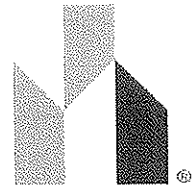


Media Release

17 January 2012



**MASTER BUILDERS
AUSTRALIA**

SHAM CONTRACTING ALLEGATIONS UNFOUNDED

Statement by Richard Calver, Acting Chief Executive Officer

The Construction Forestry Mining and Energy Union's (CFMEU) statements today about sham contracting being endemic in the building and construction industry ring hollow and are false, according to Master Builders Australia.

"The industry should not be talked down by the CFMEU," Acting CEO of Master Builders Australia, Richard Calver said today.

"The industry has more independent contractors than other industries, with a large number of industry participants choosing to be engaged through these legitimate arrangements because of the benefits that are conferred by being a contractor. Contractors opt for the benefits conferred by the flexibility of hours, the freedom to move easily between workplaces and higher remuneration. They choose to be independent contractors, not because there are no other options, but because they can work and achieve more than they could within the rigid structure of permanent or other Award or agreement based employment and other workplace relations restrictions.

"The Australian Building and Construction Commission (ABCC) conducted an inquiry into sham contracting. No union submissions were made to the inquiry. One of its findings was that the ABCC should conduct research to obtain an accurate picture of sham contracting in the building and construction industry. Master Builders, other employer groups and some highly respected academics are now assisting the ABCC to design the research brief so that a proper assessment of what we believe to be a very minor problem can be made. Rather than recycling its flawed work on estimates of sham contracting the CFMEU should participate in the design of the study.

"As the ABCC's report into sham contracting noted 'it is incumbent on the CFMEU to provide details of the sham arrangements it says it has uncovered. The ABC Commissioner calls on the CFMEU to provide to the ABCC the details of the arrangements that so concern it, so that they can be investigated by the ABCC and appropriate regulatory action can be taken.'

"When determining the nature and extent of any alleged sham contracting arrangements, Master Builders emphasises the importance of objectively obtained and assessed evidence before changes to the law are even contemplated. It is also interesting that the union movement, which has continually criticised the ABCC for its failure to protect employee rights, has declined to participate in any of the work that would assist the ABCC in doing so. The position taken by the unions demonstrates the real basis for their opposition to the ABCC: pure politics. They have no stomach for a regulator that assists with maintenance of the rule of law on building sites.

"The Government's own inquiry into the role of the ABCC said that its work was not yet done. The Bill currently before Parliament that would replace the ABCC with a toothless tiger should be reconsidered. The ABCC fulfils a vital role in ensuring that the rule of law is upheld on building sites."

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