

— Exclusive

Andrews government was warned on 'illegal CFMEU activity'

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Victorian Deputy Premier Jacinta Allan was warned about “illegal” CFMEU coercion of Indigenous firms on the state’s infrastructure projects last year, sparking alerts across political offices.

Emails released under freedom of information laws show a state infrastructure executive briefed Ms Allan about an unnamed Indigenous labour hire firm that the CFMEU allegedly kicked off nine government projects, including the state’s signature project the \$200 billion Suburban Rail Loop [<https://www.afr.com/link/follow-20180101-p5c35o>].



Deputy Premier and Transport Infrastructure Minister Jacinta Allan (right) was briefed on the alleged CFMEU coercion in June last year. **Eddie Jim**

However, Victorian Indigenous business chamber Kinaway, which raised the issue, said the government did nothing about the matter with builders or the union and instead referred the firm to the soon-to-be scrapped industry watchdog.

The government's failure to address the alleged coercion of Indigenous firms contrasts with Major Roads Projects Victoria promoting a new Mick Gatto-linked Indigenous firm on the \$222 million Mickleham Road upgrade last week.

The Australian Financial Review contacted several Indigenous labour hire firms understood to have been forced off projects for not having a CFMEU agreement, but all declined to comment out of fear of repercussions.

One firm owner, speaking anonymously, said the actions had had a "severe impact" on cashflow, the livelihood of their business and its workers.

"The flow-on effect of this is it disadvantages the marginalised people who are employees of the Indigenous companies," he said.

"These are ex-offenders who come out of jail, are doing really well and have been in a job for 18 months, working with 10 other Indigenous people, and all of a sudden, they get pushed off by the CFMEU, don't have the same continuity of work and fall back into the cracks and end up reoffending."

'Allegations of union coercion'

In a June 14 email with the subject header "Impact by Illegal CFMEU Activity", Major Transport Infrastructure Authority IR director Darren Driscoll said "the allegations of union coercion to displace him [the unnamed Indigenous firm owner] has now extended to 9 projects, including SRL [Suburban Rail Loop]".

"We briefed the [Transport] Minister [Jacinta Allan] and further work will occur across the political offices," he said in the email released under FOI.

The email was addressed to the CEO of the North East Link project, Duncan Elliott, MRPV CEO Allen Garner and cc'd to then-MTIA director-general Corey Hannett and Department of Premier and Cabinet manager Matt Phelan.

The name of the firm was redacted as part of the FOI release, as was the entire letter the firm wrote to the minister detailing its coercion claims.

A day after the letter, a CFMEU political organiser emailed Ms Allan to invite her to a union meeting with new Indigenous firm Dardi Munwurro, which is in a joint venture with ASX-listed labour hire business Ashley Services Group.

The unnamed official pitched the CFMEU-backed firm as the “only company that has a 100 per cent aboriginal workforce on the ground”, according to the email released under FOI.

“This addresses a key issue experienced by the aboriginal [sic] community, where other companies use their status as aboriginal to gain work yet do not mandate all workers must be aboriginal,” the official said.

The CFMEU did not respond to requests for comment before publication.

Kinaway chief executive Scott McCartney said the chamber had been “trying to work out what had changed because these businesses had been on these sites for a couple of years”.

“Then all of a sudden they were kicked off because they didn’t have an EBA – what changed?” he said.

The CFMEU’s alleged coercion followed Labor’s federal election win in May where the party promised to scrap the Australian Building Construction Commission. [<https://www.afr.com/politics/federal/government-could-deny-abcc-budget-if-moves-to-abolish-it-fail-20220725-p5b48a>]

Mr McCartney said the Andrews government had told it there was nothing they could do and instead suggested they go to the ABCC. The Albanese government stripped the watchdog’s powers a few months later [<https://www.afr.com/work-and-careers/workplace/labor-neuters-building-watchdog-ahead-of-abolition-20221028-p5bts4>].

He said the chamber was trying to work with the CFMEU to get businesses back on sites.

A state government spokesman said, “industrial relations matters are the responsibility of our construction partners, and we expect that they work respectfully to resolve any issues that arise”.

“Big Build is leading the nation in Aboriginal employment, with more than 3 million hours worked by Aboriginal people on our projects and more than \$116 million invested in Aboriginal-owned and operated businesses,” he said.



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