



Speech by

JOHN KINGSTON

MEMBER FOR MARYBOROUGH

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APPROPRIATION (PARLIAMENT) BILL; APPROPRIATION BILL

Committee (Cognate Debate)

Estimates Committee F

Report No. 1

Dr KINGSTON (Maryborough—ONP) (3.22 p.m.): Firstly, I thank the member for Nudgee for the way in which he chaired our Estimates committee. My remarks relate to the Ministerial Portfolio Statements issued by the Minister for Employment, Training and Industrial Relations but will be confined to a brief consideration of TAFE Queensland. I am grateful to be the only One Nation member invited to be on the Estimates committees. I hope that the member for Broadwater notes that statement after the remarks that he made yesterday. I have to admit that during the Training debate I felt like a junior flyweight between two heavies. However, I am happy to say that I still have two intact ears.

As a newcomer to this Assembly, and after some 15 years of writing and reviewing national and state budgets for developing Asian and Pacific countries, I am surprised and disappointed by the presentation of the Ministerial Portfolio Statements. The funding agencies with which I am accustomed to working, including the IMF, would not accept such documents because of their lack of clarity and clear definition. I have been told that the Federal statements are worse, but that is of little consolation.

I am gratified that a 10-point plan for TAFE is being implemented, but I am a little curious about the \$12m that this Government is providing to assist in the restructuring so that TAFE can become more competitive in the provision of vocational education and training by improving internal operations and management. This is, after all, the age of the National Competition Policy, is it not? The previous Minister is to be congratulated on throwing vocational training and the provision of accredited courses open to private providers, but in so doing he has correctly created the need to convert a business structure shaped like a rectangle into a lean and mean pyramid.

The performance indicators are presented in an unusual manner but are nevertheless interesting. In 1997-98, 49% of staff were involved in administration-type activities and 51% were teaching related. In 1998-99, it is predicted that this ratio will improve to 45% administration and 55% teaching. However, it must be remembered that TAFE has a separate sales and promotion budget of \$50m. I have spoken to some private providers, and it appears that their administration and sales costs total 20% of their expenses. My own college in Laos—with some 900 private fee-paying students—allocates 10% of expenses to administration and sales.

The TAFE Queensland cost per student contact hour is \$10.16 for non-competitive courses. This includes an on-cost of \$2.87, or 39%. I understand that some private providers are charging about the same on-cost percentage, but I must say that that surprises me, as from my own experience that is low, and my college operates from a very modest structure. Within the agricultural consulting industry the on-cost on salaries accepted by the Federal Government after a long inquiry is 90%, or a factor of 1.9, and within large accounting firms it is up to 200% for senior partners. This low gross profit margin becomes more understandable when TAFE admits to a 35% loss of revenue forgone due to TAFE's concessional policy.

TAFE consumes taxpayers' dollars in the hope that non-taxpayers will pay tax by being employed, or existing taxpayers will pay more tax by being employed in a more rewarding position. No-one would disagree with that general philosophy. But how do we make it more revenue positive? TAFE teachers ideally teach for 21 hours a week and are expected to spend 11 additional hours in lecture preparation, that is, 32 hours a week. Unlike similar institutions in other countries, TAFE does not

provide courses on a three-shifts-a-day basis and, in general, TAFE is closed to students for around 12 weeks a year. Additionally, I know of courses being provided for apprentices in the sugar industry in the middle of the crushing season and for trainees in the beef industry in the middle of the mustering season. Thus I suggest that, while we have TAFE facilities that are the envy of most countries, those facilities are severely underutilised, as are some very good teachers. Solutions could include getting closer to industry, combining with private providers and leasing them time in underutilised facilities——

Time expired.
