**COMMISSION OF INQUIRY INTO THE CFMEU AND MISCONDUCT IN THE CONSTRUCTION INDUSTRY**

**COMMISSIONED UNDER THE PROVISIONS OF THE COMMISSIONS OF INQUIRY ACT 1950**

**PUBLIC HEARING**
**BRISBANE MAGISTRATES COURT**

**WEDNESDAY, 17 JUNE 2026**
**AT 10.00 AM**

**DAY 33**

**APPEARANCES**

**Mr S Wood AM KC - Commissioner**
**Mr A Meagher KC - Counsel Assisting**
**Mr J Donnelly - Counsel Assisting**
**Mr D de Jersey KC - Counsel for the State of Queensland**
**Ms M Brooks - Counsel for the State of Queensland**
**Mr C O'Grady KC - Counsel for the CFMEU**
**Administration Ms F Fox - Counsel for the CFMEU**
**Administration**
**Mr H Clift - Counsel for the CEPU, ETUQ, PGEUQ**
**Mr C Massy - Counsel for Mr Ravbar and Mr Lowth**
**Ms Natalie Faulkner - Witness**

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**COMMISSIONER:** We'll deal with the appearances. Mr Meagher, you continue to appear with Mr Donnelly as counsel assisting?

**MR MEAGHER:** Yes.

**COMMISSIONER:** Mr O'Grady, you continue to appear with Ms Fox for the administrator?

**MR O'GRADY:** Yes, Commissioner.

**COMMISSIONER:** Mr de Jersey, you continue to appear for the State of Queensland?

**MR DE JERSEY:** I do, Commissioner.

**COMMISSIONER:** Mr Clift, you continue to appear as counsel for the CEPU, the ETU Queensland and the PGEU Queensland?

**MR CLIFT:** Yes, Commissioner.

**COMMISSIONER:** And Mr Massy, you appear for Mr Ravbar and Mr Lowth?

**MR MASSY:** Yes, Commissioner.

**COMMISSIONER:** Thank you. Mr Meagher.

**MR MEAGHER:** Thank you, Commissioner. The Commission should have a further aide-mémoire titled Multiplex EBA 2023-2027. Do you have that, Commissioner?

**COMMISSIONER:** Yes, I do. I've got that.

**MR MEAGHER:** And that's an aide-mémoire I'll seek to rely on in a moment.

**COMMISSIONER:** Yes.

**MR MEAGHER:** And before I do so, today will be predominantly dedicated to Ms Natalie Faulkner of FTI Consulting speaking to the report that I'll tender in due course.

**COMMISSIONER:** Yes.

**MR MEAGHER:** But before I come to Ms Faulkner, to introduce her subject matter, we are looking at some of the financial shadow operations engaged in by the CFMEU and, it appears predominantly, the CFMEU executive. I say "shadow" because there is no evidence to suggest that these operations were disclosed to members, that is, with one exception, and of course, disclosure was required under the law in respect of enterprise agreements. Nor was disclosure made to others who I will come to shortly. These shadow operations obtained annually recurring revenue for the CFMEU as well as occasional one-off payments.

And at this point, Mr Operator, can I ask you to bring up the aide-mémoire. And you can see in this aide-mémoire, depicted at the top is the Multiplex enterprise agreement dated 2023 for the period 2023-2027, and this will be -

**COMMISSIONER:** I presume you've just selected that because there was some evidence that the earlier iteration of the Multiplex Queens Wharf EBA, maybe a 2018 version, was used as the pattern agreement for the industry and then the basis for BPIC?

**MR MEAGHER:** In part, and in part because it's reasonably proximate to the union being placed into administration, and it therefore demonstrates or is likely to demonstrate the way that affairs were being conducted later in the time period that the Commission is looking at. So just to describe this document and what it summarises by way of submission, it identifies below Multiplex Enterprise Agreement the particular clauses of the agreement that are relied upon to achieve the financial effect I've referred to. And you can see the array of entities that are referred to, and the yellow tabs identify sums of money that were received in the form of revenue that, because of the nature of the agreement, is annually recurring revenue, and those particular amounts were received in the 2025 year.

The two tabs in green are received at earlier dates, and they don't - they weren't received under this particular agreement, but they were received under a similar enterprise agreement, and it just is included there to demonstrate the point that there were the occasional one-off payments that were received in the form of revenue by the union. The total in the 2025 year that was received is approximately 8.8 million, and that's recurring revenue.

**COMMISSIONER:** And that's both to the federal union and the state union?

**MR MEAGHER:** It is, in totality.

**COMMISSIONER:** And that's not including the 1.5 million, the FY18 and FY22 dividends for - something you'll explain to me later, I guess.

**MR MEAGHER:** That's correct. Now, if CFMEU members -

**COMMISSIONER:** Which one was disclosed? You said one of them was disclosed.

**MR MEAGHER:** None of those payments - the matter that was disclosed is an indirect disclosure. It relates to moneys received from workplace impairment training, which you will see just to the right of training clause 27.

**COMMISSIONER:** I see that.

**MR MEAGHER:** The disclosure was in fact made in respect of the welfare and BERT fund, which might sound complicated, but the disclosure was made in respect of moneys ostensibly received via that route that in fact were received from the workplace impairment training. And without delving into the finer details, because this becomes quite complex, the point we make about all of this is that if members troubled - members being CFMEU members - troubled to read annual financial reports, they would have seen this revenue reflected, but they would not have been able to see the methods by which it was collected or realised. In other words, they'd see the monetary amounts in total, but they wouldn't be able to understand that this is how they were being structured under the Multiplex EBA and other EBAs.

**COMMISSIONER:** And I take it that when the workers on a particular Multiplex site were asked by the union to vote up the relevant pattern agreement or the Multiplex EBA that was relevant at the time, they weren't told of these - dozen, 20, income streams that, in effect, hung off or came into existence because of the entry by the union and the employer - in this case Multiplex - into the EBA?

**MR MEAGHER:** They certainly weren't told in the way that the law requires, that is, that specific disclosure is required by the law to the members, and that did not occur. Whether or not a former union official will give evidence in due course to say, "Well, we did tell them here or there," we don't know, but we can't find any evidence, namely the evidence that the law requires, of that disclosure. So it doesn't appear that disclosure has occurred, and it certainly hasn't occurred in the way that the law requires.

**COMMISSIONER:** I've never heard of these sort of disclosures being made in - now, this is from a Victorian perspective, so it might be different in Queensland, but I've never heard of these sort of disclosures being made at the time workers enter into an enterprise agreement of this type. But that's all, as you say, subject to evidence. Someone might come forward and say there were these disclosures, but you've found no evidence of it.

**MR MEAGHER:** Yes. And just to be clear, there is a footnote which I don't think can be seen on the screen, but in the red text under CFMEUQ, next to the yellow tab, you will see that this annually recurring revenue we've identified comes from all enterprise bargaining agreements during this year, not just the Multiplex one.

**COMMISSIONER:** Yes, and I had assumed when you said almost $10 million, it was all the EBAs that followed that pattern.

**MR MEAGHER:** Yes.

**COMMISSIONER:** And it gives you some understanding of why - and we've heard throughout the evidence there was a determination to bring non-union operations within this umbrella, to bring operations that had traditionally been AWU-covered operations within this umbrella, to bring regional employers within this umbrella, as we heard about in Cairns, because the more people you bring within this ecosystem, the more money that you have flowing into the CFMEU coffers.

**MR MEAGHER:** Yes, and one thing that it's worth identifying on that point, Commissioner, if I may, is in the top left-hand corner you will see the jump-up clauses referred to that bring subcontractors effectively into this revenue-generating cycle. So those clauses are within the enterprise agreements, and I'll come to them in a minute, but the effect of them is that subcontractors in the end wind up contributing to this ecosystem.

**COMMISSIONER:** It gets worse, too, with BPIC. And that's really not a matter for you, but because the Multiplex Queens Wharf EBA was the progenitor of the BPIC arrangements, I think the evidence has been to date that - maybe this isn't correct, but at least I infer - and there can be evidence to the contrary - that the implementation of the BPIC principles would encourage employers and subcontractors, because of the jump-up requirements of BPIC, to enter into these sorts of agreements with the CFMEU. I don't think it was mandated that they enter into the CFMEU, but because it was a CFMEU pattern agreement, that was the basis of BPIC. Presumably - and, again, this can be - this inference can be contradicted by evidence - presumably the CFMEU pattern agreement were the agreements that were used to give effect to the BPIC requirements.

**MR MEAGHER:** One other point of note in respect of this diagram, if one looks below the various clauses that are referred to, it depicts there a web of companies, trusts, funds, some of them charitable, such that the money that flowed through this complex web was ultimately paid to the - in part to the CFMEU, and it was paid under various guises, by which I mean various differing reasons were given for the payment. So some of them were grants, some of them were fees, some of them are referral fees and so on.

The other critical party that this revenue-generating activity was not disclosed to, or at least that we can find no evidence that it was disclosed to, were the employers who agreed to the enterprise agreements. In other words, it appears to us that these were undisclosed benefits. The undisclosed recurring revenue and the one-off payments obtained under enterprise agreements -

**COMMISSIONER:** There may have been indirectly disclosed in this sense - and again, this is from my understanding of what happens in Victoria, but the equivalent of the redundancy fund in Victoria is controlled by the union and the MBA Victoria. I shouldn't say "controlled"; that's the wrong word. I think the majority of directors come from those two entities, and there's been commentary that the amounts, at least in relation to those funds, that are required to be contributed by the employer exceed the amounts that an actuary would say is necessary for the ability of the fund to pay out for employees who become redundant in accordance with its terms.

To put it another way, because the redundancy fund works on the basis that people in construction don't stay with the same employer necessarily for the full 15 years or 12 years or 10 years or eight years, whatever the limitation period is, in order to generate the entitlement, that there is a need for a fund that deals with the fact that they move from employer to employer and can access the redundancy entitlement once they move out of the industry. But if you set the level of contribution at a level which assumes that every employee is going to access that entitlement, but not every employee does - let's say half of them do - you in effect overcontribute to the scheme, and then those moneys flow both to the CFMEU - this is the Victorian example - and to the MBA.

And to that extent, to the extent to which the members of the MBA are conscious that there's an income stream coming to the MBA because of the overcontribution, you could say there's some indirect disclosure. And it's very indirect, but that's - that only came out recently, I think. I think it was the general manager of the Fair Work Commission who identified this last year or a year and a half ago in relation to the accounts of the MBA Victoria, pointing out - he might not have made the other point about the contributions being too high but certainly about the income streams. And where the income streams are shared by the CFMEU and an employer organisation, you could arguably say there's some indirect disclosure to the members of that employer organisation. I mean, it's very weak disclosure.

**MR MEAGHER:** Yes. And if I might make this point: the disclosure obligations in respect of some of the fees that were received as depicted in this chart may not be simply limited to industrial relations law. So if, for example, one looks under Insurance clause 35, there is an entity there, WMIB, and that paid in the 2025 year -

**COMMISSIONER:** Could you just tell me what WMIB is?

**MR MEAGHER:** That's Windsor Management Insurance Brokers.

**COMMISSIONER:** Right.

**MR MEAGHER:** And that has paid something described as a promotional package under an agreement, called a sponsorship agreement, to the union of $411,000. Now, these payments of this nature are likely to raise the sorts of issues that the Hayne Royal Commission was interested in, because -

**COMMISSIONER:** Just explain that to me.

**MR MEAGHER:** Well, if there's no disclosure that promotional fees are being paid by an insurance broker to the union and the union is, in effect, promoting the services of that broker, that raises issues associated with conflicts of interest.

**COMMISSIONER:** Why do you need an insurance broker where you've got this much money coming through? Surely - anyway, this is something you can develop in due course, but I just - I could understand where you need a broker where you're someone like you and I looking for insurance, but if you've got this much money flowing through - what is CIPL? What's that? The thing that sits - it doesn't really sit above the broker. It does, yes.

**MR MEAGHER:** I'll just get the - I'll come to it in a moment, if I may. I've got the name. But that is an entity that is named in the enterprise agreement that payments are directed to and money then goes out of it, and indeed Ms Faulkner details this in greater detail, but for the purposes of what we've depicted here, it goes out of CIPL to Windsor Management, but it also goes to QBE who actually is the underwriter.

**COMMISSIONER:** That's really my point. When you've got this much money coming through, if all these EBAs are in the same form and they all nominate CIPL as to the entity to which the insurance moneys are paid, why can't that entity just employ someone to pick an insurer like QBE? Why do you need to go through a broker?

**MR MEAGHER:** So its name is Construction Income Protection Limited, ACN 110 841 962, and -

**COMMISSIONER:** Maybe there's a good reason.

**MR MEAGHER:** And just to be clear, this acronym, we believe, is used interchangeably with the acronym CIPQ, to identify the same company. Now, there are issues associated with this. So, for example, Windsor Management Insurance Broker is not the only entity associated with QBE providing services. We'll come to this in due course; the purpose of this is just to demonstrate that there's a promotional fee being paid that's not disclosed, so far as we can tell.

**COMMISSIONER:** What's the thing next to it? The sponsorship?

**MR MEAGHER:** That's the agreement that it's paid pursuant to.

**COMMISSIONER:** I see.

**MR MEAGHER:** So in this document you'll see that some of the payments received are identified in normal font and some are italicised. Where they're italicised, we haven't been able to identify an agreement. Where they're in normal text, there's an agreement, and the agreement is denoted by a blue line.

**COMMISSIONER:** But some of them you haven't found the basis for the payments yet?

**MR MEAGHER:** Correct.

**COMMISSIONER:** Are you going to go through each of these -

**MR MEAGHER:** Ms Faulkner will do it in her evidence today. We think that's the most convenient way to do it.

**COMMISSIONER:** Do you want to mark this aide-mémoire? FM-3, I think, which was the last aide-mémoire, was marked on the basis that it's not tendered for its truth but it's merely counsel's attempt to summarise the evidence and it doesn't go any higher than the evidence. Would there be any objection to it being received on that basis?

**MR O'GRADY:** No, Commissioner.

**COMMISSIONER:** The one-page aide-mémoire headed Multiplex EBA 2023-2027, demonstrating some of the payments ecosystem under that EBA and related EBAs will be FM-4.

**<EXHIBIT FM-4 ONE-PAGE AIDE-MÉMOIRE HEADED MULTIPLEX EBA 2023-2027 DEMONSTRATING SOME OF THE PAYMENTS ECOSYSTEM UNDER THAT EBA AND RELATED EBAS**

**MR MEAGHER:** Thank you, Commissioner. This - what appears to be undisclosed recurring revenue and a couple of one-off payments obtained pursuant to enterprise agreements demands public exposure in its own right for the reasons we have discussed. More importantly, though, these shadow operations were part of a far darker purpose. The CFMEU executive ultimately gained influence, if not control, over how billions of dollars were invested.

So to give some examples to substantiate that point, it had considerable influence over how the superannuation fund BUSSQ, referred to in the top right, invested its funds, and it had considerable influence over construction contracts and the terms on which they were to be entered into, and in that sense it captured - and indeed in a further sense it corrupted - regulatory bodies, and that has already been the subject of hearings, and it gained disproportionate and likely improper political influence. To understand how it did so, it's necessary to understand the illegitimate use of enterprise agreements, and this was not the only necessary pre-condition to achieving the ultimate influence and control that I've referred to, but it is an integral step in achieving that outcome because it assists in setting the conditions that are required to achieve it.

The influence obtained via the shadow operations concerning enterprise agreements, coupled with monopolistic control of relevant markets - and we'll come to that tomorrow, but that extends just beyond the construction industry - created the conditions in which the CFMEU executive could achieve the influence and control that I've referred to. The academics who will give evidence tomorrow will explain how this strategy of illegitimate influence and control is achieved and maintained and the steps involved, and that will be the subject of further hearings as well.

One neat embodiment of this strategy in action concerns the best practice industry practice that you've referred to this morning, Commissioner, and you've already heard significant evidence concerning it. It was, in effect, presented as a best practice enterprise agreement that was subsequently adopted by the State Government as a condition of contracting with the state. That is a neat embodiment of the influence that the union obtained.

For today's purposes, it's necessary to appreciate that the shadow operations we're about to hear evidence of were no mere side hustle; they were an integral part of an overall strategy. The CFMEU was running a dark strategy, by which I mean it wasn't disclosing its strategy to its membership or any other parties, and it was running it on a grand scale. And these matters that you're only going to hear about today are only a small part of it, but they are critically important.

**COMMISSIONER:** When you say there's only a small part, what do you mean by that?

**MR MEAGHER:** The influence that the union obtained extended far further, and in fact its true model was one of governance from which it profited. And in that sense, it affected governance by effectively excluding the state from being able to effectively regulate markets, and in turn, it supplanted the state.

**COMMISSIONER:** I think you're just reflecting there the case study that Mr Ternovski and Mr Thomas are dealing with, aren't you? The regulatory capture case study?

**MR MEAGHER:** That's part of it. That is part of the overall strategy, and that also is an integral part, but it has to be appreciated that the way that benefits were obtained, not just by the union itself but by third-party actors, required the union to obtain effectively governance control, and from that, both the union and other third parties profited.

**COMMISSIONER:** This aide-mémoire doesn't deal with the third parties, and it's obviously a matter for you and Mr Donnelly, but each of these streams could be a case study in themselves, because all you've done - and there's a substantial amount of work, so when I say "all you've done", don't treat that as a criticism - all you've done is look at the income streams as they relate to the CFMEU, but you would assume that - I'm just taking, just, for example, just starting from the left, Future Skills. It'd be interesting to know exactly how it is that Future Skills came to be in that position, who was involved in it, who benefits from it, how it was chosen and those sort of questions, because - can you just explain to me what it means by this? You've just got this little annotation above there saying one of seven Queensland RTOs for silica, one of three Queensland RTOs for asbestos, and that one looks like the only Queensland RTO. So the agreement says when it comes to mental health training the only company you can use -

**MR MEAGHER:** That's the only registered training organisation providing that service in Queensland.

**COMMISSIONER:** I see.

**MR MEAGHER:** So that had a monopoly. The asbestos entity was one of three registered training organisations. In other words, a registered training organisation had to be used, because the enterprise agreement mandated that it had to be a registered training organisation. The relevant asbestos entity was one of three so registered, the silica was one of seven so registered, and the mental health was the only one that was registered as providing those services. So employers had no choice in that respect; they had to use that one. They certainly used the other two very frequently.

**COMMISSIONER:** And this might be when you come back another time, but do you have any insight into, in relation to asbestos and silica, how much of the market of those - of that training market for asbestos and silica Future Skills had a control of or a percentage of?

**MR MEAGHER:** That analysis hasn't been done yet, but it is something that is being done. One other point that you touched upon, Commissioner, is that what is depicted here only concerns revenue. In other words, it only concerns money coming into the union. And, quite correctly, you've identified that we haven't in our analysis today, nor in Ms Faulkner's evidence, dealt with expenditure, money going out. Now that's because just addressing the revenue question itself is particularly complex, and whilst it might seem simple enough -

**COMMISSIONER:** Sorry, money going out of where? The CFMEU?

**MR MEAGHER:** Correct.

**COMMISSIONER:** Yes. I was really talking about the money going out of entities like Future Skills and the entities surrounding the BERT funds, the -

**MR MEAGHER:** All the entities.

**COMMISSIONER:** All the entities, really, yes.

**MR MEAGHER:** So all of those tasks and inquiries will be attended to, but just getting to the point where the revenue can be adequately analysed itself has taken a tremendous amount of work.

**COMMISSIONER:** It's obvious from just this summary. There must have been a lot of work done.

**MR MEAGHER:** And it is, as I said earlier, a complex set of companies, trusts and charities, and indeed, some of what's depicted on this chart as just one entity - so if one takes the BERT organisations, in fact, there are many companies involved there, but we have just depicted them as one for a convenient way of demonstrating the point. And that is -

**COMMISSIONER:** Say that last bit again, sorry.

**MR MEAGHER:** So where we've depicted, for example, a BERT entity, there might be several entities sitting within that BERT structure, and there are movements of money within them, and this is dealt with by Ms Faulkner in her report, but for the purpose of demonstrating revenue, we've just treated them as a group of companies in this chart.

**COMMISSIONER:** In order to summarise it.

**MR MEAGHER:** Correct, because it's impossible to fit it on a page otherwise. And with that in mind, before I call Ms Faulkner, it's necessary to just identify the parts of the Multiplex enterprise agreement. That is in the witness tender bundle for today, and my learned friends at the bar table have just raised with me some points of redaction, which is no criticism, because they received the materials late, and I've agreed with them, if you're content with it, Commissioner, just to mark the tender bundle for identification, and we'll uplift the relevant pages, redact the particular personal details, which are addresses, and put the redacted pages in place of the currently unredacted pages and then tender the bundle tomorrow.

**COMMISSIONER:** When you say the bundle, this is the bundle of documents that is proposed to be relied upon by Ms Faulkner?

**MR MEAGHER:** Yes.

**COMMISSIONER:** And that's what is that? That's her expert report?

**MR MEAGHER:** With a plus.

**COMMISSIONER:** Sorry, I put you off.

**MR MEAGHER:** With appendices and the documents she's referred to.

**COMMISSIONER:** What do you say about that, Mr O'Grady?

**MR O'GRADY:** That's consistent with the discussion I had with counsel assisting, Commissioner.

**COMMISSIONER:** Mr de Jersey?

**MR DE JERSEY:** No objection.

**COMMISSIONER:** Everyone's content, it appears, with that approach, Mr Meagher, so what do you want me to do with -

**MR MEAGHER:** If we mark it for identification, and then we'll tender it tomorrow.

**COMMISSIONER:** So what am I marking? 962 pages of an expert report?

**MR MEAGHER:** It should be 3,899.

**COMMISSIONER:** Right. There's another couple of folders. How many pages?

**MR MEAGHER:** 3,899.

**COMMISSIONER:** And the expert report is - well, maybe we'll do this through the witness, get her to identify her report.

**MR MEAGHER:** Yes.

**COMMISSIONER:** And deal with it that way.

**MR MEAGHER:** Just for the purpose of identifying the clauses, I think it will be easier if I just identify them that the witness then analyses first. Mr Operator, in that witness bundle, could you please go to page 2763. And this is the enterprise agreement, just for the purpose of identifying it. Then, Mr Operator, can you go to page 2783, and here if you could focus on clause 25.5. This clause is particularly relied upon by Ms Faulkner in her analysis. It provides that the employer shall meet costs associated with training. Then Mr Operator, could you go to page 2874, and here is clause 27, and there, could you identify clause 27.3 initially. You see costs are also borne by - there is a provision providing for the employer to bear costs associated with the provision of training here as well.

And then if you can just go back to a normal view, and clause 27 concerns training generally, and you can see, Commissioner, clauses 27.4 through to 27.7 concern asbestos training, HSR, asbestos, silica dust, and if I can just bring up 27.7, and mental health. And you'll recognise them from the aide-mémoire we've just taken you to. These are particular clauses that Ms Faulkner refers to.

**COMMISSIONER:** Sorry, you keep going and I'll ask -

**MR MEAGHER:** It might be a convenient - I'm going to go to another clause.

**COMMISSIONER:** Well, just before you do, where's the requirement that these courses be carried out or provided by an RTO? Is that because of this idea that the training - just taking asbestos, the asbestos training course 10279NAT, does that require that the person providing that course be an RTO, does it? Is that how it works?

**MR MEAGHER:** So, Mr Operator, if you can bring up clauses 27.1 and 27.2. You see 27.1 is a commitment, and then 27.2 requires the employer to implement a policy where employees will have their current skills assessed. And then where deficiencies are identified, the necessary training will be provided to attain the relevant nationally recognised formal qualification. And then those are set out in the clauses I've just taken you to.

**COMMISSIONER:** And those nationally recognised formal qualifications can only be delivered or provided, whatever the verb is, by an RTO?

**MR MEAGHER:** Yes. Then, Mr Operator, if I could ask you to go to page 2785 -

**COMMISSIONER:** It would be interesting - I can't remember who is doing the BPIC case study, but it would just be interesting to know whether these clauses were clauses that were part of the - what you might call the standard BPIC arrangements, as they were implemented over time. I think they were, because the evidence to date from Mr Sanfilippo was there were only very small changes made from the Multiplex Queens Wharf agreement, but I just can't remember whether these ones - anyway, that's for whoever picks up the BPIC case study.

**MR MEAGHER:** Yes. Just in respect of the employment, that's provided for in clause 28. Clause 28.3 required that as soon as practicable after a contract or a subcontract was entered into, the employer was to inform the union delegate, and 28.4 provided some further conditions. 28.5 governed the use of contractors and 28.5(b) for Bravo:

"If the employer decides to engage subcontractors, the employer shall ensure that these contractors and their employees receive wages, allowances and conditions equal to or better than those contained in this agreement."

This is what we've referred to, along with another clause I will take to you in a minute as the jump-up clause in the aide-mémoire, and the second clause that we're referring to with the use of that expression is 28.6 in respect of labour hire.

**COMMISSIONER:** Just on that clause, that's the clause that was mandated by BPIC and also criticised by Mr Hadgkiss and Mr Jenkinson on the basis of not providing - at least in relation to taxpayer-funded construction, not providing value for money.

**MR MEAGHER:** Yes. 28 -

**COMMISSIONER:** And Mr O'Grady cross-examined Mr Hadgkiss on that, and he said there might be some utility in these clauses because they minimise dissent within the workforce when you've got everyone on the same rate. So there's been some evidence about these clauses.

**MR MEAGHER:** Yes. Of course, we've just looked at them in terms of their effect on providing recurring revenue.

**COMMISSIONER:** Yes. I understand.

**MR MEAGHER:** So we've looked at it from a different perspective. 28.6(c) provides the same in respect of labour hire. Then, Mr Operator, could I ask to you go to page 2790. Here, you'll see clause 35. This is income protection and portable unused sick leave that Ms Faulkner refers to. You'll see in 35.1 the acronym CIPQ.

**COMMISSIONER:** Could you just go back to that labour-hire clause for a moment?

**MR MEAGHER:** Yep. That is 2785, Mr Operator. And it's subclause (c).

**COMMISSIONER:** What does (a) mean? I wasn't aware of that in this agreement. Are you saying you've got to pay almost double the going rate when it's labour hire under the agreement? 175 per cent?

**MR MEAGHER:** It's after a period of more than six weeks.

**COMMISSIONER:** It's one of the things Mr Watson talked about in relation to Victoria, was if labour hire is used excessively, facilitated by the union, and these sort of conditions are there, you've got massive amounts of money going to the labour-hire provider - or perhaps not. Maybe there's an additional amount on top of that 175 per cent that goes to the provider, and then that 175 per cent goes to the worker. Not entirely sure how that works. Anyway.

**MR MEAGHER:** Mr Operator, if I can ask to you go to page 2790. And you'll see here clause 35, Commissioner. In that 35.1, you will see CIPQ. That sits in the same position as CIPL on the aide-mémoire. The other point of note is the reference to employees, and they are defined as employees of the employer. The reason for drawing that to your attention is that is - or may include people who are not union members, but the fees are payable in respect of all employees. And when these payments ultimately result in some moneys going back to the union, that's a point of note.

**COMMISSIONER:** So are you saying that the clause requires these payments to be made for all employees, whether members of the union or not?

**MR MEAGHER:** Yes, just to substantiate what I've said, Mr Operator, if you can go to page 2767. At the bottom of the page there, you'll see the definition of employee means an employee of the employer. Employer in this agreement is defined below as Multiplex Australia. So unless every employee was a union member, the union is, in effect, obtaining revenue, albeit indirectly, from payments made in respect of a broader category of people.

**COMMISSIONER:** And this insurance is income protection insurance and what other sort of insurance?

**MR MEAGHER:** That's what it's described as.

**COMMISSIONER:** There was one other thing in there, wasn't there? Income protection and -

**MR MEAGHER:** If you go to back to page 2790 -

**COMMISSIONER:** Portable unused sick leave.

**MR MEAGHER:** And you see there's a penalty clause in 35.3 as well.

**COMMISSIONER:** I don't even know what the - what is portable unused sick leave? I know how the redundancy fund operates in terms of people who move from job to job. So what is - is this a similar idea, is it, that you have a fund -

**MR MEAGHER:** There's a question as to whether or not it was properly that which it is described as.

**COMMISSIONER:** It might not be that?

**MR MEAGHER:** We're uncertain.

**COMMISSIONER:** Right.

**MR MEAGHER:** It may have included that. It doesn't appear that it was only that. Also, if I can draw your attention on the same page to clause 36, titled Redundancy, and this goes over the page, but commencing with these provisions, you see the acronym BERT.

**COMMISSIONER:** This is the same point you made about the insurance clause that it covers all employees?

**MR MEAGHER:** Yes.

**COMMISSIONER:** Not just union members.

**MR MEAGHER:** And the fee is here described by the value of the project. And then if I can ask, Mr Operator, that you go 36.2 goes over the page. Thank you. And you see under the first table, under 36.2 - I'm not sure if you can read that, but it says:

"At the same time contributions are made to the employee's redundancy fund, the employer must pay the trustee of Building Employees Welfare Trust..."

Acronym BEWT: you will see that acronym used in the documents. And there are further payment amounts that are stipulated there. And then 36.3 provides the same but for projects of a differing value.

**COMMISSIONER:** Just tell me what the difference between BERT and BEWT is?

**MR MEAGHER:** They're different trusts. One is described as being provided for redundancy; the other is described as being provided for welfare.

**COMMISSIONER:** What does that mean?

**MR MEAGHER:** That's a question that we have.

**COMMISSIONER:** It looks like about 10 per cent of the amounts that are going to the redundancy fund.

**MR MEAGHER:** We're particularly interested to obtain the relevant governing documents of each of these trusts, I might say.

**COMMISSIONER:** And one of the issues that is also important that follows from what has happened in Victoria is how these amounts were set, that is, what calculations lie behind the need to pay that amount - I'm talking about redundancy now; not really sure what the welfare trust does - but at least in relation to the redundancy trust, whether those amounts are excessive, having regard to the underlying actuarial necessity to contribute.

**MR MEAGHER:** Yes. So just in respect of that, the following clauses up to 36.5 deal with amounts of payments in various circumstances, and then 36.6 deals with payments in respect of periods of leave, and 36.7 deals with a circumstance where an employee's balance in the employee's redundancy fund reaches 20,000 or an amount that equals 10 weeks' wages. And there it provides the employee will have the option to continue to have contributions paid to the redundancy fund or redirected to BUSSQ - that's the super fund. It is the employee's option only, and so on. And that is the feature of some analysis that we may come to later today. And then -

**COMMISSIONER:** You might not know the answer to this, but at some point maybe a decade ago, perhaps longer, there was some change made to the industrial awards that sit underneath these enterprise agreements that gave people choice of super funds because for 20 years previously it had mandated certain industry funds and it was thought inappropriate that employees shouldn't have the opportunity to direct their superannuation contributions to a fund of their choice, and I think changes were made to the underlying awards. But here, there doesn't seem to be any choice in 36.7. It has to go to BUSSQ.

**MR MEAGHER:** I'm not - the superannuation is governed by clause 33.

**COMMISSIONER:** No, I'm just talking about just these excessive payments. Where the amount in the redundancy fund goes over a certain amount -

**MR MEAGHER:** Yes, I take your point.

**COMMISSIONER:** - the employee doesn't have the chance to say, "Look, I want it to go to this fund."

**MR MEAGHER:** Yes, and it's the Superannuation Guarantee Act I think that you're referring to in respect of the changes that were made to provide choice. It's a point of competition law as well.

**COMMISSIONER:** And there's no choice here?

**MR MEAGHER:** No.

**COMMISSIONER:** And remembering also that in the Rosenlund case study, Mr Gisonda made the point that - I mentioned this yesterday, but for the decade or so previously, that BUSSQ returns were 1 or 2 per cent lower than Cbus.

**MR MEAGHER:** With all of that said, I'll call Ms Faulkner.

**COMMISSIONER:** Is Ms Faulkner in the hearing room? Yes, Ms Faulkner, will you come forward, please.

**<NATALIE ALLEGRA FAULKNER, SWORN**

**<EXAMINATION BY MR MEAGHER**

**COMMISSIONER:** Please take a seat, Ms Faulkner.

**MR MEAGHER:** Ms Faulkner, can you state your full name, address and occupation for the Commission, please?

**MS FAULKNER:** So Natalie Faulkner. Address is 1 Macquarie Place in Sydney 2000, and my occupation is I'm a senior managing director at FTI Consulting.

**MR MEAGHER:** Mr Operator, can you bring up page 8 of the witness tender bundle, please. And this is just for the purpose of identifying the document. Commencing here and going through to page 105, can I ask you to go there, please, Mr Operator. And do you recognise that as your signature at the end of the report, Ms Faulkner?

**MS FAULKNER:** Yes, it is.

**MR MEAGHER:** And it's true and correct that that is your report as provided to this Commission, isn't it?

**MS FAULKNER:** Yes, it is.

**MR MEAGHER:** I would ordinarily tender this part of it at least at this point, and the appendices and documents, subject to the redactions, can be tendered tomorrow, if you're content with that.

**COMMISSIONER:** You just have to go a bit more slowly. What do you want to do today? Tender which part?

**MR MEAGHER:** I think properly I should tender the report, unless my learned friends won't take any objection to just the whole bundle being tendered tomorrow.

**COMMISSIONER:** The report, the 105-page report?

**MR MEAGHER:** Yes.

**COMMISSIONER:** Or, sorry, 97-page report?

**MR MEAGHER:** Yes.

**COMMISSIONER:** You just want to tender that and not worry about the annexures at the moment?

**MR MEAGHER:** I'll deal with them tomorrow once the redactions have been made.

**COMMISSIONER:** All right. Are you content with that course, Mr O'Grady?

**MR O'GRADY:** Yes, Commissioner.

**COMMISSIONER:** So, what, tomorrow we'll give the annexures a different exhibit number, will we?

**MR MEAGHER:** Yes, but I might do it by way of reference to these six.

**COMMISSIONER:** All right. Very well. Is there any objection to the tender of Ms Faulkner's 97-page interim report of - I don't have a date here.

**MR MEAGHER:** It's 15 June.

**COMMISSIONER:** 15 June of this year?

**MR O'GRADY:** No, no objection.

**COMMISSIONER:** Expert report of Natalie Allegra Faulkner, 15 June 2026, comprising 97 pages, will be exhibit FM-5.

**<EXHIBIT FM-5 EXPERT REPORT OF NATALIE ALLEGRA FAULKNER, 15/6/2026, COMPRISING 97 PAGES**

**MR MEAGHER:** Thank you, Commissioner. Ms Faulkner, if you've got a hard copy of your report there, and I'll ask Mr Operator to bring up relevant pages. Mr Operator, can you go to page 39 of the bundle, please. And before we come to the summary, Commissioner, it's useful just to have Ms Faulkner identify the key entities and officeholders who she's going to refer to in the summary. So perhaps, Ms Faulkner, can you explain what you've set out at paragraph 5.2.1 and figure 4.

**MS FAULKNER:** So in figure 4 we see that the Multiplex enterprise agreement requires the income protection insurance to be provided to CIPL; default super fund contributions for employees to be paid to BUSSQ; the welfare payments to be paid to the BERT fund; and welfare and training payments to be paid to BEWT, which is Building Employees Welfare Trust.

**MR MEAGHER:** And then, Mr Operator, can you just go back to a normal view of that page, please. And can you explain paragraphs 5.2.3 and then figure 5, please.

**MS FAULKNER:** So I looked into each of these entities, starting with figure 5, which is CIPL. Now, CIPL appears to be -

**COMMISSIONER:** Can we just blow that up while the witness is talking, blow that figure up?

**MS FAULKNER:** So figure 5, please, Mr Operator. So there's a 50 per cent ownership of CIPL by QMBA, which is the Queensland Master Builders Association. It's unclear who the other shareholder is, but I have seen dividends being paid by CIPL to CFMEU and CFMEUQ, so they also might have an ownership interest. In terms of the operations of CIPL, the claims manager appears to be Total Claims Solutions; the underwriter, QBE Insurance; and there is the contract with Windsor Management Insurance Brokers, which I will talk about later as well.

**COMMISSIONER:** Your guess would be the other 50 per cent is owned by one of the CFMEU entities?

**MS FAULKNER:** Potentially, yes, because of the dividend receipt, but it was only in one of the 10 years of records. But for both entities, both of them received one dividend.

**MR MEAGHER:** And then, Mr Operator, and Ms Faulkner, if you could explain what you say about BUSSQ from 5.2.4. And, Mr Operator, if you can enlarge figure 6, that would be of utility.

**MS FAULKNER:** So for figure 6, we see that BUSSQ trustee is 50 per cent owned by CFMEU, and 50 per cent by Queensland Master Builders Association and as the trustee for the superannuation fund.

**MR MEAGHER:** And then if you can enlarge figure 7, please, Mr Operator, and Ms Faulkner, if you could explain what you say at paragraph 5.2.6 about the BERT Group.

**MS FAULKNER:** So the BERT Group, which included the BERT fund and the BEWT company that are mentioned in the Multiplex agreement, also include a number of other entities where there are intercompany-type transactions and money flows that I will talk to later, but the group includes that BERT Fund, BEWT, BERT Training Fund, which is also called QCTF, and BERT Fund No2.

**COMMISSIONER:** You'll just have to explain that to me a bit more slowly, Ms Faulkner.

**MS FAULKNER:** Sure.

**COMMISSIONER:** There is a redundancy - there's a trustee of a redundancy fund. Is that what BERT Fund Limited is?

**MS FAULKNER:** So BERT Fund Limited is trustee for BERT Fund and BERT Fund No2.

**COMMISSIONER:** I see.

**MS FAULKNER:** So they have different sort of ABN/ACNs. And then we have BEWT is the trustee for the Building Employees Welfare Trust. And then we also see distributions with another company called QCTF, which is trading as the BERT Training Fund and BERT Welfare Fund, BERT Welfare Limited also receiving distributions. And then we have a trustee company that is the trustee for the BERT Training Fund called QCTF Fund.

**COMMISSIONER:** So the Building Employees Welfare Trust receives, I think we just saw it's about $10 a week or so. $10 a week or $10 a year?

**MR MEAGHER:** Per week, but it changes over time.

**COMMISSIONER:** $10 a week for each employee?

**MR MEAGHER:** Yes, correct. That's correct.

**COMMISSIONER:** Per week?

**MR MEAGHER:** Yes.

**COMMISSIONER:** And $100 a week for the - for the BERT Fund No2 or BERT Fund for the superannuation obligation. What's the - where does the money come into QCTF BERT Training Fund as trustee for the QCTF Fund Limited?

**MS FAULKNER:** I get into further detail of the money flows -

**COMMISSIONER:** Later?

**MS FAULKNER:** - later.

**COMMISSIONER:** All right.

**MS FAULKNER:** This is just to give you the understanding of the entities for context.

**COMMISSIONER:** All right. I'll be quiet.

**MR MEAGHER:** Mr Operator, can I ask you to show paragraphs 5.27 through to 5.28. And Ms Faulkner, can I ask you to speak to them, please.

**MS FAULKNER:** So when I look at the money flows, I also see a number of other entities, and here I've called them out in summary. There is a law firm, Hall Payne Lawyers, there's revenue coming from Cbus and then revenue coming from other training organisations to the CFMEU and CFMEUQ from Future Skills, CTC, CSQ, Mates in Construction and the Asbestos Disease Support Society. So these are some other companies named in my report.

**COMMISSIONER:** I didn't - I said I was going to be quiet, but I can't help myself. I can't see the (b), (c), (d) or (e) on your aide-mémoire. You saw the aide-mémoire, Ms Faulkner.

**MS FAULKNER:** Yes.

**COMMISSIONER:** You were in the hearing room.

**MS FAULKNER:** Yes.

**MR MEAGHER:** Yes. That aide-mémoire doesn't have everything. The amounts in respect of those entities are relatively small amounts. We were attempting to summarise a very complex situation.

**COMMISSIONER:** I just thought Mates in Construction had come up in the evidence somewhere. I can't remember where.

**MR MEAGHER:** It's come up a few times, I think, Commissioner, and it will - it's contemplated in Ms Faulkner's report as well.

**COMMISSIONER:** All right. Very well. But it's not something that's mandated by the enterprise agreement?

**MS FAULKNER:** No.

**MR MEAGHER:** Yes, correct. We haven't been able to identify it in any enterprise agreements, and I think Ms Faulkner's evidence is to the same effect.

**MS FAULKNER:** Yes, that's right. These are not named in the enterprise agreement, but I see revenue coming to the CFMEU from these entities.

**MR MEAGHER:** And just, Ms Faulkner, can I ask you to speak to part 5.3, the key officeholders. Perhaps just instruct the operator when it's useful to bring up the tables that you've included in your report in providing that explanation.

**MS FAULKNER:** So, Mr Operator, if you could please bring up table 6. So table 6 shows across the top, the CFMEU officeholders. The dates here are from the information provided to me to date. When they were CFMEU officeholders, they are not from HR records and are likely not complete. But this shows that they were also directors of BERT entities and BUSSQ and CIPL, which are the three areas - four areas in the Multiplex enterprise agreement. So there's that crossover between CFMEU officeholders and BERT Fund, BEWT Fund, BUSSQ and CIPL directors.

**MR MEAGHER:** And then, Mr Operator, can you bring up figure 8, and can I ask you to speak to this, please, Ms Faulkner.

**MS FAULKNER:** So figure shows, in a summary form for BERT Group, those CFMEU officeholders who are directors of BERT Group, BUSSQ and CIPL. Figure 8 is in summary, and figure 9 is in detail.

**MR MEAGHER:** So please bring up figure 9. And is there anything more you need to say to explain that, or is that - have you said sufficient?

**MS FAULKNER:** It is sufficient, but for the detail, it's in that table 6 for the specific dates and entities that might be a bit difficult to discern in figure 9 because of the number of crossovers in directorships.

**COMMISSIONER:** I think these are the three groups of entities which you thought the MBA Queensland had a 50 per cent share in the - and this might be an inaccurate way of describing it - the ultimate parent, but there's no reference here to the MBA directors at any time.

**MS FAULKNER:** No, I've just looked at the CFMEU officeholders.

**MR MEAGHER:** Now, Mr Operator, can I ask you to go to page 16 -

**COMMISSIONER:** I should say MBAQ, not MBA.

**MR MEAGHER:** Page 16, please, Mr Operator. This is where your summary commenced. So it's at numbered page 8 of your report, Ms Faulkner, but it's 16 of the tender bundle. The summary of findings sets out there the questions you were asked, and just for those in the public gallery, the first concerns sources of revenue and any changes in revenue received from enterprise agreements between 2015 and 2025. And the second question you've cited there concerns the Multiplex enterprise agreement that we've been looking at, and we've asked you to map the money trail occurring under and facilitated by the Multiplex enterprise agreement with several subquestion, but that's the nub of it, and you then set out a summary.

And, Mr Operator, if I can ask you to go to page 17 of the bundle, which is the next page of the report. Here you've set out your methodology, and at 2.3.2 the relevant contractual commercial terms. And if I can summarise this, Commissioner, for efficiency just by saying these are the terms that I have taken you to in describing the agreement, prior to Ms Faulkner being called. And then, Ms Faulkner, if I can ask to you speak to paragraphs 2.3.4 and then figure 1 over the page.

**MS FAULKNER:** Sure. So if Mr Operator could please show figure 1. So figure 1 provides in summary the CFMEU sources of revenue between 2015 and 2025, sourced from the general ledgers. So we have revenue coming from CFMEUQ for defence fund and campaign levies. We have member subscriptions and levies, mainly in the period FY15-20, because then there was a services agreement where those membership funds were then recognised by CFMEUQ. There are dividend - that dividend that I mentioned from CIPL. Donations from Asbestos Disease Support Society. And then across other revenue categories, there are various entities named. So for training income, that is coming from a number of entities, including -

**COMMISSIONER:** Is that dividend or two dividends? On the aide-mémoire there's two dividends one in FY18 and FY22 from CIPL of -

**MS FAULKNER:** Yes, so 2018 is CFMEU. 2022 is CFMEUQ.

**COMMISSIONER:** Of course.

**MS FAULKNER:** So it's in the other entity.

**COMMISSIONER:** Of course, yes.

**MS FAULKNER:** That's right. So with the training income and administrative recoveries, that includes revenue from BERT Welfare, BEWT, Future Skills, CSQ, BERT Training Fund. Compliance Recoveries, which is revenue, comes from CIPL, BERT Fund, BUSSQ, so those entities from the Multiplex enterprise agreement. Similarly, promotional charges includes revenue from BERT Group, BUSSQ, CIPL, Hall Payne Lawyers, Cbus, CSQ.

**COMMISSIONER:** Did you say revenue from Hall -

**MS FAULKNER:** Yes, revenue. And Windsor Insurance Brokers as well for promotional charges. So they're paying to -

**COMMISSIONER:** What's the revenue from Hall - Hall Payne Lawyers is a supplier.

**MS FAULKNER:** Yes. Yes. Hall Payne Lawyers are paying promotional charges to the CFMEU. They also pay rent. We see them paying rent as well, for CFMEUQ. The director and meeting fees, that revenue is coming from the BERT Group, BUSSQ and CTC, which is the Construction Training Centre.

**COMMISSIONER:** How do you get these promotional payments from the lawyers to the CFMEU, Hall Payne Lawyers?

**MS FAULKNER:** Yes, Hall Payne Lawyers?

**COMMISSIONER:** What size are they?

**MS FAULKNER:** I have that in the table that's coming up.

**COMMISSIONER:** I will let you go to it in due course.

**MS FAULKNER:** And then sponsorship income, again BERT Group, CIPL, Windsor Insurance Brokers, so sponsorships. Sundry income coming from BERT Group, BUSSQ, CIPL, CSQ, CTC, Total Claims Solutions, Windsor Insurance Brokers. So there's a number of entities replicated across these revenue categories, and the grants are being paid revenue from the BERT Training Fund and that BERT Welfare Fund.

**MR MEAGHER:** Mr Operator, can you bring up figure 2 on page 19 of the bundle, and Ms Faulkner, can I ask you to speak to that, please.

**MS FAULKNER:** So figure 2 is similar to figure 1 except for the CFMEUQ, and that's also in the period 2015 to 2025. We have membership fees and levies predominantly in the 21-25 period, post the service agreements moving membership fees to this entity. There are grants coming from BERT Welfare Limited, a dividend from CIPL, donations again from Asbestos Disease Support Society. BUSSQ is paying director meeting fees and compliance recoveries. Construction Skills Queensland training revenue to the CFMEUQ. And then a number of other categories have various revenue sources, including that rent that I mentioned from Hall Payne, as well as CFMEU and Cbus rent. Sponsorships include BERT and CIPS, CSQ, Mates in Construction. Sundry income includes Cbus -

**COMMISSIONER:** So just explain that to me. The BERT CIPS - what's CIPS again? There was a CIPL, a CIPQ, and there's a CIPS as well, is there?

**MS FAULKNER:** That's a training organisation.

**COMMISSIONER:** And just remind me what CSQ is.

**MS FAULKNER:** CSQ is Construction Skills Queensland.

**COMMISSIONER:** Right. And Mates in Construction, and all four of them were sponsoring the CFMEUQ during 21-25.

**MS FAULKNER:** 2015 to 2025. I looked at a 10-year period.

**COMMISSIONER:** Yes.

**MS FAULKNER:** And then the last one is promotional charges, which are an income stream from BUSSQ, Cbus and Windsor Insurance Brokers.

**MR MEAGHER:** Mr Operator, can you go to the next page, please, which is page 20. Ms Faulkner, can you speak to the summary you've provided in paragraph 2.3.21 and table 1.

**MS FAULKNER:** So table 1 shows the money that may have been derived from enterprise agreements, and I took this from a combination of those entities named in the Multiplex enterprise agreement, entities related to those entities from their structure, like the BERT entities, and entities in the business of providing services in the Multiplex enterprise agreement. So for the CFMEU, I quantified this to be 7.7 million in the 10-year period across those different categories that we were just speaking about, compliance recoveries, directors' meeting fees, promotional charges.

There is a revenue stream from enterprise agreements, but it's not clear, because it was not in the Multiplex enterprise agreement, what that fee or that revenue source to CFMEU is from. And then training, sponsorships and sundry income and reimbursements.

**MR MEAGHER:** So - yes, thank you, Mr Operator. So that table extends over three pages, Commissioner. And it finishes on page 22 of the tender bundle, and there you will see the totals that Ms Faulkner referred to.

**COMMISSIONER:** I think you said in your opening, Mr Meagher, about over $8 million or 8.8, I think you might have said, for one year -

**MR MEAGHER:** Yes.

**COMMISSIONER:** - that came from the ecosystem. This is a figure of 7.7 million over 10 years. You can think about it over the break, but is there some way of reconciling those two figures?

**MR MEAGHER:** I'll come back to that, if I can. And Mr Operator, could I ask you to bring up table 2 on page 22. And Ms Faulkner, can I ask you to speak to this. So this table again extends over the page.

**MS FAULKNER:** So table 2 is the actual revenue for CFMEUQ that may have been derived from enterprise agreements, and this is predominantly in FY20-25, because there was none in FY15-19, and the total of this table is $929,000.

**MR MEAGHER:** And then, Mr Operator, if I can ask you to just provide a normal view. From paragraph 2.3.23, Ms Faulkner, you discuss movements in the CFMEU and CFMEUQ sources of revenue. And can I ask you to speak to that, and perhaps, Mr Operator, can you bring up table 3, which extends over the page.

**MS FAULKNER:** So table 3 shows the movement or changes, so we've got both in dollar terms and percentage terms, for those different revenue categories. The rows highlighted in green are those rows relevant to the enterprise agreements. We see from 15 to 25, the membership fees declining when we have the services agreement changing, but in terms of the revenue from enterprise agreements, it ranges from 5.4 million to 8.2 million, so it seems to be increasing over time. We also see grants growing from FY15-25 from three and a half million to 7 million.

**MR MEAGHER:** And then from - at paragraphs 2.3.24 to 2.3.25, can I just ask you to speak to them?

**MS FAULKNER:** So that's talking about table 3 and the figures there in terms of the revenue sources being consistent, except for that membership subscriptions drop off and grants increasing.

**MR MEAGHER:** And then, Mr Operator, if you can bring up table 4, and Ms Faulkner, can I ask you to speak to that, and including -

**COMMISSIONER:** Just go back to table 3 for a moment. Just blow table 3 up.

**MS FAULKNER:** It goes over the page as well, just to include the percentage changes.

**COMMISSIONER:** Well, this is the bit I'm interested in. There's a period where the membership subs you just identified are coming in to the federal union.

**MS FAULKNER:** Yes.

**COMMISSIONER:** And, therefore the total revenue up to FY20 is between 15 and 20 million each year. Then it drops down, because those membership revenues have diverted to the state body, and the income is between 6 and 8 million -

**MS FAULKNER:** Yes. So in that period -

**COMMISSIONER:** - for each year.

**MS FAULKNER:** Yes.

**COMMISSIONER:** I beg your pardon? Sorry, what were you saying?

**MS FAULKNER:** I was just going to add to that the revenue for the subscriptions dropped off because it gets recognised by the state, but the revenue from grants increases.

**COMMISSIONER:** What are grants?

**MS FAULKNER:** So grants, we see, are for apprenticeships, and that revenue is coming from BERT Training Fund.

**COMMISSIONER:** I see.

**MR MEAGHER:** Perhaps, Commissioner - or did you have a further question, Commissioner?

**COMMISSIONER:** Sorry?

**MR MEAGHER:** Did you have a further question?

**COMMISSIONER:** No, no. You can - I mean, I think it answered my earlier question.

**MR MEAGHER:** Well, just to clarify, table 1, Ms Faulkner, the totals provided at the bottom, we read them as the totals per year. So, for example, CY16, there was a bit over 6 million. CY or year-to-date 17 was a million, and one follows that through FY25, there was 7.7 million. Have we read that correctly? That's the amount for that year?

**MS FAULKNER:** So the year-end changed. So in '15 and '16 they were operating on calendar year reporting. Then in '17 it's only three months because it then goes to March, and then from '18 to '25, it's 1 April to 31 March reporting year.

**MR MEAGHER:** But that 7.7, that's the amount received in that year, isn't it?

**MS FAULKNER:** The 7.7 was for the period, but just for the enterprise agreement related revenue.

**MR MEAGHER:** Yes. And then table 2, the table there, so if we take FY25, 928,000, that's additional to the 7.7, isn't it?

**MS FAULKNER:** Yes, that's in addition.

**COMMISSIONER:** So that's how you get to your 8.8.

**MR MEAGHER:** In an approximation.

**COMMISSIONER:** Yes, I understand. So you're just adding up in FY25 all the payments that seem to derive from the enterprise agreement, about just under 8 million goes into the federal body and just under a million goes to the state body and that's how you get close to 9 million, 8.8.

**MR MEAGHER:** Correct. And our figures might not be precise, but that's -

**COMMISSIONER:** I understand. Orders of magnitude are fine at this stage.

**MR MEAGHER:** Yes. Now, Mr Operator, can I ask to you go to page 25. Commissioner, I'm uncertain of what time you usually break.

**COMMISSIONER:** Usually five minutes ago, but I'm finding this witness very interesting, so I didn't watch the clock. We'll adjourn till 11.30.

**<THE HEARING ADJOURNED AT 11.22 AM**

**<THE HEARING RESUMED AT 11.30 AM**

**COMMISSIONER:** Yes, Mr Meagher.

**MR MEAGHER:** Mr Operator, can I ask to you go to page 25 of the bundle, which is page 17 of Ms Faulkner's report. And here commences the summary of findings to question 2, that is, the flow of funds relating to the Multiplex enterprise agreement. And from paragraph 2.4.3, you describe that, Ms Faulkner. Can I ask to you speak to that, and perhaps, Mr Operator, if you bring up figure 3 so that Ms Faulkner can speak to it. And if it's necessary, Ms Faulkner, you can go to the subsequent paragraphs, 2.4.4 and so on, in answering this.

**MS FAULKNER:** So figure 3, yes, sets out the payments from the Multiplex enterprise agreement to CIPL, BUSSQ, BERT Fund and BEWT and then summarises the flow of funds to other parties, including the CFMEU and CFMEUQ. So for CFMEU, CFMEUQ, we see those compliance and sponsorship fees from BUSSQ; compliance, sponsorship and advertising fees from CIPL. There are welfare distributions from BERT Welfare Limited and funding grants coming from BERT Training Fund. There are also other various payments to the Plumbers Union, Queensland Master Builders and Multiplex employees.

**MR MEAGHER:** Now, can you leave that figure up, please, Mr Operator, and Ms Faulkner, if I can ask you now to look at paragraph 2.4.5, but Mr Operator, you just stay on that figure. And 2.4.5, does that effectively - is that encompassed by the description you've just given?

**MS FAULKNER:** Yes. Yes, it summarises those entities where the funds are flowing, and then for the CFMEU, that's covered more fully in the paragraphs below.

**MR MEAGHER:** All right. Well, now, can you explain paragraph or speak to paragraph 2.4.6.

**MS FAULKNER:** So here I just wanted to note the limitation in my report that where funds are flowing, if they are going in sort of a circular motion between entities and the CFMEU, it can be difficult to identify that ultimate beneficiary of where the moneys finally reside, and I'm looking for the ultimate beneficiary to be more like a natural person rather than an entity. So that work is still in progress.

**MR MEAGHER:** And -

**COMMISSIONER:** I don't understand what you're saying there in code. What, you think there are some further undisclosed payments leeching out of this system to others?

**MS FAULKNER:** Well, when the payments are coming to an entity, I then need to do an expenses analysis to see all the recipients of those funds, and my instructions were to find that ultimate beneficiary, but it's still in progress, because there's a lot of source records I don't yet have to determine who ultimately were paid.

**COMMISSIONER:** So just taking, I don't know, someone in the middle here, I will just pick on Windsor Management Insurance Brokers, you've got to look at where the money went from there, do you, to see who the ultimate beneficiaries of those moneys were?

**MS FAULKNER:** Yes. That would still be in progress.

**MR MEAGHER:** From paragraph 2.4.7 - and again, Mr Operator, you can just leave that there - you were asked the question, "Did the CFMEU receive any referral fees or other financial benefits in return for money being directed or indirectly flowing to third parties?" And can you speak to the summary of your opinion at 2.4.7?

**MS FAULKNER:** Sure. So I answer that question as a "yes", because we do see payments being made from the Multiplex enterprise agreement companies to the CFMEU and CFMEUQ, as those revenues from compliance, promotional services, funding agreements, welfare distributions and compliance services.

**MR MEAGHER:** And can you expand upon that by speaking to paragraphs - well, first of all, paragraph 2.4.8.

**MS FAULKNER:** So for the CFMEU, the BUSSQ were paying compliance, promotional services and sponsorship payments to the CFMEU. CIPL were paying compliance and promotional services, sponsorship and services promoting the fund and advertising to CFMEU, and the BERT Fund were paying - particularly BERT Training Fund, were paying funding grants under funding agreements to CFMEU, and BERT Welfare were paying welfare distributions to the CFMEU.

**MR MEAGHER:** In paragraphs 2.4.9 to 2.4.10, you address whether or not there were any relevant agreements between the two union organisations and the Multiplex EA entities, and just when I use that expression, Commissioner, I'm referring to all the entities depicted on figure 3 there. Can you speak to your answer in 2.4.9 and 2.4.10, please.

**MS FAULKNER:** Sure. At this point, I have identified some agreements between CFMEU and BUSSQ and BERT Training Fund, but I've not identified any agreements between CFMEU and the Bert Welfare Limited, nor CIPL.

**MR MEAGHER:** In paragraph 2.4.11, you deal with the receipt of funds from parties -

**COMMISSIONER:** What's your - what are you saying there? That there should have been or you haven't had enough time to find them? What's the - is that a problem, that there's no agreement that governs these distributions?

**MS FAULKNER:** There may be an agreement, and I haven't found it yet, but just trying to understand the nature of the payments and the - well, the receipts to the CFMEU, an agreement would help or something to support the basis for the payment. So I have been seeking invoices or receipts or contracts that would help to understand the reason for the payments and the agreements between the entities.

**COMMISSIONER:** And you're talking here about nothing you've found in writing between CIPL and the two CFMEU entities, nor between BERT Welfare Limited and the two CFMEU entities?

**MS FAULKNER:** That's right.

**MR MEAGHER:** And BUSSQ.

**COMMISSIONER:** Oh, and BUSSQ as well?

**MR MEAGHER:** No, sorry -

**MS FAULKNER:** BUSSQ, there are compliance and sponsorship agreements.

**MR MEAGHER:** No, sorry, I'm in error there. There are. Yes.

**COMMISSIONER:** And do you think you've looked thoroughly, or there's more you need to do?

**MS FAULKNER:** There's more I need to do.

**MR MEAGHER:** Paragraph 2.4.11, you address the receipt of funds from parties other than the Multiplex EA entities, and can you speak to what you've said there?

**MS FAULKNER:** So the other entities where I've seen -

**COMMISSIONER:** Can you just pull these paragraphs up while the witness is speaking about them? Unless you need to - do you need to refer to this figure while you're answering that question?

**MS FAULKNER:** Not particularly.

**MR MEAGHER:** Not for this one, because we're now moving away from -

**COMMISSIONER:** Can we just pull up 2.4.11?

**MS FAULKNER:** So this paragraph is talking to the instructed question around receipt of funds from other parties, and in the CFMEU and CFMEUQ financial records, I've also seen payments to the CFMEU from Hall Payne Lawyers, Cbus, Mates in Construction, the training Future Skills companies, Construction Training Centre, Construction Skills Queensland and that Asbestos Disease Support Society. But, again, I haven't yet got source records to understand the nature of those receipts to the CFMEU and CFMEUQ.

**MR MEAGHER:** Now, Mr Operator, under the heading "Were any current or previous CFMEU officeholders members or associates, shareholders ultimate beneficiaries to the Multiplex EA?" Can you please depict that in 2.4.14, and Ms Faulkner, can you speak to that, please.

**MS FAULKNER:** So to date I've not identified any of the officeholders as ultimate beneficiaries, so receiving payments under these money flows and in the contracts, so this was a "no" to date, in terms of a response to that question, but I'm continuing to review those beneficiaries and the money flows as more information is provided.

**MR MEAGHER:** Mr Operator, can you bring up questions 2.4.13 to 14 and the heading thereunder? Thank you. Ms Faulkner, here you were asked 'Were any current or previous CFMEU officeholders, members, associates, shareholders, in a position to ultimately control any moneys paid under the Multiplex EA?" And can you please speak to what you have said here.

**MS FAULKNER:** So, yes, I have identified nine individuals who had both roles in the CFMEU and CFMEUQ and directorships of the Multiplex EA entities, which I define as CIPL, BUSSQ and the BERT group, and I list there those CFMEU officeholders and their role at the CFMEU. And this also refers to the table 6 that we had previously talked about, which has the dates that those officeholders were both within the CFMEU and directors of the Multiplex EA entities.

**COMMISSIONER:** And the reason you've only referred to these individuals for the years 2023 onwards in 2.4.13 is because the Multiplex enterprise agreement you're looking at is a 2023 instrument; is that right?

**MS FAULKNER:** Yes, that's right.

**COMMISSIONER:** So I presume that if you went back in time, you could do a similar analysis. And have you done that in relation to the period 2015 to 2025, assuming that the previous iterations of the Multiplex 23 EA were in similar form?

**MS FAULKNER:** Not to date, because my instructions were to look at this period for question 2.

**COMMISSIONER:** Sorry. I was waiting for you. Sorry, Mr Meagher.

**MR MEAGHER:** Mr Operator, can you bring up the heading and then paragraph 2.4.15 and 2.4.16, and here you were asked the question, Ms Faulkner, did any third party that has no obvious connection with the CFMEU receive payments or obtain benefits directly or indirectly from the payments made pursuant to the Multiplex enterprise agreement, and you can speak to your answers here, please.

**MS FAULKNER:** So focusing again on that 2023-27 period, I identified payments going to Future Skills and Windsor Insurance Brokers. So I called out these two entities. With Future Skills, they received payments more broadly between 2015 and 2025, but based on the limited information, I do go into some detail in my findings section on the contract between Future Skills and CFMEU, but this is - we also see payments Future Skills to CFMEU, and then I just call out that the CFMEU is not a listed training - registered training organisation, so it's unclear why Future Skills would be paying CFMEU for training in this way. And there's no common directorships, so the nature of the relationship and the payments is still under review for Future Skills.

For Windsor Insurance Brokers, I understand they are a brokerage - they're providing insurance broker services, as their name would suggest. There's no common directorships that I've seen between the CFMEU and CFMEUQ with Windsor Insurance Brokers, but CIPL did pay dividends to CFMEU and Q in 2018 and 2021, indicating that CFMEU might be one of the shareholders of CIPL. So I was looking at who made the decision to engage Windsor Insurance Brokers, but at this stage I don't have sufficient information to determine that ownership or that decision-making, and it's unclear how CFMEU is referring Windsor Insurance Brokers to fulfil that sort of referral fee arrangement.

**MR MEAGHER:** And then can you speak to paragraph 2.4.16, please.

**MS FAULKNER:** Sure. So I wanted to note that my preliminary conclusion is that Future Skills and Windsor Insurance brokers are receiving payments and they may be indirectly pursuant to the Multiplex enterprise agreement, because they're relating to both the provision of training and insurance services which are covered in the Multiplex enterprise agreement. However, my work is still ongoing because I don't have sufficient source records to confirm the nature of those payments and the basis for those payments.

**COMMISSIONER:** Just going back to the previous paragraph, 2.4.15(ii), what does the last sentence in your report mean there? It's not clear how or where the CFMEU is referring to Windsor Insurance Brokers.

**MS FAULKNER:** So Windsor Insurance Brokers are paying CFMEU payments, for promotional services. That's how they're classified in the general ledger. So then I was questioning, like, where are CFMEU promoting Windsor Insurance Brokers to receive such a fee?

**COMMISSIONER:** Are they mandated through the enterprise agreement?

**MS FAULKNER:** So Windsor Insurance Brokers is not named in the enterprise agreement.

**COMMISSIONER:** Right.

**MR MEAGHER:** CIPL is.

**COMMISSIONER:** And you don't know how they came to be engaged?

**MS FAULKNER:** Not this point, no.

**COMMISSIONER:** If you're moving on from part 2 to part 3, can I ask a question about part 2?

**MR MEAGHER:** Of course. I was going to move next. So I'll move once you've finished your questioning, Commissioner.

**COMMISSIONER:** The tables 3 and 4, if you bring those up, these are the payments, sources of revenue to the CFMEU and CFMEUQ on pages 23 and 24. Perhaps we just put them one under the other, blow them up. If you look at the membership subs, there's obviously a change in where the subs go as a result of the services agreement in '21, but it's about 10 million a year in subs till FY20. It goes up to FY25 by about 50 per cent. I'm not sure whether that's because the subs went up or the number of members went up. It's a question I asked Mr Gisonda, and he didn't have an unqualified answer to that. Do you know what the answer to those subs increasing from about 10 million to about 15 million from FY21-25 is due to? Is it an increase in the amount of subs or an increase in the amount of members?

**MS FAULKNER:** I don't have the details on that at this stage.

**COMMISSIONER:** Then if you look at that period, just say FY25, you've got a very substantial part of the revenue that's coming into the two entities, about 9 million out of 24 million, when you add them together, that are coming from the - what you might call the enterprise agreements ecosystem, and only 15 million coming from membership. It seems to be very - what's that, about 40 per cent, is that right? Three on five. About 40 per cent is coming from the enterprise agreement stream and about 60 per cent from the membership stream if you add the two entities together.

**MS FAULKNER:** Yes, and I have a table where I do consolidate them just because of that movement in the service agreement making it harder to look at them together.

**COMMISSIONER:** And I think you said that that 40 per cent of revenue is not disclosed at the top end, although reading the annual reports, you can get it in aggregate, Mr Meagher. Forgive me if I'm putting words in your mouth.

**MR MEAGHER:** Can I go to a different part of the report, Commissioner?

**COMMISSIONER:** Yes, please.

**MR MEAGHER:** Mr Operator, if you can bring up page 31 of the bundle, which is part 3, Background and Scope. I've just got a couple of questions in this, so I won't traverse all of it, Commissioner. But if you go to page 32 of the bundle, please, Mr Operator. And you'll see towards the bottom there's part 3.5, Ms Faulkner, where you've dealt with limitations. And then over the page, on page 33 of the bundle, in respect of question 1, you have set out some limitations, and at paragraph 3.5.10, you say - and perhaps I'll just ask for that to be enlarged.

There's a table that in fact runs over the page, but you note here that you've not been - or you've not analysed whether all revenue reported in the CFMEU's financial reports may relate to the enterprise agreements due to some limitations, and you say you summarise at a high level the sources of revenue reported in the CFMEU and UQ's financial reports that you did not analyse or only partly analysed due to insufficient information, and those sources of information that you haven't been able to analyse completely, or that you haven't analysed at all, are set out in table 5, as I read your report. And I just want to understand: does that mean it's possible that in fact there are further sources of revenue that have yet not been identified?

**MS FAULKNER:** Yes, that's right.

**MR MEAGHER:** Well, now, Mr Operator, can you bring up paragraphs 3.5.11 and 3.5.12. And can I ask you to speak to these two paragraphs. The purpose of the question is just to understand the ambit of the limitation that you are identifying here. So can you just explain it to the Commission.

**MS FAULKNER:** Sure. So 3.5.11 is talking to the fact that my instructed question was looking at the flow of funds, and the flow of funds in my experience is cash movements from bank statements. That's the source of truth. At the moment, the report is based on general ledger accounting records, which might include journal entries that are not actually flow of money. And so I call out the fact that I do have some of the bank statements but the analysis of them is still in progress, but by reviewing the general ledger there might be a difference into what we actually see in the cash flows in the bank.

**COMMISSIONER:** It doesn't seem material on what you've seen so far. Less than half a per cent difference; is that right?

**MS FAULKNER:** Well, the bank statements we haven't gone through in detail to see what's in the bank statements.

**MR MEAGHER:** So is it correct, then, that there's an assumption, in a sense, that the general ledger is correct?

**MS FAULKNER:** Yes.

**MR MEAGHER:** And your analysis rests on that assumption?

**MS FAULKNER:** It does, and the description in the general ledger is relied on.

**MR MEAGHER:** Did you want to ask a question, Commissioner?

**COMMISSIONER:** No, I'm just thinking. No, thank you.

**MR MEAGHER:** Mr Operator, can you go to page 35 of the report, please. And here you'll see under question 2 at paragraph 3.5.20, here you refer to some limitations in respect of answering 3.5 - sorry, question 2, and you refer here to the mixing of funds. And can you just speak to what you say here so that it's clear for the Commission?

**MS FAULKNER:** So this is where the money is flowing to entities, but I haven't traced it yet to the ultimate recipient of those funds, and for an ultimate beneficiary, that's typically a person. So that's where the work is still in progress, and I give an example here, to make it - bring it to life, make it a bit more easy to understand. Where the Multiplex EA is providing for welfare contributions to go to the BEWT fund, BEWT then distributes to BERT Training Fund. BERT Training Fund then transfers to a number of entities, including the CFMEU, and then the CFMEU is making payments to another - a number of recipients. So the money is flowing to numbers of entities in stages.

**MR MEAGHER:** And as I understand your point - this might delve into a point of law, but if there's property in the funds, if there's property in one dollar, then your point is it becomes difficult to trace because of the mixing of funds in this fashion.

**MS FAULKNER:** Yes.

**MR MEAGHER:** And of course, just pausing there, Commissioner, of course the law has ways of overcoming that difficulty, but I don't need to address the Commission on those at the moment.

**COMMISSIONER:** I just don't understand why it's so complicated. I mean, if this is a welfare fund, presumably set up to deal with the difficulties employees - unexpected difficulties employees might have, I assume that's what the point of the welfare fund is. Why doesn't it just distribute to the employees that satisfy the criteria of a grant of welfare? Why is it going through the BERT Training Fund, then to the CFMEU, or one or both of the CFMEU entities, and then to some other recipients? It might not be a question you answer at this stage, but it just seems very complicated for something that on its face looks simple.

**MR MEAGHER:** Yes. It's difficult to analyse that without all the relevant governing records and contracts between the various entities, and we have sought them, but we don't yet have them. Against that background, Commissioner, I'm now going to move to the detail. So you've heard a summary; I've just identified a few of the limitations and one assumption and the detailed answers. So this, in effect, covers the ground that obviously has been summarised, commencing at part 6 of the report, which is page 45 of the bundle. And here - I don't intend to traverse every paragraph here, Commissioner, in the way I deal with this, but from part 6.2, Ms Faulkner, you set out the contractual sources of the revenue that the CFMEU and UQ generated through the Multiplex that you identified, and you set them out in greater detail from 6.2.6 through to 6.2.26, and then from 6 point - well, perhaps it's convenient to provide some description of some of those entities at this point in time, which you do. So if I could ask you to turn to paragraph 6.2.20 on page 48 of the bundle, or 40 of your report, and can you just describe this change that you've set out here for the Commission.

**MS FAULKNER:** So I looked at the different clauses of the Multiplex enterprise agreement as an example agreement, because my instructed question is sources of revenue from enterprise agreements more generally. But here, I identify that CIPQ, which is mentioned in the Multiplex enterprise agreement, renamed to CIPL in around September '24.

**COMMISSIONER:** Seems to be just a cross-referencing error in your report as set out in paragraph - there's some -

**MR MEAGHER:** Paragraph O?

**COMMISSIONER:** Yes. So if you can just fix that after lunch.

**MR MEAGHER:** Yes. In paragraph 6.2.21, you examine clause 36 of the enterprise agreement, and it's correct, isn't it, that you're relying on the descriptions in the enterprise agreement of these entities or drawing deductions as to what they do, what their purpose is, from what is said in the enterprise agreement?

**MS FAULKNER:** Yes.

**MR MEAGHER:** Then on page 49 of the bundle -

**COMMISSIONER:** These are the clauses you took the Commission to prior to the witness entering into the witness box; is that right?

**MR MEAGHER:** That's correct, yes.

**MS FAULKNER:** There is also an FTI annexure 2, where the BERT entities were described. FTI.002 in my annexures. That's the other source that I have of the purpose of each of the BERT entities.

**MR MEAGHER:** Yes. All right. We might come to that. Then from part 6.3 on page 49 of the bundle - actually, before I do that, Commissioner, I'm grateful to Mr Donnelly, who's just handed me a note saying that the cross-referencing error on page 48 of the bundle in paragraph 6.2.20, paragraph O, we believe should be to page 39 and paragraph 5.2.2 of the report, and I'll just put that in front of the witness. So, Mr Operator, if you can go to page 39 of the bundle. Thank you. And is that the correct reference, Ms Faulkner?

**MS FAULKNER:** It is. It's actually in my copy, it's 5.2.2.

**MR MEAGHER:** All right. So perhaps, Commissioner, you could just make a note.

**COMMISSIONER:** Treat it as being a reference to paragraph 5.2.2?

**MR MEAGHER:** Yes. Thank you. Then, Mr Operator, can I ask you to go to page 50 of the bundle. And at the bottom here, 6.4, you commence your analysis of enterprise agreement process revenue, and just over the page, page 51, this analysis is contained. Now, focusing on paragraph 6.4.2 to 6.4.3, can you just speak to those paragraphs?

**MS FAULKNER:** Sure. So in the financial reports for the CFMEU, there is enterprise agreement related revenue. It's initially classified as sundry income and reimbursements, and then it's classified as enterprise agreements. And I note that it's not - it's not something that I saw in the Multiplex enterprise agreement, but we have 3.2 million in total between 2015 and 2025 from that source, and there's no similar revenue to the CFMEUQ. So this is limited to CFMEU.

**COMMISSIONER:** So these are the amounts that Ms Schinnerl gave evidence about, the two and a half thousand dollars or whatever it is that's charged by the CFMEU for someone to obtain - for an employer to obtain an agreement with them. Is that what these figures are adding up?

**MR MEAGHER:** The processing fees?

**MS FAULKNER:** I don't have any records as to who they've come from at this stage.

**COMMISSIONER:** But this is revenue to the CFMEU or CFMEUQ -

**MS FAULKNER:** Just CFMEU.

**COMMISSIONER:** No, just CFMEU.

**MS FAULKNER:** Yes.

**COMMISSIONER:** And it's revenue from employers, I take it?

**MS FAULKNER:** It just says "enterprise agreements", so it's unclear.

**COMMISSIONER:** But it says EBA processing fees.

**MS FAULKNER:** Yes.

**MR MEAGHER:** That's in paragraph 6.4.4. That's different, isn't it, to -

**COMMISSIONER:** It's different to what I'm looking at?

**MS FAULKNER:** No, it's the same.

**MR MEAGHER:** It's the same.

**MS FAULKNER:** It's the same, but in the general ledger we have some more detail on those payments.

**MR MEAGHER:** Perhaps if it's convenient in explaining it to the Commission, if you could speak to 6.4.4 as well.

**MS FAULKNER:** Sure. So in my analysis I look at what's in the financial reports and then the underlying general ledger, and it's the same balance, 3.2 million, and it's broken down just a little bit further, EBA processing fees, but it doesn't say who paid the EBA processing fees to the CFMEU.

**MR MEAGHER:** And then -

**COMMISSIONER:** So that's a total figure of $3 million over 10 years?

**MS FAULKNER:** Yes.

**COMMISSIONER:** I think it must be that amount that Ms Schinnerl gave evidence about that she said that no other union she was aware of charged. I can't think what else it could be.

**MS FAULKNER:** I think some entities were named, but not Multiplex.

**MR MEAGHER:** Well, can you speak to paragraph 6.4.5 to 6.4.7 as well on this topic?

**MS FAULKNER:** Sure. So -

**COMMISSIONER:** Well, normally you'd expect this to be on the cost side, not on the revenue side. It would be the cost of having someone within your organisation actually go through and prepare the EBA. But here, it's turning up on the revenue side because an employer is paying for that privilege, or someone's paying for it.

**MS FAULKNER:** Yes. So the CFMEU is making money from EBA processing fees. And some entities are named in the general ledger, but not Multiplex. And we don't see it in CFMEUQ in that period.

**COMMISSIONER:** The services agreement just didn't cover this fee, because -

**MR MEAGHER:** The enterprise agreement?

**COMMISSIONER:** No, the service agreement in 2021, because it transferred assets, liabilities, but also income streams, most income streams from the federal body to the state body, but obviously it didn't transfer this income stream.

**MR MEAGHER:** It's silent as to it. It doesn't refer to it, at least not expressly.

**COMMISSIONER:** I don't even know. What does that mean: EBA processing transferred to QNTDB in FY21?

**MR MEAGHER:** We don't have any agreement that sets out these processing fees, and because of that, other than the description as provided in the general ledgers, identified by Ms Faulkner, we don't have any insight into the ambit of what such fees covered. Part 6.5 of your report commences on page 52, and it flows through to page 55, and this concerns training revenue. And what I think would be most convenient, Ms Faulkner, is if I can ask you to speak to this part of your report, and in doing so, ask the operator to bring up the tables at the appropriate time to explain them.

**MS FAULKNER:** Sure. So training comes in three different classes of revenue. There's training revenue, then there's the grant apprenticeship scheme, and then there's the BERT training fund. So the first here I've called out just the training revenue to the CFMEU is in table 9, and over the 10 years that totalled 5.3 million. And then for table 10, we have CFMEUQ, in addition, 748,000. But it doesn't note who is paying this training revenue to the CFMEU, but I did identify those - some

Future Skills contracts. So if we go to table 11, before I talk about Future Skills. Table 11 shows the general ledger breakdown of training revenue for the CFMEU. So you can see it's still quite high-level, broad categories relating to the type of training. Table 12 does the same for CFMEUQ, just high-level training income. Did you want me to continue?

**MR MEAGHER:** Yes.

**COMMISSIONER:** This gender equity training is not required by the EBA, is it? And the others - all the others on - if you put 11 and 12 together, Mr Operator - at least according to your aide-mémoire, the asbestos training, impairment training, asbestos, silicosis, mental health training, I don't know about this FIT, whatever that, are all required by the EBA, but the gender equity training is not?

**MR MEAGHER:** It's not expressly mentioned. There is a category of training called HSR training, and I'm just checking the definition of that to check it doesn't fall within that, but - in fact, it doesn't appear to be defined in the agreement. So, no is the answer; it doesn't appear to be expressly required.

**COMMISSIONER:** It's a funny thing, because the evidence is, I think, that during the period we're looking at, the last 10 years, there was only one organiser who was a woman, maybe zero, and one delegate who was a woman, I think on the evidence so far. Maybe there were two.

**MR MEAGHER:** I think the HSR training, clause 12, provides for health and safety representatives, and it seems most likely that's what that relates to. So not -

**COMMISSIONER:** Not to gender equity training?

**MR MEAGHER:** Yes.

**COMMISSIONER:** So you think it's a misnomer? That's directed to you, Mr Meagher, but also if you've got any response to the question, Ms Faulkner.

**MR MEAGHER:** It -

**MS FAULKNER:** I've just captured all the training because of the requirement for Multiplex to cover the cost of training.

**COMMISSIONER:** But you've just got that from the - sorry.

**MS FAULKNER:** Yeah, I haven't looked specifically at the gender equity training.

**COMMISSIONER:** Has this come from the general ledger, that description?

**MS FAULKNER:** It has, yes.

**MR MEAGHER:** If you look at paragraph 6.5.4, you say there it's based on your review of the financial reports. And gender equity training features in table 10 below that. So is it correct that it comes from the general ledgers or the financial reports, or is it both?

**MS FAULKNER:** It's in both.

**MR MEAGHER:** Right. I see. Yes, that's dealt with in tables we're about to come to. I see. So, then, if I can ask, if you then, in your report, speak to it from paragraph 6.5.6 onwards. And just asking Mr Operator to bring up the tables as you go.

**MS FAULKNER:** Sure. So the general ledgers, we've just looked at tables 11 and 12, which break down the general ledger training revenue to the CFMEU and CFMEUQ. I then looked to identify agreements that might explain where this revenue has come from, and I identified two agreements with Future Skills. Mr Operator, if you please bring up figure 10. So in - from 2021, the CFMEU had an agreement with Future Skills whereby for every completed learner, Future Skills would pay the CFMEU $200, and then in February 2022, this reduced to $175 per completed learner. I don't have records on how many learners resulted in this fee being paid, but from the bank statements I see that Future Skills paid the CFMEU between 2020 and 2024 $1.4 million.

And the CFMEU general ledger for Future Skills, assuming that Future Skills is general ledger code FU700, if we bring up table 13, this shows that Future Skills paid CFMEU $3.9 million in the period '15 to '25, which might explain some of the training revenue from tables 11 and 12.

**COMMISSIONER:** The training revenue from 11 and 12 was about 6 million all up -

**MS FAULKNER:** Yep. Yep.

**COMMISSIONER:** - for the two entities.

**MS FAULKNER:** And this is about 4 million.

**COMMISSIONER:** Did you say there's no agreement you found that governed these payments?

**MS FAULKNER:** I found two agreements.

**COMMISSIONER:** You found two, sorry.

**MS FAULKNER:** And figure 10 was an extract from one of those agreements.

**COMMISSIONER:** Yes.

**MR MEAGHER:** It appears from that table that from FY23 onwards, the amount realised by way of these payments increased considerably. Were you able to identify any reason for that?

**MS FAULKNER:** I don't have the details of how many learners that they were paying for, but given the amount per learner reduced, it seems like the number of learners increased.

**MR MEAGHER:** That's the most likely explanation?

**MS FAULKNER:** That's the most likely explanation, yes.

**COMMISSIONER:** I don't - just go back to the schedule of fees. I don't understand that. This is -

**MS FAULKNER:** So Future Skills are committing to pay the CFMEU per learner, and the CFMEU is to train and assess students for a training fee in the first agreement that I saw, and in this agreement, it's for a course in silica exposure prevention.

**COMMISSIONER:** But what's the - the whole point of this is there's an RTO that's supposed to be doing the training under the enterprise agreement to train the employees in whatever the deficiency is: silica knowledge, asbestos knowledge, mental health understanding. Why is the training and assessment being provided by the CFMEU and not by Future Skills? Surely the money should be going the other way, if anywhere? I mean, there's already money coming from the employer pursuant to the clause of the EBA, somewhere.

I don't know exactly how it's getting to Future Skills, because there's no entity like a fund, a trading fund, as they're sitting in between the clause in the agreement as there is with the redundancy fund, the welfare fund and the insurance obligations and the superannuation obligations. I just don't understand this arrangement. Do you know - can you understand what's going on?

**MS FAULKNER:** So the CFMEU is not a registered training organisation, so it is unclear why Future Skills are paying the CFMEU for training programs and training fees and a fee per learner.

**COMMISSIONER:** I just missed your answer, sorry. So why are they paying that money?

**MS FAULKNER:** It's unclear why they are paying, because they're not a registered training organisation. So why would they be paying the CFMEU training fees? Yeah, it's unclear. Agreed.

**COMMISSIONER:** In the 6.5.13 which just sits below figure 10, you say in the letter from Future Skills chief executive officer Victoria Zhou to CFMEU branch secretary Michael Ravbar dated 15 February '22, the fee of $200 was decreased. I'm sorry, at 6.5.12. There is an agreement signed on 17 March 2021.

**MS FAULKNER:** I've noted who signed on either side. So Victoria Zhou executed on behalf of Future Skills and Michael Ravbar executed the agreement on behalf of the CFMEU.

**COMMISSIONER:** And there's earlier agreements you've looked at.

**MS FAULKNER:** There's one other agreement in 2019 that's covered in 6.5.8, and that was executed by Jade Ingham for the CFMEUQ and Victoria Zhou for Future Skills.

**COMMISSIONER:** This might be beyond what you were requested to do, but did you find any basis upon which Future Skills was selected by Mr Ingham in 2019?

**MS FAULKNER:** I didn't find any sort of procurement process type documents to date around assessing and identifying and contracting -

**COMMISSIONER:** And have you been able to look into who the people behind Future Skills are?

**MS FAULKNER:** Not yet.

**COMMISSIONER:** What's the amount that gets paid for each employee by the employer for these courses? Is that set out in the enterprise agreement, Mr Meagher?

**MR MEAGHER:** No, it's not. The obligation to pay for the training if the employee is assessed as requiring the training.

**COMMISSIONER:** And how much does the employer have to pay?

**MR MEAGHER:** It doesn't say. So in the bundle, if, Mr Operator, you can go to page 2874. And so if you look at 27.3 -

**COMMISSIONER:** I'm not sure we're on the right page.

**MR MEAGHER:** 2784. So 27.3 through to 27.6, if we look at those ones. So 27.3 is the obligation to pay on the employer. You see that's stated in general terms, and then if you take asbestos training, for example, 27.5 governs that. It doesn't say anything about cost.

**COMMISSIONER:** And you haven't been asked to look at that side of things, the side of where the employers are being asked to pay and how much they're being asked to pay for these - is it four lots of training: silica, asbestos, mental health and workplace impairment?

**MR MEAGHER:** They appear to have been, yes, the main categories.

**MS FAULKNER:** No, I've not been asked to look at that specifically.

**MR MEAGHER:** Mr Operator, can you go to page 55, please. And in part 6.6 of your report, you address the revenue from the grant apprentice scheme, and if I can ask you to again speak to this part of your report, as you did with part 6.5, and it goes through to paragraph 6.6.9.

**MS FAULKNER:** So the grant apprentice scheme in the financial reports of the CFMEU depicts 45.6 million in revenue for the 10-year period. There was no revenue from grant apprentice scheme for the CFMEUQ. When I look at the general ledger to understand more detail around these apprenticeships, if Mr Operator could please put up table 15. There are seven general ledger accounts, all called apprenticeship funding, but don't have a lot of details. But I did find 12 agreements between the CFMEU and the BERT Training Fund, which cover apprenticeships, and they're summarised in my annexure F, those 12 agreements. So the total is 45 million, 45.6 million.

**MR MEAGHER:** And at 6.6.9, you say you don't have copies of the funding agreements entered into between BERT Training and the CFMEU. So the only agreements you've got are the 12 that you refer to in 6.6.8; is that correct?

**MS FAULKNER:** Yes, that's right.

**MR MEAGHER:** Did you have questions about the grant scheme, Commissioner, before I go to the next -

**COMMISSIONER:** I just don't - what is this BERT Training Fund? I thought BERT was a redundancy trust. On this aide-mémoire, there's a BERT Fund, there's a BERT Trust 1 and a BERT Trust 2. What's this BERT Training Fund?

**MS FAULKNER:** So B-E-W-T, BEWT, those payments were for welfare and training.

**COMMISSIONER:** Right.

**MS FAULKNER:** And -

**COMMISSIONER:** That's the $10 a week or so, under clause 36. Could you just bring up clause 36 for a moment. Which page is it again, Mr Meagher?

**MR MEAGHER:** 2790, or 2791 perhaps.

**COMMISSIONER:** $11. This is from 2027, so it's now 2026, so 10.50. The employer must pay to the trustee of the Building Employers Welfare Trust or other similar fund $10 - that is per week? No, it's per month, is it? No, per week. What is that? Weekly. Yes, the following weekly amount, equal to the following. Yes. It doesn't say weekly.

**MR MEAGHER:** It does above it.

**COMMISSIONER:** It does above it, yes. So $10.50 a week, $500 a year, for each employee who's not necessarily a member of the union. And where does it go from there, from the Building Employees Welfare Trust?

**MR MEAGHER:** So, Mr Operator, can you bring up page 41, which is Ms Faulkner's report, and enlarge figure 7. And, Ms Faulkner, I think it's probably useful to answer the question by reference to this diagram.

**MS FAULKNER:** Yes. So the money's coming into BEWT, and you can see there that they're making distributions to QCTF, which is trading as the BERT training fund.

**MR MEAGHER:** It's on the left-hand side, Commissioner, you see that.

**MS FAULKNER:** And then here we're seeing the BERT Training Fund paying grants to the CFMEU. Grant apprentice scheme revenue to the CFMEU.

**COMMISSIONER:** On this - on - I can't see it on this one, on the one that's on the screen. Where are you talking about?

**MR MEAGHER:** That's just the description of the entity, because you were asking, I thought, about the entity, but we can go to the -

**COMMISSIONER:** I just don't - sorry, I just don't understand. There's an obligation under clause 25 to meet the costs associated with apprenticeship training.

**MS FAULKNER:** Yes. And the - so the money is going into BEWT, that entity on the right.

**COMMISSIONER:** That's the $500 per week?

**MS FAULKNER:** Yes, and then BEWT is paying distributions to the BERT Training Fund. That's the distributions down to the entity below.

**COMMISSIONER:** And then that BERT Training Fund has distributed $45 million over the last 10 years to the CFMEU?

**MS FAULKNER:** Yes.

**MR MEAGHER:** So, Mr Operator, can you go to page 26, please, of the bundle, which is the witness's report, and bring up figure 3. If you look at the right-hand side, and perhaps if you can just enlarge from the middle, including the enterprise agreement, over to the right. There we are. And can you describe it by reference to this, please, Ms Faulkner?

**MS FAULKNER:** So Multiplex at the top is contributing the welfare contributions to the far right to BEWT. BEWT is making distributions to QCTF, which is the BERT Training Fund, and part of those training grants are then flowing back the funding grants up to the CFMEU.

**MR MEAGHER:** Can you see that, Commissioner? So the red lines coming out of the bottom left of BERT, QCTF BERT Training Fund.

**COMMISSIONER:** I see that.

**MR MEAGHER:** Yes.

**COMMISSIONER:** So the welfare fund that employers are putting $500 a year in for employees was used to funnel $45 million over 10 years back to the CFMEU/CFMEUQ through the training fund?

**MS FAULKNER:** Yes.

**COMMISSIONER:** And what did the CFMEU/CFMEUQ do to earn that $45 million?

**MS FAULKNER:** It's unclear at this stage. My instructions have been focused on the revenue rather than the expense and fulfilment of the fees.

**MR O'GRADY:** Commissioner, I can assist.

**COMMISSIONER:** Yes.

**MR O'GRADY:** And obviously we're going to want to put on evidence about this in due course, but the CFMEUQ has a training department - sorry, Queensland/Northern Territory has a training department, and the training department provides training to apprentices, and its funding principally comes from BERT. The training unit has exhibited great success. We have a significant retention rate for apprentices, something like 97 per cent retention rate for apprentices in the program, compared to some 60 per cent industry average. The provision of funds from BERT is subject to agreements and is audited and it goes through an acquittal process, and the process is along the following lines.

The CFMEU Queensland/Northern Territory training department makes submissions to BERT Training Fund board for review and approval. It includes skills and training for apprentices, support for employers with a particular focus on having employers who have never before employed apprentices. The aim is to address the critical shortage of apprentices in the building and construction industry. If the submission is approved, an agreement is prepared and signed by both BERT Training Fund and the

CFMEUQ. And when the training scheme is completed, the CFMEU Queensland/Northern Territory prepares acquittals to show how the training income was spent. The acquittals are audited and the acquittals are then sent to BERT. So there's a process there, Commissioner. And as the witness has just indicated, she has focused very much on the revenue side. In due course we're going to put on some evidence about what's been done to earn these moneys, if it assists.

**COMMISSIONER:** I understand. So, here, the training that the employer is obliged to pay for under clause 25 is actually carried out by the CFMEU/CFMEUQ.

**MR O'GRADY:** As I understand the position, Commissioner. And as I say, we'll put on a comprehensive witness statement to address these things.

**COMMISSIONER:** I understand. Can I just have a look at clause 25 again, Mr Meagher?

**MR MEAGHER:** Yes. Page 2783.

**COMMISSIONER:** And what's the clause that requires the employer to -

**MR MEAGHER:** 25.5:

"The employer shall be responsible for meeting all costs associated with apprenticeship/traineeship training, including any student registration, tuition fee or other course costs."

**COMMISSIONER:** And does this clause set out that the CFMEU, the CFMEUQ is going to do the training, either there or in the appendix?

**MR MEAGHER:** No.

**COMMISSIONER:** Seems to be some cross-reference to the Building and Construction General On-site Award 2020.

**MR MEAGHER:** It just strikes me, the only thing that might be said against my answer to you is well, perhaps that's - I mean, if you were having a contractual construction debate, someone might run an argument to say, well, that's implicit in the nature of an apprenticeship. That's something we'd have to consider. So I would perhaps qualify my answer of "no" to say, well, it doesn't appear so, but I'll give it more consideration.

**COMMISSIONER:** You don't have to answer this now, Mr O'Grady, but there might be somewhere where it's disclosed that the training is going to be provided by the CFMEUQ. We're just starting this case study, so we might have missed something.

**MR O'GRADY:** Yes, I only interrupted, really, Commissioner, because you raised a question.

**COMMISSIONER:** No, no.

**MR O'GRADY:** And I thought I could assist. But as I say, in due course, we'd like to put on some comprehensive material. I can indicate that, as far as my client's concerned, including the administrator, they are very proud of the training - the apprenticeship training scheme that we put together, and as I've indicated, it has been a scheme that's had great success. So we'd like to put before the Commission the good work that's been done by the CFMEU in this regard.

**COMMISSIONER:** Yes. And I think Mr Meagher's point, his main point, at least at this opening stage, and this will go on for a while, is really about the disclosure or otherwise of these - what he referred to as shadow payments, that they're not obvious to the people who are entering in these agreements, nor the employees that are voting them up.

**MR O'GRADY:** Yes, and in due course we'll need to address that as well, but when one gets to the substance which, with respect, your query raised, the position of my client is that, as a matter of substance, there is a lot of good work that's done by the CFMEU and its various entities in this space.

**COMMISSIONER:** Whether or not the disclosures might have been as fulsome as they could be, the actual substance of the provision of the training was of high quality and value was obtained -

**MR O'GRADY:** Yes.

**COMMISSIONER:** - is your position.

**MR O'GRADY:** Is our position, and there is an acquittals process and an auditing process that goes along with all of that.

**MR MEAGHER:** Mr Operator, can you go to page 57 of the bundle in the witness's report.

**COMMISSIONER:** I think I would be assisted, too, when you put on your evidence, Mr O'Grady, about why this process - there could be a good explanation about why this process, to get to the training by the CFMEU, goes through the roots of the welfare fund to the BERT Training Fund and then funding the CFMEU or the CFMEUQ to do that.

**MR O'GRADY:** Yes. Thank you, Commissioner.

**MR MEAGHER:** From part 6.7 onwards, I think this is going to be related, but you deal with the BERT Training Fund, and that goes through to paragraph 6.7.7, and can you speak to that, please.

**MS FAULKNER:** Sure. So the BERT Training Fund in addition remitted revenue to the CFMEU. There's no specific line item in the financial report. However, in the general ledger, it is some of the composition of the sundry income and reimbursement, director meeting fees and the asbestos training, and the total in the 10-year period was $188,000 paid from the BERT Training Fund to the CFMEU for those categories.

**MR MEAGHER:** So if you just enlarge table 16, please, Mr Operator. And that reflects what you've just described, does it not?

**MS FAULKNER:** Yes. But again, I don't have the underlying source records to understand the basis for those payments.

**MR MEAGHER:** Well, now, from part 6.8 of your report on page 58 of the bundle, you provide an analysis of the revenue from BUSSQ, the super fund, and can you speak to that and ask Mr Operator to bring up the tables as required.

**MS FAULKNER:** Sure. If Mr Operator could please bring up table - I think 17. Yes, 17, please. So in the CFMEU financial reports, there is no separate line item for the revenue from BUSSQ, but in the general ledger I've identified revenue from BUSSQ across sundry income and reimbursements, director meeting fees, compliance recoveries and promotional charges, and for the CFMEU it totals 1.2 million over the 10 years.

In addition - if we go to table 18, please, Mr Operator. In addition, the CFMEUQ received revenue from BUSSQ of 2.38 million, 2.39 million, in the 10-year period as well. I did identify a compliance agreement between BUSSQ and CFMEU, which talks to the promotion of the partnership between the parties, and BUSSQ paying CFMEU a monthly fee of $14,044, and this agreement is dated for the year ending 30 June 2026 - 2025, sorry - 1 July 2025 to 30 June 2026. So I haven't been provided with agreements prior to that time period, but this agreement gives some insight into potentially the compliance recoveries balance and where that's coming from.

**MR MEAGHER:** And that's the agreement you refer to at paragraph 6.8.5?

**MS FAULKNER:** Yes.

**MR MEAGHER:** And perhaps if you can just enlarge that, Mr Operator. And just for identification, Commissioner, this is the agreement that was being referred to.

**COMMISSIONER:** So $150,000 a year is paid, roughly, 12 lots of 14,000 -

**MR MEAGHER:** Yes.

**COMMISSIONER:** - for the CFMEU to promote BUSSQ to its members and, by implication, not promote Cbus, where Cbus had had a better performance for the previous 10 years on the evidence to date of 1 or 2 per cent.

**MS FAULKNER:** There is revenue from Cbus as well, but I don't set that out separately because Cbus are not named in the Multiplex enterprise agreement.

**COMMISSIONER:** There's an agreement to promote Cbus as well, is there?

**MS FAULKNER:** Yes.

**COMMISSIONER:** Do you know how much that is for?

**MS FAULKNER:** Not to hand, but -

**COMMISSIONER:** The first line for directors meeting fees, it would be orthodox, wouldn't it, and, in effect, proper for - let's take Mr Ravbar, for example, as the state secretary who's sitting on the board of BUSSQ because of his position as state secretary - to give the directors fees that he receives back to the union, because the only reason he's sitting there is because of the position he holds. Is that what that shows, that this is what's happening, that the directors of BUSSQ, who are officials of the CFMEU or CFMEUQ and are only sitting on the BUSSQ board because of that position are, in effect, donating their directors fees back to the union?

**MS FAULKNER:** Potentially, but I don't have records to explain that situation.

**COMMISSIONER:** What's a compliance recovery? What's that?

**MS FAULKNER:** So I don't have the details for any of these categories further than the general ledger at this stage.

**COMMISSIONER:** Is there any agreement that underpins that you've seen?

**MS FAULKNER:** So the compliance agreement in 6.8.5 may relate to either promotions or compliance. Because it's called a compliance agreement, it might be compliance, but then because it's about promoting BUSSQ, it might be promotions. So it's unclear.

**COMMISSIONER:** It seems to be headed - the general ledger amount is compliance recovery. It seems that the - but you just don't know what that means?

**MS FAULKNER:** Not at this stage. So in total from BUSSQ for CFMEU and CFMEUQ, it's more than 3.5 million.

**COMMISSIONER:** Sorry, what is more than 3.5 million?

**MS FAULKNER:** So if Mr Operator showed table 17 and table 18, please. It's the addition of those totals for the two entities.

**COMMISSIONER:** Over 10 years?

**MS FAULKNER:** Over 10 years, yes.

**COMMISSIONER:** These payments that are coming back to the CFMEU from these entities, do you record - I guess there's no - there's no tax payable by the CFMEU or CFMEUQ on any of these amounts, is there? Because it's - it's exempt from income tax under the income tax legislation. Is that why there's no reference to any tax in any of these reports?

**MS FAULKNER:** I'm not a tax specialist, but there is tax - income tax expense in some of the BERT financial accounts that I cover in question 2.

**COMMISSIONER:** So BERT pays some tax.

**MS FAULKNER:** Yes.

**COMMISSIONER:** I wonder why that is? Because under your aide-mémoire, it's a charitable entity. But anyway, there's a reason it pays tax, presumably.

**MR MEAGHER:** I don't have an answer to that at this stage.

**COMMISSIONER:** But all those amounts, this amount of, what is it, that's about just short of 10.8 million a year, 8.8 million a year in the last period, no tax is payable. You're not a tax expert; you don't know whether tax is payable.

**MS FAULKNER:** No, I'm not a tax specialist, sorry.

**COMMISSIONER:** That's the position, isn't it, Mr Meagher, that the CFMEU is exempt from income tax, so all these amounts that they're receiving through this enterprise agreements ecosystem wouldn't be income - sorry, wouldn't - would be income, but there's - the union doesn't have to pay tax on the income.

**MR MEAGHER:** They're exempt from tax if they're not profiting.

**COMMISSIONER:** I think it goes beyond that. It's just the status of - because it's a registered organisation, it doesn't - it's like a charity. It doesn't pay - no union that's registered under the Fair Work (Registered Organisations) Act pays income tax.

**MR MEAGHER:** As a general proposition, that's correct.

**COMMISSIONER:** Well, there's an exemption in the income tax legislation for it.

**MR MEAGHER:** Yes, but the exemption has limits. In other words, if you're engaging in an enterprise that's beyond the ambit of those which you've just described, for example, you might become liable to pay tax.

**COMMISSIONER:** Really?

**MR MEAGHER:** I mean, the law accepts that charities, for example, and unions, are entitled to invest for the benefit of their members and that those investments appreciate and they're not taxable. But if the structure was misused for some other purpose, then, properly, the exemption doesn't apply as a matter of statutory construction.

**COMMISSIONER:** But at least - assuming the union is acting in an orthodox manner, then -

**MR MEAGHER:** It doesn't pay tax.

**COMMISSIONER:** - it doesn't pay tax.

**MR MEAGHER:** Correct, yes.

**COMMISSIONER:** And you might not know the answer to this - tell me later - I understood it doesn't pay income tax. Does it pay any other tax, like fringe benefits tax, capital gains tax, anything like that?

**MR MEAGHER:** I don't know the answer to that off the top of my head. The position is the same for charitable trusts. So long as they're acting consistently with their objects and those objects are properly charitable, they're not taxable, although that position, I note, may be about to change, but I think the position in respect of change would be in respect of their sources of revenue, namely, donations, and I don't know if it will affect unions or not. But the point is, so long as they are properly a charitable organisation, acting consistently with that, they don't pay tax.

**COMMISSIONER:** I'm not sure that exemption does apply to trade unions. I don't think they have to do that. I think they've got a stand-alone exemption, so they don't have to - even though the history of the exemption was because they were originally charities -

**MR MEAGHER:** Yes.

**COMMISSIONER:** - the exemption, I don't believe, is subject to that requirement. This may be something for you to look at.

**MR MEAGHER:** Yes, I'll look at it. It's not stated in the - I'm just trying to bring to mind the particular section. I've got a note of it. But there's no exemption - there's not limited stated in the statutory text. It's an argument that's had in some of the case law, albeit the case law I am thinking of does concern charities.

**COMMISSIONER:** Don't answer on the fly. I mean, the point is that this 8, 9 million a year, no tax is payable on it as income by the union. No tax is payable on the membership fees either, the 10 million going up to 15 million per year in membership fees. Deal with it after lunch.

**MR MEAGHER:** Just so my learned friends know what I'm referring to, it's the Income Tax Assessment Act 1997, Volume 2, section 50-15, and employee associations and employer associations are exempt, special conditions for those registered under the Fair Work (Registered Organisations) Act, which I think is what you're referring to, and the exemption applies subject to conditions, so, so long as it's located in Australia, incurs its expenditure and pursues its objectives principally in Australia, complies with all substantive requirements in its governing rules and applies its income and assets solely for the purpose for which the association is established. That's what I'm referring to.

**COMMISSIONER:** I didn't know about that.

**MR MEAGHER:** So if it acts outside the ambit of that provision, then, you know, it would be become subject to tax. And that is a matter that although I don't raise it in respect of any specific matter that's been the subject of evidence today, that is a matter that is within our contemplation in undertaking our inquiries.

**COMMISSIONER:** I understand what you're saying.

**MR MEAGHER:** Is that a convenient time, Commissioner?

**COMMISSIONER:** It is. We'll adjourn till 2 pm.

**<THE HEARING ADJOURNED AT 12.52 PM**

**<THE HEARING RESUMED AT 2.00 PM**

**COMMISSIONER:** Mr Meagher.

**MR MEAGHER:** Thank you, Commissioner. Just before we recommence with the witness, the tendering has been - the redactions in respect of the tenders have been sorted out. So Ms Faulkner's entire witness bundle of 3,555 pages can now be tendered. It's exhibit FM-5.

**COMMISSIONER:** Three thousand five hundred -

**MR MEAGHER:** And 55.

**COMMISSIONER:** FM-5 is the 97-page report. Do you want me to amend the tender, do you, or -

**MR MEAGHER:** Yes, I think it's probably easiest, because it - I think it's easiest to do it that way, because the report is numbered as part of that tender bundle.

**COMMISSIONER:** Yes.

**MR MEAGHER:** Sorry, I'm told it's 3,899 pages. There is, in respect of FM-2, that was the tender bundle yesterday, but not the tender bundle that was just purely rules, and the redactions have now been put in place of the unredacted aspects of that, and so that can effectively be updated. So it includes section H, and that - there's no objection to that now being tendered in its entirety.

**COMMISSIONER:** All right. Why don't we just deal with one at a time. The document that's been received in evidence as exhibit FM-5 and described earlier this morning as a 97-page report of Natalie Allegra Faulkner will be amended so it's now described as a 3,899-page report of Natalie Allegra Faulkner, made 15 June 2026, comprising a 97-page interim report and the remaining pages, annexures A to J.

**<EXHIBIT FM-5 3,899-PAGE REPORT OF NATALIE ALLEGRA FAULKNER MADE 15/6/2026 COMPRISING 97-PAGE INTERIM REPORT AND REMAINING PAGES ANNEXURES A TO J AS AMENDED**

**COMMISSIONER:** And FM-2, is it?

**MR MEAGHER:** It is. Section H has been replaced with the redacted pages.

**COMMISSIONER:** I think we received it on that basis, didn't we, that you had leave to replace section H with the redacted versions. Was that the basis - Mr O'Grady is nodding, so I don't think I need to say anything about FM-2.

**MR MEAGHER:** Yes.

**COMMISSIONER:** You'll just arrange that - you'll just arrange to do that administratively and have the document on the website amended.

**MR MEAGHER:** Yes. Thank you, Commissioner. One other matter. There are, in fact, in excess of a further 5,000 pages of material that Ms Faulkner has had access to. They were provided electronically. They're things such as the software records of the accounting software that was used by the union, and there's some issue that's been taken with certain details in them which are presently being redacted. So that will come to be tendered, but it's not tendered yet. Just so you know it's coming.

**COMMISSIONER:** Is that part of that ongoing issue you raised with me a week or so ago, Mr O'Grady, about the materials we received from KordaMentha, or is it some other issue?

**MR O'GRADY:** No, it's a different issue. In effect, there's some bank details that we don't think should go in their entirety, and we've come up with a protocol as to how the documents can be identified if there are some redactions made.

**COMMISSIONER:** All right. Well, you'll deal with that in due course, then.

**MR O'GRADY:** Yes.

**MR MEAGHER:** In FM-2, the two compliance agreements that were referred to by the witness can be found, and the first is at 5314 - sorry, the first is at 1443, and the second is at 1464. I just want to provide the references rather than going to them, if you're content with that.

**COMMISSIONER:** I wouldn't mind having a - the witness described it before lunch as being a compliance agreement, but it didn't seem to have much to do with compliance but only with promotions.

**MR MEAGHER:** Yes, very well. In FM-2, Mr Operator, could you go to page 1443. This is a particularly brief agreement, and if you scroll down to the next page, you can see it's the compliance agreement, and it's executed in September and November 2015, between BUSSQ and the CFMEU, and -

**COMMISSIONER:** Just go back to the previous page, can you, and blow up the first clause and second clause.

**MR MEAGHER:** So you see the services are described as set out in item 3.

**COMMISSIONER:** What are the services?

**MR MEAGHER:** But before I come to that, if you look at 2, 2 in fact purports to describe services that are to be reported to BUSSQ, and you see there, 2.1 through to 2.5, the brevity of this agreement leaves much that is unknown. So, for example, in 2.5 it refers to a partnership. It's not otherwise defined or described in any way. But in 2.1 through to 2.4, you can see some matters that were considered, and then 3 over the page just contains a service fee.

**COMMISSIONER:** There are no services.

**MR MEAGHER:** Well, I think 2 purports to describe services, but -

**COMMISSIONER:** So you should read 1.1 as saying "as set out in item 2 of this agreement"?

**MR MEAGHER:** Well, I'm not going to contend for a proper construction of such an agreement of such brevity. Perhaps that's how it's meant to be read. So that's from 2015, and that covers -

**COMMISSIONER:** I understand.

**MR MEAGHER:** And that covers the period up until 2023. Mr Operator, if you can go to page 1464 of the same exhibit. This is a more detailed agreement, and you see the date of this agreement is 1 July 2023. And then the services here are particularly described in paragraph 2.

**COMMISSIONER:** They're the same services. They look like being very similar form to clause 2 of the previous agreement.

**MR MEAGHER:** They do. Paragraph 3 provides for the fee, which has increased slightly. And then, Mr Operator, if I can ask you just to go back to the normal version of the document so the Commissioner can see the execution, and there's a schedule to this agreement. It's executed by Mr Ingham on behalf of the CFMEU Qld/NT. And if you go - if you look at the top of the agreement, it's the QNTDB that is a party to this agreement. And then, Mr Operator, if I can ask you to go to page 1466, there's a schedule, and this schedule deals with confidentiality and use of the information and other matters such as intellectual property and so forth.

One of the terms of reference asks us to look at financial mismanagement by others that is relevant to the CFMEU. One point of concern that arises and is illuminated by the difference between these two agreements is that there was no proper provision for control of private information pursuant to the agreement from 2015, and that's a matter that may touch upon or be relevant to financial misconduct, albeit that would primarily be sheeted home to BUSSQ. I don't wish to say more about that agreement now, but it's just for the purpose of identifying the agreements referred to by the witness. And I'd wanted to take you to the disclosure statements in respect of the 2023 Multiplex agreements as well.

**COMMISSIONER:** I'm not sure why the union is being paid $150,000 a year. If you look at one of those clauses, clause 2.3, I think it was, or 2.4, 2(d), in effect, passing on member complaints to the superannuation fund. So a member says to the union, "I'm not being paid my super." The union tells the superannuation fund, "This employee is not being paid super." That's really the end of the job, isn't it? You can't - subject to all the rules that govern the privacy of the relationship between the member of the superannuation fund and the superannuation fund, what else is there for the union to do?

**MR MEAGHER:** It's 2.1(d), follow up on employers reported by BUSSQ as being in arrears with the monthly compliance. So that's making the contributions to BUSSQ.

**COMMISSIONER:** 2.1 -

**MR MEAGHER:** (d).

**COMMISSIONER:** Well, that's something.

**MR MEAGHER:** And then (e) is promoting the partnership and the arrears process. So the second part of (e) would seem to relate to (d).

**COMMISSIONER:** Is that legitimate for BUSSQ to tell the union that these employers are in arrears?

**MR MEAGHER:** That's what we're interested to look into. So that does potentially raise some concerns.

**COMMISSIONER:** If it is, then that seems reasonable, doesn't it, that -

**MR MEAGHER:** Perhaps.

**COMMISSIONER:** Depending how the CFMEU goes about enforcing the superannuation payments.

**MR MEAGHER:** Perhaps. It seems a somewhat curious arrangement, but anyway. In respect of the disclosure that was made in respect of the Multiplex agreement, if I could ask, Mr Operator, that you go to - in the FM-5 tender bundle, page 5314. Sorry, it's FM-2. Towards the top of this document, you see that it's schedule A - document for disclosure of benefits made pursuant to regulations in 179 and 179A of the Fair Work Act, and below the bold text under that, it notes that the document is prepared by Multiplex. And two paragraphs down, examples of benefits that must be disclosed include director's fees, management fees, brokerage fees, Commissions, dividends and trust and share distributions, and it refers again to those provisions.

**COMMISSIONER:** So this is all a product, if you just go back to that, those sections there, 179 and 179A - tell me if I'm wrong, but they were a function of the results of the Heydon Royal Commission investigating BERT.

**MR MEAGHER:** That's correct, yes.

**COMMISSIONER:** And as a result of the Heydon Royal Commission, these provisions were put in saying there had to be disclosure of these benefits, and at least - you're going to show me at least in part this was done.

**MR MEAGHER:** Yes. So if you go to the bottom half of the page, please, Mr Operator. And you see here the benefits that are disclosed. So in the second column, $150 per employee, and it's - the name of the beneficiary is the CFMEU in respect of the divisional branch - in other words, the federal organisation. The name of the financial benefit in the first column, the second paragraph under the first column describes the benefit. And when I refer at the very beginning today of one matter we were aware that had been disclosed, this is what I was referring to. So you can see the second paragraph there describes it. It's workplace impairment.

And if one goes to the next page, that's more particularly described, and there you can see what it is. So it's health and safety statistics, mental health, fatigue, illness and injury, chemicals, code requirements, legal/illegal drugs, harm, and understanding what is a standard drink. And this document, if you can go back to a normal view, please, Mr Operator, and then go to page 5315.

**COMMISSIONER:** That is 5315.

**MR MEAGHER:** Sorry, 5316. And you see this document here appears to be a very - almost a copy of it, except that this document is executed by Michael Ravbar on behalf of the union, on page 5317. And so that's effectively the counterpart. So that's a disclosure that I referred to in opening, and that's a disclosure that was read in respect of the Multiplex enterprise agreement.

**COMMISSIONER:** But there's no disclosure of the silica training, the asbestos training.

**MR MEAGHER:** No.

**COMMISSIONER:** No disclosure of the revenues from Future Skills. No disclosure of any of the revenues from the BERT Fund or the BEWT fund or the QCTF Fund or the insurance regime involving CIPL and Windsor - what's the M for in Windsor? Windsor -

**MR MEAGHER:** Windsor Management Insurance Brokers.

**COMMISSIONER:** Windsor Management Insurance Brokers or from BUSSQ.

**MR MEAGHER:** Yes, that's correct. And I think in response to a submission made by Mr O'Grady, you, if I might say respectfully, enunciated the point that we made in opening, that disclosure is the issue that is immediately apparent that arises from these matters.

**COMMISSIONER:** And it's not entirely clear whether, on your aide-mémoire, whether this is a disclosure of the mental health training under clause 27 or the workplace impairment training. It looks to be workplace impairment training, but one of the modules is mental health.

**MR MEAGHER:** Yes. So if you just look at the first page, in respect of the description, the benefits, the right-hand column, if that can just be enlarged. And the name of the provider, the employer and/or the BERT Fund may pay for the training. So that's the most that was said about who was going to provide the benefit.

**COMMISSIONER:** Why was this done? This seems very strange, to just pick out one payment or financial benefit that's disclosed and ignore one, two, three - well, about - somewhere between 10 or a dozen others. Do you have any idea why this was done?

**MR MEAGHER:** No.

**COMMISSIONER:** And is this consistent across the other EBAs you've looked at?

**MR MEAGHER:** We haven't been able to find disclosure in respect of them. It may exist, but we haven't found it. Mr Operator, can you go to FM-5 and page 60, and Ms Faulkner, if you could look at - it's page 52 of your report, part 6.9, the revenue from CIPL.

**MS FAULKNER:** Sure. So CIPL was in the Multiplex agreement as the recipient of the income protection insurance premiums. When I look at the CFMEU financial reports in the 10-year period, there's no separately recorded income from CIPL, but in the general ledger, I see CIPL revenue coming from a number of different categories, including sundry income and reimbursement, promotional charges, compliance recoveries, and directors and meeting fees. If Mr Operator could please highlight table 19. So this is the CFMEU revenue across those categories, which total 1.75 million in the 10-year period. So - do you want me to continue or pause for a moment?

**MR MEAGHER:** Yes, please continue.

**MS FAULKNER:** So on behalf of CIPL, we saw that Windsor Insurance Brokers arranged the insurance, so that was the next sort of avenue of inquiry.

**COMMISSIONER:** So what do you mean by that? That's your next avenue of inquiry?

**MS FAULKNER:** That's my section, sorry.

**COMMISSIONER:** Oh, it's coming up.

**MR MEAGHER:** Perhaps if you speak to that now, part 6.10.

**MS FAULKNER:** So in 6.10, again, we didn't see anything explicit in the financial report from Windsor Insurance Brokers, but in the general ledger, if Mr Operator could please put up table 20, the general ledger shows sponsorship fees and promotional costs from Windsor Insurance Brokers totalling 1.4 million in the 10-year period. So I have identified a referral/spotter agreement between Windsor Insurance Brokers and CFMEU, and this is set out in 6.10.6. If Mr Operator could please put 6.10.6, which goes over the page.

**MR MEAGHER:** It might be 6.10.7.

**MS FAULKNER:** Sorry.

**MR MEAGHER:** On page 63.

**MS FAULKNER:** Yes. So the agreement is dated 2014, and it includes a referral fee from Windsor Insurance Brokers to the CFMEU based on new business insurance applications that are unconditionally approved and where insurance is subsequently effected. It also covers where policies are unconditionally renewed, and it's subject to a maximum 20 per cent at the discretion of the licensee.

**COMMISSIONER:** I don't understand that. Why is there a referral fee? We looked at a clause that said the employer has to pay $100 a week, roughly, for each worker, which is not merely a member of the CFMEU, but an employee. There's roughly speaking 20,000 members in Queensland. Could be a bit less, a bit more. I think the Productivity Commission said there's 100,000 construction workers in its report, but that takes into account residential construction, so that figure's a bit high. So let's say 20 or 30 thousand employees in the areas in which the enterprise agreement might operate. You pay $500 - $100 a week, 5,000 a year, times 20,000 or 30,000, which is - what's that, 100 or 150 million a year that's coming in. Presumably that goes somewhere, to QBE. Where does that go? Where does that money go, the money that's coming in from the employers to -

**MS FAULKNER:** QBE. You're right.

**COMMISSIONER:** It goes to QBE.

**MS FAULKNER:** Yes, QBE is the underwriter.

**COMMISSIONER:** So they take 150 million a year in - 100, 150 million in the underwriting - sorry, in the premiums. What's Windsor Insurance Brokers doing in this arrangement?

**MS FAULKNER:** I mean, in this arrangement, they're paying a referral fee to the CFMEU, but in terms of the services that Windsor Insurance Brokers provide, I'm not clear at this stage.

**COMMISSIONER:** What are they paying a referral fee to the CFMEU for? Given all this money's coming in because of the enterprise agreement, the employers are paying for the insurance every week. I don't understand what the referral fee is for.

**MR MEAGHER:** And this is something that we need to inquire into in further detail, because it's not apparent to us either.

**COMMISSIONER:** There's no one to refer, is there?

**MR MEAGHER:** No, well, that's a striking observation, Commissioner, if I might say so respectfully.

**MS FAULKNER:** Point 3 also provides for advertising and promotion package of a maximum $100,000. And there's no end date to this agreement, no termination date that I've identified.

**COMMISSIONER:** Say that last bit again?

**MS FAULKNER:** There's no termination date, so the agreement is dated 2014 and appears to continue.

**COMMISSIONER:** This is just - if you go back to table 20 and put table 20 and 21 together, side by side, what is happening here, Ms Faulkner, in terms - there seems to be a massive increase from - well, I shouldn't say "massive increase", because there's a 421,000 figure in FY16, but the figures seem to be consistently larger in FY20 through to FY25.

**MS FAULKNER:** So agreed that the amounts are increasing. There was an increase in the sponsor fees payable. So below these tables, I have the CFMEUQ equivalent agreement between Windsor Insurance Brokers and CFMEUQ, and that contains details of sponsorship fees as well, but that is one element. So I'm not that clear on how it's gone from 300,000-odd to 466,000 in FY24, almost 500,000 in FY23.

**COMMISSIONER:** And you said you can't work out how it is that Windsor Insurance Brokers came to be appointed to this arrangement, whatever that arrangement might be. You hadn't yet found any evidence of any procurement process?

**MS FAULKNER:** No. I have not had access to that kind of information or any email correspondence that might explain the agreement or the genesis of the agreement.

**COMMISSIONER:** There's a lot of money sloshing around under this - just this clause of the agreement if it covers all employees in the industry who are covered by what I might loosely call the CFMEU pattern agreement. But you haven't looked into yet, where that - I could be out by 10, 20 million dollars, but where that 100 million or so, how it passes through the system each year?

**MS FAULKNER:** Not as yet, no.

**MR MEAGHER:** Just as to formation, Commissioner, in 6.10.10(iv), there's a convenient summary provided by Ms Faulkner that the agreement was signed by Mr Steven Tsalikidis and Mr Ravbar on behalf of the CFMEUQ on 21 August 2012. And then at 6.10.11, Ms Faulkner points out that there are two additional agreements between Windsor Insurance Brokers and the CFMEUQ. And perhaps, Ms Faulkner, if I could ask you to speak to those paragraphs in figure 11 and through to 6.10.15.

**MS FAULKNER:** Sure. If figure 11 could please be displayed. This is the sponsorship agreement between Windsor Insurance Brokers and fees payable to

CFMEUQ. In this agreement, which commenced in 2022 - 1 January '22 and ended 30 June '24, we could see that in six month one year and one year periods, there were sponsorship fees set out, $550,000. And then in figure 12, which is the agreement that preceded the first agreement from July '24 to June 2027, those figures go up to 220,000 per annum.

**MR MEAGHER:** So that's an additional agreement -

**MS FAULKNER:** Sorry, additional, yes.

**MR MEAGHER:** - to the one you've been shown before, if that makes sense.

**COMMISSIONER:** So it's additional to the referral fees?

**MR MEAGHER:** Yes.

**MS FAULKNER:** Yes.

**COMMISSIONER:** There's a sponsorship agreement as well?

**MR MEAGHER:** Yes.

**MS FAULKNER:** Yes.

**MR MEAGHER:** And again, if, Commissioner, you look at paragraph 6.10.15, you can see that Mr Steven Tsalikidis of Windsor Insurance Brokers, director and shareholder, signed the agreement on 1 July 2024, and Mr Hemal Patel, CFMEU's chief financial officer, signed the agreement on behalf of the CFMEUQ.

**COMMISSIONER:** Are those agreements in the report?

**MS FAULKNER:** Not at this stage.

**COMMISSIONER:** Not at this stage?

**MS FAULKNER:** No, they're not part of the annexures.

**MR MEAGHER:** We'll provide a reference to you. We've got them in a tender bundle, and we'll provide them to you. In the meantime, could I move on to the next one, Commissioner. Ms Faulkner, could I ask you to speak to Revenue from BERT Fund, part 6.11 of your report.

**MS FAULKNER:** So the BERT Fund was not separately identifiable as revenue in the CFMEU financial accounts, but if the table 22 could please be brought up. The general ledger provided breakdowns of promotional charges, sundry income and reimbursements, director/meeting fees, compliance recoveries and sponsorship income derived from the BERT Fund to the CFMEU.

**COMMISSIONER:** Could I just ask you a question.

**MS FAULKNER:** Yes.

**COMMISSIONER:** I saw there was a declaration that - in your declaration, there was some declaration - yes, there it is. The very last thing, 8.1.11:

"I declare that generative AI was not used in generating any part of the content of this report, the content of any annexure or exhibit."

How do you go about doing this, doing this sort of analysis? What do you -

**MS FAULKNER:** Excel.

**COMMISSIONER:** Right. And how long does it take to do this?

**MS FAULKNER:** It was a lot of work, and I have a team that I direct to do the work with me.

**COMMISSIONER:** And how many involved in preparing a report like this?

**MS FAULKNER:** Six. They're excellent, my team. They're watching now.

**COMMISSIONER:** And is this task you've done, is it difficult, is it easy compared to normal tasks? Is it -

**MS FAULKNER:** As a forensic accountant, this is what I do.

**COMMISSIONER:** Right. So this is -

**MS FAULKNER:** Yes, part and parcel. We took the financial records, we reconciled them to the general ledger to make sure that the information that I'm providing today flows back to the financial accounts, and then we do underlying analysis to understand where the money has come from, where it's flowing to. And depicting it visually, I think, helps to understand.

**MR MEAGHER:** Just on that - I perhaps should have done this at the beginning, Commissioner. Mr Operator, can you go to page 12 of the bundle, please. And under 1.2, Qualifications and Experience, you'll see there, Commissioner, that Ms Faulkner is a senior managing director at FTI in forensic and litigation consulting practice. In particular, she provides forensic accounting analysis, fraud and misconduct risk management and financial and regulatory investigation and remediation services. She has attached her curriculum vitae, but I wish to point out particularly under 1.2.2(vii) that Ms Faulkner has over 25 years of experience in two big four accounting firms, initially in assurance and advisory in the UK and Australia, followed by over 21 years in forensic services as a forensic partner, where she has led many engagements to investigate accounting irregularities, unreconciled balances and into allegations of fraud and misconduct. And I draw attention also to (viii), that Ms Faulkner was previously KPMG's global head of fraud and scam risk management from 2018 to 2024, and in that role she developed methodologies and tools to assist companies to uplift their fraud, misconduct and scam risk management. So that's the qualifications and experience of the witness.

**COMMISSIONER:** So Ms Faulkner knows what she's doing.

**MR MEAGHER:** She does.

**MS FAULKNER:** Thank you.

**MR MEAGHER:** And Mr Operator, could I ask you to go back to page 65, and 6.11, the BERT Fund revenue. Was there anything else you wish to explain in respect of that, Ms Faulkner, and particularly if I can draw your attention to paragraph 6.11.5 onwards. I'm uncertain - I can't recall if you covered that in your explanation.

**MS FAULKNER:** Just that the CFMEU revenue from BERT Fund was 2.1 million, and in addition, another 20,000 to CFMEUQ. But I don't have any contractual basis for that revenue from the BERT Group to the CFMEU or Q - CFMEUQ.

**COMMISSIONER:** What could be the basis for it? On your chart, there's -

**MS FAULKNER:** So the BERT Fund was the redundancy fund.

**COMMISSIONER:** Yes. That's what I was - I couldn't work out why the redundancy fund had been paying the CFMEU money. Leave aside this idea of a director of the redundancy fund donating their director's fees back, which may be the right thing to do, it may not be, but why else would the redundancy fund be paying the CFMEU money?

**MS FAULKNER:** So the promotional charges potentially for putting BERT Fund into the enterprise agreements, the director's meeting fees for attending those BERT meetings for the CFMEU officeholders, but then there's also sort of advertising and compliance fees in there, as well as sponsorship, for which it's unclear, the basis.

**COMMISSIONER:** I see advertising. Sponsorship at the bottom. And sponsorship at the top, too. Second and third rows.

**MS FAULKNER:** Yes.

**COMMISSIONER:** But you don't know the basis for this, because there's no agreement that you've seen that covers why these moneys were paid?

**MS FAULKNER:** That's right.

**COMMISSIONER:** It doesn't seem at all obvious why a fund that's set up to pay people who are, in effect, itinerant, itinerant - well, sorry, that's the wrong word - who change their employer but remain in the industry, to pay them a redundancy when they eventually leave the industry, despite the fact that they might not be entitled to one because from any particular employer they get one because they've worked in the industry for a period of time and then leave the industry, and leaving aside the director's fees going back to the CFMEU, why that fund, which should be devoting all its money to the workers who are being made redundant, would be paying anything back to the CFMEU. But maybe there's something in the trust deed that justifies all this.

**MR O'GRADY:** Again, Commissioner, I might be able to assist in general terms. My instructions are that BERT also has a training fund, and as I indicated to you before lunch, the BERT Training Fund and the CFMEU enter into agreements whereby the CFMEU provides training, in particular for apprentices, as I mentioned before lunch. Now, again, in due course, we'll put material before the Commission to set all this out, but I think that might be - I think it's not accurate to say that BERT is simply confining itself to the provision of, if you like, a redundancy fund. There's also a training component.

**COMMISSIONER:** I'm making that assumption on the basis of the chart that Ms Faulkner took us to earlier in her evidence. Can we pull up that chart which has the various income flows? This might be wrong or my understanding might be wrong. Do you know the one I'm talking about, Mr Meagher? The one with the various entities showing the funds flowing.

**MS FAULKNER:** Figure 7 is the BERT Group of entities.

**MR MEAGHER:** Is it just BERT that you want, Commissioner, or -

**COMMISSIONER:** It is.

**MR MEAGHER:** Figure 7, was it, Ms Faulkner?

**MS FAULKNER:** Yes.

**MR MEAGHER:** At page 41 of the bundle.

**COMMISSIONER:** Is that the one? The one that's got all the funds going to the various entities.

**MR MEAGHER:** Figure 19 is the one that showed the whole web.

**COMMISSIONER:** Yes.

**MR MEAGHER:** Yes. Page 26, figure 3. Is that the one?

**COMMISSIONER:** Yes, that's it. I see. So the BERT Fund sends money to the BERT Fund number 2, which then sends money to the training fund. So it's not right to say that it's restricted to - it's not a fund just for the payment of redundancy amounts for people who leave the industry. Is that the point?

**MR O'GRADY:** That's the point, Commissioner.

**COMMISSIONER:** Thank you.

**MR MEAGHER:** Mr Operator, can I ask to you go to page 67, and this is page 59 of your report, Ms Faulkner, and part 6.12, revenue from building employees welfare trust. Can I ask you to speak that?

**MS FAULKNER:** So BEWT is mentioned in the Multiplex enterprise agreement as the entity receiving the welfare payments but also training payments. We don't see any revenue directly in the CFMEU or CFMEUQ financial reports for BEWT, but if Mr Operator could please bring up table 24 -

**COMMISSIONER:** Just going back to 22, though, Mr O'Grady, I'm not sure that - anyway, you will have a chance to put material on and you can do it in due course, but I don't know if that answer really meets the - answers the question of why these revenues are described in that way, that $2.1 million in table 22, not 24, are coming from BERT and going to the CFMEU. But anyway, you can just take that on notice.

**MR O'GRADY:** Yes. Thank you, Commissioner.

**MR MEAGHER:** So please continue, Ms Faulkner.

**MS FAULKNER:** Table 24, please, Mr Operator. So the revenue from BEWT coming into the CFMEU was 232,000 over the 10-year period. There was no money going to CFMEUQ from BEWT, and then again I've not been provided documents to understand any sort of basis or contractual basis for this revenue into the CFMEU from BEWT.

**COMMISSIONER:** You probably haven't had the time to deal with any of this, because that was really the subject of your application yesterday, Mr O'Grady, but are you in any position to contradict Ms Faulkner that there's no agreements in relation to the moneys that are found in table 22 or 23 or 24?

**MR O'GRADY:** I haven't had a chance to make those inquiries.

**COMMISSIONER:** Too early.

**MR O'GRADY:** Yes.

**MR MEAGHER:** Then turning to part 6.13 on page 68 of the bundle, page 60 of Ms Faulkner's report, CFMEU and CFMEUQ revenue from other entities. Can you speak to that, please, Ms Faulkner.

**MS FAULKNER:** Sure. In this section, I haven't listed out the specific amounts, because these entities are not named in the Multiplex enterprise agreement, but have included them because the CFMEU and CFMEUQ are deriving revenue from these parties, and that may be related to enterprise agreements. Hall Payne Lawyers we've mentioned. Total Claims Solutions is related to the income protection insurance premium. Future Skills, CTC, CSQ are relating to training. Cbus, or United Super, is in the general ledger as well as paying revenue to the CFMEU, as well as that Asbestos Disease Support Society. And I set out in annexure J the further information that would help me finalise my analysis and provide more clarity as to the agreements or basis for the revenue that the CFMEU is generating from these parties.

**MR MEAGHER:** Then on page 69, you provide some detailed CFMEU sources of revenue analysis and most particularly in table 25, which you comment upon at paragraph 6.14.2. And yes, thank you, Mr Operator. That table, in fact, extends over the page. And could I ask you to speak to what you say about this analysis, Ms Faulkner?

**MS FAULKNER:** Sure. So table 25 contains all revenue sources. So it helps to understand the composition of the revenue from the different sources and how membership fees for CFMEU were the predominant source of revenue between '15 and '19 and then it became more the grant revenue as the predominant source of CFMEU revenue.

**MR MEAGHER:** Where you're referring to CFMEU in paragraph 6.14.2, you're using that to describe the two organisations together?

**MS FAULKNER:** No, this is just CFMEU.

**MR MEAGHER:** This is just the federally registered body?

**MS FAULKNER:** Yes, in table 25.

**MR MEAGHER:** Does that make sense to you, Commissioner?

**COMMISSIONER:** I'm just trying to work out, looking at this table, which of these amounts - obviously membership subscription is not part of it, but which of these amounts do you regard as part of the enterprise agreement ecosystem? I mean, dividend income - no, dividend income could be, yes. Change in fair value of investments isn't. Net gains from sale of assets, interest isn't.

**MS FAULKNER:** So table 26 shows that.

**COMMISSIONER:** Thank you.

**MS FAULKNER:** This is just everything for CFMEU. And then table 26, Mr Operator, please, in green shows those line items that relate to enterprise agreements for the CFMEU.

**COMMISSIONER:** Thank you. This is the federal entity still?

**MS FAULKNER:** Yes.

**MR MEAGHER:** Just while the Commissioner is looking at that, Ms Faulkner, could I ask to you speak to part 6.15 of your report.

**MS FAULKNER:** Yes, so as you can see in this table, the proportional contribution of the revenue remains broadly consistent, excepting for the membership subscriptions, which is outside of the green area, and the grants, where we see the grants steadily increasing. And that change in composition when membership subscriptions no longer were the predominant revenue source, grants appear to have been taking over in terms of the main revenue source for the CFMEU.

**COMMISSIONER:** Just remind me how they're made up. There's about four and a half million, which is a grant for apprentice training. Sorry, that's not right.

**MS FAULKNER:** That was the 45 million over the 10 years.

**COMMISSIONER:** 10 years, so four and a half million, but by the end of that 10 years it'd be a bit higher than four and a half, wouldn't it? Let me go back and look at it. Can you just tell me about that 7 million which is where those grants largely come from? I know you've gone through it before.

**MS FAULKNER:** Yes. It was the apprenticeship schemes.

**COMMISSIONER:** Yes, which would be the vast majority of that.

**MS FAULKNER:** And the agreements were with BERT Training Fund.

**COMMISSIONER:** Sorry, say that again?

**MS FAULKNER:** The agreements were with BERT Training Fund for those apprenticeships.

**MR MEAGHER:** It's page 56, Commissioner, table 15. It's page 48, Ms Faulkner, of your report.

**COMMISSIONER:** Yes. That's about 7 million out of that. Yes, it's almost all of it, isn't it? 6.9 million for the apprentice training scheme out of 7.1 million overall grants.

**MS FAULKNER:** Yes.

**COMMISSIONER:** But going back to table 26, have you done is similar report for the CFMEUQ?

**MS FAULKNER:** Yes. So that's table 28, I believe.

**COMMISSIONER:** Is it possible -

**MS FAULKNER:** 29, sorry.

**COMMISSIONER:** Is it possible to look at those side by side, or is it just going to be too complicated?

**MR MEAGHER:** That's page 76 of the bundle. It's a table of similar length.

**MS FAULKNER:** So table 29 is the -

**COMMISSIONER:** On page 79.

**MS FAULKNER:** - enterprise agreement related revenue.

**MR MEAGHER:** Sorry, page 79.

**MS FAULKNER:** Mr Operator, if you could please put table 29 - yes, thank you.

**COMMISSIONER:** Can you do that with table 26 as well, or is it too hard?

**MS FAULKNER:** I do have a consolidated table as well, if that's more helpful.

**COMMISSIONER:** Could I look at that?

**MS FAULKNER:** The consolidated table is 32, table 32.

**MR MEAGHER:** Page 82, I think - 85, sorry.

**COMMISSIONER:** It's hovered around 60 per cent, hasn't it, for the 10 years that membership was paid. This constituted about 60 per cent of the income.

**MS FAULKNER:** Yes, that's right.

**COMMISSIONER:** And the amounts that come from the enterprise agreement ecosystem are about 40 per cent, and by the time we get to '25, the gross figures are about 15 million, which is about 60 per cent of 24 million, and 9 million, which is about 40 per cent. Is there any utility in those figures - is there anything that those figures - I understand the point of membership subscription percentage. That's quite an important figure. And the summary of compliance recoveries, promotional charges, sponsorship income, directors/meeting fees, enterprise agreements, sundry income and reimbursements, grants, which add to about 40, which shows you how the income breaks down, but what about the next set of rows? What's the utility in those numbers there?

**MS FAULKNER:** It's just if you wanted to see the percentage increase or decrease, but I agree with you, the dollar absolute amounts and the percentage proportion of total revenue is clear enough, probably, to give you that breakdown of the membership subscriptions compared to the other sources of revenue.

**COMMISSIONER:** I mean, it's a huge part of the business model, is these payments that come from the enterprise agreement ecosystem. It's 40 per cent of the revenue fairly consistently for 10 years.

**MS FAULKNER:** Yes.

**MR MEAGHER:** And then perhaps if we look at page 86, table 33, just to finish this point, and can you speak to this, please, Ms Faulkner.

**MS FAULKNER:** Yes. So this is just a very high-level summary where we show that the membership subscriptions, comparing '15 to '25, have gone up 44 per cent, and the revenue that may relate to the enterprise agreement has also gone up significantly.

**COMMISSIONER:** You're not - that's not as a percentage of the total; that's how they've gone up in nominal terms over the 10 years?

**MS FAULKNER:** Yes.

**COMMISSIONER:** And I think I asked you a question about whether the membership subscription increase, that almost 50 per cent increase, was a result of increasing membership or increasing subscription - subs, that is, the rate at which the subs are levied, and I think your answer was you need to look into it. Was that right?

**MS FAULKNER:** That's right.

**MR MEAGHER:** Well, now I'm going to move to part 7, which concerns the answers to question 2, and that commences on page 87. And you see question 2 is set out there at 7.1.1, and it concerns mapping the money trail occurring and facilitated by the Multiplex enterprise agreement. And you've already heard this in summary, and indeed much of this has been touched upon in answers to question 1, but for the purpose of just ensuring that the opinion is clear and understood, I'm just going to ask Ms Faulkner to speak to various aspects of this. So, Mr Operator, can you go to page 88, and there you'll see part 7.3, question 2(a):

"Who the Multiplex enterprise agreement directed money to be paid to."

You've already described that, Ms Faulkner. Is there anything you need to add to that?

**MS FAULKNER:** That's been covered.

**MR MEAGHER:** And then page 89, part 7.4:

"Where the money flowed per the Multiplex enterprise agreement in the period 2023 to 2027."

Again, you've described this in summary. Is there anything you wish to add to that from paragraph 7.4.1 up to 7.4.7?

**MS FAULKNER:** Just with the BUSSQ, so we see them paying the trustee for BUSSQ in figure 14, paying compliance and sponsorship fees to the CFMEU, and I think we've covered that above.

**COMMISSIONER:** Can you say that again? I just missed that answer.

**MS FAULKNER:** So BUSSQ is paying compliance and sponsorship fees to the CFMEU, the trustee company.

**MR MEAGHER:** And you'll recall the agreements I took you to straight after lunch, Commissioner. That's what that is a reference to.

**COMMISSIONER:** It's up to you, Mr Meagher, but I think I'd be interested in also working out, if you go back to 7.4.3, this issue of the other beneficiaries. It's up to you if you want to have a look at the moneys going to the Plumbers Union, but of real interest to me is the moneys going to the Master Builders Queensland, because if those amounts are significant, it might explain why not a lot of attention has been focused - a lot of controversy has been raised about these arrangements.

**MR MEAGHER:** We'll certainly look into that, Commissioner. Ms Faulkner, is there anything else you wish to say in respect of paragraph 7.4.3?

**MS FAULKNER:** Not at this stage. I think we've covered it.

**MR MEAGHER:** Mr Operator, can you go to page 90, please, and you see here above 7.4.8!

"Recipients of insurance contributions paid to CIPL."

And could you perhaps expand that figure 15, Mr Operator. And Ms Faulkner, can you speak to this, please.

**MS FAULKNER:** So figure 15 shows the Multiplex agreement remitting income protection insurance contributions to the construction or to CIPL, and then from that, the money then flows to the BERT Group in management, accounting and administrative service fees; CFMEU and Q in compliance, sponsorship and advertising fees; insurance broker fees to Windsor Insurance Brokers; and then claims compensation to Multiplex employees. We then see further money flowing from BERT Group down to the Plumbers Union as welfare distribution and scholarship funding agreements.

**COMMISSIONER:** You haven't got QBE on this list. Where does the - the vast majority of the money should be going to QBE.

**MS FAULKNER:** Yeah, you're right, QBE, and then there's Total Claims Solutions, which is the claims manager, also should be on this image. If Mr Operator could go to table 34. Is that okay?

**MR MEAGHER:** Yes.

**MS FAULKNER:** It's just part of the explanation.

**COMMISSIONER:** Sorry, just going back to that, do you know what the - at this stage, do you know what the moneys going to BERT - just going back to that last - you've given evidence about these compliance sponsorships and advertising fees and the fact that you - in many cases, you haven't yet found any agreements that explain what they're for in terms of the moneys going to the CFMEU and the CFMEUQ. What about the moneys going to - leave aside the claims compensation, that's pretty straightforward, but the insurance broker fee and the management accounting and administrative service fees to BERT?

**MS FAULKNER:** So the quantum is in table 34. If Mr Operator could please bring that one up.

**MR MEAGHER:** That's page 91 of the bundle.

**MS FAULKNER:** So this table shows both the revenue coming in to CIPL and the amounts going out to the CFMEU, the Plumbers Union and the BERT fund. In terms of the level of expenditure, about 11 to 12 per cent outside of insurance premiums is going to the CFMEU, 5 to 6 per cent going to the Plumbers Union and 48 to 55 per cent going to BERT fund No2.

**COMMISSIONER:** And this is for what?

**MS FAULKNER:** This is the money flowing from CIPL to the other entities outside of the insurance premiums, which is probably the QBE at the top, number (b), the negative 20 million to 30 million.

**MR MEAGHER:** That answers your question a moment ago about QBE not being on the diagram. It's represented here, Commissioner.

**COMMISSIONER:** It's a lot less than I thought. I had it around 100 million on my maths, and it's only about 30 million. I wonder why that -

**MR MEAGHER:** This is just the Multiplex enterprise agreement.

**COMMISSIONER:** No, it's not. It's -

**MR MEAGHER:** No, sorry.

**MS FAULKNER:** It's inclusive.

**MR MEAGHER:** Yes. It's a three-year period. Did you have in mind 100 million over a longer period?

**COMMISSIONER:** I just did the maths of 20,000 members times 5,000 a year, $100 a week. That gets you 100 million. So I think my maths is okay. It's obviously one of those integers is wrong.

**MR MEAGHER:** Well, of course there are other possibilities.

**COMMISSIONER:** Anyway, it's still a lot of money flowing through the system, 30 million. It does suggest that only 7,000 or so employees at - sorry, 5,000 - yes, about six and a half thousand employees are covered, which just seems very low. Anyway, that's something to look into.

**MR MEAGHER:** Ms Faulkner, can I ask you just to speak to what you say at paragraph 7.4.11.

**MS FAULKNER:** So just below the table, the composition of the payments going outside of CIPL or from CIPL to other entities, we see to CFMEU, around 140, 150 thousand dollars a year; Plumbers Union, 67 to 70,000 a year; and the BERT fund, 550-odd to 728 thousand a year.

**MR MEAGHER:** And can you speak to the paragraphs - the paragraph below that as well, please.

**MS FAULKNER:** So I also call out Windsor Insurance Brokers here, because I've identified an agreement between CIPL, Windsor and QBE, which covers 2022 to 2026, and in this agreement CIPL engages Windsor as the insurance broker to provide the insurance product, but I don't have sufficient details to understand where any transactions might be accounted for in CIPL records to separately identify Windsor Insurance Brokers.

**COMMISSIONER:** There should be something going to the insurance brokers, shouldn't there, if they're actual insurance brokers? If there's 30 million roughly coming in and CIPL clip the ticket and take 10 per cent itself, or 5 per cent - 10 per cent gross, 5 per cent net - part of the outgoings should be not only the moneys paid to QBE, which are in red - I assume that's QBE there.

**MS FAULKNER:** I assume it is as well, but it's not explicit.

**COMMISSIONER:** Well, could Windsor Management Insurance Brokers be - the moneys paid to them found in those large amounts, 30 million in 2025?

**MS FAULKNER:** I think there's more work to do just to confirm that.

**COMMISSIONER:** Once again, it might be something you need to look into, Ms Faulkner, but what are CIPL doing to generate that return, the million dollars a year or half a million in '23, a million in '25, FY25? What's the service they're providing?

**MS FAULKNER:** Sorry, which entity?

**COMMISSIONER:** CIPL.

**MS FAULKNER:** So they're the entity that the insurance - the income protection insurance premiums are paid to under the Multiplex enterprise agreement.

**COMMISSIONER:** Yes, so they receive money from all the employers?

**MS FAULKNER:** Yes.

**COMMISSIONER:** And then they -

**MS FAULKNER:** They're spending it on insurance premiums, and then money is going also to CFMEU, Plumbers Union and BERT Fund No2. The other expenditure at the bottom is more sort of operational expenses, and there is income tax expense for this entity.

**COMMISSIONER:** It's not exempt from income tax. This might be a question to take on notice, Mr Meagher, but is this a common way of setting up this sort of arrangement, a group insurance arrangement? Leave aside the payments to the CFMEU and the Plumbers Union and BERT Fund No2 - I just wonder why this has been done, but maybe there's a good reason for it.

**MR MEAGHER:** In response to the question as to whether or not it's common, it turns on what Windsor was actually doing and whether or not it was properly licensed and paid what one would expect to be a reasonable fee for those services. So, for example, there can be an intermediary between a broker and an underwriter, and that would usually be done by way of an underwriting agreement between the intermediary and the insurer, and usually the intermediary in that circumstance has either limitations upon the insurance it can write or authorisation to write insurance subject to express authorisation being provided by the underwriter.

So you'd expect to see those sorts of agreements if that is the nature of the relationship. We don't know whether or not it is. But the sponsorship agreement - or sorry, the agreement that Ms Faulkner has referred to at paragraph 7.4.11 between CIPL and Windsor Management Insurance Brokers, if you look at FM-5, 2731, I believe this is the agreement, and I'll just have that brought up on the screen. So you see here the parties to this agreement are the CFMEUQ and Windsor Management Insurance Brokers, and it's described as the sponsoring entity, and in the introduction, which is a recital -

**COMMISSIONER:** Why have they chosen a Victorian insurance broker? Did this entity come recommended from the Victorian branch of the CFMEU?

**MR MEAGHER:** We don't know yet. And you see the recitals under the word "Introduction" there, and the - if one scrolls down to page 2734, clause 2 provides the agreement of sponsorship services, and provides for fees, and 2.4 exclusivity of sponsorship rights. Then if one scrolls down to page 2741, the names of the people who executed it can be identified, so Mr Steven Tsalikidis is a director and shareholder of Windsor Management Insurance Brokers, and below his signature is Mr Michael Ravbar as secretary, and then if you go to the next page, 2742, you see in this schedule in the bottom line item, Sponsorship Services, and these are described; it goes over the page.

And it doesn't appear from this that the services provided were of the nature that I described a moment ago in response to your question as to whether or not this is normal, and the sponsorship fees there are noted as well, and indeed, you may recognise them from Ms Faulkner's report.

**COMMISSIONER:** Just remind me who owns CIPL. Is that 50 per cent CFMEU, 50 per cent Queensland MBA?

**MS FAULKNER:** So it's 50 per cent Queensland MBA, and then we're not sure on the other 50 per cent, but the CFMEU and CFMEUQ both received a dividend, which would suggest some ownership.

**COMMISSIONER:** Did you want to say something, Mr O'Grady?

**MR O'GRADY:** No, Commissioner.

**MR MEAGHER:** And I can take you to the earlier agreements that were referred to in respect of this entity, if that's helpful.

**COMMISSIONER:** No, it sounds like you've got a bit of digging to do, and we'll be seeing Ms Faulkner again at some stage.

**MR MEAGHER:** Can you go to page 92, please, of the bundle, and paragraph 7.4.12 under the heading Recipients of Multiplex EA Redundancy and Welfare Contributions Paid to the BERT Group. Can you speak to this, please, Ms Faulkner.

**MS FAULKNER:** So this is the Multiplex agreement payments to both the BERT Fund and BEWT. So we see the money going from Multiplex to these entities, and then in terms of the recipients of those funds, some of the Multiplex employees might receive redundancy payments. We see welfare distributions, apprenticeship, scholarship funding going to the Plumbers Union, scholarship apprenticeship funding also to QMBA, and welfare distributions and apprenticeship funding to CFMEU and CFMEUQ.

**MR MEAGHER:** And then at 7.4.15, under the heading BERT Fund, and indeed, continuing on to and including table 35, can you speak to each of those matters, please.

**MS FAULKNER:** So the Multiplex agreement, enterprise agreement, provides for payments to BERT Fund, but we don't actually see Multiplex paying to that specific fund. Instead, we see them paying to BERT No2.

**MR MEAGHER:** And then BEWT?

**MS FAULKNER:** So for BEWT, we see 100 per cent of their funding going to the BERT training fund.

**MR MEAGHER:** And then the BERT training fund itself.

**MS FAULKNER:** So if Mr Operator could please bring up table 35. Here we see the BERT training fund being the recipient of the money from BEWT and BERT Fund No2 and then expanding that money in terms of grants to both the CFMEU, about 65 per cent; Plumbers Union, 22 per cent; and QMBA, 1 to 3 per cent. And those distributions of those grants are set out in table 36.

**MR MEAGHER:** Can you bring that up, please, Mr Operator.

**MS FAULKNER:** So some of the increasing grants that we saw above are from this entity.

**MR MEAGHER:** And then, Ms Faulkner, at paragraph 7.4.20 under the heading BERT Welfare Limited, can you speak to that please?

**COMMISSIONER:** I wonder why the grants to - anyway, this is something you'll look at - to Queensland Master Builders Association are so small by comparison. Anyway, that's something to look at.

**MS FAULKNER:** So if Mr Operator could please bring up table 37. So in terms of BERT Welfare Limited, we see income from BERT Fund No2 and BERT Fund coming in, as well as some other revenue, consulting revenue from BERT Fund No2, and then in terms of money going out, there's money there remitted to the CFMEU, around 550 to 730 thousand a year, and the Plumbers Union, 200 to 400 a year, and then other welfare distributions, which are not explicitly named who they're going to.

**COMMISSIONER:** That looks like a big amount, the other welfare distributions. It's $3 million a year.

**MS FAULKNER:** Yes.

**COMMISSIONER:** And it's not identified.

**MS FAULKNER:** Not specifically as to who the money is going to.

**COMMISSIONER:** It's a very large proportion of the total income. For example, in '23, it's close to half, 40 per cent or so. It's 20 per cent or so of FY25, and it's not identified. What do you have to do to get to the bottom of that?

**MS FAULKNER:** So this is the BERT Welfare financial records, financial accounts, so any sort of source records, general ledger, underlying transactions would help to understand what's in those distributions, who they went to.

**COMMISSIONER:** The largest welfare distributions by an order of magnitude. Or not quite an order of magnitude; that's not right. But three, four, five times the size of the distributions to the CFMEU and Plumbers are to these so-called other welfare distributions.

**MS FAULKNER:** They may be going directly to employees; it's just not clear.

**MR MEAGHER:** On page 96 of the bundle, part 7.5, you answer question 2C in detail. This is referral fees or other financial benefits occurring under or facilitated by the Multiplex enterprise agreement and evidence of this relating to money directly or indirectly flowing to third parties. Can you speak to this from paragraph 7.5.1 onwards?

**MS FAULKNER:** So this is limited to the period of the Multiplex enterprise agreement and where I have financial records, so between 2023 and 2025. The analysis identified that there were payments or financial benefits that appear to relate to the Multiplex enterprise agreement, where we're seeing - if we can bring up, please, the table 38, 39, thank you - the summary of the value of the transactions between the Multiplex EA entities and the CFMEU and CFMEUQ. So you can see here for CFMEU, it was from CIPL and BERT, and CFMEUQ, it was from BUSSQ and BERT in this period.

**MR MEAGHER:** And -

**COMMISSIONER:** Sorry, I don't follow what this is showing. What's this trying to show, that just from those two - sorry, those three entities, CIPL, BERT and BUSSQ, there are those amounts?

**MS FAULKNER:** Yes, in terms of being considered - well, it was a payment, so whether it's considered a referral fee or other financial benefit, going to the CFMEU, relating to the Multiplex enterprise agreement.

**COMMISSIONER:** But what's the utility of this analysis? What's it showing?

**MS FAULKNER:** I was just asked to look at the Multiplex enterprise agreement between '23 and '25, so just a narrow period related to that one agreement, and then to isolate what might be a referral fee from another entity. So it is similar to the question 1 analysis, but it's for a shorter period and limited to this agreement.

**COMMISSIONER:** I don't think that's right. I don't think it is limited to this agreement, is it, having regard to the numbers? It's limited to this agreement or agreements of that type, but it couldn't be just the Multiplex EA agreement by itself. It just wouldn't cover enough people, would it, to generate those sort of revenues?

**MS FAULKNER:** You're right. Also because it's not separately identifiable in the numbers. Yes, you're right.

**COMMISSIONER:** There you go. But what does it tell you? The take-home figure that - the evidence you've given is that for 10 years, as membership moved from 10 million to 15 million, the moneys received from the enterprise agreement ecosystem moved from 5 million to close to 10 million - 9 million - and the moneys as a percentage, they both increased by about - close to - or over 50 per cent, 70 per cent, in the terms of the moneys from enterprise agreement ecosystem and close to 50 per cent in terms of membership. And with some ups and downs, the business model worked on the basis that there was about 60 per cent of the revenue coming in through membership fees and about 40 per cent through the enterprise agreement ecosystem. What does this graph add to that analysis? It's not a graph; table, I should say.

**MS FAULKNER:** I don't think it adds that much. It was just a question I was asked to answer.

**COMMISSIONER:** Okay.

**MR MEAGHER:** And then that's the same for - that issue might arise in respect of some of these subsequent matters as well, but -

**COMMISSIONER:** You might not need to go to them. If they're just the building blocks for that bigger-picture point, unless there's some point to it, they're just all going to add to 5 million in 2015 or close to 9 million in 2025. Across both entities, I mean.

**MR MEAGHER:** Yes. Yes, no, I follow. Yes. They are breakdowns that feed into the bigger figure, so -

**COMMISSIONER:** I think we understand the bigger picture.

**MR MEAGHER:** Yes.

**COMMISSIONER:** What we don't understand - and this is what Ms Faulkner is going to go away and do, I assume you're going to ask her to do, is not so much break down - I'm using your aide-mémoire - not break down, in effect, the constituent elements of those payments to the CFMEU and CFMEUQ, unless you ask her to, that add up to that 5 million in 2015 or 9 million in 2025, because that's been largely done, but rather, dig into, in effect, the third parties who are hanging off the ecosystem and to see where the moneys are moving in that part of the system.

**MR MEAGHER:** Yes, that's correct. If I can just go to just two more aspects that I think might be of interest. We can move on if they're not. But page 101 of the bundle, which is under the heading Hall Payne Lawyers, it's page 93 of the report, Ms Faulkner. Just because you asked a question about Hall Payne, Commissioner, there's some analysis here. Can you speak to this part of the report, Ms Faulkner?

**MS FAULKNER:** Sure. So Hall Payne we identified as the law firm who drafted a service agreement between the CFMEU and CFMEUQ in August 2020, and then we identified revenue generated from Hall Payne, which is set out in table 48 there, across a number of different revenue categories. It was predominantly in the earlier years, calendar year '15 and '16, and also the year-to-date '17 is only a three-month period, because the CFMEU changed year ends from December to end of March. But you can see in total across the two CFMEU entities that Hall Payne remitted around $350,000, but that does include some rent in the earlier years.

**COMMISSIONER:** What do you say about this, Mr Meagher? I mean, leave the rent aside.

**MR MEAGHER:** It needs to be the subject of further information-gathering, because there may be some valid explanation, and I don't wish to cast any aspersions in the meantime. It seems somewhat unusual for a law firm to be paying promotional costs to a union, but perhaps that's an accepted practice that I'm not aware of.

**COMMISSIONER:** All right.

**MR MEAGHER:** The apprentice funding is a particularly - it seems an unusual category of revenue for a law firm to be engaging in, but perhaps it's been misdescribed -

**COMMISSIONER:** It's not revenue; it's expenditure.

**MR MEAGHER:** Yes, sorry, recorded as revenue in the accounts of the union. So that seems an unusual item for a law firm, but perhaps it's been misdescribed or there's some other explanation. Ms Faulkner, in the footnotes to this table, footnotes 405 and footnote 406, you make some comments about the negative amounts in this table. Can you just explain them to the Commission?

**MS FAULKNER:** So this applies not just to this table but some of the other tables, where there are negative amounts in the revenue category. Typically I would consider them to be expense, not revenue, but reflected what has been reflected in the accounts of these entities and the CFMEU, where I've had those third-party financial reports. So here, you can see there are the red negative balances within the revenue category, which might be reversals. But yeah, I don't have the underlying journals or records to explain those negative balances within revenue.

**COMMISSIONER:** Why would you put a negative balance on the revenue side of the ledger? Why wouldn't you have it on the expense side? Are there reasons for doing that? I'm just not familiar enough with the Australian Accounting Standards to know.

**MS FAULKNER:** It's part of the general ledger, so it could be just a reversal for an error, or - I'd be speculating as to why they were doing it. And across different ledger accounts, which is unusual. So if you were going to reverse an item, you would do it within the same general ledger account, but you can see they're reversing - or if they are reversing, it's across different general ledger accounts.

**COMMISSIONER:** What does that suggest to you?

**MS FAULKNER:** I'm just not sure how they're accounting for things. Questionable accounting. But more, you know, from an error rather than misconduct.

**COMMISSIONER:** But you need to look into that further?

**MS FAULKNER:** Yes.

**MR MEAGHER:** That concludes my questions, Commissioner, and subject to, of course, you granting leave pursuant to any application for the witness to be cross-examined, may the witness be excused?

**COMMISSIONER:** Yes. You're excused, Ms Faulkner. Thank you for your evidence. It may be necessary to come back, either because you produce another report or because there's a need to cross-examine you. But I wonder if you might just wait in the body of the hearing room for a moment, just while we talk about some administrative arrangements.

**MS FAULKNER:** Sure.

**<THE WITNESS WAS RELEASED**

**COMMISSIONER:** I'm going to be hard pressed to deny Mr O'Grady, Mr Clift and Mr Massy the ability to cross-examine this witness if they so desire, having regard to the nature of the report.

**MR MEAGHER:** Yes.

**COMMISSIONER:** It seems -

**MR MEAGHER:** I would have thought - I've communicated to my learned friends that although it's not within my power, I think it would be reasonable to grant them - you know, generally speaking, certainly in a court proceeding, you would grant them, you know, six weeks or something like that, because they may well need to retain their own experts to be able to decide whether or not they want to respond. And of course they can apply for an extension. But that's what I would suggest, something in that order. Or you may wish to put no timeframe on it.

**COMMISSIONER:** Well, it just seems to me that there's a couple of ways we could proceed. One is whatever timeframe you agree - and that timeframe seems reasonable, subject to asking for an extension - you come back and cross-examine Ms Faulkner on this report, or it sounds like you're going to ask her to produce another report or further reports. You can do it at some later stage when the other reports are filed, or it's really up to you and Mr O'Grady and -

**MR O'GRADY:** I was going to suggest the second alternative, Commissioner. It doesn't seem to make a lot of sense for us to do it in bits and then have Ms Faulkner have to come back again. And, of course, the advantage of that option is that it means that we can start doing some preparation, dealing with what we've got, whilst the other report is being generated. So it might be quicker in the long run in any event.

**COMMISSIONER:** Yes. And it's the nature of - as I said in relation to your - the second matter you raised yesterday, because inquiry moves around a little bit, you might find you're cross-examining on this report and it doesn't quite assume the importance in three months' time that you thought it did.

**MR O'GRADY:** Indeed, and that's another reason why option number 2 is preferred.

**COMMISSIONER:** What's your view, Mr Clift, about this?

**MR CLIFT:** I agree with Mr O'Grady, if the Commission pleases. Doesn't seem to be much utility in cross-examining on an interim report at this stage.

**COMMISSIONER:** And Mr Massy?

**MR MASSY:** Same for my clients. Thank you.

**COMMISSIONER:** Well, perhaps you can have a conversation with Mr O'Grady - I didn't ask you, Mr de Jersey. I didn't assume you would be terribly interested in the -

**MR DE JERSEY:** Option 2 does seem to be the most efficient way to proceed.

**COMMISSIONER:** Say again?

**MR DE JERSEY:** Option 2 does seem to be the most efficient way to proceed.

**COMMISSIONER:** Thank you. Perhaps you could have a conversation, Mr O'Grady and Ms Fox, and Mr de Jersey and Mr Clift, Mr Massy, and come to some arrangement that's satisfactory.

**MR MEAGHER:** Yes, I would be content with the second option as well, Commissioner, but I will do so.

**COMMISSIONER:** And I think, given the nature of the reports, I know we're aiming to get the witness statements, subject to something being urgent, to the parties who are represented three to five days before a hearing, but I think a report of this nature, they need to be given more than three to five days. They need to be given a couple of weeks at least, and even that might not be enough.

**MR MEAGHER:** For what it's worth, I wouldn't - I think we've provided more than 9,000 pages just as appendices and documents that that report refers to. So I myself would certainly not be standing here saying that even with a couple of weeks' notice, that they must be put to a decision as to whether or not they're going to apply for leave. I really would expect them to want much more time.

**COMMISSIONER:** It's one of the questions I asked Ms Faulkner about how you prepare these reports. She had a team of six, I think she said, working for a few weeks. So we just have to make sure we give the parties represented sufficient time.

**MR MEAGHER:** Yes. For what it's worth, I mean, there would be considerable benefit to the Commission in receiving expert reports opposing, because typically they would disclose, for example, some of the evidence that - or information that Mr O'Grady has referred to, and it would be of utility for Ms Faulkner and her team to be able to consider anything that is relied upon by the other side, because they might have access to records that we don't yet have access to.

**COMMISSIONER:** You're not suggesting a timetabling process where there's, in the absence of a hearing, some filing and serving of reports and opportunities to file and serve reports in response and then coming back, are you?

**MR MEAGHER:** Well, it's something that's entertained my mind. I'm not proposing it at the moment, because it might depend on where we get to with our own inquiries. But particularly if things are in the space of what I would be wanting to submit is illegitimate conduct, as opposed to unlawful conduct - that is, the exploitation of rights, lawful rights in what in my submission would be a morally repugnant way, then that is very likely to be opposed by those on the other side of the bar table. And for your deliberations, I think it would be beneficial to have competing views. I think that adversarial context is very useful in narrowing what really is in issue and of assistance to you.

**COMMISSIONER:** All right. Well, you can have a conversation with the representatives of the other parties and work out which way you want to go forward with that.

**MR MEAGHER:** Yes, and of course, they may not wish to engage in that, but yes.

**COMMISSIONER:** Can you tell me about tomorrow?

**MR MEAGHER:** Yes. So tomorrow commences at 9 am, and the two experts, the two professors, will be giving evidence remotely from Cambridge and Oxford, and the first of them is Professor Federico Varese and the second is Professor Paolo Campana, and they will give evidence in respect of organised criminal governance, how it works and what it does, how it has been detected elsewhere, the risks associated with it and the relevance of it to the activities of this particular union. There will also be some evidence as to the employment methods used in other jurisdictions to identify the ambit of the activities of such organisations, and some discussion by the experts as to what laws and measures have been useful in preventing the risk of such an organisation developing and flourishing.

**COMMISSIONER:** And I think the position that you agreed with with Mr O'Grady - and I'm sure Mr de Jersey doesn't want to cross-examine, but I'll ask him and Mr Clift and Mr Massy - was that you weren't going to require Mr O'Grady to apply to cross-examine these two witnesses this week? Was that where you got to yesterday? I remember it was in relation to Ms Faulkner, but I couldn't remember what you said about the two witnesses, the two experts.

**MR MEAGHER:** Yes, that's correct. So if Mr O'Grady comes back in some reasonable period of time - I don't mean days, but if he has some time to consider it - I wouldn't object to that. Again, it's something that may be of utility, if there's some competing expert that says what they say is wrong. We'll be surprised by that, because certainly, Professor Varese is retained by a great many leading global institutions and, indeed, governments to advise on these matters, and I think it's correct to say he's probably the pre-eminent global expert in this space.

**COMMISSIONER:** You can always find a competing expert, Mr Meagher. Does anyone else have any applications to make?

**MR O'GRADY:** Not so much an application. I would seek to very briefly put three matters on the record, if I may. The first matter is that, as you've acknowledged, that the evidence today is very much focused on revenue. It obviously says nothing about the profitability of any particular item, and that's hopefully going to be the subject of further evidence.

The second matter is there has been a focus on the cumulative total over a 10-year period. In my submission, it's not surprising that an organisation of my client's size, over a 10-year period, you are going to be talking about significant amounts of money. It does seem to me that those figures need to be looked at not just on the aggregate basis but also on the annual basis.

And the last matter is that, for those 10 years, eight of those 10 years pre-dated the appointment of the administrator and nine of them pre-dated the High Court handing down its decision in Ravbar, and to the extent to which they do include times when the administrator was operating and the High Court Ravbar decision had been handed down, my client of course remained bound by enterprise agreements that had been entered into prior to that time. If the Commission pleases.

**COMMISSIONER:** Thank you. Anything from anyone else? No? All right. We'll adjourn till 9 am tomorrow.

**<THE HEARING ADJOURNED AT 3.43 PM**