



Speech By
Hon. Tim Mander

MEMBER FOR EVERTON

Record of Proceedings, 8 May 2014

QUEENSLAND TRAINING ASSETS MANAGEMENT AUTHORITY BILL

Second Reading

 **Hon. TL MANDER** (Everton—LNP) (Minister for Housing and Public Works) (12.10 pm): I move—

That the bill be now read a second time.

In opening, I thank the Transport, Housing and Local Government Committee for its prompt consideration of this bill. In particular, I thank the committee and the chairman, the member for Warrego, for their deliberation and report on the bill. The committee tabled its report on 29 April 2014. I am now pleased to table the government's response to the committee report.

Tabled paper: Transport, Housing and Local Government Committee: Report No. 43—Queensland Training Assets Management Authority Bill 2014, government response [\[5050\]](#).

I thank the Queensland Teachers Union for its submission on the bill to the Transport, Housing and Local Government Committee. I appreciate the time and effort taken to communicate the union's concerns and suggestions. According to the Skills and Training Taskforce, the first ever industry-led review of Queensland's vocational education and training sector, the majority of our TAFE assets are grossly underutilised. The flagship Southbank Institute of TAFE is one of the best VET facilities in the nation, but it is used only 51 per cent of the time and is a ghost town after 6 pm. Southbank TAFE is not alone. TAFEs across the state are empty 60 per cent of the time. By creating a new body to manage the property side of things, we can free up TAFE to concentrate on doing what it does best: the delivery of vocational education and training services.

In the VET sector, the ability to deliver effective training often depends on access to appropriate facilities. Those facilities are frequently out of the reach of otherwise qualified trainers. When our state's TAFE assets are empty more than 50 per cent of the time, it makes sense to make those assets available to other registered training providers, as well as keeping them freely available to TAFE.

This legislation will pave the way to allowing existing or prospective non-government training organisations to expand the availability of VET, particularly in regional areas. To that end, this bill will establish an independent body, the Queensland Training Assets Management Authority—QTAMA—to provide for the efficient and effective management of state owned training facilities primarily for the provision of vocational education and training.

This bill delivers on the Queensland government's commitment to boosting front-line services by giving all existing and prospective training organisations equal access to VET facilities. It will lead to the creation of a stronger and more sustainable way of managing our training infrastructure and has the capacity to substantially boost the availability of VET in the regions.

The committee's report makes seven recommendations and raises one point for clarification. I welcome the committee's first recommendation that the bill be passed. The establishment of the

Queensland Training Assets Management Authority is an important step in the move to greater contestability in the provision of training services in Queensland. It is also important in terms of bringing a more strategic focus to managing the state's valuable training assets portfolio.

I will now consider the committee's specific recommendations. The second and fourth recommendations deal with consultation by the Minister for Housing and Public Works, as the minister responsible for QTAMA, with other ministers. The bill already contains a requirement that the Minister for Housing and Public Works consult with the Treasurer and the minister responsible for the proposed Further Education and Training Act 2014 if QTAMA proposes to buy or sell an asset of a class and for more than a value prescribed by regulation. The government considers that the existing mandatory consultation provision in clause 46(1) of the bill adequately ensures that any proposed acquisitions or disposals of assets by QTAMA will be aligned with the government's fiscal objectives and its policy on vocational education and training. In addition, consultation between ministers on matters of common interest is a normal part of the decision-making process of executive government. Consequently, adding a general requirement in the bill that requires 'greater consultation' between the minister responsible for the QTAMA Act and the minister responsible for VET is unnecessary.

The committee's report also suggests that the minister responsible for the statutory body, TAFE Queensland, should be consulted, rather than the minister responsible for the proposed Further Education and Training Act 2014. I consider that the minister responsible for the Further Education and Training Act 2014 will be the appropriate minister for formal consultation on VET policy because an objective of that act is to facilitate the provision of VET that is linked to employment and is responsive to the future workforce development and skills requirements of industry. The TAFE Queensland Act 2013, on the other hand, establishes TAFE Queensland as just one of the many training providers for which VET policy is developed and administered. For these reasons, I do not support the second and fourth recommendations.

The committee's third recommendation is that I advise the House of the approximate dollar value of the proposed threshold for 'proposed significant action' under clause 46 during debate on the bill in the House. This recommendation is not supported. If a regulation is made under clause 46(1) of the bill to prescribe a threshold dollar amount for the purchase or sale of a particular class of asset, I, as the Minister for Housing and Public Works, would as a matter of course consult with the minister responsible for VET and the Treasurer. Any decision to prescribe thresholds for dollar amounts and classes of assets under clause 46(1) is for the Governor in Council to make.

The committee's fifth recommendation is that the bill be amended to include a transitional provision that explicitly ensures that the proceeds of all TAFE asset sales for the first two years of QTAMA's operation be reinvested in the VET sector and that beyond this initial transitional period the government ensure transparency in the percentage split between the return of proceeds to consolidated funds and reinvestment in the VET sector. I should point out that there are no plans for QTAMA to sell any training assets. Once QTAMA is operating, it will be able to gain a clearer picture of the extent of any underutilisation and overall need for training facilities, and will then be able to develop plans for improving the use of those assets. I consider that a legislative requirement specifying the use of these proceeds would be overly prescriptive and may result in a loss of flexibility when deciding how these proceeds may be best used. The QTAMA annual report, which will include detailed financial statements, will ensure transparency on what QTAMA will do with the proceeds of any asset disposals.

The committee's sixth recommendation is that part 7 of the bill, the transitional provisions, be amended to reflect the advice received by the committee from the Department of Housing and Public Works that the government intends to give TAFE priority access to the public VET facilities for a designated two-year transitional period. The transitional priority access arrangements that have been approved by the government are part of its commitment to establishing TAFE Queensland as a commercially viable training provider and to ensuring continuity of TAFE courses and services. This arrangement will be documented in tenancy agreements between TAFE Queensland and QTAMA. As such, I do not consider there is a need to include this measure in the legislation.

The committee's seventh and final recommendation is that the Department of Education, Training and Employment monitor and evaluate the impact of the establishment and operation of QTAMA on VET delivery generally and on TAFE delivery specifically, and provide written reports over the first two years of QTAMA's operations to both the Minister for Housing and Public Works and the Minister for Education, Training and Employment.

I am advised that arrangements are already in place under the government's 'Great skills. Real opportunities.' action plan for the Department of Education, Training and Employment to monitor and evaluate progress on the range of reforms in the VET area and report regularly to the Minister for

Education, Training and Employment and the Minister for Housing and Public Works on the effect of QTAMA on VET generally and TAFE Queensland in particular.

The committee sought clarification from the Minister for Housing and Public Works on whether the unfunded public private partnership liabilities relating to the former Southbank Institute of TAFE and now TAFE Queensland, if ongoing, will be transferred to QTAMA and, if so, how that liability might impact on strategic asset management and the payment of returns. I can advise that the government is investigating options whereby QTAMA could become involved in the arrangements relating to the Southbank Education and Training Precinct public private partnership. However, no decision has been made on that matter at this time.

In my address to this parliament when the bill was introduced I explained that the bill would lead to a stronger and more sustainable way of managing the state's training assets. The many emails, letters and phone calls received by my office and the department from training organisations interested in accessing the training spaces that will be made available by QTAMA after 1 July indicate, I believe, that we are on track to achieving that outcome. This bodes well for the state in terms of increased utilisation of its public training assets and for students and employers in terms of a more diverse range of training options.

The bill continues the government's commitment to vocational education and training reform and to making better use of the state's investment in training assets. It was developed in close consultation with the Department of the Premier and Cabinet, Queensland Treasury and Trade, the Department of Education, Training and Employment, and the Department of State Development, Infrastructure and Planning. I wish to thank all of the relevant stakeholders once again for their extensive involvement through the consultation process. I can assure members that plans for the implementation of QTAMA are well advanced to achieve the government's expectation that QTAMA will commence operations on 1 July 2014. I commend the bill to the House.