

CFMEU NSW 2024–2027 PATTERN AGREEMENT

This presentation is not legal advice.

Advice should be sought for specific matters.





CONTRACTORS RIGHTS

> An overview of the new CFMEU NSW Pattern Agreement.

> A brief examination of Contractors rights in relation to bargaining process.



SPOILER ALERT!!

- MBAs advice is to <u>not</u> sign this Agreement in its current form. It is essentially a bad deal for the company. <u>It gives</u> <u>far too much managerial control to the union.</u>
- This Agreement is designed to last forever. You cannot easily terminate this agreement.
- Nominal expiry doesn't mean the agreement won't continue to apply beyond 2027. Governments and laws can change – but you will be bound by this Agreement for a very long time.

NOTABLE POINTS

- Rates of Pay (7% + 5% + 5% + 5% = 22% / 3 years)
- Flexibility Rostered Days Off, Lockdown Weekends and 5-day Weeks.
- Concrete Pours after 11am (heavily restricted but can be discussed).
- Productivity and Site Allowances
- Security of Employment Subcontractors and Labour Hire restrictions



NOTABLE POINTS (Cont.)

- Travel
- Delegates and Health and Safety Representatives (HSRs) powers
- Security of Entitlements
- Trade Union Rights and Representation



RATES OF PAY

- 22% rise in pay rates over three years
 - » 7% pay rise on 1 July 2024
 - » 5% pay rise on 1 July 2025
 - » 5% pay rise on 1 July 2026
 - » 5% pay rise on 1 July 2027
- Four pay rises in a 3-year agreement
- 22% increase over 3 years



CURRENT RATES

1 Mar 2024

Rates Applicable 1 March 2024

Classification	Per Hour	Per Day 7.2 Hours	0.8 RDO Accrual	Per 36 Hours	Double Time	Casual Rate	Casual rate after 6 weeks
CW1	44.33	319.28	35.47	1596.38	88.69	59.87	79.83
CW2	46.47	334.56	37.18	1672.81	92.94	62.73	83.64
CW3 (Non Trade)	48.35	348.12	38.67	1740.63	96.70	65.28	87.03
CW3 (Trade)	50.04	360.28	40.01	1801.37	100.08	67.54	90.06
CW4	52.49	377.89	41.99	1889.43	104.97	70.86	94.46
CW5	54.94	395.61	43.97	1978.01	109.89	74.17	98.89
CW6	57.45	413.62	45.96	2068.11	114.90	77.55	103.41
CW7	60.00	431.95	48.00	2159.71	119.98	80.98	107.99
CW8	62.49	449.95	49.98	2249.81	125.00	84.37	112.50

Further, should this agreement remain in operation past its nominal expiry date a 1.5% increase will be applied to the ordinary rates of pay in Appendix B applicable from 1 October 2024 and six monthly thereafter from 1 March and 1 October each year.



New rates as at 1 Jul 2024

Rates Applicable 1 July 2024

Classification	Per Hour	Per Day 7.2 Hours	0.8 RDO Accrual	Per 36 Hours	Double Time	Casual Rate	Casual rate after 6 weeks
CW1	47.43	341.63	37.95	1708.13	94.90	64.06	85.42
CW2	49.72	357.98	39.78	1789.91	99.45	67.12	89.49
CW3							
(Non Trade)	51.73	372.49	41.38	1862.47	103.47	69.85	93.12
CW3 (Trade)	53.54	385.50	42.81	1927.47	107.09	72.27	96.36
CW4	56.16	404.34	44.93	2021.69	112.32	75.82	101.07
CW5	58.79	423.30	47.05	2116.47	117.58	79.36	105.81
CW6	61.47	442.57	49.18	2212.88	122.94	82.98	110.65
CW7	64.20	462.19	51.36	2310.89	128.38	86.65	115.55
CW8	66.86	481.45	53.48	2407.30	133.75	90.28	120.38



New rates as at 1 July 2025

Rates Applicable 1 July 2025

Classification	Per Hour	Per Day 7.2 Hours	0.8 RDO Accrual	Per 36 Hours	Double Time	Casual Rate	Casual rate after 6 weeks
CW1	49.80	358.71	39.85	1793.53	99.64	67.26	89.69
CW2	52.21	375.88	41.77	1879.40	104.42	70.48	93.97
CW3							
(Non Trade)	54.32	391.11	43.45	1955.60	108.64	73.34	97.78
CW3 (Trade)	56.22	404.77	44.95	2023.84	112.44	75.88	101.18
CW4	58.97	424.56	47.18	2122.77	117.93	79.61	106.13
CW5	61.73	444.47	49.40	2222.29	123.46	83.33	111.10
CW6	64.55	464.70	51.64	2323.52	129.09	87.13	116.18
CW7	67.41	485.30	53.93	2426.43	134.80	90.98	121.33
CW8	70.21	505.52	56.15	2527.66	140.44	94.79	126.39



New rates as at 1 July 2026

Rates Applicable 1 July 2026

a		Per Day	0.8 RDO	Per 36	Double	Casual	Casual rate
Classification	Per Hour	7.2 Hours	Accrual	Hours	Time	Rate	after 6 weeks
CW1	52.29	376.65	41.84	1883.21	104.63	70.63	94.17
CW2	54.82	394.67	43.86	1973.37	109.64	74.00	98.67
CW3							
(Non Trade)	57.04	410.67	45.62	2053.38	114.07	77.01	102.67
CW3 (Trade)	59.03	425.01	47.20	2125.03	118.06	79.68	106.24
CW4	61.92	445.79	49.53	2228.91	123.83	83.59	111.43
CW5	64.81	466.69	51.87	2333.41	129.63	87.50	116.66
CW6	67.77	487.94	54.22	2439.70	135.54	91.48	121.99
CW7	70.78	509.56	56.62	2547.76	141.54	95.53	127.39
CW8	73.72	530.79	58.96	2654.04	147.46	99.53	132.71



New rates as at 1 July 2027

Rates Applicable 1 July 2027

Classification	Per Hour	Per Day 7.2 Hours	0.8 RDO Accrual	Per 36 Hours	Double Time	Casual Rate	Casual rate after 6 weeks
CW1	54.91	395.48	43.94	1977.37	109.86	74.16	98.88
CW2	57.56	414.41	46.05	2072.04	115.12	77.70	103.60
CW3 (Non Trade)	59.89	431.20	47.90	2156.05	119.78	80.86	107.80
CW3 (Trade)	61.98	446.26	49.56	2231.28	123.96	83.66	111.55
CW4	65.02	468.08	52.01	2340.36	130.02	87.77	117.00
CW5	68.05	490.03	54.46	2450.08	136.12	91.87	122.49
CW6	71.16	512.33	56.93	2561.68	142.32	96.06	128.09
CW7	74.32	535.04	59.46	2675.14	148.61	100.31	133.76
CW8	77.40	557.33	61.91	2786.75	154.83	104.51	139.35

Further, should this agreement remain in operation past its nominal expiry date a 3% increase will be applied to the ordinary rates of pay in Appendix B applicable from 1 July 2028 and annually thereafter from 1 July each year.



How does a 22% wage increase compare with the general economy?

- Cost of living and the Consumer Price Index.
 - » https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release; as of 24 Apr 2024.
 - » The Consumer Price Index (CPI) measures household inflation and includes statistics about price change for categories of household expenditure.
 - » The Consumer Price Index (CPI) rose 1.0% this quarter.
- Over the twelve months to the March 2024 quarter, the CPI rose 3.6%.
- $3.6\% \times 4 = 14.4\%$.



CFMEU Rates of Pay vs The Award

Current rates compared to the Award rate?

- In March 2024 on the current union pattern, a CW3 (Trade) receives \$50.04 per hour, not including, travel, productivity and site allowances.
- Under the BCGOA 2020 (the Award) a CW3 Daily Hire receives \$29.65 inclusive of the industry allowance, follow-the-job loading and where appropriate tool allowances, not including travel.
- The March 2024 union rate is 68.7% above the Award.
- From 1 July 2024 the union rate will be \$54.04 or 82.25% above

the current Award rate.



Rates of Pay vs The Award

- Building work is specialised and demanding work and as such the labour market wage rates are higher than the Award minimums.
- The union rates in the new agreement, however, provide a fixed and long-term upward pressure on wage rates that seem to bear no discernable relation to any cost of living or labour market fluctuations.



PAY RATE SUMMARY

- The pattern agreement gives a 22% rise to the wage rates over a three-year period. It should be noted that the current pattern CFMEU agreement also specified a 2.5% increase which took effect on 1 March 2024.
- If the current CPI rate of rise in the cost of living were to continue, the CPI would only rise 16.4% till mid 2027, whereas the agreement grants a 22% increase over the same time. Also, note that the Agreement locks in a 3% rate rise for the life of the Agreement.



RATES OF PAY

- It should further be noted that these percentage increases do not factor in a daily fares travel allowance which will range from \$65 to \$90 payable for every day worked, including RDOs. Also, productivity and site allowances which will be at least 8\$ per hour combined on most large sites and will be paid for every hour worked.
- In addition to these costs, the employer must make an addition contribution to superannuation of 2.5% above the Superannuation Guarantee Levy (SGL) for all employees, including Apprentices.

TRAVEL ALLOWANCE

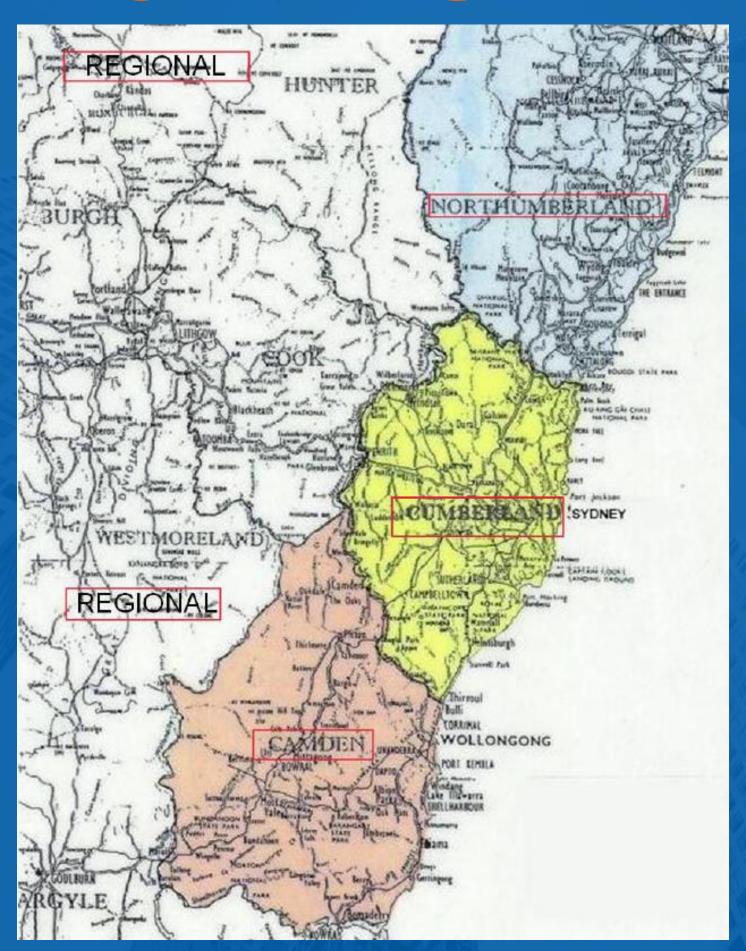
Daily Fares and Travel Allowance

The Company will pay the following fares allowance per day for each day worked (including RDO's) in accordance with clause 13 of this Agreement.

	of the three Counties. (ii) Travel only in the	 Travel from one County to an adjacent County. Travel from Northumberland County to Camden County or vice versa. Travel from Northumberland County to Camden County or vice versa. Regional Area but not more than 70km from the county boundary in either direction
From 1 July 2024 per day	\$65.00	\$75.00 \$85.00
From 1 July 2025 per day	\$65.00	\$75.00 \$85.00
From 1 July 2026 per day	\$70.00	\$80.00 \$90.00
From 1 July 2027 per day	\$70.00	\$80.00 \$90.00

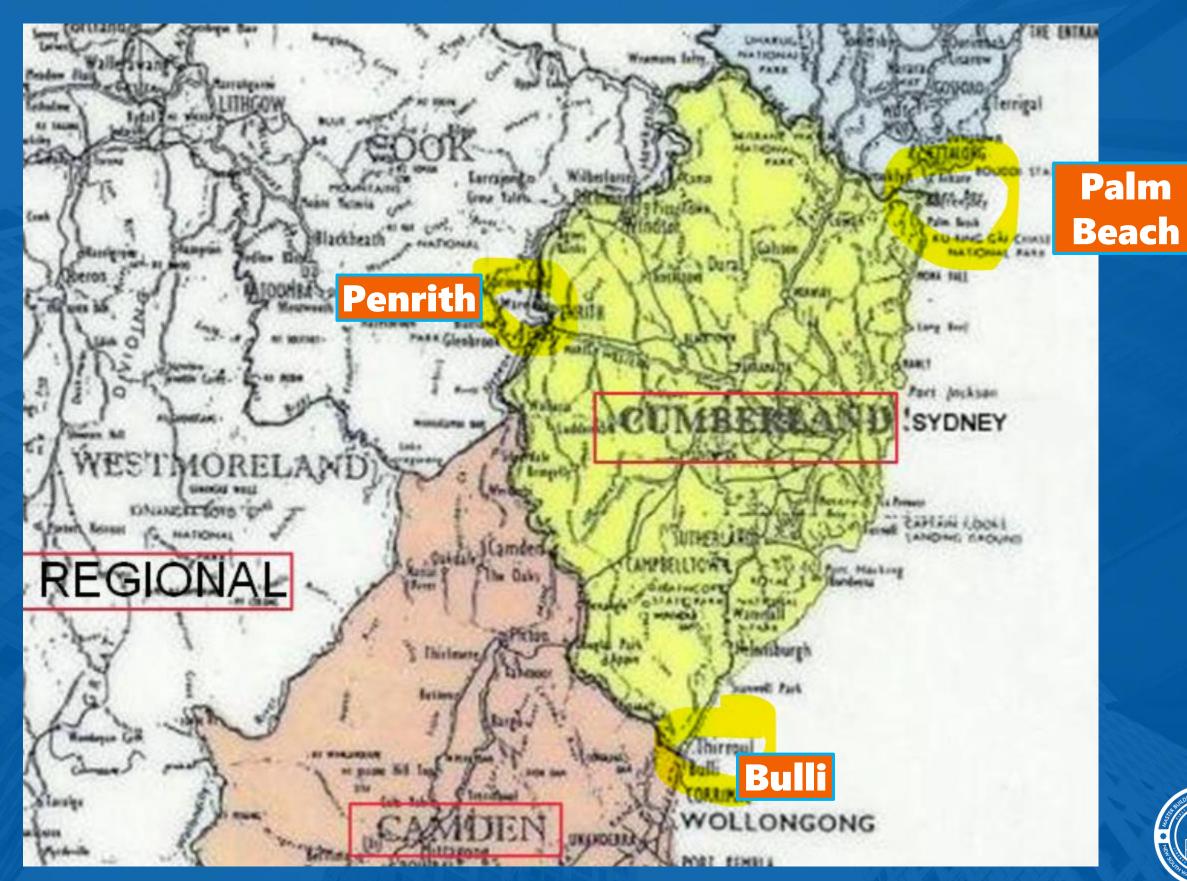


TRAVEL ALLOWANCE





TRAVEL ALLOWANCE





Flexibility - Rostered Days Off

The current (2019-2023) Pattern Agreement contains:

- » 9 Flexible RDOs (marked "other") in the 2024 calendar
- » 8 Scheduled RDOs in 2024
- » 9 Designated Long Weekend RDOs in 2024
- This gives 26 Union RDOs versus 13 for the Award.
- Award: Work 8 ordinary hours day, paid for 7.6 with 0.4 held over x 19 = 7.6 = 13 RDO's PA. From the move to a 38-hour week (1983).
- Union: 8 Ordinary hours 7.2 paid + 0.8 toward RDO
 - = 26 RDO's PA on a 36 ordinary hour week.



2025 RDO Calendar

From January 2025

- » 8 Fixed RDOs
- » 10 Designated Long Weekend RDOs
- » 8 Flexible RDOs

The RDO provisions essentially means that parts of the commercial sector industry in NSW operates on a 9-day fortnight, unless the job is tendered on a compressed 5-day week (50 hours).

This is in the current agreement but has been exempted by Appendix K



RDOS

- 27.5 Work on Fixed RDOs and Designated Shutdown Long Weekends for projects other than Identified Projects
- Work is prohibited on public holidays, fixed RDOs, and Designated Shutdown Long Weekends and RDOs attached to a Designated Shutdown Long Weekend. Where there is an agreed emergency or a special client need and subject to the agreement of all Parties to this Agreement and the Union, limited work may be undertaken on public holidays, fixed RDOs, and Designated Shutdown Long weekends and RDOs attached to a Designated Shutdown Long Weekend. The Company will give the other Parties and the Union 7 days notice of any such need for work so as to ensure appropriate consultation.
- b) Where it is agreed that work can be performed on a Fixed RDO, or on a Designated Shutdown Long Weekend, public holiday and/or the attached RDO(s) to a Designated Shutdown Long Weekend, the affected Employees, in addition to accrued entitlements, shall be paid double time and a half, the daily 'Fares & Travelling Allowance' and any applicable allowances as prescribed by this Agreement, and shall bank an additional RDO over and above the time accrued irrespective of the length of notice time provided.





27.6 Work on Fixed RDOs and Designated Shutdown Long Weekends for Identified Projects

Appendix K will apply for Work on Fixed RDOs and Designated Long Weekends for Identified Projects.



APPENDIX K

- Appendix K is a space at the end of the Agreement where the Member can list jobs that the RDO provisions will not apply to.
- Clauses 27.3 and 27.4 continue to apply.
- Clause 27.5 is modified by Appendix K. Meaning in relation to Fixed RDOs not attached to a Designated Long Weekend, these may be worked with the agreement of an Employee.



APPENDIX K. 3

- Where there is an agreed emergency or a special client need and subject to the agreement of all Parties to this Agreement and the Union, <u>limited work may be undertaken on public holidays and</u> <u>Designated Shutdown Long weekends and RDOs attached to a</u> <u>Designated Shutdown Long Weekend.</u>
- The Company will give the other Parties and the Union 7 days notice of any such need for work so as to ensure appropriate consultation.



APPENDIX K

• (f) Where the Company and the Employee agree, up to six days of RDOs in a twelve-month period may be accrued for the purpose of creating a bank to be drawn upon by the Employee at times mutually agreed. Details of such banked RDOs shall be entered on to each Employee's employment records. These RDOs may be taken as a group of consecutive days or any other combination subject to reasonable notice by an Employee.



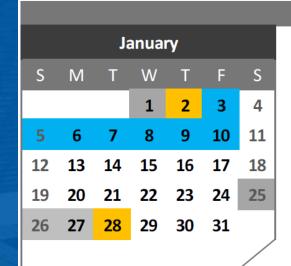
RD05

27.3 Rostered Days Off 2024-2027

- a) The ordinary working hours shall be worked in a 10 day/ 2 week cycle, Monday to Friday inclusive with eight hours worked for each nine [9] days, and with 0.8 of an hour on each of those days accruing toward the tenth day and can be taken as a paid day off. The tenth day shall be known as the Rostered Day Off or 'RDO'.
- b) RDO's shown as Other RDO's in the RDO Calendars (Appendix E) can be worked or banked.
- c) Accrued RDO time may be used for a paid Saturday up to 7.2 hours during Designated Shutdown Long weekends.
- d) Where RDOs are taken they are paid at the ordinary time rate paid to Employees at the time of taking the RDO, and on all RDOs payment shall include the daily 'Fares & Travelling Allowance', and any applicable allowances as prescribed by this Agreement.
- e) For clarity, up to 26 RDOs shall be accrued by an Employee in each twelve months continuous service.



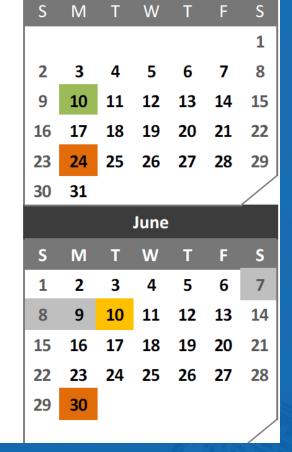
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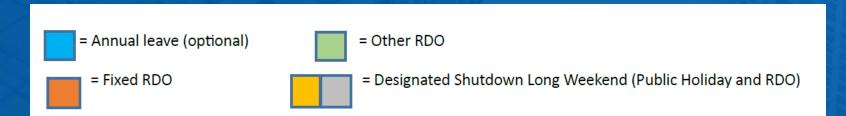
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REDUNDANCY/INCOME PROTECTION

- Australian Construction Industry Trust (ACIRT) to be replaced by Incolink. \$800m managed funds, over \$20m dividends returned to members annually.
- Incolink monies flow to CFMEU Victoria does not return dividends to workers.
- IPT Agency Co Ltd is controlled by Incolink income protection and trauma and journey insurance. \$200 per Ee/month up from \$110.
- Redundancy contribution is set to rise (currently \$150) to \$160 1
 July 2024 to \$190 on 1 July 2027 per Ee per week.



SECURITY OF EMPLOYMENT CLAUSES

- The proposed pattern requires the Company to consult with the Union after being awarded with a contract but prior to the engagement of sub-contractors.
- The new pattern also contains a 'jump up clause'. Subcontractors' employees (including labour hire) are to be paid at least at "Commercial building industry rates" (i.e., CFMEU enterprise agreement rates).



SECURITY OF EMPLOYMENT

24. SECURITY OF EMPLOYMENT

- a) The Parties agree to maximise the continuity of employment for permanent Employees and to ensure that permanent employment opportunities are not eliminated or eroded.
- b) The Company recognises that in certain circumstances the use of subcontractors and labour hire may affect the job security of Employees covered by this Agreement.
- c) As soon as practicable after being awarded a contract and prior to engaging a subcontractor to perform work performed by Employees covered by this Agreement, the Company shall inform the Union. Parties shall recognise both geographical and commercial circumstances and may agree to vary the operation of this clause.
- d) This clause does not apply in circumstances where existing subcontractors are engaged.



SECURITY OF EMPLOYMENT

24.1 Use of subcontractors

- a) If the Company wishes to engage subcontractors and their employees to perform work covered by this Agreement, the Company must consult in good faith with the Union. Consultation will occur prior to the engagement of subcontractors for the construction works.
- b) If the Company decides to engage subcontractors, the Company shall ensure that the employees of the subcontractors are engaged on terms and conditions of employment which are no less favourable overall than Commercial Building Industry Rates. "Commercial Building Industry Rates" means the terms and conditions contained in the standard CFMEU enterprise agreements covering the type of work performed by the subcontractor and its employees.
- c) The use of sham subcontracting arrangements is a breach of this Agreement. The Company who engages subcontractors is responsible for ensuring the employees of subcontractors are entitled to wages, allowances and conditions equal to or better than Commercial Building Industry Rates covering the type of work performed by the subcontractor and its employees on the Company's projects.



USE OF LABOUR HIRE

24.2 Use of Supplementary Labour Hire

- a) Supplementary labour hire is defined as temporary "top up" labour designed to meet short term situations such as absences due to personal / carer's leave, annual leave and short-term work peaks.
- b) The Company shall ensure that any workers engaged by such businesses and performing work covered by this Agreement are entitled to wages, allowances and conditions equal to or better than those contained in this Agreement.
- The Company who engages labour hire workers is responsible for ensuring those workers are entitled to rates no less than those contained in this Agreement. This obligation extends to liability for all outstanding wages, conditions and entitlements under this Agreement on the Company's projects.
- d) The Company acknowledges that it is not the intention to undermine the employment security and terms and conditions of Employees under this Agreement. As such, there will be no redundancies made while the Company has engaged labour hire to undertake work that is performed by Employees. Any departure from this shall require agreement with the Union.



SECURITY OF EMPLOYMENT & ENTITLEMENTS

- The amended version of the pattern refers to usage of individual workers with an ABN as 'sham contracting'.
- Contractors are made responsible for entitlements of subcontractors' employees. (No SIRA statement available).
- The amended document requires the Union to be notified where the Company faces liquidity problems. This is a problematic clause. Construction is a high cash flow industry it is not always easy to define a liquidity problem and we note that the agreement makes no attempt to do so.



SHAM CONTRACTING

(iv) Any use of sham contracting, including the use of individual workers paid on an ABN system doing work covered by this Agreement, is a breach of this Agreement.



EFFECTIVE WORK ORGANISATION

• Effective Work Organisation refers to methods of organising work so that Employee and Company objectives can be achieved efficiently, sustainably and safely, producing results which are acceptable to all concerned.



EFFECTIVE WORK ORGANISATION

- The Company will directly utilise Employees on its projects in the most productive manner possible, in the following key attendant roles:
 - i. First aid attendants;
 - ii. Amenities attendants;
 - iii. Hoist drivers (including builders' lift drivers);
 - iv. Crane crews (except where supplied by a specialist company or subcontractor) and subject to custom and practice;
 - v. Gate persons;
 - vi. Certain traffic attendant roles (except where supplied by a specialist subcontractor or where there is a legal requirement) and
 - vii. Material handling.

EFFECTIVE WORK ORGANISATION

• The Parties to this Agreement acknowledge it may not be possible to directly engage Employees in the roles referred to due to client tender/contract conditions (e.g., some Commonwealth Department of Defence projects, or existing projects where there are contractual requirements); or



EFFECTIVE WORK ORGANISATION

• On minor projects up to the Company's contract value of \$20 million per site. For the purposes of this clause, the Company's contract value is calculated at the time of contract award to the Company.

• The exemption above only applies to Clause 23 and no other part of the Agreement. Members should not think that jobs under \$20 million will be exempt from any other part of the Agreement.



SAFETY & INDUSTRIAL

- No concrete pours after 11am (pours over 150 cubic meters)
 - » In conjunction with the greater HSR/delegate rights, this will mean that a pour may be stopped for an entire day.
 - » HSR Delegates can invite the union on at any time.
 - » The Safety Working Group can essentially shut a site down at any time over a safety concern.
 - » This can now be discussed between the parties.



TRADE UNION RIGHTS & REPRESENTATION

- Powerful trade union rights under the Agreement.
- The Agreement includes a right to 'paid' time off to participate in the operation of the union. The new pattern provides a right to the Union Delegate to address new employees about the benefits of union membership at the time they enter employment or on site.



TRADE UNION RIGHTS & REPRESENTATION

- Company required to invite union delegate to attend every company induction for new employees and to address employees for at least half an hour per attendance.
- Standing invitation for any representative of the Union to enter any place where company employees or representatives are.
- Company are to provide any information to the Union about employees that the Union requires, to ensure compliance with the agreement.



PRODUCTIVITY OFFSETS?

- There are no productivity offsets in the agreement.
- The agreement provides for greatly increased wage rates, a reduction of employer autonomy and the reintroduction of clauses that would have been not allowed under the 2016 Building Code and the Australian Building and Construction Commission (ABCC).

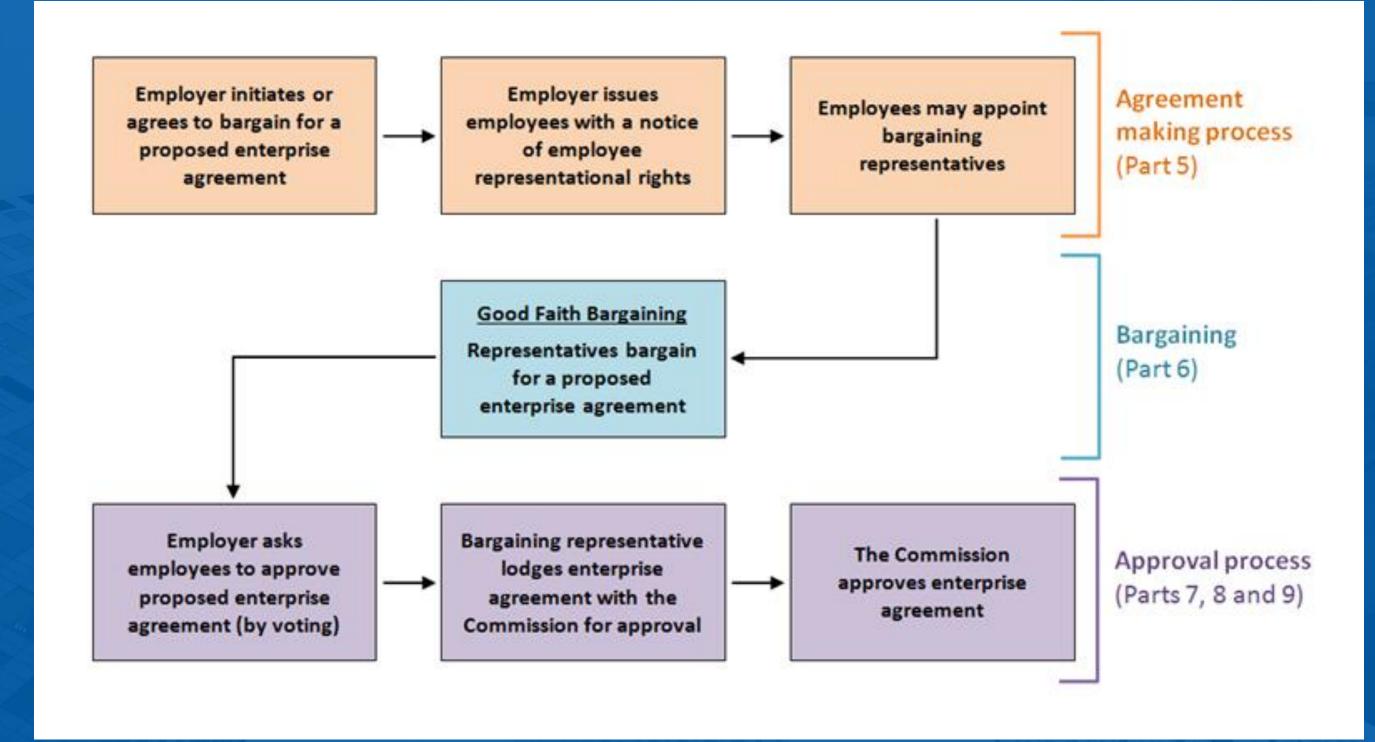


WHAT ABOUT BARGAINING?

- What you rights around bargaining?
- Have you set the date? Have you? Have you?
- What if you don't set the date?
- What if the Union threatens to shut down my site.



THE AGREEMENT PROCESS





SET A DATE??

Have you set a date to vote?

181 Employers may request employees to approve a proposed enterprise agreement

- (1) An employer that will be covered by a proposed enterprise agreement may request the employees employed at the time who will be covered by the agreement to approve the agreement by voting for it.
- (2) If the employer is required by subsection 173(1) (which deals with giving notice of employee representational rights) to take all reasonable steps to give notice in relation to the agreement, the request must not be made until at least 21 days after the day on which the last notice under subsection 173(1) in relation to the agreement is given.
- (3) Without limiting subsection (1), the employer may request that the employees vote by ballot or by an electronic method.



WHAT CAN THE UNION DO?

- What if you refuse to set a date?
- The union may threaten or attempt to shut down the site.
- Such an action may well constitute unprotected industrial action.
- The Fair Work Commission can issue "STOP" order for unprotected industrial action and Master Builders is ready willing and able to assist any Member who needs it.



GOOD FAITH BARGANING?

- Sign or suffer the consequences is not "good faith bargaining".
- Any Member who is dealing with such threats can apply to the Fair Work Commission to seek Good Faith Bargaining Orders.
- This may assist in getting a more reasonable agreement made.
- It may terminate a "relationship" with the union.



ONCE AGAIN!!!

- MBAs advice is to <u>not</u> sign this Agreement in its current form. It is essentially a bad deal for the company. <u>It cedes far too much managerial control to the union.</u>
- This Agreement is designed to last forever. You cannot easily terminate this agreement.
- Nominal expiry doesn't mean the agreement won't continue to apply beyond 2027. Governments and laws can change – but you will be bound by this Agreement for a very long time.



THANK YOU!

- This is a high-level summary of the new CFMEU Pattern Agreement.
- A detailed comparison document will be released shortly.
- Members with specific questions are encouraged to contact Master Builders Workplace Relations Department on (02) 8586 3555.



