



EDUCATION AND INNOVATION COMMITTEE

Members present:

Mrs RN Menkens MP (Chair)
Mr MA Boothman MP
Mrs YM D'Ath MP
Mr MR Latter MP
Mr NA Symes MP

Member in attendance:

Mr JB Grant MP

Staff present:

Ms B Watson (Research Director)
Ms R Stacey (Principal Research Officer)

PUBLIC BRIEFING—TAFE QUEENSLAND

TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, 7 MAY 2014

Brisbane

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Committee met at 9.19 am

ELLEM, Mr Drew, Deputy Director-General, Training and Employment, Department of Education, Training and Employment

PETHERBRIDGE, Mr Robert, Executive Director, Office of TAFE Queensland

CHAIR: Welcome. Before I begin, I ask everybody present to please turn off their mobile phones or set them to silent. I also ask members of the media who might be recording any proceedings to please adhere to the committee's endorsed media guidelines. Our committee staff have a copy of the guidelines available should you require one. TAFE Queensland was established as a statutory body under the TAFE Queensland Act 2013 from 1 July 2013. This morning, we look forward to hearing from TAFE Queensland and the Department of Education, Training and Employment about the establishment of TAFE Queensland and its operations.

I will now introduce the members of the Education and Innovation Committee. I am Rosemary Menkens, the member for Burdekin and the chair of this committee. With me are committee members Mr Michael Latter, the member for Waterford; Mr Mark Boothman, the member for Albert; Ms Yvette D'Ath, the member for Redcliffe; and Mr Neil Symes, the member for Lytton. This morning we also welcome Mr John Grant, who is the member for Springwood. This session is a formal process of the Queensland parliament and parliamentary privilege applies to all evidence presented. Any person intentionally misleading the committee is committing a serious offence. While these proceedings are public, you are able to request, through me as chair, that any material or information you provide be kept private and you can object to particular questions a committee member might ask you. You might also wish to take questions on notice if you do not have information at hand.

The rules we are operating under in respect of witnesses are contained in schedule 8 of the parliament's standing orders, 'Code of practice for public service employees assisting or appearing before parliamentary committees'. Today's proceedings are being broadcast via the internet and they are also being recorded by Hansard. The transcript will be published on the committee's web page once it is available.

I now welcome from TAFE Queensland Executive Director, Mr Robert Petherbridge, and from the Department of Education, Training and Employment, Mr Drew Ellem, who is the Deputy Director-General, Training and Employment. Gentlemen, before we start, would you prefer committee members ask questions throughout your briefing or leave them to the end?

Mr Ellem: I am happy with whatever the committee would wish to do, Madam Chair.

CHAIR: Thank you, Mr Ellem. For the benefit of Hansard, I ask you to please state your name the first time you speak. I will now hand across to whoever would like to start.

Mr Ellem: Thank you, Madam Chair. Perhaps I could commence proceedings. Firstly, I am Drew Ellem from the Department of Education, Training and Employment. Madam Chair, I thank the committee and you in particular for allowing me to appear. I understand that the initial invitation was to TAFE Queensland, so I acknowledge that the department did request the opportunity to appear and assist the committee, perhaps in the manner of providing a broader context for the establishment of TAFE in terms of the reform of further education and training that is underway as outlined under Great skills. Real opportunities, the VET action plan. I was wondering if, with your indulgence, I could make an opening statement?

CHAIR: Yes, please. Thank you, Mr Ellem.

Mr Ellem: Thank you, Madam Chair. Released in June 2013, Great skills. Real opportunities is the overarching reform action plan for the state's further education and training sector. The major elements of the reform are to engage industry and employers to identify the priority skills required for economic growth, support accessibility and choice for students and promote quality training and employment outcomes through increased contestability. Great skills. Real opportunities calls for a
Brisbane

genuine partnership between industry, employers and government to identify and support the skills most needed by the economy. These training needs will then be met through a fully contestable training market that focuses investment on the skills most likely to lead to employment.

The key focus of the reform action plan is to create a stronger partnership between government, industry and employers to ensure the training system is focused on the needs of the economy. To this end, the Ministerial Industry Commission has been established. The commission is responsible for identifying the skills needed by industry. The commission has released its first annual skills priority report, identifying industry priorities for skills and workforce development in Queensland. These priorities will be reflected in the VET Investment Plan for the next financial year and will target investment towards qualifications identified by industry as leading to current and future employment opportunities for graduates.

Great skills. Real opportunities aims to make training more accessible to all Queenslanders by giving Queenslanders access to a government subsidised training place up to and including the first certificate III in priority qualifications through the certificate III guarantee. The certificate III guarantee will be fully contestable from 1 July 2014, encouraging year 12 graduates to continue into further education and training by providing access to fee-free training and priority courses through pre-approved providers from January 2014 and providing additional support for disadvantaged learners through the five-year \$47 million Community Learning program. Under this program, projects are being delivered state-wide by community-based organisations in partnership with registered training organisations, providing supported training places for disadvantaged learners to attain qualifications up to certificate level III. Significant reform is also occurring to deliver a more streamlined apprenticeship and traineeship system featuring flexible industry endorsed approaches to trade training. Comprehensive easy-to-access information is also being developed to allow students and other stakeholders to navigate the training system more readily.

The reform of TAFE is a key element of the broader further education and training reform process. TAFE Queensland is the state's largest training provider. Great skills. Real opportunities outlines the government's commitment to supporting a strong, independent and commercially focused TAFE Queensland. The plan calls for a public provider that has a clearly defined role and purpose and that is responsive to local and state-wide skills demands. The significant reforms currently under way across the training system require changes within TAFE Queensland to ensure it continues to succeed in the changed environment.

TAFE Queensland was established as an independent statutory body from 1 July 2013, with a commercially focused board appointed in August 2013. The structural change was the first step towards reforming TAFE Queensland, enhancing the public provider's competitiveness in the market. Reform is also occurring in the area of training assets. Subject to the passage of the Queensland Training Assets Management Authority Bill 2014, management of public training assets will transition to the Queensland Training Asset Management Authority from 1 July 2014. QTAMA, the Queensland Training Asset Management Authority, will be responsible for the management of public owned assets used for training and will be tasked with facilitating third-party access to training assets and improving asset utilisation. The transition of asset management responsibility to QTAMA will allow TAFE Queensland to focus on its core role of training delivery.

An additional significant reform involving TAFE is the establishment of Queensland's first dual sector institution. By 1 July 2014, Central Queensland University and Central Queensland Institute of TAFE will be merged. The merger will form a dual sector university offering both further education and training and higher education programs in the Central Queensland region. The reform of TAFE Queensland into a competitive, responsive, innovative and flexible public provider is a critical element of the reform program outlined within Great skills. Real opportunities. Thank you.

CHAIR: Thank you, Mr Ellem. Mr Petherbridge, would you like to follow on with a statement as well?

Mr Petherbridge: Certainly, Chair. I can cover off some of the operational matters and perhaps provide the committee with some information on the TAFE reform program and achievements to date.

CHAIR: Thank you.

Mr Petherbridge: Before I commence, I would like to convey apologies to the committee for TAFE Queensland's chief executive officer, Ms Jodi Schmidt. Ms Schmidt had hoped to be able to present today but was unable to. Ms Schmidt did ask me to note her appreciation for the opportunity for TAFE Queensland to provide a report for the committee on what has been a significant body of work undertaken to establish TAFE Queensland over the last 18 months, but probably since the passage of legislation over the last 10 months.

If I may explain the context that TAFE Queensland is operating in. TAFE Queensland does have a 130-year history. It has a state-wide network of providers, which has been built over many years to deliver high-quality training that meets the needs of employers, students, industry and local communities. TAFE Queensland is, as Mr Ellem said, the largest service provider of VET in Queensland and currently is servicing over 180,000 students each year. In the last financial year, TAFE Queensland awarded 63,000 qualifications ranging from statements of attainment to bachelor degrees and also delivered a number of other qualifications or competencies, if you like, with a successful competency completion rate of 89 per cent. TAFE Queensland does offer training throughout Queensland through its state-wide network of providers and via a number of different delivery modes, including face-to-face delivery, classroom delivery, online delivery, workplace training at the location of employers and also combining a number of those different modes in blended delivery.

Under the current government policy document, as Mr Ellem has outlined, TAFE Queensland continues to align its delivery priorities to government funding. It also continues to respond to the needs of local communities and employers. As I outlined before, while TAFE Queensland is the major provider and the largest deliverer of government subsidised training or government funded training in Queensland, TAFE Queensland does also have healthy fee-for-service markets, both here and overseas as well.

In terms of our international activities, TAFE Queensland has established successful partnerships, including the Australia-Pacific Technical College, the Shanghai Second Polytechnic University and the Technical Vocational, Education and Training Skills Scholarship Program in Papua New Guinea. Students from over 90 countries around the world choose to study at TAFE both here and abroad. This is due to the high-quality, world-class standard of training that is offered both under the Australian qualifications framework and under similar frameworks in other countries.

Further to the information provided from Mr Ellem now and previously by Dr Watterston to the committee on 18 April, I would like to offer the committee a report on the establishment of TAFE Queensland, including the appointment of its board and chief executive officer, as well as outline some of the progress and achievements, if you like, to date of the TAFE reform program. As we have already covered, the legislation came into effect on 1 July and that established TAFE Queensland as the public provider of VET in Queensland and provided for the appointment of a board and a chief executive officer and also provided for a framework of governance and accountability and reporting by which TAFE Queensland reports to the minister. The legislation also provided for a regulation-making power providing for the transfer of assets, employees, records data, and contracts and assumed liabilities to TAFE Queensland.

A point of clarification I would like to make to the committee is that, although the TAFE Queensland Act was established on 1 July and the board was appointed in August, the formal machinery of government process that formally transfers all of the resources and the staffing et cetera, the liabilities and those things I spoke about before from the Department of Education, Training and Employment to TAFE Queensland will actually technically occur on 30 June this year. So to date the institutes and the operations have remained within the department. From 1 July 2014 they will be the responsibility of the TAFE Queensland Board.

The TAFE Queensland Board, which was appointed in August, as Mr Ellem outlined, is chaired by Warren Tapp, who has significant experience within Queensland's further education and training sector in his role as the former chairperson of the Southbank Institute of Technology, as a member of the TAFE Reform Board and also as a member of the Queensland University of Technology Council. The TAFE Queensland Board's membership brings a range of commercially diverse skills and acumen that are critical to continuing TAFE Queensland's role as a strong and viable provider in Queensland's changing vocational education and training sector. To date the board has met eight times. It has established a considerable forward work program to deliver on its legislative functions as well as deliver on performance outcomes that have been set.

The board has been active in supporting the TAFE reform program and seeking out new opportunities for TAFE Queensland as the public provider of VET. In submissions to the Commonwealth House of Representatives and Senate inquiries into technical and further education, the board has identified future opportunities for expansion of applied high level qualifications to support economic and productivity growth both in Queensland and abroad. I would also like to point out that the board's submissions pre-empted the recommendations and the work that came through in the Norton-Kemp review and the Commonwealth Commission of Audit, which is a way of identifying that TAFE Queensland and its board are really looking at the future opportunities in the broader further education and training market.

The board's inaugural operational plan was approved by the Minister for Education, Training and Employment on November 2013, and the board's second operational plan has recently been submitted to the minister. The board has also developed a strategic plan covering the period of 2014 to 2018 which appropriately establishes a strategic framework for the board and TAFE Queensland to deliver on their responsibilities.

Through its operational planning and programs of work, the board is preparing for transition of all public provider functions and resources from the Department of Education, Training and Employment to TAFE Queensland on 30 June this year through the machinery of government process, as I previously outlined. The board's program of work is specifically focused on ensuring that TAFE Queensland as an organisation is ready so that we can fulfil the requirements both in a governance and legislative sense but importantly fulfil the requirements of delivering training to our students and our clients.

Consistent with the current policy framework that Mr Ellem outlined before, TAFE Queensland has been working over the last 10 to 18 months to amalgamate 13 institutes into six regions as well as establish the dual sector university, supporting the implementation and development of new asset ownership and management strategies and at the same time working to increase utilisation of existing government owned training assets, progressing contemporary employment arrangements and implementing a changed management strategy that engages the TAFE workforce in the plans for the future, and implementing a transparent funding model for the public provider's operations within a contestable market.

In relation to the work to establish the six regions, that work has been completed. There has also been significant progress made in supporting the work to transition Central Queensland Institute of TAFE to the Central Queensland University to establish the state's first dual sector university, and we expect that will occur on 1 July 2014. In terms of the work to create the regions for TAFE Queensland, SkillsTech Australia, TAFE Queensland's dedicated trade training entity, and the Gold Coast Institute of TAFE remain as they were. They are regions of TAFE Queensland now and they have not been amalgamated with other institutions through the process.

The North Queensland region has been established through the amalgamation of the Barrier Reef Institute of TAFE, the Mount Isa Institute of TAFE and the Tropical North Queensland TAFE. The Fraser Sunshine Coast region has been established by the coming together of Sunshine Coast and Wide Bay institutes of TAFE. The Bremer Institute of TAFE and the Southern Queensland Institute of TAFE have amalgamated to form the TAFE Queensland western corridor region. Finally, the Brisbane metropolitan region has been formed through the coming together of the Southbank Institute of Technology, the Metropolitan South Institute of TAFE and the Brisbane North Institute of TAFE.

In the context of the significant change that has occurred during this period, it is appropriate to point out to the committee the contribution that has been made by the 13 TAFE Queensland advisory councils. Councils and members have worked cooperatively and supportively through the process, to work together and to support the smooth transition and the amalgamations of the regions. From 1 July 2014 the TAFE Queensland Board will formally assume responsibility for the six amalgamated regions following the machinery of government process I spoke about previously.

In terms of the new arrangements for the access of state owned infrastructure, TAFE Queensland continually works in support of establishing those arrangements. The introduction of a separate asset manager in the form of the Queensland Training Asset Management Authority does also allow TAFE the opportunity to focus on its core business and increase its flexibility by providing access to not only government owned facilities but also facilities in the private sector. It increases flexibility and in the future hopefully opportunities to offer a range of partners both with QTAMA as a statutory authority sitting off Public Works and Housing and with private sector entities. From our perspective, this brings significant more flexibility than TAFE Queensland has had in the past.

Concurrently with that work, TAFE Queensland has also been working to increase the utilisation of its existing infrastructure and that has meant changes—changes in the way that institutes are delivering training not only on their campuses but also in their plans for the future. It has also meant identification of a number of facilities and sites that either have not been used for training for some time or are not required anymore and identification of those through the process. TAFE Queensland will continue to work with all parties to implement the new asset management arrangements. That work will continue, as Mr Ellem has outlined.

In terms of contemporary employment arrangements, TAFE Queensland, working with DETE—given that the employees still are the responsibility of and sit within DETE at this point in time—progressed a revised certified agreement offer for the TAFE workforce in July 2013, and that Brisbane

offer covered both the education and the administrative sides of the TAFE Queensland workforce. Following negotiations with both the Queensland Teachers Union and Together Queensland, the proposed agreement has been referred to arbitration, and that is where the agreement is today. Notwithstanding that process, TAFE Queensland continues to engage with its workforce as part of confirming its position in the vocational education and training market and importantly ensuring that the workforce come along on the significant journey that TAFE Queensland is on.

Part of this work includes focusing on establishing a single TAFE Queensland, focusing on delivering some key commitments to students, employers and industry. Our staff engagement includes regular information and communication channels about the changes that TAFE is undergoing as well the changes to the vocational education and training market both in Queensland and nationally. Staff engagement has been delivered through face-to-face roadshows, a number of forums, written and online communications, as well as locally through established institute and now regional management structures.

In closing, I would like to note that the changes and progress made in the last year from TAFE Queensland's perspective are significant and that the amalgamation of institutes has been fundamental in ensuring that each institute in our region is ready and able to operate efficiently and effectively in the new training market. I do thank the committee for the opportunity to present. I would like to reiterate Ms Schmidt's thanks to the committee to present as well. I am more than happy to provide further information or respond to any questions that the committee has.

CHAIR: Thank you, Mr Petherbridge and Mr Ellem, for that very good overview. I know that the committee will have quite a few questions to ask you. I would like to start the questions. Mr Ellem, you have mentioned that the Ministerial Industry Commission is looking at the skills needs. What is the composition of the Ministerial Industry Commission? What processes do they actually take to ascertain the skills needs? Could you expand more on the Ministerial Industry Commission, please?

Mr Ellem: Certainly. The Ministerial Industry Commission is chaired by the assistant minister, Saxon Rice MP. It is made up of or comprises industry representatives and economic experts—the idea being that it be a body that has genuine industry involvement and can facilitate that genuine interface between government, industry and employers. In terms of its establishment, it is only a recent entity in that it was established towards the end of last year, 2013. It has gone through a process of developing its first skills report, which was released on 31 March. As part of that process, it did run a round table process in Brisbane earlier this year. It also engaged Deloitte Access Economics as its expert adviser, if you like, to undertake the base research and also undertake industry consultation and industry research. That culminated in the report.

The commission is already embarking on its work for next year's report. You will appreciate that it only came into being late last year and it was working in a pretty compressed time frame to produce its first report to have input into the department's process for the next financial year. It is actually starting the process for 2015-16 right now. It has had its first industry consultation process—I think it was last week, if I am correct—on the Sunshine Coast. That process for next year is now underway. I expect that you will see much more extensive industry consultation process work through this year than last year given the compressed time frames that the committee was working within. I should also say it did actually produce a draft report prior to the final report upon which people were able to provide input and feedback.

CHAIR: Because this is very important for where we see the direction of vocational education.

Mr Ellem: Exactly. The whole idea of the Ministerial Industry Commission is to advise the minister quite clearly on what it is that industries consider are the priority needs in the skills area. It certainly will not be the only important input into the department's thinking around the VET Investment Plan, but it is a critical input and one that the department and I am sure the minister take a lot of consideration of.

Mr BOOTHMAN: Mr Ellem, when it comes to priority skills and priority skill needs, where do you feel the direction is going? You may have to take this question on notice but could we get some information about where TAFE will be focusing after listening to industry demands? I am very curious about where TAFE will be focusing, what courses, et cetera?

Mr Ellem: That is probably a better question for Mr Petherbridge to answer than me. However, what I would say in response to your question is what will happen now is the department will release an investment plan which is now subject to the minister's approval. Once the minister has approved the plan, it will be released. That will provide guidance to the training providers about

what the department's view is and will take into account the Ministerial Industry Commission report and other factors and how that manifests itself in terms of priorities across a wide range of industries. In terms of prioritisation from a government point of view, that guides where government invests its VET investment funding and that guides the training providers to determine what offerings they will make.

The other thing to point out is that beyond where government is spending and directing its funding, which is towards industry priorities that lead to employment—and that is what you will see in the investment framework—there is a fee for service market that does not involve the government subsidy and prioritisation process. That interfaces between the broader market and TAFE and other training providers and will guide what those training providers put out into the market in terms of course offerings. Perhaps Robert might like to follow that up.

Mr Petherbridge: Certainly. From TAFE Queensland's perspective, as Mr Ellem has outlined, we will continue to deliver on the priorities that are funded through the VET investment framework but more so outside that framework there is a significant fee-for-service market and there is also a significant focus on delivering the state-wide priorities. Also, the local area priorities are different in different areas across the state. Broadly speaking, there has been, and we expect there will continue to be, significant growth in health care, aged care, children's services and those types of areas as well as the traditional grounds for technical and further education in trades. With fluctuations aligned to economic cycles, we continue to perform very well in terms of delivery of trade training through SkillsTech Australia but also in our other trade operations around the state. The short answer is that it will depend on the different areas and what the demands are in the particular areas or communities. Our government funded training delivery will be aligned to the priorities of the government but outside that we are looking at other opportunities.

If I may take a moment to touch on the future view of where we see the needs and demands in training, which is consistent with the board submission to the two inquiries of technical and further education. In TAFE Queensland's view, there is a priority for higher level skills and investment in higher level skills. The higher level skills that we are talking about are more applied skills and research skills which are the remit of the traditional university sector. From TAFE Queensland's perspective, we are looking to expand into those higher level skill areas because we believe that is going to be what is valued and of most need from employers and emerging industries, as well as from an individual perspective or a student perspective the areas that are going to provide good benefits for individual students and they will be seeking out those sorts of qualifications. In the longer term that is where our policy direction is taking us at the moment but immediately we will continue to deliver on both the government funded priorities and the priorities in local areas where there is demand for them.

CHAIR: Would that attract federal funding—the higher education—or will this still be through fee for service or state funding?

Mr Petherbridge: Regarding the arrangements specifically today, there is VET FEE-HELP, which is essentially an income contingent loan scheme that is supported by the Commonwealth. There is also some state funding for higher level skills or higher level qualifications, but I do need to flag that probably more in the national arena at the moment those things are all being debated and rather hotly debated. The review which I mentioned in my opening speech to the committee, the Norton-Kemp review of demand driven funding, essentially recommended a deregulation of higher education funding which would allow organisations like TAFE Queensland and TAFEs in other jurisdictions to expand into delivering Commonwealth supported places or similar things. I need to be clear that that is simply a finding from a review. The Commonwealth Commission of Audit touched on it, but that is a way of saying that these things are being debated at the Commonwealth level. Into the future it might be supported by Commonwealth funding, but we do expect there will continue to be a fee-for-service market and an attractive fee-for-service market there.

Mr LATTER: Good morning, gentlemen. My query goes more to the composition of the TAFE Queensland Board. Throughout different inquiries that we have undertaken in this space, in terms of the composition of board members we have received criticisms in submissions that there is not a VET qualified person on the board or there is no provision for a VET qualified person on the board. Conversely, the TAFE Queensland (Dual Sector Entities) Amendment Bill will insert a section into the TAFE Queensland Act to provide that CQU must include a VET qualified person on its council. Incidentally, TAFE Queensland Board members are required to have direct industry experience or direct experience in education, training or employment sectors or skills experience or expertise in commerce, corporate governance, economics, finance, law or management. Although there is no mandate that TAFE Queensland Board have a VET qualified person on it, can you advise me whether or not there is a member on the board who has VET qualifications?

Mr Petherbridge: Certainly. My understanding—and I would need to take it on notice and get the exact qualifications of all of the board members, which if the committee would like me to do I am happy to—is that, yes, there are people and members of the TAFE Queensland Board who do have VET qualifications. From another perspective, it is probably important to note that there is significant VET and TAFE experience in terms of management on the TAFE Queensland Board. As I outlined, the chairperson of TAFE Queensland was formerly the chair of the Southbank Institute of Technology, which was one of the first statutory TAFE colleges established in Queensland. Prior to that Mr Tapp had a lot of experience in working with TAFE advisory councils as they were at that time in terms of operational governance that were specific to their business in the training centre. Ms Viv Mallinson, who is also on the board, has direct experience in running vocational education and training organisation through BUSY at Work in a former life. Mr Peter Price, who is on the board, is formerly the chairperson of SkillsTech Australia, our premier trade training college. In addition to my understanding and belief that there are people on the board who have VET qualifications per se, I also note that there is some significant experience in terms of running the business of TAFE sitting around the table at this point in time.

Mr LATTER: If it pleases you, then, I would suggest that is not something you need to take on notice. I think you have answered my question. I thank you for that. It puts me in a position to be able to respond to those criticisms. However, I did find it interesting that through the dual sector entities bill we felt it was necessary to put a specific requirement in there. However, as I said, Robert, thank you for your response and I do not believe it is necessary for any further follow-up.

Mr Petherbridge: Thank you.

Mr GRANT: I want to ask a question of Mr Ellem specifically in regard to government subsidised training. You mentioned a \$47 million community learning program.

Mr Ellem: That is right.

Mr GRANT: My question is: as all this realignment and restructuring is occurring, can you advise the committee on whether there is any loss of attention in subsidies for the cohort that will never achieve certificate 1 level in their education with TAFE? It appears as though there is but I would like your comment on it.

Mr Ellem: What I can say about that is there is still provision in the training offerings—the subsidised offerings from the department—for foundation skills that are designed to lead to someone attaining a higher level qualification. You will probably notice from the opening statement I made that a lot of our training is geared towards certificate III, which is considered to be the key benchmark in terms of a person's employability in many industries and greater earning potential capacity. As I said, there is capacity for people to undertake foundation skills training to prepare them for that movement towards certificate III. I would suggest that there are opportunities for people who do not have the capability to move straight to certificate III attainment; that there is still capability for those people to undertake training through our subsidised system.

Mr SYMES: Is TAFE Queensland undertaking any planning to ensure that service delivery will not be disrupted by the transition of TAFE assets and asset management to QTAMA?

Mr Petherbridge: Yes, certainly. It is something that we have been conscious of and working very closely with both the Department of Education, Training and Employment, which is where the assets technically sit now, if you want to look at it that way, and the Department of Housing and Public Works, which is responsible for establishing arrangements with the Queensland Training Assets Management Authority. The work that we have undertaken to date has been to identify where we are at this point in time in terms of TAFE Queensland, and our demand and our requirements for infrastructure as we know them and to work that through with QTAMA. I would say at this point in time we feel that we have a working relationship that will support us through the transition period. It will be a significant transition period and it will be important for us to be very clear with all stakeholders—community, staff and everyone—about what the plans and processes are for that.

From TAFE Queensland's perspective, we are approaching that planning process in the same way that we have approached our reform program. We have communication plans and strategies that we sit down and work out with the stakeholders that we need to engage with and we ensure they are engaged. From an operational perspective, we do not believe there will be significant changes from 1 July 2014 this year. From a pragmatic perspective, given the experience that we have had in terms of establishing a TAFE Queensland Board and all of the arrangements around that, I expect there will be a lot of work for QTAMA to be doing those things. We are of course committed to working with QTAMA as they go through that process and then working out

what their business operation models et cetera will be. My view is that we will continue to work with them and we will mitigate any risks in terms of changes by working through a planned process at the same time as QTAMA establishes its operating processes in the way that it is going to run its business.

CHAIR: Can I follow on from that perspective? Last year in some rural and regional areas the management of the institutes have intimated, particularly through the media, that in certain towns the TAFE buildings are uneconomical to keep going for TAFE Queensland because a lot of them are underutilised and there are large maintenance issues. The intimation was that training would proceed in those areas but they would be looking for commercial premises. Now that QTAMA has taken over the problems of maintaining those buildings, would TAFE be more inclined to continue training from those buildings now that some of that responsibility has been taken from TAFE?

Mr Petherbridge: There are probably two elements to that question. The first element is the work that TAFE Queensland has been doing across its network in rural, remote, regional and metropolitan areas to have a look at its infrastructure footprint that was identified through the various reviews as being too large and looking at how that can be consolidated. 'Consolidated' does not necessarily mean getting out of a whole lot of areas; in some cases it means looking at the individual areas and saying, 'If we have a full building, do we need the full building, or do we need only part of that?' That work has been ongoing since the commencement of the TAFE reform program.

In response to the second element of the implications for QTAMA taking over and TAFE Queensland remaining within the buildings, it has been acknowledged through a number of the reports that there is quite a large maintenance backlog and that there is a need to identify how the facilities are appropriate for training use both from a TAFE Queensland perspective and for others. That will be one of the things that QTAMA will be looking at bringing to the table. That is my understanding.

From TAFE Queensland's perspective, we will be looking to deliver training in the areas and the communities where there is demand and where there are priorities and where we have established good markets in the past. If we do that through government owned facilities, we will be doing that through accessing them through QTAMA. If there is either not a government owned facility there or there is another commercial facility that is going to suit our purposes more, then we will be able to access and use those facilities.

That is a long way of saying that, in the first instance, it is about looking at our footprint and looking at our delivery profile and making sure that we are accessing the space that we require to do the training and then, secondly, it is about making an assessment of the options that we have in terms of the fitness for purposes of the facilities that we will be leasing into the future to deliver training.

CHAIR: As you would be aware, in some small areas there is a lot of feeling about their TAFE building. In many communities there is this feeling of ownership.

Mr Petherbridge: Indeed. The other thing that I would probably like to add to that—and Mr Ellem might be in a better position to talk about that than me—is that, from a TAFE perspective, the opportunities for TAFE in those areas is with the opening up of contestability and the potential of a number of other training providers delivering in the area. It might actually be more viable for TAFE Queensland to deliver, or the facility might become more viable for us to deliver from as well as other people to deliver from. If it would be easier for us if we are only having to pay for a portion of the building for a portion of the time, then we can do that. The question is whether or not there are the flows that come through in terms of the financials required for that building to stay there. I think that there are good opportunities in some areas where we are not fully utilising infrastructure to bring in other partners and to either deliver training in partnership or to deliver different sorts of training that will make those things more viable than they are now.

CHAIR: Thank you.

Ms D'ATH: Mr Petherbridge, if I could just follow on from the questions in relation to asset management and QTAMA? You said in your opening statement that you have been working on since the establishment of TAFE Queensland the transition of the assets over to TAFE Queensland. Also, if I understood you correctly, you were saying that the operational plan is looking at asset management into the future, if I understood what you were saying properly. I just want to understand those statements. The work you had been doing and what you have been planning, or putting in your operational plan, is that all superseded by QTAMA? If not, was all that work done in concert with the department with the intention all along of that going to QTAMA?

Mr Petherbridge: Indeed. The work in terms of the future planning for assets has been around the work that I have just spoken about, which is identifying what we need to deliver the training programs that we are delivering in the areas that we need to be in. That program of work is consistent with what has been the government commitment since, I think, November 2012, which is to look at different approaches to how the assets are managed. Then I think it was April 2013 where there was the formal commitment to separate out the asset management.

So from our perspective, definitely the program and the work that the board has been doing in their operational plan has been about how we best utilise the assets, the resources that we are currently accessing and that is not wasted or superseded by the establishment of QTAMA. In fact, it supports QTAMA by us being able to say quite clearly from a TAFE Queensland perspective, 'These are the areas that we need to be in and this is what we require.' That has been the basis of our work in both with the department and with the people setting up QTAMA.

Ms D'ATH: Thank you. Mr Ellem, if I can just follow up on a question asked before in relation to the foundation skills courses that you talked about and that government funding. You talked about there is capacity there, there is scope there, for these courses to be offered and for individuals to still do these courses. But is there any guarantee? Is there a component of that funding that is set aside for the sole purpose of delivering these courses that are in demand in the community and make sure that those courses are not squeezed out by the certificate III courses and the other government funded courses that are on offer?

Mr Ellem: Sure. I suppose that I should make it clear that the reform agenda—the government's agenda—here is to subsidise that training that leads to employment outcomes. That is one of the key tenets in the whole of the Great skills. Real opportunities. reform agenda. In response to Mr Grant's question, I probably could have expanded a bit more—and I will now—about the Community Learning program, which is a \$47 million program over five years. The idea of that program is to give the opportunity for those students whose learning situation might not be best facilitated in what you might regard as a standard setting in a standard TAFE institute or a standard private training institute. The Community Learning program is designed to have a registered training organisation and a community based organisation partner to establish a setting that is more appropriate or responsive to the needs of what you might call challenged learners, or disadvantaged learners.

I should still stipulate that that program is still designed to get employment outcomes for those people. It is not training for training's sake. It is about designing a program that better meets their needs and delivers training in a way that provides greater opportunities for their success and attainment of a qualification that leads to an employment outcome for those people. As I should have explained more fully, it is within that program—and other programs for that matter—that foundation skills are still available for people to build up their capacity to get to that certificate III outcome generally. So I would put it to you that those people are not squeezed out in the sense of our training programs. The foundation skill, the ability for them to undertake foundation training at lower levels in literacy and numeracy et cetera leading to that certificate III outcome, is still very much part of the VET reform process.

Ms D'ATH: And that would be available irrespective of whether they are entering into a certificate III course? They will be able to do those foundation skill courses or qualifications on their own?

Mr Ellem: No. The programs are really about attaining qualifications that lead to employment. It is always about leading to employment outcome.

Ms D'ATH: And I appreciate that but, as you appreciate, there are many in the community who want just those basic literacy courses—people with disabilities in my own community. There are quite a number of people with disabilities who attend TAFE doing those foundation skill subjects. They are never going to complete a certificate III. So my question is: how are those people accommodated under the structure and the commercial focus that TAFE Queensland is to undertake in the future?

Mr Ellem: In terms of what TAFE Queensland continues to offer, that is a matter for TAFE Queensland. But in terms of what we are trying to achieve, it is about ultimately getting those people to achieve employment outcomes.

Ms D'ATH: So if it is not commercially viable for TAFE Queensland to deliver those courses into the future, they do not need to?

Mr Ellem: That will be a matter for TAFE Queensland.

Ms D'ATH: Maybe Mr Petherbridge might want to expand on that.

Mr Petherbridge: Indeed. We have undertaken a fair bit of work in response to concerns that have been raised from the community in this area. In response to your direct question in terms of will TAFE Queensland be required to, at this point in time there is nothing specifically requiring TAFE Queensland to deliver those courses. What we have been doing—and it has been different in different areas of the state—is to try to work with the particular communities and areas and the people who have been impacted to try to identify if there are other solutions. I can speak about the Bremer and Darling Downs south-west. We are exploring some partnerships with some other providers that essentially provide non-accredited training that might be able to support and assist those students to get the outcomes that they want, but that would be outside the specific funding that TAFE receives.

It would be fair to say that there has been investigation into other funding sources in those instances. But in other instances, which has also been the point of some discussions that we have had with Mr Grant, for TAFE Queensland to deliver those courses the cost of delivering those courses has gone up. We will continue to deliver those—and we have continued to deliver those courses—but acknowledging that the cost to the end user has increased commensurate with what our delivery costs are.

Ms D'ATH: But if I can just clarify your comment, though? You said that where some have been impacted you are looking at alternative solutions. Is it acknowledged that some of these courses have dropped off in some areas?

Mr Petherbridge: That is my understanding. I understand that there has been less delivery in those areas, but I would need to check the exact specifics on that to provide a certain answer. It is my understanding that, yes, there has been some drop-off. But, consistent with the reform program, it is about working with our stakeholders—our community members, our staff, our students—to try to work through what is a change process and changes in arrangements. From our perspective, it is very difficult to just turn on and off the tap in terms of training. Training markets are the same as other markets that are built over a long period of time. So from our perspective, if we can get a good outcome, that is what we will work to do, working within the frameworks that we have to work within and that has been our approach.

Ms D'ATH: Is it possible to get that data across the state?

Mr Petherbridge: Yes, I can—

Ms D'ATH: I do not want to put that question on notice unless it is achievable to actually identify—

Mr Petherbridge: Pragmatically, the issue is getting the definition for the data that you are after. The easiest way I can answer it is by saying that, when we have looked at it and tried to quantify it based on the work that we have done to date, the difficulty is identifying the particular cohorts. Yes, I can identify the training that is delivered at a certain certificate level. I can identify training that is delivered in a certain industry area. But when you try to apply that to a specific cohort, that is not well designed, that is, a student with a disability or a person with a disability who is not going to go on to be assessed and complete an outcome. It is very difficult to quantify across the state training that is delivered specifically to those people without individually going through each institute role and talking to the teachers.

I can identify foundation skills and foundation training that is being delivered. In the past I can identify training that is delivered at a certain certificate level and in certain industry areas or course areas such as literacy and numeracy. I can definitely provide that data. I cannot, from the work that I have done to date, provide the data specifically on that in that impacted cohort, because it is a question that we have been asked a few times.

Ms D'ATH: Maybe the chair would be happy if I have a conversation outside the committee with you to see if we can identify that data.

Mr Petherbridge: Sure.

CHAIR: Perhaps some of this would come out in your operational plan?

Mr Petherbridge: Definitely, in terms of training delivery it will come out but, similarly, it will probably identify that it is delivered at certain levels. It will not go down to the specific cohorts where training had been delivered, which is my understanding of what the issue is here.

CHAIR: Because the flow-on of that, of course, is our rural and regional—I know that you did refer to that—because it is not as cost effective to deliver to a few students in a smaller area. However, the needs are just as great in those rural and regional areas. Will you still be looking at a Brisbane

community service obligation to deliver to those people? That is a concern within the regions—that, under the contestability arrangements that are now available, regional students may miss out. Could you enlarge on that, please?

Mr Petherbridge: In terms of government funded training, that is probably a question for Mr Ellem in terms of the construct of the VET investment framework. From TAFE Queensland's perspective, there have been changes in the way that that training is funded. One of the things that we are proactively working to do—and I would have to say proactively working with the department and other stakeholders—is to look to identify where there are issues and where there are possibly unintended consequences. To give an example, for all of those reasons you mentioned, it is more expensive to deliver training in rural and remote areas and in some instances in areas that are on site for employers et cetera. There is a clear need to continue to support the skills of, say, the mining industry and other industries in areas. So from TAFE Queensland's perspective, it is about working proactively to identify where there are issues and where there are significant changes in delivery. Those things will be identified through TAFE Queensland's reporting processes. Then it is a matter of working within the construct of the funding framework.

CHAIR: Thank you. I am afraid our time is drawing to a close. I have no doubt that there are many more questions. We will be looking forward to seeing how the rollout of TAFE Queensland goes after 1 July. I certainly wish you well in that, Mr Petherbridge, because it is new and exciting days in the direction in which education is going. Could I thank you both very much for your time this morning. It has been really most interesting. I know that it will be helpful for our roles and responsibilities in the VET area of the portfolio.

I urge those people with an interest in the work of the Education and Innovation Committee to subscribe to the committee's email subscription list via the Queensland parliament's website. I now declare this briefing closed. We will be taking a short break. I would ask people if they could please leave the room, because we will be having a private briefing for a quarter of an hour. Thank you. Thank you very much for your time.

Committee adjourned at 10.17 am