



Speech by

Mrs E. CUNNINGHAM

MEMBER FOR GLADSTONE

Hansard 20 October 1998

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

Mrs LIZ CUNNINGHAM (Gladstone—IND) (5.44 p.m.): In addressing this Bill, I want to take a couple of minutes at the beginning to commend a group training program in my electorate. Dave Burns administers the training scheme.

A Government member: He's a good man, Dave Burns.

Mrs LIZ CUNNINGHAM: He has a big heart with the young people whose training he has overseen. I know that we have talked on innumerable occasions about opportunities to train. Dave is a very good bloke. He has been working hard—certainly well beyond his job description—on the group training. He has always been concerned about the amount of work that parliamentarians and others in the decision-making role invest in young people and he gets very frustrated when the rhetoric does not match the actions. In particular, there has been a long-term problem—not with any particular Government, but with a succession of people who have held the portfolio—in that he can see very productive opportunities for training that are being lost.

One of the issues that I have discussed with the current Minister for Housing and with the previous Ministers is a simple allocation of housing commission houses for the training apprentices to work on when they are returned from private enterprise. If there was a defined allocation of six houses a year in our area, he would probably put on 15 construction apprentices because he would know that there was work for them to fall back on when the private enterprise training ceased. We have not been able to get that firm undertaking to date, although the current Housing Minister has advised me that he has that matter in train. The training of apprentices is something that we talk about a lot, and I think we need to ensure that anything we do is not only consistent with that intent but also transparent.

I want to thank the Minister for the access that I have been given to his officers and for the briefings that they have given me. I greatly value the opportunity to get up-front advice from a number of his officers here and also from his office staff. I want to raise just a couple of matters and I seek a response from the Minister, if possible, in his reply.

Although I do not have a great deal of concern about the long service aspects of the legislation, including the amendments that have been circulated, I probably have a fundamental concern with the proposal to take the training levy from the fund. Whilst I understand all the words that the officers are saying and the rationale behind it, I have a fundamental concern that has probably been raised on a number of occasions in the House while this legislation has been debated. I would just like to go through the issues, perhaps not in any order.

The HIA wrote to me some time ago—actually back in August—raising its concerns. It has several, and I would be interested in the Minister's response to those concerns. I have no doubt that the HIA has raised them with the Minister on a number of occasions. One of the concerns relates to the use of the Portable Long Service Leave Fund to fund training. The HIA does not have a problem with training; it has a problem with the fundamental issue of using what is an accumulating fund for a purpose other than the designated purpose.

It also has problems with the proposal to change the threshold. I understand that, prior to about May this year, the threshold for payment was \$42,000. In May this year the previous Government altered that and put in a two-tiered fee-paying structure: \$120,000 for houses, and it remained at \$42,000 for civil works. The Minister may correct me on that. The proposal under this legislation is to reduce the \$120,000 threshold back to \$80,000. I guess one of the pluses to that change is that the higher threshold has been in for only about five months. The HIA asserts that the new threshold will add \$200 to the cost of an average new home. I would be interested in the Minister's comment on that. We are talking about the \$80,000 to \$120,000 home price bracket; we are still talking about a lower income group that will be affected. I would certainly be interested in the Minister's comments on that for the record. His officers have already commented on some of these matters.

There is another issue on which I would like the Minister's comments. The statement made at the Construction 2001 Conference has been quoted in this place a number of times. That statement certainly seemed to imply that the Minister is intending to set up a separate levy as a training levy. This Bill in effect still accumulates that same amount of money, but it appears that the Minister has shifted ground from setting up a separate levy to withdrawing that levy from the Portable Long Service Leave Fund. I would be interested in the rationale behind that change. The only reason given by the Minister's office was to avoid administration charges. I would be interested to know whether the Minister considered any other issues in changing what appeared to be the original strategy.

I guess the principle is that there be transparency in the proposal. I cannot find in the Bill that the Government has set an upper limit. If the current proposed structure is approved—that is, that money will be taken out of the Portable Long Service Leave Fund—apparently there will be no upper limit on the percentage that can be extracted. It leaves that fund vulnerable if the Government of the day decides to raise the percentage. At the moment it is set, but there does not appear to be any mechanism to ensure that what is set now is inalterable. It could just increase, as often occurs.

I ask the Minister for clarification of a matter raised earlier today in the speech of the shadow Minister for Employment. The shadow Minister said that there was a proposal to transfer all of the building industry training which is currently undertaken by Yeronga TAFE to the group training scheme administered by Construction Training Queensland. I would be interested in a comment on that specific issue.

Leading on from there, I raise an issue of concern to me. My involvement with Construction Training Queensland has been predominantly in the area of approvals for, say, gold cards for construction workers who have not done the course but are assessed on their skills. As far as I am aware, if people in my region or in any of the regions outside of the south-east corner, require assessment, they have to apply to Brisbane and an officer from Brisbane travels up, at cost, stays up in the region, does the assessment and then either passes or fails the person on a skills-based assessment.

My concern is that there be a very obvious mechanism whereby Construction Training Queensland is required to allocate training dollars equitably across the State. Because this is where a significant number of people live, the pressure may be to give the lion's share of training to the south-east corner. My region has a huge problem with youth unemployment and has a great need for training. I am sure that is the case in a lot of regions. I am interested in the mechanism that the Minister sees will ensure that there is an equitable allocation of training dollars. The briefing from the Minister's office has clarified a number of issues about the structure of the training council and how it will be meeting—the fact that the final allocation of funding is signed off by the Minister—but I am interested in how the Minister sees it ensuring equity in that area.

I raise two other issues. Firstly, the amount of revenue from portable long service leave, based on the percentage formula, will vary from year to year. It is my understanding that apprenticeships are for three years, and for 1998—it is less than a full financial year—it is assessed that there will be \$3.6m in revenue. In 1999 that revenue goes up. In the year 2000 it reduces—not to the \$3.6m but below the 1999 level of revenue.

For training to be consistent and consistently available to apprentices that are put on, funding for training must be available in the subsequent two or three years, as is required. If there is a fluctuation in the funds available through the portable long service leave levy, how will that shortfall be made up? Is the Minister intending to fund it as a community service obligation or is there the possibility of apprentices being put on and subsequently having their indentures suspended or cancelled? If 50 apprentices are put on this year, those 50, plus any additional, have to be funded next year. I am interested to see how the Minister will do that, given the fluctuations in the funding that will occur with these cycles.

Secondly, it is said that the Portable Long Service Leave Fund is being used in this way because it is overcapitalised and there are actuarial statistics to prove that. If a line were drawn under the Portable Long Service Leave Fund and it were allowed to continue as a stand-alone fund and a

new training program with a similar levy system as is proposed were established, how long would that Portable Long Service Leave Fund remain self-funding?

From the documents, I believe it would be 11 years before the current excess is fully consumed, in which case the levy would have to be revisited. I understand that the Minister will be going back to the fall-back position for the levy—the 0.2%. Would that Portable Long Service Leave Fund remain self-funding in perpetuity if it were left alone and just ruled off today? I have already raised the issue of the cap of the percentage that will be taken from the fund to ensure that this training levy does not continue to eat into the capital reserves of the Portable Long Service Leave Fund.

I have asked the Minister about a number of issues. I still have a fundamental problem with the principle of using the Portable Long Service Leave Fund for an alternative purpose without a clear definition of income and expenditure. I will wait to hear what the Minister has to say in response to those issues, particularly the cap to ensure that the funds are not eroded to the disadvantage of those who have contributed.

I reiterate my support, without any reservation, for the training of our young people. Whether it is through this mechanism or through a stand-alone fund where the money is still brought from what are proposed to be the current payers but in a more transparent and isolated manner is a moot point, but I fully support the need for training, particularly for our young people. They are our greatest resource. They are an investment— not for now but for the future. I think our State will be the stronger for the work we do on their behalf.
