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CONSTRUCTION EBA WAGE RISES CONTINUE TO COST THE COMMUNITY

“Updated research released by Master Builders Association of Victoria, shows that construction industry EBA wages continue to grow at unsustainably high rates,” said Master Builders Association of Victoria CEO, Mr Radley de Silva.

Deloitte Access Economics, in its updated report *Construction sector – outlook, labour costs and productivity*, continues to show the detrimental effect of the unsustainable and excessive increases in construction EBA wages.

“Union EBA carpenters and entry-level laborers are paid far more than other employees across the economy.

“The updated Deloitte report shows that unskilled labourers are currently earning around \$151,000 per year and carpenters around \$163,000 per year - more than double the average police officer, fire fighter, soldier, teacher or nurse.

“And with rigidities built into the EBA, such as fixed rostered days off timetable, there are further limits on the capacity for wage increases.

“Victorians should be collectively concerned about these excessive costs being faced in the construction industry. This isn’t just a windfall gain being received by union EBA employees, it is a cost borne by the community as a whole.

“It is not just employers that bear the burden of these excessive wage increases, but the government and therefore taxpayers also foot the bill. The combined impact of these wage increases means an increased cost of \$806 million to deliver government infrastructure over the next four years – this is a lost opportunity to Victorians of ten schools and three hospitals.

“With a rapidly growing population in Victoria, and around 1700 new people in this State every week, there is a dire need to build social infrastructure like roads, rail, schools, hospitals and parks.

“This is a risk to the industry because there are many construction industry employers who simply can’t afford to wear the costs of continuing unsustainable EBA wage increases. The Deloitte report highlights that the construction industry has one of the lowest profit margins and that profit margins have been falling in recent years,” Mr de Silva said.

The full Deloitte Access Economics report can be found [here](#).

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