



PARLIAMENT OF AUSTRALIA • THE SENATE
SENATOR THE HON. BRIDGET MCKENZIE
Shadow Minister for Infrastructure, Transport and Regional Development
Leader of the Nationals in the Senate
Senator for Victoria

17 July 2024

The Hon. Catherine King MP
Minister for Infrastructure, Transport, Regional Development and Local Government
Parliament House
CANBERRA ACT 2600

Via email: minister.king@mo.infrastructure.gov.au

Dear Minister,

On Sunday 14 July 2024 the Hon. Tony Burke MP, Minister for Employment and Workplace Relations, announced he had requested advice from the Secretary of his Department on what powers were available to him to act with respect to the Construction Forestry and Maritime Employees Union (CFMEU).

Allegations with respect to the CFMEU are not new, but the latest revelations of deep links with organised crime and bikie gangs, have prompted immediate responses from both the Federal and State governments.

Of broader but no lesser concern is the fact that Australian taxpayers have had to pay more than they should to build critical infrastructure projects with reports that companies bidding for work have secured government contracts despite quoting double the price of competitors because they have the backing of the CFMEU.

The delivery of many large infrastructure projects has been delayed as a direct result of the industrial action and behaviours of the CFMEU, resulting in increased construction costs and the cancellation or delays to commencement of other important land transport projects. Productivity in the construction industry is at a multi-decade low, according to reports.

As Minister for Infrastructure, Transport, Regional Development and Local Government, you have rewarded states that have struck sweetheart deals with the CFMEU. In the recent May Budget alone, according to documents released by your Department, the Victorian State Government was awarded with over \$5 billion to pay for cost blowouts in existing projects. Less than \$18 million was committed towards new projects in Victoria.

The Albanese Government's approach to escalations in major project costs has enabled the Victorian Labor Government in particular to be less diligent than it should in constraining project costs, and ensuring every taxpayer dollar is expended prudently, lawfully and to deliver the maximum benefit to the Australian public.

In light of Minister Burke seeking advice from his Department on the powers he has available, have you similarly requested Departmental advice on the powers you have available to you to ensure taxpayer funds for the construction of infrastructure projects have not been misappropriated or spent on criminal behaviours.

Minister, can you provide a guarantee to the public and the Parliament that no Commonwealth infrastructure funds have been spent unlawfully by the CFMEU or CFMEU affiliated persons?

Given the extreme nature of the allegations regarding the CFMEU, and the additional costs to taxpayers across Australia, I request your urgent response to these important questions.

Yours sincerely,

Bridget McKenzie

cc. The Hon. Tony Burke MP, Minister for Employment and Workplace Relations



The Hon Catherine King MP

**Minister for Infrastructure, Transport, Regional Development and Local Government
Member for Ballarat**

Ref: MC24-012811

Senator the Hon Bridget McKenzie
Shadow Minister for Infrastructure, Transport and Regional Development
Senator for Victoria
172 High Street
Wodonga VIC 3690

via: senator.mckenzie@aph.gov.au

Dear Senator ~~McKenzie~~

Bridget

Thank you for your letter of 17 July 2024 regarding the Construction, Forestry and Maritime Employees Union (CFMEU). Corruption and criminal conduct is unacceptable in any workplace and the former and current Ministers for Employment and Workplace Relations, have taken decisive action in response to these issues.

This includes asking the Fair Work Ombudsman to undertake a targeted review of all enterprise agreements made by the Victorian Branch of the construction division of the CFMEU that apply to 'big build' projects; requesting that the AFP investigate recent allegations and work cooperatively with state police to investigate and prosecute any criminal breaches; supported the Fair Work Commission in appointing independent administrators to the Construction Division of the CFMEU; and we will use our procurement powers to ensure that enterprise agreements on government funded projects are genuine agreements and that workplaces are free from coercion and intimidation.

The Australian Government has extensive systems and procedures in place to ensure value for money in our investments in land transport infrastructure, including investments as part of the Infrastructure Investment Program (IIP) and those led by Government Business Enterprises (GBEs). However, in light of the recent allegations, and in response to recent infrastructure reviews which highlighted challenges across the industry for a number of years, I have introduced new requirements on states and territories as part of the Commonwealth's funding agreement for projects delivered under the *National Land Transport Act 2014*; and reinforced assurances on Commonwealth funded projects.

We have embedded protections in the new Federation Funding Agreement (FFA) with states and territories, which outlines their shared responsibility to ensure value for money for public funds; engage delivery partners who prioritise ethical practices; and the responsibility to support initiatives to improve productivity in construction.

The new FFA also responds to findings from the Independent Strategic Review of the IIP which found the number of projects in the IIP had tripled between 2015 and 2022, and too many large-scale projects were receiving funding without adequate planning or costings to manage the increase in delivery costs in a volatile market.

The new FFA is designed to ensure both levels of Government are accountable, share responsibility for fiscal discipline, risk and planning so projects are completed in a timely manner and deliver value for money. It will enable more effective priority setting, risk management, delivery, accountability and transparency.

As you know, as part of the reforms I introduced last year, Infrastructure Australia (IA) now assesses life-cycle project costs and reviews business cases for projects where Australian Government funding of over \$250 million is sought.

Further, I have written to my state and territory counterparts in recent weeks to convey that the behaviour we have seen from the Construction Division of the CFMEU is unacceptable and my expectation is that any information regarding improper or criminal conduct by any entities related to projects delivered under the *National Land Transport Act 2014* be reported immediately to the relevant regulator and also to my department.

Where the Commonwealth has a direct funding role, such as in delivering Western Sydney Airport or Inland Rail, I have asked my Department to provide advice to me in relation to these projects, sought assurances from GBEs that they comply with relevant laws and demonstrate efficient, effective, economical and ethical expenditure of taxpayer money; and that any information regarding allegations or instances of improper or criminal conduct be reported immediately.

Thank you for taking the time to write to me on this matter.

Yours sincerely

Catherine King MP

9/18/2024



PARLIAMENT OF AUSTRALIA • THE SENATE
SENATOR THE HON. BRIDGET MCKENZIE
Shadow Minister for Infrastructure, Transport and Regional Development
Leader of the Nationals in the Senate
Senator for Victoria

21 March 2025

The Hon. Catherine King MP
Minister for Infrastructure, Transport, Regional Development and Local Government
Parliament House
CANBERRA ACT 2600

Via email: minister.king@mo.infrastructure.gov.au

Dear Minister,

On 17 July 2024 I wrote to you regarding allegations of improper and unlawful activity by the Construction Forestry and Maritime Employees Union (CFMEU) on construction sites and whether you were able to provide a guarantee that no Commonwealth infrastructure funds had been spent unlawfully by the CFMEU or CFMEU affiliated persons.

On 9 August 2024 you replied advising you had written to your state and territory counterparts requesting that

“any information regarding improper or criminal conduct by any entities related to projects delivered under the National Land Transport Act 2014 be reported immediately to the relevant regulator and also to my department.”

On 16 March 2025 media reports and footage emerged on *60 Minutes* program and *The Age* newspaper of sickening acts of violence towards women as well as ongoing presence of bikie gang associates and criminal elements receiving funds on government funded Big Build infrastructure projects. Many of Victoria’s Big Build Projects are Commonwealth funded, such as the North East Link, Mickleham Road upgrade, Clyde Road upgrade, South Geelong to Waurn Ponds rail duplication, M80 Ring Road capacity improvements, and the Barwon Heads Road upgrade.

Has the Victorian Government complied with your direction, as outlined above, by providing you with information regarding improper or criminal conduct on Commonwealth funded infrastructure projects? If so, what action has the Government taken with respect to such conduct? If not, what measures have you initiated to satisfy yourself that there has been no improper or unlawful conduct on Commonwealth funded construction sites in Victoria.

Given the severely distressing nature of the allegations regarding violence and bullying on Victorian Big Build projects, and the additional costs to taxpayers across Australia of CFMEU intervention, I request your urgent response to these important questions.

Yours sincerely,

Senator the Hon. Bridget McKenzie