

# Media Release

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## **CFMEU WELCOMES RELEASE OF REPORT INTO PERSONAL SERVICES TAX LAWS**

The CFMEU today welcomed the release of the Board of Taxation's review of tax rules applying to contractors as vindication of the union's extensive campaigning on the rorts and rackets in the sector.

"For many years the CFMEU has been fighting for an end to the use of sham contracting arrangements in the construction industry," said CFMEU National Secretary John Sutton.

"The union also applauds the statement from Assistant Treasurer Nick Sherry that the Rudd Government is determined to see an end to these practices and the union looks forward to progressing the options outlined in this report.

"The scale of sham contracting rorts were demonstrated by the CFMEU in its submission to the review, with more than 50,000 labourers currently working in the construction industry classified as so called 'independent contractors.'

"The Howard Government designed the tax system to encourage the growth of sham contracting arrangements – which is exactly what occurred – with the culture of "No ABN No Start" becoming prevalent in many sectors of construction.

"This culture is not only cheating the tax system of revenue but penalises honest employers who are trying to do the right thing.

"The CFMEU urges the Henry Tax Review to take a tough stand on sham contracting arrangements and restore law and order to the construction industry by adopting the considered options outlined in this report."

**For media comment please call John Sutton on 0419 254 180**