

**VOCATIONAL EDUCATION AND TRAINING (COMMONWEALTH
POWERS) BILL 2011**

SECOND READING SPEECH

THE HON. NICK MCKIM MP

MINISTER FOR EDUCATION AND SKILLS

I move that the Bill be now read the second time.

Mr Speaker, Tasmania's vocational education and training system provides a wide range of education and training opportunities for Tasmanians. It also provides the skills required by our economy, Tasmanian businesses, our communities and the career development needs of Tasmanians.

High quality vocational education and training is a cornerstone of Tasmania's future, as the number of occupations requiring high level skills increases.

We are all familiar with the role of VET in preparing people for the traditional trades, such as in construction, the metal industries, commercial cookery, automotive and the like – and this role continues to be a vital cornerstone of the VET system. But VET is far more than trade training – important as this is. Several tens of thousands of Tasmanians each year study in a diverse range of fields such as: business; aged, child and disability services; information technology; tourism; engineering - and so I could continue. And for many, VET provides a second chance to gain essential foundation skills such as literacy and numeracy and to establish a meaningful career and a fulfilling life.

Tasmanian VET students undertake their studies through more than 100 registered training organisations including the Skills Institute and Tasmanian Polytechnic and a significant number of not-for-profit and private providers.

These providers are registered to operate under a national scheme so that those registered in Tasmania by the Tasmanian Qualifications Authority are registered to operate nationally. Similarly, a provider registered in another jurisdiction does not need to re-register with the Tasmanian Qualifications Authority to conduct business in Tasmania.

Unfortunately, this regulatory scheme has led to inconsistent regulation across the nation, which in turn has resulted in the emergence of some providers that are more focused on the bottom line than providing quality training and assessment. We cannot afford to allow poor quality providers registered in another jurisdiction to operate in Tasmania and undermine the quality and integrity of our training system. And this is not an experience that is limited to Tasmania, with evidence of quality issues in all states and territories. An example of this problem is the adverse public comment and scrutiny of low quality providers of VET programs to international students in recent years and a subsequent review conducted by the Hon Bruce Baird, AM.

Mr Speaker, this matter has been taken extremely seriously by the Council of Australian Governments, which has agreed to introduce a new regulatory regime for VET.

COAG has agreed to the establishment of a national VET regulator through the referral of state constitutional powers to the Commonwealth. This agreement is codified in an Intergovernmental Agreement for Regulatory Reform in Vocational Education and Training. Western Australia and Victoria have declined to cede their powers to the Commonwealth and will, in lieu, enact 'mirror' legislation so that there is a nationally consistent regulatory regime.

The key objectives in establishing the new regime are to:

- build confidence in the quality and consistency of assessment and training which in turn supports confidence in the abilities of VET graduates;
- ensure consistency in application of national standards and regulatory activity in all jurisdictions;
- streamline the regulatory burden for providers operating in multiple jurisdictions;

- ensure consistency in the application of sanctions and the treatment of low quality providers;
- provide clear lines of accountability and responsibility for quality of VET;
- address significant failure in the regulation of private providers servicing international students, recognising that regulatory failure in any jurisdiction damages the reputation of providers across the country; and
- ensure a coordinated response to emerging issues in the sector that require a regulatory response.

The New South Wales Parliament provided the initial referral of state powers to the Commonwealth, which, then, using those powers, enacted the *National Vocational Education and Training Regulator Act 2010* and the *National Vocational Education and Training Regulator (Consequential Amendments) Act 2010*. Based on the provisions of this legislation, the Commonwealth has established a new national VET regulator – the Australian Skills Quality Authority - or ASQA - as a Commonwealth statutory authority. Subject to passage and proclamation of the Bill currently before the House (which will adopt the Commonwealth laws), ASQA will open offices in Hobart and plans to commence operations in January 2012.

There will be no cost to Tasmania in the establishment and operation of ASQA, as the Commonwealth will underwrite its establishment and provide transitional funding for four years. In fact there will be a small saving to Tasmania as a result of the transfer of the VET regulatory function from the Tasmanian Qualifications Authority to ASQA. While there will be fee increases associated with the regulation of training organisations and courses, I would anticipate that most providers will absorb this cost or minimally increase their prices. There is absolutely no case for providers to use fee increases to implement significant price increases.

Mr Speaker it is vitally important that Tasmania has a high quality vocational education and training system. Increasingly, our economy and business enterprises rely on more highly skilled workers in occupations that require complex use of technology, industrial processes and business systems. The

low-skill/no-skill jobs of the past are rapidly disappearing and are being replaced by new, high-tech industrial and business applications across all industries. We cannot afford to be left behind and we certainly must ensure that skill development through our vocational education and training system delivers the high level of skills required, which in turn will require high quality training providers – an objective that I am confident the new regulatory scheme will deliver.

I commend the Bill to the House.