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CONSTRUCTION, FORESTRY, MARITIME EMPLOYEES' UNION (CFMEU)
AND
BUILT (VIC) PTY LTD (BUILT)

RE. ALLEGED UNDERPAYMENT OF SITE ALLOWANCE

002-2026

17 APRIL 2026

DECISION

[1] The CFMEU notified a Dispute on 4 February 2026 concerning the amount of site allowance that should be applicable on the Barwon Women's and Children's Hospital Project (the Project) at Geelong, Victoria, pursuant to the *BUILT (VIC) and the CFMEU (Victorian Construction and General Division) Builder Enterprise Agreement 2024-2027* (the Agreement).

[2] The Panel issued Statements on 18 and 27 February, 5 March 2026 and 2 April 2026. This Decision is to be read in conjunction with those Statements.

[3] In its Statement No.4 on 2 April 2024 the Panel made a number of observations which are repeated here:

"[4] In Statement No. 2 at paragraph [12] the Panel noted as follows:

"Based upon the information presently before us, it would appear that the Total Project Value, as defined by the Agreement, does not exceed \$489.2m and falls short of that figure by a significant sum."

[5] On 13 March 2026 VIDA provided the details of the breakdown of costs previously provided to the Panel to the legal representatives of the parties on a confidential basis.

[6] The CFMEU in its submission of 27 March 2026 noted as follows:

“However, it would appear uncontroversial that the information provided indicates that the aggregate cost of the project, excluding non-construction development costs, is at least \$447,220,613.”

[7] This is the figure previously established by the Panel in its assessment.

[8] The CFMEU argues in its submission that the Panel should find that the relevant costs of the Children’s Emergency Department Upgrade (CED) completed by Kane Constructions in 2024 ought be included in the total Project Value of the Barwon Women’s and Children’s Hospital Project for the purposes of the Agreement, that is, in addition to the \$447,220,613.

[9] Arising from the CFMEU’s submission the Panel sought further information from VIDA concerning the costs associated with the CED.

[10] The Panel advised that BUILT was at liberty to respond to the CFMEU’s submission.

[11] VIDA provided the Panel and the legal representatives of the parties with the relevant construction costs for the CED on 1 April 2026. The information advises that these costs amount to a total of \$16,650,641 excluding non-construction costs.

[12] The Panel is yet to conclude a view as to whether or not the Children’s Emergency Department Upgrade (CED) is part of the Project the subject of this dispute.

[13] However, having regard to the material provided, and its previous assessment of the value of the Project for the purposes of the Agreement, it appears even if the Panel was persuaded that the relevant costs of the CED Upgrade should be included for the purposes of the Agreement, the total Project Value would still be insufficient by a significant margin to cross the threshold present value of \$489.2m. such that a higher site allowance than presently paid by BUILT would apply.

*[14] Before concluding a Determination in this matter the Panel will consider final submissions from the parties, should they wish. Accordingly the Panel will consider any final written submissions to be received not later than **5.00pm on Monday 13 April 2026**, following which the Panel intends to determine the matter.”*

[4] The Panel granted an extension of time for the parties to file submissions pursuant to paragraph [14] of Statement no. 4. On 16 April 2026 both parties advised the Panel they did not wish to make any further submissions.

[5] The Panel has now proceeded to conclude its deliberations in this matter.


[6] The Panel has not been persuaded by the CFMEU’s submission that the Children’s Emergency Department Upgrade (CED) construction costs should

be included in the total Project Value of the Barwon Women's and Children's Hospital Project.

[7] The Panel finds that the CED was a separate and distinct project completed and funded independently of the Barwon Women's and Children's Hospital Project. We have found no adequate relationship between both Projects such that together they would satisfy the requirements of Appendix C of the Agreement.

[8] Even if the Panel was wrong in this finding, the construction costs of CED are insufficient to cross the threshold present value of \$489.2m such that a higher site allowance than presently paid by BUILT would apply.

[9] The Panel confirms its previous assessment that the Project Value of the Barwon Women's and Children's Hospital Project for the purposes of the Agreement is \$447,220,613. This Project Value sits squarely within the project value range of 305.8m-489.2m for a site allowance of \$5.55 per hour (CPI adjusted) in accordance with the terms of the Agreement. Accordingly, the Panel finds that the site allowance presently paid by BUILT is correct.



Peter Parkinson
Chairman



Tony Cordier
Panel Member



Adrian Ziccone
Panel Member