



Speech by

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MEMBER FOR HINCHINBROOK

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VOCATIONAL EDUCATION, TRAINING AND EMPLOYMENT AND OTHER AMENDMENT BILL

Mr CRIPPS (Hinchinbrook—NPA) (8.41 pm): I rise to make a contribution to debate on the Vocational Education, Training and Employment and Other Legislation Amendment Bill. The primary objective of the bill is to amend the Vocational Education, Training and Employment Act 2000 to create a legislative framework for the establishment and operation of TAFE institutes as statutory authorities. The Queensland Skills Plan outlined major reforms to Queensland's vocational education and training system, including the perceived need to revitalise the TAFE system to enable more flexibility and greater responsiveness to industry and business needs.

Earlier this year the Vocational Education, Training and Employment and Other Acts Amendment Bill was debated in this place. That bill enabled the implementation of a number of actions outlined in the Queensland Skills Plan white paper, specifically the removal of the legislated roles of industry training advisory bodies to enable a range of new arrangements for industry engagement that aim to improve the alignment between industry's skills needs and training delivery and streamlining the completion process to support the early completion of training by apprentices and trainees to better meet industry needs and to address significant trade skills shortages.

The intention of that bill was to provide for industry to have a leading role in setting training priorities, including the manner in which the training is delivered. Given that this bill relates to the governance of an agency—that is, TAFE—that delivers a significant amount of training to areas of the workforce that are required to meet those skills shortages, this bill is facilitating and furthering the goals of parts of the Queensland Skills Plan that have already been implemented. Currently, the chief executive officer of the Department of Education, Training and the Arts is responsible for administering TAFE institutes, known collectively as TAFE Queensland, comprising 13 TAFE institutes in metropolitan and regional areas across the state. TAFE Queensland is the largest provider of vocational education and training services in the state delivering over 800 programs and courses to over 200,000 students each year.

TAFE institutes deliver government funded training priorities through a purchasing arrangement with the Department of Education, Training and the Arts. In addition, institutes actively pursue commercial revenue to support their operations. In the 2006-07 financial year, 22 per cent of the \$639 million of TAFE Queensland revenue was derived from user charges, which include the domestic fee-for-service market, the international market, Commonwealth contracts and other commercial ventures. Indeed, TAFE institutes compete with each other and private providers for these markets.

The Queensland Skills Plan was developed by the Queensland government in an effort to address the rapidly changing demands of the training market driven by very strong demand for skills in the Queensland workforce. TAFE currently competes against private training providers using a very different governance structure. Under the Queensland Skills Plan, the Queensland government is implementing an alternative governance model for TAFE institutes. It is hoped that the more commercially structured TAFE institutes will improve the management of funding from multiple sources. Specifically, what is proposed is that under this new model TAFE institutes will remain Public Service entities under an act administered by

the minister responsible for the Training portfolio. TAFE institutes will not become government owned corporations.

The bill provides for a framework whereby TAFE institutes will be established as statutory authorities with the objective of establishing more flexible, cost-effective and autonomous governance arrangements to enhance an individual TAFE institute's capacity to grow the commercial component of their business in a competitive vocational education and training market. The proposed new model provides for appointed boards for each institute to give them a more commercial focus. Each institute would ultimately be accountable to the minister through the department, and performance targets and performance monitoring arrangements would be established.

In providing for TAFE institutes to be established as statutory authorities, the bill requires each statutory TAFE institute to have a governing board comprising up to 12 members nominated by the minister and appointed by the Governor in Council on the basis of their corporate governance expertise, commercial experience, knowledge of local business or industry, understanding of public accountability or other expertise relevant to the institute's functions and the role of the board as the institute's governing body.

The board will be accountable to the minister and the chief executive officer of the Department of Education, Training and the Arts for the institute's performance. The governance arrangements under the statutory authority model represent a significant change from the current operating model and will deliver a significant degree of autonomy and flexibility for decision making by institutes at the local level. The governance arrangements at the local level will be a chief executive officer who will be responsible for the day-to-day management of the institute. I think this management approach will be a positive change for TAFE institutes and will give them an opportunity to be responsive to the training needs at the local level in the regions where they operate.

It is interesting to note that the proposed structure of the local board for TAFE institutes is comparable to that recently proposed by the federal coalition for hospital boards, and this is also a longstanding policy of the Queensland coalition. As I mentioned earlier, these local TAFE boards are proposed to have representative stakeholders appointed with expertise in corporate governance, commercial experience, local business or industry knowledge or other expertise relevant to the institute's functions. This is almost identical to the proposal for local hospital boards to have representative stakeholders from the local community with relevant experience. I think it is interesting that the state Labor government is happy to support and promote this governance structure for TAFE institutes but not for hospitals. It is a glaring inconsistency and this state Labor government should be embarrassed that it is employing such double standards.

In north Queensland the strong demand for skills in the booming mining sector has had a number of ramifications for traditional industries in the area. For example, many workers who have previously worked during the sugarcane harvesting season as a haul-out operator have been attracted to much larger wages in the mining sector driving heavy vehicles. This has created a shortage of haul-out operators in many sugar-growing areas in north Queensland, a situation which has ramifications for the productivity of the industry. These types of skills are being highly sought after. Demand for labour in the horticultural sector is very high at the moment and, increasingly, there is more recognition being given to the skills required to work in that industry. Again, I refer to debate earlier this year on the Vocational Education, Training and Employment and Other Acts Amendment Bill which dealt in part with the Australian agricultural colleges. As I said during debate on that bill, the Australian agricultural colleges underpin efforts to provide training to large numbers of people in Queensland as far as skills and knowledge of rural industries are concerned.

Nowadays, a large proportion of the work undertaken in our rural industries is performed by machines and the people operating those machines need to be highly skilled. However, there are still a number of horticultural industries that are labour intensive. Horticultural industries have been trying to explain to governments at all levels that these farm labourers have particular skills that ought to be recognised. You cannot send inexperienced people into the field to tend to or harvest a horticultural crop without at least some supervision from experienced farmhands.

Once again, I refer to a program delivered by the Queensland government as part of the Cyclone Larry recovery plan, which was delivered by the Australian agricultural colleges in the form of programs such as quarantine, chemical application and plant protection to farm workers. I welcomed that program. I thought it was due recognition that those farm workers required skills training and that they were, in fact, skilled workers. Campuses of the Australian agricultural colleges are not always accessible to horticultural workers throughout the state. I think TAFE institutes should consider the delivery of such relevant training programs in response to local industry demand for such skills.

The statutory authority model will also allow TAFE institutes to give students the opportunity to access Commonwealth FEE-HELP assistance by obtaining provider approval under the Higher Education Support Act 2003. FEE-HELP is a loan scheme that is administered under the Higher Education Support Act to assist full fee-paying students at public universities, private universities and other eligible higher education providers. The higher level vocational education and training fee-for-service market is expected

to grow substantially as a result of the expansion of FEE-HELP to the vocational education and training sector.

FEE-HELP is paid by the Commonwealth directly to the provider on the student's behalf. Students pay their loan through the taxation system once their income is above the minimum threshold for compulsory repayment. Recently the Commonwealth parliament passed amendments to the Higher Education Support Act, to take effect on 1 January 2008, to extend FEE-HELP to full fee-paying vocational education and training students undertaking certain vocational courses.

In effect, this bill introduces what is basically the equivalent of the Higher Education Contribution Scheme for vocational and technical education. Once again, I think it is very interesting that the state Labor government is happy to support and promote this funding arrangement structure for TAFE institutes when a number of its members have spent time criticising the federal coalition government with respect to the Higher Education Contribution Scheme for tertiary students at university.

Mr Hinchliffe: Labor introduced it.

Mr CRIPPS: Yes, I know. I take the interjection from the member for Stafford with respect to a number of members of the current government criticising the federal coalition government for the way in which fees are being charged in this user-pays system. But it continues to be one of the strongest ways to ensure that that higher education sector is viable in the long term.

As I mentioned earlier, it is expected that the amendments to the FEE-HELP scheme will allow many more people the opportunity to access vocational education and training opportunities through this fee-for-service arrangement as it will allow access to skills funding through the Commonwealth government. This bill is all about facilitating access to FEE-HELP for Queenslanders seeking vocational and technical education by establishing TAFE institutes as statutory authorities. It is another glaring inconsistency and Labor should once again be embarrassed that it is employing such double standards. In reality, this bill is an endorsement of federal and state coalition policies. As such, I am pleased to support the bill.