



SENATOR THE HON. ERIC ABETZ
Leader of the Government in the Senate
Minister for Employment
Minister Assisting the Prime Minister for the Public Service
Liberal Senator for Tasmania

MEDIA RELEASE

18 September 2015

Humiliating defeat for CFMEU as Boral ban ends

Minister for Employment Senator Eric Abetz today welcomed the announcement that Boral had reached a record settlement of its damages claim against the CFMEU over the CFMEU's two year ban against Boral on Melbourne's building sites.

This ban arose as part of the CFMEU's 2012 dispute with Grocon, even though Boral employed no CFMEU members and had no previous dispute with the union. The settlement of this claim will result in the CFMEU paying between \$7 million and \$9 million to Boral in damages and costs.

"I strongly commend the courageous and principled stand that Mike Kane and Boral have taken in standing up to union intimidation and threats throughout this long and costly dispute", Minister Abetz said today.

"This outcome sets an example for corporate Australia which shows that it is possible to successfully resist the thuggery and standover tactics that is the hallmark of the CFMEU."

"I also note that the CFMEU's campaign against Boral occurred soon after the abolition of the Australian Building and Construction Commission and was no doubt assisted by the absence of an effective building industry regulator with effective powers and penalties available to it. This dispute should leave the Opposition and Senate crossbenchers in no doubt as to the urgent need to restore the ABCC," Minister Abetz said.

This outcome again confirms that CFMEU members continue to be gravely let down by the union's Victorian leadership of John Setka and Shaun Reardon. These individuals are clearly not fit to hold these roles. Through their actions in the Grocon dispute, they have now cost their members over \$10 million in damages, court penalties and legal costs.

"Any CEO of any other organisation that lost this much members' money would be immediately sacked from their role. If the national leadership of Dave Noonan and Michael O'Connor do not act to clean up the CFMEU then it will invariably fall to others to do so," Minister Abetz said.

"The ACTU and the Labor Party must now also realise that the time is up for the protection racket they have run for Australia's most corrupt union. The credibility of both the ALP and ACTU is seriously damaged by their continuing support for the CFMEU."

"Bill Shorten should now be sufficiently embarrassed to finally cut the ties between the ALP and the CFMEU. However, this is the same union that he relies on to retain his leadership and

the same union to which he has outsourced his policies on both workplace relations and the China-Australia Free Trade Agreement.”

The settlement of the damages claim does not affect ongoing claims that have been brought against the CFMEU arising from the Grocon dispute by Fair Work Building and Construction and the Australian Competition and Consumer Commission.

The contempt of court proceeding against the CFMEU in the Victorian Supreme Court also remains on foot. The Attorney-General of Victoria remains a party to this proceeding and has a responsibility to ensure that it continues so that the CFMEU, having paid its debt to Boral, also pays its debt to society.

The most recent contempt proceeding against the CFMEU resulted in a record penalty of over \$1 million against the CFMEU for criminal contempt of court.

“If the Andrews Labor Government in Victoria does not continue this proceeding in the public interest then Daniel Andrews will be doing a \$1 million favour for his favourite union,” Minister Abetz concluded.

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