

EDUCATION AND INNOVATION COMMITTEE

REPORT No.3 ON THE

VOCATIONAL EDUCATION AND TRAINING (COMMONWEALTH POWERS) BILL 2012

QUEENSLAND GOVERNMENT RESPONSE

INTRODUCTION

On 8 June 2012 the Education and Innovation Committee tabled Report No.3 in relation to the *Vocational Education and Training (Commonwealth Powers) Bill 2012*.

The Queensland Government response to recommendations made is provided below.

RESPONSE TO RECOMMENDATIONS

Recommendation 1 -the Committee recommends that the Bill be passed.

Government Response- the recommendation is supported.

Recommendation 2 - the Committee recommends that the Department of Education, Training and Employment (DETE) annually monitor and report on the impact of registered training organisation fees on small registered training organisations (RTOs).

Government Response- the recommendation is not supported.

The Government acknowledges that the referral of power will result in Queensland RTOs paying higher fees because the national regulator, the Australian Skills Quality Authority (ASQA), charges full cost recovery fees while Queensland's current vocational education and training regulator, the Training and Employment Recognition Council (TERC), charges subsidised fees.

DETE currently does not collect information about the ongoing financial performance of RTOs. After a referral of power, DETE will no longer be the regulator and will not have the power to compel RTOs to provide such information. Even if it were possible to compel RTOs to provide this information, it is not considered appropriate to impose this additional red tape burden on them.

During the inquiry into the Bill, DETE advised the committee about the increased fees for a typical small RTO by using the RTO's scope of registration, that is, the number of qualifications it is registered to deliver, as a proxy for its size. This is the only measure available to DETE as a regulator. However, the scope of registration may not accurately reflect the size of an RTO in terms of turnover and the number of staff it employs.

It would be difficult to assess the impact of fee increases on RTOs in isolation from other factors that impact on RTO viability. The VET sector is undergoing significant changes at the moment and RTOs may not be able to differentiate the impact of fee increases from other reforms of the sector.

The fees for RTOs are set under the *National Vocational Education and Training Regulator Act 2011* (Cwlth). It is therefore more appropriate for ASQA to monitor the impact of its fees and advise the Commonwealth Government of any changes that are required. ASQA could undertake this work as part of its regulatory functions. The Commonwealth Government has previously conducted consultation with RTOs on the level of ASQA fees and changed the fee structure in response to stakeholder feedback.

The Government will write to the Commonwealth Minister responsible requesting that ASQA monitor the impact of its fees on RTOs generally, but Queensland RTOs in particular given that they are moving from subsidised fees to full cost recovery fees.

Recommendation 3 - the Committee recommends that the Department of Education, Training and Employment annually monitor and report on the impact of registered training organisation fees on schools.

Government Response- the recommendation is supported.

The Government acknowledges the Committee's concern about the potential impact of ASQA's fees on school RTOs. It should be noted that in the first 12 months after a referral school RTOs will not have to pay RTO registration fees because the Queensland Studies Authority will continue to manage their registration under a delegation from ASQA. During this time ASQA will review the delegation and determine whether it will continue.

If ASQA decides to cancel the delegation, DETE will offer schools assistance to meet the cost of ASQA's fees by reviewing funding arrangements and providing advice regarding registration / delivery models that would minimise the fees payable.

It is proposed that the Government will provide an annual report to the Parliament for 3 years starting in 2013 on the impact of ASQA's fees on school RTOs. A period of three years will give Parliament a good indication of the impact of ASQA's fees on school RTOs. The need for further annual reports can be considered after this time.