Annual Corporate Governance Statement 2025

Date: 28 August 2025

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Prepared by:

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Foreword

The Board and Management of the Manufacturing Industry Skills Alliance Ltd (Manufacturing Alliance) have established a set of governance documents including Board and Committee Charters which set out clear Governance responsibilities and direct each group to their respective responsibilities that all contribute to the effective delivery and achievement of the Manufacturing Alliance's objectives.

Following the establishment phase of the Manufacturing Alliance the guidance from these governance arrangements have assisted to direct the efforts of the workforce together with the Board and Advisory Committees to be able to focus on identifying solutions to skills issues affecting the industry.

Various policies and frameworks have been put in place to ensure a robust approach to risk management, governance, openness and transparency is maintained.

As the work and involvement of stakeholder groups including through the Strategic Industry Taskforce and other Advisory Committees continues, we look forward to seeing progress and positive achievements for the manufacturing industry.

Roles and Responsibilities of the Board

The Board has primary responsibility for the governance of the Manufacturing Alliance while having regard for the interests of all stakeholders. The specific roles and responsibilities are set out in the Board Charter and include:

- Settling, approving and monitoring the Manufacturing Alliance's strategic direction and objectives
- Fiscal stewardship
- Monitoring of management
- Governance

The Board is required by the Company Constitution to ensure that appropriate accountability and control systems are in place, so that the Manufacturing Alliance can comply with its reporting requirements under the JSC Code of Conduct.

A list of the current Board Directors and their backgrounds can be found on our website here which also details who are Independent or Representative Directors. During the year we have had two new Directors appointed, Paul Baxter as the Representative Director nominated by Foundation Member Employee Organisation, and Jimmy Mastrandonakis the Representative Director nominated by Ordinary Member Employee Organisation. Both have brought considerable skills, knowledge and experience in training and workforce development in the manufacturing industry to the Board.

A summary of the Board & Board Committee meetings and attendance in 2024-2025 is as follows:

Name	Number of Board meetings attended/eligible to attend	Number of Audit & Risk Committee meetings attended/eligible to attend	Number of Nominations Committee meetings attended/eligible to attend	Notes
Graeme Russell	6/7	6/7	1/1	
Anne Younger	5/7	7/7	1/1	
Chris Walton	6/7	N/A	1/1	
Kellie Northwood	7/7	N/A	1/1	
Rhyll Gardner	6/7	7/7	N/A	
Susan Petrellis	6/7	6/7	N/A	
Paul Baxter	5/5	N/A	N/A	Appointed 2 October 2024
Jimmy Mastrandonakis	2/2	N/A	0/0	Appointed 30 April 2025
Ben Davis	0/1	0/1	N/A	Resigned 14 August 2024
Catherine Hinton	0/0	N/A	N/A	Appointed 18 October 2024. Resigned 19 November 2024

Details of remuneration paid to Directors including any Director Related Payments are detailed on our website. There have been no related party transactions as defined in Chapter 2E of the Corporations Act identified as part of these payments.

Structure, Composition, Skills and Experience of the Board

The Board is structured in accordance with Rule 4 of the Manufacturing Alliance Constitution that provides for:

- A maximum of 9 Directors, with 8 having been appointed as at 30 June 2025. In the leadup to the 2025 Annual General Meeting the Board are reviewing the current vacancy and will engage with Members as to filling this position.
- All Directors have met the eligibility criteria to be nominated as a Director and have been assessed as fit and proper persons.
- An Independent Chair has been appointed.

The Constitution sets out additional requirements for Directors including provisions around Directors being nominated and elected by Foundation Members and others to be nominated and elected by Ordinary Members. See below regarding the membership of the Manufacturing Alliance.

The Board is working through and preparing a succession plan by identifying skills needed now and in the future around the Board table, and how through the future renewal of Board Director terms any such skills needing to be increased can be addressed whilst maintaining a level of corporate knowledge and experience from existing Directors. This process will continue in the lead up to the 2025 AGM.

Director positions are subject to nomination and voting by Members except for the position of the Chair, who is appointed by the Board.

The recent appointment of the final Representative Director and with the vacancy for the Independent Director has meant that temporarily we have an equal number of Representative and Independent Directors. Filling the vacancy will restore the position of a majority of Independent Directors.

The Board maintains a skills matrix which was reviewed as part of the Directors Australia Review in June 2024 and has been updated in 2025 to include our recent Director appointments. The assessment of the level of skills and experience across the relevant skills areas is below, with those areas in blue having been self-assessed as high or very high, and those in yellow low or very low:

Legend Level of capability assessed as: High + Very High Level of capability assessed as: Moderate Level of capability assessed as: Low + Very Low	🟦 🟩 🟨
Manufacturing Industry Experience *Skills, knowledge and experience in training and workforce skills development in the manufacturing industry including: current 'hands on' manufacturing experience, skills and training program delivery, vocational education and training (VET) and knowledge of and connections to key market players (government, industry, unions, and training institutions).*	🟦🟦🟦🟩🟨
Business Acumen *Skills, knowledge and experience in implementing strategic outcomes under government grant agreements, to assist in:* *- Implementation of strategic funding agreements and acquittal of grant funding, and* *- providing constructive input to growing Manufacturing Alliance's impact via workforce planning, training product development, implementation, promotion and monitoring of training delivery and industry stewardship.*	🟦🟦🟦🟩
Finance, Accounting *Skills, knowledge and experience to:* *- critically assess Manufacturing Alliance's financial performance* *- contribute to Manufacturing Alliance's strategic financial planning* *- contribute to and critically assess external and internal audit processes*	🟦🟩🟩
Governance, Risk and Compliance *Skills, knowledge and experience in contemporary corporate governance, and an ability to apply that knowledge and experience to:* *- assist Manufacturing Alliance to develop good governance systems to support and enhance growth and performance* *- identify and oversee the management of key risks to Manufacturing Alliance in a wide range of areas (including WH&S, contractual, technology emerging risk), and* *- monitor the effectiveness of risk and compliance management frameworks and systems.*	🟦🟦🟩
People and Culture *Skills, knowledge and experience in executive management including the ability to:* *- mentor, support and evaluate the performance of the CEO and executive staff, and* *- oversee and provide input to industrial relations and strategic human resource management in Manufacturing Alliance.*	🟦🟦🟩
Stakeholder Engagement *Stakeholder development/management, and networks and profile amongst stakeholder groups and members to be able to promote and advance Manufacturing Alliance.*	🟦🟦🟩
Legal *Knowledge of relevant laws and regulatory frameworks in order to:* *- assist Manufacturing Alliance with management of its legal and contractual obligations, and* *- provide broad legal perspective on legal issues relevant to the industrial and manufacturing context.*	🟦🟩🟨
Technology & Innovation *Knowledge, experience and skills in technology and innovation, including artificial intelligence, as it relates to industry risks and opportunities around productivity, logistics, accessibility and the future of work.*	🟦🟦🟩🟨

Information about Committees

The Board is supported in its decision making by two Board Committees:

The **Audit and Risk Committee** considers and recommends measures to ensure:

- The effectiveness of the Company's internal controls including the appointment and review of the internal audit function.
- The oversight of all financial matters, including investments and financial reporting.
- An effective independent audit process, including approving the appointment and assessing the performance of the external auditor.
- The effectiveness of the Company's risk management framework.

The Charter and current members of the Audit and Risk Committee are available on the Manufacturing Alliance website. https://manufacturingalliance.org.au/our-board/

The **Nominations Committee** considers and recommends measures to ensure:

- The Board has the effective composition, size and commitment to adequately discharge its responsibilities and duties.
- That all Directors meet the eligibility requirements prescribed in the Constitution.
- Board induction and succession plans are in place to maintain the required competencies, numbers and profiles of Board members.
- Regularly monitor Board membership and structure and oversee the Board Skills Matrix to ensure that there is appropriate representation of skills and sectors on the Board.

The Board and Committees are supported in their operations by the Company Secretary.

The Board has also established a **Strategic Industry Taskforce** (SIT) as an advisory committee as provided for in the Constitution. The SIT provides expertise and a strong industry voice to guide the workforce planning and project activities of the Manufacturing Alliance.

The Charter and current members of the SIT are available on the Manufacturing Alliance website and this group recently had their first face to face meeting in Melbourne. In addition, the following Standing Committees have been established, or are in the process of being established to provide further advice:

- Aerospace Standing Committee
- General Manufacturing and Engineering Standing Committee
- Food and Beverage, Pharmaceutical and Laboratory Standing Committee
- Process and Light Manufacturing Standing Committee

The Standing Committees were stood up in May 2025 with first meetings of each through June to August 2025 to inform meetings of the SIT. Details of the Standing Committees, their terms of reference and members are available on our website here.

Membership of the Manufacturing Alliance

The membership of the Manufacturing Alliance comprises the four Foundation Members, together with any Ordinary Members.

The four Foundation Members are:

- Australian Industry Group
- Australian Chamber of Commerce and Industry
- Australian Council of Trade Unions
- Australian Manufacturing Workers' Union

The current list of Ordinary Members is available on the Manufacturing Alliance website. https://manufacturingalliance.org.au/our-board/. We had no changes to our membership during the year.

The Constitution provides that the ability to apply for Membership is open to any individual or organisation who supports the purposes of the Company and has a connection to an Industry sector, subject to any other restrictions contained in the Constitution.

The membership provides a mix of both employer and union representation as required by the JSC Program Guidelines

Governance Policies

The Manufacturing Alliance has a comprehensive range of internal policies and procedures to support staff in their work including key governance documents available on our website including those set out above being the Charters for the Board and Committees, the Constitution, Conflict of Interest policy, Privacy policy, Dispute and Grievance Policy. Our charters set out overarching governance requirements including that the Manufacturing Alliance operates in accordance with various principles in the Integrity Framework and in accordance with the JSC Code of Conduct and Program Guidelines.

https://manufacturingalliance.org.au/legal-notices/

https://manufacturingalliance.org.au/our-board/

These policies have a cycle of review and renewal by the CEO and Board as appropriate to ensure they remain relevant and that we continue to operate in accordance with all such policies. The CEO is responsible for ensuring implementation of the Manufacturing Alliance work program and ensuring the organisation meets requirements concerning integrity and accountability

JSC Integrity Framework

The Manufacturing Alliance operates in accordance with the JSC Integrity Framework which sets out a principles-based approach to the expected conduct of JSCs, including industry engagement activities. Key policies and documentation can be found here

- Openness and transparency: Transparency is the default position for all Manufacturing Alliance's actions, including decisions, appointments, reporting and communication. By way of example, Board remuneration is reported on the website, as well as regular updates on stakeholder engagement. During the year, Manufacturing Alliance provided its Directors' register of interests and associations

to the Department and the current register is on our website [here](#). Our Gift, Benefits and Hospitality policy has been approved by the Board and a copy of the register maintained is also provided to the Department and the current register is available [here](#).

- Engagement and facilitation: engagement across the manufacturing sector is comprehensive and the products developed by the organisation, including the recently launched 2025 workforce plan, reflect the views of all stakeholders including employers, unions, training organisations, learners, and government The tailored approach of the organisation aligns with the specific needs of each state and territory, fostering connections with key partners who pay a pivotal role in shaping our plans, projects, committees and other initiatives. In Queensland, Manufacturing Alliance has continued to work with Manufacturing Skills Queensland as a strategic stakeholder and recently the Boards of both organisations met with local manufacturers, schools and training providers in Maryborough, Queensland .
- Focus on learner outcomes: Manufacturing Alliance is committed to developing innovative and flexible skilling solutions to support the development of a workforce of the size and with the skills the industry needs. Attracting young people into the industry, offering the current workforce options to extend their careers, tapping into under-represented groups and providing training for future-focused advanced manufacturing requires a learner-focussed approach if we are to develop effective training and learning pathways into manufacturing.
- Ethical behaviour: an integrity culture is embedded and integrated throughout the organisation, with clear internal and external policies in place to prevent fraud, corruption and improper conduct including Conflict of Interest, Procurement and Resource Management and Whistleblower policies.
- Responsibility and accountability: clearly defined roles and responsibilities are outlined in the role descriptions for each staff member which are underpinned by a range of values the organisation has developed to guide and drive the approach to the work. Our five organisational values are: collaborative, innovative, inclusive, responsive and solutions focussed. The strategic plan is brought to life through the development of business plans and KPIs, which are reviewed annually to ensure Manufacturing Alliance is building the skills and experience the organisation needs to achieve its priorities.

Manufacturing Alliance actively uses the various levers as well as Commonwealth program management documents including the JSC Code of Conduct, Program Guidelines and Performance Framework to provide guidance and direction as to expectations for the JSC, Directors, committee members, employees and contractors.

## Gender Balance, Diversity, Equity and Inclusion

The lack of diversity in the manufacturing sector talent pool has been identified as a workforce challenge in our Workforce Plan with women and first nations Australians underrepresented. One of the Activity Projects for 2024-2025 was to target this challenge and aim to increase the participation of women in manufacturing by addressing current cultural, structural and environmental constraints, including within training and education pathways. The final report from this project has just been completed and it contains a series of recommendations regarding positive actions that can be taken to build upon, and effect change to address the gender imbalance in the manufacturing sector. We have presented and discussed findings from this research at industry events including the recent NCVER Research Conference 'No Frills' event. Our 2025 Workforce Plan and associated projects will build on this and develop these recommendations to drive awareness and action on gender diversity in manufacturing.

The Manufacturing Alliance has been conscious of the need for gender balance when appointing new Board Directors and as at the date of this Statement has achieved this balance since inception. With our approaching AGM and Director renewal it will be important to maintain this balance.

Since the Manufacturing Alliance was established, we have always had gender balance in our workforce and continue to seek more diversity as part of our recruitment process.   Our workforce is currently 56% female and 44% male with management positions being evenly split as noted below:

Our workforce age diversity is also reasonably evenly dispersed as represented here:
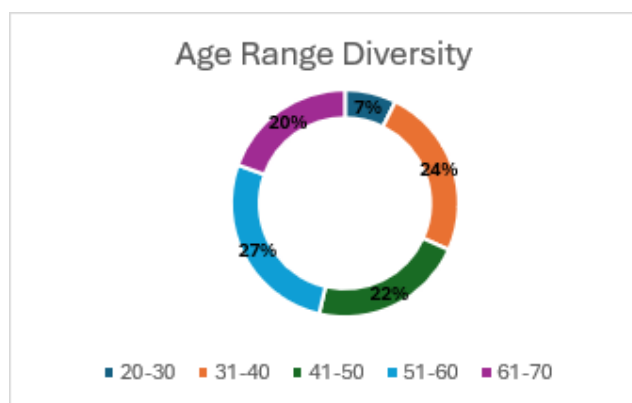
We have achieved gender balance on our Board Committees and in considering the process to fill vacancies on the Strategic Industry Taskforce the importance of seeking female candidates has been noted. Our next steps will be to come back to address other diversity aspects beyond gender.

Our policy on Diversity & Inclusion provides a set of organisational principles applicable across the organisation that sets out with the aim that:

- The Board, Nominations Committee and Audit and Risk Committee will give weight to gender equality in the governance of the organisation with female representation maintained at a minimum of 40% over the next two years.
- Recruitment is undertaken without bias and all positions recruited to use processes which support attraction of a diverse field of suitably qualified and experienced candidates.
- Those of Aboriginal and Torres Strait Islander culture and heritage are encouraged to apply for positions with the organisation.
- A safe work environment is provided and maintained with action taken against inappropriate workplace behaviour in breach of this policy and allegations of discrimination or exclusion, harassment, bullying and/or victimisation.
- Training is provided on the value of diversity and inclusion within our team and communicating employees' roles and responsibilities under equal opportunity laws and this policy.

Key Performance and Delivery

The governance documents including Board and Committee Charters set out clear Governance responsibilities and direct the Board, Committees and Management to their respective responsibilities that all contribute to the effective delivery and achievement of the Manufacturing Alliance's objectives.

Following the establishment phase of the Manufacturing Alliance the guidance from these governance arrangements have assisted to direct the efforts of the workforce together with the Board and Advisory Committees to be able to focus on identifying solutions to skills issues affecting the industry.

Approach to Risk Management

The Manufacturing Alliance recognises that risk management is an integral part of good management practice and is committed to ensuring that risk management practices are embedded into all processes and operations. Our Risk Management Policy can be seen on our website here.

This approach seeks to have a risk aware culture where all employees are encouraged to take ownership and accountability for risk management.

The Manufacturing Alliance Board together with the CEO is responsible for setting and approving the risk management policy and framework to inform the risk appetite of the organisation. The Audit and Risk Committee is responsible for overseeing the effectiveness of the internal controls and risk management framework. Our work has continued this year with the evolution of our Business Continuity and IT Disaster Recovery Plans.

The Board conducted a strategic planning day where part of the focus was on reviewing strategic or enterprise-wide risks, assessing the current mitigations and assessing residual risks against our stated risk appetite. The Board have also reviewed and endorsed the Risk Appetite Statement for the Manufacturing Alliance.