



Speech by

Mr J. HEGARTY

MEMBER FOR REDLANDS

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

Mr HEGARTY (Redlands—NPA) (3.47 p.m.): I rise to speak against the portable long service leave amendment Bill, which is another regressive act of the minority occupants of the Treasury benches that runs directly counter to the real interests of Queensland and Queenslanders. Specifically, I want to speak about the dangers inherent in the provision of training funds from the sort of levy on builders in the construction industry being proposed by the Government. The fact is that such milking operations do not have a good record where real achievement is concerned. As experience in Western Australia and other jurisdictions indicates, they are a risk to actuarial soundness and, where highly prescriptive, interventionist Governments are concerned, primarily of benefit as public relations tools only.

Honourable members who exist outside the ambit of the Government Deputy Whip's area of operations—a majority of members in this place—would want to be very sure of the Government's genuine expectations for the scheme that it proposes before they accept the veracity of the arguments put forward by the Minister. They will want to be sure that sufficient emphasis is placed by this Government on the strategic needs of the industry in Queensland. They will certainly want to be assured that the specific interests of the organisations represented on the governing body of the scheme are not overly emphasised. In short, honourable members will want to see the colour of the Government's money on this amendment. They will not be impressed if it is simply another Labor stunt promoted in the interests of the ALP and its mates.

Every member of this House desires to see genuine and high levels of employment growth in Queensland for Queenslanders. It bears repeating at every available opportunity that it is not solely on the Government benches that this fundamental desire finds expression and overwhelming interest in finding employment opportunities—far from it, as the 60% of Queenslanders who did not vote for the Government well understand.

The argument is about method. It is about achieving genuine outcomes—real outcomes. It is not about unrealistic targets. It is not about bulking up the public sector in an attempt to get as near as possible to the outstretched handful of fingers that the Premier lit upon as his percentage unemployment aim. The issue of training and apprenticeships is too important to be used as a political football. Genuine private sector jobs growth is the aim of all sensible players in Government and the national debate generally. However, we have seen very little from the lacklustre Government opposite and certainly from the Minister most directly concerned, the honourable member for Kedron, that inspires confidence in an outcome that every Queenslanders could cheer.

The risk is that, in pursuing the policies it claims to be pursuing, policies that are designed to create large numbers of apprenticeships and traineeships—an objective we on this side of the House overwhelmingly support and, in fact, in Government pursued as a primary objective—this Government will instead take Queensland back to the industrial and job creation policies of Labor's failed past.

The people of Queensland deserve better than to have foisted on them a version of apprentice subsidy schemes that have missed the target set for them elsewhere. That experience elsewhere has resulted in findings that the quantum of funds required has led to an excess of applications over budgeted funds available for training schemes. In other words, they were a good idea but impossible to

make happen on the level of funding available. We must avoid a situation arising in Queensland in which a similar unfortunate outcome results from the Government's well meaning—if also politically convenient—desire to play a role in creating employment for young Queenslanders.

Our proper course is to create a training regime in Queensland that is appropriate to the circumstances of the State and the exigencies of the times. It is true that in the mishmash of policy and spending responsibilities that currently exists between the States and the Commonwealth—and on which we await with heightened anticipation some sign of genuine Commonwealth interest in resolving effectively—training policy is in substantial measure dependent on Federal initiatives. However, it is also the case that the federated nature of this country means that it is possible for a State to avoid the pitfalls identified in a policy that has been implemented elsewhere.

The intent of most industry-based training funds and the levy arrangements put in place to support them is to provide greater opportunities for enhancing the skills of the existing work force and employee mobility. The new operating environment created by the presence in Canberra of a coalition Government takes training and apprenticeships substantially further down the road to real progress than was previously possible. The key role of private providers in the training sector as an integral leading element in the program—rather than an afterthought adjunct that some on the Labor side of politics think is the proper role for the private sector—has been cemented into place through the ANTA National Principles for Group Training.

Federal and State initiatives that impact on training and which might create flow-on effects for funding as proposed by legislation now being debated include new apprenticeships encompassing the vital principle of user choice. They include industry-based traineeships and entry level training support services in which the role of those bodies is to promote, market and increase the number of apprenticeships. They include the expansion of group training schemes under which Governments are to consider expanding their purchasing arrangements according to regional needs and priorities.

Our task in Queensland is to create mechanisms that work best for Queenslanders. It is simply not the case that the Bill now before the House will do that. As my colleague the member for Clayfield pointed out earlier in his contribution to the debate, the Bill proposes amendments to the existing legislation that will undermine the long-term actuarial soundness of the building and construction industry Portable Long Service Leave Fund.

The need to establish a training levy is not disputed on this side of the Chamber—far from it. The coalition in office introduced legislation to establish one. The minority Labor Government's amending legislation proposes to destroy that sensible initiative by the tired old ploy of finding a hollow log and raiding it. It does so in the face of considerable industry debate over what level of apprenticeships and, consequently, funding are required to service industry needs. That is the rub. This Government is obsessed with job creation.

Mr Purcell: It certainly is.

Mr HEGARTY: Good on it; so it should be!

The coalition Government was also obsessed with job creation—and with great effect, as we have seen by the record of our time in office when Queensland created 40% of all new jobs created in Australia. But we see clearly now what we have suspected since this Government came to office in June. It is obsessed with creating numbers to assist the Premier with his 5% unemployment plan—the plan that started off as a promise, became a target and then was sent off to the never-never land of wish-list politics.

In relation to the Building and Construction Industry (Portable Long Service Leave) Board and the amending legislation we are debating today, we see a further example of this smoke and mirror administration. We are looking at another expensive mirage. What is proposed is the exact reverse of good policy. In office, my colleague the member for Clayfield initiated a 25% reduction in the long service leave levy on builders and construction companies. Since the fund was established in 1992, there have been several other reductions because the fund was oversubscribed. Too much money was being committed. That created circumstances in which, based on actuarial advice, the projected long-term levy rate was forecast to be 0.15%.

The risk with the legislation now before the House is that, as has been seen with experience elsewhere, over time this de facto tax on the building and construction industry will have to rise to meet unfunded requirements in both training and its principal purpose, paying for long service leave for existing long-term employees in the industry. The experience elsewhere does not give cause for hope that Queensland under this Government—or the industry under the ministerial guidance of the member for Kedron—is any closer to perfection than ever. Studies in other jurisdictions indicate that apprenticeship numbers consistently fall below equity in comparison with construction value. There may be many reasons for that failure of correlation, but it is an even bet that what is taking place in the construction industry is the same technology-based driving down of employee numbers that is a feature of every other industry. According to a new report by the National Centre for Vocational Education

Research, tradespeople were the second lowest growth group in Australia in the past 10 years, with a growth rate of just 6.4%.

There is no argument that we need more tradespeople. There is no argument—on this side of the House at any rate—that as a State and as a nation we need to give more emphasis to training people for jobs that accord with their aptitudes. Traineeships and apprenticeships are integral parts and absolutely fundamental elements of any policy to boost practical, trade-based training for long-term employment for young people. However, it is essential that traineeships and apprenticeships are planned for and funded on the basis of the likely rate of demand for the skills imparted by the training. In the history of Federal and State Governments, we have seen numerous examples of training schemes with no likelihood of a meaningful job at the end of the period of training. In other words, if the Minister meddles with the facts—and the fact in this case is that there is a definite limit to the number of building and construction industry entrants—he is likely to come a cropper. When the Government's political misadventure impacts adversely on the industries it is charged with supporting and promoting, it is doubly culpable.

As studies elsewhere have indicated and as commonsense should indicate even to people such as those opposite who have allowed themselves to become obsessed with their own fanciful forecasts, the primary driver of apprenticeship numbers in the building and construction industry is the level of industry activity. Here in Queensland construction is a far larger component of the State economy than in any other jurisdiction. We know that. We have had record growth in Queensland over a number of years. This is a happy outcome for our role as Australia's growth State, which, despite the activities of the present Government, is likely to continue. But the fact is also that such consistently higher levels of activity mean the potential to use building and construction as an engine for Government employment growth targets is significantly limited.

Mr Purcell: Do you know how many apprentice chefs we are going to be short in a few years time when the Games are on? You would want to wait until the Games got here to train them, wouldn't you, you goose? You have to train them now.

Mr HEGARTY: The member should go on a diet and reduce consumption. I have been talking about the perception, underlined by a strongly held view within sections of the industry, that a skills shortage exists within the building and construction industry. It would be reasonable to expect that the Government, which is trying to push through this amendment Bill, would have some definite idea of the extent of the skills shortage in the building and construction industry—skills shortages which the Government is seeking to address. However, sadly this is not the case.

I ask honourable members to consider the following. During the recent Estimates committee hearing, a non-Government member asked the Minister to provide the committee with detailed statistics of the actual assessed shortage of skilled employees in the skill areas that he is seeking to address by various Government training schemes. In his answer, the Minister went on to provide a list of the entire range of industries that are eligible for training subsidies and also a list of industries with what he termed "current skills shortages".

Mr Santoro interjected.

Mr HEGARTY: They are very touching, but very hollow.

Mr Santoro: There was nothing specific.

Mr HEGARTY: No, it was a lot of rhetoric. Nowhere in his voluminous and not very helpful answer did the Minister provide the detailed statistical information that was required by the non-Government members of the committee. To underline this dreadful lack of preparation, on 14 October the Minister issued a media release titled "Survey to Identify Industry Skills Shortages." In the first paragraph, it stated—

"A joint government-industry survey of the State's top construction companies will identify major skill shortages in Queensland before more than 3,000 apprentice positions are created as part of the State Government's job initiatives."

In that release, the Minister stated further—

"Survey results will be used to target future training to meet the industry's needs."

The Minister stated further—

"We have to plan today to ensure we've got the skills to keep Queensland building and growing in the future."

Further, the Minister stated—

"While it was widely acknowledged that the industry was facing a skill shortage, specific skills gaps needed to be documented."

Mr Santoro: So is it fair to say he has not got a clue what he is talking about?

Mr HEGARTY: One would be led to that conclusion.

Mr Santoro: Skills shortages and nobody—neither the member for Bulimba nor the Minister—has given us a figure.

Mr HEGARTY: No. I think that we would at least be entitled to some statistical information.

As the shadow Minister has pointed out, we have an admission by the Minister that he is bringing on these training initiatives although he and his Government really do not have a clue as to specifically where the training moneys, which he is seeking to appropriate through this amendment Bill, are to be directed.

Mr Santoro: The member for Bulimba, who was going to provide us with the figures, didn't provide them either.

Mr HEGARTY: He is still working on his figures.

Mr Santoro: Is he working on the figures or his figure?

Mr HEGARTY: In view of the apprenticeship shortages, I think that he should be working on both, but that is another matter.

This is from a Government which, in Opposition, said that it was ready to govern, that it knew what it had to do, and that it had a plan. In reality, the plan was a hastily cobbled together 10-point plan which, at best, was meaningless.

Mr Santoro: But he is fleshing it out.

Mr HEGARTY: Yes. At worst, it is useless and the Government is now seeking to implement it on the run and without any real idea as to why it is going about implementing some of its initiatives.

Mr Santoro: He is doing a survey. The plans are coming together. He has forums, he has task forces, he has Bannikoff going for it all.

Mr HEGARTY: That will be very helpful in the aftermath—in the criticism—when the plan fails. I conclude by saying that it is essential that the Government give a fundamental and firm commitment to this House that its proposed changes to the levy arrangements will not financially disadvantage the long service leave fund. It is also essential that honourable members hear from this Government a complete assurance that the building and construction industry will not be used as a cash flow contributor for the Premier's political jobs figures target. If we receive those assurances, it will give us a bit more confidence that this Minister and this Government are genuine in their target to reduce unemployment to 5% within the term of this Government. However, I believe that without the statistical backup information, it is very unlikely that the Opposition will be able to support this amendment Bill.
