

Commission of Inquiry into the CFMEU and Misconduct in the Construction Industry

Section 5(1)(d) of the *Commission of Inquiry Act 1950* (Qld)

WITNESS STATEMENT OF GLYNN LADBROOKE

I, Glynn Ladbroke, Operations Manager – Qld/NT, John Holland Queensland Pty Ltd, affirm:

Background

1. I make this statement in response to a notice issued by Stuart John Wood AM KC, the Commissioner appointed pursuant to the *Commissions of Inquiry Order (No. 2) 2025*.
2. Attached to this Statement is a bundle of documents (**Bundle**). In this statement, I refer to relevant documents by reference to the annexure and page number of the Bundle.
3. I am the Operations Manager – Qld/NT of John Holland Pty Ltd (**John Holland**). Prior to taking on this role, I held the following roles:
 - (a) between 1 January 2023 and 31 December 2024, I was the Project Director of the Gold Coast Light Rail Stage 3A project (**GCLR3**); and
 - (b) between 7 August 2022 and 31 December 2022, I was the Construction Director for GCLR3.

Gold Coast Light Rail Stage 3A

4. GCLR3 involves the expansion of the existing Gold Coast Light Rail, specifically a 6.7km extension of the light rail system from Broadbeach South to Burleigh Heads, including eight new stations and the procurement of five additional light rail vehicles. The project also included the construction of 3 new stabling roads and expansion and modification of the existing administration building at the existing Depot in Southport. Copies of the GCLR3 Leadership Team Organisational Structure for September 2022 and February 2023 are at **Annexure GL-1 pages 5 to 7**.
5. As Project Director of GCLR3, I was responsible for the day-to-day delivery of the project, including in relation to construction, commercial decisions and functional disciplines like quality, safety, environment and sustainability. I was also ultimately responsible for the industrial relations on the project, but I would delegate this to subject matter experts like Trent Smith, General Manager Industrial Relations – QLD/NT, and Elle Ackland, Manager Industrial Relations Queensland. To the extent it was necessary to deal with industrial relations on site, I would delegate this to site superintendents as necessary.
6. The matters in this statement are matters which I had operational oversight of on a project basis. I was either directly involved in these matters or became aware of them through my engagement with my direct reports or otherwise my own reporting to the John Holland executive.

Impact of BPIC on GCLR3

7. I am aware that before I commenced on GCLR3, the State of Queensland imposed the '*Best Practice Industry Conditions for Transport Civil Construction Projects – Gold Coast Light Rail Stage 3 Project*' (**GCLR3 BPIC**) on GCLR3 and this was part of the States broader policy in relation to the implementation of the Best Practice Principles (**BPP**).
8. The implementation of the GCLR3 BPIC onto John Holland had significant impacts on the cost and time to deliver GCLR3.
9. By way of Schedule 33 to the D&C Contract, the State agreed to a Reimbursable Cost mechanism to compensate John Holland for the additional cost attributable to BPIC. Schedule 33 entitled John Holland to be fairly and reasonably compensated for the impact of the GCLR3 BPIC. '*Reimbursable Costs*' were the costs set out in the Reimbursable Cost Schedule as well as any other cost incurred by John Holland as a result of or in connection with the GCLR3 BPIC or Schedule 33 as determined by the BPP Committee. John Holland's entitlement to those reimbursable costs was uncapped, and separate and discrete from its general obligation to manage industrial relations.
10. The concept of '*fair and reasonable*' compensation reflected the fact that that the true economic impacts of the GCLR3 BPIC were unascertainable by the John Holland at the time the D&C Contract was entered.
11. John Holland's initial estimate of the additional cost of implementing the GCLR3 BPIC was \$150 million (**Original BPIC Target**). John Holland was incentivised not to exceed this amount through a gainshare provision in Schedule 33 which entitled John Holland to 30% of any underrun of the Original BPIC Target.
12. By June 2023, John Holland had forecast that it would exceed the Original BPIC Target by way of its Quarterly BPP Committee Report.
13. On 22 December 2023, John Holland and the State and GoldlinQ entered into an Improvement Framework Agreement.
14. In February 2024, in accordance with the Improvement Framework Agreement, John Holland produced a BPIC Claim which included a Reimbursable Cost Forecast which estimated that the Total BPIC Cost to complete GCLR3 would be \$428,746,616 (excluding GST), comprised of:
 - (a) \$257,614,259.00 in additional wages and allowances across various subcontractors, and referred to as the '*BPIC premium*'.
 - (b) \$32,598,608.00 in additional costs for John Holland staff to implement, monitor, enforce and report on the GCLR3 BPIC and John Holland's BPP commitments.
 - (c) \$33,530,411.00 in prolongation costs resulting from the workforce's refusal to work a 5.5-day work week (which included work every second Saturday). The unwillingness to work Saturdays was highly unusual in the civil construction

sector, where employees are generally incentivised by increased pay of time and half for the first two hours and double time thereafter. For whatever reason, there was a shift in culture and control through the implementation of the GCLR3 BPIC, which required consultation, and which resulted in workers refusing Saturday work. This resulted in significant lost time on the planned program.

(d) \$36,702,581.00 in disruption costs resulting from productivity reductions ranging from 30% to 50% in critical project areas. By way of examples, John Holland referred to the:

- (i) water main installation, where GCLR3 achieved installation rates between 2m to 6m per shift, as opposed to 11m to 16m per shift on comparable John Holland projects;
- (ii) electrical main installation, where GCLR3 achieved 6m to 12m per shift, as opposed to 26m per shift on comparable John Holland projects;

(e) \$68,300,757 for oncosts, margin and adjustments for risk.

15. A copy of the BPIC Claim is at **Annexure GL-2 pages 8 to 278**.

16. The disruption cost referred to at paragraph 14(d) above was caused by:

- (a) workers' reluctance to work weekends and particularly Saturdays;
- (b) wet weather provisions which empowered employees to refuse to work in wet weather, even in circumstances where it remained safe to do so. The consequences of this policy were:
 - (i) work stoppages which impacted the project schedule and resulted in overall project duration;
 - (ii) loss of productive hours;
 - (iii) loss of momentum resulting in productivity impacts;
 - (iv) disruption to work sequences resulting in inefficiencies, rework and coordination challenges;
 - (v) cost overruns resulting from additional base hours and the need to reschedule or rebook subcontractors or equipment;
 - (vi) negative impacts on workforce morale and frustration;
- (c) new entrants into the construction workforce which was, overall, a net benefit to the civil construction industry and economy generally, but which resulted in the need for increased training, mentoring, lower productivity and re-work on GCLR3;

- (d) inefficiencies in labour rate contract models arising out of the uncertainty created by BPIC, which preferred contract models where the subcontractor was responsible only for labour and plant, while John Holland bore the risks associated with supervision, scope and time. This resulted in a lack of incentive, decreases in productivity, inefficiencies in labour utilisation, suboptimal work practices and a lack of innovation.

Other Impacts on GCLR3

- 17. The application of the GCLR3 BPIC caused the majority, but not all, of the increased cost in delivering GCLR3. In addition to the BPIC costs detailed above, in early 2024, also in accordance with the Improvement Framework Agreement, John Holland claimed the following additional heads of damage from the State:
 - (a) \$192,506,728.00 attributable to COVID-19, and provided for under clause 22A of the D&C Contract;
 - (b) \$120,427,319.00 attributable to design claims and delay/disruption;
 - (c) \$23,519,103.00 attributable to other claims.

Impact on Subcontractor Pool

- 18. Through GCLR3, John Holland observed a decline in the available subcontractor pool which it attributed to the implementation of the GCLR3 BPIC and the requirements under that BPIC. A significant proportion of available subcontractors declined to tender for work on GCLR3. Where this occurred, John Holland sought feedback from the subcontractor to understand their reasons where possible. The primary reasons for why subcontractors declined to tender was reported to be:
 - (a) BPIC added a level of complexity that resulted in a general reticence to tender;
 - (b) subcontractors considered they would be uncompetitive against other tenderers;
 - (c) the subcontractor had decided not to participate in BPIC projects; or
 - (d) resource availability constraints.
- 19. John Holland tracked its procurement of subcontractors and the market responses to its subcontract by way of its 'BPIC Monthly Report' which are provided to GoldlinQ.
- 20. Interference with subcontractor procurement was an issue on GCLR3 with respect to the application of the GCLR3 BPIC. Between January 2023 and April 2026, John Holland reported by way of its BPIC Monthly Report:
 - (a) the CFMEU had maintained the erroneous position that adoption of the GCLR3 BPIC by the supply chain is a mandatory requirement for engagement on the project;

- (b) subcontractor pricing had generally reflected lower than expected participation rates;
 - (c) there had been instances where subcontractors that had agreed to adopt employment conditions consistent with the GCLR3 BPIC had been placed under significant and undue pressure by the CFMEU to adopt these conditions across their entire business immediately;
 - (d) subcontractors had been advised by the CFMEU that if they did not comply with this '*requirement*', the CFMEU would be unwilling to negotiate a project specific EA for GCLR3;
 - (e) this had resulted in several companies declining to tender or withdrawing after tendering for packages of work;
 - (f) subcontractors that had been proposed or recommended by the CFMEU to tender for particular works had often advised they are either too committed on other projects or when they have provided a price, that price is inflated and far exceeds the reasonable/usual price that would be anticipated for the same scope of works; and
 - (g) as a consequence of the above, John Holland's subcontracted cost had been driven up.
21. A copy of the Gold Coast Light Rail Stage 3 BPIC Monthly Report for January 2023 is at **Annexure GL-3 pages 279 to 285**. A copy of the Gold Coast Light Rail Stage 3 BPIC Monthly Report for April 2026 is at **Annexure GL-4 pages 286 to 295**. A summary of subcontractor market responses up to 30 April 2026 is at **pages 292 to 294 of the Bundle**.
22. On 8 February 2023, John Holland made a request to GoldlinQ to disclose an extract of Schedule 33 of the Managing Contract relating to the non-mandatory nature of John Holland's BPIC commitments to the CFMEU. The purpose of the request was to support John Holland's position with the CFMEU and other BTG unions that it was not a requirement for subcontractors to adopt the GCLR3 BPIC.
23. By March 2023, the State had declined John Holland's request on the basis that information was publicly available on DTMR's website. At the time, the information published by DTMR noted that the requirement was to demonstrate a '*best endeavours*' approach to BPIC for subcontractors. The information was general in nature and did not have John Holland's desired impact with the CFMEU and BTG unions.

Tallai Project Group Pty Ltd

24. On 26 July 2022, John Holland issued an Invitation to Tender titled '*7221-ITT-113 – Builder Depot*' (ITT) to various subcontractors, including Tallai Project Group Pty Ltd (**Tallai**). The ITT was for works related to:
- (a) building a new depot administration building;

- (b) building a new balcony within the existing depot building;
- (c) extended a locker room within the existing depot building; and
- (d) refurbishing an underground building that was part of the Gold Coast University Hospital;

(Depot Building Works).

25. On 16 August 2022, John Holland received a tender for the whole of the Depot Building Works from Tallai. Tallai's tender was the only tender received for the whole of the Depot Building Works. Between 16 August 2022 and 22 December 2022, John Holland and Tallai negotiated Tallai's tender through invitations for further tender.
26. On or around 27 November 2022, John Holland issued a final ITT to Tallai (**Final ITT**). John Holland has been unable to locate the Final ITT issued to Tallai. It is my understanding that, to the extent it related to the BPP, the Final ITT was in the same terms as the ITT which immediately preceded the Final ITT and which was dated 8 September 2022. A copy of the ITT dated 8 September 2022 is at **Annexure GL-5 pages 296 to 302**.
27. The ITT stated John Holland's commitment to the BPP as follows:

In accordance with your EOI the tenderer is reminded that John Holland is committed to the Queensland Government's Best Practice Principles (BPP) as set out in the Queensland Procurement Policy 2019, the Queensland Charter for Local Content and the Queensland Government Policy known as 'Buy Queensland: Ethical Supplier Mandate' (refer Section 6)

In preparing the tender response, the Tenderer should also consider the Queensland Government's GCLR3 BPIC guidance document Best Practice Industry Conditions for the Department of Transport and Main Roads – Gold Coast Light Rail Stage 3 Project' dated on or about May 2021 (refer section 1.7 and section 6).

28. Specific instructions for the tender related to the BPP were provided under clause 6.1 of the ITT as follows:

6.1 The Queensland government's Procurement Policy (QPP) is an overarching policy of the Head Contract for the procurement of goods and services on the GCLR3 project. The most recent iteration of this policy, QPP 2021, commenced on 1 February 2021.

Sitting within the QPP, the Queensland government has published a series of interrelated policy statements and guidelines covering different aspects of procurement. These interrelated policy statements are identified on the Gold Coast Light Rail Project's ICN Homepage.

One of these guidelines is the Best Practice Principles (BPPs). The BPPs provide a set of criteria that a tenderer must address in responding to a tender (refer Tender Response Schedule Sections 14, 15 and 17).

The BPPs are also supported by a document called the Best Practice Industry Conditions (BPIC). John Holland provides the Tenderer with the Best Practice Industry Conditions for Transport GCLR3 – May 2021 (GCLR3 BPIC) for reference.

In demonstrating how it intends to address the Best Practice Principles as required herein, the Tenderer may wish to demonstrate how their terms and conditions of employment compare to the GCLR3 BPIC.

The Tender evaluation will remain consistent with John Holland's obligations under the Building Code, and it is at the absolute discretion of the Tenderer to confirm if it will adopt, or not adopt, any particular Subcontracted Commitments (refer to the Agreement at Section 1.3) in respect of the BPP, specifically the GCLR3 BPICs.

John Holland will not penalise the Tenderer in the tender evaluation if the Tenderer elects to adopt, or not adopt, any particular Subcontracted Commitments (refer to the Agreement at Section 1.3) in respect of the GCLR3 BPICs (including but not limited to not being penalised in respect of any enterprise agreement on particular terms that the Subcontractor elects to adopt, or not adopt, or particular terms and conditions that may otherwise be set out in an enterprise agreement, if any) in giving effect to or not giving effect to the BPICs or the GCLR3 BPICs.

29. The GCLR3 BPIC was annexed to the ITT as document 1.7 and was described as a 'Guidance Document'.
30. In addition to mandatory compliance criteria, which were not weighted, tenderers were evaluated against weighted evaluation criteria which are stated in the ITT by way of the following table:

Evaluation Criteria	Weighting
Price	55%
Commercial & Technical	2%
Project Management / Systems	14%
Local benefits/ Best Practice Principles (BPP)	29%

31. The table is at **page 302 of the Bundle**.
32. On 22 December 2022, Tallai issued a final tender response with a tendered price of \$4,210,053.00 excluding GST. A copy of Tallai's final tender is at **Annexure GL-6 pages 303 to 306**.

33. On 22 December 2022, Peter Rudolph, Tender Coordinator, and Ben Rigon, Technical Coordinator, produced an internal recommendation summary for the subcontract. That recommendation sought approval to award the subcontract to Tallai and summarised that:
- (a) the approved sub-subcontractors were:
 - (i) Rooftek – Roofing and Cladding; Crown Glazing – Glazing;
 - (ii) TBA – Electrical;
 - (iii) Doolan Plumbing – Hydraulic;
 - (iv) TBA – Mechanical;
 - (v) Mastersteel – Structural Steel;
 - (vi) Safe-Group – Fire;
 - (vii) Louvreclad – Louvres;
 - (viii) Indigo – Painting;
 - (ix) Arise Solar – Solar; and
 - (b) John Holland's own market sounding resulted in quotes from responsive sub-subcontractors that exceeded the tender price that Tallai had provided for those same trades.
34. A copy of the Recommendation Summary is at **Annexure GL-7 pages 307 to 316**.
35. On 23 December 2022, John Holland awarded the Depot Building Works subcontract to Tallai. The subcontract was a lump sum contract set at \$4,210,053.00 excluding GST. A copy of the letter of award is at **Annexure GL-8 pages 317 to 318**.
36. John Holland's primary contact with Tallai was through its Director, Matthew Lowe.
37. On 10 January 2023, Mr Lowe sent an email to Mr Rigon listing sub-subcontractors for the Depot Building Works and scheduled start dates for works. The sub-subcontractors included:
- (a) Doolan Plumbing;
 - (b) Master Steel (supply only);
 - (c) Cain Projects – Steel Erection; and
 - (d) Roof technology – Roofing installation.

38. On 11 January 2023, Mr Rigon sought confirmation from the John Holland's contracts team that there would not be any '*major issues*' with the Tallai's proposed sub-subcontractors.
39. Later that day, Ms Ackland responded to Mr Rigon's query confirming that the proposed sub-subcontractors had committed to BPIC rates and conditions, and the 'union' had accepted this commitment. A copy of the email chain between Mr Lowe, Mr Rigon and Ms Ackland is at **Annexure GL-9 pages 319 to 320**.
40. On 20 January 2023, John Holland issued an amended subcontract for the Depot Building Works to Tallai.
41. On 13 February 2023, John Holland and Tallai executed the amended subcontract. A copy of the executed subcontract is at **Annexure GL-10 pages 321 to 367**. Under the Subcontract, Tallai committed to implementing the GCLR3 BPICs by:
- (a) adopting wages and conditions consistent with those contained within the GCLR3 BPIC;
 - (b) providing the GCLR3 BPIC to all its sub-subcontractors as part of the suite of documents at engagement;
 - (c) making additional BPIC commitments in terms of BPP such as training and local content (among other things); and
 - (d) completing the Depot Building Works by 4 July 2023.

Union concerns with Tallai's sub-subcontractors

42. Once the subcontract was awarded to Tallai, the CFMEU and Electrical Trades Union (**ETU**) each started raising concerns with respect to the award of the subcontract, and Tallai's procurement of sub-subcontractors. Other than me, these issues were primarily dealt with by staff on site on GCLR3, including:
- (a) Gavin Hore, General Superintendent;
 - (b) Ryder Millsom, Site Superintendent;
 - (c) Anthony Worth, Site Supervisor;
 - (d) Sam Dogan, Senior Contracts Administrator.
 - (e) Mr Rigon; and
 - (f) Mr Rudolph.
43. Ms Ackland was also involved in resolving issues on GCLR3 to the extent they related to industrial relations.

44. On or around 12 January 2023, Mr Worth reported to Ms Ackland that Dean Reilly of the CFMEU had visited Mr Worth. Ms Ackland reported the conversation to Mr Millsom by email. In her email, Ms Ackland states Mr Riley had visited Mr Worth:

to voice his concerns about Tallai and Seader process, he advised that he had since met with Seader representatives and that they were all good. ... this is now disruptive behaviour essentially repeating the same conversations across his GCLR3 contacts.

45. A copy of Ms Ackland's email is at **Annexure GL-11 page 368**.
46. On 19 January 2023, Julian Zorzo, Project Manager (Gold Coast Light Rail) of DTMR, requested that John Holland provide information concerning the procurement of the Depot Building Works, including whether *'the successful contractor met the BPIC requirements and Best Practice Principles'* and whether *'BPIC commitments including BPIC Rates & Conditions have been agreed to in the contract and [whether] they [will] apply to all sub-contracts'*.
47. On 20 January 2023, Rob Goldie, Commercial Director, responded to Mr Zorzo's email, providing a paper summarising the process followed to procure a subcontractor for the Depot Building Works. The paper relevantly stated that:
- (a) Tallai was the only tenderer for the whole of the Depot Building Works but that it quoted a price that was above the *'budget plus any potential BPIC reimbursement'*;
 - (b) John Holland considered engaging individual trades and managing the Depot Building Works itself. However, John Holland assessed that this would not yield an acceptable outcome, including because the various market participants had not provided quotes after confirming they would do so or withdrew due to availability and uncompetitive pricing;
 - (c) During post-tender negotiations, Tallai *'formally committed to adopting wages and conditions on the project consistent with those contained within the GCLR3 BPICs guidance document, as well as engaging with sub-subcontractors who will do likewise'*.
48. A copy of the email chain between Mr Zorzo and Mr Goldie is at **Annexure GL-12 pages 369 to 370**. A copy of the paper is at **Annexure GL-13 pages 371 to 372**.
49. On 25 January 2023, I had two Microsoft Teams meetings with Boyd Merrett, Chief Operating Officer. Rob Evans, Executive General Manager Infrastructure, was also invited to these meetings but I cannot recall if he attended. Mr Merrett informed me that he had spoken with Julie Mitchell, Deputy Director General Infrastructure Management and Delivery of DTMR, in relation to the matter with Tallai and she had told him that John Holland had to consult with the unions in relation to the sub-subcontractors i.e. Tallai's subcontractors.

50. On 24 January 2023, Mr Lowe emailed Mr Hore regarding the *'aircon and roofing'* sub-subcontractors that Tallai had approached. Mr Lowe summarised that he had approached:
- (a) Assetair;
 - (b) Deepblue;
 - (c) Acclaim Air;
 - (d) Havendeen Roofing;
 - (e) Ron Nickel Roofing;
 - (f) Skyview;
 - (g) *'[p]lus others who all declined not sure if these are EBA'*.
51. Mr Lowe also stated *'I also went to Havendeen roofing but they declined ... That's Great that Havendeen declined to tender as they are EBA contractor'*.
52. Mr Hore responded later that day, suggesting that Tallai also reach out to Venmist, VAE and Ellis Air, as well as plumbing contractors Shore plumbing and Boon & Wilard. With respect to an electrical subcontractor, Mr Hore stated *'As for SJ they have EBA but are non union agreements'*. A copy of the email chain between Mr Lowe and Mr Hore is at **Annexure GL-14, pages 373 to 374**.
53. On 25 January 2023, Mr Lowe again emailed Mr Hore and copied in Mr Rigon. In that email, Mr Lowe stated:
- (a) *'the replacement plumber was bullied by the unions and told that he would need to sign an EBA to work on the project, so he also pulled out'*;
 - (b) he had been *'told that there is an agreed union rate for this project irrespective of the requirements of BPIC'*;
 - (c) he had *'wondered why the union officials who tried to bully [him] were dismissive of BPIC'*;
 - (d) the request for tender *'does not mention the requirement to only use Union authorised subcontractors'*;
 - (e) *'[d]uring the tendering process we engaged the market based on the size of the project. We were lucky to get one quote for each package'*;
 - (f) he made enquiries with other trades, but they *'were too busy. They quite possibly didn't engage with Tallai as in CFMEU speak 'we had already selected a builder to deliver this package'. So why would they it would be wasting their time'*.
54. Mr Rigon forwarded Mr Lowe's email to Mr Rudolph, who responded *'It is starting'*.

55. A copy of the email chain between Mr Lowe and Mr Hore, and Mr Rigon and Mr Rudolph's subsequent emails is at **Annexure GL-15 pages 375 to 377**.
56. On 25 January 2023, Mr Goldie sent an email to Kirstyn Smith of GoldlinQ which was copied to, among others, various representatives of DTMR including Mr Zorzo. That email stated, in part:
7. *Depot Building Subcontractor (Tallai) – any feedback from the State following the recent provision of an urgent paper as a result of union discussions with government? We are seeing a significant increase in the unions engaging with our supply chain and applying undue pressure for them to adopt arrangements that go beyond the intent of BPIC on this project. This is impacting our ability to secure appropriate and cost-effective resources required to deliver the works.*
57. Later that day, Mr Zorzo replied to Mr Goldie's email, stating in response to point 7 above: *'The State appreciates the information provided. There is no further feedback from the State and JH should continue to progress works as planned.'*
58. A copy of the email chain between Mr Goldie and Mr Zorzo is at **Annexure GL-16 pages 378 to 379**.
59. The ETU also raised concerns with John Holland about Tallai's proposed subcontractors for the Depot Building Works. For example, on or around 24 January 2023, Mr Hore and Peter Ong, State Secretary of the ETU, had been discussing Tallai's proposed electrical subcontractors.
60. This prompted Ms Ackland to email Mr Ong on 24 January 2023 with links to the enterprise agreements for two electrical subcontractors proposed to be engaged by Tallai: Trivantage Pty Ltd and SJ Electric Group.
61. Later that day, Mr Ong responded stating *'Yeah all non union agreements signed by the employer and an employee'*.
62. The following day, Ms Ackland forwarded Mr Ong's response to Mr Goldie and explained:
- For your intel – I provided a couple of enterprise agreements listed on the Fair Work Commission site, as Gavin and Peter Ong (ETU) were having a conversation about Tallai engaging electrical sub-contractors and Peter was not supportive of Tallai using non ETU contractors, even where the Tallai sub-contractors had committed to apply BPIC while engaged on the project.*
63. A copy of the email chain between Ms Ackland and Mr Ong, and Ms Ackland's subsequent email to Mr Goldie is at **Annexure GL-17 pages 380 to 381**.
64. On 29 January 2023, Mr Lowe emailed a summary of Tallai's proposed subcontractors to Mr Rigon, with a comment as to the status of that sub-subcontractor's contract with Tallai. Several contracts had already been signed or issued to Tallai's proposed subcontractors, while some were still under negotiation. With respect to Tallai's

proposed plumbing subcontractor, Mr Lowe stated: '*Plumbing – Doolan and then JTS – no plumber at present following phone call from union to JTS*'. A copy Mr Lowe's email is at **Annexure GL-18 page 382**.

65. On 30 January 2023, John Holland met with Tallai to discuss the ongoing issues with the procurement of subcontractors. Present at the meeting were:

(a) **John Holland:** Mr Hore, Mr Rudolph, Mr Rigon and Mr Millsom; and

(b) **Tallai:** Mr Lowe.

66. John Holland and Tallai agreed actions regarding the trades they considered to be '*high risk*', meaning building work trades which the CFMEU and ETU typically showed a high level of interest in. The '*risk*' that was being identified was that if non-union affiliated subcontractors were engaged, the potential for industrial issues both during the work associated with the Project and potentially across the wider John Holland group would be higher. A copy of a briefing note recording the discussion between John Holland and Tallai is at **Annexure GL-19 pages 383 to 384**. I believe that I asked either Mr Rudolph or Mr Millsom to provide me the briefing note for the purpose of my own briefing to John Holland senior/executive management.

67. The note stated the following in respect of Tallai's engagement with prospective sub-subcontractors:

- *Electrical – Tallai to go back out to the market for additional pricing – Tallai are in detailed discussions with SEEG, who are currently installing the inground electrical services, and have a previous relationship with KD.*
- *Plumbing – additional pricing is to be sought – outcome as per below.*
- *Roofing – Tallai to go out to market for additional pricing from Dowbury roofing. Lead time of additional pricing to be assessed for programme risk.*
- *HVAC – JHG to go to market for more pricing from VAE, Navaska, Ellis Air and Venmist.*
- *Structural steel – Cain Constructions, have been identified as a risk for the structural steel installation. The current strategy is to utilize Borgers Cranes (currently on site) for installation of the structural steel to offset any risk utilising Cain Constructions. Mulherin Rigging and Cranes have priced the installation of the structural steel, but the cost is an additional \$58,000 for 3 weeks works.*

68. Around late January 2023, Mr Rudolph also had several discussions with Mr Lowe suggesting the names of sub-subcontractors that could be considered '*compliant*', in respect of their experience in '*tier 1*' contracting environments and industrial instruments which would be acceptable to the relevant unions.

69. On 31 January 2023, Mr Millsom and Mr Smith met with Jade Ingham, Assistant Secretary of the CFMEU. A summary of the discussion during that meeting is recorded in the briefing note at **page 370 of the Bundle** and records:

CFMEU meeting was held this week with JH Reps. Discussion topics as per the following.

1. *Escalation process through myself (Ryder) and/or Trent. This was acknowledged and agreed*
2. *Collaboration between both stakeholders and importance of successful outcome for all parties*
3. *Lack of pricing engagement from local trade subcontractors.*
4. *Price inflation from local trade/civil subcontractors*

In summary, the meetings went well with good discussion from both parties and an understanding that there would be 'teething issues' given the level of maturity of the civil subcontract market in Qld. All parties confirmed a willingness to work together to resolve issues as they arise.

70. On 1 February 2023, John Holland again met with Tallai to discuss subcontractor pricing received for its hydraulics/plumbing trade. Present at the meeting were:

(a) **John Holland:** Mr Hore, Mr Rudolph, Mr Rigon and Mr Millsom; and

(b) **Tallai:** Mr Lowe.

71. Relevantly, Tallai's final tender had contained a price from Doolan Plumbing of \$247,227.71, excluding GST. Subsequently, Tallai received a new quote from CC P&D in the sum of \$427,000.00, excluding GST. That represented a difference of \$229,433.29, being a 72% increase. CC P&D's price also did not include the supply and installation of sanitary fixtures and fitments that had been covered by the price provided by Doolan Plumbing.

72. John Holland formed the view that CC P&D, which was BPIC compliant, was seeking to leverage the opportunity to negotiate a premium sum for the same scope of works that Doolan Plumbing had agreed to undertake. Additionally, Tallai had initially claimed a 10% margin (equivalent to approximately \$18,000) on the difference between the Doolan and CC P&D amount which Tallai had claimed for profit and overheads. Tallai ultimately agreed to forgo the 10% margin.

73. On 7 February 2023, representatives of John Holland participated in a meeting of the BPP Committee. The BPP Committee is a committee established under the D&C Contract between John Holland and GoldlinQ and made-up of representatives from John Holland, GoldlinQ and DTMR. The attendees of the meeting on 7 February 2023 were:

- (a) **GoldlinQ:** John Witheriff, Chairman; Phil Mumford, CEO; Ms Smith, Secretary of the Committee;
- (b) **DTMR:** Ms Mitchell; Gavin Massingham, GCLR Program Manager;
- (c) **John Holland:** me; Mr Evans; Steve Butcher, Executive General Manager, Rail; Anthony Kelly, General Manager Commercial.

74. Prior to that meeting, I emailed the representatives of that committee that were internal to John Holland with respect to the concerns held by John Holland about the increased union interference on GCLR3. A copy of my email is at **Annexure GL-20 pages 385 to 387**. The email states, in part:

- *Activity by the unions amongst D&C Contractor's subcontractors has increased significantly. In the month, JH provided an urgent briefing paper to GoldlinQ and State in relation to the procurement process followed for the engagement of the Depot Building subcontract. This was following allegations made by unions to the Queensland Government that John Holland had not followed an appropriate process and had engaged a company that was asserted to be 'non-compliant'.*
- *In addition to the above, JH is being made aware of several instances where subcontractors (that have agreed to adopt employment conditions consistent with the GCLR3 BPICs guidance document provided by the State) are being placed under significant and undue pressure by unions to adopt these conditions across their entire business immediately, and not only on the GCLR3 project. Threats are being made to subcontractors that if they do not comply with this requirement, that they will not be permitted to participate in the project. This has resulted in several companies declining to tender or withdrawing after tendering for packages of work.*
- *Subsequently, JH's Depot Building Subcontractor has advised it plumbers have withdrawn. As a consequence JH, and its subcontractor, have engaged with the associated unions and have initially identified an additional cost of ~\$230k to engage an alternative plumber. JH advises it intends to recover these additional monies through BPIC and will be preparing an urgent Determination Request for the next BPP Committee to recover anticipated additional costs of the Depot Building subcontract as an Other Cost.*
- *JH has developed an initial estimate of the total impact to the Depot Building subcontract to all trades, covered under the subcontract, ranging from \$1.5-2.5m.*
- *JH has reviewed other options to recover these monies through the RCM. The Depot Building works are an SC-1 lump sum fee under the current version of the RCM so require Committee approval to obtain recovery of the additional costs.*

- *JH engages regularly with all unions and continues to reiterate that the adoption of the GCLR3 BPICs by the supply chain is on a 'reasonable endeavours' basis, and NOT a mandatory requirement for engagement on the project. However, it appears the unions will be maintaining its (incorrect) view. If this behaviour persists, it will pose a significant risk to the timely and cost-effective delivery of the works.*
- *In essence the unions perceive GCLR3 to be a 'closed' job which fundamentally changes the terms on which JH entered in the Contract. While this poses a risk to GCLR3 it also poses a risk to JH's wider day to day business operations in Queensland and is of great concern to JH.*
- *JH wish to flag to the Committee that unchecked these issues will inevitably result in an exceedance of the \$150m Target Cost with initial revised estimates of BPIC in excess of \$250m and could conceivably exceed \$300m.*
- *JH requires direction/assistance from State to mitigate this risk and this significant change from the BPIC principles it signed up to at Financial Close*

75. The above issues were raised by John Holland in the BPP Committee meeting. A copy of the minutes for the meeting is at **Annexure GL-21 pages 388 to 391**.
76. On 14 February 2023, John Holland produced a BPIC Conformance Report in relation to Tallai's package of works. A copy of the BPIC Conformance report is at **Annexure GL-22 pages 392 to 396**. It summarised that:
- (a) *'Tallai Project Group has agreed to provide the GCLR3 BPICs to all its sub-subcontractors as part of the suite of documents at engagement of each trade package. However, as with John Holland's procurement process, it will be a matter for a tenderer for a sub-subcontract package as to whether it will make any commitments in respect of the GCLR3 BPICs.'*
 - (b) The commitments made by Tallai were recorded in the Subcontract and were monitored throughout the progress of the Building Depot Works.
 - (c) As Tallai had adopted conditions that complied with GCLR3 BPICs, JH considered that the 'Maximum BPIC Premium' was applicable and would be claiming reimbursement based on actual amounts claimed by and paid to Tallai.
77. On 21 February 2023, Mr Lowe emailed Mr Dogan regarding the installation of structural steel. Mr Lowe stated that he had '*received advice from site*' that his '*selected installer would not be welcome and may cause serious disruption activities to site activities*'. Mr Lowe attached a new quote for the installation of steel by Mulherin at a cost of \$114,984, which was approximately 40% higher than the previous quote received for \$45,934.68 from Cain Projects. Mr Dogan forwarded the email to Mr

Rigon and Mr Rudolph and Mr Rudolph forwarded it to Mr Goldie. A copy of the email chain forwarding the quote is at **Annexure GL-23 pages 397 to 401**.

78. On 1 March 2023, Mr Goldie issued the Quarterly BPP Committee Report. A copy of the BPP Committee Report is at **Annexure GL-24 pages 402 to 425**. The report noted:

- (a) The forecast total 'BPICs Cost' at the time of the report was \$148,415,813 which was \$7,202,938 greater than the original estimate but within the target of \$150,000,000.
- (b) *'D&C Contractor has, as at the time of this report, not experienced any actual BPICs Delay Events. However, the situation with the Depot Building subcontractor, Tallai Project Group Pty Ltd, having to reconsider its supply chain as a result of union influence, has the potential to extend the time required to deliver the scope of work for which it has been contracted'*.
- (c) A foreshadowed submission of a claim to DTMR (BPP-007) for *'additional and potential costs identified to the Tallai Project Group Pty Ltd Depot building subcontract as the result of unforeseen union activity in connection with the D&C BPICs Commitments'*.

79. On 3 March 2023, John Holland submitted 'BPP Committee Determination Request No. 007' (**BPP007**) to the BPP Committee. BPP007 requested an additional \$2.3 million in funds as a result of or in connection with John Holland's BPIC commitments related to the Depot Building Works. A copy of BPP007 is at **Annexure GL-25 pages 426 to 439**. The following table appears at **page 436 of the Bundle** and summarises the additional funds sought in respect of increases in subcontractor tender prices associated with the Depot Building Works:

Trade	Original Price	Revised Net Price	Scope Gap Amount	Additional Cost
Plumbing and Drainage	\$ 247,227.71	\$ 427,000.00	\$49,661.00	\$229,433.29
Electrical	\$539,952.00	\$941,952.00	\$ -	\$402,000.00
Mechanical	\$431,400.00	\$900,000.00	\$1,400.00	\$470,000.00
Roof	\$217,000.00	\$300,000.00	\$ -	\$83,000.00
Windows	\$121,000.00	\$220,000.00	\$ -	\$99,000.00
Structural Steel	\$48,000.00	\$105,206.00	\$4,794.00	\$62,000.00
Ceiling, Partitions and Joinery	\$176,000.00	\$600,000.00	\$ -	\$424,000.00
Other Trades not identified above				\$250,000.00
Forecast additional cost (excluding D&C Contractor's On Cost and Margin)				\$2,019,433.29

80. On 8 March 2023, the BPP Committee met to discuss, in part, BPP007. The State did not accept BPP007 on the basis that the cost increases were not caused solely by BPIC. John Holland agreed that BPIC was not the sole cause of all union activities on site but maintained that the increased costs sought through BPP007 were caused by the mechanism of BPIC and/or BPIC related issues. A copy of the minutes for the meeting is at **Annexure GL-26 pages 440 to 443**.

81. On 21 March 2023, I wrote to Mr Lowe directing Tallai to go back to market in respect of certain trades and stating targeted not to exceed trade letting budget amounts. The letter explained that following the execution of the subcontract between John Holland and Tallai, John Holland had been *'made aware that certain trade subcontractors being proposed to undertake the Depot Building works would not be acceptable.'* A copy of the letter issued to Tallai is at **Annexure GL-27 pages 444 to 445.**
82. On 4 April 2023, Mr Lowe wrote to Mr Worth and asked him to send details of an *'EBA scaffolder'* and stating the scaffolder Mr Lowe had been talking to *'does not have an EBA'*. A copy of Mr Lowe's emails is at **Annexure GL-28 page 446.**
83. On 14 April 2023, the BPP Committee met. Mr Smith attended the meeting and gave a presentation to the BPP Committee about John Holland's engagement with unions and the BPP on GCLR3. That presentation also summarised the implementation of BPIC on GCLR3. A copy of the presentation is at **Annexure GL-29 pages 447 to 454.**
84. The minutes of the meeting record that Mr Smith raised the following 'key points' during the presentation:
- *From the outset, the bespoke BPICs policy document for GCLR3 was incomplete, unclear, making it difficult to plan for and therefore price the requirements.*
 - *From John Holland's view, the civil market in Queensland is not unionised (like for example, Victoria), and therefore required extensive consultation and education about the new policy however, from John Holland's view, this did not occur.*
 - *From the outset, John Holland's feedback from the unions was that whilst the document may say best endeavours, there was an expectation by unions that there would be 100% take up, and that there could not be a difference in allowances across the supply chain.*
 - *JH operate across multiple markets and across multiple sectors, including in Victoria, however John Holland don't consider that the supply chain in Queensland is a sophisticated unionised sector.*
 - *John Holland noted that it is the only civil contractor who has engaged this policy in Queensland and is actively and regularly engaging with all unions and will continue to do so throughout Stage 3.*
 - *John Holland was able to successfully negotiate a number of variations to the GCLR3 document, which are well documented and available upon request.*
 - *It was also noted as the Australian Building and Construction Commission (ABCC) is now abolished, there is no regulator for unions. John Holland expressed concern that if it is going to take a more aggressive approach*

with implementing BPICs, then there may be increased pressure and action by unions.

- Whilst Schedule 21 of the D&C Contract references a 'best endeavours' approach to implementing BPICs, John Holland advised that there is a perception within the supply chain which indicates that the implementation of BPICs is mandatory.*
- John Holland also mentioned the risks of complaints to ministers regarding a changed position with unions and potential adverse union activity on site.*
- John Holland advised that safety was a key with regard to their selection of a subcontractor.*

85. I separately advised the BPP Committee during the meeting that, at that point, John Holland expected that the total BPIC cost for GCLR3 would exceed the original target of \$150 million and would instead be around \$185 million. A copy of the meeting minutes is at **Annexure GL-30 pages 455 to 458.**

86. Following the meeting, Mr Kelly emailed Mr Merrett setting out an '*Explanation of key takeaways from the BPP Committee Meeting on Friday 14th April*', which relevantly stated:

- a. Julie made it clear that TMR's view is that the situation at the Depot is IR related which JH is responsible for managing and not a TMR issue.*
- b. JH explained that 'but for BPIC' we would not be experiencing the union pressure/interference on the project which is evident at the Depot*
- c. Clear direction from Julia that JH is to follow its procurement plan which requires 'reasonable endeavours' to implement BPICS*
- d. Julia [sic] aware that this may likely cause Union reaction and disharmony but JH was responsible for managing the IR situation*

...

- h. Julie intermated that JH could be seen to be colluding with the Unions as we accepted what they want – This was shot down quickly by JH*

...

87. A copy of Mr Kelly's email is at **Annexure GL-31 page 459.**

88. On 20 April 2023, Mr Millsom prepared a Briefing Paper regarding industrial relations that noted that:

- (a) Officials from the ETU and Plumbing and Pipe Trades Employees Union had expressed issues with the sub-subcontractors selected by Tallai for the Depot

Building Works. The unions raised these concerns with the Minister's office; and

- (b) *'Following this JHG and Tallai engaged with different sub sub-contractors for discrete packages, notably those presenting a lower industrial risk. Consequently, increased costs have/will be incurred. These have been referred to the BPP Committee for consideration under the BPIC Cost Reimbursable Model (RCM).'*

89. A copy of Mr Millsom's briefing paper is at **Annexure GL-32 pages 460 to 461**.

90. On 21 April 2023, Mr Merrett met with Ms Mitchell to discuss BPIC issues on GCLR3. Following the meeting, Mr Merrett sent an internal email summarising the discussion. That emails relevantly stated:

- (a) Ms Mitchell noted that JH's submissions were clear that the CFMEU were *'driving the outcomes and the choices for the project'*, which *'put her in a difficult position'* because the State could not be seen to be endorsing union control of the projects. That *'drove the stand in regard to getting back to the contract and using best endeavours'*;
- (b) John Holland understood that it should consider how it is putting forward its BPIC costs to ensure that it *'is not putting the government in a position where they could be seen to be endorsing or supporting increase[d] costs due to the control of the CFMEU on the project'*;
- (c) Ms Mitchell said that the key unions to keep in mind were the ETU and Australian Workers' Union, as they are the ones with *'real political power'*;
- (d) With respect to the costs claimed, the State was not saying *'no, full stop'* and funds would come;
- (e) Overall, there was good feedback, and John Holland was doing a good job but it was about getting around the BPIC issue. The different types of costs in the discretion of the BPIC board were discussed, and Ms Mitchell referred to presenting the information in the right way to make sure that the increased costs were justified.

91. A copy of Mr Merrett's email is **Annexure GL-33 pages 462 to 463**.

92. Between April 2023 and June 2023, John Holland and Tallai continued to engage with each other to scrutinise the proposed subcontractor prices and limit cost overruns.

93. On 12 July 2023, Joe Barr, CEO, Mr Butcher and Mr Evans met with Minister Mark Bailey and representatives of DTMR including Sally Stannard, Director General, and Deane Hawkswood, General Manager Strategic Procurement of DTMR. At the time, Minister Bailey was the Minister for the Transport and Main Roads and DTMR and its projects (including GCLR3) fell within his portfolio. I did not participate in the meeting. A copy of an internal email sent by Mr Evans and summarising his key takeaways and the actions moving forward is at **Annexure GL-34 pages 464 to 465**.

94. Between July and September 2023, John Holland approved various contract variations related to the sub-subcontractor packages referred to above. A bundle of the relevant variation orders is at **Annexure GL-35 pages 466 to 477**. The variations reflected:
- (a) an increase of \$179,772.90 (ex GST) for the change in hydraulic subcontractor (Variation Order 005 at **pages 466 to 467 of the Bundle**);
 - (b) an increase of \$103,101.72 (ex GST) for the change in electrical subcontractor (Variation Order 006 at **pages 468 to 469 of the Bundle**);
 - (c) an increase of \$117,023.50 (ex GST) for the change in roofing subcontractor (Variation Order 007 at **pages 470 to 471 of the Bundle**);
 - (d) an increase of \$50,721.00 (ex GST) for the change in steel subcontractor (Variation Order 008 at **pages 472 to 473 of the Bundle**);
 - (e) an increase of \$257,256.58 (ex GST) for the change in ceilings and partitions subcontractor (Variation Order 026 at **page 474 of the Bundle**). and
 - (f) an additional cost of \$29,040.00 (ex GST) reflecting the additional time Tallai's Project Manager spent re-tendering the above packages (Variation Order 013 at **pages 475 to 477 of the Bundle**).
95. The total sum of the variation orders referred to above is \$736,915.70. The amount was borne by John Holland and formed part of the claim under BPP007. However, the amount was not paid via the BPIC reimbursable cost process.
96. Instead, the claim was settled as part of an agreed amount incorporated into a Deed of Settlement and Release between John Holland and GoldlinQ in September 2024.

I affirm the contents of this statement are true.



Signature of Deponent

Place Gold Coast

Date 02/07/2026



Before me (signature of witness)

Toby Christopher Walthall

Full name of witness (please print)

- ☐ Justice of the Peace (JP #)
- ☐ Notary public
- ☒ Lawyer
- ☐ Other authorised person (specify)