



Speech by

**DESLEY BOYLE**

**MEMBER FOR CAIRNS**

---

Hansard 20 October 1998

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

**Ms BOYLE** (Cairns—ALP) (4.04 p.m.): I rise to speak in support of the proposed changes to the Building and Construction Industry (Portable Long Service Leave) Act 1991. That legislation was introduced by the Goss Labor Government in 1991 and took effect from 1 July 1992. It created a scheme to provide building and construction industry employees access to portable long service for service to the industry rather than to one employer. At that time, the concept was not new to Queensland; it had been promoted by Labor back in the early 1970s at a time when Tasmania already had an established scheme.

Unfortunately, although the concept was supported initially by the then coalition Government, I understand that it was subsequently dropped in the absence of full support from the industry. This was regrettable because every other State in Australia and the ACT proceeded to introduce their own schemes. Together, they established a national reciprocal agreement to give workers in their building and construction industries portable long service leave. This move had the added advantage of maintaining their skills base by encouraging workers to return to the industry after downturns and lay-offs. It is interesting to note that Queensland was the last State to introduce portable long service leave and we now face a disproportionately higher skills shortage than that of the other States.

When the Goss Labor Government gained office, it did not muck around with the issue: it established a working party comprising Government, employer and employee representatives to consider the best long service leave option for Queensland. The working party's recommendations were accepted and became the basis for the new legislation. After two decades of industry lobbying, Queensland's building and construction industry employees finally had access to portable long service leave.

Our scheme has been such a huge success that in the past six years over 70,000 employees voluntarily took up membership. The scheme was funded initially by a levy on building and construction work. However, now that the fund has \$144m under investment, the majority of its income comes from interest earned through the Queensland Investment Corporation. Currently, that income is supplemented by a modest levy set at 0.1% of the cost of building and construction work. The reduction of red tape has led to an estimated saving of over \$3m for the Government. Additionally, industry compliance has improved, resulting in 18% more revenue from the workplace health and safety fee. Now it is time to pass the savings back to the industry. The changes will reduce the portable long service leave levy by 25% and the workplace health and safety fee on building work by over 28%.

Today, we are seeing the commitment of this Government to support an industry that is vital to Queensland. This is no piecemeal commitment, no half-hearted good intention, no mere feeble rhetoric; this is part of a comprehensive program to address problems that were ignored or even created by the previous coalition Government and the dilettante Minister whom it appointed. The Beattie Labor Government is targeting this central industry sector across the policy spectrum to provide a tailor-made, suitable regulatory environment to ensure its future success. These initiatives include the workplace-related policy areas of industrial relations, employment and training, workers compensation, workplace health and safety, portable long service leave and more.

In the area of industrial relations, the Government seeks to introduce to the building and construction industry workplace reform based on cooperation and consultation, not the confrontationalist

agenda that has been pursued by other Queensland and Commonwealth Governments. The electorate of Cairns, and I dare say other electorates also, want inclusive and cooperative workplace strategies that recognise the legitimate roles of both employer and employee representatives. This Government will work within the context of reality, not pursue some ideological agenda. We will recognise what we have already that works and build on it. We understand the imperative for workplace reform but we will pursue this with the backup of a secure safety net. We will ensure that traditional areas of coverage are maintained to minimise demarcation issues. However, we will also encourage amalgamations of employer and employee organisations where parties consider those to be in the long-term interests of the industry.

In the area of employment and skills development, the Beattie Government's election undertaking was to break the unemployment cycle. We will create a massive increase in apprenticeships and traineeships. We are going to get long-term unemployed people working again and we have practical policies to achieve this. Our policies are active ones, where Government rolls up its shirt sleeves and does not wait forever for the market to do the work while people suffer.

Government policies include the 10% policy for Government capital works, where 10% of the labour hours in Government construction contracts will have to involve people in training. That is already happening in Cairns with work—and unemployment and training positions—having commenced on the \$28.5m Convention Centre extension. We are recommitting to the Housing Industry Trade Training Program, which will build the equivalent of 150 houses a year and train 200 new apprentices a year. We are creating the Building and Construction Industry Training Fund with the allocation of an estimated \$5.4m per annum, and \$3.6m in 1998-99 if this Bill is passed. It will supplement existing training efforts to provide additional relevant and needed training. At least half will go to employing apprentices. That will mean another 800 to 1,000 jobs per year—jobs for people who need jobs in an industry that needs people.

In the area of workers compensation, we have identified non-compliance in the payment of premiums as a major issue. In 1995-96, as much as \$50m—maybe even as high as \$100m—worth of premiums were not paid. The industry is concerned at the advantages that shonky operators are able to gain for themselves by not paying what they should. We will investigate the possibility of minimising non-compliance by levying premiums on principal contractors as a charge on projects collected by the Portable Long Service Leave Authority. Again it is a time for Government to act to ensure that all work is covered and that all employers are on an equal footing.

Taken as a whole, the proposed amendments provide a number of significant benefits to the building and construction industry. Firstly, the amount paid by the industry each year in fees and levies will drop by \$2.3m. Low-cost housing will continue to be exempt. The disparity between civil and other work is removed, at no additional cost to any civil construction project. Mid-range housing projects will be brought into line with all other building and construction work. Twenty-five per cent of the work currently notifiable to Government can now be excluded, which means a huge reduction in red tape for the industry. Administration of the scheme will be simplified. It will be easier for levy and fee payers to calculate their payments. Forty per cent of the projects that are currently notifiable to the authority will have less to pay, and that is without taking into account the benefits that the training fund will produce within the industry.

In the State Government Capital Works Program, as well as reinvigorating the 10% policy that I have already referred to, we will insist that companies that win Government contracts must meet conditions that show that they are good corporate citizens. We will move to take into account bids from regional companies, emphasising regional employment and regional sourcing of supplies. They will have to have an enterprise bargaining agreement in place, they will have to meet their training obligations and they will have to comply with workplace health and safety, workers compensation and portable long service leave requirements. Government is the biggest customer of the building and construction industry and we will not be doing business with shonks. We will be rewarding the people who play fair and square.

The Labor Government believes in a coherent and comprehensive approach to this vital Queensland industry. We offer a broad program of policies that address the special difficulties of an industry that is central to the Queensland community and economy. In particular, this Government is out to break the unemployment cycle in this State. As a major employer, this industry is a priority and this Bill is one more step in our ongoing agenda of getting Queensland back to work.

---