

**ACPET SUBMISSION**

to

**LEGAL AFFAIRS AND COMMUNITY  
SAFETY COMMITTEE**

---

**QUEENSLAND TRAINING ASSETS MANAGEMENT  
AUTHORITY - REPEAL BILL 2015**

---

Contact  
Matthew Traynor  
Queensland State Executive Officer  
ACPET  
(07) 3210 1628  
[Matthew.traynor@acpet.edu.au](mailto:Matthew.traynor@acpet.edu.au)

17 June 2015

Research Director  
Legal Affairs and Community Safety Committee  
Parliament House  
George Street  
Brisbane Qld 4000

**RE: Queensland Training Assets Management Authority Repeal Bill 2015**

The Australian Council for Private Education and Training (ACPET) welcomes the opportunity to provide comment to the Legal Affairs and Community Safety Committee on the Queensland Training Assets Management Authority (QTAMA) Repeal Bill 2015.

While ACPET notes the specific objectives of the QTAMA repeal bill and the advice sought by the Committee on key aspects of QTAMA operations, ACPET's submission seeks to underline the substantial benefits for all students, communities and industry alike, through equitable access to government owned training assets in a reforming Vocational Education and Training (VET) system. To maximise the skills development opportunities for all Queenslanders, there is an opportunity for the Committee to support maximising access for training providers to underutilised facilities, in particular in regional Queensland and high youth unemployment areas.

ACPET's interest in providing this submission to the committee is twofold. As a key stakeholder and leader in the VET sector, ACPET has a strong desire to see training assets fully utilised to support all students across Queensland, especially with the re-introduction of a \$60 million investment into the Skilling Queenslanders for Work initiative under the Working Queensland plan. The private sector plays a significant role in supporting and skilling our community's most disadvantaged individuals as evidenced in the number of members who have pre-qualified supplier status with the department and deliver training under the current Community Learning initiative. There is also evidence documented in the Skills and Training Taskforce final report, that a central co-ordinating body is essential in realising maximum usage of public training assets. That is, while little data is publicly available, there has been underutilisation of TAFE assets, despite attempts at introducing third party access policies. In this regard ACPET's submission is not about a public/private divide. The focus is about improving utilisation rates in facilities where TAFE is not fully exploiting them.

The future of public asset management should therefore be based on collaboration and ensuring delivery to communities occurs rather than a fear of competition.

The strategic use of Queensland's training assets by public and private training providers will boost education and skilling activities and participation across the state and maximise the return for taxpayers. QTAMA was established to ensure the maximum use of these training assets occurred.

Put simply, there has been limited time to implement the arrangements or judge QTAMA's

success. For the benefit of Queenslanders, the model for asset management does need to facilitate greater use. It is recognised that this approach is challenging to TAFE Queensland, which explains their reticence to support the reform. Because of the limited time since implementation, ACPET's submission is that any change should be based on evidence. In that regard no decision should be made prior to the completion of an independent Strategic Asset Review to determine the levels of current and expected future usage and if the assets indeed are fit for purpose. ACPET would be a willing contributor to this review.

In summary, where there are training assets being underutilised they should be available for other providers to train more Queenslanders through the funded initiatives in the Government's Working Queensland plan. ACPET is committed to working with the Queensland Government to develop arrangements, which ensure the best possible outcome for students, industry and Queensland communities. It's important that there is a real plan that caters for the State's future training needs and deals with the issues of unemployment and underemployed people.

### **ACPET introduction**

Established in 1992, the Australian Council for Private Education and Training (ACPET) is the national industry association for private providers of post-compulsory education and training. ACPET has over 1300 members nationally, delivering a full range of higher education (HE) and vocational education and training (VET) and English language courses across all states and territories. ACPET and its members have a substantial footprint in international markets both in on-shore and off-shore markets.

As the national peak body for private providers, ACPET is committed to quality in the tertiary education system and has taken a significant leadership role across the sector on this issue. ACPET members commit to a Code of Ethics and Practices which governs all aspects of their business operations, as well as the actions of their partners and contractors.

Members are subject to oversight and scrutiny of their operations by other members and by the Board of ACPET and its National Quality and Ethics Committee. ACPET members renew their membership each year and must comply with the stringent Code of Ethics and national RTO standards. Quality and Ethics and the growing of a quality membership base are the critical oversighting and independent role the ACPET National Quality and Ethics Committee performs. This is a commitment to raising the standards of the association to ensure that membership is seen as a badge that signifies quality.

### **The rationale and intent behind the requirement for a centralised co-ordinating body such as QTAMA**

Whilst there is no data available on the utilisation rates of training assets operated by TAFE Queensland, there are a range of reports that have highlighted the underutilisation over a significant period of time.

In 2006, the Government released the Queensland Skills Plan, identifying fundamental reforms to the skilling of Queensland. Action 7: Investing in TAFE infrastructure and ICT was one of the major initiatives focused on providing a learning environment that was attractive to students, nurturing their interests and learnings. The initiative looked at the refurbishment of existing facilities, the acquisition of new facilities and the disposal of

unutilised facilities. In addition, the initiative was to open the training assets through third party access arrangements to private providers. This recommendation is evidence that the Government had determined that the training assets under the then TAFE Queensland regime were underutilised and in need of repair.

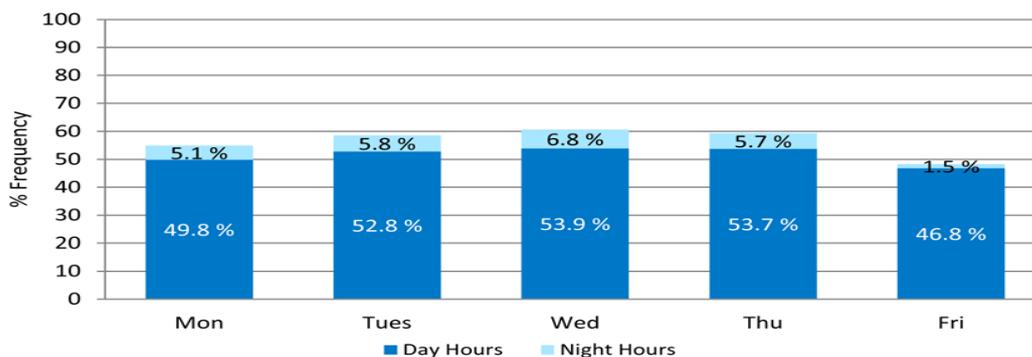
Unfortunately despite the recommendations there was no change in access arrangements.

Six years on and the status quo remained with the Queensland Skills and Training Taskforce making further recommendations in November 2012 on how the training asset use needed to be maximised to benefit all Queenslanders. The Taskforce recommended the formation of an independent body, to control the overall management of the assets and coordinate the leasing arrangements.

The graph below is an analysis provided to the Skills and Training Taskforce, in developing its recommendations to then Minister on the way forward on asset management.

Southbank TAFE is a state of the art campus that has been completely rebuilt. Despite a \$508 million dollar investment, its utilisation rates, at best, were just over 50%.

Asset utilisation at Southbank Institute of Technology (SBIT) – Semester 1, 2011



Source: Department of Education, Training and Employment (2012), Southbank Institute of Technology, 'CELCAT' data collection 2012.

The Queensland Commission of Audit confirmed that facility utilisation is less than 50% across the TAFE Queensland's network.

*"Current asset utilisation rates across TAFE Queensland have been estimated at an average of 40% on Monday to Friday between the hours of 8.00am to 6.00pm. Higher utilisation occurs in peak times between 9.00am and 3.00pm, and on Tuesday to Thursday. Lower utilisation occurs at other times."*

(Queensland Commission of Audit report)

These utilisation figures will continue to decline in a competitive environment where the quality of training products, flexible delivery modes and employment and skills development priorities increasingly are shaping delivery arrangements. Students are more and more choosing to study and learn new skills in more contemporary and practical work environments with private providers.

*"A business as usual approach will see TAFE Queensland continue to lose market share, particularly as more and more state and federal funding for VET becomes fully contestable between public and private providers".*

(Michael Roche - Chair Qld Skills & Training Taskforce)

As a result of this analysis, the Skills and Training Taskforce Final Report made two key recommendations (3.6 & 3.7) to establish a range of strategies to substantially reduce TAFE Queensland's infrastructure footprint and the associated capital running costs, which in turn would assist in increasing the viability of the public provider. Further, these recommendations indicated that the requirement to establish a central point of government to co-ordinate the usage of publicly owned training assets to ensure maximum utilisation was being achieved and the state had a strategic and consistent vision that linked training efforts to labour market needs.

These recommendations informed the establishment of the QTAMA Act in 2014 which provided for an independent body to effectively and efficiently manage the Queensland Government's training assets primarily for the provision of VET. The Act requires QTAMA to operate "*in accordance with sound commercial principles*" as a designated 'not for profit' under the direction of a board of management reporting to the Minister.

The independent nature of QTAMA was designed to manage these assets on behalf of the Queensland Government to ensure maximum use of training assets, with TAFE Queensland given first priority. QTAMA was chartered with the responsibility of developing an annual asset management plan that would look at all commercial objectives of owning, acquiring, developing, maintaining, disposing and valuing of these training assets.

Abolishing QTAMA without any actual evidence of asset utilisation will undermine any future attempt to exploit assets, by both public and private providers, to better skill Queenslanders.

It is ACPET's submission that any decision on the Queensland Training Assets Management Authority Repeal Bill 2015 should be delayed until after an independent review has been completed. Based on this review, a mechanism to ensure training assets are used to the maximum benefit for Queensland students, communities and industry can be developed.

### **The experience with QTAMA**

The enormity and complexity of establishing QTAMA should not be underestimated. QTAMA was undoubtedly an ambitious initiative and the first of this type of reform in Australia.

The concept of a central government body managing and co-ordinating the leasing and utilisation of Queensland's training assets was based on economic principles, balanced with a commitment towards social and community responsibility; with the ultimate aim of ensuring assets were utilised to maximum capacity and not closed to the community due to a lack of patronage.

Establishing QTAMA as a statutory authority with tight implementation time frames has produced intermittent results in the time it has been in existence. The initiative has not been given enough time to establish itself or to deliver outcomes against its key objectives.

During the two year transitional period under the QTAMA Act 2014, TAFE Queensland was afforded the same priority access it has always been traditionally granted with no accountability on its overall usage or any additional costs incurred. TAFE Queensland has had the priority and choice of training sites and space to deliver specific courses to meet student and community expectations; and the Department of Education Training and Employment (DETE) has continued to fully subsidise the rent TAFE Queensland paid to QTAMA. This arrangement has not provided any incentive for TAFE Queensland to become more

competitive or efficient in the way it maximises the usage of training assets across the state and meets the needs of industry and communities.

On the commencement of QTAMA, ACPET assisted with formal communications to the private training sector on the options of short or long term hire or leasing arrangements of the training assets. This created a large group of over 700 providers expressing an interest for further detailed information and costings. Just over 400 of these enquiries were interested in access to regional facilities where the lowest utilisation rates occur. There were also over 100 other providers, inclusive of the 700, who expressed an interest but did not specify a location.

The ability of QTAMA to turn these commercial leads into leasing arrangements has been hampered by difficulties in identifying TAFE site priorities and needs. This meant that underutilised assets could not be recognized and leasing arrangements to improve use could not be established with credible private providers. This situation has discouraged private training sector interest due to commercial business realities around timing of decisions and the sustainability of a lease in this environment.

ACPET has case studies to present to the Committee on how the private training sector has tried to access facilities or collaborate with TAFE Queensland, only to be denied access or be told they are direct competition.

#### *Case study*

*An ACPET member who operates on a state-wide basis, was requested by industry partners to deliver a pre-employment program in a regional setting where youth unemployment is high and employment through apprenticeships were available.*

*The member was aware that the local TAFE Queensland facility was not utilising the workshops required to deliver the training and made the approach with a willingness to pay commercial rent.*

*The member was advised that private providers are in direct competition to TAFE Queensland and the facility was not available for use.*

#### **The way forward**

ACPET submits that an independent Strategic Asset Review needs to be commissioned and completed to identify utilisation rates and assets that are of strategic importance to building skills for the labour market of the state and also those assets that might be realised for reinvestment or upgrading.

This review should identify those assets that can make a significant contribution towards the Queensland Government's strategic platforms; Jobs Queensland, Innovation Queensland and Building Queensland.

Informed by this review, decisions will be far better informed on what is required on the role of QTAMA and the concept of a central coordinating body, or if indeed QTAMA needs to be abolished through the repeal bill and the assets handed back to the Department of Education Training and Employment.

ACPET would welcome a role in assisting the Strategic Asset Review and implementation of its recommendations.

### **Concluding comments**

ACPET has always recognised the important role of the public provider. It is imperative that the sector is enabled to boost skills acquisition that meets the economic growth and occupational demands of this state. The important role and objectives of QTAMA to assist in ensuring that the system gained the most out of public training assets is still imperative for a future skills agenda.

QTAMA hasn't had enough time or co-operation.

It is ACPET's submission that the Legal Affairs and Community Safety Committee should not support the Repeal Bill, subject to the Queensland Government articulating the priorities for public training facilities and the commissioning of an independent Strategic Asset Review to chart a contemporary direction that will enable student's maximum access to local modern facilities.

The Review will therefore become the platform for an evidenced based decision on the management and use of Queensland's training infrastructure.