

# TAFE Queensland Amendment Regulation (No.1) 2014

Explanatory notes for SL 2014 No.101

made under the

*Acts Interpretation Act 1954*  
*TAFE Queensland Act 2013*

## General Outline

### Short title

*TAFE Queensland Amendment Regulation (No.1) 2014*

### Authorising law

Section 17 of the *Acts Interpretation Act 1954*  
Sections 50, 57B, 57O and 67 of the *TAFE Queensland Act 2013*

### Policy objectives and the reasons for them

#### Dual sector entity at Central Queensland University (CQUniversity)

In September 2013, Queensland Government entered into a Merger Agreement with CQUniversity to establish a dual sector entity at the University from 1 July 2014. The entity will be established by merging the Central Queensland Institute of TAFE (CQIT) with CQUniversity. CQIT is currently operated by the Department of Education, Training and Employment (DETE) as a TAFE Institute under Chapter 6 of the *Vocational Education, Training and Employment Act 2000* (VETE Act). It is necessary to recognise CQUniversity as a dual sector entity and to transfer various matters from CQIT to CQUniversity to complete the merger under a Regulation.

On 21 May 2014, the *TAFE Queensland (Dual Sector Entities) Amendment Bill 2014* received Royal Assent. The *TAFE Queensland (Dual Sector Entities) Amendment Act 2014* amends the *TAFE Queensland Act 2013* to provide for the recognition of dual sector entities. A dual sector entity is an education provider which operates in both the higher education and vocational education and training (VET) sectors and is permitted to use the protected term TAFE in relation to its training products and services.

The *TAFE Queensland Act 2013* provides that a transfer regulation may be made to transfer various matters between relevant TAFE entities. A dual sector entity prescribed in a regulation is a relevant TAFE entity under the amendments included in the *TAFE Queensland (Dual Sector Entities) Amendment Act 2014*.

The *TAFE Queensland Act 2013* also provides for a regulation to prescribe the amount for proposed significant action under section 570. The effect of this is that if a dual sector entity proposes to enter into an arrangement for any of its operations that commits to spending more than the amount prescribed under a regulation it must first give a notice to the Minister. For example, if CQUniversity proposed to acquire property for the purpose of its educational operations at a price of more than the prescribed amount it would need to first notify the Minister.

Section 570 of the *TAFE Queensland Act 2013* provides that any sale, lease or mortgage of assets transferred to a dual sector entity under a transfer regulation is a significant action irrespective of the value. This means the prescribed amount does not apply to dealings with assets transferred to CQUniversity under this Regulation.

#### Transfer of TAFE Institutes to TAFE Queensland

The *TAFE Queensland Act 2013* commenced operation on 1 July 2013 and established an independent body, TAFE Queensland, to be the public provider of VET in Queensland. It was intended that TAFE Queensland would assume responsibility for the operation of all TAFE Institutes in Queensland, with the exception of CQIT, as part of a restructuring of TAFE. Currently, DETE operates TAFE Institutes under Chapter 6 of the *Vocational Education, Training and Employment Act 2000*.

Since the establishment of TAFE Queensland, the *Queensland Training Assets Management Authority Act 2014* has been enacted providing for the establishment of a statutory body, the Queensland Training Assets Management Authority (QTAMA) to manage the State's training assets. QTAMA will be responsible for managing assets such as land and buildings currently used by TAFE Institutes to ensure that the Government receives the best possible return from its investment in those assets. TAFE Queensland will be able to lease the assets it requires to deliver VET to its students.

## **Achievement of policy objectives**

#### Dual sector entity at CQUniversity

The Regulation achieves the policy objectives by:

- prescribing CQUniversity, established under section 4 of the *Central Queensland University Act 1998*, as a dual sector entity;
- prescribing \$3 million as the amount for a significant action under section 570 of the *TAFE Queensland Act 2013*; and
- providing for the transfer of assets, liabilities, student enrolments and other matters from CQIT to CQUniversity in accordance with the Merger Agreement.

## Transfer of TAFE Institutes to TAFE Queensland

The Regulation achieves the policy objectives by providing for the transfer assets, liabilities, and other matters of TAFE Institutes to TAFE Queensland other than excluded assets and liabilities. The Regulation does not transfer those assets and liabilities that are being retained by DETE or transferred to QTAMA. A regulation made under the *Queensland Training Assets Management Authority Act 2014* will provide for the transfer of training assets to QTAMA.

## **Consistency with policy objectives of authorising law**

The Regulation is consistent with the main objectives of the *TAFE Queensland Act 2013*.

## **Inconsistency with policy objectives of other legislation**

The Regulation is consistent with the policy objectives of other legislation.

## **Benefits and costs of implementation**

The recognition of CQUniversity as a dual sector entity is anticipated to provide significant benefits to Queensland, particularly in the central Queensland region. This Regulation provides for the transfer of assets to CQUniversity valued at approximately \$116.7 million. The transfer of these assets will provide CQUniversity with a significant increase in training facilities which will assist it to perform its role as a dual sector entity. The Queensland Government has also agreed to contribute approximately \$40 million in revenue in the first 18 months after CQUniversity is recognised as a dual sector entity.

The costs of the transition from the remaining TAFE Institutes to TAFE Queensland will be met from existing resources.

## **Consistency with fundamental legislative principles**

The Regulation is consistent with fundamental legislative principles.

## **Consultation**

DETE consulted with CQUniversity and TAFE Queensland during the drafting of the Regulation.