



# ***EDUCATION AND INNOVATION COMMITTEE***

**Members present:**

Mrs RN Menkens MP (Chair)  
Mr SA Bennett MP  
Mr MA Boothman MP  
Mr MR Latter MP  
Ms A Palaszczuk MP  
Mr MJ Pucci MP  
Mr NA Symes MP

**Staff present:**

Ms B Watson (Research Director)  
Ms E Booth (Principal Research Officer)  
Ms C Heffernan (Executive Assistant)

## **PUBLIC BRIEFING—VOCATIONAL EDUCATION & TRAINING (COMMONWEALTH POWERS) BILL 2012**

### **TRANSCRIPT OF PROCEEDINGS**

**WEDNESDAY, 6 JUNE 2012**

**Brisbane**

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Committee met at 9.17 am

**BOPF, Mr Michael, Executive Director, Training and International Quality, Department of Education, Training and Employment**

**BRUMBY, Mr Glen, Executive Director, Building Codes Queensland, Department of Housing and Public Works**

**DALY, Ms Deb, Deputy Director-General, Training and Tertiary Education Queensland, Department of Education, Training and Employment**

**GRANTHAM, Ms Julie, Director-General, Department of Education, Training and Employment**

**McKARZEL, Mr David, Acting Deputy Executive Director, Licensing, Office of Liquor and Gaming Regulation, Department of Justice and Attorney-General**

**RONEY, Mr Christopher, Principal Adviser, Policy, Legislation and Early Childhood, Department of Education, Training and Employment**

**CHAIR:** Good morning, all. Welcome. I particularly welcome officials from the Department of Education, Training and Employment, the Department of Justice and Attorney-General and the Department of Housing and Public Works who are joining us today to provide a briefing on the Vocational Education and Training (Commonwealth Powers) Bill 2012. I want to introduce members of the Education and Innovation Committee. I am Rosemary Menkens, the member for Burdekin and chair of this committee. Mr Tim Mulherin, who is not present at the moment, is the deputy chair and member for Mackay. With me are Ms Annastacia Palaszczuk, the member for Inala; Mr Steve Bennett, the member for Burnett; Mr Michael Pucci, the member for Logan; Mr Michael Latter, the member for Waterford; Mr Mark Boothman, the member for Albert; and Mr Neil Symes, the member for Lytton.

I particularly want to welcome Ms Julie Grantham, Director-General of the Department of Education, Training and Employment; Ms Deb Daly, Deputy Director-General, Training and Tertiary Education Queensland; Mr Michael Bopf, Executive Director, Training and International Quality; and Mr Christopher Roney, Principal Adviser, Policy, Legislation and Early Childhood. As this bill includes minor amendments to legislation outside the responsibility of the Department of Education, Training and Employment, we also have on hand Mr David McKarzel, Acting Deputy Executive Director, Licensing, Office of Liquor and Gaming Regulation, Department of Justice and Attorney-General; and Mr Glen Brumby, Executive Director, Building Codes Queensland, Department of Housing and Public Works. I welcome you all. We appreciate your assistance in increasing our understanding of the Vocational Education and Training (Commonwealth Powers) Bill 2012.

The briefing today is being broadcast live via the Queensland parliament website. The briefing is also being recorded and will be transcribed by Hansard, and the intent is to publish the transcript of this briefing on the committee's webpage when it is available. I do not believe there is media present, but if there is and they are recording the proceedings we do ask that they adhere to the committee's endorsed media guidelines. Committee staff have a copy of the guidelines available for the media should they require it. I would ask everybody present to turn off their mobile phones or switch them to silent.

Parliamentary privilege applies to all committee operations, including this briefing. On the other hand, misleading the parliament, including this committee proceeding, is a serious offence. If you are unable or unwilling to provide an answer to any question the committee may put to you, you should advise me accordingly, giving your reasons. We will consider the reasons and provide ample opportunity for you to seek any advice or assistance you need. You might also wish to take questions on notice if you do not have information at hand. As well, you may request that any material you provide be kept private and, again, the committee will consider that request. All of this is detailed in schedule 8 of the parliament's standing orders, which I believe have been made available to you.

As members of parliament and portfolio committee members, we are not experts on the content of this bill. We are here as elected representatives of the Queensland people and as legislators and we do our job of scrutinising legislation in that capacity. Committees aim to give parliament the benefit of greater information on proposed legislation than might otherwise be the case when it makes law. Because we are not experts in the field, we seek advice and information from experts—in this case, the departmental

officials who have been involved in the development of the bill and who implement government policy in respect of the content of this bill. The briefing today is an important part of that process. I will now hand over to you, Ms Grantham, to give us an overview of the Vocational Education and Training (Commonwealth Powers) Bill 2012.

**Ms Grantham:** Thank you, Madam Chair. I tender to the committee my apologies again for not being able to be here last week as I was presenting at a Cabinet Budget Review Committee meeting. Normally when my department is represented here I will be in attendance.

I thank the committee for giving my department the opportunity to provide a briefing on the Vocational Education and Training (Commonwealth Powers) Bill 2012. I, too, will call on the expertise of both Michael Bopf and Christopher Roney through this hearing—Michael in particular about the detail of the referral and Christopher in relation to any of the legislative clauses.

I understand that the committee has had access to the report and transcript from the former Industry, Education, Training and Industrial Relations Committee which considered an earlier version of this bill. The only significant difference between this bill and the earlier version is that the bill now includes a requirement for the minister to table amendments to the Commonwealth national vocational and training regulator legislation in the Queensland parliament. This amendment was made in response to a recommendation from the former committee. I propose to provide the committee with an overview of the bill and then speak in more detail on some of the key issues.

The bill will refer the Queensland parliament's power to regulate registered training organisations—I will abbreviate that to RTOs—and vocational education and training—I will abbreviate that to VET; we have a lot of abbreviations in our portfolio—courses to the Commonwealth parliament. This referral will implement a Council of Australian Governments reform to establish a national regulator for the VET sector. There are approximately 4,900 registered training organisations in the VET sector across Australia, with approximately 1,540 of these registered in Queensland at the moment. The \$6.4 billion VET sector makes a significant contribution to both the Queensland and the Australian economies. The VET sector delivers vital training, providing students with a wide range of skills.

The Commonwealth government established a national VET regulator, the Australian Skills Quality Authority, or ASQA, in July 2011. The parliaments of New South Wales, South Australia and Tasmania have already referred their powers to the Commonwealth. Victoria and Western Australia have decided that they will not refer their legislative power, so they are treated as non-referring jurisdictions. ASQA currently regulates all RTOs in referring jurisdictions together with those RTOs in the non-referring jurisdictions of Victoria and Western Australia that train overseas students or operate in a referring jurisdiction.

The bill refers power because the Commonwealth parliament does not have the power to legislate in relation to RTOs generally. The Commonwealth parliament can only regulate RTOs if they operate in a state that has referred its power or if the RTO delivers training to the overseas students, as I said before.

The bill adopts the national VET legislation. This means that the national VET legislation as in force at the time the referral takes effect will apply in Queensland. As normally occurs, this legislation will be amended over time, so this bill also includes an amendment reference. This allows the Commonwealth to make amendments to its legislation in relation to certain matters. To prevent the Commonwealth from exceeding the scope of the referral, clause 4 of the bill lists the areas covered by the referral—specifically, registration and regulation of RTOs; accreditation of VET courses; issuing and cancellation of VET qualifications; standards for the VET regulator; collection, publication, provision and sharing of information about VET; and the enforcement powers in relation to the above matters. To put the matter beyond doubt, clause 4(2) of the bill excludes the following matters from the amendment reference: primary and secondary education; higher education; apprenticeships and traineeships; qualifications or requirements to undertake a business or occupation; funding of VET; and the establishment of public VET agencies such as TAFE institutes.

With a referral of power, it is necessary to provide a mechanism for the Queensland parliament to terminate the referral. This bill follows the standard practice in referral-of-power legislation and allows both the adoption and the amendment references to be terminated by proclamation. The proclamation is subordinate legislation, so the minister is required to table the proclamation in parliament under the Statutory Instruments Act 1992. The termination of a referral is an extraordinary step to take, but it is important to retain this right in our referral-of-power bill.

The referral of the Queensland parliament's power to regulate VET courses and RTOs will deliver significant benefits for Queensland RTOs, purchasers of training and consumers. A national VET regulator will ensure that the standards are applied consistently across the country. It is not possible to achieve consistent application of standards with individual state regulators, as previous experience in the VET sector has shown. Before the establishment of ASQA, there were significant differences in the regulatory approaches in each jurisdiction. These differences in approach affected the consistency and the quality of VET delivered. Establishing a national regulator applying a single standard will enhance the VET sector's reputation for quality training.

Another benefit of the national regulator is that it will enable a rapid response to emerging issues that affect the VET sector across Australia. The VET sector is a dynamic market, influenced by a variety of factors. To ensure Australia maintains its reputation for quality training, it is important that the regulator can act quickly to prevent damage to the sector's reputation.

The referral of power will reduce the number of regulators, reducing red tape for local businesses. If the Queensland parliament did not refer its power there would be two regulators operating in Queensland, creating confusion for businesses and consumers about which regulator is responsible for a particular RTO. Also, an RTO registered with the Queensland regulator would need to take out registration with ASQA if it wanted to deliver training in a referring jurisdiction or commence training overseas students.

If this bill is passed and commenced before 1 July 2012, it will ensure that Queensland does not become a non-referring jurisdiction. If Queensland becomes a non-referring jurisdiction, ASQA will take over approximately 37 per cent, or 570, of Queensland RTOs, that is, those providing training in referring states or training overseas students. The Queensland VET sector would therefore have two regulators applying two different sets of standards: ASQA applying the VET quality framework and the current Queensland regulator, the Training and Employment Recognition Council—or TERC—applying the Australian Quality Training Framework.

Could I turn now to consultation. The bulk of the consultation on the national VET regulator has been conducted by the Commonwealth government or by ASQA itself. There was extensive consultation between the Commonwealth and state governments as part of the COAG process. In addition, the Commonwealth also engaged in stakeholder consultation, including with the peak industry body, ACPET, the Australian Council for Private Education and Training. The Department of Education, Training and Employment has ensured that Queensland RTOs are well aware of ASQA and how it operates. The department sends a newsletter to RTOs, called *RTO Mail*, and has made sure that the newsletter kept RTOs informed about national regulation.

One issue of interest to RTOs relates to the fees that ASQA will charge. ASQA's fees were the subject of a detailed cost recovery impact statement issued by the national VET regulator task force in May 2011 for public consultation. This impact statement is the equivalent of a regulatory assessment statement in Queensland. The impact statement provided substantial information about ASQA's proposed fee structure and the basis upon which those fees were collated. There were over 140 submissions made in response to the impact statement, with 41 submissions from Queensland. ASQA made changes to its fee infrastructure in response to feedback during the public consultation on the impact statement. The key change was to break the registration fee, which covers a five-year period, into five yearly instalments rather than a single fee up-front.

My department has not conducted specific consultation on this bill or the previous lapsed version of the bill. RTOs are principally concerned with the national VET legislation and ASQA's fees and the Commonwealth government has consulted widely on both of these. The changes between this bill and the previously lapsed bill are technical in nature and did not warrant stakeholder consultation. The former Industry, Education, Training and Industrial Relations Committee also sought public submissions on the lapsed bill. Submissions were received from ACPET, Independent Schools Queensland and an individual, Mr Dennis Bowden.

I will now turn to the matter of ASQA's fees in more detail. ASQA operates on a full cost recovery basis and it charges higher fees than Queensland currently does. Queensland RTOs are charged subsidised fees for registration and accreditation of courses. Therefore, Queensland's RTOs will experience an increase in fees after a referral of power. My department has prepared a fee comparison for the committee, which outlines the differences in fees for three hypothetical RTOs. The fees payable by an individual RTO will vary based on a number of factors and it is not possible to predict how much fees will increase for every RTO. Instead, the department has modelled the change in respect of a typical small, medium and large RTO for you. The committee may note that this fee schedule is different from the one that the department provided to the previous committee last year. The reason the fee amounts are different is that the current document excludes fees payable by RTOs for registration to deliver training to overseas students. The fees payable for training overseas students are set under a separate regulatory framework. Those fees will not change because of the referral.

The committee will see that the fee impacts range from as little as \$65 a year for a typical medium sized RTO to \$8,800 per annum for a large RTO. I would ask the committee to bear in mind that a large RTO is a large business with a significant turnover of multiple millions of dollars per annum. Generally speaking, the cost of compliance is a small portion of an RTO's total costs. It is possible that RTOs may, after reviewing their costs, decide to increase fees for students. The fees charged by an RTO is a business decision, taking into account a large range of factors. It is not possible to predict the impact on student fees of an increase in RTO registration fees. The VET sector is a very competitive industry and RTOs may decide to absorb some of these costs rather than pass them on in full to students.

It is also not possible to quantify the impact of ASQA's fees in jurisdictions that have already referred powers for a number of reasons. For example, ASQA has been operating for only a relatively short period and its fee impact on RTOs will not have been fully realised. Also, ASQA's fees may not represent a significant increase compared to the fees originally levied in those jurisdictions where fees have not been subsidised to the extent they were in Queensland.

As the director-general of the Department of Education, Training and Employment, I am proud of the vocational education and training delivered to Queensland schools. Many state and non-state schools are RTOs and deliver VET courses to their students. Currently, these school RTOs have their registration managed by the Queensland Studies Authority under a delegation from TERC. The practical effect of this delegation is that schools do not pay fees for their RTO registration. ASQA has agreed to provide the same delegation for at least 12 months after the referral. ASQA will review the delegation during this time to determine whether it will continue. If ASQA does not continue the delegation beyond 12 months, my department will offer assistance to school RTOs in both the state and the non-state sectors by reviewing funding and providing advice regarding delivery models to ensure that schools are able to meet any changes in their costs. This will ensure that schools are not adversely affected by the referral and that they can continue to deliver relevant VET to Queensland students.

In addition to a referral of power, the bill also includes a transfer of the responsibility for managing apprenticeships and traineeships from TERC to Skills Queensland. Skills Queensland was established in late 2010 as an advisory body for government on skills and workforce development priorities. Skills Queensland has a strong industry representation and is well placed to assume responsibility for managing apprenticeships and traineeships. Skills Queensland is supported by Public Service officers to perform its role and the staff who currently support TERC will now support Skills Queensland in the performance of its new functions.

The bill also makes amendments to the Building Act 1975, the Liquor Act 1992, and Gaming Machine Act 1991. The referral of power has highlighted that some Queensland legislation is inconsistent with a scheme of national regulation of RTOs, because it imposes additional requirements on RTOs over and above the registration requirements of ASQA. These regulatory regimes are not administered by my department, so I cannot brief the committee in full detail on them. There are, however, officers from those agencies present who can answer any questions you may have and these officers were acknowledged by the chair. I am able to provide a general explanation of why the amendments are required. Specifically, chapter 8 part 8 of the Building Act 1975, which deals with pool safety inspector training requirements, will become inconsistent with the national VET legislation because it regulates RTOs and how they deliver training for pool safety inspectors. The Building Act 1975 is being amended so that it will no longer regulate how RTOs deliver training. This bill amends the provisions to remove the inconsistency by establishing a new process. It enables the Pool Safety Council to stipulate the training course that a person must complete before being able to apply for a licence as a pool safety inspector. However, in the future the Pool Safety Council will not approve the RTO to provide the training.

Parts of the Liquor Act 1992 and the Gaming Machine Act 1991 impose additional requirements on RTOs that deliver training in the responsible service of alcohol, the responsible management of a licensed venue and the responsible service of gambling. The bill has included provisions that preserve Queensland's ability to apply this regulatory scheme for up to two years after reform. During this time, Queensland will develop a new way of ensuring that employees in the hospitality industry have appropriate training in the service of alcohol and gaming and in the management of licensed venues. The technical term for this provision is a displacement provision. The national VET legislation allows referring jurisdictions to enact such provisions.

My department and TERC have negotiated a transitional agreement with ASQA, which will ensure that many of the department's current regulatory staff will transition to ASQA on favourable conditions. The agreement provides for departmental staff to retain nearly all of their entitlements if they transition to ASQA. There is also provision in the agreement to ensure that staff who transition to a position with a lower salary will have their salary at ASQA topped up to ensure that they do not experience a reduction in salary. ASQA has conducted a closed merit recruitment process for its Brisbane office, limiting the first round of applications to existing departmental staff. Only in a small number of cases has ASQA been unable to fill positions with our departmental staff and in those cases an open selection process is occurring.

ASQA will be operating in a large regional office in Brisbane—the equal largest in Australia—and there are plenty of positions available for departmental staff. I understand that all departmental staff who applied for a job with ASQA have been offered a position and that a number of temporary departmental officers have been made an employment offer. It is anticipated that between 20 and 30 DET staff—regulatory staff—will transition to ASQA. This will result in a substantial saving for the department, amounting to approximately \$3 million per annum. The remaining regulatory staff in the department will be allocated to work on other high priority activities such as auditing training funding contracts and implementing reforms agreed to in the National Partnership Agreement on Skills Reform, signed by the Queensland Premier on 13 April 2012. I should advise the committee that this transitional arrangement will become void if Queensland does not refer power before 1 July 2012. ASQA has indicated that any new transitional agreement would not contain the same favourable terms for transitioning staff. It is unlikely that staff will wish to transfer to ASQA without the favourable terms contained in the current agreement. This will result in more staff remaining with the department than are needed to manage the residual functions once the referral is made and reduce the predicted savings to government.

Before I conclude, I would like to point out what would happen in Queensland if there was no referral of power. If Queensland does not refer power at all, it would need to continue to be responsible for regulating approximately 63 per cent of Queensland's current RTOs. A decision not to refer will cause significant problems for the department, the industry and the consumers of training. Firstly, the department

will need to re-establish its regulatory capacity, meaning that no further savings can be generated. The department has been preparing for a referral of power and has already started making savings through reduced staffing levels. The department has also prioritised its regulatory work, increasing its risk tolerance and there is now a backlog of applications and audits, which would take a considerable time to clear. This would cause delays for Queensland RTOs and potentially reduce confidence in Queensland's ability as a regulator.

Secondly, the department would need to review its regulatory model, as the current model of subsidised fees from government may not be sustainable given the state's financial position. The department will receive less revenue but not experience a proportionate reduction in workload. This is because the fees from the smaller RTOs that would remain the responsibility of the Queensland regulator would not reflect the regulatory effort required to regulate these often high-risk providers. The government may, therefore, need to consider moving to a full cost recovery model, with fees similar to those charged by ASQA. Finally, there is a risk of two regulators operating and two regulatory frameworks and this may confuse the VET sector and create an unnecessary regulatory burden. The existence of multiple regulatory frameworks within Queensland would make it difficult to ensure that the quality of training is maintained. I thank the committee for their time this morning and will be pleased now to respond to any particular queries that you may have about the bill.

**CHAIR:** Thank you, Ms Grantham, for that very good overview of this bill. There is one formality that I must complete first. Members of the committee, are we all in agreement that the information provided be tabled? That is a formality. Do members of the committee have some questions?

**Mr PUCCI:** I heard you say that there is a transition agreement for ASQA and your department for the staff. Is there any transition plan that is going to assist RTOs to minimise the impact on their organisations?

**Ms Grantham:** As I said during the report to the committee, we have been keeping the Queensland RTOs very well informed with a constant mail-out and update of information. In terms of an induction plan, if you like—is that the sort of thing you are referring to?

**Mr PUCCI:** I know they have all the information, but is there a transition plan to help them transition?

**Mr Bopf:** Yes, indeed, there are plans afoot to well inform Queensland RTOs about arrangements that will apply given that the power is referred. We have had some negotiations with ASQA very recently about a formal letter that we have written to each responsible person from each RTO to let them know what they need to do. In fact, given that the referral bill proceeds they will not really need to do anything; they will simply have their registration transferred.

We have also engaged with ACPET, the Australian Council for Private Education and Training. They have a large RTO membership base so they fully understand what is happening and they communicate with their members. In fact, we will probably be meeting with those people again this week to inform them how this process goes and let them know that we are involved with ASQA, and they will probably have a chance to contribute to that transitional arrangement as well.

**Ms PALASZCZUK:** Director-General, thank you very much for tabling that amendment of the fees. I note that in the minister's speech he said that they will ensure schools receive sufficient funding to meet the cost of these fees. How much is being budgeted for the financial year?

**Ms Grantham:** We have not budgeted in the next financial year because the referral allows us to continue and maintain our current arrangement for 12 months.

**Ms PALASZCZUK:** But after the 12 months?

**Ms Grantham:** We are unclear of what that new arrangement could potentially be so we have not budgeted that amount. But we are also looking at the other options that we could put in place for schools—whether they become one entity, whether that entity then becomes the registered RTO that delivers on behalf of schools. Depending on the outcome of our negotiations, we are looking at a number of models that would look to minimise that cost but still ensure our schools can deliver VET in the great way that they already do. For the next 12 months the current arrangements will continue, but after that we are looking at modelling what would be some options for arrangements to ensure that quality provision is still in place.

**Ms PALASZCZUK:** If we could go to section 261, the regulation-making power, I notice that section 261(2) (g) from the former bill has been omitted from this bill. Could you explain why that has come out? Is it just a procedural matter?

**Ms Grantham:** I will ask Chris to answer that.

**Mr Roney:** This is just a consequential amendment to the Building Act. This is a regulation-making power in relation to training courses conducted by eligible course providers, so those provisions have all been removed from the act. This was something that also needed to be removed and, unfortunately, it was not identified last time. But it has been identified this time so we are removing that regulation-making power in this bill.

**Ms PALASZCZUK:** I think it is a very good idea that we have the national bill amendments tabled in this House. I welcome that change to the bill.

**CHAIR:** I note the summary of fees that you have tabled. The small RTOs seem to be affected a lot more drastically, shall we say, than some of the others. Are there a large number of small RTOs? Will this have a major impact?

**Ms Grantham:** I will ask Michael to give the exact numbers. I do not have them with me.

**Mr Bopf:** I do not have the exact number. I think we categorised about 42 per cent of our 1,540 RTOs as small RTOs. It was a little difficult to actually categorise RTOs by size. What we used was their scope of registration. That is probably a fairly imprecise measure but it was the only data we had. About 42 per cent of 1,540 in Queensland would be small. I guess the reason that increase seems rather large is that there is a fee required to regulate at all from ASQA's point of view. I think there was only a small difference between the small category and the medium category in terms of their activity, but it was reflected in a rather large difference in the fee. I hope that explains it.

**CHAIR:** That is a large number of RTOs, though, and there no doubt will be quite an impact. This will be felt as an impact, I would imagine.

**Mr Bopf:** Yes.

**Mr LATTER:** I thank the director-general for her briefing this morning. Just to follow on from Rosemary's inquiry, particularly noting the inequity between small RTOs and the others, I note that in your briefing you alluded to the fact that larger RTOs could expect significant income which would certainly offset what appears to be a large fee increase. I note the example in the summary of fees that you have attached, with particular reference to a small provider, a single unit, providing maritime licensing. Are you able to give an example of the average takings a small provider might be able to expect in a year, just to see the impact of that fee increase, which I note is approximately a 60 per cent fee increase? Can you give any examples of what a small provider might take?

**Ms Grantham:** We do not have that information at hand, but we undertake to return to the committee with that information as soon as possible.

**Mr LATTER:** I might ask one other question. It is terrific to hear you referencing the Building Act, but I note that this particular bill provides harsher penalties than those currently provided by the Building Act 1975. In some cases the new penalties represent an increase of over 300 per cent. Could you explain why there is such a significant increase? I will give an example, if you like. Presently the penalty for falsely claiming to be an eligible course provider is 80 penalty units whereas under the national legislation it will be 300 penalty units.

**Mr Roney:** I guess those are two different types of penalties. I think you are referring to a penalty under the Building Act which is in relation to the pool safety courses and then a penalty under the national law which is for RTOs generally. So the comparison would be between our penalties in the VETE Act and the penalties in the national law, I would say.

**Mr Bopf:** The penalty I think you are referring to is with respect to their performance as an RTO. So that would not be reflected in the NVR. You would need to look at the state VETE Act and compare that to the NVR Act to see the comparison there, rather than the Building Act.

**Ms Grantham:** We can provide that comparison if that would be of assistance.

**Mr BENNETT:** I am interested to know if more information could be provided to me in particular about the transition from the TERC to Skills Queensland—the structure around Skills Queensland and the devolution of responsibilities to that organisation. I notice in your briefing you mentioned the establishment of Skills Queensland.

**Ms Grantham:** That is correct.

**Mr BENNETT:** I understand that it probably had some tenure in Queensland before that in different roles, under different frameworks perhaps. I am just curious about the transfer of those roles, in particular those roles that would go to Skills Queensland, and how you see Skills Queensland evolving as a service provider in that area.

**Ms Grantham:** I will get Michael to give the detail on TERC, but, yes, Skills Queensland was established at the commencement of 2011. It is a statutory authority that reports to the minister so it is separate from the department, although I am a board member of Skills Queensland. The functions that are remaining functions with TERC, about apprenticeships and traineeships, will transfer to Skills Queensland—still to be administered by public servants but not sitting within the TERC as a stand-alone.

**Mr Bopf:** The current Queensland regulator, the Training and Employment Recognition Council, established under the Vocational Education, Training and Employment Act, has up to 14 members. Currently there are 11 members on the council. I am happy to read those names if you would like me to. The VETE Act lays out categories that those members should be drawn from—for example, standing in VET general or higher education or the general community, standing with employers, standing with unions et cetera. I do not believe the act prescribes the structure of Skills Queensland in the same way. I similarly can provide to you, if you are interested, the names of the people on the Skills Queensland board. I have that detail if you would like it.

**Mr BENNETT:** I probably would, if you do not mind. We talked about the Commonwealth agency being based in Brisbane. Skills Queensland has a regional capacity as well?

**Ms Grantham:** No, it does not. It is Brisbane based. It represents the engagement industry right across Queensland and the board members are drawn from various representations. Although they do not actually represent an industry, they are industry representatives more broadly. It does not have a regional presence, although it has members representing and always cognisant of the issues that regions confront.

**Mr BENNETT:** Do we expect an increase in staffing to manage Skills Queensland's new capacity and facilitation of this new RTO role?

**Mr Bopf:** The people who actually do the work of apprenticeships and traineeships are departmental staff. While Skills Queensland is based in Brisbane, in the current departmental staff there is a regional structure around that work. Those staff will be doing the same work for Skills Queensland that they currently do for the council. So perhaps that will give you some comfort that there are people out closer to where apprentices and trainees are actually employed.

**Mr BOOTHMAN:** Has there actually been a transition plan developed when dealing with the other states which are not willing to go on this new system?

**Ms Grantham:** Victoria and Western Australia?

**Mr BOOTHMAN:** Yes.

**Ms Grantham:** I have not been involved personally, but I am sure Michael has.

**Mr Bopf:** In terms of what is happening with the non-referring jurisdictions of WA and Victoria, right from the get-go those two jurisdictions have declared that they are not going to refer their powers to the Commonwealth Parliament. What that meant was that, regardless of their decision, the Commonwealth had powers to take control of certain of their RTOs—that is, those ones that deliver to overseas students or that operate in a referring jurisdiction. Come the day that the national legislation was put in place, there was a transition arrangement where those providers in those jurisdictions became registered and regulated by ASQA. There was no choice by those non-referring jurisdictions in that respect. They have retained control of those providers that only operate in their own jurisdictions and do not have overseas students. So I do not know that you can actually say it was a transition plan. There were certainly arrangements for transition of records and managing those administrative processes. That has happened, but that is completed now.

**Mr SYMES:** The minister has committed to ensuring that schools that offer VET services are not adversely affected by the move to national regulation. Could you advise the committee today what the department is doing to ensure that schools are not adversely affected by the move to national regulation?

**Ms Grantham:** For the next 12 months schools will continue their current operation under the umbrella of the Queensland Studies Authority and in the interim we will work together with schools, the Queensland Studies Authority and ASQA to establish some suitable models that will ensure that the provision as it currently stands may continue. We do not have the definitive outcome. We know that we have 12 months to continue to work up the options to ensure that is still in place and available to students in Queensland schools post that 12 months lapse.

**Mr Bopf:** Perhaps I can add a remark there. Queensland has a large number of schools registered as RTOs. About 370 schools are RTOs in their own right. It may well be that at the expiration of the 12-month period of the delegation, which may or may not continue—that will be a decision for ASQA and they currently have a consultant looking at whether those delegations will remain in place. The alternative strategies mentioned by the director-general could mean that, for example, rather than having 370 schools registered you could have schools partnering with an existing RTO so they would not need to maintain their own registration. There could still be high-quality VET delivered in schools to school students but not by a school as an RTO in its own right. Just because we might not necessarily have 370 schools as RTOs in the future, it does not mean there is a diminution of the quality. It may be that schools could cluster together, for example. Perhaps Catholic schools could establish an RTO and have schools delivering on their behalf. There are a number of arrangements that could be put in place that can save fees payable to ASQA if, indeed, the delegation is cancelled.

**CHAIR:** The other matter that does raise queries would be the impact of RTOs that would be training across different states where there may be different jurisdictions. Has this been looked at? Do we know what the impacts could be in that instance?

**Mr Bopf:** That is a very interesting question. Whether Queensland refers powers or not, any RTO that operates in a referring jurisdiction—for example, a Queensland RTO that delivers training in New South Wales—regardless of decisions made here, will be captured by ASQA and regulated by ASQA. So we do not really have much choice in that respect. What is tidy, though, is that, given that a referral of power does proceed, rather than having to respond to regulators in each jurisdiction that RTO will respond simply to ASQA. They will not have to be dealing with multiple regulators. I think that is a good red-tape reduction measure for those particular RTOs.

**CHAIR:** That will occur even in Western Australia and Victoria?

**Mr Bopf:** Yes, any RTO registered by Victoria or WA that operates in a referring jurisdiction. It is quite technical. So if they operate in South Australia, New South Wales or Tasmania, they are registered and regulated by ASQA right now.

**CHAIR:** Thank you very much. I particularly thank the director-general, Michael and Christopher for their input this morning. We appreciate your time.

**Ms Grantham:** Thank you, Chair. If there are any further inquiries from the committee we would be happy to assist.

**Committee adjourned at 10.02 am**



