

Response of the Construction, Forestry, Maritime, Mining and Energy Union to Questions on Notice

Inquiry into the *Fair Work (Registered Organisations) Amendment (Ensuring Integrity) Bill 2019* – Hearing on 20 September 2019

On Page 12 of the Transcript – in Mr Noonan's opening statement:

Mr Noonan: Yes. There are some other issues I wish to raise. Firstly, former Senator Xenophon extracted a commitment from the government to deal with phoenix security and payment issues. These issues remain largely unaddressed in the construction industry. It is also apparent that there is a view that has been put by the government that this bill is not retrospective. It is retrospective in some provisions of its operation, particularly in the appointment of administrators to organisations in schedule 3. The effect of the bill is entirely retrospective. There are a couple of other aspects which I won't go into further for the sake of brevity.

The second myth is in relation to corporate equivalency. Corporate equivalency is not there. I think it's very clear that the provisions of the Corporations Act and its implementation are completely different and entirely less than the existing industrial law, let alone what is proposed here.

I have a couple of other comments to make in relation to announcements that the government has made. We have seen Minister Porter—

CHAIR: We might take that on notice, if that's okay, because I do want to have some questions asked. What I might do—

1. The Union has noted comments recently made by Minister Porter in relation to the criminalisation of systemic wage theft. Wage theft is a serious problem in construction, but we don't agree with criminalising it. Regulators should focus on preventing theft, not on grandstanding for headlines with criminal penalties in circumstances where they are failing to prosecute employers under the current regimes, despite having statutory responsibility for doing so.
2. The fact is that the ABCC is failing to prosecute wage theft. We address this further in our written submission at paragraphs 184 - 195.
3. On 30 June 2019, the ABCC issued a press release¹ bragging that it had recovered \$1 million over a two and a half year period beginning when the ABCC was re-established at the end of 2016, and ending on 30 June 2019. Over the same period, the Construction & General Division of the Union *alone* has recovered about 50 times that (an estimate of \$50,000,000). In fact, the Victorian / Tasmanian Divisional Branch of the union recently recovered more than the ABCC - approximately \$1.3 million - from one dispute alone. That dispute related to the Royal Hobart Hospital where 120 Chinese workers, on visas, were not paid *at all* over a period of 6-8 weeks ending in September 2018. The workers were engaged under a sub-contractor, Accuracy Interiors, and the head contractor John Holland. The workers were able to recover their wages only after the union intervened. The ABCC did nothing to assist those workers.
4. Indeed, a number of those same workers at the Royal Hobart site were also required to undertake off-site safety inductions, conducted by the MBA at a cost of \$99 per worker (grossing the MBA around \$113,000). The inductions which were done without the aid of

¹ <https://www.abcc.gov.au/news-and-media/abcc-recovers-1-million-workers%E2%80%99-wages>

translators, despite a significant number of workers speaking little or no English. The ABCC apparently launched an investigation following these revelations being made public, but has taken no action that the Union is aware of. If nothing else, it is beyond comprehension that any responsible organisation would treat the safety of workers in such a cavalier fashion.

5. The practical effect of the Bill passing will not encourage the ABCC to focus its resources on the systemic problems within the construction industry, such as safety or the underpayment of wages and entitlements. Rather, the effect will be to allow for more focussed, targeted and ideological attacks on the CFMEU despite the union being 50 times more effective in recovering wages and entitlements for construction workers than the statutory regulator.

On Page 14 of the Transcript:

Senator LAMBIE: *Your union has been found guilty of 2,162 contraventions of civil law since 2005. Does the CFMMEU have the capacity to stamp out illegal behaviour among its members?*

Mr Noonan: *I'm sorry; what was that figure?*

Senator LAMBIE: *Just over 2,000. We've got 2,162. Besides that being large—we can fight over the figures, if you like—I just want to know: does the CFMMEU have the capacity to stamp out illegal behaviour among its members?*

Mr Noonan: *I think it's important. Can I take that figure on notice? I don't believe it's correct.*

Senator LAMBIE: *Yes. That's okay.*

Senator PRATT: *Through you, Chair, might I inquire if Senator Lambie has got a source for that figure?*

CHAIR: *Let's let Senator Lambie put questions to the witness.*

Senator PRATT: *Okay.*

Mr Noonan: *But it would be useful if, through the proceedings, we could establish the source of that, because I'd like to—*

Senator LAMBIE: *Okay. That's fine. ...*

6. The Union has not been provided with the source of the figure stated by Senator Lambie. The union's contraventions of civil law are discussed below.

On Page 15 of the Transcript:

Senator LAMBIE: *When was John Setka last re-elected as state secretary of the Victorian construction branch of the CFMEU?*

Mr Noonan: *It was 2016, from recollection.*

Senator LAMBIE: *And how many candidates were there?*

Mr Noonan: *There was no other candidate for state secretary in that election.*

Senator LAMBIE: *How many people voted in that election?*

Mr Noonan: *I'll take that on notice.*

Senator LAMBIE: *Was it a high number or a low number?*

Mr Noonan: *If the position was uncontested, it wouldn't have gone to a ballot. That's the normal thing in democratic elections*

E2016- 134 - Construction & General Division, Victoria-Tasmania Divisional Branch

7. The CFMEU's elections are conducted by the Australian Electoral Commission (AEC), in accordance with the provisions of the *Fair Work (Registered Organisations) Act 2009* and the rules of the union. A copy of the AEC's declarations of results is **attached**.
8. In the last election in 2016, a number of positions (including that of Divisional Branch Secretary) were elected unopposed. Some positions within the Divisional Branch were contested. For the

contested positions, 6,502 ballot papers were returned being 23% of the total number of ballot papers issued.

On page 16 of the Transcript:

Mr Noonan: We have 100,000 members, roughly, in the construction division.

Senator LAMBIE: Yes, but how many of those vote, Dave?

Mr Noonan: They all get the opportunity to vote, and they all get the opportunity to vote in secret ballots.

Senator LAMBIE: About one per cent of those people who pay union fees vote. You call that democracy?

Mr Noonan: That's not correct at all.

Senator LAMBIE: Well, what's the percentage?

Mr Noonan: We've had returns of upwards of 30 or 40 per cent, in my recollection, in a range of elections. In some elections, we've had around 50 per cent. The ballot papers are posted to people's homes, so of course a lot of people don't take the trouble to fill in the ballot paper.

Senator LAMBIE: Can you provide me with those numbers from your last five or six? That would be great.

Mr Noonan: Yes, they're all publicly available. The elections in the construction division are conducted by the Australian Electoral Commission. They are independently conducted. There are scrutineers from each side, and the AEC counts the votes. The maritime division have an exemption from that and conduct their own elections, but they are under close scrutiny and there are independent scrutineers.

9. The Divisional Branch elections for the last election in 2016 are referred to above.

E2012-308 - Construction & General Division, Victoria-Tasmania Divisional Branch

10. In 2012, all positions (including that of Divisional Branch Secretary) were elected unopposed.

E2008-204- Construction & General Division, Victoria-Tasmania Divisional Branch

11. A contested election was held for the Divisional Branch Secretary position in 2008, with 8397 ballot papers were returned by members, being 33% of the total number of ballot papers issued. Bill Oliver was elected to the position with 84.7% of the vote.

E2004-244 - Construction & General Division, Victoria-Tasmania Divisional Branch

12. In 2004, all positions (including that of Divisional Branch Secretary) were elected unopposed.

2000 Election - Construction & General Division, Victoria-Tasmania Divisional Branch

13. Internal records indicate that all positions within the Divisional Branch were uncontested, except for the Assistant Secretary position. For that position, 7148 votes were returned, which was 38% of eligible voters. Bill Oliver was elected, with 87% of the vote.
14. Based on the above information, Senator Lambie's assertion that "about one per cent of those people who pay union fees vote" is incorrect.
15. **Attached** are copies of the relevant AEC declarations referred to above.

On page 16 of the Transcript:

Senator O'SULLIVAN: Thank you very much, Mr Noonan, for presenting today. Just to paint a picture for your keen interest in this legislation, can you please confirm for me: are you aware of how many times the CFMMEU has broken industrial relations laws in the last 15 years?

Mr Noonan: Can I take that on notice, Senator?

Senator O'SULLIVAN: Sure. I put to you, as Senator Lambie was saying, it's 2,166—

Mr Noonan: You're asking for court findings?

Senator O'SULLIVAN: Yes.

16. The Union has not been provided with the basis of the figure asserted by Senator Lambie, and has been unable to independently verify its accuracy in the absence of further particulars.
17. However, it is apparent that – even if correct – the figure is misleading.
18. An analysis of legal matters involving alleged contraventions of industrial relations laws indicates that there have **been 156 cases over the last 20 years** involving the CFMEU, its officials, or its members going back to conduct which occurred as early as January 1999. These are the cases that are commonly referred to by the ABCC in civil penalty hearings before the courts.
19. It follows that the figure stated by Senator Lambie must be a reference to the number of individual contraventions that arise from the same set of facts, in single court proceedings.
20. For example, in 2013 the CFMEU was found to have contravened the *Building and Construction Industry Improvement Act 2005 (BCIIP Act)* 605 times as the result of a single court proceeding (see [\[2017\] FCAFC 113](#)). That matter involved unlawful industrial action taken by workers at three Brisbane construction sites, taken over a three-day period in 2011. The number of contraventions reflect the fact that the Court determined that the word 'person' in the BCIIP Act is read in the singular, meaning that when a group of persons engage in industrial action - even if it is collective industrial action - each of those persons commits a separate offence. Because the union was found to have been 'knowingly concerned' in the taking of the action by each of the individual workers, it was subsequently taken as having itself contravened the act in respect of each individual worker. The CEPU was similarly found to have contravened the BCIIP Act 345 times.
21. The 2,166 figure state by Senator Lambie, therefore, must be seen in the context that this *one case alone* accounts for about 28% of the union's contraventions over the last 15-20 years.
22. It is also important to note that the approach taken under the BCIIP Act has not been taken in relation to unprotected industrial action outside of the building and construction sector. This is because the BCIIP Act contains provisions that are not replicated in the *Fair Work Act 2009 (FW Act)*, which governs all other industries.
23. Similarly, the claim put forward during the Committee's hearings that there have been "4 contraventions per week" over the last 15 or 20 years is so misleading as to constitute "fake news". If you consider the number of prosecutions brought by the ABCC and its predecessors over the almost 20 year history of those organisations, it is closer to 0.15 prosecutions per week.
24. We also draw the Committee's attention to the comments made in the union's written submission to the Inquiry at paragraphs 174 – 195 which discuss the ABCC's "litigation first" approach towards the union; that approach stands in stark contrast to the ABCC's complete failure to prosecute employers for breaches of wages and entitlement matters, or for sham contracting, despite those being comparatively more widespread problems in the construction sector and despite the ABCC's statutory responsibility for dealing with those same problems. Indeed, in 20 years the ABCC and its predecessors have only ever sought to prosecute sham contracting *once*.

On page 17 of the Transcript:

Senator O'SULLIVAN: Are you aware of how many of your officials have been convicted of matters that fall outside the industrial relations context in recent times—let's say the last couple of months?

Mr Noonan: Well, there's Mr Setka's matter, which we've referred to. I'll take that on notice. I'm searching my memory for any others.

Senator O'SULLIVAN: I've been reliably informed there are two others: Nicholas Rekes and Simon Gutierrez on drug offences.

Mr Noonan: I think that's the matter that I referred to, Senator. One of those matters, as I understand, is being finalised and the other is proceeding.

25. We are not aware of any other matters that fall within the scope of Senator O'Sullivan's question.

On page 20 of the Transcript (in relation to the case study found at page 8 of the Union's written submission to the inquiry)

Senator PATRICK: It's somewhat portrayed in here as Mr Kirner entering a worksite to deal with a suicide or a suicide problem. But your submission also states that, at the time, Mr Kirner was also trying to conduct a ballot. I just wonder about the appropriateness of conflating those two or bringing those two issues together, to go onto a site, as opposed to saying: 'I've got a suicide problem. I'm going to go onsite and only deal with that.' Do you think it's wise to try and do the two things at the same time?

Mr Noonan: My recollection is that Dave Kirner was at the site and it was brought to his attention that this was an issue at the site, and he sought to deal with it contemporaneously. I've been in the national office for a period of time, so I don't get to go to sites as much as a lot of our officials. But my experience as an organiser has been that when you go to a site—you don't get to a site every day; you've got big organising areas and you try to go to as many sites as you can, to see as many members as you can, and deal with issues—sometimes it's because you're called there by a member, often anonymously, about concerns they've got, and sometimes you go there because it's part of a pattern of visits. But when you go to site—

Senator PATRICK: But if a member calls you about a concern—

Mr Noonan: Sorry, if I could be allowed to finish, Senator; this really does try and answer your question. If you see safety breaches, you try and deal with them. The significance of seeing a handrail missing, an electrical problem or asbestos in a workplace doesn't always enable you to say, 'I'm here to conduct discussions with employees, so I'll redo my paperwork and come back for another reason.'

Senator PATRICK: I'm just going to the fact—

Mr Noonan: It's messy and issues do get conflated. That's what I'm trying to say.

Senator PATRICK: I'm just going to the facts of this particular case that you chose to include in your submission. I am a bit concerned in that your submission states: ... he entered the site without providing a notice of entry, without completing all the details required in the site's visitor's book (he did make an entry but the times entered were incorrect) ... In actual fact, in the court, Mr Kirner conceded he did not make an entry. From the court case: 'The visitors book records Mr Kirner's time of entry as 4 pm and the time of his departure as 5 pm. These times are obviously inaccurate. Mr Kirner said that he had not entered either time.' Going to your submission, it appears to have something that's inconsistent with the findings of the court.

Mr Noonan: I can take the specifics of that on notice.

26. The relevant findings of the court (at [44] – [45] of the primary judgement²) were:

- that Mr Kirner arrived at the site at about 11am and went first to the office;
- that he signed the visitor's book, and entered "EBA/OHS" as the reasons for his visit (being abbreviations for "enterprise bargaining agreement" and "occupational health and safety" respectively);
- that the visitor's book recorded Mr Kirner's time of entry as 4pm and the time of his departure as 5pm, which were times that were obviously inaccurate; and
- that Mr Kirner's had not entered either time. This was accepted by the Judge, meaning that Mr Kirner failed to comply with the requirements for a site visit by not entering *any* arrival or departure time (e.g. the time recordings were written in by somebody else).

27. The case study in our written submission is not - and is not intended to be - a comprehensive summary of all of the facts related to the case. However, we acknowledge that the case study did not specifically spell out that Mr Kirner made *an* entry into the visitors book, but was not the author of the erroneous times. Mr Kirner has advised that he was told by security officers, at the time of the entry, that they would fill in the times in the visitors book.

28. In the subsequent penalty decision, Justice White states that Mr Kirner's failure to enter all of the required details in the Visitor's book "is not, by itself, of much moment", firstly because it "appears to have been an inadvertent omission" and secondly because the Visitor's Book indicated "numerous other instances in which visitors have not completed all the details"; the employer also had not taken any action to enforce compliance³.

29. Notwithstanding this, the failure to record - or accurately record - entry and exit times in a visitors book was found to be capable of amounting to 'improper conduct' in contravention of s.500 of the FW Act⁴.

30. The broader point that ought to be taken here is that something as trivial as this can be a 'designated finding' of a 'designated law', which –under the Bill - would trigger the ability of the Commissioner, Minister, or any person with 'a sufficient interest' to make an application for the disqualification of the relevant official under ss.222(1) and s.223(1)(a) of the Bill. As a matter of principle, this is neither fair or proportionate.

31. We deal further with Senator Patrick's comments relating to the 'conflation' of the ballot and safety issues below.

Mr Noonan(cont.): But let me say, just in terms of why a concern over an apparent risk of suicide amongst a member compared with filling out a correct time in a book—my weight's on trying to deal with the suicide.

Senator PATRICK: I understand that, but it goes to the picture you've presented in your submission. The submission does not, for example, go to the fact that Mr Kirner conceded in the court, if I go once again to the judgement, that his conduct was improper.

Mr Noonan: I'll need to relook at that court case ...

² [2015] FCA 1287

³ [2016] FCA 414 at [36]

⁴ Noting that the Court also found that Mr Kirner acted improperly for the purposes of s.500 of the FW Act by not providing a notice of entry, and because he did not immediately leave the site upon request.

32. Mr Kirner did not concede in the court that his conduct was improper; this fact is recorded in the penalty decision⁵.

33. Mr Kirner was found to have contravened s.500 of the FW Act by acting improperly because of the following conduct:

- he entered the site without providing a notice of entry. Mr Kirner's evidence was that he believed himself to have been entitled to enter the site:
 - i. pursuant to a standing invitation issued to him by the head contractor, Hindmarsh, at the site. We accept that the Court did not accept this evidence;
 - ii. because a sub-contractor (Ausrise) had requested that he attend the site to conduct their EBA ballot; and
 - iii. insofar as he sought to speak to workers about their suicidal colleague, pursuant to s.117 of the *Work Health and Safety Act 2012 (SA)*.

We acknowledge that the Court did not accept Mr Kirner's evidence, and that this was because it was satisfied that Mr Kirner knew that a notice of entry was required but though he could "get away without providing such a notice on this occasion".

It is worth noting, however, that the Court accepted that Mr Kirner's evidence was, at least in part, informed by the fact that he had been able to enter the site on several previous occasions without providing notice, and that he did so without complaint. Further, notices had been posted on site about the ballot for some time; meaning that the head contractor and employer were aware of the ballot meeting well in advance. Further, it was accepted that no work was disrupted as a result of Mr Kirner's entry.

- he did not complete all the details required in the Visitors' Book (referred to above); and
- he had not complied immediately with the employer's request that he leave the site (although he did ultimately conduct the ballot off site, before re-entering the site to talk to a separate cohort of workers about their suicidal colleague).

34. We accept that these findings were made, and that Mr Kirner was found to have contravened the FW Act. However the real issue, for present purposes, is whether it is fair or proportionate that the Bill would allow an application to be made to disqualify Mr Kirner, or- indeed – de-register his union, based on this type of conduct. We maintain that it is not.

Senator PATRICK: I'll tell you why it's important to me. In my conversations with the attorney, I'm trying to narrow down the offences that would give rise to the bill being invoked. Right of entry has been raised as an issue. When I look at this example, I think maybe this could have been handled differently. Suicide—I get it, although, once again, I question whether or not that could be done by a phone call offering some assistance, maybe with the worker coming offsite, but not being interlaced with a ballot. There are better ways to handle these sorts of things. I'm wondering about right of entry becoming an issue and becoming

⁵ Ibid, at [39]

one of the things that triggers this act and the consequences that flow from breach of the conditions. My view of this from reading the court case is that Mr Kirner did do the wrong thing and it could have been handled much better, in a different way, without contravening the law.

Mr Noonan: *If it's of assistance, I'd be prepared to offer that we address the issues you raise and that would enable us to speak to Mr Kirner.*

35. In Mr Kirner's case, the findings of the Court in relation to the issue of the suicidal worker was that - on completion of the ballot (which was conducted off site) - Mr Kirner:

- re-entered the work site, without any attempt being made to preclude him from doing so (at [61]);
- went to the lunchroom in the basement of the site, for the purpose of obtaining assistance for an employee of the subcontractor, Paul, who he thought was at risk of suicide (at [62]); and
- once in the lunchroom, that he spoke to a number of workers and informed them of a program known as "Mates in Construction", which is directed to reducing suicide risk and improving the mental health and wellbeing of construction workers (at [63]).

36. We acknowledge the error in the case study in our written submission, where it is said that Mr Kirner was speaking to the worker who had threatened suicide. In fact, Mr Kirner was talking to the man's workmates. The engagement of Mr Kirner with those work mates contributed substantially to the support that the man was able to receive, and we are glad to now report that he has made a full recovery. He has stayed in the construction industry, and now employs other workers.

37. It is widely known, and well-established in research, that suicide among construction workers remains elevated compared to other occupational groups. The industry is – and should remain - a target for suicide intervention and prevention⁶. The CFMEU is active in promoting suicide awareness, including by engaging with its members in frank discussions.

38. It is true that Mr Kirner could have made a phone call to offer assistance to workers, or ask them to come offsite (as suggested by Senator Patrick). However, we note that - if the workers had of left the site during their working hours to speak to a union official - they would have been vulnerable to prosecution for unlawful industrial action. Further, that approach ignores the industrial realities that union officials in the construction sector routinely face. Indeed, Mr Kirner's advice is that he took the above course of action after he found out - on the morning of the scheduled site entry - that the worker had been taken to hospital, by police intervention, after becoming suicidal. To ignore that information in deference to a requirement to give 24 hours written prior notice, and when he had a known and standing appointment at the same site already scheduled, is a distortion that highlights the unnecessarily restrictive right of entry regime.

⁶ See, e.g. Dr Alison Milner, *Suicide in the Construction Industry: Report by Deakin University for MATES in Construction*, Volume 1, 15 July 2016 (available at <http://mengage.org.au/images/MIC-Annual-suicide-report-MIC-and-Deakin-University.pdf>)

39. The fact that a union official could be subject to disqualification as a result of this type of contravention is – we maintain – absurd.
40. Insofar as Mr Kirner was found to have contravened the FW Act by acting in an “improper manner”, we also note that:
- there is no requirement that the person *intended* to “act in an improper manner” (see [24] of Justice White’s decision); and
 - there is no equivalent to acting in an “improper manner” in s.502 of the FW Act, which is the provision that relates to contraventions where a person (e.g. an employer) hinders or obstructs a permit holder. That is – a union official can be found to have acted ‘improperly’; an employer cannot.
41. Mr Kirner’s case study also indirectly raises a related issue which is that - as the law currently stands - there is a live question as to whether the holder of a State or Territory-issued work health and safety entry permit needs to exit, and re-enter, a worksite where they form a reasonable suspicion that a second safety contravention is occurring and the relevant suspicion was formed *after* entering the workplace for another purpose, rather than *before*⁷. This is an absurd scenario which highlights the cumbersome and restrictive nature of right of entry laws. It also highlights the scope of the activity which is capable of triggering an application under the Bill for disqualification of an official, or de-registration of a union.
42. That is - if a union official is on site and notices a significant safety issue, and they are required to leave the site and re-enter in order to raise that issue and have it addressed - they are arguably in technical breach of right of entry laws. If the ABCC, or a combative employer, sought to prosecute that breach then it would give rise to the ability of any interested person to make an application for the disqualification of the official or for de-registration of their union.

On page 21 of the Transcript:

Senator PATRICK: *This will be my last question, Chair. That's an issue for me, because the Library has indicated that this is one of the areas where lots of contraventions take place and that it would be reasonable to put it into the act because it ultimately ends up in many of these court cases. I'd like to have an understanding of right of entry and how that could possibly be handled better in some of the cases that have appeared before the court—whether you say, 'On reflection, we should have done it differently,' or whether you look at some of these court cases and say, 'You know what, we'd do it the same way again next time'?*

Senator PRATT: *Or whether there is something wrong with the law itself.*

Senator PATRICK: *I'm happy for you to take that on notice.*

Mr Noonan: *The laws on this changed in 1996 quite dramatically. My experience prior to that was that there were almost never issues around right of entry. If it's useful to the committee, as well as the matter that you're taking us to, we could provide a number of examples of the practical issues with the operation of right of entry provisions and what it really means to workers. The important thing, Senator, is not what it means to us; it's what it means to workers in the industry.*

Senator PATRICK: *Yes, do that on notice. That's helpful.*

⁷ E.g. see *CFMEU v Bechtel Construction (Australia) Pty Ltd* [2013] FCA 667 at [34]

43. Right of Entry is a fundamental industrial right; its importance cannot be gainsaid. The right should not be seen as a 'privilege'; it is a basic democratic right owed to workers, so that they are able to be properly and effectively represented in their workplaces.
44. However, the laws relating to right of entry have become increasingly restrictive over the last 20 years. Prior to 1996 and the enactment of the *WorkChoices* legislation, all that was required for a union official to enter a work site during working hours was that they first present themselves to a representative of site management, and that they be duly accredited by their own union.
45. Since 1996, the laws have been bureaucratically restricted in a manner that has attracted overt criticism by the International Labour Organisations Committee of Experts. Those experts have found that the provisions in the FW Act breach the *Freedom of Association and Protection of the Right to Organise Convention*. This is because the right of union officials to have access to places of work, and to communicate with employees and management, is a basic activity of union which should not be subject to interference by authorities⁸.
46. Indeed, the legislative obligations have gotten increasingly restrictive over time to the point where it is unlawful for a union official to enter a site to hold discussions with workers before or after their shift, even though this is likely to be less disruptive to the performance of work. This is because the wording of the FW Act has been interpreted by the Courts to prevent entries from being conducted other than during meals or other breaks *during* shifts (despite breaks before and after shifts being explicitly contemplated in the Explanatory Memoranda to the Act)⁹.
47. In the construction industry, a significant proportion of entries made by union officials are to investigate suspected contraventions of work health and safety obligations. Often the entry is in response to issues raised anonymously by workers who are fearful of the consequences of raising safety issues directly. The employer or head contractor in charge of the site is frequently hostile to any entry being performed simply because it is in their interests to prevent the union from investigating their compliance with safety laws.
48. Right of Entry laws are discussed in more detail at paragraphs 218-236 of the Union's submission to the Inquiry.

On page 22 of the Transcript:

Senator O'NEILL: *How many thousands of construction sites are live today in Australia? Have you got any idea, Mr Noonan?*

Mr Noonan: *I'll take it on notice, but it's tens of thousands.*

49. It is very difficult to precisely ascertain the number of construction sites operating throughout the country at any given point in time. However, according to IbisWorld, in the Construction

⁸ Committee of Experts on the Application of Conventions and Recommendations, Application of International Labour Standards: Report III - Part 1A (2009) 54

⁹ CFMEU v BHP Billiton Nickel West Pty Ltd [2018] FCAFC 107

Industry in Australia¹⁰ the number of establishments (individual business locations) in 2019 is stated to be 388,800.¹¹

On page 22 of the Transcript:

Senator DAVEY: *It's not an isolated incident. Can you accept and acknowledge that there have been findings that unions have used contrived safety issues as an excuse to enter worksites to actually take retribution and intimidate when subcontractors have been employed against their wishes?*

Mr Noonan: *There are a number of parts to that question. I will acknowledge that the court has found that there have been problems with the union's entry on safety. That's true. I'll tell you what's also true: most weeks we lose a worker killed in this industry. Talk about John Holland. I live a few hundred yards—*

CHAIR: *No. What we're going to do is—*

Senator PRATT: *You keep denying that question in the context of sham contracting as well. That's where it comes from.*

CHAIR: *Why don't you take that on notice, looking at the time. Thank you very much. We're running very late today.*

Mr Noonan: *If I could just finish my answer—*

CHAIR: *No. I'm sorry.*

Mr Noonan: *We get workers killed every week.*

CHAIR: *We're running an hour and 15—*

Mr Noonan: *And I've never seen the Liberal Party do one single thing about it.*

CHAIR: *You've had half an hour more. Thank you very much for your appearance today and—*

Senator O'NEILL: *Point of order, Chair: I think Mr Noonan should be entitled to finish his sentence, his thought. Could I also—*

CHAIR: *I've asked him to take it on notice, so that's fine. We're running quite late now. We're running 35 minutes late and we need to move on to the next witnesses.*

50. John Holland has an appalling safety record, which includes the deaths and serious injury of numerous workers over recent years. Some - but not all – of the examples of workers being killed by John Holland's failures are set out in the case study on page 16 of our written submission. All of these deaths and injuries have been found by Courts to be directly attributable to John Holland's failure to discharge their duty of care to their employees. In addition, and as recently as last year, another worker at the West Gate Tunnel project died when he was hit on the head with piling rig cable.

51. Despite this appalling record, John Holland continues to operate without any suggestion of de-registration or being wound up, or any suggestions that its leadership should be disqualified from holding their positions. Indeed, there are no powers in corporate law that would allow for this to occur. If the government were serious about corporate equivalence, it would apply the same rules to employers as it does to unions under the Bill.

52. Moreover, the government and its agencies have the capacity to do something about employers like John Holland now, but decline to take action.

¹⁰ "Industry at a Glance". Note the industry definition adopted by IbisWorld including construction firms which "primarily construct buildings, roads, railroads, harbour or river works, transmission lines, pipelines and oil refineries. These firms are also involved in civil engineering and irrigation projects, and construct water, gas, electricity and sewerage infrastructure. Some construction firms also carry out repairs and renovations, prepare mine sites, install utilities and take part in demolitions and excavations.

¹¹ Obtained from IbisWorld's most recent "Key Statistics" for the Construction Industry

53. For example, John Holland continues to be accredited by the Federal Safety Commissioner (FSC). The FSC was established in 2005 following the Cole Royal Commission's recommendation that the Australian Government use its influence as a client and provider of capital to foster improved work health and safety performance by developing, implementing and administering a work health and safety accreditation scheme for Australian Government building and construction work. Currently, companies without FSC accreditation are not allowed to be the head contractors in Government building projects.
54. The FSC is, however, apparently unconcerned with John Holland's record of safety failures. Indeed, from 2005 until now, only two companies have lost accreditation for not complying with the FSC's "best practice work health and safety standards". The FSC will not publish the names of those companies.
55. Small fines, and a lack of willingness for the FSC to remove accreditation, contribute significantly to the lack of any genuine deterrent effect under the FSC accreditation scheme. It also ultimately contributes to death and serious injury being treated simply as the cost of doing business for unscrupulous employers.
56. The government's failure to act on serious safety issues in the construction industry, and in other industries covered by the Union, is discussed in more detail in our submission made to last year's *Inquiry into the framework surrounding the prevention, investigation and prosecution of industrial deaths in Australia*. A copy of that submissions is available [here](#).

On page 24 of the Transcript:

Senator O'NEILL: Chair, just a practical request: Mr Noonan gave evidence about the international comparisons about productivity and growth in the construction industry; I wonder if he might be able to provide that to the committee.

CHAIR: On notice.

57. Please see **attached** a copy of the McKinsey Global Institute Report titled *Reinventing Construction: A Route to Higher Productivity* dated February 2017. A copy of the report is also available [here](#). We note in particular that:
- the report indicates that Australia is managing to combine high measure productivity levels with comparatively fast growth (page 3); and
 - Australia is considered an "outperformer" which has achieved healthy productivity levels and growth rates (see Exhibit E2)
58. Please also see **attached** the 2019 "*International Construction Costs: Smart decisions creating long-term value*" report prepared by Arcadis Design and Consultancy, which demonstrates the international competitiveness of the Australian market. In particular, the report refutes Minister Porter's recent media comments to the effect that the cost of construction in Australia is 30% higher than in the United States. That claim is demonstrably false, as discussed at paragraphs 155 to 159 of our written submission.

Construction, Forestry, Mining and Energy Union

Scheduled Election - Construction & General Division - E2016/134

Victoria-Tasmania Divisional Branch

Declaration of Results for Uncontested Offices

E2016/134

Below are the results of the election for the following offices, conducted in accordance with the provisions of the *Fair Work (Registered Organisations) Act 2009* and the rules of the organisation.

Construction and General Division

Victoria-Tasmania Divisional Branch

Divisional Branch President (1)

Candidates

EDWARDS, Ralph

Divisional Branch Senior Vice-President (FEDFA) (1)

Candidates

CHRISTOPHER, Derek

Divisional Branch Vice-President (1)

Candidates

GRAAUWMANS, Robert

Divisional Branch Secretary – *ex officio* Divisional Branch Delegate to Divisional Conference (1)

Candidates

SETKA, Johnny

Divisional Branch Assistant Secretary (2)

Candidates

REARDON, Shaun
SPERNOVASILIS, Elias

Sub-Branch President (Tasmania) (1)

Candidates

HARKINS, Kevin Brian

Sub-Branch Secretary (Tasmania) (1)

Candidates

HASSETT, Richard Xavier



Sub-Branch Management Committee Member (Tasmania) (6)

Candidates

BROWN, Gary George
CRACKNELL, Dale
DENNY, Mark John
REEVES, Marshall
WISE, Andrew

No further nomination was accepted

Divisional Branch Council Member - Melbourne Metropolitan Zone (70)

Candidates

AYERS, John
BRADLEY, Richard
BREDYK, Reiner (Bert)
BRETT, Chris
BROWN, Adam
CAKARUN, Vlado
CAMPARARO, Maurice
CARNEVALI, John
CASSIDY, William Ernest
CASTALDO, Phil
CATHIE, Matthew
CHRISTOFOROU, Kosta
CLARK, Peter
COLINA, Ivan
CONNOR, Rick
CONSIDINE, Dal
CORKRAN, Stuart
COSTABILE, David
DE BOLFO, Brad
DEANS, Jason
DREDGE, Anthony
EGAN, Mick
FILARDO, Felice
FITZSIMONS, Michael
FOTINOS, Paul
HALL, Adam
HARISIOU, Andrew
JOHNSTON, Brett
JOHNSTON, Craig
MANTIS, John
MCCAFFERTY, David
MCCRUDDEN, Gerald
MCDONALD, Drew
MCDUGALL, Andrew
MCKENZIE, Lee
MCMILLAN, Mark
MCNAMARA, Terence
MCNIVEN, Bradley
MCQUAID, Gerard
MICEVIC, Aleksandar
MULLER, Tamish
MYLES, Joe
O'GRADY, Frank
O'HEARN, Liam
OLSEN, Adam
ORTHERGA, Rick
PALMER, Mark



PATTINSON, Kevin
PEARSON, Kane
PETERSON, Mark
PETTIFER, Gerry
POWELL, Michael
PRESTI, Salvatore
PREVOLSEK, Frank
PUNSHON, Trevor
REILLY, Rick
ROBERTS, Gary
ROBINSON, John
RUFFATO, Angelo
RYAN, James
RYAN, Terence Michael
SALTA, Nick
SCAFFIDI, Bartolo
SEADON, Matthew
SETKA, David
SPIRIDONOS, Chris
SUCIC, Anton
TAYLOR, Rob
VLAHOIANNIS, Chris
VUCAK, Jakov

Divisional Branch Council Member - Geelong Zone (4)

Candidates

DORAN, Dean
MCCANN, Paul
PITT, Brendan
TORPY, James

Divisional Branch Council Member - Central Victoria Zone (4)

Candidates

DAVIES, Nigel
DUFFY, David
PITLIK, Andrew
TRAVERS, Mark

Divisional Branch Council Member - Northern Victoria Zone (4)

Candidates

KARKOULTSIDIS, John
MAGGS, Joe
TAIT, Mark
VLAMING, Casey

Divisional Branch Council Member - Latrobe Zone (4)

Candidates

DARCY, Phillip
MALONE, Tom
THOMSON, John
THORNTON, Toby

Divisional Branch Delegate to Divisional Conference (14)

Candidates

BENSTEAD, Gerard
CHRISTOPHER, Derek
DAVIES , Nigel
GRAAUWMANS, Robert
LONG, Steve
LYTHGO, David
NOONAN, Dave
O'GRADY, Frank
PITT, Brendan
REARDON, Shaun
SPERNOVASILIS, Elias
SWAYN, Amanda
THEODOROU, Theo
ZANATTA, Lisa

As the number of nominations accepted did not exceed the number of positions to be filled, I declare the above candidates elected.

Benjamin Murray
Returning Officer

21 October 2016



Construction, Forestry, Mining and Energy Union
Scheduled Election - Victoria – Tasmania Divisional Branch

Declaration of Results for Contested and Uncontested Offices

E2016/134

Below are the results of the election for the following offices, conducted in accordance with the provisions of the *Fair Work (Registered Organisations) Act 2009* and the rules of the organisation.

Construction and General Division

Total number of names on the roll of voters	27,327
Ballot papers issued	27,327
Replacement ballot papers issued	43
Total Ballot Papers Issued	27,370
Ballot papers / envelopes returned for scrutiny	6,502
Less ballot papers / envelopes rejected at preliminary scrutiny	247
Adjusting balance	-13
Total Ballot Papers Admitted to Scrutiny	6,242
Percentage of ballot papers returned to number issued	23
Ballot papers returned as unclaimed mail	134

Divisional Branch Management Committee Member (23) – Comprising of:

Divisional Branch Management Committee Member - (6) builders labourers – Uncontested

Candidates
BEATTIE, Bill
BENSTEAD, Gerard
LYTHGO, David
MISIC, Darko
PERKOVIC, John
ROUND, Paul

Divisional Branch Management Committee Member - (2) painters/signwriters – Uncontested

Candidates
AKBARI, Frank
RASPUDIC, Rudy

Divisional Branch Management Committee Member – (1) fibrous plasterer/fibrous plaster industry member - Uncontested

Candidates
PERAK, John

Divisional Branch Management Committee Member – (6) crane operations, rigger/dogman, plant and machine operators, boiler attendant/engine driver, production worker (metal), concrete pump operations, forklift operations, hoist operations and drilling/piling - Uncontested

Candidates

BOOTH, Peter
BOOTH, Raymond
CODY, J. (Mick)
CORDIER, Anthony
LONG, Steve
PITT, Brendan

Divisional Branch Management Committee Member – (2) bricklayers, roof-tilers, stone masons, wall and floor tilers and solid plasterers - Uncontested

Candidates

DOYLE, Fergal
SIMPSON, James

Divisional Branch Management Committee Member (6) (Carpenters) - Contested

<u>Candidates</u>	<u>First Preference Votes</u>	<u>Votes</u>
KESSARIS, Chris	1042	1664
GRITZALIS, Dennis	3773	5710
THEODOROU, Theo	331	5886
CONSTANTINOU, John	147	5844
IOANNIDIS, Anthony	77	5854
ZANATTA, Lisa	334	5847
BALTA, Steven	345	5489
Total votes	6049	36294
Formal ballot papers	6049	6049
Informal ballot papers	193	193

I declare Frank Akbari, Steven Balta, Bill Beattie, Gerard Benstead, Peter Booth, Raymond Booth, J. (mick) Cody, John Constantinou, Anthony Cordier, Fergal Doyle, Dennis Gritzalis, Anthony Ioannidis, Steve Long, David Lythgo, Darko Misic, John Perak, John Perkovic, Brendan Pitt, Rudy Raspudic, Paul Round, James Simpson, Theo Theodorou and Lisa Zanatta elected.

Divisional Branch Organiser (16)

<u>Candidates</u>	<u>First Preference Votes</u>	<u>Votes</u>
BEATTIE, Bill	349	5774
AKBARI, Frank	51	5803
TAIT, Mark	66	5865
SMITH , Malcolm	66	5857
THEODOROU, Theo	248	5809
GRAAUWMANS, Robert	49	5825
PITT, Brendan	68	5856
MYLES, Joe	64	5846
BOOTH, Peter	76	5847
THORNTON, Toby	53	5842
LONG, Steve	120	5830
TRAVERS, Mark	76	5759
KESSARIS, Chris	719	1708
BENSTEAD, Gerard	3598	5685
PERKOVIC, John	179	5819
DAVIES, Nigel	39	5812
HASSETT, Richard	88	5607
Total votes	5909	94544
Formal ballot papers	5909	5909
Informal ballot papers	333	333

I declare Frank Akbari, Bill Beattie, Gerard Benstead, Peter Booth, Nigel Davies, Robert Graauwmans, Richard Hassett, Steve Long, Joe Myles, John Perkovic, Brendan Pitt, Malcolm Smith, Mark Tait, Theo Theodorou, Toby Thornton and Mark Travers elected.

Benjamin Murray
Returning Officer
Australian Electoral Commission

5 December 2016

Construction, Forestry, Mining and Energy Union Victoria-Tasmania Divisional Branch

DECLARATION OF RESULTS FOR UNCONTESTED OFFICES

Results of the election for the following offices conducted in accordance with the provisions of the *Fair Work (Registered Organisations Act) 2009* and the rules of the organisation.

Construction and General Division

Divisional Branch President

Candidate

EDWARDS, Ralph

Divisional Branch Senior Vice President (FEDFA)

Candidate

WASHINGTON, Noel

Divisional Vice President

Candidate

CHRISTOPHER, Derek

Divisional Branch Secretary/Divisional Branch Delegate to Divisional Conference

Candidate

SETKA, Johnny

Divisional Branch Assistant Secretary (2)

Candidates

REARDON, Shaun

SPERNOVASILIS, Elias

Divisional Branch Council Member - Melbourne Metropolitan Zone (67)

Candidates

AYERS, John

BRETT, Chris

CAKARUN, Vlado

CAMILLERI, Phillip

CASSIDY, Bill

CASTALDO, Phil

CASTLES, Peter

CATHIE, Matthew

CLARK, Peter

CORKRAN, Stuey

COSTABILE, Dave

DATEMA, John

EDWARDS, Paul

EGAN, Mick

FILARDO, Felice

FITZSIMMONS, Mick

FLANAGAN, Colin
FRASER, Hamish
FURLONG, John
GRITZALIS, Dennis
HALL, Adam
HOPKINS, Ciaran
JOHNSTON, Brett
JOHNSTON, Craig
KARLUSIC, Mick
KOTZAPANAGIOTIS, Leo
LECKIE, Phillip
LITTLER, Albert
LOVE, Dave
LYNCH, Canice
MACDONALD, Drew
MALONEY, Paul
MANTIS, John
MARKHAM, Ian
MC MILLAN, Mark
MC NIVEN, Brad
MCCAFFERTY, Dave
MCKENZIE, Lee
MEDLYN, John
MULDEARY, Peter
O'GRADY, Frank
ORTERGA, Ricky
PAPAN, Mark
PATERSON, George
PATTINSON, Kevin
POWELL, Mick
PRESTI, Salvatore
PUNSHON, Trevor
RAMSAY, Rod
ROBERTS, Gary
ROBINSON, John
RUFFATO, Andrew
RYAN, James
RYAN, Terry
SAYERS, Mark
SCAFFIDI, Bart
SEADON, Matthew
SERRA, Robert
SPIVEY, Darrel
STEPHEN, Gary
SUFFERN, Tony
SULLIVAN, Paul
TADIC, Alex
TAYLOR, Rob
TYRRELL, Dean
VUKOSA, Daniel
WOLFE, Eamonn

Divisional Branch Council Member - Central Victoria Zone (4)

Candidates

BELL, Jason
PITLIK, Andrew
TRAVERS, Mark
WHITFORD, Douglas

Divisional Branch Council Member - Northern Victoria Zone (4)

Candidates

HALLS, Quentin
MAGGS, Joe
TAIT, Mark
VLAMING, Casey

Divisional Branch Management Committee Member (23)

Candidates

AKBARI, Frank
BALTA, Steven
BEATTIE, Bill
BERARDI, Danny
BERGIC, Sam
BOOTH, Peter
BOOTH, Raymond
CODY, Mick
CONSTANTINOU, John
CORDIER, Anthony
DOYLE, Fergal
DUGGAN, John
IONNIDIS, Anthony
LONG, Steve
LYTHGO, Dave
PERKOVIC, John
RASPUDIC, Rudy
ROUND, Paul
SAVRONIDIS, Chris
STEPHENSON, Gareth
STRADIJOT, Fabio
THEODOROU, Theo
WILLIAMS, Roy

Divisional Branch Delegate to Divisional Conference (15)

Candidates

BENSTEAD, Gerard
CHRISTOPHER, Derek
DAVIES, Nigel
EDWARDS, Ralph
GRAAUWMANS, Robert
LYTHGO, Dave
MURPHY, Brendan
NOONAN, David
O'GRADY, Frank
REARDON, Shaun
SPERNOVASILIS, Elias
STEPHENSON, Gareth
THEODOROU, Theo
TRAVERS, Mark
WASHINGTON, Noel

Divisional Branch Organiser (16)

Candidates

BEATTIE, Bill
BELL, Jason
BENSTEAD, Gerard
BERARDI, Danny
CHRISTOPHER, Derek Ayisilou Kyriarkian
FLANAGAN, Colin
GRAAUWMANS, Robert
LONG, Steve
MURPHY, Brendan
PARKER, John
POWELL, Mick
SMITH, Malcolm Ross
STEPHENSON, Gareth
TAIT, Mark
THEODOROU, Theo
TRAVERS, Mark

Victoria-Tasmania Divisional Branch

Sub-Branch President

Candidate

POST, Dicky

Sub-Branch Secretary

Candidate

WHITE, Bill

Sub-Branch Management Committee Member (6)

Candidates

CRACKNELL, Doggle
RAINEY, Paul
HUXLEY, Michael Andrew
SMEDLEY, Roy
VAN DE KAMP, Michael
No further nomination was accepted

Geelong Zone

Divisional Branch Council Member (7)

Candidates

BENSTEAD, Gerard
DORAN, Dean
DRYDEN, Dave
GRAAUWMANS, Robert
MURPHY, Brendan
MUSGROVE, Glenn
PITT, Brendan

Latrobe Zone

Divisional Branch Council Member (4)

Candidates

MALONE, Thomas
PARKER, John
SMITH, Malcolm
THORNTON, Anthony

As the number of nominations accepted did not exceed the number of positions to be filled, I declare the above candidates elected.

Jeff Webb
Returning Officer

9 October 2012

Workplace Relations Act 1996 – Schedule 1

POST ELECTION REPORT

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIA DIVISIONAL BRANCH**

ELECTION/S COVERED IN THIS REPORT

Election Decision No:

E2008/204

RULES

Rules used for the election:

[105N-BWIU: Incorporates alterations of 4/07/2008 in matter R2008/288]

Rules difficult to apply/interpret:

None

Model Rule reference (if any):

N/A

ROLL OF VOTERS

Total number of voters on the Roll:

25005

Number of apparent workplace addresses:

Nil

Number of non-current addresses:

10

Other matters pertaining to the roll of voters:

Nil

IRREGULARITIES

Details of written allegations of irregularities,
and action taken by AEC:

Nil

Other irregularities identified, and action taken:

Nil

ATTACHMENTS

Declaration of Results

Michael Pryor
Returning Officer

7 January 2009

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION

CONSTRUCTION AND GENERAL DIVISION

VICTORIA DIVISIONAL BRANCH

DECLARATION OF RESULT

Result of the election for the following office conducted in accordance with the provisions of the Workplace Relations Act 1996 and the rules of the organisation.

E2008/204

**DIVISIONAL BRANCH SECRETARY/DIVISIONAL BRANCH DELEGATE TO DIVISIONAL
CONFERENCE**

Ballot papers issued	25005
Duplicate ballot papers issued	393
TOTAL BALLOT PAPERS ISSUED	25398
Ballot papers returned for scrutiny	8397
Less ballot papers rejected at preliminary scrutiny	226
TOTAL BALLOT PAPERS ADMITTED TO SCRUTINY	8171
Percentage of ballot papers returned to number issued	33%
Ballot papers returned as unclaimed mail	168
Ballot papers not returned	16833

<u>Candidates</u>	<u>Votes</u>
KESSARIS, Chris	1244
OLIVER, Bill	6878
Formal ballot papers	8122
Informal ballot papers	49

I declare Bill Oliver elected.

Michael Pryor
Returning Officer
20 November 2008

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION

CONSTRUCTION AND GENERAL DIVISION

VICTORIA DIVISIONAL BRANCH

DECLARATION OF RESULTS

Results of the election for the following offices conducted in accordance with the provisions of the Workplace Relations Act 1996 and the rules of the organisation.

E2008/204

DIVISIONAL BRANCH PRESIDENT

Candidate

EDWARDS, Ralph

DIVISIONAL BRANCH SENIOR VICE PRESIDENT (FEDFA)

Candidate

WASHINGTON, Noel

DIVISIONAL BRANCH VICE PRESIDENTS (4)

Candidates

HUDSON, Matt

O'GRADY, Frank

REARDON, Shaun

SPERNOVASILIS, Elias

***DIVISIONAL BRANCH SECRETARY/DIVISIONAL BRANCH DELEGATE TO DIVISIONAL CONFERENCE (BALLOT REQUIRED)**

Candidates

KESSARIS, Chris (Chickenman)

OLIVER, Bill

DIVISIONAL BRANCH ASSISTANT SECRETARY

Candidate

SETKA, Johnny

**DIVISIONAL BRANCH ASSISTANT SECRETARY (FEDFA)/DIVISIONAL BRANCH
DELEGATE TO DIVISIONAL CONFERENCE**

Candidate

WATSON, Tommy

DIVISIONAL BRANCH MANAGEMENT COMMITTEE MEMBERS (17)

Candidates

AKBARI, Frank
BALTA, Steven
BERARDI, Danny
BERGIC, Sam Sakib
BOOTH, Raymond
CHRISTOPHER, Derek Kyriarkian Ayisilou
DOYLE, Fergal Joseph
DUGGAN, John
IOANNIDIS, Anthony
LITTLER, Albert Edward
MCLOUGHLIN, Adrian Micheal
NEILSON, Bill
SAVRONIDIS, Christos
STEPHENSON, Gareth
STRADIJOT, Fabio
THEODOROU, Theo
WILLIAMS, Roy Edward

DIVISIONAL BRANCH COUNCIL MEMBERS - MELBOURNE METROPOLITAN ZONE (64)

Candidates

AMATO, Dominic
AYERS, John
AYRES, Gerry
BROOMHALL, Mark
CAMILLERI, Phillip
CASSIDY, Bill
CASTLES, Peter
CATHIE, Matthew
CHRISTOPHER, Alex
CONSTANTINO, John
DALE, James Gallagher
DATEMA, John
EGAN, Mick
FILARDO, Felice
FLANAGAN, Colin
FURLONG, John
GIAGNACOVO, Bernard
GREGORY, Joe
GRIFFITHS, Dave
GRITZALIS, Dennis
HALL, Adam
HART, Rod

HOPKINS, Ciaran
JOHNSTON, Craig
KADZIELA, Jan
KOLOUOS, Evan
LECKIE, Philip Stephen
LONG, Steve
MANTIS, John
MARKHAM, Ian
MATES, Robert Anthony
MCINTYRE, Wayne
MEDLYN, John
MILARDOVIC, Tommy
MILLS, Steve
MULDEARY, Peter
MURPHY, Martin
NEWHAM, Malcolm
NICOLI, Victor
O'CONNOR, Danny
ORTERGA, Ricky
PATERSON, George
PATTINSON, Kevin J
POWELL, Mick
PRESTI, Salvatore
RASPUDIC, Rudy
REED, Trevor
RISTEVSKI, George
RUSSELL, Jim
SAVINO, John
SAYERS, Mark
SCAFFIDI, Bart
SEADON, Matthew
SPIVEY, Darrel
STEPHEN, Gary
SUFFERN, Tony
SULLIVAN, Paul
TADIC, Alexander
TODD, Rick
VULETIC, Ivan
WILSON, Russell
WISE, Kevin J
WOLFE, Eamonn
ZANATTA, Lisa

DIVISIONAL BRANCH COUNCIL MEMBERS - GEELONG ZONE (7)

Candidates

BENSTEAD, Gerard
GOODEN, Tim
GRAAUWMANS, Rob
MANCOR, Robert C
MURPHY, Brendan
MUSGROVE, Glenn
PITT, Brendan

DIVISIONAL BRANCH COUNCIL MEMBERS - CENTRAL VICTORIA ZONE (4)

Candidates

ALLEN, John
BELL, Jason
TRAVERS, Mark
WHITFORD, Doug

DIVISIONAL BRANCH COUNCIL MEMBERS - NORTHERN VICTORIA ZONE (4)

Candidates

HARTWIG, Peter
MAGGS, Joseph
NEWBY, Dennis
TAIT, Mark

DIVISIONAL BRANCH COUNCIL MEMBERS - LATROBE ZONE (4)

Candidates

MALONE, Tom
PARKER, John
SMITH, Malcolm Ross
THORNTON, Toby

DIVISIONAL BRANCH DELEGATES TO DIVISIONAL CONFERENCE (12)

Candidates

EDWARDS, Ralph
HUDSON, Matt
KINGHAM, Martin
MCLOUGHLIN, Adrian
MURPHY, Brendan
NEILSON, Bill
NOONAN, David John
O'GRADY, Frank
REARDON, Shaun
SETKA, Johnny
SPERNOVASILIS, Elias
WASHINGTON, Noel

DIVISIONAL BRANCH ORGANISERS (21)

Candidates

BELL, Jason
BENSTEAD, Gerard
BERARDI, Danny
CHRISTOPHER, Derek Kyriarkian Ayisilou
DOYLE, Fergal Joseph
FLANAGAN, Colin
GRAAUWMANS, Rob
HUDSON, Matt
LONG, Steve
MCLOUGHLIN, Adrian Micheal
MURPHY, Brendan
O'GRADY, Frank
PARKER, John
PITT, Brendan
POWELL, Mick
REARDON, Shaun
SMITH, Malcolm Ross
SPERNOVASILIS, Elias
STEPHENSON, Gareth
TAIT, Mark
TRAVERS, Mark

As the number of nominations received did not exceed the number of offices to be filled, I declare the above candidates elected.

Michael Pryor
Returning Officer
Australian Electoral Commission, Melbourne

8 October 2008

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION

CONSTRUCTION AND GENERAL DIVISION

VICTORIA DIVISIONAL BRANCH

DECLARATION OF RESULT

Result of the election for the following offices conducted in accordance with the provisions of the Workplace Relations Act 1996 and the rules of the organisation.

E2008/204

DIVISIONAL BRANCH MANAGEMENT COMMITTEE MEMBERS (6)

Candidates

BEATTIE, Bill
BOOTH, Peter
CODY, Mick
CORDIER, Anthony
PERKOVIC, John
ROUND, Paul

As the number of nominations received did not exceed the number of offices to be filled, I declare the above candidates elected.

Michael Pryor
Returning Officer
Australian Electoral Commission, Melbourne

2 January 2009

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION

CONSTRUCTION AND GENERAL DIVISION

VICTORIAN BUILDING UNIONS DIVISIONAL BRANCH

DECLARATION OF RESULTS

Results of the election for the following offices conducted in accordance with the provisions of the Workplace Relations Act 1996 and the rules of the organisation.

E2004/244

DIVISIONAL BRANCH PRESIDENT

Candidate

CUMMINS, John

DIVISIONAL BRANCH VICE-PRESIDENTS (3)

Candidates

O'GRADY, Francis

SETKA, John

SPERNOVASILIS, Elias

DIVISIONAL BRANCH SECRETARY/DIVISIONAL BRANCH DELEGATE TO DIVISIONAL CONFERENCE

Candidate

KINGHAM, Martin

DIVISIONAL BRANCH ASSISTANT SECRETARY

Candidate

OLIVER, Bill

DIVISIONAL BRANCH MANAGEMENT COMMITTEE MEMBERS (17)

Candidates

AKBARI, Frank

BERARDI, Danny

BERGIC, Sam

BULL, Mick

CANNING, John

CHRISTOPHER, Derek Ayisilou Kyriarkian

LITTLER, Albert

MC LOUGHLIN, Adrian (Skinner)

PATERSON, George

PERHAM, Rex Robert

REARDON, Shaun

SPOSITO, Sam

STEPHENSON, Gareth

SUCIC, Anton

THORSON, Grant

WILLIAMS, Roy

ZORDAN, Tony John

DIVISIONAL BRANCH DELEGATES TO DIVISIONAL CONFERENCE (12)

Candidates

CHRISTOPHER, Derek Ayisilou Kyriarkian
CUMMINS, John
DOYLE, Fergal
EDWARDS, Ralph
FURLONG, John
HUDSON, Matt
LITTLER, Albert
NOONAN, Dave
O'GRADY, Frank
OLIVER, Bill
SETKA, John
SPERNOVASILIS, Elias

DIVISIONAL BRANCH ORGANISERS (13)

Candidates

DOYLE, Fergal
EDWARDS, Ralph
HUDSON, Matt
MCLOUGHLIN, Adrian (Skinner)
MCPARTLIN, John
MURPHY, Brendan
O'GRADY, Frank
REARDON, Shaun Michael
SETKA, John
SMITH, Malcolm Ross
SPERNOVASILIS, Elias
SPIVEY, Darrel
TAIT, Mark "Fozzie"

DIVISIONAL BRANCH COUNCIL MEMBERS (74) COMPRISING:

- METROPOLITAN MELBOURNE ZONE (58)

Candidates

AMATO, Dominic
AYERS, Gerry
BIANCHI, Kevin
BOCKTING, Theo
BROOMHALL, Mark "Yogi"
CARROLL, David
CASELLA, Angela
CASTLES, Peter
COLLINS, Dean
CONSTANTINOU, John
CORMICK, Peter
DALE, Jimmy
DOYLE, Fergal
EDWARDS, Ralph
FILARDO, Felice (Phil)
FLANAGAN, Colin
FURLONG, John
GIAGNACOVO, Bernard
GREGORY, Alfred (Joe)
GRUNDY, Peter
HALL, Adam
HANCY, Terry

HOPKINS, Ciaram
HUDSON, Matt
HURD, William Thomas
IOANNIDIS, Tony
JACKSON, Cameron Neil
LECKIE, Philip
LEIVERS, William
MANTIS, John
MARKHAM, Ian
MATES, Robert
MAXWELL, Jim
MAZZONE, John
MCINTYRE, Wayne "Kiwi"
MCPARTLIN, John
MORRISON, Alex
MULDEARY, Peter
NEWHAM, Malcolm
NICOLI, Victor
O'CONNOR, Danny
ORTERGIA, Rick
PATTINSON, Kevin
PORTELLI, Paul
PRESTON, Patrick
RASPUDIC, Rudy
REED (REEDY), Trevor
RISTEVSKI, George
SAVINO, John
SPIVEY, Darrel
SULLIVAN, Paul
SWEENEY, Eddle
TODD, Rick
VULETIC, Ivan
WARD, Donald Thomas
YIN, Garry
ZANATTA, Lisa
ZANATTA, Mick

- GEELONG ZONE (4)

Candidates

BENSTEAD, Gerard Peter
GOODEN, Tim
MANCOR, Bob
MURPHY, Brendan

- CENTRAL VICTORIA ZONE (4)

Candidates

BELL, Jason
FRAIETTA, Raff
MAHER, Peter
WHITFORD, Doug

- NORTHERN VICTORIA ZONE (4)

Candidates

MARTIN, David
MCLEAN, Peter
NEWBY, Dennis
TAIT, Mark "Fozzie"

- LATROBE ZONE (4)

Candidates

DILLON, Matt (EJ)

PARKER, John

RUST, Norman George

SMITH, Malcolm Ross

As the number of nominations accepted did not exceed the number of positions to be filled, I declare the above candidates elected.

Michael Pryor
Returning Officer
Australian Electoral Commission
Melbourne

29 September 2004





Andrew Beard

Global Head of Cost and
Commercial Management

With the global economy providing fresh uncertainties and opportunities, now more than ever, construction clients, serving local or global markets, require predictability in outturn costs and insights, to help them to make smart decisions.

Arcadis' work with clients in and across key global markets demonstrates that those that make the right decisions with a focus on innovation, end-user benefits and sustainability can improve outcomes and deliver enhanced business results.

In line with globalization, the Arcadis International Construction Costs Comparison now features 100 cities across the major international construction markets. This report provides clients, across the construction industry, an unprecedented look at the relative costs of building around the world. The use of industry-leading data and insights is becoming increasingly more important in enabling asset investors, owners, and operators to make their money go further and gain competitive advantage in their chosen markets.



The **Arcadis** International Construction Costs Comparison **2019**

This year's report builds upon its strong heritage as the leading reference point in relative comparison of global construction costs.

This year the comparison covers 100 major cities. From New York to Hong Kong, Mumbai to Buenos Aires, and Barcelona to Sydney, this is one of the largest comparisons of its type and covers every major construction market.

Arcadis' annual International Construction Costs Comparison report is based on industry-leading market knowledge. Apart from providing a comparative indexation of construction costs around the world, the report also provides market insights and recommendations on the factors clients should be considering in order to continue being successful in the future.

Arcadis draws upon its global scale, its leading set of data and local expertise, to deliver an additional 50 cities to the 2019 comparison, with a considerable expansion of coverage in Europe, North America and the United Kingdom. There are nine new cities in the United States, including large construction markets in Las Vegas, Los Angeles, and Miami. There are ten new cities in the UK, including Belfast, Edinburgh and Liverpool. Ireland's capital Dublin is now part of the index. Two cities in China, Chengdu and Guangzhou, are new to the 2019 comparison, as well as Christchurch, New Zealand. The addition of Barcelona, Malaga, Porto and Valencia give a better view of construction costs across the Iberian Peninsula.

Value creation despite headwinds

On the whole, 2018 was a good year for the construction industry, driven by a strong global economic performance, particularly in the first part of the year.

By the end of 2018, though, there were already ominous signs that the global economy was beginning to cool off. This was perhaps best encapsulated in the title of the World Bank's January 2019 Global Economic Prospects report: *Darkening Skies*.

Political uncertainty, erratic global markets, and trade conflicts have all contributed to a dubious outlook for 2019. This has had three principal impacts on construction market conditions:

Tightening of financing conditions:

Globally, financing conditions have tightened, meaning that loans have become more expensive and difficult to obtain. Finance is crucial for development and construction projects, in terms of smoothing cash flows and helping to ensure bills are paid on time.

Changes to financing conditions, particularly if unexpected, can impact the commercial dynamics of projects and contribute to higher costs of delivery.

Volatility of materials supply and costs:

Global trade tensions have led to volatile commodity markets. Energy prices reached a high towards the end of 2018, only to fall consistently through early 2019. Metals costs have also experienced volatility.

Additionally, new policy measures and tariffs have called into question the viability of supply lines in some markets. This has impacted the price and sourcing of goods, as well as client confidence in the ability of the construction industries around the world to deliver their projects.

Downside risks to construction demand:

The current moderation of global economic growth comes with the risk that construction demand will slow. This will impact different markets to different extents, but some markets have seen significant headwinds across 2018 and entering 2019.

Construction supply chains, therefore, face additional challenges with filling medium to long-term order books. This can influence market pricing and costs for construction clients, as suppliers reduce their prices in order to be more competitive and secure work.

As ever, construction clients remain under pressure to navigate economic headwinds and deliver improved business results. Many asset investors, owners and operators are keenly aware of the pressing need to improve productivity in construction work. Working with the supply chain to make smart decisions, for instance investing in digitalization, can be challenging but can drive improved performance, while providing a product more suited to and desired by customers.

Arcadis' experience is that these investments contribute to productivity and efficiency and deliver enhanced solutions, creating competitive advantage and, ultimately, lighting a path towards long-term value creation.

"Construction clients remain under pressure to navigate economic headwinds and deliver improved business results."

Enabling **client success**

Looking ahead in 2019 and beyond, market conditions will present both challenges and opportunities for construction clients. Based on data and discussions with clients around the world, Arcadis believes that the successful construction companies of the future will be the ones that make smart decisions today and invest in three key areas:



1) Innovation

Large swathes of the global construction industry lag behind in terms of focus and investment in innovation. As explored in the 2018 edition of this report, digitalization presents an incredible opportunity for construction companies to drive increased efficiency, lower costs and increased productivity, while improving the end product.

Building Information Modelling (BIM) and expanded use of data analytics are also helping clients design and construct innovative buildings. These highly adaptable and intelligent spaces will help generate the technologies of the future and better meet the needs of their users.



2) End-user benefits

During the process of designing, constructing and operating buildings, it is critical that construction clients keep their eye on the ways in which people will experience the end-product. Rapid urbanization is leading to evermore congested cities, increasing multi-functional demand on space and meaning that buildings will increasingly need to be part of the urban mobility ecosystem.

Solutions that better meet consumer demands, ease customers' pain points and deliver enhanced social value will be well-received by people living in cities.



3) Sustainability

Constructing and operating buildings has a significant impact on the environment, in terms of water and energy use, carbon emissions and waste. International efforts to combat the effects of climate change and to conserve natural resources are creating a higher demand for more sustainable construction projects and buildings with features that will reduce negative impacts on the environment and society.

Increasingly, clients are also looking to incorporate resilience as part of their business strategy and into buildings, so they can better withstand extreme weather events, the effects of climate change and other risks.

The **Arcadis** International Construction Costs Index **2019**

The three most expensive cities remain the same in this year's index, but New York has usurped San Francisco at number one.

The index range for ten most expensive cities has narrowed this year, with the average index value reducing by 3%, when compared to 2018. The reasons for this include a combination of currency and inflationary effects, resulting in these cities becoming closer together in comparative costs for construction.

There have also been some shifts in the ten least expensive cities, partly because new cities have been introduced this year. Additionally, some cities lower down the index have seen incremental increases relative to London over the years. While they remain relatively inexpensive places to build, they are becoming more expensive over time.

This year the average index score for the ten least expensive cities has increased by over 5%, when compared to 2018. A number of these markets have experienced significant regulatory changes, as well as a combination of currency impacts and inflation.

Overall, the total range across the index has decreased by over 10% this year, which suggests a general convergence of construction costs globally.

Key factors influencing city positions in the index

Multiple factors influence a city's position in the International Construction Costs Index. To begin with, some cities are more or less expensive than others. Part of this is what economists call the cost of living in a city, which is the price of goods and services, such as food, taxes, health care and housing. The cost of living also influences another important factor, namely the cost of labor in a city, which has a significant impact on the cost of a construction project.

The overall productivity of the construction industry in a location affects costs. In parts of the world where productivity is higher, the relative costs of completing a project will be lower. Additionally, the cost of construction materials is another prominent factor, but globalization means that prices are not just based on location, as more and more globally-sourced materials are available on the market.

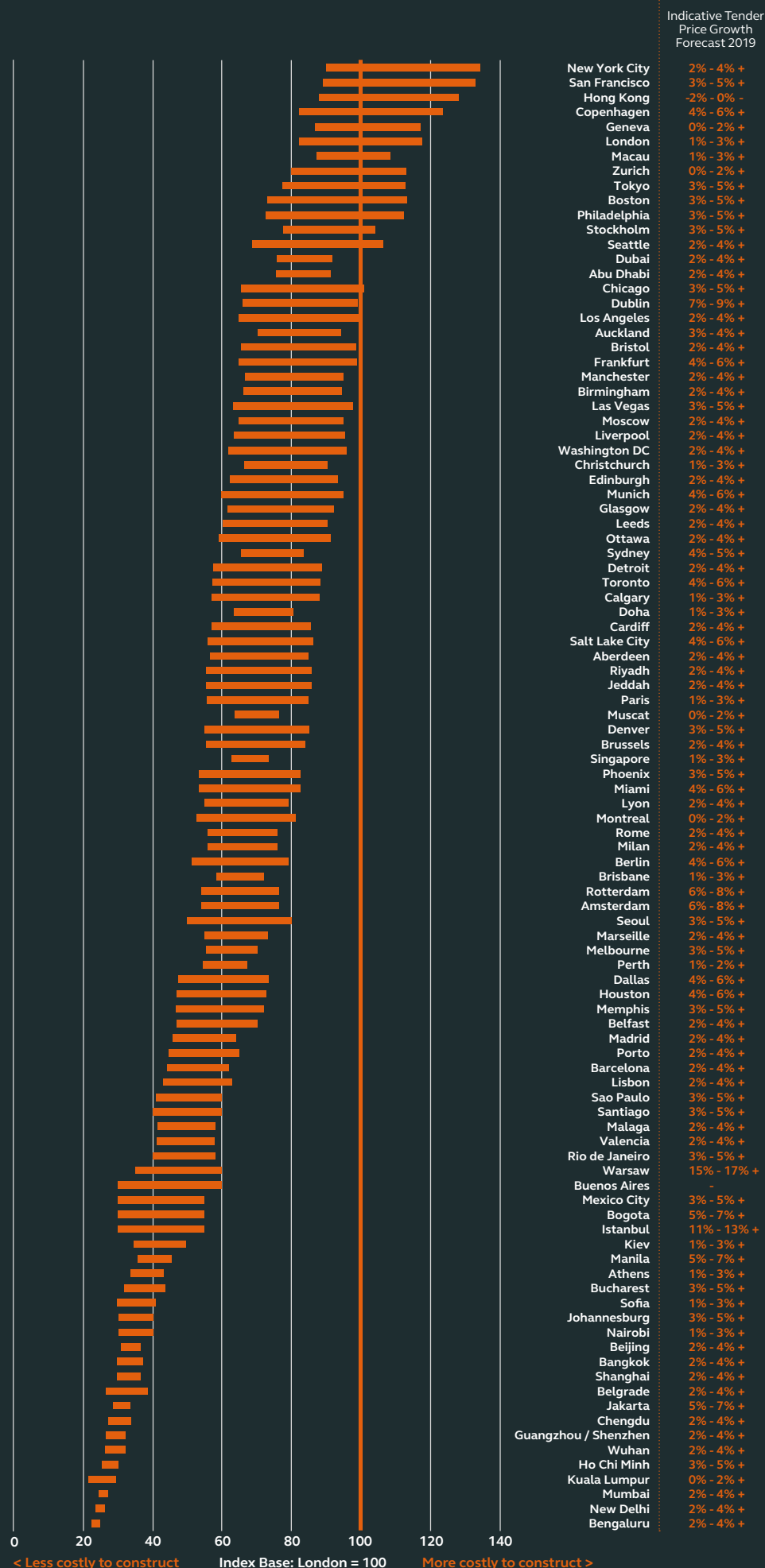
A city's position in the index will also be strongly influenced by the quality, complexity and functionality levels that are typical in that city. Where projects are generally of a higher quality and complexity, and where specifications are usually more sophisticated, construction costs will typically be higher. Finally, because the ranking is based on the US Dollar (USD) the strength of the dollar versus the currencies of the various cities is also a key factor in determining the index value.



“In the face of volatility and uncertainty, through innovation and relentless focus on end user needs, construction clients can realize outcomes that are market-beating.”

Will Waller

Director - Head of Market Intelligence



The Global Context

Global Economy

The global economy began to cool off in 2018, with growth weakening to an estimated 3.0% for the year. The World Bank expects this slowdown to continue, forecasting 2.9% growth in 2019 and 2.8% in 2020.

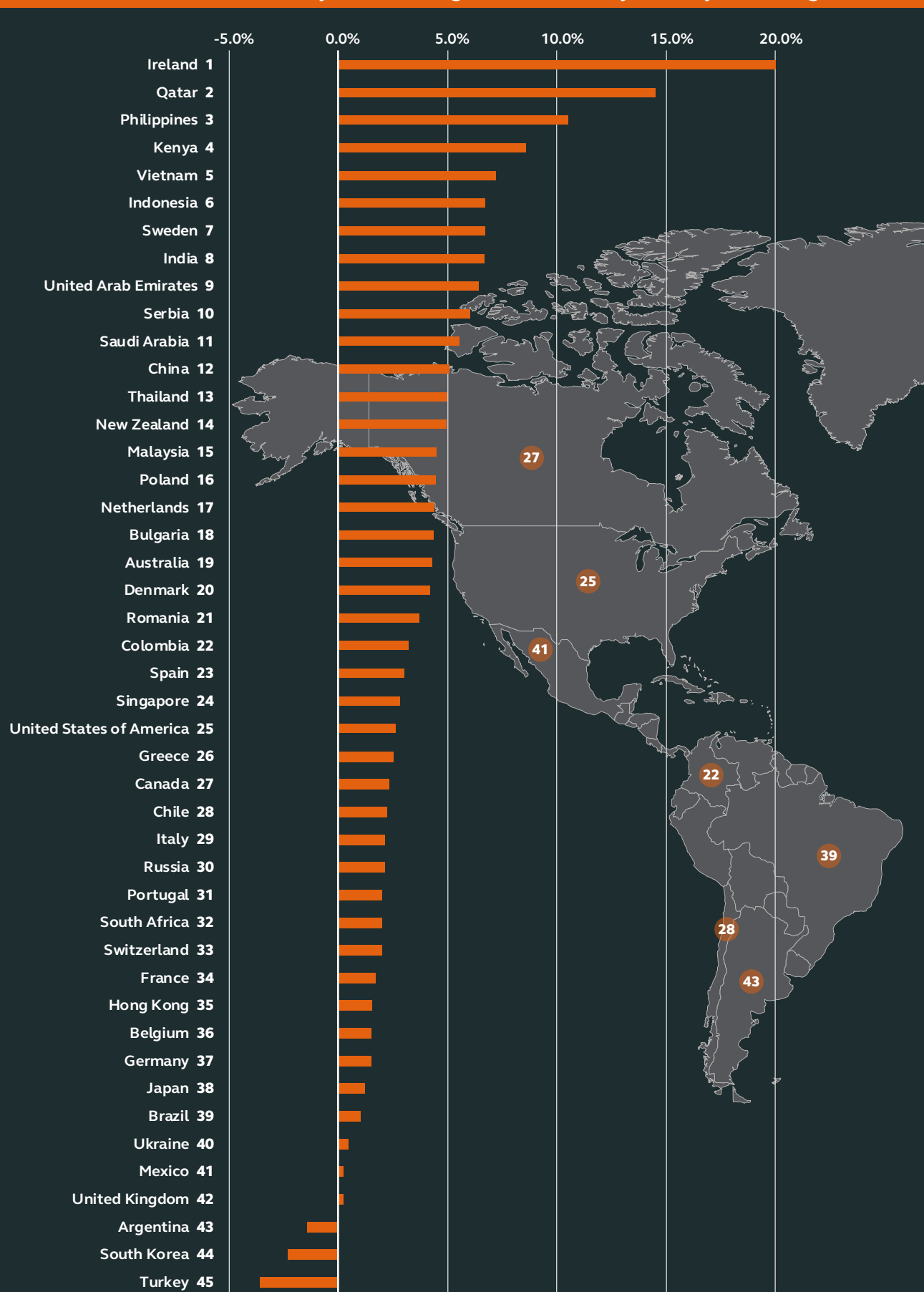
Trade tensions are at the heart of this deceleration, with potential trade disputes dampening economic forecasts. The World Bank estimates that about 5% of global trade flows would be negatively affected by the implementation of all tariffs currently under consideration. This poses a major risk for future economic growth.

Across all sectors of the economy, borrowing money is becoming more difficult and more expensive. Additionally, in some developing countries, debt vulnerabilities are emerging. These factors present an additional potential threat to economic performance.

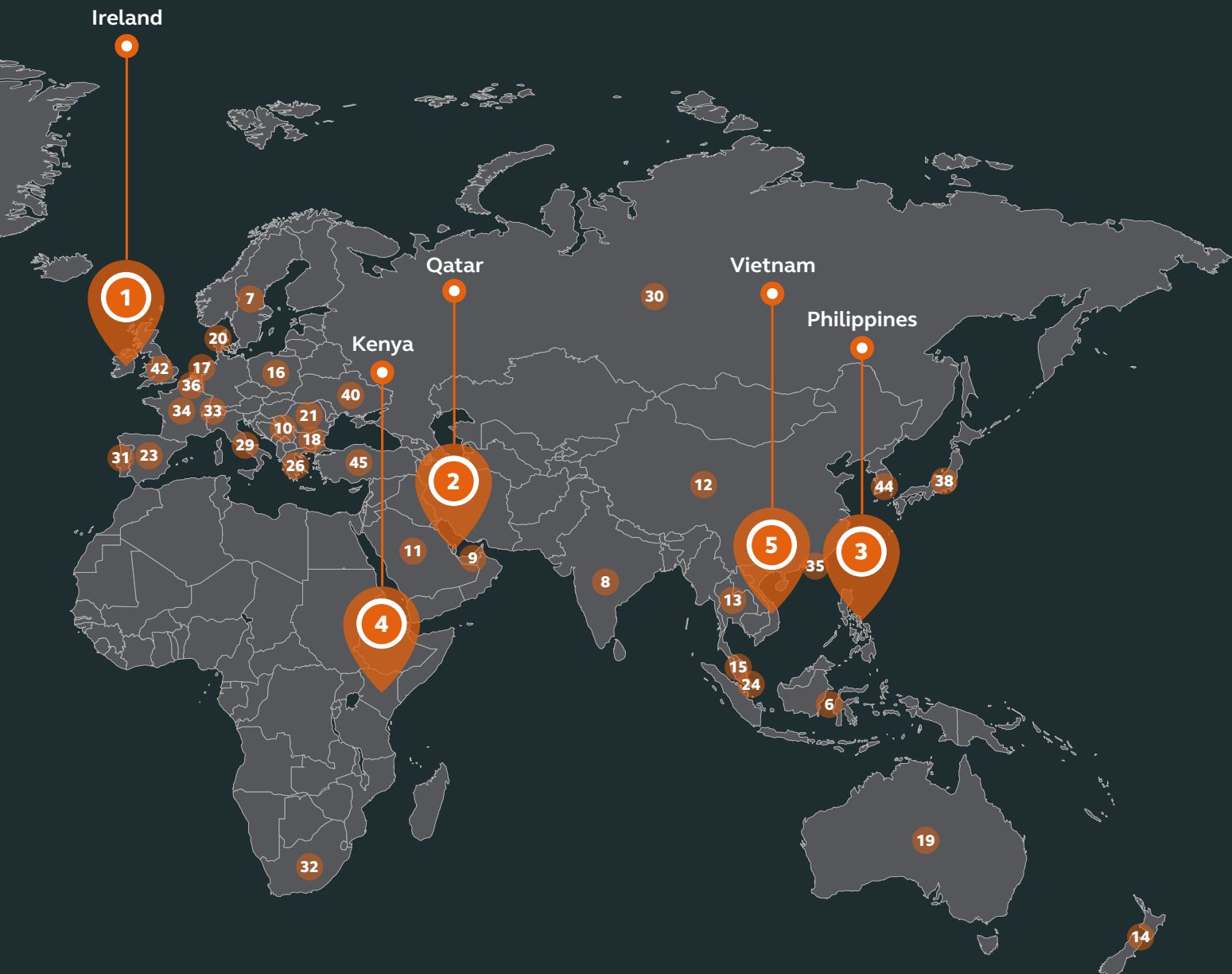
Nevertheless, broadly speaking, the global economy performed well over 2017 and 2018, with obvious signs of productivity improvements. This could set the stage for stronger-than-expected global economic activity, especially if political volatility subsides.

Evidence suggests that organizations that have leveraged existing and emerging technologies have pulled ahead of competitors. For the construction industry, which has been behind the curve, now is the time to fully embrace advancements in technology, as a means of overcoming global economic headwinds, by boosting productivity and cutting costs.

Forecast construction industry value, real growth 2019. % year on year change.



Sources: Arcadis, CPA and Fitch Solutions



Americas

Brazil

Growth will gain momentum in 2019 and 2020 with 2.1% and 2.4% GDP growth expected respectively.

Brazil's construction industry is expected to grow by 1.0% and 1.4% in 2019 and 2020 respectively. This follows three years of contraction in the sector with the industry's value falling by 12% across 2016 - 2018. Chinese investors have played a major role in projects in Brazil.

Construction tender price growth is expected to average 5-6% per year over 2019 and 2020, after a period of tender price deflation in the preceding years.

Canada

Canada's economy is picking up steam with 2.2% and 1.1% GDP growth expected for 2019 and 2020 respectively. The construction industry is expected to grow by 2.3% and 2.0% in 2019 and 2020 respectively. This follows three years of slightly higher growth in the sector. Non-residential construction investment will continue to grow in 2019 and 2020, bolstered by increased government and institutional investment.

Construction tender price growth in Canada is expected to average 3-4% per year over 2019 and 2020.





United States

GDP growth in the US was around 3% in 2018 and will be around 2.5% in 2019 and 1% in 2020, as higher interest rates slow more than just the housing market. In 2018, the US imposed tariffs on steel, aluminum, lumber and a wide variety of Chinese imports, which were quickly matched by domestic suppliers. This has put a squeeze on contractors with fixed-price contracts for projects before buying materials. This could increase development costs by as much as \$1 billion (USD).

Construction materials costs are rising at levels last seen before the Great Recession. There is also a shortage of skilled and semi-skilled workers, which has led to an abundance of unfilled positions on the job market. The US construction market will grow by 2.6% this year and the tender price index will increase by 3–5%. Much of this market growth will likely be within the commercial sector, as technology companies have announced a large push to build data centers over the next five years.

Asia

China

In 2018, China's GDP increased by 6.6%, the lowest figure since 2009. The ongoing trade war with the United States is having an impact on short-term growth, but it could escalate further if not addressed. The Chinese government has been focused on improving the quality of GDP growth, creating more openness to foreign investment and controlling pollution.

The tender price index increased by 3% in 2018. Higher interest rates and hikes in material and labor costs will likely lead to a rise in construction costs over 2019. Construction wages will grow between 3% and 5% this year. Additionally, there are no signs that the government will loosen restrictive policies on housing purchases, bank mortgages or loans in 2019. This and an overall cooling off in the Chinese real estate market may impact the construction sector which is forecasted to grow by 5.9% in 2019. The tender price index will increase by 3-4%.



Hong Kong

Hong Kong's economy showed continued growth over 2018, with its GDP rising by around 3%. Hong Kong's construction industry has some core challenges including a relatively low technology adoption rate, a shortage of land and a pressing need to improve productivity levels. The price of steel increased from a market low in 2016, and the price of sand has seen a sharp rise since an industry low in 2017.

Hong Kong's tender price index decreased by just over 4% in 2018. The price for other core construction materials will remain stable over 2019. Hong Kong's construction market will grow by 1.5% this year. The tender price index will likely decrease between 2-0%.



Malaysia

Malaysia's GDP grew by 4.7% in 2018, down from 5.9% the year before. The price of construction materials was stable in 2018, except for steel, which decreased slightly. As of January 2019, the minimum wage was increased, a move which will influence labor costs. In 2019, the construction sector will grow at a slower pace, due to major revisions around mega infrastructure projects and a general slowing down of global construction projects.

The Malaysian government's allocation of over \$362 million (USD) for affordable housing, may well stimulate industry growth this year. The Malaysian construction market will grow by 4.7% in 2019, as well as a slight increase of 0-2% in the tender price index.



Singapore

In 2018, Singapore's GDP grew by 3.2%, which is down from 3.9% for 2017. There are signs that economic growth is slowing, due to trade conflicts and volatile financial markets. The construction sector's GDP shrank by 3.4% last year, primarily due to a slowdown in public sector activities. Prices for key construction materials remained stable over 2018 and key construction material prices are expected to rise in 2019. Labor costs remain quite high in Singapore.

One factor that will likely have a major influence on the market is the government's push to transform the construction industry with Integrated Digital Delivery (IDD). IDD will connect stakeholders in construction projects, mandate the adoption of Building Information Modelling (BIM) and establish the Singapore Virtual Design and Construction Guide.

The construction market in Singapore will grow by 5% in 2019, and the tender price index to increase by 1-3%.

Australia Pacific

Australia

The Australian economy continues to lose momentum. In 2018, GDP growth was 3.1% and this is expected to drop to 2.9% in 2019. Cost pressures remain high on an industry-wide basis, across the whole of Australia. This is due to several factors including a robust demand for construction materials, a lack of market competition, skills shortages, increasing energy and labor costs and elevated supplier prices, due to strengthening commodity prices.

At the end of 2018, construction activity levels fell at their fastest rate in nearly four years, largely driven by a steep decline in the residential sector, particularly in Sydney and Melbourne. The recent Federal Budget has a considerable focus on ongoing infrastructure expenditure of more than \$7 billion (USD) per year over the next four years. The infrastructure boom, therefore, continues to drive much of the non-residential construction activity.

Australia's construction market is expected to grow by 4.3% in 2019 and the tender price index should increase by 2-4%.





New Zealand

The New Zealand economy lost some steam towards the end of 2018, although momentum should be recaptured in the course of 2019. GDP growth in 2018 was 2.9% and will remain at roughly this level for 2019.

Construction market growth is expected to slow again through the early 2020s for a variety of reasons, including a decline in population growth and the current construction cycle reaching its peak. Net annual immigration has fallen below 62,000 for the first time since 2015, the direct result of a recent restructuring of immigration policies. Over time, this may affect the construction industry if labor shortages and wage increases come into play.

Historically, there has been little competition in New Zealand, in terms of building materials, primarily due to its geographic isolation. This led to significant material price hikes in recent years, particularly for timber.

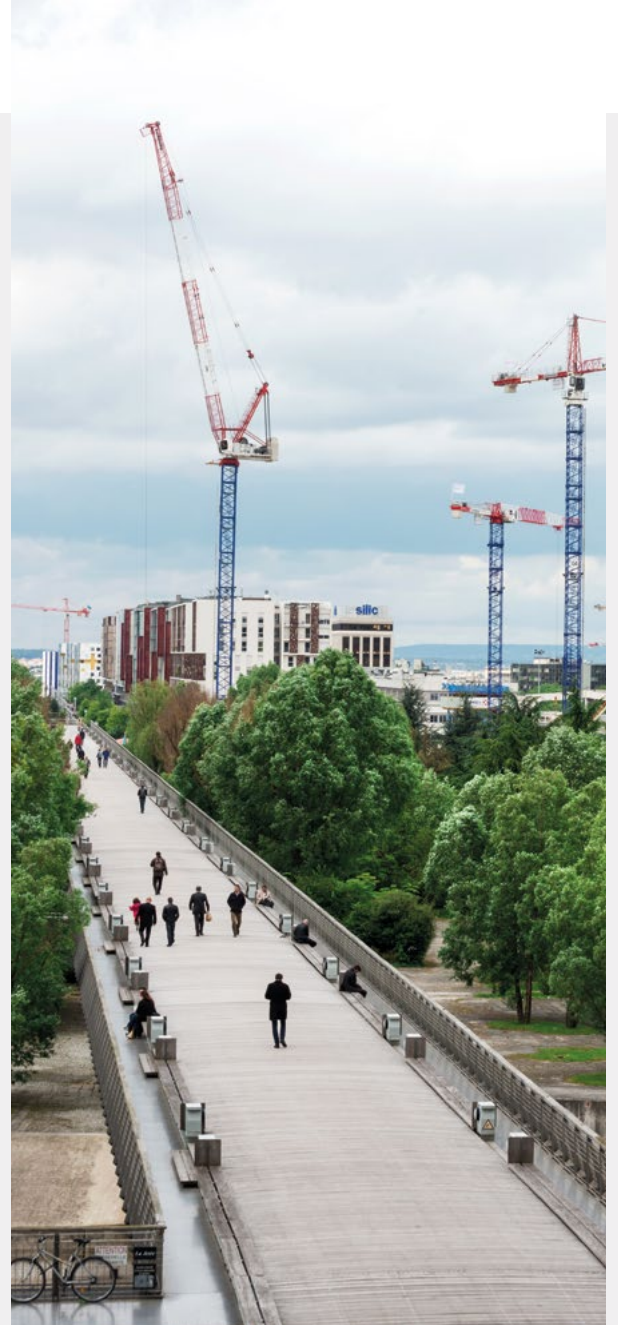
New Zealand's construction market should grow by 4.9% this year and the tender price index is expected to increase by 2-4%.

Europe

France

In 2018, France's GDP grew by 1.5%. GDP growth is expected to reach 1.3% in 2019 and 1.5% in 2020, supported by lower inflation and fiscal measures taken by the government. Construction companies are facing higher prices for commodities and energy, as well as increased labor costs, however, due to fierce competition, they struggle to pass on those price hikes. This has curbed tender price inflation. There is a slowdown in residential construction, with output expected to contract by about 0.5% in 2019. Non-residential construction is expected to increase but growth in this area is also slowing.

The French construction market is on course to grow by 1.7% in 2019 and the tender price index is expected to increase by around 2-4%.



Germany

The Germany economy experienced GDP growth of more than 2.2% in 2018. This will cool off to around 1.4% for 2019. Construction volume has risen by almost 9% since 2014. The price of construction materials is on the rise, as is the price of labor. This has contributed to an accelerated increase in construction prices.

The German construction market will grow by 1.5% in 2019 and the tender price index will increase by around 4-6%.

Netherlands

GDP growth in the Netherlands was 2.5% in 2018 and will be around 1.5% in 2019. Economic growth will likely taper off further towards 2021. The Dutch construction market continues to deliver sustainable and stable growth conditions, supported by continued investments in the energy, transportation and built environment sectors. There are signs that projects are becoming less affordable for construction clients.

There is a continued focus on delivering major housing programs, to help mitigate the effects of housing shortages, as well as on projects supporting resiliency and the energy transition. There is also a focus on green and renewable resources.

As a result of the strong conditions, the tender price index for the Netherlands will increase by 4.5 - 6.5% in 2019.



Poland

Though Poland's economy is experiencing a slowdown, GDP growth in 2018 was 5.1% and will be around 4.8% for 2019. The price of construction materials and labor costs are both on the rise.

Poland entered 2019 on the heels of moderate deceleration in construction output. Also, profits are slipping at many of the construction companies listed on the stock exchange.

Poland's construction market is expected to grow by 4.5% in 2019. The tender price index should increase by around 15%.

United Kingdom

The UK maintains a strong global reputation as an attractive place for investors. For the second year in a row, the UK has the top spot in Forbes' 2019 Best Countries for Business rankings. GDP grew by 1.4% in 2018 and the forecast for 2019 is also 1.4% GDP growth.

UK construction output continues at a historically high level, which has perpetuated capacity constraints and deliverability challenges. However, the rate of growth is forecast to slow. The Construction Products Association (CPA) expects the construction market to grow by 0.2% and 1.6% in 2019 and 2020 respectively.

The tender price index is expected to grow by 2-3% in 2019.



Middle East

Saudi Arabia

GDP grew by 2.2% in 2018 but may nearly double to as much as 4% in 2019. Preparations for Vision 2030 continue apace, with site-based construction activity seeking to achieve the initial timelines stated for many keynote projects. Demand for Saudi nationals to work on important infrastructure projects is contributing to wage inflation in the construction market but it is also stimulating more Saudis to become engineering and architectural professionals.

The Saudi construction market is expected to grow by 5.5% over 2019 and the tender price index should increase by around 2-4%.





The United Arab Emirates

The UAE's GDP grew by 2.8% in 2018 and this year may jump to 3.5% growth. The price of lending in the Emirates continues to rise, which has placed the financial viability of certain projects under scrutiny by the government and commercial developers. This led to a dramatic increase in projects being placed on hold or cancelled during 2018 and this cautionary trend will likely continue throughout 2019.

The government's focus, throughout 2019, will remain on the delivery of existing commitments associated with Expo2020 and other priorities. This will increase volume but is not expected to have a significant impact on the market.

The UAE's construction market is likely to grow by 6.4% in 2019 and the tender price index is expected to rise by 2-4%.

Smart decisions **creating long-term value**

Combining deep market knowledge with in-depth data on the world's construction markets and the use of digital tools supports smart decision making. This allows greater predictability of outcomes, removes waste and generates value, now and over the entire asset lifecycle. This is how construction clients can gain a competitive advantage.

Innovation

Masdar Building, home of the Graphene Engineering Innovation Centre (GEIC)

Arcadis helped the University of Manchester develop the Masdar Building, the new home of GEIC, a state-of-the-art, technical facility, which is a testing ground for graphene, a cutting-edge material that some say is the building block of the future. Arcadis' project and cost management experts used data and industry insights to deliver this extraordinarily adaptable facility within the confines of specific funder obligations.

Masdar Building - GEIC is a bespoke solution for graphene research. The building needed to be highly versatile to accommodate the many different applications of graphene: desalination, super energy efficient batteries, and advanced bio sensors, to name only a few. The spaces are open plan with no ceilings and exposed services to allow easy adaptation. The servicing strategy has a loop arrangement, allowing central gases to be easily accessed with exhaust and extract links directly from the corridors. This offers maximum flexibility when changing uses and bringing in new tools and equipment, required by Industry partners.

Masdar Building GEIC is a dynamic workspace, where the world's innovators collaborate and test pilot products for the future.





End-user benefits

International Trade Center - Shanghai

Arcadis is supporting the revitalization of Shanghai's business district by providing quantity surveying services for the construction of the International Trade Centre (ITC) in the Xujiahui commercial hub in Puxi. The mega-structure will deliver numerous benefits for the people of Shanghai. Various commercial activities will be included in one complex to deliver social value and new customer experiences.

ITC will be comprised of office space in two skyscrapers (220 meters and 370 meters), a mall, a 6-star hotel and nine connecting bridges to surrounding buildings. The building will also have links to three metro lines that will provide users with access to every part of the city. Tapping into an industry-leading cost database and a wealth of experience benchmarking projects in mainland China, Arcadis provided estimates and expert advice to improve the design solution and construction methods. ITC is expected to be completed in 2023.



Sustainability

One Steuart Lane - San Francisco

Arcadis is working with SRE Group - a subsidiary of China Minsheng Investment to help deliver this building. One Steuart Lane is a 67-meter tall tower, which will contain 120 residential units on 20 floors in the heart of San Francisco. There is a target of recycling or diverting from landfills at least 75% of construction waste.

Once completed, this will be an LEED Gold condominium. The project will include 278 square meters of roof-mounted solar thermal collectors for water heating and the building will collect grey water to provide 100% of its toilet water and on-site irrigation.

Arcadis advised on the pre-construction phase and is continuing to advise in the delivery phase.



Methodology

Arcadis developed its comparative cost comparison index for 100 cities, covering 20 building functions, based on a survey of construction costs, review of market conditions and professional judgement from its experts globally. An indicative range of average prices by building function was built – a low and high mark – for each city. These figures were converted into US Dollars (USD). Next, the figures were subjected to additional analysis and indexed against the price range for London, using this as the index base. The value of 100 was assigned to the middle point in London's price range and this was made the baseline for comparing the cost ranges for the other cities. Then the other city price ranges were plotted on a graph, relative to that baseline.

The index incorporates local specification data used to meet the various building functions and market needs. As a result, the index is a comparison of the relative costs of delivering the same building functions in each city. Differences in building specification standards can vary significantly across parts of the world, but the index does not account for these distinctions. Additionally, purchase power parity is not taken into account.

The construction cost data used in this index was current in Q1 of 2019. The exchange rate indications were current on 6 March 2019.

Disclaimer

This report is based on market perceptions and research carried out by Arcadis, a design and consultancy firm for natural and built assets. This document is intended for informative purposes only and should not be construed or otherwise relied upon as investment or financial advice (whether regulated by any financial regulatory body or otherwise) or information upon which key commercial or corporate decisions should be taken.

The cost comparison index represents a snapshot in time and is for illustrative purposes only. While every effort has been made to ensure the accuracy of the index, Arcadis is not liable for any loss or damages associated with the use of the index for decision-making purposes.

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This document should not be relied upon as a substitute for the exercise of independent judgment.



About **Arcadis**

Arcadis is the leading global Design & Consultancy firm for natural and built assets. Applying our deep market sector insights and collective design, consultancy, engineering, project and management services we work in partnership with our clients to deliver exceptional and sustainable outcomes throughout the lifecycle of their natural and built assets. We are 27,000 people, active in over 70 countries that generate €3.3 billion in revenues. We support UN-Habitat with knowledge and expertise to improve the quality of life in rapidly growing cities around the world.

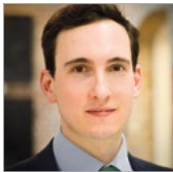
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