

5 March 2019

Vice President Hatcher  
Fair Work Commission  
11 Exhibition Street  
MELBOURNE VIC 3000



**MASTER BUILDERS**  
A U S T R A L I A

Dear Vice President Hatcher,

**RE: AM2016/23 – 4 YEARLY REVIEW OF MODERN AWARDS – CONSTRUCTION AWARDS**

We refer to the above matter in which Master Builders Australia ('**Master Builders**') maintains an interest and write further to the hearing of 4 March 2019 in Melbourne.

During the course of the hearing Mr Maxwell of the CFMMEU (Construction & General Division) helpfully drew our attention to an inaccuracy he had identified in appendices as attached to Master Builders submission-in-reply as filed on 28 November 2018. While we stress that this oversight does not alter or change the substance of those parts of the submission to which the table relates, it is appropriate to provide clarification to prevent any arising confusion or uncertainty.

Mr Maxwell kindly noted that **Table 1 of Appendix 1** (a table produced by Master Builders with reference to data extracted from ABS data) is inaccurately labelled. Table 1 is currently titled "*Labour Costs across Building and Construction Industry subsectors*" whereas it should be "*Income – Building and Construction Industry subsectors*".

The note underneath the Table 1 indicates that the table was produced by Master Builders and cites the source of ABS data so extracted. For clarity, we confirm that the process to produce the table involved examining total industry income (305486) and then subtracting those components that the ABS specifically identify as being income attributable to the residential sub-sector (59286). The difference (246200) is identified for ease within our table as 'commercial' – or alternatively, anything that is 'non-residential'. These components were then converted into percentage proportions and also set out within Table 1.

The purpose of this table was to provide a data-set that could assist the Commission in determining the implications of its decision to approach allowances with reference to industry sub-sector (being, residential and non-residential). We note that an additional/alternative source of data immediately follows at **Table 2 of Appendix 1**.

It is important to also note that, in the absence of definitive data evidencing a proportional split of industry sub-sectors relevant to the Commission's considerations, the table was referenced as but one of several different scenarios<sup>1</sup> indicating proportions of industry sub-sector to which Master Builders had modelled figures extracted from the CFMMEU (Construction and General Division) submission.

We regret any inconvenience or confusion arising from this oversight and trust the above information provides appropriate clarity.

Yours sincerely,

Rebecca Sostarko  
**SENIOR ADVISER**  
**INDUSTRIAL RELATIONS, SAFETY, CONTRACTS**

<sup>1</sup> At paras [47] – [50]