgriFood has collaborated with Animal Health Australia and various industry peaks and sectors to monitor developments and capture information and advice enabling the design and embedding of new units and qualifications in relevant Training Packages.

Indigenous Aspects

AgriFood has a sound history in investing in initiatives to drive the training and skills development of Indigenous people, and seeking to enhance the skills of existing workers and new job entrants. Our objective is to ensure that training included in Training Packages and delivered is aimed at getting people into jobs, as well as the provision of business management skills to assist the establishment and expansion of enterprises. Examples of Indigenous initiatives include:

- ✚ development of a pre-vocational skill set for training in weed management in collaboration with Local Aboriginal Land Councils in NSW;
- ✚ an agri-tourism project based in the Kimberleys and involving the Kimberley TAFE and the Pandanus Park Community to provide the knowledge and skills to promote and operate an agri-tourism business;
- ✚ the development of a project to provide the training and skills to collect and store native seed for purchase by mining companies;
- ✚ working with Greening Australia and mining companies in WA to train and provide cadetship-based pathways into jobs;
- ✚ developing a tailored business skills project in the NT to enhance enterprise capability of Indigenous people.

The agriculture industry employs many Indigenous workers who draw on national Training Packages to gain skills and qualifications to get jobs and grow in them. The national needs of Indigenous communities and enterprises have been considered in the review of a number of the Training Packages, with ongoing development and extension of this work being a priority under continuous improvement.

Again, the claims of Recognition Australia are unfounded and misleading.

Inform, Engage and Consult

AgriFood has earlier acknowledged that the communication and feedback processes used in managing consultations during various stages of the review of the merged Training Package were inadequate. This led to incomplete engagement with some stakeholders and unfortunately this has impacted on the perception of the innovative design work and analysis that drove the development of the new package. These communication deficiencies were addressed as far as possible during the final stages of the review and its preparation and clearance for endorsement.

A revised organization structure was introduced with the appointment of a General Manager to head up the Training Products Development and Implementation area. The GM will be supported by experienced managers and support staff, with communication and industry engagement continuing to be a key priority.

Stakeholder Engagement

AgriFood does have a stakeholder management plan which is refreshed annually and its implementation is a key responsibility of all managers and staff. It provides a hierarchical tiering of stakeholders to facilitate effective servicing, but is also supplemented by an interactive website and a broad electronic information distribution capability.

Recognition Australia's submission makes further exaggerated claims such as the "annual conference budget item that always blows out as very few paying stakeholders are willing to attend". This is wrong and disingenuous. Some 180-200 delegates have attended each of the four AgriFood annual conferences to-date. A maximum of fifteen Standing Committee members and a few selected industry and NT and WA representatives are subsidised to facilitate their attendance at what has become a signature event.

Training Package Department Staff

The Board and the company have always given Training Package development and implementation high priority, including directing 45% of the company's expenditure in the 2008/09 and 2009/10 years to this activity. AgriFood seeks to engage the most capable and experienced people to oversee the review of Training Packages, with a solid core of experienced managers and staff retained internally to manage the process under a General Manager, supplemented by the engagement of capable external specialists. This is not an uncommon model across ISCs.

The CEO takes a close interest in Training Package development and improvement and personally oversaw the review of the Food Processing Training Package. He also attends all Standing Committee meetings which oversee Training Package reviews, and other key stakeholder meetings.

Ethical Work Practices

Recognition Australia's unfounded criticisms and gratuitous observations under this category are wrong and offensive to the people involved in AgriFood's Training Package development and implementation team, and to the company.

Communications

Recognition Australia's view of AgriFood as a 'communications company' is perhaps indicative of its level of understanding and knowledge of ISCs and their roles as non-profit companies driving industry influence on Training Packages, and in AgriFood's case assisting industry and regions to attract and retain skilled staff. We are also focused on enhancing enterprise capability through a range of innovative initiatives.

We use communications as a means of information sharing and staying in touch with the broadest range of stakeholders we can, and to interactively engage interested people in our activities, including the continuous improvement of Training Packages.

I do acknowledge Recognition Australia's support for AgriFood's Environmental Scan as being of a high quality and relevant. This document is valued by all stakeholders, including Skills Australia and governments.

Training and Relevance

Recognition Australia's view of the reasons for the low completion rates of learners is not as accurate or as Recognition Australia suggests. A recent comprehensive national study found that learners are often remaining in training because of their preference for skill sets that meet job entry and work needs, and a desire for a 'building block' approach to obtaining qualifications.

AgriFood's qualifications continue to be refined to respond to industry needs and jobs.

Productive Work Outcomes of ISCs

As companies with independent Boards, all ISCs scrutinize their performance and productivity on an ongoing basis, and this is certainly the case with AgriFood which considers performance reports on its core activities at each Board meeting. Further, it has just commissioned a cost-benefit assessment of one of its key projects.

To counter another Recognition Australia claim, AgriFood operates under best practice, transparent and formal governance arrangements, including the adoption several years ago of a skills-based Board model. All Board Directors are offered and take up professional director training, supported by AgriFood.

Conclusion

The motivation behind Recognition Australia's unfounded and reckless submission is unknown, and may relate to Mr Lynch's brief and somewhat dated involvement with the company.

As mentioned earlier, I did not attempt to address all of the various claims made in Recognition Australia's submission, but my comments are focused on addressing and refuting the inaccurate and misleading claims made by Recognition Australia, while recognising a couple of areas where

AgriFood's performance was not up to its normal standards . Based on this approach, I believe I have demonstrated, through logical extension, the inaccuracy and lack of credibility of Recognition Australia's submission.

Yours sincerely

John Baker
Chair
AgriFood Skills Australia Ltd