



Speech by

Hon. Rod Welford

MEMBER FOR EVERTON

Hansard Wednesday, 31 October 2007

VOCATIONAL EDUCATION, TRAINING AND EMPLOYMENT AND OTHER LEGISLATION AMENDMENT BILL

Hon. RJ WELFORD (Everton—ALP) (Minister for Education and Training and Minister for the Arts) (12.41 pm), in reply: I thank all honourable members for their contributions to this debate and, in particular, the opposition for indicating its support for the bill. This legislation will, of course, realise a commitment that the government made back in March 2006 when it released its historic billion-dollar Queensland Skills Plan. The plan outlined the government's intention to move TAFE Queensland to a more commercial governance arrangement. That is a promise that we are keeping by the introduction of this bill and through an investment of almost \$580 million in vocational education and training this financial year.

As a number of members have commented, the bill seeks to free up TAFE Queensland to compete in the marketplace. The legislation sets up a framework by which TAFE institutes can be established as statutory authorities for that purpose. Candidate institutes will need to undertake a rigorous administrative assessment of their suitability to make the transition. Those that are successful will be established as a body corporate with an expertise based governing body that is accountable to me as minister and the department's chief executive for the institute's performance.

It is not intended that every TAFE will immediately transition to this model. It will depend on whether the administrative assessment of a TAFE makes it feasible for them to become a statutory authority. There is not much point in moving a TAFE to a statutory authority model unless it can be commercially viable. So a commercial assessment is made before a TAFE moves to that model. In that regard, we are looking at a couple of TAFEs, starting with the Southbank institute, as being pilots for the transition.

Of course, there is the related issue about TAFE students now gaining access to FEE-HELP. As the opposition spokesperson said last night, all that has done is really accelerate the need for this legislation to be ready by the start of next year so that we at least have one institute that is able to facilitate the FEE-HELP arrangements. It is not contemplated that this legislation will be used in any cynical way solely for that purpose. Obviously, we do not want Queensland students to miss out on access to FEE-HELP. In fact, I had quite animated negotiations with the current federal minister, Andrew Robb, in relation to this issue. But to his credit it is fair to say that he has given us some time to make the adjustment, recognising that we are looking to reform our TAFE system. But it is not logistically feasible for every TAFE in Queensland to be converted to a corporate model by the start of next year. It would have been grossly unfair for the federal legislation to set criteria that would have denied Queensland TAFE students access to FEE-HELP in circumstances where they would otherwise be eligible for it.

The bill also amends a number of acts relating to the establishment of various statutory arts bodies. The purpose of those amendments, really, is just to bring bodies into line with the proper procedures for appointment and the definition of the terms of appointment, that is, the period during which a person will hold office as a member of the board of that statutory body. Under this bill, chief executive officers of those bodies will be limited to a term of five years and Governor in Council will be required to approve their appointments.

The member for Cunningham, the opposition spokesperson, raised concerns in relation to TAFE having enough appropriately qualified staff. Currently, my department is developing and implementing a range of strategies to address a potential shortage in TAFE teachers across-the-board. One of those initiatives that is currently being implemented is the Teach Your Trade initiative. This initiative gives tradespeople an opportunity to improve their skills so that they can teach their trade at a TAFE. A number of other strategies will be implemented next year to address the attraction and retention of training staff to ensure that we are properly resourced into the future.

I believe that the terms and conditions of the employment of public servants are sufficiently flexible to enable institutes to attract and retain quality teaching staff. However, in the context of the resources boom and the demand generally for quality tradespeople, there will be challenges in getting enough people who are prepared to take on a training role at TAFEs throughout the state.

I am also aware that on-the-job training for apprentices has to be matched by effective and timely training through registered training organisations. We are committed to ensuring that apprentices do not experience excessive waiting periods and that they complete their training periods within the specified time frames outlined in their training plans. Through SkillsTech Australia my department is implementing a range of initiatives to address this issue, including improved information sharing about available training places, improved apprentice management systems and new enrolment practices.

The shadow minister and the member for Burdekin also raised concerns that only one TAFE in Queensland, the Southbank institute, would be transitioned to the new model. In addition to the Southbank institute the Gold Coast Institute of TAFE is preparing itself to undergo the precondition assessment process. As I have already mentioned, this is an assessment of the institute's readiness to transition. We will continue to give consideration to the appropriate model for the TAFE system as a whole. This is being done in consultation with institutes and their councils, as well as employee representatives.

I have already mentioned that FEE-HELP, more than anything else, is a factor that is relevant to the timing of the transition to a statutory model. The shadow minister also expressed an expectation that the new model will ensure the continued delivery of government funded training priorities. The bill does this by requiring statutory TAFE institutes to enter into an agreement each financial year for the continued delivery of government funded training. There will be the appropriate government oversight of the statutory authorities. Each institute will have a governing board, of course, appointed by me and approved by executive council. This governing board will be accountable to me and the CEO of my department. There are also other mechanisms that will be put in place to monitor each institute's performance and ensure that they deliver our training priorities.

Through its operational plan and operating agreement, each institute will be required to articulate the government's expectations that will be met. The operational plan and operating agreement will be approved by me and the CEO of my department respectively.

The bill strikes an appropriate balance in terms of the sufficient oversight of statutory bodies that will be created once TAFEs go through the assessment process. I intend to appoint board members on the basis of expertise rather than representative boards per se. Having said that, obviously I want on the boards people with some corporate governance and commercial expertise. I want some people who have knowledge of local industry and business in the region that the TAFE operates. I want people whose expertise will relate to the general accountability of the board, both to the government in financial terms and to the community. It is also contemplated that we will appoint people who can, in a sense, represent the broader community interest.

Mr Copeland: Will there be an application process or will that be purely at the discretion of the minister?

Mr WELFORD: Obviously the minister of the day will have the discretion as to who will be appointed. With existing councils, I consult the chairs of the councils and seek advice from my department. Of course people can write in specifically requesting that their interest in participating on a board be considered.

The shadow minister mentioned the need for TAFEs to have updated equipment and technology. The statutory authority model really is about giving the states greater autonomy to generate revenue and to invest in assets. There is no question that for TAFEs to be a primary provider, as they are for many training requirements in the economy, they need to be well equipped with the latest equipment. I believe the statutory authority model will give TAFEs that capacity because they will be able to generate greater revenue to invest in precisely that kind of equipment.

The member for Gregory and the shadow minister raised concerns about the agricultural colleges. It is fair to say that in recent times the agricultural colleges have faced some financial challenges. I have asked my department to undertake a review to assess their operations and look at ways that they might be able to operate more effectively and, in some respects, through a greater partnership with industry rather than being stand-alone entities.

A number of members raised concerns about skills shortages in the trades areas. The Queensland Skills Plan represents our government's strategy to ensure that we deliver at least 17,000 extra trade training places by 2010. I am pleased to report that so far we are exceeding our targets in relation to those trade training places. We are leading the country in the number of school based apprentices and trainees currently in training.

The member for Tablelands commented on the cost of TAFE courses staying affordable. Statutory TAFE institutes will not be able to charge whatever they like for courses. They will have to comply with various policies and subordinate legislation relating to fee costing. Government will set the parameters within which they will exercise commercial judgement on a range of their internal management issues, but fees will not be left open for the statutory bodies to set at whim.

The member for Gregory also commented on the importance of the inclusion of Indigenous participation in the VET sector. My department is currently implementing an Indigenous employment and training strategy. The goals of the strategy are to increase sustainable employment participation, reduce unemployment rates, increase retention and completion rates of Aboriginal and Torres Strait Islander apprentices, trainees and vocational students, and increase attainment of high levels of skills and qualifications that will position Indigenous people for employment in skilled jobs.

The member for Nicklin raised a question about how the government intends to use the dividends payable by statutory TAFE institutes. The bill sets up a process by which the statutory institutes can negotiate the institute's payment of an annual dividend to the state. In other words, the bill allows for the payment of a dividend. These will be negotiated as part of the process of settling the operational plan of the institute. It is yet to be determined whether or not dividends will be extracted in the first instance. We will look at that in the context of the budgetary arrangements as the TAFEs transition progressively to the new system. Obviously it is the government's intention that any dividends generated by the institutes will be invested back into the TAFE system, if not into the particular TAFE that generates the revenue. I thank all honourable members for their contributions. I commend the bill to the House.