

INGT

INNER NORTHERN GROUP TRAINING



2011 – 2012 ANNUAL REPORT TO THE THREE MEMBER COUNCILS

FOREWORD

INGT is a not-for-profit company committed to being a leader in workforce participation. The mission of INGT is: *“Making a contribution to better social inclusion and community cohesion by improving opportunities for meaningful workforce participation.”*

The members of the INGT Group are the cities of Darebin, Moreland and Yarra. Each of these Member Councils is represented by a Member Director on the INGT Board.

The Member Directors as of 30 June 2012:

- Cr. Gaetano Greco (City of Darebin)
- Gerry Smith (City of Moreland)
- Craig Kenny (City of Yarra)

The alternate Member Directors as of 30 June 2012:

- Michael Ballock (City of Darebin)
- Briare McElhone (City of Moreland)
- Philip Mason (City of Yarra)

The purpose of this report is for the Member Directors to inform Member Councils of the performance of the INGT Group in the 2011-12 financial year.

The INGT Group Annual Report to the Member Councils is designed to be a common report to all three Member Councils rather than separate reports to each Council.

The submission of the common report seeks to demonstrate the INGT Group’s commitment to the communities in which it operates, and in particular the inner north as a region. It also highlights the collaborative approach of the Member Directors on the INGT Board.

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Key:

- INGT – refers to the parent entity only
- INGT Group – refers to the parent entity and the four businesses within the group

INGT GROUP EXECUTIVE SUMMARY

Leading in Workforce Participation

Background

INGT GROUP SNAPSHOT

- Dedicated to promoting workforce participation in the community
- Provider of employment, training, and skill development opportunities nationally
- Comprised of parent entity and four businesses
- Primary focus on Melbourne's inner north, with INGT headquarters, APlus Apprentice + Trainee Services, Process Plus, and MAS National based in Northcote.
- Work & Training is based in Tasmania, whilst MAS National offices are located in NSW and South Australia.

- INGT's 3 members are Melbourne's inner northern councils
- Governed by Board of 7 directors (4 independent and 3 member directors)
- A not-for-profit organisation operating in a commercial environment

- INGT established the Inner North Community Foundation in 2008
- INGT has donated \$500,000 in 2011-2012 resulting in a total contribution to date of \$2.5 million to the Foundation's endowment
- The Foundation has distributed \$490,000 from income generated from the corpus to local employment projects in the inner north of Melbourne

Not-for-Profit Status

The INGT Group was founded 29 years ago by the councils of inner northern Melbourne with an aspiration to provide pathways to employment for disadvantaged young people in the community. To this day INGT remains focused on promoting workforce participation in the community, and supporting pre-employment initiatives through the Inner North Community Foundation.

INGT is a not-for-profit organisation. Since the INGT Group operates in a competitive business environment it is important that the businesses in the group are commercially viable. Surpluses generated are used to advance the INGT Group's goals of promoting workforce participation and benefitting the inner north of Melbourne.

The INGT Group's three Members are the Councils of Darebin, Moreland and Yarra in the inner north of Melbourne. In accordance with INGT's legal status as a not-for-profit organisation, Member Councils cannot financially benefit from the activities of the INGT Group. Consequently, all of the group's surpluses are therefore either reinvested in the INGT Group to enable it to be sustainable over the long term or donated to the Inner North Community Foundation.

Business Scope

Over the past 29 years INGT has remained true to its focus on providing leadership in the area of workforce participation. Starting with the INGT Group's original trading arm of APlus Apprentice + Trainee Services (APlus), the INGT Group has been providing training and apprenticeship opportunities to the people of northern Melbourne, particularly its youth, for 29 years.

The INGT Group has expanded its operations to provide numerous high quality employment, training, and skill development opportunities across a wide range of locations in Australia.

By operating nationally, the INGT Group promotes workforce participation throughout the country which benefits Melbourne's inner northern communities by generating surpluses that are donated to the Inner North Community Foundation.

Highlights of the 2011-12 Financial Year

Serving the Inner North of Melbourne

The INGT Group, primarily through APlus and the group's relationship with the Inner North Community Foundation, plays an important role in promoting economic development and social inclusion in Melbourne's north by providing skill development and job readiness opportunities in the local community.

APlus employs over 500 Apprentices and Trainees many of whom come from or are working in the inner north of Melbourne. These are primarily young people employed and supported by APlus through the Group Training or Registered Training arms of the business.

The INGT Group continues to sponsor the Inner North Community Foundation which it established in 2008. The Foundation is an independent grant making body serving the needs of the communities of the inner north of Melbourne. Over the course of the last four years, INGT has generously donated \$2.5 million to the Foundation's endowment contributing to the distribution of \$490,000 in grants to fund local employment projects. These projects assist disadvantaged people living and working in the inner northern suburbs of Melbourne, especially young people, to break down their barriers to employment and get a start in the workforce.

Highlights

The INGT Group is committed to reporting on its performance on a triple bottom-line basis that takes into account social, financial, and environmental considerations.

On this basis, the INGT Group is proud of its many accomplishments over the last financial year:

- MAS National was successful in its tender to continue providing support to employers and apprentices through its operation as an Australian Apprenticeship Centre in South Australia.
- Process Plus continued to provide vital administrative services to large corporate companies in their employment of hundreds of apprentices across Australia.

- APlus and Work & Training, the INGT's Group Training Organisations (GTO's) in Victoria and Tasmania respectively, ended the financial year employing and training nearly 900 apprentices and trainees.
- Work & Training is the lead Tasmanian Group Training Organisation (GTO) for the National Apprenticeship Program (NAP). NAP is an innovative model promising to increase the number of apprentices employed via fly-in fly-out arrangements with interstate mines.
- Subsequent to the resignation of INGT's Executive Officer, INGT reviewed its corporate structure and determined to appoint a Group Chief Executive Officer to provide the necessary leadership into the future.

INGT Group Financial and Human Resources Snapshot

It has continued to be a challenging external economic environment in which to operate. The INGT Group have continued to focus strategically on positioning the organisation well for the future and are pleased to report that the INGT Group had a financially successful year in 2011-12.

- Each business in the INGT Group generated a surplus
- The INGT Group had a combined turnover of \$41.2 million
- The INGT Group remained debt free
- INGT continued to meet the Inner North Community Foundation's annual operating costs in 2011-12 on top of the \$500,000 contributed to the Foundation's endowment in the previous year. It is anticipated that INGT will donate another \$500,000 to the Foundation in 2012-13.

INGT GROUP EMPLOYEES	
INGT GROUP BUSINESSES	30 June, 2012 (Full Time Equivalent)
▪ APlus Apprentice + Trainee Services	29.4
▪ MAS National	62.56
▪ Process Plus	7
▪ Work & Training	33.54
▪ INGT	4.6
Total	137.10

Building on the solid foundations of committed staff and strong finances, the INGT Group is well placed to promote workforce participation in the years ahead.

Internal Business Synergies

As a group of businesses under the INGT umbrella, synergies are increasingly being explored wherever possible to maximise cost-effectiveness so that the INGT Group will operate with a greater capacity to meet the needs of the communities we serve.

During the financial year a review of the banking options for the Group was conducted to determine the best options financially and service wise. A single banking option was chosen and all businesses will migrate across to the same bank during the following financial year, bringing improved service and higher financial returns.

Corporate Governance

As of 30 June 2012, the INGT Board was comprised of three Member Directors and four Independent Directors who together possess broad based expertise, ensuring requisite oversight of the INGT Group's sustainability, quality focus, and its growth and development.

- Chair of the INGT Board: Hon. Alan Brown, a former State Government Minister and experienced Director in the not-for-profit and private sectors.
- Three Independent Directors: Elizabeth Board, Kevin Breen, and Michael Francis, bring skills and professional backgrounds in education, corporate governance, public policy, strategic planning, financial management, and private business.
- Three Member Directors: Cr. Gaetano Greco (Darebin), Craig Kenny (Yarra), and Gerry Smith (Moreland).

Various directors of the INGT parent entity also sit on the subsidiary entity Boards to ensure the strength of INGT's governance is carried throughout the Group.

In April 2012 flowing from the resignation of David Eizenberg, the Group Executive Officer, INGT reviewed this key role for the organisation and decided to strengthen the leadership and management of the Group through the appointment of a Group Chief Executive Officer. An appointment to this role will occur early in the new financial year.

The Board has also reviewed its internal systems and implemented The Australian Governance System (TAGS). This ensures that INGT maintains the highest levels of corporate governance.

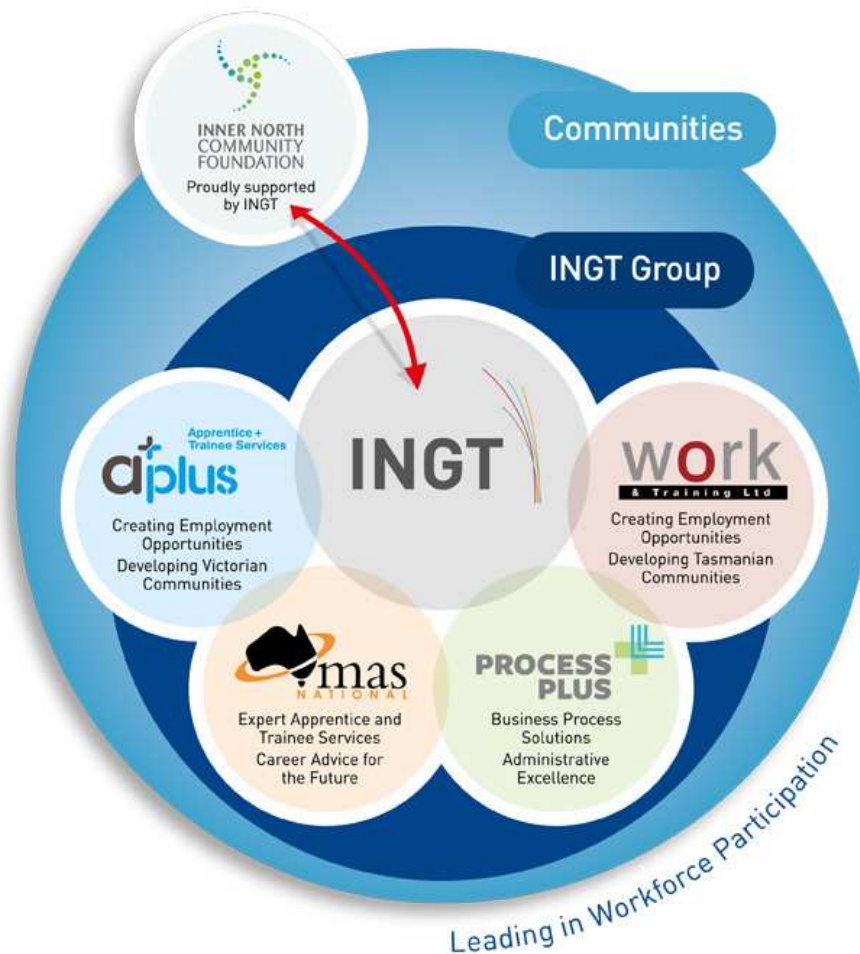
Corporate Structure

The INGT Group is comprised of the following:

- The INGT parent entity, which exercises oversight across the group of businesses and is a provider of shared services to the businesses in the INGT Group
- APlus, a GTO and RTO located in the inner north of Melbourne

- Process Plus, an outsourced provider of administrative services for Government and private sector apprenticeship programmes
- MAS National, an operator of Australian Apprenticeships Centres (AACs) in New South Wales and Country South Australia contracted by the Federal Government
- Work & Training, a GTO, RTO, recruitment agency, and eLearning provider operating throughout Tasmania

The INGT Group corporate structure diagram shows how each business in the group interacts with each other and INGT. It also visualises the INGT Group's relationship to the Foundation, which remains independent:



INGT GROUP BUSINESSES:

APLUS APPRENTICE + TRAINEE SERVICES



The 2011-2012 financial year was another year of both challenge and opportunity for APlus Apprentice + Trainee Services (APlus), in our core business activities as a Group Training Organisation (GTO) and also as a Registered Training Organisation (RTO).

APlus is an unincorporated trading arm of INGT Ltd. It is governed by a Committee of Management the composition of which mirrors that of the INGT Board. Thus, it is comprised of seven directors including four independent Directors and three member directors. The Chairman of the APlus Committee of Management is the Hon. Alan Brown who is also the Chair of the INGT Board.

The year commenced with the much-anticipated launch of our new name and branding following a comprehensive review of the corporate brand and marketing strategies conducted during 2010-2011. In August 2011 APlus Apprentice + Trainee Services was officially launched as the new name for the business which has been known since 1999 as Apprenticeships Plus. The marketing review and the consequent name change and re-branding exercise are all designed to strongly position APlus for current and future growth in an increasingly complex and competitive marketplace.

In 2011-2012 this marketplace included continuing local, national and global economic uncertainty for many businesses in Victoria, a significant number of ongoing state and federal government reviews into various aspects of the apprenticeship system and the role played by Group Training Organisations, and the implementation of further major changes to the Victorian Vocational Education and Training (VET) system.

Our core purpose as expressed in our Strategic Plan is “to provide sustainable pathways into meaningful careers and working lives for all the people who work for us. We strive to match people to employers and jobs that fit their skills and give them opportunities to make the most of what they have to offer.”

As a GTO, APlus fulfils this purpose by working with a wide range of businesses – primarily SMEs – to create job vacancies for new apprentices and trainees. These businesses are our Host Employers. APlus then recruits and employs (primarily young) jobseekers into these positions, and remains the legal employer. As such, our services to our Host Employers include payroll, Occupational Health and Safety compliance, facilitation of training, support and advice to the employers, and mentoring support for the apprentices and trainees. As an RTO we provide accredited nationally recognised training to trainees in the Business and Community Services sectors.

Over the past 29 years APlus has remained committed to its original purpose of providing apprentices for industry in the north of Melbourne, but has also grown into one of the 3 largest GTOs in Victoria. We now employ apprentices and trainees in a diverse range of occupations throughout the wider Melbourne metropolitan area, and some regional areas, whilst maintaining

our focus on the northern region. We remain especially committed to Melbourne's inner north. At the end of the financial year 73 apprentices and trainees employed by APlus live in the municipalities of Darebin, Moreland and Yarra, representing 14% of overall apprentices and trainees employed. 55 businesses, including the 3 member LGAs of Darebin, Moreland and Yarra, were serviced as Host Employers in the inner north.

At the end of 2011-12, APlus employed 520 apprentices and trainees in total, with 166 drawn from backgrounds including Aboriginal & Torres Strait Islander, Disabled, Culturally & Linguistically Diverse, and Long-Term Unemployed. Many of our apprentices and trainees are considered to be disadvantaged in the labour market, or experiencing significant barriers to employment. Our field officers and staff across the business are able to provide essential support for this cohort, which often needs additional support to gain and/or succeed in their employment and training.

Our employment profile can be summarised as follows - approximately 48% are apprentices working in traditional trades such as Automotive, Horticulture and Engineering. Trainees comprise the other 52%, working predominantly in the areas of Business Administration, Education Support, and Health & Community Services.

APlus has in excess of 250 Host Employers across more than 50 vocations, and is the only GTO in Victoria working in any meaningful way with Aged Care residential facilities and local government to provide an increasing range of employment services to meet the demands of our ageing population through the provision of training and employment in Aged Care and Home & Community Care.

During the year, 255 apprentices and trainees graduated with Certificates II, III and/or IV. They are now qualified members of the Victorian workforce.

The APlus RTO enrolled 112 students over the year and graduated 90 trainees.

APlus is conscious of its responsibility to contribute to employment growth and the economic development of Melbourne's north. In line with this commitment, it has been an active partner with government, business, the education sector and other community and not-for-profit organisations across a broad range of activities in the region, which include participation in at least 20 different networks, reference groups, and taskforce's and expo's.

APlus has also sponsored over 15 vocational events and learning resources in the northern region designed to promote the benefits of employment and training.

MAS NATIONAL



Contracted out by the Australian Government, Australian Apprenticeships Centres (AACs) are one-stop shops for employers seeking to hire apprentices/trainees and for job seekers wishing to take up an apprenticeship/traineeship as a career path.

Having begun as an AAC contractor in Victoria, in 2011-2012 MAS National manages AACs in New South Wales and Country South Australia on behalf of the Federal Government. The existing contract with the Department of Education, Employment & Workplace Relations (DEEWR) was extended to 30 June 2012, meaning the original contract has been extended to a total of six years. Despite these contractual uncertainties providing structural and financial challenges, MAS National had a successful year exceeding its targeted net profit.

MAS National is an unincorporated trading arm of INGT Ltd. It is governed by a four person Committee of Management comprised of three Directors drawn from the INGT Board and one independent Director from a corporate background. The Chairman of the MAS National Committee of Management is Elizabeth Board who also sits as a Director on the INGT Board.

Over this year MAS National tendered for AAC contracts nationally and are pleased to report that we were awarded a two year contract in Country South Australia with the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE). Unfortunately MAS National was unsuccessful in its re-tender for NSW.

The MAS team have focused on ensuring the best possible pathways for its employees into other employment options as preparations were put in place to wind back the NSW work. Also significant work has occurred to ensure positive transitions for businesses and apprentices to the new AAC providers.

MAS National is committed to continuing to provide an excellent service in Country South Australia and positioning itself as a preferred provider for the next tender round in 2014.

PROCESS PLUS



Process Plus, as a subsidiary company of the INGT group, is governed by a Board of four Directors. Three of the Directors are drawn from the INGT Board, whilst the fourth director is drawn from local government. The INGT Board is the sole member of Process Plus and the Chairman of the Process Plus Board, Michael Francis, is also the Deputy Chairman of the INGT Board.

Process Plus provides skilled administrative services nationally, including administering Bonus Programs for Government and national apprenticeship programs for some larger corporate companies.

During 2011-2012 Process Plus continued to administer the national apprenticeship programs for Coles and K-Mart Tyre and Auto Services. Coles and Kmart have also agreed to extend their services agreement with Process Plus until June 2013.

Process Plus continued to administer the Victorian State Government's Apprenticeship Completion Bonus Program and the Apprentice Trade Bonus Program under contract to Higher Education and Skills Group (HESG) within the Department of Education and Early Childhood Development.

The main goal of the Completion Bonus Program, including the Early Completion Bonus, is to provide a financial incentive for employers to retain their apprentices and trainees through to the completion of their training. The Trade Bonus is designed as an incentive for first year apprentices so that they would be encouraged to continue with their apprenticeship until completion as the first year of an apprenticeship is the one that has the highest drop out rate.

Process Plus is working with the Department in the coming year to wind up the Completion Bonus program whilst the Trade Bonus program will continue as a much valued incentive for apprentices.

Having extended its contracts with all its major clients, Process Plus continues its focus as a quality provider of these administrative services whilst also exploring a range of business development opportunities utilising these well developed skills.

WORK & TRAINING



INGT incorporated Work & Training into the INGT Group over eight years ago in order to ensure that it would continue to provide much needed apprenticeship and traineeship opportunities in Tasmania. Work & Training's GTO continues to be the largest employer of apprentices and trainees in the State.

Work & Training is a controlled subsidiary of the INGT Group and is governed by a Board of six Directors, two of whom are Tasmanians. The other four Directors are Melbourne-based Directors drawn from the INGT Board. The INGT Board is the sole member of Work & Training and the Chairman of the Work & Training Board, the Hon. Alan Brown, is also the chair of the INGT Board.

Work & Training has employed 38 staff members internally, numerous temporary and permanent staff externally and 259 apprentices and trainees state-wide with host businesses across all industry sectors. It has also delivered training that is recognised nationally as a model of best practice. This has been achieved within the unfavourable economic conditions that have pervaded Tasmania throughout 2011–2012.

Work & Training has a strong relationship with the Australian Government. In collaboration with Group Training Australia Tasmania (GTA Tas), it has negotiated the reinstatement of the national component of the major 'group' employment funding stream, JGTP.

Work & Training has been considerably assisted this year by revenue generated by its' RTO. A strong performance in achieving employment outcomes with participants in aged care courses led to an offer of additional funding to enable the delivery of individual units in any area of community services as deemed relevant to learners – a vote of confidence from the funding body and very popular with learners.

The RTO unit has also expanded its literacy and numeracy programs. In response to the chronic need for language, literacy and numeracy (LLN) assistance, Work & Training now offers two GTA Tas. affiliated LLN programs; one for existing apprentices and the other for those who need support to reach the interview stage. The company also has Workplace English Language and Literacy partnerships with Tasmanian business notably, Southern Water and Metro.

As a company that continues to value equality of access to employment and training Work & Training again sponsored the Tasmanian Training 'Equity Award for a Vocational Student'. The ongoing involvement of the company with this award is testament to the commitment of the staff who approach their roles with professionalism, humour, resilience and inspiration.

Work & Training benefited from and contributed to INGT Group synergies in the last financial year. One of these synergies, 'joint banking' involves all companies within the group switching to the National Australia Bank whilst continuing to manage their own accounts.

Tasmania's continuing economic challenges and population size will necessitate that Work & Training optimizes every opportunity in the employment and training market in the coming year.

INNER NORTH COMMUNITY FOUNDATION



In 2008 INGT, supported by its three member councils, established the Inner North Community Foundation in response to the many barriers to employment that people who are marginalised in the inner north are facing. INGT has continued its support of the Foundation as its major sponsor and sees the work of the Foundation as an important extension of its workforce participation focus in the region.

The Inner North Community Foundation is an independent philanthropic trust and grant making body, with a specific focus on the inner north of Melbourne within the boundaries of the municipalities of Darebin, Moreland, and Yarra.

INGT has pledged a commitment to donate \$5m to the corpus of the Inner North Community Foundation over a ten year period and sponsors its annual operational costs. Donations made to the Inner North Community Foundation are invested in a corpus in perpetuity and at present 100% of the income earned annually is distributed to eligible charitable organisations. In the past twelve months INGT has donated a further \$500,000 to this corpus.

The Inner North Community Foundation's major funding focus is on breaking down barriers to employment for disadvantaged people, through supporting local community organisations. Funded projects assist people who most need the support to develop the means and the skills required to find work through enhancing their skills, vocational abilities, sense of social inclusion and development of confidence and self esteem.

The major highlight for the year was the distribution of just over \$211,066 in grants to fourteen community organisations assisting them in implementing local employment and training projects. As well as adopting new fundraising and communications strategies, the Inner North Community Foundation reviewed its financial investment policy, launched a new website, increased its presence in social media and ran regular fundraising appeals for the first time.

2011-12 Pathways to Employment Grants

Organisation	What they Do	Program Supported
Asylum Seeker Resource Centre Inc	A pioneer of asylum seeker employment and education services in Australia. Since 2004 it has assisted over 600 asylum seekers in all areas of employment and training.	ASSET (Asylum Seeker Service for Employment & Training)
Australian Vietnamese Womens' Association	Empowering and caring for Vietnamese communities.	Better Hands Employment Program

CERES (Centre for Education and Research in Environmental Strategies),	A thriving community, an urban farm, Australia's largest deliverer of environmental education.	Shared Community Kitchen, a registered commercial kitchen demonstrating state of the art green technology and sustainable design
Fitted for Work Ltd	Assisting women experiencing disadvantage to get work and keep it.	Transition to Work program
Fitzroy Learning Network Inc	A community-based neighbourhood house welcoming people from diverse educational, cultural and social backgrounds.	Refugee support program designed to ensure that refugees develop the skills and connections they need to participate fully in the community.
Inner Northern Local Learning and Education Network Inc	Improving education, training and employment outcomes for young people aged 10 – 19 in Darebin, Moreland and Yarra.	Young Women's Leadership Program
Koorie Night Market Inc	A showcase for the products of Melbourne and Victoria's indigenous communities.	Northcote XMAS Extravaganza
La Trobe Lifeskills Recreation and Work Inc	A registered training organisation providing accredited courses to young people identified as disengaged, at risk or living with a disability.	Seed to Feed Program
Mind Australia	A leading provider of community mental health services, supporting clients to live independent, productive and purposeful lives.	Sprout Community Garden Retail Training
Rotary Club of Richmond Next Step Trust	Socially and economically disadvantaged young people are guided and supported through the transition from school to a first career job that matches their interests and competencies.	Next Step Project

RMIT	Northern Partnerships Unit brokers learning and research opportunities through school, industry and community partnerships focussing on youth transition, career education and the development of learning communities in Melbourne's north.	English as a Second Language Program
Victorian Arabic Social Services	Young people from 50 cultural backgrounds, fuse traditional and street dance forms with theatre, spoken word, original music and video underpinned with local stories and themes of cultural and suburban identity.	Anti Racism Action Band (A.R.A.B)
Whitelion	Working with young people in the youth (juvenile) justice system to open doors to opportunities, positive relationships and community connections.	Whitelion Employment Program
Young Womens Christian Association VIC	Create opportunities for women facing disadvantage.	Women at Work

The Inner North Community Foundation produces its own Annual Report. Email info@innernorthfoundation.org.au to ask for one.