



Speech by

Mr DOUG SLACK

MEMBER FOR BURNETT

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

Mr SLACK (Burnett—NPA) (5.44 p.m.): In his second-reading speech on 6 August, the Minister for Employment, Training and Industrial Relations made the claim that the coalition had done nothing in the area of training during its time in office, except for a massive engagement in rhetoric. The member for Kedron knows all about rhetoric. He knows all about rhetoric to the exclusion of practical and positive effort. I will take this opportunity to remind the House of the strategy that underpinned the coalition's fine efforts in training in the 28 months in which my colleague the member for Clayfield was Minister. And I turn for inspiration in this instance, firstly, to the occasion of the Construction Training Expo held in Brisbane two years ago. The member for Bulimba was present on that occasion. He may like to remind the new Minister of the occasion.

The gathering heard on that occasion the coalition Government's view that the construction industry historically had made a great contribution to the development of Queensland. We should all recognise that contribution and pay it due credit. It is a major contributor to Queensland's economy and a significant employer of the State's work force. It is true, as my colleague the member for Clayfield pointed out on that occasion—as he had done previously and has done subsequently—that there has been a reduction in the number of formally trained tradespeople currently working in the industry. He referred to the fact that evidence suggests that the majority of workers in the industry do not hold formal qualifications and to the fact that there had been a drop-off in the number of apprentices in training over the preceding two years, following a peak in 1995.

But what was not perhaps widely known at that time—outside the construction industry itself—was that, by the third quarter of 1997, there were more apprentices in training in the building tradespersons category than there were in 1990—a 13% increase, in fact. At that time, the Opposition—the Labor Party now in office but not in power—was making a lot of the reduction in new apprenticeship approvals over the preceding couple of years. It was, of course, ignoring the cyclical nature of the construction industry—something that relates to another factor that the Labor Party historically has had difficulty comprehending: the law of supply and demand. This must inevitably have an impact on the intake of apprentices.

It is never surprising that, in the private sector—the sector from which the legislation we are debating proposes to obtain a concessional cash flow from workers' holiday pay to fund training—bosses who must be driven by the profit and loss account are slow to add costs when things are not going as well as they might. We would all agree that the bumps in the private sector economy should be ironed out as far as possible. The key lies in what is possible. And I just make the point that Fabian meddling has been a historic failure in that regard. We would all agree that training our young people for a lifetime in the work force is the most important thing that we can do. And the fact is that the coalition was doing it with—on the evidence so far to hand—rather more effect than the Labor Party has demonstrated this time around.

In an economic context, Governments at both Federal and State levels in this country have to work to promote an economic environment and climate which will encourage demand and, in turn, ensure supply. That is an elementary rule of government on which there should be no argument on a partisan basis in this House. The question turns more on the ways of achieving this sort of outcome on

a regular and sustained basis. In the construction industry, the subject of the legislation before us at the moment, subcontracting, for example, brings into play complications that do not exist in other sectors and for which, if I may make another critical observation about the relative weight of rhetoric versus action where this minority Labor Government is concerned, the ALP's history and political imperatives seem ill equipped.

High-level training wages is one such case in point. There remains a broad consensus among employers—one acknowledged by the union movement; a factor that deserves to be noted—that these are often too high to encourage private sector employers to take on apprentices. In Opposition, the member for Brisbane Central sought to persuade us that the answer lay in a compulsory training levy imposed by the Government—one of those Clayton's taxes; the tax you pay when the Government of the day does not want you to wake up to the fact that you are paying a tax. He takes the same view in Government, as we know. That is why we are having this debate today. But however the Premier and his Minister for Training dress up this little scam, the fact remains that a training levy in the construction industry is simply another new tax for home buyers and developers to pay—a new tax that effectively will force up the price of building a house or high-rise apartment block and thereby help to reduce demand. That is exactly the opposite of the outcome that a development-friendly Government should be seeking.

There are better ways to achieve the thoroughly laudable goal of a better trained building and construction industry work force. It would be better to focus on the wage issue within the industry's cost structure rather than add a further bureaucratic element to that structure. That is something else that Labor has yet to understand as it grapples with the horrific difficulty of dragging its early 20th century class struggle mentality into the bright future of the 21st century.

When the member for Clayfield as Minister introduced the portable long service leave levy in 1997, it was well received by the industry and the community for the cost-reduction effect it brought to bear. What we have now, of course, is a Labor plan to get round the unpleasant public relations downside of a formal training levy by raiding the Portable Long Service Leave Fund. This minority Labor regime wants to do what all meddlesome and manipulative Labor regimes have always done: it wants to rob Peter to pay Paul—in this case by happy coincidence almost literally. The difficulty for the Peter in this principle, however, is that paying Paul will in the end inevitably cost votes.

According to the Minister for Training, the building and construction industry has been calling for a training levy. He said in his second-reading speech that we had ignored those plaintive cries for help while we were in office. He went on to say—and I believe his words are worth repeating—that Labor's initiatives offer substance that equates to real jobs and real skills. He said—

"While I do not contend that these initiatives will be a panacea, resolving all the industry's skills problems overnight, they are a positive step in the right direction, ensuring that a strong skills base is developed to take this industry into the 21st century. This will also avoid the necessity to import skilled labour from overseas."

So that those opposite hear it one more time, I repeat: the coalition is the jobs-building party. The coalition produced 40% of all of Australia's new jobs when it held office in Queensland between February 1996 and June 1998. That is a proud record and one that gives the lie to Labor's self-serving prevarication on the issue. I remind members opposite that when the Goss Government left power, growth in Queensland was 2.2%. When this Labor Government took office the figure had grown under the coalition Government to 4.5%. I am pleased to see that the Minister is modest enough not to claim that he can create his brave new world in six days plus smoko time. He will not be curing the problem overnight. We can be sure of that at least.

Training is a complex issue made more complicated in this instance by the fact that Labor's much-vaunted jobs creation strategy—a strategy that owes its true sense of urgency less to the predicament of Queensland's young job seekers than to the Premier's political requirement to deliver the undeliverable, his 5% promise—relies overwhelmingly on the public sector. It is the private sector that drives Queensland. It is the small-business sector that drives Queensland. This is the private enterprise State, the small-business State. Does Labor know that? Does Labor really care?

The coalition's jobs creation strategy—now being undermined by Labor's meddling—encouraged work-based training that reduced the need for apprentices to spend long periods away from their workplace. It demands training programs that are flexible and which offer short-term training arrangements. It is private sector oriented. It is aimed at delivering training in the productive, wealth-creating private sector. Labor's recipe instead carries the threat of a return to the failures of the past. It is important that that is recognised, particularly since the Government-run—or at least Government-controlled—training regime promoted by this Government proposes to fund a dubious public policy by raiding the holiday funds of private sector workers.

In his second-reading speech, the Minister told the House that as of 30 June this year the building and construction industry portable long service leave scheme had investment funds of \$144m.

The Minister— and one could almost see the gleam in his eye when he mentioned this—said that that represented many times the amount required to cover payments of claims. Aha! There was a surplus, a hollow log for Labor to scrape out in pursuit of money to fund its manipulation of the industry. It never makes good financial sense to raid funds simply because there is a surplus that can, with the stroke of a ministerial pen, be made available for immediate use. It makes far less sense when the use to which it is planned to put those funds lies outside the ambit of the original intent. It is close to downright daylight robbery to seize the funds of building industry workers without so much as a by-your-leave.

There are many great workers in the building industry who toil long and hard to earn their crust. They are entitled to view the balance in the long service leave fund as theirs, collectively, to be used for the purpose for which it was collected and on which their fund can earn interest in the commercial deposit market. That is what is so wrong with the Government's smash-and-grab policy in this instance. It is not the Government's money; it is the workers' money. For the benefit of the Minister, I repeat: it is the workers' money. It does not deserve to be turned into a tax on effort and enterprise at either end of the building industry—the input end, where the workers are, or the output end, where the buyers are.

It is also worrisome that these amendments to the coalition's sensible arrangements are predicated by the Minister on the basis that they represent no additional cost either to industry or the Government—for which, read the taxpayer. The danger is that another financial raid precedent is being set. The danger is that once a justification has been found to siphon \$5.4m a year out of the building and construction industry workers' holiday fund, some justification will be found in the future to siphon off a few more dollars.

I turn now to an organisation in Bundaberg that has done a lot towards the creation of apprenticeships and traineeships for young people. I refer to the role that BACAS plays. BACAS is a public company limited by guarantee that was formed in 1986 to help increase the level of apprenticeships and later traineeships that were available in the Bundaberg district. It is one of more than 100 such group training companies in operation throughout Australia employing more than 26,000 apprentices and trainees. Currently BACAS employs 129 apprentices, 60 trainees and 28 administrative training staff. No doubt the members opposite would join with me in commending BACAS for the efforts that it makes in providing a future for young people.

BACAS was created in 1986 in response to a need. It was delivered by private enterprise. It has a board. The original chairman, Mr Phil Ainsworth, is still the chairman of BACAS, which is funded by private enterprise with assistance from the Government. The manager of BACAS, Mr Tom Quinn, is well known to many members. He has provided excellent leadership in the role that he has played between 1986 and 1998.

Mr Santoro: He is one of the outstanding trainers in Queensland.

Mr SLACK: He is one of the outstanding trainers in Queensland. He has been recognised by an OAM in the 1997 honours list. He has been recognised by industry with several awards over the years. We need to pay tribute to the role that he plays in the Bundaberg area. The scheme that he administers provides 70% of the trainees and apprentices in the building industry in the Bundaberg region, which includes Monto, Gayndah and Mundubbera. Since 1986, many young people have gained jobs and employment through the contribution that has been made by BACAS and by the people associated with it. I take the opportunity to commend those people for the contribution that they have made to the employment of young people.

I would like to point out that the administrative costs have been contributed by Government. \$146,000 has been provided by a combination of funding from this Government, the previous Government and the Commonwealth Government. Industry itself contributes a considerable amount of money to BACAS.

Mr Speaker, as you are well aware, members of the Opposition are very supportive of apprenticeships and traineeships. Through the efforts of the previous Minister, the now Opposition spokesperson, over the short years that we were in Government the coalition developed policies that contributed to a considerable number of people being employed in the construction industry. It is wrong for the Government to imply that little or nothing was done by the coalition in the two and a half years that we were in office. As members opposite well know, the figures speak for themselves: 40% of all jobs created in Australia in the period that the coalition was in Government were created in Queensland.
