



# ***EDUCATION AND INNOVATION COMMITTEE***

## **Members present:**

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

## **Staff present:**

Ms B Watson (Research Director)  
Ms E Booth (Principal Research Officer)

## **PUBLIC BRIEFING—INQUIRY INTO THE TAFE QUEENSLAND (DUAL SECTOR ENTITIES) AMENDMENT BILL 2014 AND THE FURTHER EDUCATION AND TRAINING BILL 2014**

### **TRANSCRIPT OF PROCEEDINGS**

**WEDNESDAY, 5 MARCH 2014**

**Brisbane**

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Committee met at 11.33 am

**BUSBY, Mr Stuart, Executive Director, Policy and Programs, Department of Education, Training and Employment**

**FAVELL, Mr Geoff, Assistant Director-General, Employment, Skills and Training, Department of Education, Training and Employment**

**MULLER, Ms Carina, Executive Director, Strategic Policy and Portfolio Relations, Department of Education, Training and Employment**

**RONEY, Mr Christopher, Director, Legislative Services, Department of Education, Training and Employment**

**SINCLAIR, Ms Gabrielle, Deputy Director-General, Policy and Programs, Department of Education, Training and Employment**

**CHAIR:** Welcome to you all. Before we begin, I remind everyone present to please turn off your mobile phones or set them to silent. I also ask members of the media who might be recording these proceedings to adhere to the committee's endorsed media guidelines. Committee staff can provide a copy of the guidelines should you require one. Let me introduce the members of the Education and Innovation Committee. I am Rosemary Menkens, the member for Burdekin and the chair of this committee. Other committee members are Mr Ray Hopper, member for Condamine; Mr Mark Boothman, member for Albert, who is absent for a moment; Mr Steve Bennett, member for Burdekin; Mrs Yvette D'Ath, who is a new member of the committee and member for Redcliffe; Mr Neil Symes, member for Lytton; and Mr Michael Latter, member for Waterford.

This public briefing relates to two bills which have been tabled in parliament and referred to the committee just this week, and they of course are the TAFE Queensland (Dual Sector Entities) Amendment Bill 2014 and the Further Education and Training Bill 2014. The committee considers this an initial briefing and it may be that we seek an additional briefing at a later time. This briefing is a formal process of the parliament and parliamentary privilege applies to all evidence presented. Any person intentionally misleading the committee is committing a serious offence. Although this briefing is public, you are able to request through me as chair that any material or information that you provide be kept private and of course you can object to any particular questions. You might also wish to take questions on notice if you do not have that information at hand. The briefing today is being recorded and will be transcribed by Hansard. The transcript will be published on the committee's webpage when it is available.

I now have much pleasure in welcoming Department of Education, Training and Employment staff: Ms Gabrielle Sinclair, Deputy Director-General of Policy and Programs; Mr Geoff Favell, Assistant Director-General of Employment, Skills and Training; Ms Carina Muller, Executive Director of Strategic Policy and Portfolio Relations; Mr Christopher Roney, Director of Legislative Services; and Mr Stuart Busby, Executive Director of Policy and Programs. I also want to thank you most sincerely for coming to brief us at such short notice. Basically, we would like to have this information out there to inform all who may wish to make a submission on these bills. I will leave it to you to decide which bill you wish to handle first and I hand it over to you. Thank you very much.

**Ms Sinclair:** Thanks very much, Mrs Menkens, and good morning. As you have said, I am the Deputy Director-General of Policy and Programs within the Department of Education, Training and Employment and I am here today on behalf of the Director-General, Dr Jim Watterston. As you have said, Mrs Menkens, joining me today are Carina Muller, Executive Director of Tertiary Education and Training; Stuart Busby, Executive Director for the office of the Deputy Director-General; and Christopher Roney, Director of the Legislative Services unit. With the committee's permission, I would like to start with the TAFE Queensland (Dual Sector Entities)

Public briefing—Inquiry into the TAFE Queensland (Dual Sector Entities) Amendment Bill 2014 and the Further Education and Training Bill 2014

Amendment Bill 2014 and, if you do not mind, Geoff will stay because he will be a key witness for the next bill.

I want to thank the committee for having us this morning and I want to provide the committee with the background to the development of the bill, speak in detail about the provisions of the bill and then outline the arrangements for the merger of the Central Queensland Institute of TAFE and the Central Queensland University. This morning I would also like to provide information about the consultation processes for the bill as requested by the committee, but I will start with the background to the merger. In 2010 the Central Queensland Institute of TAFE and the Central Queensland University submitted a joint proposal to the Queensland government proposing a merger of the two institutions. It was proposed that this dual sector entity in Central Queensland would offer both higher education and vocational education and training. Subsequently, the federal government at the time agreed to allocate just over \$73 million over four years to support the merger, subject to a number of conditions, including that the Queensland government undertake a due diligence process. In May 2013, after protracted negotiations between the Queensland government and the federal government, the federal government agreed to release funding. However, to support this funding, significant changes were negotiated, including a requirement that the Queensland government underwrite financial losses incurred by the TAFE division, formerly CQIT, for the first three years of the merger. On 11 September 2013 a merger agreement was officially signed. The original anticipated date for the merger was 1 January 2014 but, due to the complexity surrounding the negotiations and delays in the release of the federal government funding, the dual sector entity is now proposed to be established from 1 July 2014. Notwithstanding this, high expectations are expected for this merger, including the potential economic benefits for not only Central Queensland but for the entire state.

I now want to touch on some of the provisions of the bill. The bill has been prepared to facilitate the establishment of dual sector entities. Legislation is necessary to allow a dual sector entity to receive assets and staff from the state, to establish a system of accountability for the use of these assets transferred, and to allow the entity to use the protected term 'TAFE' in relation to the delivery of its VET courses. The bill provides for the establishment of dual sector entities by prescribing the entity in a regulation. This approach will enable the government to establish other dual sector entities over time in the future without amending the TAFE Queensland Act 2013. If parliament passes this bill, the Minister for Education, Training and Employment will progress a regulation to prescribe CQU as a dual sector entity and provide for other matters necessary to facilitate the transfer of CQIT to CQU. The TAFE Queensland Act 2013 has a regulation-making power which facilitates the restructuring of TAFE. This regulation-making power will be used to merge CQIT with CQU by transferring CQIT's assets, staff, student records and other matters as anticipated in the merger agreement.

This bill includes detailed governance and accountability arrangements for dual sector entities. These requirements are based on similar requirements for statutory bodies like TAFE Queensland. Dual sector entities may receive a significant amount of government assets. This is certainly the case with the current merger proposal. It is appropriate that dual sector entities be held accountable for the use of these assets. The accountability measures will ensure that dual sector entities function as intended. The requirements in the bill were drafted to align with existing obligations of entities like universities to minimise any unintended impact. The bill requires that a dual sector entity develop an operational plan each year for approval by the minister. Where a dual sector entity is a statutory body already, it is a requirement to develop an operational plan each year as required under the Financial Accountability Act 2009. The entity will be able to develop a single plan to meet all legislative requirements. The bill requires that some additional details relevant to the dual sector entity be included in the plan. These details will include, for example, an outline of the entity's objectives, financial performance targets and major investments. In addition to an operational plan, dual sector entities will be required to provide quarterly financial reports to the minister. The content of these reports will be agreed by the minister and the entity in the operational plan. Quarterly financial reporting is a requirement imposed on bodies such as utilities providers and it allows the government to monitor the performance of the entity at regular intervals.

Dual sector entities will be required to give notice to the minister of proposed significant actions such as the sale, lease or mortgage of assets transferred to the entity. If the entity includes the action in its operational plan, it will not be required to provide further notice of the action to the minister. The minister will have reserve powers to give directions to the dual sector entity where the minister considers that direction is in the public interest. This is a standard power for ministers in relation to statutory bodies. The dual sector entity will be able to give notice of its concerns about a particular direction and the minister must consider these concerns. All directions will be recorded in

the annual report of the entity, ensuring transparency in the relationship between the minister and the dual sector entity. The requirements in the bill for operational plans, quarterly reports, notices of significant action and ministerial directions apply to all of the entity's operations. However, the bill provides for a regulation to be made which limits these requirements to an entity's VET operations, or vocational education and training operations. The bill takes this approach because it allows the accountability arrangements for a dual sector entity to be tailored to meet the particular requirements of that dual sector entity. In some cases, it will be appropriate for an entity to be accountable in relation to all of its operations. This may be necessary because of the amount of assets transferred or the financial position of the entity. It is also possible that an entity may commence being accountable in relation to all of its operations but a regulation is made later to limit the entity's accountability to its VET functions as it grows.

The bill will also require the entity to make recommendations each year about the return, if any, it should pay it to the government. The requirement to make a recommendation in relation to a return only relates to the entity's VET operations. This requirement recognises that a dual sector entity may be given a significant amount of government assets that allows it to generate surpluses it could not otherwise have achieved. The requirement to pay a return will allow the government to share in the success of the dual sector entity which it has established, and of course the government can utilise the return for the benefit of all Queenslanders.

The bill also amends the functions of TAFE Queensland to clarify that TAFE Queensland has a role to provide advice and make recommendations to the minister about its functions and other matters referred to it by the minister. This function will allow TAFE Queensland to respond to requests for advice from the minister. TAFE Queensland is a large provider of VET and has significant expertise in the delivery of VET. This function will allow the minister to call on that expertise.

In relation to the consultation process, the department has consulted with CQU and TAFE Queensland during the drafting of this bill. The department provided CQU with a consultation draft of the bill in January 2014 and officers from the department met with senior management of the university to brief them on the proposed bill. CQU was happy with the contents of the bill and provided written confirmation to that effect. TAFE Queensland, of course, was also consulted on the draft bill given its interest in the TAFE network and the change to its functions included in the bill. TAFE Queensland supported overall the consultation draft of the bill.

In addition, a project board has been established to oversee implementation of the merger, with membership comprising representatives from CQU, CQIT, TAFE Queensland and, of course, the Department of Education, Training and Employment. The board meets monthly and is charged with ensuring a smooth transition to the new entity. I would like to thank committee members for your time this morning and, of course, we would be very pleased to take any questions. Thank you.

**CHAIR:** Thank you so much, Ms Sinclair. This is a new and exciting process. I am not aware that there is one, but should there be another entity, say another TAFE and another university, would this bill actually cover that process or is this specific to CQU?

**Ms Sinclair:** The intent is that this process will allow other universities and TAFE entities to establish a dual sector.

**CHAIR:** And it would only be a university and a TAFE? I am not sure whether there are other entities that may combine.

**Ms Sinclair:** That is a very good question. Do you mind if I ask Stuart to answer that?

**Mr Busby:** What the bill will do is enable an entity to be prescribed under regulation as a dual sector entity. It is not limited to universities. The way that the scheme works will allow entities in the future to come on board. They are prescribed under regulation to be an entity that is a dual sector entity and then the Act prescribes the governance arrangements for dual sector entities.

**Ms D'ATH:** Just following on from that, has the definition of a dual sector entity been developed yet? You say it is going to be prescribed in regulation.

**Mr Busby:** The actual entity will be prescribed in regulation. For instance, with CQU, the university will be prescribed in regulation as a dual sector entity. The term 'dual sector entity' has in itself been defined, but the scheme sets up the governance arrangements and their delivery of VET. What we have done with CQU is also amended their function to give them specific functions around VET. Should another university be brought on board a similar approach could be adopted there with

an amendment to that Act. Otherwise the entity can be prescribed in regulation and therefore all the governance and operational stuff around operational plans will apply to that entity.

**Ms D'ATH:** Any private registered training organisation could also form a dual sector entity.

**Mr Busby:** There is nothing preventing that. That is not something that has been considered at this stage. The aim at the moment is to set up CQU. As I said, the Act is broad and enables any entity to be prescribed under regulation as a dual sector entity.

**CHAIR:** When it comes to the TAFE legislation and how the processes work, will there be any difference with those processes from the regulatory point of view and working within the TAFE system? Will there be any differences with this new entity as compared with, say, the Townsville College of TAFE, or whichever it happens to be? Will there be any differences or expectations in the process?

**Ms Sinclair:** TAFE Queensland, as you are aware, has been set up as a statutory body in its own right. The new dual sector entity that is CQU-CQIT will run in a different way because it is a different statutory body. The expectation is that CQU-CQIT will, from a student's point of view, be a seamless one entity. They would enrol in the dual sector entity and hopefully the intent with all dual sector entities is that there is a seamless access from, for example, a cert III or a cert IV right through to a degree or a master's program. They are different entities and TAFE Queensland is a statutory body in its own right.

**Ms D'ATH:** In relation to the transferring of the TAFE assets, you talked about agreements being entered into that may allow for a return back to the government because of those transfers. Is there any other consideration of value in relation to the transferring of those assets? The way you have explained it, Ms Sinclair, is the ownership then will sit with that dual entity and they will be able to dispose of those assets if it is originally in their plan without further consultation with the minister, if they seek to go outside of that plan seeking approval by the minister. Is there any financial return to the government for the initial transfer of those assets?

**Ms Sinclair:** Do you mind if I ask Christopher to answer?

**CHAIR:** No.

**Mr Roney:** There is a transfer regulation making power in the TAFE Queensland Act and that will be used to transfer, amongst other things, assets from the state to CQU which will be prescribed as a dual sector entity. That will just happen by regulation, it is not a transaction for which consideration is given. There is that regulation making power that will effect the transfer and the notification of significant action covers various dealings with those assets. If you look at the bill it refers to sale, lease and mortgage of any of those transferred assets and it specifically refers to the transferred assets in that provision, which is the new section 57O, which will be put in the TAFE Queensland Act. Any dealing that is referred to in there would have to be notified to the minister or, as you mentioned, stated in the operational plan beforehand.

**Ms D'ATH:** If I can just clarify, it is possible that the assets be transferred and there is no financial return back to the government in relation to those assets. Is that possible under this bill?

**Mr Roney:** There is a provision that deals with the payment of returns as a separate issue about surpluses from their operations.

**Ms D'ATH:** We only received this yesterday so I have not gone through every section of the bill at this point, but the provisions dealing with the returns, is that something that is available but not necessarily mandatory? Is there a guarantee that there will be agreement entered into as part of the dual sector entities where there is definitely a return for a period of time to the government?

**Ms Sinclair:** If the dual sector entity, for example, makes a profit then there is that provision that they may be expected to return some of that surplus to the government, but I think it is important that the committee is aware that there is not any intention to sell any of these assets. It has been given to CQU and CQIT in the first place but, as Christopher said, there are protections that the dual sector entity does not immediately then sell those assets on. They will not be able to do that because we have quite a number of protections in place to make sure that, as Christopher said, they do not mortgage it, they do not lease it and they certainly do not sell them.

**Ms D'ATH:** Aside from the sale though of the potential assets, you said they may be required to provide a return to the government if they are receiving profits, but again there is no mandatory return back to the government for the transfer of these assets. There may be arrangements entered into, but it is potentially that the assets are just transferred and if the entity is not necessarily

returning a profit that the government is not getting anything in return for the transfer of those assets.

**Ms Sinclair:** In the aspect that the government has established a seamless provision for students and the intent certainly is that the dual sector entity, and it has been so in other jurisdictions, provides other benefits to the economic growth of an area and also in terms of meeting, in a seamless way, the needs of industry and employers. For example, we know that a lot of students may start an engineering degree, but they may want to go and do a more practical diploma before they are seen to be employable in the mining sector. I think there are going to be a significant benefits and that certainly is what we have found with other jurisdictions when they have established dual sector rather than the tangible surplus in terms of funds.

**Ms D'ATH:** Could I ask one last question: is the department aware of any other proposed dual sector entities being developed? Are there any discussions ongoing at the moment beyond the one that has been detailed?

**Ms Sinclair:** In Queensland?

**Ms D'ATH:** Yes.

**Ms Sinclair:** We are not aware of any other at the moment, but I think this one will be closely watched.

**Mr BENNETT:** There is a lot of interest, is there not, Madam Chair, from other areas?

**CHAIR:** A great deal. I think it is very exciting. Thank you for that. Are we ready to move to the next bill?

**Ms Sinclair:** With your permission, may I again introduce Geoff Favell. Geoff is an expert in apprenticeship and traineeship systems. I will ask Stuart, Christopher and Carina to remain, if that is all right with the committee.

**CHAIR:** Absolutely.

**Ms Sinclair:** Again we would like to thank the committee for giving us the opportunity to provide a briefing on the Further Education and Training Bill 2014. I would like to provide the committee with the background to the development of the bill in the first instance and then speak in detail about the provisions of the bill and I would also like to provide some information about the consultation process undertaken as requested by the committee.

The Queensland government has committed to a significant reform program for vocational education and training in Queensland. The reforms are aimed at improving service delivery to meet the needs of individuals, communities, industry and employers; and improving the return on public investment and training in relation to employment growth and economic outcomes. As part of the reform program the independent Queensland Skills and Training Taskforce was established in June 2012 to review the state's VET sector, including apprenticeships and traineeships.

The taskforce released its report in November 2012 and concluded that the state's apprenticeship and traineeship system required substantial reform and modernisation to improve its responsiveness to a quickly changing economy. The taskforce made 11 recommendations specifically about how to improve the administration of apprenticeships and traineeships, for example, by streamlining and clarifying procedures for commencements, suspensions, transfer and completions of contracts. The taskforce also recommended legislative amendments, all of which were accepted by the government and are addressed in the Further Education and Training Bill 2014.

The taskforce report was followed by the release of Great Skills. Real Opportunities, the Queensland government reform action plan for further education and training in June 2013. This VET action plan outlines a five-year plan for sector reform and commits to improving access to quality skills that are needed by the workforce, industries and employers. The government's VET reform agenda provides a sensible opportunity to review all further education and training legislation to make sure it is up to date and able to deliver on the government's reform priorities.

It is clear that the national and state further education and training sectors have changed substantially in the 13 years since the Vocational Education, Training and Employment Act 2000—or, as we refer to it, the VETE Act—was introduced. The VETE Act accordingly, even though it has been amended a number of times over those years, is largely outdated and contains several redundant provisions. Government has determined that the best approach is to repeal the VETE Act and introduce new modern, streamlined legislation which will remove unnecessary regulation and support Queensland consumers of VET services. In this context the bill repeals the VETE Act and

replaces it with a new regulatory framework for apprentices, trainees, group training organisations and principal employer organisations and other related training matters. The bill also repeals the Higher Education (General Provisions) Act 2008, as this legislation is also redundant. The state government no longer regulates higher education providers or their courses. The Australian government funds universities and now, through the establishment of the Tertiary Education Quality and Standards Agency, it also regulates the higher education sector.

In relation to the VET sector, I would now like to highlight some key features of the bill and some of the significant reforms that will be implemented. The intent of the bill is to reduce unnecessary red tape for employers whilst maintaining safeguards to ensure that apprentices and trainees are receiving appropriate training opportunities. The bill retains the key elements of the apprenticeship and traineeship system as prescribed in the VETE Act such as requiring a training contract between the employer and the apprenticeship or trainee, requiring a training plan, and the issuing of completion certificates. These are standard features of the system in all jurisdictions and are necessary to have an effective apprenticeship and traineeship system.

I would like now to touch on the lodgement of training contracts. The bill makes some important changes in relation to the lodgement of these training contracts. The period for lodging a training contract will be reduced from the current up to 121 days for apprentices and 61 days for trainees to 28 days for both. This will bring Queensland into line with other jurisdictions and will ensure that employers clarify the employment status of apprentices and trainees sooner. At the moment apprentices and trainees can work for three to four months before a training contract is established, and this can create confusion over their employment entitlements. Moving to a shorter time frame will reduce this uncertainty. It will also ensure Queensland has an effective employment based training system consistent with national time frames and will enable the early development of the training plan. This is important in motivating and retaining apprentices and trainees in the first stages of their training. The bill includes a transitional provision which will ensure that the new time frames for lodging contracts will only apply to apprentices and traineeships commenced after the commencement of the bill.

In terms of suspension and cancellation, another significant change is how we will simplify suspension and cancellation provisions that are now currently contained in the VETE Act. The current provisions around suspension and cancellation are complex and difficult to apply. The avenue available to parties to suspend or cancel a training contract is determined by the behaviour or incident in question. Grounds for suspension or cancellation currently include serious misconduct, other misconduct, or where training cannot be continued because the business has closed or moved. Under the current system, outcomes appropriate for apprentices, trainees and employers have been frustrated if parties apply under the wrong section for a remedy. Industry has strongly supported a change to this current overly complex system of suspension and cancellation. The bill simplifies the scheme by placing the onus on the affected parties to resolve these issues and to lodge a suspension or cancellation form on the basis of consent of both parties. In some cases it will not be possible for the parties to reach agreement; for example, where the employer has ceased operations and cannot be located. The bill therefore includes the power for the chief executive of the Department of Education, Training and Employment to cancel the training contract in such specific circumstances.

The bill also removes the provisions allowing reinstatement of a training contract that has been cancelled by agreement where a party claims they were coerced into the agreement to cancel the contract. Instead an application to suspend or cancel a training contract will not take effect for seven days, during which time a party can withdraw their consent. This cooling-off period will protect apprentices who may feel they are required to sign the form but later reflect on the matter and decide they do not agree with the cancellation or suspension. In relation to employment rights and entitlements, the current scheme of suspension and cancellation also duplicates situations adequately covered by employment law such as remedies for acts of serious misconduct by an apprentice or employer.

Apprentices and trainees also have other employment rights and entitlements in the VETE Act that are duplicative of rights under industrial relations law. Most apprentices and trainees are employed by national system employers, so they have employment rights under the Commonwealth's Fair Work Act 2009. This unnecessary duplication exposes employers to multiple claims in different jurisdictions in relation to the same set of events; for example, an apprentice whose employment is terminated may make a claim for reinstatement under the VETE Act for

purported cancellation of a training contract as well as claiming unfair dismissal under the Commonwealth's Fair Work Act 2009.

This means apprentices and trainees have several different employment entitlements, unlike other employees, and this has created confusion for both the apprentice and the trainee and their employers. The bill reduces this duplication of employment rights for apprentices and trainees and allows all apprentices and trainees to have the same rights and entitlements as other employees in the workplace. This will be achieved through amendments to provisions concerning suspension and cancellation by making consequential amendments to the Industrial Relations Act 1999 and relying on existing provisions in the Commonwealth Fair Work Act 2009. The national system of apprentices will continue, of course, to be able to rely on the Commonwealth's Fair Work Act 2009.

The Industrial Relations Act 1999 applies to apprentices and trainees employed under the Queensland industrial relations system; for example, apprentices and trainees employed by state and local governments. The amendments proposed in this bill mean apprentices and trainees in the state system will now have rights to notice of termination and access to unfair dismissal. Remedies which were previously provided for under the VETE Act will be provided for more appropriately within the Industrial Relations Act 1999, providing consistency for all employees at a workplace. This is a major red tape reduction in providing a clear process for resolution of issues between apprentices, trainees and their employers.

I would like now to touch on transferring employment contracts. The bill also includes a permanent transfer process to allow apprentices and trainees to move from one employer to another without disruption to their training contract. Currently this is not possible. If an apprentice wants to change employer, they are required to apply to cancel their existing training contract and register a new training contract. This involves multiple processes and forms. By providing for permanent transfer of a training contract, the bill will ensure continuity of training and will reduce red tape for both the employer and the apprentice or trainee. The bill ensures that the current employer must either consent or be consulted before a transfer can occur.

The bill continues to provide for the regulation of group training and principal employer organisations. Group training and principal employer organisations provide a service to employers and apprentices and trainees by sourcing employment based training opportunities for apprentices and trainees at host employers. This gives apprentices and trainees access to a range of employment and training opportunities over the entire period of their training contract. It also allows employers to draw upon apprentices or trainees as required; for example, in certain industries an employer may have a need for an apprentice but cannot guarantee a full three to four years of full-time work. Instead the employer engages a group training or principal employer organisation to provide an apprentice for an extended period. When a host employer cannot continue to offer work, the group training or principal employer organisations can organise another placement for the apprentice, keeping them employed full time and on track to complete their apprenticeship.

The difference between group training organisations and a principal employer organisation is found in the standards they must meet. Group training organisations are eligible for government funding and are required to meet nationally agreed standards. Principal employer organisations are not eligible for funding but are still required to meet standards which ensure the integrity of the employment and training offered to apprentices and trainees. Any organisation that wishes to offer, for a fee, hosting arrangements for 25 or more apprentices needs to be recognised as either a group training organisation or a principal employer organisation. The bill strengthens the system for regulating group training and principal employer organisations to ensure they meet the required standards and to provide protection to apprentices and trainees hosted by group training and principal employer organisations. The bill continues a system of recognition of group training and principal employer organisations and it establishes the conditions of this recognition. This will ensure that high standards are maintained in the sector. Existing group training and principal employer organisations will transition seamlessly to the new system through transitional provisions included in the bill.

In relation to vocational placements, they will not be regulated under the bill. With the referral of powers to the Australian government in relation to the registration of training organisations and accreditation of VET courses in 2012, this is now a matter for the Australian government; however, registered training organisations will still be able to organise work placements for students in VET courses in Queensland and access the Queensland WorkCover scheme for accident insurance.

In relation to restricted callings, the bill will also reduce the age for restricted callings which benefits industry and employees, and this again was a recommendation of the Queensland Skills



and Training TaskForce. Currently industry is prohibited from employing persons under 21 years in most trades unless they are doing an apprenticeship. As I mentioned, the taskforce identified this as a barrier to employment and training opportunities and it is proposed in this bill to reduce the age to 18 years. This will give young people access to more flexible pathways to become a tradesperson and assist industry to access critical skills. An example of a flexible pathway is the Registered Trade Skills Pathway. Under this program the department funds a person to gain a qualification and undertake work based skill formation in a particular trade. At the end of the program the person will receive a certificate acknowledging that they have completed relevant work experience in a particular calling, distinguishing them from persons who have only completed a qualification in an institutional setting. The department will only offer this program in trades that are supported by industry, ensuring that the certificate is valued by employers and improves employment outcomes for the participants.

I would now like to talk about the consultation process for the bill. Extensive consultation was conducted by the Queensland Skills and Training TaskForce in 2013 before the taskforce made its key recommendations for the future of the apprenticeship and traineeship system.

Many of the provisions in the bill were based upon recommendations by the taskforce in response to industry comments and concerns. More recently, the department held consultation sessions in late January 2014 with representatives from employers, providers and unions in relation to the reforms proposed in the bill. At these sessions, the bill's provisions regarding apprentices and trainees, group training and principal employer organisations, and vocational placements were outlined.

The consultation with employers revealed broad support for the changes in the bill, particularly the provisions for group training and principal employer organisations. Likewise, the consultation with providers showed broad support for the changes in the bill with particular support expressed for the replacement of stand-down provisions with provision for suspension by mutual agreement. Some concerns were raised regarding the potential difficulty for employers to meet the 14-day deadline for signing the training contract. However, employers are assisted in meeting this deadline by the Australian Apprenticeship Centres, and their role is to facilitate the execution of training contracts and payment of government incentives.

Unions expressed support for a number of the bill's provisions including mutually agreed suspension, temporary and permanent transfers, and the replacement of provisions with a cooling-off period. The Australian Manufacturing Workers Union indicated it would not support the bill's provisions regarding cancellation given its views that the protections for unfair dismissal under industrial relations legislation are inadequate. The union further indicated it regards the changes as potentially leading to a reduction in the department's valuable role in providing mediation in related disputes and mentoring to apprentices and trainees.

I advise the committee that the purpose of the amendments in the bill is to ensure that employment related matters are dealt with in industrial relations legislation, to reduce the current complexity and to provide apprentices and trainees with, as far as possible, the same employment rights as any other employee in that workplace. It is important to note that the Construction, Forestry, Mining and Energy Union, which has a flexible labour market structure, that is a mixture of casual, part-time, full-time and subcontractors, was broadly supportive of the bill's changes and comfortable with the logic of the changes as they affect that industry. It is anticipated that the examination of this bill by the committee will also allow further feedback to be provided by stakeholders.

I think that covers the big key issues. I would like to thank the committee members again for your time. Of course, we would be very pleased to take any questions.

**CHAIR:** Thank you very much for that. It is certainly a very complex bill that is bringing about some significant changes that we hope will benefit both employers and apprentices and trainees. I have a brief question. Have the principal employer organisations existed previously in terms of this particular function that they have now in this bill?

**Ms Sinclair:** Yes, they have. I would like to ask Geoff to provide more detail for you.

**Mr Favell:** They were brought in some time ago basically to provide some standards for apprentices and trainees who are being hosted out by labour hire companies who got into the apprenticeship and traineeship market. It has been in for a number of years.

**CHAIR:** I appreciate that.

**Mr BENNETT:** Geoff, I have a similar question, if you do not mind. I have probably witnessed a downturn in group training facilities where I am. Is that a trend that we are seeing across Queensland, or are you anticipating that group training might be revitalised by this legislative framework?

**Mr Favell:** Obviously group training and access to group training is a decision by particular employers who want to use group training to employ apprentices and trainees. At the moment they are a vital part of the apprenticeship system in Queensland, still employing around 11 per cent of all apprentices in Queensland. They do employ a large number of apprentices. Certainly our funding is directed towards apprenticeships employed by group training, not traineeships, in the main. They do play a vital role. This is really about bringing together some of the requirements that sit in guidelines and other policies into the legislation, in one place, for everyone to see what the requirements are.

**Mr BENNETT:** Are group training organisations in Queensland stable, have we seen a downturn or are you anticipating an upturn? Is that not a fair question?

**Mr Favell:** Their market share in apprenticeships—we are talking about 11 per cent. That was probably a few years ago when it was a bit higher. They are dropping in terms of market share, but we do know apprenticeship commencements have remained relatively high in Queensland. At the moment we are seeing a pick-up in apprenticeship commencements but not necessarily a pick-up in group training numbers. That is really a matter for group training organisations to promote themselves to employers as a viable option for the employment of apprentices. The market share for group training has dropped.

**CHAIR:** Just briefly, what implications are there for VET in schools under this bill?

**Mr Favell:** This legislation is really about the apprenticeships and traineeships. So school based apprenticeships and traineeships are still a valued pathway. In actual fact, some of the matters that were previously dealt with in guidelines are actually picked up in the legislation to make it clear for school based apprenticeship and traineeship arrangements as well.

**Mr LATTER:** I was mulling over some of the comments that were made earlier and to follow on from Mr Bennett's query. It seems to me, particularly on the back of your discussion around consultation with industry and union in this space, that this is fairly consistently driven by industry sentiment around streamlining and making it easier to engage apprentices and trainees. Is it fair to say that, through your consultation, industry is of the view that this will at least help increase engagement of apprentices and trainees in this space?

**Mr Favell:** Certainly industry has absolutely flagged that this is seen as a significant red-tape reduction streamlining process, making it easier to employ. The other side that was mentioned earlier was around the view of apprentices: the 21st century apprenticeship report completed by the federal government some time ago did identify that the late timing of signing training contracts was leaving apprentices in a dubious state as to whether or not they were apprentices. From an apprentice's individual point of view, getting that signed earlier will hopefully alleviate some of that issue and make it so that they are more productive in the workplace from an earlier stage.

**Mr LATTER:** I noted your comments earlier but actually missed jotting that down. There was a significant reduction in time frames down to 28 days. What were they before? What are they presently?

**Mr Favell:** Currently you have one month after the end of a probation period to lodge a training contract with the department. So for most apprenticeships that is three months. So it is one month after that, which is why we are saying 121 days. Now you must have it signed within 14 days and lodged with the department within 28 days. It will also help with more up-to-date and accurate reporting of apprenticeship commencements, which is lagged by that four-month issue at the moment. It is a fairly fundamental shift in what we have done in the past.

**Mr LATTER:** Subsequently, you then addressed that there seemed to be some concern by industry that the time frames may be a little too short but subsequently that is well supported in terms of having to meet those requirements?

**Mr Favell:** It is well supported and we will work very closely with the federally funded Australian Apprenticeship Centres to make sure that they are out there working with employers to sign up the contracts as soon as possible to make it clear to everyone that this is an apprenticeship arrangement that they have in place.

**Ms D'ATH:** Because this is quite significant as far as the changes in this area are concerned, what does it mean for workload for the department and resourcing? Does it mean the department needs additional resources and training for personnel to deal with the changes?

**Mr Favell:** No, we would see this as a refocusing of the role of regional staff, making it easier and streamlined as far as the cancellation process is concerned. That will free up some time of staff to focus on mediating and mentoring as we may need to do to try to improve completion rates in certain industries. We are also looking at online solutions for apprentices such as an apprentice portal to enable apprentices to do minor amendments like change your address, see what training they have done to date, et cetera. We are hoping that that will be online in the near future as well. So it would be a significant change to what happens. Categorically, it is not about more resources; it is about refocusing what we currently do.

**CHAIR:** As we said earlier, this is quite a significant piece of legislation. Following the submissions we receive, I have no doubt we will come back as a committee to you for further clarification. I certainly thank you most sincerely. Are there any other comments?

**Mr Busby:** Ms Menkens, if you do not mind, I would like to correct the record in relation to the dual sector legislation. I mentioned incorrectly that the bill will amend the Central Queensland University Act around functions. It does not do that; it amends the Act to ensure that the university council has membership that is representative and experienced in the VET sector. We do not need to amend the functions. The university's functions are broad enough to cover this. I just would like to correct the record on that point.

**Ms D'ATH:** Seeing we went back to the dual sector entities, I have one question that came to mind. The department would be aware of the Queensland Training Assets Management Authority Bill. I am interested to know, regarding the TAFE Queensland (Dual Sector Entities) Amendment Bill where there is discretion with the minister and authority with the minister, will that in any way be impacted upon if this other bill goes through? As I understand it, the other bill takes that authority away from the minister and puts it in the hands of a new authority. Would there be inconsistencies across the two bills?

**Ms Sinclair:** Would you mind if I ask Christopher to answer that? He is very familiar with the other bill.

**Mr Roney:** The dual sector bill that we are briefing you on today will facilitate the transfer of various matters, and the Central Queensland University is part of that merger agreement. The QTAMA Bill, which obviously will be before another committee, is dealing with a separate process. My understanding is that the transfer of CQIT to the dual sector under this bill is separate to that QTAMA arrangement. So that would occur as a separate process for a different reason.

**Ms D'ATH:** I understand it is a separate process. My question goes specifically to the dual sector entities bill where it gives powers to the minister. Will those powers in any way be affected if the other bill goes through?

**Mr Roney:** No, they are different ministers. The powers of direction in this bill will be with the minister of this department and QTAMA is the other minister and that is in relation to that authority.

**Ms D'ATH:** Thank you for clarifying that.

**CHAIR:** Thank you. This does bring to a close this public briefing on the TAFE Queensland (Dual Sector Entities) Amendment Bill 2014 and Further Education and Training Bill 2014. I would like to thank everyone for coming in, particularly at such short notice because this was only tabled yesterday. I thank all of you who have briefed us this morning and assisted us in our consideration of these bills. Your contribution has been most valuable. Of course, these early briefings also inform those who wish to make written submissions to the committee in relation to these bills.

I urge those 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. Any further information to be published about the consideration of this report will be available at that website including our report when it is tabled. I now declare this briefing closed and thank you all very much.

**Committee adjourned at 12.28 pm**