



Speech by

**Mr S. SANTORO**

**MEMBER FOR CLAYFIELD**

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

**Mr SANTORO:** The Opposition will be opposing most strenuously the amendments contained in the Building and Construction Industry (Portable Long Service Leave) Amendment Bill 1998. It will be doing so for quite a number of fundamental reasons, including that the provisions of the amendment Bill represent the breaking of a promise made by Mr Beattie, Mr Braddy and the Labor Party, when in Opposition, in relation to the method of funding training initiatives within the building and construction industry. The amendment Bill seeks to change the objects of the Bill in a most fundamental manner and in a way that runs contrary to the objects of the original Act, which received bipartisan support. The proposed amendments threaten to undermine the long-term actuarial soundness of the fund and will inevitably lead to increases in the levy in the future.

There also exist within the building and construction industry considerable differences of opinion in relation to the alleged skill shortage within the building and construction industry. There exist considerable differences within the building and construction industry as to how the industry can best go about addressing this alleged skill shortage. There is considerable division within the building and construction industry as to how any surplus within the Portable Long Service Leave Fund should be used in the overall interest of the building and construction industry. For example, some significant sections of the industry believe that any surplus should be used to further reduce the rate of the levy, with a view to reducing the cost impositions on the industry and, through this, reduce the price of housing, particularly housing for first home buyers.

The Opposition will also contend that the Government has no mandate and, indeed,

sought no mandate to amend this Act of Parliament as it is proposing here today. There has been no meaningful consultation with the industry in relation to the amendments, and it is claimed that there has also been no consultation with the Building and Construction Industry (Portable Long Service Leave) Board prior to the announcement by the Minister. Of course, those are just a few of the many other reasons that the Opposition will be outlining in terms of its attitude towards this amendment Bill.

In the time available to me, I wish to elaborate on the stated reasons for opposing the amendment Bill. In doing so, I will in some cases refer briefly to issues which will then be taken up more extensively by other speakers on the non-Labor side of Parliament during their contributions. I wish to particularly refer to statements made by the Honourable the Minister in his second-reading speech and, in doing so, again appeal to him and the Labor Party to do the decent thing in this place, that is, to be intellectually and factually honest about what they say not only in relation to the issues which are being canvassed within this amendment Bill but also about other issues which they may raise. I say this because, in his second-reading speech, the Honourable the Minister makes statements which seek to either rewrite history or to ignore history. In addition, he demonstrates himself to be extremely miserly in giving credit to the coalition Government's performance and achievements in the area of training and, in particular, to the support which the Borbidge/Sheldon coalition Government gave to training initiatives within the building and construction industry.

Honourable members who have been in this place for some time will recall that both in Opposition and in Government, both within the

Parliament and outside of the Parliament, I acknowledged—and continue to acknowledge frequently—those good things that were done by the previous Goss Labor Government. Unhappily for Queensland, I was not able to do so with great frequency. However, when I was able to do so, I paid credit where credit was due.

**Mr Welford:** Name an example.

**Mr SANTORO:** One example was the bipartisan support that the Opposition gave to the then Goss Labor Government when the Act that this Government is trying to amend today was introduced. We thought that it was a reasonable thing to do. In fact, we gave credit for that and transformed that credit into support for the Bill. So if the honourable member does not want to demonstrate his relative immaturity, he should listen and learn how good politics should be acted out.

Unfortunately, what is being demonstrated not only in this amendment Bill but also right throughout the range of the new Government's initiatives and statements is a very cynical attempt to deny credit to the coalition Government and to rewrite history. I do not believe that this augurs well for the Government's stated intention to restore faith and trust in the way that this place operates and improving people's perception about the essentially honourable nature of what we, as elected representatives, are and, indeed, should be all about.

The Honourable the Minister, in his second-reading speech, stated that in October last year the Honourable the Premier—the then Opposition Leader—made a commitment to the building and construction industry that—

"When elected, the Government will introduce a package of initiatives which would revitalise the industry and stimulate the creation of new jobs."

What the Minister conveniently fails to state is the commitment made by the then Opposition as to how—and I stress "how"—such a package of initiatives should be funded.

In the abovementioned speech on 13 October 1997, the then Leader of the Opposition informed the Construction 2001 Conference of the following—

"I am pleased to announce to you today that Labor will introduce a modest, tightly targeted, training levy equal to 0.05% of construction costs within six months of coming to office. The levy will be collected by the Building Industry Long Service Leave Authority to maximise compliance and be administered by Construction Training Queensland. A 0.05% training levy, combined with the existing long service leave levy of 0.5% would equate to the previous rate of long service leave levy of 0.2% which

was being collected from the construction industry up until July 1997."

The then Leader of the Opposition went on to say—

"In reality, the training levy simply offsets the reduction and the long service leave levy so there is no net impact on the cost structure of the industry compared to its position four months ago. Around half of the \$4 million raised through the levy would be used as incentives to employ apprentices."

That was a very firm commitment which was again reiterated by the then Leader of the Opposition in a speech which he made to the Parliament, when he said that—

"Labor will introduce a modest, tightly targeted training levy equal to 0.05% of the construction cost."

He went on to state further that—

"... this has the support of the construction industry."

A similar commitment was made by the then shadow Minister for Employment, Training and Industrial Relations—now the Minister—to another construction industry conference, when he said—

"Labor will introduce a modest, tightly targeted training levy in the building and construction industry."

Of course, what the Labor Party did in Opposition was to make a very strong commitment to the introduction of a training levy. It is instructional, in view of the Beattie Labor Government's abandonment of such a commitment, to briefly look at why the then coalition Government was, and remains, opposed to such a levy. The reasons were quite simple.

First and foremost, the introduction of a training levy did not, and still does not, enjoy total building and construction industry support. A very large component of the building and construction industry—this component mainly represented by the Housing Industry Association and other associations of independent contractors—remains totally opposed to the introduction of a training levy, and it is particularly for this reason that the then Goss Labor Government, during its six years in office, did not introduce such a levy despite the very strong, regular and constant prompting by some sections of the building and construction industry for it to do so. That was its track record in Government.

We on this side of the House became extremely cynical when we heard the Minister in his second-reading speech state—

"Regrettably, the rhetoric espoused by my Opposition colleagues while they were in power came to nothing because their words were not supported by policies and programs

of substance. They constantly refused to heed industry advice regarding the need to produce a training levy."

When the Minister makes those statements, he proves himself and his Government to be hypocrites, because for six years in Government they also constantly refused to heed the so-called industry advice regarding the need to introduce a training levy. I would say to the Honourable the Minister and his Labor Party that they refused to take such advice for a very good reason, the same reason that the coalition Government took into consideration, that being that industry support for a training levy was very much divided. It is that sort of attempt to rewrite history and to denigrate former Governments that brings the practice of politics into disrepute. The Minister and his advisers should be very conscious of that when they compile their rhetoric for future contributions in this place.

Irrespective of what the Minister says, a very sizeable section of the building and construction industry remains strongly opposed to the introduction of a training levy. It is for this reason that the Minister has avoided introducing a training levy per se and is going about raiding the reserves and funds of the Portable Long Service Leave Fund. By doing so, he has still managed to offend the same sizeable part of the building and construction industry that he would have offended had he imposed his promised training levy. I believe that that is something the Minister will come to regret. I will elaborate on that point shortly. Irrespective of which way he goes, the Minister proves himself to be a loser.

Another reason that the Minister has not proceeded with the introduction of a training levy is that training levies in other States have a mixed record of achievement. That is an issue on which other speakers on this side of the House will elaborate later in the debate. They will speak about the dangers inherent in the provision of training funds from levies on builders and the construction industry that are similar to those being proposed by this Government. The fact is that such milking operations do not have a good record in relation to real achievement. As experience in Western Australia and other jurisdictions indicates, they are at risk in relation to actuarial soundness. Where highly prescriptive interventionist Governments are concerned, primarily their only benefit is that of public relations tools.

Honourable members who exist outside the ambit of the Labor whip—and that is 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 this State. They will certainly want to be assured that

the specific interests of 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. I will come back to those issues throughout the remainder of this contribution. Other speakers will also refer to them.

I have been discussing the first reason that the Opposition will not be supporting this amendment Bill, that being the Government's breaking of a promise to fund its training initiatives via a training levy—a promise that was made very easily in Opposition for the sake of cheap politics. But now, in the hard cold reality of Government, it is easily and quickly abandoned by the minority Beattie Labor Government in favour of an even more gruesome funding method that, in turn, constitutes the second major reason that the Opposition will oppose this amendment Bill.

Of course, I am talking about the amendment Bill's intention and attempt to change the objects of the Bill in a most fundamental manner and in a way that runs contrary to the objects of the original Act, which, during the original debate of 28 November 1991, received bipartisan support within this place. The fundamental object of that Act was to provide for an equitable and efficient system of portability of long service leave in the building and construction industry. The proceeds of the portable long service leave levy as administered by the Building and Construction Industry (Portable Long Service Leave) Board were meant to be utilised for the provision of retirement benefits for employees within the building and construction industry.

I think it is fair to say that, at the time that that particular Bill was being put through the House, the Opposition was lobbied strongly. Strong representations were made to the Opposition by various entities within the building and construction industry, particularly employers, that it not support the Bill. We weighed up those representations very, very carefully in Opposition. It is fair to say that the then Goss Labor Government expected the then coalition Opposition to oppose the introduction of a portable long service leave commission underlined by statutory force within this place. We did not do that, because we saw merit in what was being proposed.

From a personal point of view, given that members of my family have been involved for a lifetime within the building and construction industry as builders labourers, as people whom that Bill—which is now the Act that the Government is seeking to amend—sought to target, I saw the sense of incorporating within legislation provisions for portable long service leave to be paid to workers within the building and construction industry, given the itinerant nature of

that industry and the often impossibility of workers within that itinerant industry accessing portable long service leave provisions. We did that despite very strong representations from our traditional constituencies and our traditional supporters, because we thought that there was merit in the proposal.

This amendment Bill changes that fundamental object of the Act that the Government is seeking to amend in a way not originally intended by the Goss Labor Government and in a way that hitherto has always been opposed by the union movement, the Labor Party and, of course, the Building and Construction Industry (Portable Long Service Leave) Board. It is probably appropriate during a debate such as this to mention that when I was the Minister responsible for the administration of this particular Act that the Government is seeking to amend I sought to put my toe in the water. At the urging of some of the larger elements within the building industry, I put to the portable long service leave board at a meeting that perhaps the coalition Government should consider siphoning off funds from the Portable Long Service Leave Fund the way that the Minister is seeking to do now. As the word got around that that had been floated—not as a matter of intent or policy or as a matter that we would do so irrespective of opposition—the reaction by union representatives on and off that board to that suggestion was enormously against it. I had conversations with some members in this place on the opposite side of the political fence who have a very genuine interest in the building and construction industry. They said, "If you want a bloody nose from us, if you really want the union movement to mobilise—particularly those involved in the building and construction industry—you touch the fund that provides for retirement benefits for our workers."

Owing to the position of the then Opposition during the years of the Goss Labor Government and its rationale for supporting the portable long service leave provisions that were legislated at that time, we decided that we would honour those commitments, that we would not interfere with the fund in the way that this amendment Bill is seeking to do. I hope that the ordinary members of the union movement, particularly those unions that are involved with the building and construction industry, can hear of this contribution and of the way that their union representatives on the portable long service leave board are selling out. It is no good the Minister or members opposite saying that they agreed because the fund has sufficient funds, because in his second-reading speech the Minister could guarantee only that the levy would not go up for a certain number of years. He commits himself to only a certain number of years. On behalf of the Opposition, I go on the record to say that when the coalition returns to Government, if because of the provisions that are contained in this Bill there is

pressure on us to maintain the level of benefits that that fund is paying, we will think very, very seriously about succumbing to pressures to increase the levy.

In this debate we give fair warning to the Minister and to the other members opposite that the coalition will not be bulldozed into supporting an increase in the levy because of the raise that this Government is initiating on that fund and because of the other provisions which it hopes to get passed, including an increase in the eligibility criteria for itinerant workers within the building industry and an increase in the quantum of benefits that are paid to those workers. We go on the record to say very strongly that we will not be bludgeoned or blackmailed into implementing this Labor Party policy if it is passed by this Parliament. We will not keep on slugging those components of the building and construction industry that resent totally what this amendment Bill represents, which is a very strong departure from the original objects of the Act and a deliberate raid on the fund, which is supposed to be providing secure retirement benefits for workers within the building industry, and which the union movement is allowing to occur without not even a whimper of an objection. We go on the record and give that warning to members opposite, particularly those who have at heart the interests of those whom they seek to represent and those whom they claim—in a mealy-mouthed manner—to represent, particularly in this case, the workers in the building and construction industry. In their hearts they believe that this should not be going ahead and may even consider siding with the Opposition to defeat this inequitable amendment Bill that the Minister has put before them which, unfortunately, either deliberately or unwittingly—probably both—they have decided to swallow.

Obviously, by now honourable members opposite will appreciate that I believe that this amendment Bill represents a cynically motivated raid on one of the union movement's and the Labor Party's most sacred hollow logs on the basis that there exists within the Building Industry Portable Long Service Leave Fund sufficient excess reserves to justify this raid and to use some of the proceeds of the portable long service leave levy for purposes other than those that were originally intended and legislated for by the Act that is being amended. What is most worrying about this particular aspect of the amendment Bill is that, on the Minister's own admission, this very move undermines the long-term actuarial soundness of the fund. This admission is contained in the Minister's second-reading speech, which I quote very deliberately for the information of honourable members—

"Independent actuarial analysis shows that the transfer of moneys from the Building and Construction Industry (Portable Long Service Leave) Authority surplus and the

reduction and rationalisation of the long service leave levy and threshold will avoid any increase of the long service leave levy for a period of 11 years."

That is what the Minister said. He does not say that it will be self-funded indefinitely, he does not say that beyond 11 years there will be no need to increase the fund; he just says "11 years". This admission, tucked away towards the end of the Honourable the Minister's second-reading speech, illustrates clearly the difference between the approach of the coalition Government and that of the minority Beattie Labor Government when it comes to the administration of the portable long service leave levy provisions contained within the Act that the Labor Party is trying to amend and displace today.

In fact, it was the coalition Government's plan to phase out the long service leave levy in total within a few years. Experience in other States, including and particularly New South Wales, shows that, given the relatively high level at which the levy was pitched originally, the fund has accumulated sufficient funds to make it self-sufficient in terms of meeting its obligations to retired workers within the building and construction industry. The abolition of the levy would have been welcomed by industry as a much-needed reduction in cost and, in turn, would have been greeted by building and construction industry services as a move that would have lowered the total cost of building and construction activities.

However, we have an admission that this blatant raid on a hollow log—a sacred ALP and union hollow log—will eventually require not only the maintenance of the portable long service leave levy in perpetuity but also an increase in this levy in 11 years' time. If the Minister believes otherwise—or if his advisers believe otherwise, they should advise the Minister to say that—obviously the levy will be kept in perpetuity and there will be no increase beyond 11 years. Even putting aside the still undefined impacts of the amendments that are being put forward in terms of the eligibility and the quantum criteria—I have not seen much evidence in this place or anywhere else of the impacts of those additional changes, including the amendments which were circulated just before lunch—we do not really know what financial impacts those amendments are going to have. However, even without those as yet untested impacts, and putting aside those untested impacts, let the Minister guarantee to this place that the levy will be kept in perpetuity and that it will not be increased. Or maybe the Minister should be honest and elaborate further on what he said in his second-reading speech, that is, that beyond 11 years there is the suggestion that there will be an increase. That is the challenge to the Minister; if he does not come up with a response, he will be judged by the words that he uttered in his second-reading

speech and by what he undoubtedly will fail to utter in his reply.

When I was Minister, the advice that I was receiving from the board was that the levy would soon be able to be eliminated. However, the advice that the now Minister is receiving from the actuaries, and presumably from the board, is that this Minister and his Government's meddling with the portable long service leave levy arrangements will necessitate the maintenance of a levy and, indeed, an increase further down the track, particularly beyond 11 years. This is a shameful indictment on a Government that is prepared to raid hollow logs, which in this case are hollow logs sacred to the very people whose interests it is supposed to be looking after, that is, the itinerant workers within the building and construction industry. In doing so, the Government shamelessly acknowledges the need to maintain a levy and also to increase it down the track. This is a reprehensible action and one of the major reasons the Opposition cannot support this piece of dishonest trickery by this Minister and his Government.

In reality, we have the imposition of a training levy by stealth, the undermining of the pool from which the retirement benefits of workers in the building and construction industry are derived and the alienation of a major section of the building and construction industry that has seen and will continue to see through the Minister's cynical manoeuvring in order to deliver on a promise made thoughtlessly during a desperate election campaign when anything was said by the then Beattie Labor Opposition in order to win votes. What is even more shameful about all of this is the way in which the union movement has rolled over in order to suit the political convenience of its Labor mates in the Parliament. The union has also betrayed its constituency. It is no wonder that many union members continue to walk away from a union movement that is increasingly not representing their legitimate interests. I know also—and I have intimated this before—that there are several Labor members in this place who in their heart of hearts agree with what I am saying. It is a pity that a strict and thoughtless adherence to party loyalty does not enable them to express views which I know they hold dear.

I now wish to turn to an issue raised early in the Minister's second-reading speech, and that is the debate in relation to the alleged lack of skills within the building and construction industry. In his speech, the Minister quoted statistics that seek to justify the proposition that skills shortages exist within the building and construction industry. I and the other members of the Opposition resent the slant—indeed, the overt suggestion—in the Minister's speech that for some reason the skills shortages that have been talked about today are the result of inaction by the coalition Government. I will again quote directly from the Minister's second-reading speech—

"The statistics speak for themselves. In 1996-97 around 2,000 apprenticeships were required to maintain the current level of skills in the industry. After drop-outs and recommencements, only 796 apprentices remained."

Of course, the Minister was not candid enough to admit that the figures he was quoting for 1996-97 were impacted upon overwhelmingly by the policies of the Goss Labor Government in the preceding six years.

Again I quote from the Minister's speech, and honourable members opposite should listen very carefully to this—

"Between 1993 and 1996, spending on training in the industry fell from 1.63% to 1.38% of gross payroll nationally. This amounted to \$14m, a fall of approximately 30% investment in training by employers. In Queensland we accounted for \$8m, or 56% of the national decline."

Again, the Minister very conveniently managed to eliminate from his thoughts and the words that he uttered in his second-reading speech the fact that the period that he is talking about was the period that the Labor Party was in Government. Part of that time was also when Labor Party policies impacted significantly upon the level of spending and the development of a training culture within the building and construction industry, and indeed elsewhere within the economy where that training culture had to be developed. It is this type of misrepresentation and innuendo that brings much discredit upon the Minister and his rationalisation in support of the amendments that we are debating here today.

Like all other major commentators on training within the building and construction industry, the Minister should acknowledge that there is broad agreement that training levels within the building and construction industry fluctuate according to the economic and activity cycles within the industry and that, during the most violent fluctuations of the activity cycles during the past ten years, it was a Goss Labor Government that was in power. He should also acknowledge that it was the Minister's then Government that had the opportunity to do something significant to reverse the cycles and their impact. That a considerable amount of money was put into the building and construction industry by the previous Government, and that this contribution was maintained and indeed augmented by the coalition Government is perhaps one of the reasons why during the past 12 months we have seen a slow but sure and steady increase in the number of apprentices and trainees who are being employed within the building and construction industry. I am happy to give the previous Goss Labor Government some credit for the upturn that is occurring now, as I give the Government of which I was a member some

credit. In the interests of honesty and accountability, the previous Minister should have done the same. His departmental advisers have told him precisely what I have stated in this place.

A comparative study of apprenticeship new approvals across all industry groups over the last four years will tell the Minister that although all industries have experienced a drop in apprenticeship new approvals, the building sector experienced the largest decrease over the period 1994-95 to 1996-97, which are predominantly years of Labor Government in Queensland. However, the Minister also knows—and if he does not it is his own fault and undoubtedly means that he has not read the brief—that this negative trend has reversed and the building industry has begun to experience a significant increase in new approvals. There has been a 33.3% increase for the period 15 September 1997 to 14 September 1998, when compared with the same period in 1996-97. The industry, which is being so heavily criticised for its lack of training capacity, is pulling out because the previous two Governments had the foresight to put money and real resources into this area which was recognised as a very important component of the Queensland economy. That was done. However, I also find regrettable the statement made by the Minister, which I have quoted previously in this debate and I again quote—

"Regrettably, the rhetoric espoused by my Opposition colleagues while they were in power came to nothing, because their words were not supported by policies and programs of substance."

That statement shows the meanspirited side of the Minister, who again refuses to acknowledge the contribution that the coalition State Government made to the funding of the training needs of the building and construction industry in this State.

Putting aside the massive and record level Capital Works Program that the coalition Government put in place for three consecutive Budgets, there can be no serious doubt raised by the Minister or anyone else in relation to the extent and the quality of policies that were implemented by the coalition Government, which significantly assisted in helping the building and construction industry to meet its training needs. In fact, on behalf of the previous coalition Government, I could boast much about many initiatives including: the coalition Government's support for the Federal Government's new apprenticeship initiative, which encouraged work-based training, and more flexible and short-term training arrangements; the introduction of vocational education subjects into the school curriculum, which means that young people can attain real, practical skills while still attending school; the establishment of one-stop apprenticeship centres; and during the term of

the previous Government the allocation of \$10m to the Construction Training Centre. I divert momentarily to again place on the record that the Budget of the coalition Government allocated substantial funding to that construction and training centre, yet in all of his rhetoric and media releases the Minister takes it on board as a new initiative. That Construction Training Centre was funded very handsomely by the previous coalition Government.

I also mention—and Government members should listen very carefully to this when doubting the contribution of the previous coalition Government to the training needs of the building and construction industry—the very substantial financial contribution to the overall training needs of the building and construction industry through the State Training Profile. Under coalition policies, the building and construction industry received 11% of the total publicly funded training, even though that industry employs 8.4% of the State's work force. Those statistics and those initiatives, which are only a few of the vast range of initiatives that we introduced, clearly demonstrate the bona fides of the Borbidge/Sheldon coalition Government in relation to the building and construction industry. Those initiatives occurred within the current Minister's area of responsibility.

In other areas of ministerial responsibility colleagues of mine at the time introduced initiatives such as Construction Queensland. The previous Government allocated on a yearly basis 150 unit dwellings from the public housing program for group training schemes, something that has also been duplicated in the Labor Party's policy. The only difference is that for a while the Labor Party sought to portray it if not as a new initiative then certainly as an initiative that goes beyond the commitment of the coalition.

My colleagues on this side of the House will speak shortly in a critically constructive manner about the ALP policies, as well as the policies of the coalition in relation to the building and construction industry. I place on the record the fact that the above achievements were the result of a joint and cooperative effort between Government and the industry, including—and I give credit where credit is due—the trade union movement. I do not wish my statements to be misconstrued as my wanting to take all of the credit for those achievements in training in the building and construction industry. It was, it still is and in the future it will be a cooperative effort. Nothing that the Minister or his lackeys say will bring any credit on this Government other than that which it earns within the very tough environment of the building and construction industry. People like me will hang around. People like me will make sure that we keep this Government accountable, not just in this place but also in the community, and particularly within the building and construction industry. The Minister can say whatever he wants in his reply

and the propaganda can flow; however, we will circulate these statements, including the one I am now making, broadly and widely. We will allow the people within the industry to judge the previous coalition Government and our attitude towards the industry.

If the Minister persists in seeking to rewrite history and cynically deny credit and distort the facts, he will not be taken seriously. That is the case now and it will continue to be the case as he sits down at tables and uncomfortably tries to justify the statements that he has made in this place and the statements that he will undoubtedly continue to make, unless he comes to his senses. In fact, I am able to state confidently and openly that during my time as the Minister for Training there existed between the building and construction industry and the coalition Government extremely good relations that saw much good achieved when it came to the development of training within that industry. I say again: let us give credit where credit is due and let us not simply seek to destroy the record of achievement in an area of Government policy which should be essentially bipartisan.

Perhaps the most plausible aspect of the Minister's speech is that statement in which he says—

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

This qualification by the Minister is a wise one, for I believe that even early in his term as a Minister for Training he has come to realise that developing a training culture not just in the building and construction industry but indeed throughout the entire economy will be one of his more daunting and challenging tasks. That is because, as the FitzGerald Commission of Audit found, up to and including 1996 there had been a great neglect of the training needs of a growing Queensland economy by Governments on either side of the political fence for over a decade. The Honourable the Minister should not forget that this period included six years of very hard Goss Labor Party Government. The Minister will soon come to realise that throwing money at a training problem is not the simple solution that the Minister and his advisers may think it is.

**Mr Swarten:** Throwing no money at it is no answer, either, and that is what you did.

**Mr SANTORO:** I take that interjection from the Minister.

**Mr Swarten:** How many people have you trained?

**Mr SANTORO:** We trained a record number of people, as I have outlined in this place. We had allocated \$2.5m per year— recurrent annual

funding—within the coalition's final Budget to fund initiatives in the building and construction industry. If the honourable member had been listening, he would be forced to acknowledge that our record is a very distinguished one.

The Minister should take heed of the advice tendered to the Opposition and undoubtedly to the Government by the Housing Industry Association. I quote from a presentation by Mr Warwick Temby, the Director of the HIA in Queensland, who stated—

"There is no evidence that it is a shortage of funds that is generating the training problems in the building industry. HIA's view is that these real training issues confronting the building industry should be addressed in a strategic way before any additional funds are allocated.

Some of the issues that need to be addressed are slowly being dealt with. These include more flexible training packages and contracts of training and the development of rigorous systems of recognition of informally acquired skills.

However, the other vital issues yet to be addressed include—

the inflexibility of the industrial relations system to respond to the change in relativities in the wages between apprentices and contractors;

the need for employees to take some responsibility for the funding of their own training needs;

the need for the training bureaucracy to recognise the enormous amount of informal training that occurs in the building industry; and

the financing of the TAFE sector and private providers."

Honourable members who are fair in their assessment of the previous Government's efforts in the area of training will appreciate that most of the issues and matters that are referred to in the above representation of the HIA were being dealt with by the previous coalition Government with considerable force and policy integrity.

Some of those issues require the application of goodwill and the cooperation of the union movement if they are to be resolved in the best and long-term interests of the building and construction industry and in particular its employees. It remains to be seen just how progressive the Minister and his Government will be in tackling the abovementioned and other difficult areas of policy if the issues confronting training and the building and construction industry are to be addressed seriously.

So far the only evidence that we have seen in this place that the Minister is seeking to impact in any real manner on training in this State is the regressive and negative impact that he had on

the training culture when he took out of the ambit of Queensland Workplace Agreements industrial arrangements that could be worked out for part-time apprenticeships for people at school under the age of 18. I have received many representations from schools and group training companies that regard that action by the Minister as being a very regressive one which significantly compromises group training schemes and the ability for young people under the age of 18 to get into school-based and part-time apprenticeship arrangements. I think it is a disgrace for a Government that is so concerned about equipping young people and the work force generally with real skills and particularly assisting young people coming out of schools to abolish provisions which enable those young people to get into school-based part-time apprenticeships. That will make it very hard for them to access the labour market because they lack the skills that they otherwise would have had.

It will be interesting to see what industrial arrangements the Minister is beginning to facilitate in order to make up for that collapse of arrangements that he so proudly boasted of when he got some amendments to the previous Government's industrial relations legislation through this Parliament. Those questions are unanswered within the work force. Group training schemes, schools, individual employers, several members—not many, but at least two members—of the union movement have confided that. I am not saying that just for the sake of saying it. They regret the inflexibility that is now in the IR legislation as a result of the removal of those flexible provisions in the coalition's legislation.

The Opposition also takes considerable exception to another statement made by the Minister which again reflects his loose use of words and facts. He stated in his speech—

"... we have taken this action to assist the industry meet its skills needs because we would not and could not sit idly by and watch skills shortages develop at a time of record unemployment, particularly for young Queenslanders."

In using this statement to justify the amendments that the Minister is trying to push through the Parliament, he is again, in a very convenient way, to put it at its kindest, utterly and totally ignoring the achievement of the coalition Government in the area of employment and unemployment.

It is a matter of record that on 11 June, just two days before the last State election, the coalition Government was able to make the following boasts—

that 97,700 new jobs have been created in Queensland since the coalition came to Government;

that a record number of Queenslanders on



that date were in employment—an all-time record level of 1,616,100;

that Queensland's employment growth for the year to May 1998 was 4.3% compared with a national growth rate of 2.1%;

that Queensland's growth and full-time employment accounted for 33.2% of all full-time employment growth in Australia while new part-time jobs in Queensland represented 41% of the national total;

that youth unemployment for the month of May 1998—the month before the election, as measured on 11 June—had fallen to 25.3%, the lowest rate since July 1996; and

that the coalition Government in March 1998 gave Queensland its lowest unemployment rate, 8.3%—the lowest since July 1990—in more than seven years.

How the Minister can therefore make the statement in his second-reading speech that he again made during the recent Estimates committee hearings is beyond my comprehension. I could be forgiven if I had allowed myself to descend into the depths of cynical despair. But I did not do so, for I regard it as my duty, as indeed do all members of the coalition, to set the record straight whenever Ministers such as the Honourable the Minister for Employment, Training and Industrial Relations do not get it right, either inadvertently or deliberately.

It is important also to record in this debate the stark contrast between the coalition's achievements and Labor's last term in office, when 58,000 Queenslanders lost their jobs and unemployment soared by 65%. In fact, the last Labor Government gave Queensland its highest unemployment rate—11.1% in July 1992—since the Great Depression.

In fact, the Goss Labor Government presided over a disgraceful increase in the unemployment rate from 6.7% in December 1989 to 9.4% in December 1990, and the number of unemployed under the Labor Party increased from 94,100 in December 1989 to well over 160,000 when the Labor Party lost office in February 1996. More will be said about the comparative employment policies and creation under non-Labor and Labor Governments by other speakers during this debate.

Let me assure all honourable members opposite that, as they implement their industrial relations policies, workers compensation policies, environmental protection agencies and anti-training policies, including this one, and as the unemployment rate becomes more and more elusive in terms of that 5% target, we will come into their electorates—each and every one of their electorates—and we will remind the people in those electorates very directly just what hypocrites and what cynically motivated individuals members opposite were when they cynically exploited the

public psyche and promised a 5% unemployment rate and employment growth when they knew that the policies that they were going to the election with could not achieve that rate.

Often what we say in this Parliament does not get reported, but I will make one promise during this debate: we will remind each and every one of the constituents of members opposite of this, and they will have to squirm unless they desist from implementing policies such as the one that they are implementing today. Then with bipartisan support we actually may get employment growth and the unemployment rate in this State trending in the right directions. All the talkfests, all the community forums, all the invitations to community people, including in particular small business, to come to meetings and to give them advice about the unemployment rate and to give them advice about how they can lower unemployment in an endeavour to gain their interest in terms of creating jobs will not be assisted by amendment Bills such as this and by the Government's intentions to amend Acts of Parliament such as the Workplace Relations Act and other legislation put through this place. We will make them suffer because of the cynical way that they went to the electorate and duped people into believing that they had the policies and the vision to create more jobs and to get the unemployment rate and the employment creation rate trending in a way that is favourable to the community, particularly to those tens of thousands of people who are seeking employment. We will absolutely worry the hell out of members opposite because we are going to do it.

I now wish to turn my attention to the administration of the fund, including the establishment of a Building and Construction Industry Training Fund and its administration by Construction Training Queensland. I have several concerns with the arrangements proposed by the Honourable the Minister and I do know that some of these concerns are, in fact, held by a number of associations in the building and construction industry as well as by people involved with the provision of building and construction training within TAFE Queensland.

I think that it is fair to say that there is considerable disquiet within the industry about Construction Training Queensland obtaining what virtually amounts to monopoly control of the provision of training for the building and construction industry in Queensland. This control is being partly vested in Construction Training Queensland by the provisions of this amendment Bill as well as by a policy decision which, if it has not already been made, is soon to be made to transfer all building industry training currently undertaken by Yeronga TAFE to BIGA, the group training scheme administered by Construction Training Queensland.

The training by BIGA is conducted at the Queensland Construction Industry Skills Centre at Salisbury and it was in response to the aforementioned concerns that earlier on this year as the Minister for Training I commissioned independent consultants Coopers and Lybrand to undertake a review of the operations of the Construction Industry Skills Centre with a view to, amongst other things, ascertaining the degree of compatibility between the current vocational education and training policy and practice and the Queensland Construction Industry Skills Centre Project and also reviewing the founder's commitment to achievement of the aims and objectives of the Queensland Construction Industry Skills Centre Project.

The concerns that had been expressed about CISC centred around allegations that the skills centre and associated interests have somehow strayed from the initial objectives and commitments which led to the creation of the centre. This report was completed towards the end of the coalition's term in Government and is now in the possession of the new Government. I understand that it raises questions and concerns which might well impact on the way that this House views the Minister's intention to vest the administration of the fund to Construction Training Queensland.

This issue will be elaborated upon further by other speakers on this side of the Parliament. I would ask the Minister to inform the House of the outcomes of the aforementioned review by Coopers and Lybrand. In fact, during the course of this debate or during one of the breaks, I would appreciate receiving a copy of the aforementioned report, together with a detailed briefing so that the concerns that have been expressed to me about possible conflicts of interest and doubts about the ability of the CTQ to administer the Building and Construction Industry Training Fund can be assessed by me on behalf of the Opposition in the context of the findings of the aforementioned report.

I have requested copies of this report through questions on notice and through correspondence to the Minister but a copy has not been forthcoming. I suspect that the Minister has something to hide, that that report, in fact, is not complimentary to the organisational and administrative set-up which the Minister is attempting to establish and that that is why he will not release that report. That is something that will come back to bite him, and unfortunately it will come back to bite the parties who are part of the apparatus that the Minister is setting up.

Having said this, I give notice to the Minister and the Government that I intend moving an amendment during the Committee stage of this debate that, if a Building and Construction Industry Training Fund is, indeed, established after consideration of this amendment Bill by the Parliament, such a fund be monitored not just by

independent trustees but also by the Queensland Auditor-General. I see this as being an essential amendment, particularly when honourable members consider the comments that the previous Auditor-General made in his annual report and other reports about the past administration of CISC under the previous Labor Government. I see this as being particularly relevant in view of the fact that I believe that the Minister, his officers and his colleagues have publicly treated the parliamentary process, including the process that we are going through here today, and members of this House with absolute utter contempt.

I refer honourable members to the inclusion on page 7 of the 1998-99 Draft Training Plan of Construction Training Queensland of a clear indication that the results of this debate have been well and truly pre-empted. The document states that the trustees of the fund have established a management agreement with Construction Training Queensland—CTQ. In other words, the trustees have obviously been chosen, perhaps secretly by the Minister and his advisers, and have set up their own arrangements prior to 23 September when this training plan was printed.

In passing on that particular point, I say that it is no wonder that people such as me become fairly obsessive about what the Minister does in terms of the accountability of this place when members of Parliament, including shadow Ministers, are treated with utter contempt. All that I can say is that we will just work harder and we will become even more obsessed with getting the truth out. There are plenty of people out there within the industry and the community who will assist people like me. Eventually members opposite will have an uncomfortable time in those seats and, as a result of that discomfort, they will not be in those seats for any longer than they deserve to be, and that is not very long at all.

I draw the attention of all members to the Hitchen review of the training levy operating in Western Australia. This review indicated the absolute necessity of ensuring that those administering training levy funds were independent of the specific interests of member organisations. Consequently, the Western Australian Government advertised extensively for expressions of interest from suitable people who could fill roles on the board established to manage the funds. Mr Braddy, the Minister, it appears, would rather rely on a much less transparent process. Who are these trustees who apparently have already been chosen and what management agreements have they already drawn up with their parent organisations? They are questions which the Minister should answer in his reply. Perhaps they will be answered by the honourable member for Bulimba, who I have been noticing has been rearing to go; I will listen very carefully to the contribution of the

honourable member for Bulimba, who knows that I respect his views. I may not always agree with them, but I respect his views because at least they are sincerely held. He has been in the industry—and more so than anybody else in this place.

Not only has this pre-emptive action occurred but, within the department, the Minister has also approved the development and wide distribution of a leaflet that describes the issue of this levy and its financial management as a *fait accompli*. Again, this utter contempt for the Parliament and the parliamentary process I do not think gives much credit to the Minister or those people on the other side who support him.

I think it is obvious to honourable members opposite. I have heard them squealing, whingeing and complaining, mainly because we have been hitting the mark. There are people out there who have provided us with information, who want to assist us as we assist them to look after their industry. We know that those opposite are upset because they know that we know.

We will continue to pursue this Minister and this Government in the interests of transparency, openness and accountability and, in this particular debate, in the best interests of the building and construction industry, which was neglected by the previous Labor Party administration and which is now heading down the same track under this new Minister and this new Government.

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