




Speech By  
**Hon. John-Paul Langbroek**

**MEMBER FOR SURFERS PARADISE**

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## TAFE QUEENSLAND BILL

### Introduction

 **Hon. JH LANGBROEK** (Surfers Paradise—LNP) (Minister for Education, Training and Employment) (2.41 pm): I present a bill for an act to provide for the establishment of TAFE Queensland, provide for other matters relating to vocational education and training services, amend this act for particular purposes, and make related consequential and minor amendments to other legislation. I table the bill and the explanatory notes. I nominate the Education and Innovation Committee to consider the bill.

*Tabled paper:* TAFE Queensland Bill 2013 [\[2434\]](#).

*Tabled paper:* TAFE Queensland Bill 2013, explanatory notes [\[2435\]](#).

This bill will establish a new statutory body, TAFE Queensland, to act as the public provider of vocational education and training, or VET, in Queensland. This government has made a commitment to grow a four-pillar economy in Queensland and reduce the state's unemployment based on agriculture, tourism, resources and construction. Skills and training reform are a key strategy to meet these commitments and will support the economic growth of the state through increasing the prosperity of individuals and communities.

This government commissioned the first industry led review of the VET sector in Queensland. The Skills and Training Taskforce report outlined a range of recommendations to revitalise the provision of VET and the management of apprenticeships and traineeships. Based on the recommendations of the task force, this government has committed to build the capacity of our VET sector by reforming TAFE Queensland and refocusing our investment on training for job outcomes. The first step in this journey is the reform of TAFE, which has been neglected for a number of years. TAFE has been left to operate without a clear vision, strategy and action plan, leading to fragmentation within the public provider and escalating costs of delivery. The task force demonstrated that if we continue down this path Queensland's public provider, that has a proud 130-year history, will not be viable in the training market of tomorrow.

One of the task force's key recommendations was to establish a separate independent body to strategically manage the public provision of VET across Queensland, with a commercially focused board. This body would be responsible for delivering on the government's investment in publicly provided VET to achieve the best possible skills and training outcomes. Specifically, the task force outlined that we need to address the industrial relations arrangements, asset management and structure of the public provider to enable TAFE to thrive in an increasingly competitive training market. This bill marks the first step on this journey.

TAFE Queensland will be established as a separate independent body with a commercially experienced board that will concentrate on the strategic management of public provision of VET across Queensland. The separate structure of TAFE Queensland provides delineation between the

purchaser and provider of VET. This allows the government to focus on the priorities and strategies for purchasing training from all providers in a broader market.

The bill establishes TAFE Queensland as a statutory body with all the powers of an individual. For TAFE Queensland to thrive in an increasingly contestable training market, it is imperative that it is established as an independent body separate to the department. This will give the new TAFE Queensland the power to manage its budget and revenues, personnel and physical assets and to develop innovative business practices to meet the evolving requirements of the training market.

The statutory body form will also ensure that the government retains oversight of its investment in TAFE Queensland through the governance, accountability and reporting framework provided for in this bill and other legislation such as the Financial Accountability Act 2009 and Statutory Bodies Financial Arrangements Act 1982.

To oversee the delivery of a significant program of VET reform, TAFE Queensland will have a commercially focused board. The bill provides for seven to nine members of that board to have relevant industry and/or commercial experience, with one member being a nominee of the minister. The board will appoint a chief executive officer, with the approval of the minister, to manage the day-to-day operations of TAFE Queensland. The board will be accountable to the minister and will drive a business focus to TAFE Queensland's structures, its delivery locations, operations and supporting products and services.

The bill provides that TAFE Queensland's functions are:

- (a) to provide VET services;
- (b) to provide further education, and other forms of education, to support and complement the provision of VET services;
- (c) to produce and sell VET products;
- (d) to prepare, publish, distribute or license the use of literary or artistic work, audio or audiovisual material, or computer software;
- (e) to undertake research and development on matters relating to its functions;
- (f) to contribute to, and actively engage with, industry on matters relating to its functions;
- (g) to exploit commercially TAFE Queensland's resources, including any study, research or knowledge or the practical application of any study, research or knowledge;
- (h) to report to the minister on the performance of its functions; and
- (i) any other functions given to it under this or another act.

TAFE Queensland is required to perform its functions in a way that is efficient, effective and responsive to the needs of industry, students and the general community and on a not-for-profit basis. Effective industry engagement in skilling goes beyond having a role in delivering government funding priorities. Governance of the VET sector needs to be flexible enough to accommodate changing government and industry priorities, support new and emerging industries, respond to user choice and adapt to state and local economic circumstances with minimal disruption to the provision of demand led training and skills.

TAFE Queensland will need to have wide-ranging powers to effectively manage its resources and provide effective and efficient training. Clause 10 of the bill gives TAFE Queensland all the powers of an individual and clause 11 ensures that TAFE Queensland can perform its functions outside Queensland and outside Australia. In addition, the bill provides for the key objectives of TAFE Queensland as being efficient and effective in performing its functions. TAFE Queensland will be commercially successful and its success will be measured against financial and non-financial performance targets set in its operational plan. TAFE Queensland will be required to develop strategic and operational plans setting out its vision for the delivery of publicly funded VET.

The bill sets out the matters which the operational plan must include for TAFE Queensland. The operational plan will be used to outline both financial and non-financial performance targets for TAFE Queensland reflecting that although TAFE Queensland will have an objective of being commercially successful it will also be performing community service obligations as the public provider of VET. The bill also provides for the minister to give directions to TAFE Queensland and request information from TAFE Queensland about the performance of its functions in clauses 46 and 47. These provisions are important because they ensure that TAFE Queensland is accountable to parliament, through the minister, for its performance as the public provider.

The bill includes provisions which disqualify persons from appointment as a member or to remain a member if they are convicted of an indictable offence, become an insolvent or are not able to manage a corporation under the Corporations Act.

The bill also includes detailed transitional provisions to ensure a smooth transition in the future from the current TAFE structure operating within the Department of Education, Training and Employment to TAFE Queensland. The transitional arrangements for TAFE reform will be effected by making regulations under the act. The act includes flexible regulation-making powers to facilitate transfers between statutory TAFE institutes, the department, TAFE Queensland and other entities prescribed in a regulation.

The bill also provides for a regulation to be made to dissolve the two statutory TAFE institutes which were established under chapter 6A of the VETE Act—Gold Coast Institute of TAFE and South Bank Institute of Technology. These institutes, which currently operate as statutory bodies, will be established administratively as TAFE institutes under chapter 6 of the VETE Act until such time as the machinery-of-government process transitions them to TAFE Queensland. It is proposed that the transition to TAFE Queensland will be achieved gradually, with the first step being the dissolution of the two statutory TAFE institutes from 1 July 2013 and the gradual transfer of TAFE institutes to TAFE Queensland over the following 12 months. The bill provides for the rights of transferred employees where those employees are transferred from one relevant TAFE entity to another. This will ensure the continuity of those employees' contracts or employment arrangements.

The bill also includes an offence provision to protect the use of the TAFE brand. This provision is modelled on similar provisions in Victorian and South Australian legislation for TAFE. The provision will prevent persons from using the words 'TAFE' and 'technical and further education' in way that would suggest to a reasonable person that the person is a TAFE entity or that a TAFE institute is providing the training. The terms 'TAFE' and 'technical and further education' have a particular significance in the training market and it is important to prevent other persons from using those terms in relation to training without approval. The minister may apply for an injunction restraining a person from contravening the offence provision.

This is an opportunity for once-in-a-generation reform of the VET sector in Queensland. As identified in the task force report, Queensland has the second highest average cost of training delivery in Australia, driven by the number of non-teaching staff within TAFE, employee expenses, property and building expenses and low non-government revenue sources. This bill provides the tools to address the significant underlying challenges to efficient and effective public provision of VET by TAFE in Queensland.

This bill provides for TAFE Queensland to, over time, develop a flexible, responsive, contemporary employment model outside the Public Service Act 2008 but within the Queensland industrial relations jurisdiction. This means that, in the future, TAFE can reduce the costs of delivery and compete on an even playing field with other providers.

It is clear that we can structure TAFE Queensland operations in a more efficient way and position institutes to better work together in relation to regional and geographic groupings that make sense. The challenge for the future is for the new TAFE Queensland board to chart a clear course for how the arrangements provided for in the bill will be operationalised and, in line with our commitment in the response to the task force, this work needs to start as a priority from 1 July 2013. I commend the bill to the House.

### **First Reading**

**Hon. JH LANGBROEK** (Surfers Paradise—LNP) (Minister for Education, Training and Employment) (2.53 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

### **Referral to the Education and Innovation Committee**

**Madam DEPUTY SPEAKER** (Mrs Cunningham): Order! In accordance with standing order 131, the bill is now referred to the Education and Innovation Committee.