



Speech by

Mr N. ROBERTS

MEMBER FOR NUDGEЕ

Hansard 20 October 1998

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

Mr ROBERTS (Nudgee—ALP) (5.16 p.m.): I wish to address the vital importance of training to the building and construction industry and the role that the proposed training fund can play in enhancing the industry to better reflect the skill needs of this State into the 21st century. It was extremely disappointing to listen to speeches by Opposition and One Nation members in opposition to this proposition, which will enhance the skills and employability of many employees within that industry. Their opposition goes also to the improvements to the long service entitlements that will flow from this legislation.

This industry contributes \$11.8 billion to the State's economy and employs 8% of the work force. Yet the training within this industry is falling behind the levels necessary to maintain a skilled work force. In 1996-97, only about 40% of the estimated 2,000 apprentices required to maintain the trade skills base remained in training. Nationally, between 1993 and 1996 employer expenditure on training fell 15%—a drop of some \$14m. Queensland's share of this drop was a disproportionate \$8m, or 56% of the national decline. When one considers its potential impact on the future of this State, this is a frightening picture.

For some seven years or eight years, the building and construction industry has been calling for a training levy similar to those that operate in other States. As far as I am aware, the only opposition to that that has been expressed to any significant extent has been from the Housing Industry Association. As honourable members may know, training funds exist already in Western Australia, South Australia and Tasmania and have been successful in supporting the building and construction industries in those States. Although in the past Governments have been cautious, it is now time to hear this call and react. We need to provide an environment in which this industry can help itself.

The training fund proposed as part of this amendment is one positive step that the Government can take to show leadership on this important issue. The proposal establishes a mechanism to transfer a modest 0.05% of building and construction activity that can be levied, which in 1998-99 is estimated at \$10.8 billion, from the Portable Long Service Leave Fund to a training fund. This compares with the 0.25% levy which applies in South Australia as an example. This is a modest proposal and would equate to approximately \$5.4m in the full 1998-99 financial year.

As part of this proposal, the industry has agreed with the Government that the employment of young people will be a priority. As part of the Government's Breaking the Unemployment Cycle initiatives, this proposal is estimated to result in the employment of an additional 800 to 1,000 apprentices per year for the next three years.

The proposed subsidies to employers will assist in employing new apprentices and maintaining the employment of apprentices at risk of losing their jobs. Given the very high turnover of apprentices in this industry, this is a major feature of the fund. The subsidies proposed will be in addition to the existing subsidies from the Commonwealth Government and to those proposed under the Government's Breaking the Unemployment Cycle initiatives. All up, this Government and the industry are working together to make a major impact on employment for young people in the building and construction industry. This will be a tremendous boost to the jobs of young people in the industry and to those aspiring to a career in building or construction. It will also go a long way to replacing the lost skills

of those leaving the industry or being drawn south by the Olympics construction program. We must ensure that Queensland is not disadvantaged by the skills shortage at a time when the State needs the full advantage of a major public works program.

In addition, industry has priorities in the areas of upskilling existing workers, re-establishing a business culture that encourages training for the industry and promoting building and construction as a worthwhile career for young people. Upskilling existing workers in the industry is of particular importance to ensure that those workers get adequate recognition for their skills and are not disadvantaged in the skills development process for the industry. The civil construction sector is one where this priority is particularly strong.

The commitment by industry, not just the building and construction industry, to training has been under a severe challenge in recent years. In the building and construction industry this has led to an ongoing decline in apprentice numbers and a general reluctance by the industry to embrace new training opportunities. Consequently, this industry has been disadvantaged relative to some others in terms of maintaining a skilled, stable work force, which are two imperatives for an internationally competitive industry. The training fund will provide an improved incentive for employers to increase their commitment to training and over time will re-establish a culture that is supportive of training within the industry.

Recent experience within the building and construction industry suggests that there is considerable difficulty in recruiting the best school graduates into the industry. This is a cause for concern as it means that the industry will struggle to meet its needs into the 21st century. In competing with other industry sectors for the best students, building and construction has to lift its profile as a worthwhile and rewarding career. This is another priority for the training fund, which will provide funds to develop additional career counselling materials for use in schools and at career expos. Additionally, professional development for school career counsellors will provide added awareness of the industry and its potential for young people.

The development of the proposed training fund has included industry breakfasts across the State to ascertain employers' current feelings on the proposed priorities. The outcome of those breakfast meetings has been extensive support for the proposal, particularly from regional Queensland. Regional industry leaders just wanted to know how soon the new initiatives would be available. Those breakfast meetings highlighted an additional area of need outside of Brisbane: the need for better on-the-ground marketing of new training arrangements and support for employers to take on apprentices and trainees. The training fund can also make a contribution in this area with support from existing industry bodies and regional officers of the Department of Employment, Training and Industrial Relations. Group training companies also can play a role in the expansion of these new initiatives.

I have outlined just some of the benefits that will flow to the building and construction industry and, in particular, to the employees from the introduction of the training fund. This will be achieved with no additional costs to industry and will be administered through the Building and Construction Industry (Portable Long Service Leave) Authority to minimise administration costs. The fund is industry money, redistributed efficiently for the benefit of all participants in the industry. The introduction of this training fund is overdue. I commend the Bill to the House.
