



Speech by
**Mr DENVER
BEANLAND**

MEMBER FOR INDOOROOPILLY

Hansard 22 October 1998

**BUILDING AND CONSTRUCTION INDUSTRY (PORTABLE LONG SERVICE LEAVE) AMENDMENT
BILL**

Mr BEANLAND (Indooroopilly—LP) (5.12 p.m.), continuing: I rise to continue the debate on this piece of legislation, which was adjourned a couple of days ago. There are a number of very important issues in relation to this matter, one of which I was touching upon when this debate was adjourned in the House the other day, namely, the raiding of hollow logs.

This legislation seeks to give the Minister the power to raid yet another hollow log. Labor made a complete mess of the Workers Compensation Fund. That is now history. It obviously now wants to get its hands on the Portable Long Service Leave Authority, to which major reforms were made by the coalition. The funding for the scheme is financed by a levy imposed on construction work with a project value worth some \$42,000 or more. At the time of its introduction, the levy rate was 0.5% for projects valued at \$40,000 or more. After some gradual reductions in previous years, the coalition reduced the levy to 0.15% in 1997. At the time of this reduction, the then Minister, the honourable member for Clayfield, stated—

"... this levy rate reduction will provide a direct benefit to the building and construction industry as it will reduce the impost on clients of the industry by \$4.3m per year without affecting benefits to employees coming under the scheme or using the fund's surplus as a funding source."

The coalition treated this scheme as a form of security for workers in the building industry, not as a hollow log that could be raided at the whim of the Government of the day. The coalition funded skills shortages initiatives out of consolidated revenue, and Labor has not. Importantly, that is a significant difference. We all remember the situation. That was confirmed in Labor's Budget. \$35m was put into the Workers Compensation Fund, now WorkCover. That followed a \$35m injection two years ago by the incoming National/Liberal coalition Government and, of course \$35m, last year. A total of \$105m has been poured into the Workers Compensation Fund, now WorkCover, out of consolidated revenue to bail it out after it was raided. We are seeing the same thing again in this instance. We are now seeing another raid.

Members of the Government can point to the healthy condition of the Portable Long Service Leave Fund today. However, world financial markets—not so much Australia's— are highly volatile at the moment, and that will have an effect on this country and no doubt on this fund. One cannot say with any certainty that the fund will remain in its healthy state in the long term, given the current state of financial markets. In the future, unforeseen circumstances might mean that this authority will require all of its funds.

If the Government wishes to put aside more funds out of consolidated revenue for various training programs, so be it. It can do so. There is nothing stopping it. But raiding this hollow log—something for which the former Goss Government was so famous—will spell disaster in due course. This raises another important issue, namely, that the independent trustees will not be audited by the Auditor-General. I understand that they will be audited by someone else. That they will not be monitored by the Auditor-General is a matter of grave concern. After all, who knows what "independent trustees" means? That can mean anything. The Minister will appoint the trustees. I am not saying that they will be close friends of the Minister, but they may be people who are from the Labor side who wish

to ensure that the Government continues to have input into this area. That is fine. However, we all know what happened in certain States—Victoria and South Australia—when banks were allowed to go unchecked when they should have been brought to heel long before they were. So we could end up getting into a serious situation in relation to this fund.

That is simply not good enough in this day and age. The Labor Party in Government elsewhere has been caught before and is walking into a similar trap in relation to this matter. This raises a range of serious issues in people's minds. People have every reason to question where this Government is heading. If money was coming out of the Consolidated Fund in the normal course of events, that would be fine. However, this is not the normal course of events. A raid is taking place—something that we have seen so often in this place in relation to other funds.

It is worth while noting that the legislation had to apply from 1 October. I notice in the amendments that have been circulated—at least I think they have been circulated—that that has now been changed. Obviously, the Minister had some problem in getting the legislation into Parliament in accordance with the timetable. If the Bill was so important, one would have expected that at least he would have been able to have the matter processed through this place in the normal course of events. That has not even occurred and there have had to be some amendments.

The coalition did fund skill shortage initiatives out of consolidated revenue. We need to be very concerned about just what is taking place. Is the Government not prepared to put up funds for this area of activity? We have heard so much from the Government about jobs, jobs, jobs. What was it? "Last thing at night, first thing in the morning." If it was the last thing at night and the first thing in the morning, it has very quickly been given a fairly low priority in that suitable funding has not been made available in this area. I notice that this Budget has allocated \$25m less for capital works than what the National/Liberal coalition had in its May capital works budget. So much for that! There was an opportunity there to generate jobs and opportunities for people with skills and to help people gain additional skills by being trained. It must ring alarm bells for the building industry that the Government is going about this matter in this way. It is something that should be of major concern to all those opposite.

In relation to this piece of legislation, I would have expected that some detail would have been revealed as to the numbers who are going to be trained and the jobs that are going to be created in the long term through this process, yet none of that has been revealed in this particular piece of legislation at all. It seems to reveal that the Minister has no strategy—none at all—in place to reduce unemployment. We are certainly not getting that through this piece of legislation. We are told that it is so important yet, if it cannot show what the benefits are going to be at the end of the day through long-term job creation, one has to question what the purpose of this legislation is except to milk the cow and raid the hollow log so that the Government can get its hands on additional funds, because the relevant Minister has been singularly unsuccessful in convincing Cabinet, Treasury and the Treasurer that he should have additional funds to spend in this particular area for training initiatives.

In speaking of that, I should say that the Government will need many initiatives—more than what we are seeing here in this legislation—to bring down the unemployment figure to 5% over three years. The facts are that the figure has grown in recent times. It is one thing to create opportunities for skills and training—we certainly need all of that—but it is another again to put in place long-term jobs, job opportunities and job security for people.

This piece of legislation is deficient in a number of very important areas, areas in which I believe the people of Queensland have every right to get some indication from the Minister as to exactly what the bail-out arrangements will be when this fund gets into trouble. He has to give some indication and some commitment to this Parliament in this debate as to what is going to be the situation. Surely this Government is not going to let this fund deteriorate to the extent of the problems a number of years ago with the Workers Compensation Fund—now WorkCover—which needed a direct input of \$105m over three years out of consolidated revenue before doing something about it. Surely there will not need to be a change of Government, with the National/Liberal coalition coming to power, before this fund is bailed out. We do not want to get into that situation because it is not good for the long-term benefit of this State or for the small businesspeople out there, and it is certainly not good for those people who are in the training field and those who are being trained and gaining skills and long-term job opportunities. It is to no-one's benefit and to no-one's long-term gain for that sort of situation to occur. Therefore, it is important that we get some commitments and indications from the Minister as to exactly what will happen in relation to this matter.

The Minister raised a number of other matters in relation to this. One such matter relates to the Construction Industry Skills Centre joint venture. In a report back in 1995, the Auditor-General was very critical of the way in which the then Government was operating this particular centre. He said—

"The Construction Industry Skills Centre joint venture was established to provide high quality building and construction industry related training and skills enhancement in which

industry, unions and TAFE Queensland aim to deliver training and skills focused on the industry's needs and employment outcomes.

The Department, through the Vocational Education, Training and Employment Corporation, contributed \$4.304 million to the establishment and maintenance of the Queensland Construction Industry Skills Centre fund represented by—

\$4 million for property purchase ...

\$0.250 million for the purchase of equipment; and

\$0.054 million for a contamination survey on the site.

As no audited statements had been received to support the expenditure from the Department's appropriations and the uncertainty of taxation issues not resolved in respect of the College of Warehousing, I qualified my audit certificate ..."

The same senior departmental officers and other officials who were responsible for that unsatisfactory situation are now driving the agenda to focus construction training at this centre. It is little wonder that this side of the Chamber has these concerns when we see this sort of situation. Again the same people are in charge who were in charge previously, and these problems can easily come up again. I am sure that if it is left to the people at the helm currently, they will certainly do just that.

In that situation millions of dollars were collected through this backdoor approach and then control of these moneys was vested in independent trustees. The Minister needs to give this House a few assurances, as I have already indicated, in relation to independent trustees. We are going down the same trail again that we have been down previously. Wherever one looks, one sees that it is a repeat of what has gone on previously under the former Labor Government. It is repetition. We see it in other States and we see it here time and time again. There seems to be a problem when it comes to managing the taxpayers' funds in these particular areas.

It is worth while noting also that the Minister and his leader have been unable to get right some of the simple arithmetic to match up what are essentially straightforward items to show the transparency of the financial operations. In the second-reading speech, the Minister says—

"The amount involved under the current activity levels will be approximately \$5.4m in the first year of operation. The fund will be administered by Construction Training Queensland ..."

However, in a speech to the Construction 2001 conference last October, Mr Beattie said—

"Around half of the \$4m raised through the levy would be used as incentives to employ apprentices."

There is a slight disparity even in those figures: \$5.4m and \$4m. Surely it cannot be fully accounted for by an increase in collections by the Portable Long Service Leave Authority during the period since October 1997 when the member for Brisbane Central, the then honourable Leader of the Opposition made those statements and when the Minister made those statements today. There is quite a significant disparity.

Similar differences in arithmetic occur throughout. We are concerned that those differences do not come back to bite the taxpayers of this State, as we have seen so often, and as we saw with WorkCover—the workers compensation scheme. At the end of the day, it is small businesses that will have to pick it up, unless it comes out of consolidated revenue. As the money came out of consolidated revenue, it was the taxpayers who bailed out the WorkCover scheme. Had that not occurred, small businesses would have had to. The taxpayers' contribution of \$35m a year has not been recognised as saving small business from that particular onslaught of costs that would have occurred in that instance.

There are similar differences when the honourable member for Kedron, the Minister, and the Premier discussed Labor's radical proposal to let contracts for 150 public houses to be built under the Housing Industry Trade Training Scheme, thereby enabling Labor to match the coalition allocation of housing to this particular scheme.

I could go on at length, but I think that I have already shown the very significant concerns that this side of the House has because of the failings we have seen over and over again when these people in the Labor Party are running these programs. The funding problems that they experience speak for themselves. It is obvious that they did not throw in \$105m out of Labor Party funds for WorkCover. It is little wonder that we are concerned about seeing the taxpayers having to pick up the tab each time.

We believe that this Bill is totally unnecessary. The funding for this training should clearly come out of consolidated revenue. I think that this highlights that the Minister is simply not up to the job. He has failed the trainees and the young people of the State yet again, because he has not been able to honour his election commitments without raiding this hollow log.
