

2010-11 CHAIRMAN'S REPORT

INNER NORTHERN GROUP TRAINING LTD.

I am pleased to present my Annual Report for Inner Northern Group Training Ltd. (INGT) for the 2010-11 financial year.

The INGT group actively promoted workforce participation through its business activities during the year, primarily by providing employment and training opportunities, facilitating incentives and giving guidance to apprentices and trainees. The INGT group demonstrated its financial sustainability with each business in the group generating an annual financial surplus at year end.

INGT has deep roots in the Inner North of Melbourne. One important way it contributes to the region is by maintaining its commitment to the Inner North Community Foundation, which it founded in February, 2008 to support the communities of the Inner North of Melbourne.

In this spirit, INGT continued to meet the Foundation's annual operating costs in 2010-11 on top of the \$1 million contributed to the Foundation's endowment in the previous year. By August, 2011, the Foundation will have allocated nearly \$500,000 in grants to 'pathways to employment' projects in the inner north, especially helping disadvantaged young people get their start in the workforce. As well as supporting the Foundation, the INGT parent entity provided \$50,000 during the year to community projects recommended by the businesses in the INGT group.

The INGT group is comprised of the following five entities.

- INGT parent entity, a provider of shared services to businesses in the INGT group
- Apprenticeships Plus, a Group Training Organisation (GTO) and Registered Training Organisation (RTO) located in the inner north of Melbourne
- Process Plus, an outsourced provider of administrative services for Government and private sector apprenticeship and traineeship programmes
- MAS National, an operator of Australian Apprenticeship Centres in New South Wales and country South Australia contracted by the Federal Government
- Work & Training; a GTO, RTO, recruitment agency and e-learning provider operating throughout Tasmania

The major achievements of the INGT parent entity in 2010/11 included raising the INGT group's profile and enhancing internal communications by launching the first INGT website, Board intranet and group staff e-newsletters; commissioning a review of the constitutions of the companies within the group and a study into business development for the INGT group; and adopting and implementing an investment policy which significantly improved returns from its cash management.

Apprenticeships Plus and Work & Training, the two GTOs in the INGT group, were together employing and training over 900 apprentices and trainees in Victoria and Tasmania at year end which is a major achievement. Many of these apprentices and trainees were young people. The indigenous, the disabled, the culturally and linguistically diverse, and the long-term unemployed were also well-represented in these numbers.

Building on these achievements, Apprenticeships Plus has become one of the largest GTOs in Victoria and Work & Training remains the largest employer of apprentices and trainees in Tasmania.

The INGT parent entity funded the fit-out of Work & Training's new premises in the Launceston building purchased by INGT in June, 2010. This is in line with the INGT policy of financially securing the future of the group by housing, where appropriate, businesses in the INGT group in buildings owned by INGT Ltd.

Process Plus successfully re-tendered for the contract to administer the Victorian Government's Apprentice Completion and Trade Bonuses and continued to manage the national apprenticeship programmes of Coles and Kmart Tyre & Auto Service. Process Plus developed a new venture during the year providing a recruitment website for employers and job seekers in the customer contact industry.

MAS National operated Australian Apprenticeship Centres (AACs) throughout New South Wales and country South Australia under contract to the Federal Government. It also implemented new Kickstart Mentoring contracts designed to increase retention rates for young apprentices. MAS National faces an uncertain future as its contract to administer AACs expires on 30 June, 2012 and the Federal Government has yet to announce its plans for the future.

The INGT group will face a range of challenges and opportunities in 2011-12. For this reason, the group needs to continue to contain costs, grow the business and diversify the group's services and clients to minimise risk. With solid foundations of committed staff and strong finances, the INGT group is well-placed to promote workforce participation in the years ahead.

I would like to thank my fellow Board members for their support and dedication, and acknowledge the support of the three members – the Cities of Darebin, Moreland and Yarra. Deputy Chairman, Michael Francis, continued to provide excellent support, which was greatly appreciated.

The Board highly valued the hard work and dedication of the management and staff of the four businesses in the INGT group during the year. I also wish to thank the staff of the INGT parent entity led by David Eizenberg, our Group Executive Officer and David Bell, our Chief Financial Officer, for their efforts throughout the year.

I am confident that 2011-12 will be another year of significant achievement for the INGT group.

Hon. Alan Brown
Chairman of the Board
October, 2011