

## **SECOND READING SPEECH**

### **THE HON NICK MCKIM MP**

*TRAINING AND WORKFORCE DEVELOPMENT BILL 2013*

*TRAINING AND WORKFORCE DEVELOPMENT (TRANSITIONAL PROVISIONS) BILL 2013*

*TRAINING AND WORKFORCE DEVELOPMENT (REPEALS AND CONSEQUENTIAL AMENDMENTS) BILL 2013*

Mr Speaker,

I move that the Bills now be read a second time.

These Bills are cognate and, therefore, I will be addressing my remarks to the total package of the Bills.

#### **Introduction**

Mr Speaker, this legislation brings into effect key elements of the Government's response to the report by Virginia Simmons AO on *The Role and Function of Tasmania's Public Sector Vocational Education and Training (VET) Providers*.

In that report Ms Simmons recommended that all aspects of VET governance, delivery, administration and co-ordination be covered by a single, contemporary and aspirational piece of legislation, and that the objects and provisions of the legislation be written so as to ensure all components of public sector VET are working towards a common goal.

Ms Simmons also recommended the creation of a new single entity, TasTAFE, from the combined resources of the Tasmanian Polytechnic and Skills Institute. It was also recommended teachers in TasTAFE should be registered.

The Review was conducted utilising the constructive input from well over 300 stakeholders in the VET system from across Tasmania: students, teachers, administrators, industry and community leaders, employers, parents and government representatives.

A Steering Committee was established to oversee the implementation of the Government's response to the Review. Implementation is being undertaken directly by a range of working groups, all of which involve practitioners in the VET sector.

### **Single Act for Training and Workforce Development**

Mr Speaker, today I present a single Act for training and workforce development, one which covers the provision of all publicly-subsidised vocational education and training.

In the words of Virginia Simmons, 'the current legislative framework for VET is fragmented and not conducive to a coherent system. Tasmania needs a future arrangement that promotes cohesion within the public VET sector'.

This package of three Bills will establish a new legislative framework to create the cohesion sought by so many Tasmanians consulted through the Review, and the many students, employers and employees who are the users of the public VET system.

This main Bill, the Training and Workforce Development Bill, will replace the current *Vocational Education and Training Act 1994*. The new title more accurately reflects the contents and purpose of the legislation.

### **Background**

Mr Speaker, I am very mindful that it is critically important we understand and learn from the past, and put in place fundamental principles as a foundation for training and workforce development into the future.

As I will explain, this new legislative framework achieves that end.

Tasmania's vocational education and training system has for many years proven to be one of the best in the Nation.

The reason for this outstanding performance, at least in part, is attributable to Tasmania's industry sector profile compared to the rest of the nation. Although our State at the broad industry sector level does not differ markedly from the national structure, Tasmania has significant differences at the sub-sector level, being more strongly represented in sectors including agriculture, forestry, fishing and manufacturing, all of which are important contributors to Tasmania's trades sector.

Tasmania's vocational education and training system has responded very well to this demand. But that was then, and this is now. TasTAFE must be an organisation built upon:

- what has been learnt from the past;
- recognising room for improvement;
- a responsiveness to the undeniable transition in the Tasmanian economy; and
- ensuring the acquisition of the changing skills and qualifications needed to participate in today's world.

Mr Speaker, with this in mind, a fundamental principle of Tasmania *Tomorrow* had been to provide greater opportunities to those who had either not achieved a post-year 10 qualification in the past, or who were not able to acquire that level of attainment at school in the present. That participation and attainment could be met by directing those same people towards our State's highly performing VET system.

The disaggregation of TAFE Tasmania also allowed for much greater focus and attention more directly on the needs of employers and industry, and this has been acknowledged through the Review process.

But Mr Speaker, you would recall I began by saying how important it is we learn from the past, and put in place fundamental principles as a foundation for a robust training and workforce development sector into the future.

There have been gains made through the Tasmania *Tomorrow* approach, but the creation of the Tasmanian Polytechnic and Skills Institute from TAFE Tasmania created some confusion for students, employers, employees, and the wider community.

And Mr Speaker, it must also be recognised that inherent inefficiencies emerged by disaggregating TAFE Tasmania into the Tasmanian Polytechnic and Skills Institute. In a world where all jurisdictions must manage increasing budget constraint, inefficiency must also be addressed.

The confusion and inefficiencies must be removed, and the gains that have been made must be kept, particularly for the users of the system: students, employers and their employees.

Mr Speaker, what has been learnt is, by merging the Polytechnic and Skills Institute an inherent inefficiency will be immediately removed through the increased scale and scope that TasTAFE can provide. This is particularly the case when changes to the economy occur which have consequential effects upon numbers of trade and non-trade students.

And Mr Speaker, what has been learnt is those gains have come from the tailoring of VET services to increase participation and attainment through the Tasmanian Polytechnic, and ensuring work-readiness and increasing productivity through the Skills Institute.

## **Establishing TasTAFE**

Mr Speaker, many may ask what the difference will be between the previous TAFE Tasmania and the new TasTAFE. The answer goes to the heart of what I have just outlined.

TasTAFE builds on what has been learnt from the Tasmania *Tomorrow* experience, retaining the dual-focus of increasing participation and attainment for students, and ensuring work readiness and productivity for employees, employers and the broader community.

That's the difference. This will not be a return to the past. TasTAFE will be a contemporary organisation, far more focussed on addressing the current and future needs specific to our State, and far more focussed on the users of the system: students; employers and their employees; and the broader community.

Mr Speaker, Tasmania's industry sector profile is changing quickly, even if we just look back to the last decade. There has been a general shift in employment numbers from the trading sector to the services sector. At the same time, trading sectors such as agriculture require increased skills and qualifications, and the growing services sector is no different.

Symbolic of this rapid change in where Tasmanians are employed and the skills and qualifications they need is the emergence of the new Menzies Centre building. In one Hobart block, the Menzies Centre and Faculty of Health Science will employ around 600 people, a large proportion of whom will have higher education qualifications.

Further up the Derwent River located on over 100 hectares is the zinc smelter, Nystar, a product of hydro-industrialisation. Once the employer of around 2,800 people, it now directly employs around 550 people, but with greater production than that which occurred at the time of peak employment.

This is exactly the type of modern challenge to which TasTAFE must respond.

Tasmania must continue to deliver quality vocational education and training to sectors that have been part of the State's landscape for generations, and adapt to the needs of the new economy. And Tasmania must continue to deliver, for all sectors, qualification attainment that compares favourably with the rest of the nation. This is the challenge the emergence of the Menzies Centre and other similar research centres represent.

The proactive utilisation of our highly performing vocational education and training system remains one of Tasmania's best assets to meet this challenge. As I have pointed out earlier, despite the inefficiencies and confusion, progress in participation and attainment has been made through the Tasmanian Polytechnic, and the Skills Institute has increased attention on work readiness and productivity. TasTAFE must build strongly on this progress.

Mr Speaker, with this in mind, I would like to acknowledge and thank the current General Manager of the Polytechnic, Paul Murphy, his leadership team and all the staff.

Mr Speaker, I would also like to thank the Skills Institute Board which continues to operate in a highly professional manner, CEO Malcolm White, his leadership team and all the staff.

Tasmania clearly operates now in an economic and policy environment different to that which TAFE Tasmania experienced, and will greatly benefit from the increased scale and scope TasTAFE will provide compared to the current individual operations of the Tasmanian Polytechnic and Skills Institute.

Many of these challenges and opportunities involve the national VET reform agenda, including:

- national regulation through the Australian Skills Qualifications Authority;
- VET Fee Help;
- the Unique Student Identifier;
- the purchaser/provider split and competitive tendering;

- the State's difficult budget outlook; and
- the reshaping of traditional provision by higher education and private VET providers.

Mr Speaker, this Act will ensure the Tasmanian Polytechnic and Tasmanian Skills Institute are merged and continued as TasTAFE, which will be both an agency under the State Service Act and a statutory authority.

I would like to take this opportunity to welcome the currently interim, but soon to be CEO of TasTAFE, Stephen Conway, to our State. I have every confidence in his abilities and experience to lead the success of this new organisation.

In accordance with the legislation, I will receive recommendations for consideration for membership of a TasTAFE Board. The Board will have seven members, including an ongoing Chair position for interim-Chair Mrs Kathryn Thomas. The TasTAFE Board will operate at the strategic level, guiding the organisation to meet those tactical challenges, some of which I have already raised earlier in this address, using the various skills and experience brought to the Board table.

### **Vision for Publicly-Subsidised VET**

Mr Speaker, the Training and Workforce Development Bill 2013 includes:

- Powers for TasTAFE, which are those things the organisation may utilise;
- Functions for TasTAFE, which are those things the organisation must perform; and
- Object of the Act, which is the overall objective of the Bill once it becomes law.

The Powers for TasTAFE are set-out to support its Functions, and its Functions have a direct relationship to the Object of the Act.

Mr Speaker, the object of this Act is to establish a system of training and workforce development that supports a skilled and productive workforce and contributes to economic and social prosperity.

However, it is important to recognise that TasTAFE is a sub-set of the overall publicly-subsidised system of training and workforce development in Tasmania, which comprises a number of registered training organisations.

Recommendation three of the 'Review and the Role and Function of Tasmania's Public Sector VET Providers', which has been accepted by Tasmania's Cabinet states:

'the Tasmanian Government, as the owner of the public VET system, considers articulating a vision for its future that is communicated to the Tasmanian community'.

The vision therefore should be related to the object of the Act I have just articulated, and set an aspirational goal for the overall publicly-subsidised system of training and workforce development in Tasmania. It is not a vision solely for TasTAFE.

With this in mind Mr Speaker, the vision is:

'Tasmania has a system of publicly-subsidised training and workforce development that continually develops a skilled and productive workforce and delivers economic and social progress'.

This vision highlights the partnership arrangement that is entered into for the common good by three parties: government, students and employers. The government does and will continue to subsidise training and workforce development with public funds, and will also continue to seek a contribution towards those costs from students and employers.



## **TasTAFE Functions and the Tasmanian Economy**

Mr Speaker, although TasTAFE will develop its own specific vision as the public training and workforce development arm of government, it will be incumbent upon TasTAFE to work towards the broader vision I have just outlined.

In working towards this vision, TasTAFE will also be directed by the functions in this Act. Together, the vision and functions will guide the way in which training and workforce development is provided by TasTAFE, and with this effort, TasTAFE will take into account the fundamentals of the Tasmanian economy and the way in which dispersed communities across our State are affected.

Mr Speaker, the economy is comprised of the activities of people.

Our people participate in the economy in three specific but complementary ways: through population; participation and productivity.

Mr Speaker, Tasmania's population is the most decentralised in the nation, it is the oldest population, and it is a relatively small population. With these features come challenges for service delivery, already well recognised by the Commonwealth Grants Commission, and by the functions for TasTAFE in this legislation.

That's why a function of TasTAFE in legislation is to provide vocational education and training in accordance with the Minister's priorities in relation to training and workforce development for communities in Tasmania, including:

- rural and isolated communities; and
- other communities where other providers of vocational education and training cannot, or are not, effectively meeting the demand for it.

Mr Speaker, whether it be our school system, education generally or the labour market, Tasmania has significant challenges with participation. Increasing participation by Tasmanians in education and training or the labour market is critical to improving the quality and opportunities for our communities.

That's why two functions for TasTAFE in legislation are:

- to provide to persons foundation skills training that when successfully completed may lead, or may lead when so completed in conjunction with other training, to those persons obtaining a qualification; and
- to collaborate with the principals of schools, within the meaning of the *Education Act 1994*, other providers of vocational education and training, providers of higher education and employers in relation to the support of persons as they move through school, vocational education and training, higher education and other education and training and into the Tasmanian workforce.

Mr Speaker, productivity is also all about people and their activities. Key drivers of productivity growth across the labour force and industry are:

- providing workers and firms with access to greater amounts of investment and higher quality capital infrastructure;
- making better use of existing resources given the current technologies; and
- technological progress driven by innovation and increased skills.

That's why the functions for TasTAFE in legislation are:

- to develop, in consultation with relevant industry associations, models for the provision of vocational education and training to employed persons for the purposes of developing skills, including developing skills needed to alleviate or prevent skill shortages in the Tasmanian workforce;
- to collaborate with employers in relation to the development of the skills of their employees;

- to provide, for the purposes of developing skills in the current and future Tasmanian workforces, services to TasTAFE students, and employers and their employees, in relation to the provision of vocational education and training and other education and training;
- to consult with and, where practicable and appropriate, enter into partnerships with other education providers in relation to vocational education and training or other education or training.

And it is increased skills that really go to the heart of a better future.

Mr Speaker, with increased skills, confidence in investment grows.

With increased skills, the community can benefit from growing take-up of innovation and information technology.

With increased skills, the community can benefit from greater participation in the labour market and broader community.

And increased skills Mr Speaker, can change the capability of a population drawn from within and currently outside the Tasmanian community, ready to respond to the ever-changing demands of our state's industry sectors and broader community.

Mr Speaker, to strengthen this arrangement further, the Act clearly spells out the way in which a Minister will express policy expectations. These policy expectations are outlined in clause 73, where:

Within 3 months after the day on which this Act commences, and within the same 3 months of each succeeding year, the Minister must provide TasTAFE with the policy expectations of the Minister for TasTAFE, including –

- (a) the nature and scope of the operations to be undertaken by TasTAFE; and
- (b) the arrangements for the costing and funding of non-commercial operations.

## **Centres of Excellence**

Mr Speaker, an element of the proposed design of TasTAFE is the creation of Centres of Excellence.

The Government accepted Recommendation 12 of the review:

“...identification of existing or potential Centres of Excellence across the delivery areas as a focus for capability and future development.”

The Government also accepted Recommendation 53:

“A sub-branding strategy be developed to further differentiate component parts of the operations, particularly Centres of Excellence and programs co-located with other sectors/providers.”

Centres of Excellence is a model for training delivery that has already experienced varying degrees of success in Tasmania. Without significant support and contribution from the industry sector or community cohort concerned, the model can be a significant operational and strategic risk for TasTAFE if not bound within a managed process.

Strategic and operational issues that arise from the introduction of Centres of Excellence include:

- appropriate drivers for the initiation and development of Centres of Excellence;
- threshold questions such as financial viability, human resourcing, long-term organisational goals;
- the capacity and will for staff to embrace further change;
- the underlying proposition that Tasmania has a population of learners wishing to travel and stay in other regions;
- the economic reality that industry is often in a state of flux, and the delivery of sector specific training from a fixed asset can fall out of step with changed market conditions; and
- potential confusion regarding branding and other delivery sites, e.g. Trade Training Centres.

Although there are risks as outlined above, there remains positive potential for proposed Centres of Excellence such as:

- the way in which the model could be based on a product, brand or service e.g. foundation skills and improving participation rather than physical location; and
- its propensity to be driven by industry within a specific region, which could help to service skills needs in a more direct and efficient way.

Any brand, service or facility that may become a Centre of Excellence will need time and consideration to develop.

Mr Speaker, to ensure a transparent process is in place for the establishment of any future proposed Centre of Excellence, I have agreed to a sign-off process to be established as part of TasTAFE, and that any future TasTAFE structure including Centres of Excellence will be determined by the CEO.

## **Transition to TasTAFE**

Mr Speaker, with the passage of this legislation, the Skills Institute and Polytechnic are merged and continued as TasTAFE. This means the names Tasmanian Skills Institute and Polytechnic will no longer be used, but the programs, courses and services they offer at the start of 2013 would continue from 1 July this year under the name TasTAFE.

Mr Speaker, I will explain the practical implications of this transition further.

The first half of 2013 has been guided by addressing five priorities to successfully establish TasTAFE: legislation; registration as a training organisation; organisational design; staffing; and branding and communication.

In many ways, the simple but powerful clause ‘the Tasmanian Polytechnic and the Tasmanian Skills Institute are merged and continued as TasTAFE’ has guided the way in which the five priorities have been addressed.

Setting legislation aside which is now before Parliament, registration of TasTAFE as a training organisation by the new national regulator, the Australian Skills Qualifications Authority (ASQA), appeared to be very daunting. However, through negotiation with ASQA, the 'merged and continued' clause in legislation also applies to the registration of TasTAFE, where the policies and procedures of the Tasmanian Polytechnic and Skills Institute are also treated as merged and continued. Through the 'merged and continued' clause, new registration is not necessary.

Similarly, the organisational design of TasTAFE is strongly influenced by the 'merged and continued' clause. The 2013 course calendar must be delivered in a seamless fashion to the users of the system: students, employers and their employees.

Mr Speaker, the second half of 2013 will be a settling-in period for TasTAFE. There will be no radical change. Courses, programs and services provided by the Tasmanian Skills Institute and Polytechnic will continue as advertised in guides by both organisations at the beginning of the year.

In the first half of 2013 students enrol in the Tasmanian Skills Institute or Polytechnic, depending on their choice of program, course or service. Students will enrol in TasTAFE after 1 July.

If students have started a course in the first half of 2013 that continues through to the second half of the year, they will not have to re-enrol at TasTAFE. The course enrolment will continue automatically with TasTAFE.

If a student's class or course continues through the second half of the year, there will be no noticeable change with the establishment of TasTAFE.

If a student gains a qualification prior to 1 July 2013, then the qualification will be issued by the organisation with which the student enrolled. Whether a student begins a course with the Tasmanian Skills Institute or Polytechnic, if a qualification is attained after 1 July it will be issued by TasTAFE.

In short, the organisational design of TasTAFE will continually be refined to most effectively meet the needs of the users of the system, the students, employers and employees, within its budgetary constraints.

Mr Speaker, staffing is the fourth priority to address, and as with the organisational design for TasTAFE, it is strongly affected by the 'merged and continued' clause. There will therefore be little change to the staffing arrangements to deliver the courses, programs and services in 2013.

Simply put, when Tasmanian Polytechnic and Skills Institute staff wake on 1 July, they will automatically be TasTAFE staff. Users of the courses, programs and services enjoyed in the first half of the year will notice no difference in the second half of 2013.

TasTAFE CEO Stephen Conway has already been consulting and engaging widely with Tasmanian Polytechnic and Skills Institute staff to ensure this message of a smooth transition to TasTAFE is well understood.

The fifth priority, branding and communications, although affected by the 'merged and continued' clause, presents a significant body of work for TasTAFE.

Mr Speaker, January 2014 will present a fresh start for TasTAFE, with a new, single guide for courses, programs and services. TasTAFE now has a brand, but it will be the way in which it markets and communicates its courses, programs and services to the users of the system: students; employers and their employees, that becomes all-important.

Campuses will remain as and where they are, with changes to signage when TasTAFE is established.

As recommended by Virginia Simmons, in the transition to TasTAFE there will be no change in the near future to current corporate service arrangements or assets and infrastructure. This issue is not considered to be a high priority for change at this time, so the same arrangements in place between the Department of Education and the Tasmanian Polytechnic and Skills Institute will remain, except where specific services such as marketing and executive support are required for TasTAFE.

### **Teacher Registration**

Mr Speaker, in developing her recommendations for government Ms Simmons also considered teacher registration. Under the current arrangements, teacher registration applies to the Tasmanian Polytechnic, but not to the Skills Institute. This was, therefore, an issue that had to be resolved in regard to TasTAFE.

The Government accepted Ms Simmons' recommendation that 'subject to some minor amendments to the Teachers Registration Act to ensure VET coverage, teacher registration be extended across the whole of the new entity (TasTAFE)'.

To this end, the Teachers Registration Act will be amended as part of this package of legislation. A new category of registration has been developed, which will be called specialist vocational education and training registration. This category of registration will be available to those teachers in TasTAFE, and indeed in other schools and colleges, who deliver vocational education and training and hold appropriate teaching qualifications for this purpose.

As a result of these amendments, the Act will now allow the Teacher Registration Board to recognise the professionalism and expertise of teachers in the range of areas for which they are qualified. Individuals will apply to the Board for registration and the Board will assess which categories of registration have been met. This means, for example, a person could hold full registration and specialist VET registration if they hold qualifications appropriate to both school and VET sector settings.



With the extension of registration to TasTAFE, the Act will also be amended to ensure TasTAFE representation on the Teachers Registration Board.

Tasmanian Skills Institute staff will not need to be registered until 1 January 2014, allowing plenty of time and support for TasTAFE staff to complete their registration process by the end of 2013.

A series of statewide TasTAFE campus visits and information sessions for staff will be held in 2013 by staff of the Teacher Registration Board to outline the registration process and what documentation will be needed for registration.

### **Skills Tasmania and its Board**

Mr Speaker, Skills Tasmania and its Board have played a critical and constructive role in the lead-up to, and establishment of the Tasmania Tomorrow reforms.

Under that system, Skills Tasmania was a sophisticated purchaser, developing strong relationships with the public providers, and in tandem, opening up the market in an attempt to create greater competition.

During this period, all quarantine arrangements provided to the public provider for competition around the delivery of trade training have been lifted. Tasmania was one of the first States in the nation to implement this reform.

Informing those reforms and purchasing arrangements is the Skills Strategy, which is now a major and continuing government policy.

Mr Speaker, this has been an important period and much has been learnt. What has been learnt will now be applied to a different and more streamlined approach by government to the delivery of VET, with improving participation and attainment still a central objective.

What has been learnt is one public VET provider is sufficient in Tasmania. And what has been learnt is opening up the VET market to greater competition with publicly-provided VET, and this should continue to be encouraged, has not to date created the expected surge of new entrants.

Mr Speaker, the experience in Tasmania has been different to a number of other jurisdictions where competition has been encouraged. There are a number of reasons for this experience in Tasmania, including the relative isolation and size of the market, but this should not be reason for complacency. TasTAFE will have obligations to provide training and workforce development services that are not commercial as I mentioned earlier, and TasTAFE will also be expected to compete with the private registered training organisation to deliver programs.

This government also believes policy and strategic advice on skills and workforce development should primarily come from the public sector. It does not believe this work needs to be prepared independently from, and brought to government.

The strong advice from Skills Tasmania has been to not split the functions of the organisation. As the government's preference is for policy advice to come primarily from the public sector, the government has concluded the complete functions of Skills Tasmania should come under the Department of Education.

This means maintaining Skills Tasmania as a statutory authority with an independent Board is no longer necessary to funding the delivery of VET. This activity can be efficiently undertaken within the Department of Education by Skills Tasmania as a business unit.

In summary Mr Speaker, the functions of Skills Tasmania will not change, but will be housed within the Department. This arrangement is no different to most other jurisdictions, as commonly policy, strategy and purchasing is conducted by government departments around the nation.

And Mr Speaker, as Skills Tasmania has undertaken in the past, the Department of Education will purchase training from both public and private registered training organisations.

Skills Tasmania will continue in its current form as a statutory authority until 1 July, subject to the passage of legislation.

However, with the cessation of the Skills Tasmania Board, it is critically important to Government that a new industry advice mechanism be put in its place.

Mr Speaker, I sought advice from the Skills Tasmania Board about how best to do this and was provided with four recommended criteria to assess the effectiveness of a future industry advice arrangement for government on skills and workforce development.

- Demonstrate Government's continuing commitment to proactively work in partnership with industry in skills and workforce development;
- Result in Government receiving moderated and structured strategic feedback from industry;
- Provide a streamlined mechanism for a strong Government and industry partnership; and
- Support industry participation in the Tasmanian training system at the strategic level.

This criteria was tested against a model that utilised the industry advice activity already efficiently undertaken by Skills Tasmania staff, integrated with the industry advice arrangements already supported by the Department of Economic Development Tourism and the Arts, and in addition, drawing upon advice directly from independent, private employer and industry representative organisations.

The model will be structured around a single memorandum of understanding between the two Departments to gather industry advice from the Tasmanian Development Board, regional reference groups and industry advisory committees, and individual memorandum of understandings with industry and employer peak bodies.

A more streamlined system, where responsibility for the delivery and resourcing of public sector VET lies with the Minister and government, with formalised reference to industry for advice as provided for in this Act, is a more effective use of public funds.

Mr Speaker, this provision is in section five of the Act where it states:

The Minister is to establish priorities in relation to training and workforce development that promote and further the object of this Act.

For example, this provision allows the valuable work of the Skills Tasmania Equity Committee to continue under the new arrangements where Skills Tasmania becomes a business unit within the Department of Education.

The Skills Tasmania Board was established as an important component of the Tasmania Tomorrow reforms, and for its excellent work during that period, I thank the Chair, David Hind, and the Board members.

### **Integrated Tertiary Education Sector**

Mr Speaker, as I have outlined, a major outcome of the Review, subject to the passage of legislation, is the establishment in July 2013 of a single public VET entity, TasTAFE. This reform places Tasmania in a unique situation compared with the rest of Australia, having a single university in UTAS and single public VET provider. A partnership on tertiary education would seem an obvious measure to grasp this comparative advantage, notwithstanding the cultural and educational attainment challenges I mentioned earlier that also sets Tasmania apart from the rest of Australia.

In summary, the four recommendations supported by the Government involve:

- a forum to develop the partnership model between UTAS and TasTAFE;
- a joint investigation into funding the partnership;
- initiatives to support growth in the international student market;

- and increasing the percentage of graduates qualifying at Diploma/Advanced Diploma base from the 2009 base.

The Secretary of the Department of Education, Colin Pettit, and UTas Vice-Chancellor, Peter Rathjen, have already met to discuss how to best progress these four recommendations.

And Mr Speaker, interim TasTAFE CEO, Stephen Conway, will seek to meet with the University Council this year. There is obvious growing anticipation in the school, VET and higher education sectors that these measures will greatly improve the attitude and accessibility to education in Tasmania, increasing participation and attainment through the closer integration of these three sectors.

But the interest in an integrated tertiary education sector is not only an academic one. In forums with industry and business leaders, there is a very strong interest in the productivity opportunities presented for employers and employees.

Mr Speaker, these productivity opportunities can operate in two directions: gaining post-graduate and other degrees at UTas for those already with a VET qualification, or through the direction with greater traffic; gaining VET qualifications at TasTAFE for those already with a degree.

## **Department of Education and New Roles**

Mr Speaker, with the establishment of TasTAFE and the passage of legislation, the Department of Education will take responsibility for roles formerly performed by Skills Tasmania when it was a statutory authority.

As I mentioned earlier, the functions of Skills Tasmania minus the Board will return to the Department of Education as a business unit.

In particular, this legislation covers the general administration and workforce development system, once the responsibility of Skills Tasmania and from 1 July returning to the Department of Education.

The Department of Education will become the State Training Authority, a status dealt with under existing Commonwealth legislation.

Once the Tasmanian Training Agreements Committee with Skills Tasmania, the same functions of:

- overseeing the administration of training contracts and vocational placements;
- advising the Minister, and make recommendations, on policies and guidelines in relation to the operation of training contracts and vocational placements; and
- monitoring the effectiveness of training contracts and vocational placements;

will apply to the Tasmanian Traineeships and Apprenticeships Committee within the Department of Education. The membership of the former committee under Skills Tasmania will be transferred to the new committee, and as Minister, I am confident its good and professional work will continue.

Where the process of the Tasmanian Traineeships and Apprenticeships Committee decisions were reviewable by the Skills Tasmania Board, this function will now be undertaken by the Secretary of the Department of Education. The Secretary may delegate this function to a senior staff member or could enlist the services of, say, a Tasmanian Industrial Commissioner, dependent on the nature of the appeal.

Mr Speaker, Group Training Organisations are employers of apprentices and trainees, providing an employment and training service that is highly valued by many businesses that become the hosts for these apprentices and trainees. This legislation covers the listing, registration and compliance of Group Training Organisations.

The return of Skills Tasmania functions to the Department of Education includes the purchasing responsibilities of vocational education and training. The use of public funds to subsidise the provision of vocational education and training, and the development of policy and industry consultation to guide that purchasing, is an activity that has grown increasingly in sophistication over recent years.

Mr Speaker, all of these new roles for the Department of Education are covered in the General Administration of Training and Workforce Development System of the legislation.

### **VET in Schools**

Mr Speaker, in her report Ms Simmons clearly envisages a strong relationship between TasTAFE and Tasmanian schools and colleges. It is my expectation that TasTAFE will build upon the work that has been done to date to ensure students continue to have access to a vocational pathway leading to the attainment of a meaning qualification.

Existing auspicing arrangements will transfer from the Polytechnic to TasTAFE and students currently engaged in a vocational program under these arrangements will not be affected by the passage of this legislation.

### **Transitional Provisions Bill**

Mr Speaker, a number of transitional arrangements must be put in place to ensure the passage of this legislation delivers as smoothly as possible:

- the establishment of TasTAFE;
- the move of Skills Tasmania and the former Tasmanian Training Agreements Committee to the Department of Education; and
- teachers registration to enable the Teachers Registration Board to grant specialist VET registration to teachers who are already registered.

Specifically for TasTAFE, the Transitional Provisions Bill will provide for:

- TasTAFE to be the successor in title to Polytechnic and Skills Institute

- continuation of the Skills Institute Board and audit committee to sign off on the financial statements
- Skills Institute Board to provide a semi-annual report to the Minister for tabling in Parliament
- avoidance of doubt provisions in regard to Polytechnic and Skills Institute employees, students and courses, By-laws of Skills Institute, and legal matters
- closure of Skills Institute bank accounts

Specifically for Skills Tasmania and the former Tasmanian Training Agreements Committee, the Transitional Provisions Bill provides for:

- continuation of the Skills Tasmania Board and audit committee to sign off on the financial statements
- Skills Tasmania Board to provide a semi-annual report to the Minister
- continuation of Skills Tasmania Equity Committee
- continuation of terms of members of the Tasmanian Training Agreements Committee as initial members of the Tasmanian Training Contracts Committee
- continuation of operational requirements for group training organisations
- continuation of training agreements and vocational placements
- transfer of General Manager, Skills Tasmania position to the Department of Education
- transfer of documents, contracts and legal matters

## **Repeals and Consequential Amendments**

Mr Speaker, consequential amendments are required to the *Education Act 1994*, the *State Service Act 2000* and 13 other Acts to reflect the new arrangements. Consequential amendments will be made to a number of Acts to reflect the *Training and Workforce Development Bill 2013*. This includes amending references to the Tasmanian Polytechnic, Tasmanian Skills Institute, training agreements, Skills Tasmania and *Vocational Education and Training Act 1994*.

All of these Acts are itemised in the Repeals and Consequential Amendments Bill 2013.



Specifically, the *Teachers Registration Act 2000* will be amended to create a new category of registration; specialist vocational education and training, and to extend its coverage to include TasTAFE.

A number of Acts and subordinate legislation will also be repealed as set out in the Bill.

## **Conclusion**

Mr Speaker, as I said at the beginning of my address, I am very mindful that it is critically important we understand and learn from the past, and put in place fundamental principles as a foundation for training and workforce development into the future.

The process leading up to the presentation of this legislative package to Parliament has ensured this has occurred.

Mr Speaker, this legislative package and the reforms it supports has the overwhelming support of the staff and users of the publicly-subsidised, training and workforce development system.

Supported by a very small team within the Department of Education, the implementation of the Government's response to the Review has been one which has exhibited extraordinary levels of support and productivity. The voluntary assistance involved in the workgroups has been overwhelming, with around 150 practitioners and other staff involved in various aspects of implementation.

This is testimony to the broad support for the establishment of TasTAFE, and I would like to take this opportunity to thank all of those involved with the work necessary to implement the Government's response to the Review.

And Mr Speaker, in understanding and learning from the past, and putting in place the fundamental principles of this system, the Government has avoided over-complicating matters, as exemplified by the Object of this Act:

‘to establish a system of training and workforce development that supports a skilled and productive workforce and contributes to economic and social prosperity’.

Mr Speaker, as I said earlier, the vision for the publicly-subsidised, training and workforce development system builds on the Object to make it aspirational:

‘Tasmania has a system of publicly-subsidised training and workforce development that continually develops a skilled and productive workforce and delivers economic and social progress’.

Mr Speaker, the Government fully supports the introduction of these Bills.

I commend the Bills to the House.