



On the campaign trail

Policy Announcements from the Coalition & the ALP listed in date order

ALP Announcement – 6th October 2004

The ALP has announced an Environment and Heritage Policy dealing with a range of options focusing on biodiversity and environmental issues. Several announced initiatives relate to the housing industry, and these are outlined below.

On a broad level, in tackling climate change and greenhouse gas emissions, the ALP has pledged to ratify the Kyoto Protocol. As part of this the ALP has said it will work with industry organisations to ensure all domestic, commercial and industrial users (including gas users) understand their emissions and can track changes in their use over time.

The ALP has pledged to work within the COAG Water Reform Framework to deliver an ecologically sustainable base to water resource allocation and use. Of most interest to housing, amongst the range of matters to be dealt with in this framework is the intention to establish a National Sustainability Council which will provide a review of water reform implementation.

Better Urban Environments

This section of the ALP's policy aims to tackle a number of population, water supply and urban planning matters. Of interest to housing are plans for water and energy reform.

Water

The ALP has pledged to address urban water issues including pursuing appropriate water treatment and reuse as well as protection of urban waterways. Specific initiatives include:

- Maintaining the momentum on Water Efficiency Labelling Schemes for water use products and expanding the range of products subject to mandatory performance standards.
- Encouraging water pricing signals to manage demand, support efficient use of water, continued support for initiatives that support water management by local government (such as the International Council for Local Environmental Initiatives water campaign)
- Working with governments in reducing water loss from supply systems.
- Investigating and promoting opportunities for desalination plants employing renewable energy technologies.
- Ensuring COAG water reform payments are applied to improving urban water management. In collaboration with States and Territories, the ALP plans to develop national guidelines for water sensitive urban and residential design.
- The promotion of water quality and wise use of recycled water as part of urban water management strategies is mentioned with specific initiatives to ensure urban water flows are contained within water management and reuse strategies and that the National Water Quality Management Strategy is strengthened.

Better Urban Environments - Sustainable Buildings

The ALP is committed to embracing “more sustainable forms of building” – including higher environmental performance in terms of energy, water use and waste management.

The policy announces that future housing would need to incorporate principles of Ecologically Sustainable Development into both the design and building processes. This is mentioned at the urban catchment level, subdivision and allotment scale.

Specific initiatives relating to housing include:

- Ensuring all homes developed announced as part of the ALP housing policy (\$400 million plan) are built incorporating environmental considerations (such as 5 Star energy efficiency) into both the design and construction.
- Amending the National Building Code to include mandatory 5 Star requirements for all new residential and commercial buildings across Australia. As a minimum, these standards are to comply with existing State and Territory government standards.
- Working towards a national system of mandatory disclosure of the energy efficiency rating of all residential and commercial buildings at point of lease or sale. Government office buildings would be required to work towards being greenhouse neutral by 2008.

More broadly for consumers of housing, and in relation to labelling of goods - a “Green Labelling Program” would be established by the ALP with environmental labelling to encourage nationally uniform labelling of consumer goods, introduction of electricity labelling with fuel source and emissions identified on consumer electricity bills and the ALP would “pursue labelling, where appropriate, through a National Environmental Protection Measure.”

Coalition Announcement – 28 September 2004

Workplace Relations Policy

The Coalition Workplace Relations policy is based on a continuance of the government’s existing policy of emphasising flexibility and productivity in the workplace.

The policy draws attention to the improvements in employment, real wages, time lost, and productivity. Continuance of the building industry Task Force is mentioned, but without reference to reintroduction of any underpinning legislation.

New items in the Coalition Policy are –

- Efforts to reduce duplication and complexity and to harmonise the six State IR systems with the Federal system;
- Options to make 5 year collective agreements (currently 3 years maximum);
- An extra \$12m over 4 years for the Office of the Employment Advocate to help small business take up Australian Workplace Agreements;

- \$2m for a pilot Mediation service for small business, as a possible future alternative to the Australian Industrial Relations Commission;
- \$7m for a network of Small Business OHS Advisers operating from employer organisations;
- clarification of union right of entry, excluding State law where Federal law applies, and requiring unions to comply with employers' reasonable requests to limit work disruption;
- an Independent Contractors Act to exclude contractors from the federal IR system.

ALP Announcement – 27 September 2004

The ALP has announced provision of funding for apprenticeships to address skills shortages.

\$186 million has been pledged to create 13,600 apprenticeships in total, 8000 for small and medium sized enterprises and 5600 skill up apprenticeships in 30 regions of high unemployment or skill shortage.

Group Training Support

Creating 8000 places, \$60.5 million is pledged for Group Training Organisations that are small and medium sized enterprises to assist meet their workforce needs and target areas of skill shortage.

Skill Up Apprenticeships

\$125 million is to be provided to create 5600 “skill up apprenticeships” in regions of high unemployment or skill shortage by 2008. This scheme is to target Australians at risk of long term unemployment such as young people and mature age people.

Labor has previously pledged 20,000 new TAFE places and 20,000 new university places every year by 2008-2009.

Coalition Announcements – 26 September 2004

Improving Trade Skills

In addition to the last weeks announcements including **toolkits for new apprentices**, the establishment of an **Institute of Trades Skills Excellence** and further **residential support for new apprentices living away from home**, to further address the chronic skills shortages in trades the Coalition has announced the following:

The **creation of 24 Technical Colleges** in regions suffering from serious skills shortages and high rates of youth unemployment, providing tuition for up to 300 students in years 11 and 12. Trade skills will be incorporated into a common curriculum of other topics including English, maths, science and business skills. Schools will be run by principals and they would be separate from the State School Systems.

Commonwealth Trade Learning Scholarships for New Apprentices will be introduced, providing \$500 to a new apprentice commencing after 1 July 2005 and at the end of the first and second years.

The Youth Allowance will be extended to new apprentices who are currently not eligible to receive this. University students, by comparison are able to receive the youth allowance whilst combining study and work.

An Australian Network of Industry Careers Advisers will be created to support young people aged 13-19 to achieve a successful transition from school to further education, training and work. The network will focus on expanding local community partnerships already established and rely on partnering with industry and professional careers advisers so young people can receive tailored advice that will help them understand the range of trades careers options available to them.

Pre-vocational training will be available through group training organisations allowing new apprentices to undertake 2-3 months work experience prior to commencing their full employment in a chosen trade.

School based New Apprenticeships in trades will be encouraged.

An expanded new Apprenticeship Access Program will assist early school leavers, people ages over 45 and unemployed to skill up on basic numeracy and literacy making them ready to commence an apprenticeship

Also regulations will also be amended to ensure that incentives available to the employers of new apprentices are not ruled ineligible to attract new apprenticeship incentives and steps will be taken to eliminate new apprenticeship poaching in the industry.

Small Business Incentives

The Coalition also announced as part of its policy launch several initiatives. Overall \$1.3 billion is being pledged towards tax relief and cutting of red tape in this sector, some of which will benefit the building sector.

A promise to reduce small business taxes is the centrepiece of the policy. This will be done in several ways:

The Simplified Taxation system will be expanded to allow those operating on an accrual basis to be eligible – whereas the system is currently limited to those operating on a cash system. This simplified system was introduced in 2000 with the aim of simplifying the tax burden and compliance on small business by allowing an alternative methods of determining taxable incomes. To date it not been widely adopted by small business - but the extension of the initiative to accrual systems may change this.

A 25% tax reduction for any business under the threshold of \$50,000 turnover will be introduced, regardless of whether it operates as a company or sole trader. Companies must be a part of the “Simplified Tax System” to take up this offer.

An improved regulatory environment for small business by **reducing the Australian Taxation Offices time period for auditing the returns of small businesses from 4 years to 2.**

Local Governments will be encouraged to free up their restrictions on home businesses. The introduction of a Regulation Reduction Incentive Fund of \$50 million which will allow local governments to compete for funding based on their proposals put forward to cut red tape for small business.

Coalition Announcement – 26 September 2004

The Prime Minister announced on 26 September that a re-elected Coalition government would move to put independent contractors completely outside the reach of the Australian Industrial Relations Commission through a new *Independent Contractors Act*.

In a new initiative contractors would be given protection as small businesses, probably based on their tax status, and could not be made subject to Awards and Orders of the AIRC, which would be confined to genuine employees.

This step ensures that small business persons are regulated by the business law system and the courts, and not by the industrial relations system and industrial tribunals. For the first time in Australia, small businesses would have a recognised legal status in their own right under their own Act of Parliament, which could be used for a wide range of other government and non-government purposes.

This announcement represents recognition on behalf of contractors as aspirational, independent small businesses and not second-class employees. It provides an opportunity to legislatively overcome the imprecise status of contractors at common law, using tests based on their tax status under the APSI legislation.

Coalition Announcement – 22 September 2004

Tool Kits for Apprentices and Institute for Trade Skill Excellence

The Coalition has announced further assistance for apprentices.

Up to \$800 will be made available for individual apprentices to assist with the purchase of new tools. The initiative is estimated by the Coalition to assist some 34,000 new apprentices across a variety of trades.

Occupations in the building industry that seem likely to benefit from the toolkit include:

Carpenter and Joiners
Fibrous Plasterers
Bricklayers
Solid Plasterers
Cabinetmakers
Plumbers

The package was announced as part of the broader “Skills Strategy”, which recognises that for some time there have not been enough young people taking up apprenticeships.

The value of this announcement is 91.2 million over 3 years and comes on the back of an announcement to provide apprentices who live away from home further assistance with living expenses.

The Coalition has also announced plans to establish an Institute for Trade Skills Excellence to provide industry endorsement of qualifications provided by private and public training providers.

The Institute will be lead by the Australian Chamber of Commerce and Industry , the Australian Industry Group , the Business Council of Australia and the National Farmers Federation and their members.

Industry reference groups for each trades industry will be established. They would be responsible for endorsing qualifications and preferred providers for their industries. It is envisaged that a building and construction group would be established.

The Institute would also be involved in:

- Developing strategies to improve the profile of trades
- Allocation of teaching excellence awards
- Events to showcase excellence in trade teaching
- Design and distribution of certificates

The initiative is valued at \$18.3 million over 3 years.

Coalition Announcement – 18 September 2004

Creating Water Wise Communities

The Coalition has announced further details of the “Creating Water Wise Communities” plan.

\$200 million is to be available to assist Australians develop a culture of saving water - with projects to be identified by local communities and grants of up to \$50,000 for on-the-ground work available for projects that demonstrate increased efficiency in the use of water.

This funding is part of the Coalition’s announcement last week to establish a \$2 billion *Australian Water Fund* over 5 years, including funding for new water projects – such as improved river streams, better use of water on farms, recycling of water and grey water use, desalination schemes, management of stormwater and sewerage and the development of water efficient housing design.

The emphasis of “Creating Water Wise Communities” is to fund community and non-government organisations. Projects will need to be consistent with the principles and outcomes of the National Water Initiative. Positive impact on water use efficiency, public education and the environment is also required.

Coalition Announcement – 17th September 2004

Residential Support for New Apprentices

The Coalition has announced further assistance for new and continuing apprentices.

From July 1 2005, a re-elected Coalition government would provide additional financial support to new apprentices or those continuing in an apprenticeship, but are required to live away from home.

A new payment of \$25 per week would be introduced for third year of the apprenticeship, if they are required to live away from their family home.

Currently new apprentices are provided with an allowance to assist with the cost of living away from home during the first two years of training only.

The Coalition has estimated the initiative will assist 2900 new apprentices each year predominantly from rural and regional areas.

The Coalition has stated that whilst there has been strong growth in apprentice numbers since 1995, coinciding strong growth in the economy means there is still a skills shortage in traditional trades.

The Coalition has also as part of this announcement, pledged to keep a strong economy to secure Australia's future and employment opportunities for all Australians.

The value of this initiative is \$5 million over 3 years.

Coalition Announcement – 13th September 2004

Securing Australia's Water Future

The Coalition has pledged to implement a program of national water initiatives. The policy follows on from the National Water Initiative brokered by John Anderson, Deputy Prime Minister and the COAG agreement that followed at the last Premier's Conference. Of most interest to the housing industry will be the plans for expenditure on water recycling initiatives, water sensitive urban design, specifically in Sydney and the plans for a water efficiency labelling scheme – with six star ratings and a smart water mark regime for gardens.

The policy recognises that 70 per cent of water consumption is for agricultural production, 15 per cent for industrial and 10 per cent for urban use.

Under the plan, a \$2 billion Australian Water Fund is to be established and funded over 5 years. It is to be used for a broad range of new water projects ranging from improved river streams, better use of water on farms, recycling of water and grey water use, desalination schemes, management of stormwater and sewerage and the development of water efficient housing design. Goals are set in the policy to 2015.

Key initiatives Included in the policy are:

1. **Water Smart Australia** – investment of \$1.6 billion over 5 years to directly fund technology and best practices in water use. It could assist in funding water projects such as improving water flows, farm use of water, recycling and reuse of water, alternatives to ocean outfalls, improvements in irrigation infrastructure and developing water efficient housing design.

More specifically it could fund projects such as

- assisting Adelaide with water management and stormwater reuse that will place less demand on the Murray,

- improved water recycling such as through the South East Queensland recycling program or the Melbourne Eastern Treatment Plant,
- improvement of water sensitive urban design in major Sydney housing developments,
- improving irrigation channel systems such as the Wimmera-Mallee pipeline proposal,
- improving river flows,
- applying desalination technology and
- improved accounting for water use.

It includes a commitment to work with State and local governments and the agriculture industry to manage water resources into the future.

2. **National Water Standards** – deals with better management of water data. Under the National Water Initiative targets are set. The Coalition believe unless there is an increased capacity to measure, monitor and manage water resources, the outcomes of the Initiative will not be achieved.

\$200 million over 5 years will therefore be invested in

- implementing a nationally consistent scheme for collecting and processing water related data to assist decision makers,
- a detailed assessment of groundwater to assist resource management
- working with local communities on projects,
- water efficiency labelling, known as the “Smart Water Mark” which will see a six star rating for household water appliances and
- establishment of a National Water Commission to drive the water reform agenda.

The fund will need to compliment other government strategies such as the National Action Plan on Salinity and Water Quality and the \$3 billion National Heritage Trust.

3. **Water Wise Communities** – Investment of \$200 million in an initiative to provide culture change in water use with details to be announced separately.

Labor Announcement – 7 September 2004

ALP Tax and Family Benefits Policy

The ALP released its \$3.5 billion Tax and Family Benefits policy on 7 September 2004. The key initiatives in the plan include:

- A tax cut of \$8 a week to workers earning less than \$52,000 a year.
- An increase in the top tax threshold from \$80,000 to \$85,000 a year effective from 2006.
- A simplified family benefits system that delivers a single fortnightly cash payment, and
- A reduction in superannuation contributions tax from 15% to 13% over 4 years commencing 1 July 2005

The ALP has claimed that the policy will offer tax cuts worth \$416 a year to people earning under \$52,000 a year and that the tax cuts announced by the government in the May budget for people earning more than that amount would also be guaranteed.

Labor would replace the existing family tax benefit A and B along with the \$600 child payment, with a single Better Family Payment from July 1 2005. The new payment system

will be subject to a single means test and deliver fortnightly payments to families who now receive the family tax benefit.

Labor said that families earning between \$40,000 and 80,000 would be better off by up to \$130 a week under the new system.

An assessment of the Policy as conducted by the Melbourne Institute has costed the policy at a value of \$3.513 billion in 2006/07 dollars. It has found that consolidating family tax benefits leads to an increased total labour supply boost of 72,900 potentially reducing the number of jobless families by about 49,000.

Labor intends paying for its tax package with a mix of spending cuts, the removal of some tax concessions, including the dropping of the government's superannuation co-contribution scheme and the reinstatement of the superannuation tax surcharge for higher income earners, higher taxes on cigarettes and on international departures and the slowing of tariff cuts on motor vehicles and textiles, clothing and footwear.

Coalition Announcement – 6 September 2004

Medicare

The Coalition announced further changes to Medicare on 6 September 2004.

The initiatives of the package entitled *100% Medicare: making GP Services more Affordable than ever before* is:

- From 1 January 2005 increasing the rebate for GP services to 100 per cent of the Medicare Scheduled Fee (currently 85 per cent).

The Coalition believes this will benefit patients through:

- By increasing the level of rebate to 100 per cent of the Schedule fee, more services are likely to likely to be bulk-billed, over and above the incentives already offered to GPs through Strengthening Medicare.
- Out-of-pocket expenses to patients who are not bulk-billed should fall, as the higher rebate would be paid to patients.

Cost: The initiatives will be implemented at a cost of \$1.8 billion over four years.

Labor Announcement – 6 September 2004

Sustainable Energy Future

The ALP announced a commitment of \$500 million on 6 September 2004 to ensure Australia has a sustainable energy future. The cornerstone of this announcement is Labor's *Energy Fuels Transition Fund* to provide capital grants to low emission projects.

Further policy will be released during the campaign which will include initiatives to reform the national gas and electricity markets and commit the ALP to:

- ratifying the Kyoto Protocol

- increasing the mandatory renewable energy target
- introduction of the national carbon trading scheme.

Labor Announcement – 2 September 2004

Interest Rates

Labor has released a policy statement that if elected, it intends to put “downward pressure” on interest rates through sound economic management. A three point guarantee has been announced to support this pledge maintaining that Labor will:

- Provide budget surpluses in each year of the next Parliament and reduce net debt.
- Reduce Commonwealth expenditure as a share of the economy .
- Reduce Commonwealth revenue as a share of the economy .

The pledge also included the commitment to abolish 14 different government programs.

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