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

STATEMENT OF NEIL SCALES

I, **NEIL SCALES OBE**, of care of Crown Law, Level 11, State Law Building Brisbane in the State of Queensland, solemnly and sincerely declare:

Preliminary matters

1. I have prepared this statement to assist the Commission of Inquiry into the CFMEU and Misconduct in the Construction Industry including to respond to a notice issued by the Commission (**Notice**).
2. Having regard to the terms of the Notice, I acknowledge that there may be further information I could provide to the Commission which is, strictly speaking, relevant to the terms. I confirm the matters below are the most significant which I recall as per the terms of the Notice and in the time available. If the Commission would like further information on any particular topic, I am able to provide a supplementary statement to further assist the Commission.
3. I have given my best recollection as to what occurred based on memory and from refreshing myself with available records.

General

(a) Qualifications and work history

4. I provide this statement in response to Notice no. 2598 dated 2 December 2025 from the Commission.
5. My working life began at the age of 16 when I was indentured as an apprentice electrician on 4 September 1972 in Sunderland, England. I successfully completed that apprenticeship over the requisite four year period before commencing work as a



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qualified electrician on 1 October 1977. For the first twelve months, I worked on the workshop floor before securing a position as an assistant engineer with the Tyne and Wear passenger transport executive (now branded as Nexus). Tyne and Wear was a metro system which operated both above and below ground light rail passenger transport in the north-western England. In that role I assisted in the procurement of vehicles, specifications, draughting work, finding solutions to operational problems and continuing policy development. I subsequently worked in a variety of transport related roles before joining Merseytravel in 1997, the public transport body and the passenger transport responsible for public transports and associated functions in Liverpool, United Kingdom. I held the role of Chief Executive and Director-General of Merseytravel for over 13 years until 2012.

6. My qualifications that I have obtained in leadership, business and engineering including relevantly:

- a) Vincent Fairfax Fellowship (VFF), anchored in moral decision making and ethical leadership;
- b) Ordinary National Certificate (ONC (Eng));
- c) Higher National Certificate (HNC (EENG));
- d) Bachelor of Science (BSc (Eng));
- e) Qualified Electrician (UK);
- f) Chartered Engineer (E.Eng (UK));
- g) Master of Science (Control Engineering and Computer Systems) (MSc (ContEng&CompSys));
- h) Diploma in Management Studies (DMS);
- i) Master of Business Administration (MBA);
- j) Professional Fellow Engineers Australia / Chartered Engineer (FIEAust CPEng);
- k) Engineering Executive (EngExec);

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- l) Engineer NER National Engineering Register; Engineer, APEC Register of Asia Pacific Economic Cooperation Engineer; and Engineer, IntPE (Aus) Register of International Professional Engineers Australia (NER APEC Engineer Int PE (Aus));
 - m) Fellow, Institution of Mechanical Engineers (FIMechE);
 - n) Fellow, Institution of Engineering and Technology UK (FIET);
 - o) Fellow, Institution of Civil Engineers (UK) (FICE);
 - p) Fellow, Chartered Institute of Logistics and Transport (FCILT);
 - q) Fellow, Society of Operations Engineers (FSOE);
 - r) Registered Professional Engineer in Queensland (RPEQ);
 - s) Member of Australian Institute of Company Directors (MAIC);
 - t) Fellow Royal Society of Arts; and
 - u) Qualified Electrician (UK).
7. I am currently self-employed as a consultant and hold a number of board positions, with a focus on advising on strategy, engineering, transport, leadership, change management and supporting young people and first nations initiatives. Those positions are with the following entities:
- a) High Speed Rail Authority;
 - b) Tourism and Transport Forum;
 - c) Avada Traffic Ltd;
 - d) Binna Burra Lodge Ltd;
 - e) Queensland Transport Logistics Council;
 - f) BAMA, A Cape York Partnership Company;
 - g) Member of Council – Centre for Pavement Engineering Education;


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- h) PCYC Queensland; and
 - i) Honorary Treasurer IPAA Queensland.
8. In my career, I have also worked for the World Bank and the European Commission doing transport and engineering projects, and policy development and implementation.
9. I have been the recipient of:
- a) an Order of the British Empire (OBE) awarded in 2008 for services to public transport in the United Kingdom;
 - b) an Honorary Fellowship from Liverpool John Moores University (Hon FLJMU);
 - c) the John Shaw Medal, the highest accolade in the Australian Road Industry;
 - d) the Austroads medal, for work undertaken on national standards for Australia and New Zealand; and
 - e) the National Emergency Medal with bars, for rendering sustained and significant service during nationally significant emergencies in Australia.
10. I am an Adjunct Professor in the school of Civil and Environmental Engineering at Queensland University of Technology.
- (b) *Roles, duties and responsibilities in Department of Transport and Main Roads*
11. In 2011 whilst in the UK, I was approached to become the Chief Executive Officer of TransLink in Queensland. TransLink at that time was a separate statutory body under the *Transport Operations (TransLink Transit Authority) Act 2008* (Qld). I took up that role after a merit-based process in March 2012.
12. Not long afterwards, following a State election, TransLink's governing Act was repealed and TransLink became a division of DTMR rather than a separate entity. I became a Deputy Director-General in DTMR in charge of the TransLink division which was a State-wide role.



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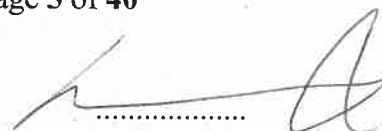


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13. On 26 October 2012, I was appointed Acting Director-General of DTMR. I was formally appointed Director General (**DG**) of that Department in March 2013, following a merit-based process.
14. I was also a member of the board of directors of the Cross River Rail Delivery Authority (**CRRDA**) from its establishment in April 2017 to the end of my role as DG of DTMR. I was the chair of CRRDA from around November 2020 until June 2023. The CRRDA has its own Act and was set up to deliver one specific project.
15. In my experience, it is not common for DG roles to be held by the same person for long periods of time and often there will be a change in who holds these roles in each department following an election. In contrast to this, my first role as Chief Executive Officer of Translink commenced at the time that the Labor party was in power under Premier Bligh. I was then Deputy Director General (**DDG**) and DG after the Government changed to the Liberal National Party and remained in that role when the Government changed in 2015 to the Labor party and again following the 2017 election when the Labor party was re-elected. In 2015, I was subject to another merit-based process before being confirmed as DG.
16. Queensland is unique amongst the Australian States in having a unicameral legislature. Whilst the Australian Capital Territory and the Northern Territory are similar, the sheer size and decentralisation of the Queensland Government inevitably gives rise to managerial challenges. In my experience, the demands for a fast turnaround and the need to have political responsiveness leads to the bureaucracy being involved closely in policy development. With no separate house of review, it is a "winner takes all" landscape where the party in power can pursue their policy and legislative agenda without any additional scrutiny or approvals.
17. Accordingly, advice from DGs has to be considered and remain apolitical, whilst balancing sometimes difficult interactions with senior colleagues and the political class to deliver policy outcomes without the checks and balance of an upper house. Ministers expect their DGs and respective executive leadership teams to correctly anticipate the ramifications of any given issue and policy proposal.
18. DTMR is a large and diverse public sector organisation.



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19. Its operations and functions included:

- a) strategic planning for the future development of all aspects of the Queensland transport system including rail, road and maritime;
- b) management and implementation of the Queensland Transport and Roads Investment Program which was a four-year rolling program of priority capital and maintenance transport infrastructure works;
- c) management of marine safety, rail safety and road safety and development and implementation of initiatives and programs for those things;
- d) licensing and registration of vehicles and vessels;
- e) management of passenger transport services;
- f) constructing, managing, maintaining and operating an integrated transport network; and
- g) the activities of RoadTek, which was a division of DTMR that provided civil construction and engineering services as well as first response during national disasters.

20. My role as DG was to:

- a) manage the finances and operations of DTMR to, amongst other things, achieve reasonable value for money by ensuring that the operations of DTMR were carried out efficiently, effectively and economically in accordance with my obligations set out in the *Financial Accountability Act 2009 (Qld)*;
- b) participate in whole-of-Government stewardship, leadership and policy implementation;
- c) give effect to the policy initiatives of the Government of the day;
- d) provide strategic leadership including visionary direction and ethical leadership for the entire transport portfolio;



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- e) provide integrated network management, overseeing all modes of transport to create a cohesive network;
 - f) manage infrastructure delivery and lead the planning, investment and delivery of major transport infrastructure projects;
 - g) deliver strategies, policies and investment plans for future transport operations;
 - h) manage transport regulation and safety, including road safety and maritime safety;
 - i) ensure efficient and effective customer-focussed transport services and ticketing;
 - j) manage significant annual budgets, capital expenditure and vast state transport assets; and
 - k) promote and develop workplace culture, comprising a respectful, inclusive and high-performance work environment.
21. Under the principles of the Westminster system of government, the Premier and the elected government are responsible for making the decisions which determine the Government's policy and priorities.
22. DGs are required to provide advice and information to the Minister on proposed policy. Once decisions are made, it is the DG's responsibility to implement those decisions and the Government's policy along with managing their department.
23. My senior leadership team at around the time the Best Practice Industry Conditions were introduced to procurement in Queensland included:
- a) Anne Moffat, Chief Operations Officer;
 - b) Julie Mitchell, DDG, Policy, Planning and Investment;
 - c) Amanda Yeates, DDG, Infrastructure Management and Delivery;
 - d) Mike Stapleton, DDG, Customer Services, Safety and Regulation;



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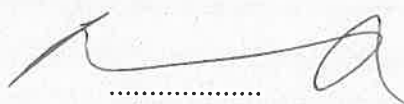


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- e) Matthew Longland, DDG, TransLink; and
 - f) Tracy O'Bryan, DDG, Corporate.
- (c) *Describe what the Queensland Transport and Roads Investment Program (QTRIP) involved*
- 24. QTRIP was a significant and sophisticated planning document that set out the transport and projects to be delivered over four years, with a fixed two year period plus two years of aspirational projects. It was updated annually and assisted in planning and budgeting for DTMR projects, as well as being a very useful document for a wide range of stakeholders.
 - 25. QTRIP covered thousands of projects, including road, rail, maritime, public transport and active transport infrastructure on freight, commuter and recreational networks across Queensland. It included DTMR's infrastructure investment as well as capital programs for Queensland Rail and the Gold Coast Waterways Authority.
 - 26. It reflected funding allocations made by the Australian Government and the Queensland Government for projects under the National Partnership Agreement (NPA).
 - 27. QTRIP contained a lot of information about project management, including about funding, costs, timetables, risks, sequencing of projects and regional investments.
 - 28. It was an extremely complicated system of plans, with many projects being interwoven and connected. For example, future projects (or stages of one project) could be dependent on whether existing projects were concluded on time and on budget. It was like a ripple effect. The outcomes of current projects had consequential effects on the sequence and timeline of future projects.
 - 29. As QTRIP was updated annually, any variations in the projected timeline for delivery or budget of a program was reflected in the document and made available to the public on the DTMR website.
 - 30. DTMR would provide annual industry briefings on QTRIP, led by myself. One presentation would be held in Brisbane and another in the regions.



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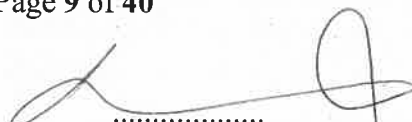


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Introduction of BPICs

- (d) *Set out in narrative form, description of the introduction of BPPs and BPICs to the procurement of government procurement including when and how you became to know about these policies*
31. To the best of my recollection, following the election in November 2017, the beginnings of the Best Practice Principles policy (**BPPs**) was developed to apply to Government procurement. I recall that this was going to be through the "Buy Queensland" approach to procurement, commenced by the Department of Energy and Public Works (which was later known as the Department of Energy and Public Works, before changing back to the Department of Housing and Public Works)(**DHPW**) in about 2017.
32. I don't recall exactly how I became aware of the potential application of the BPPspolicy to procurement, however I believe it was likely raised in one of my regular discussions with Mr Frankie Carroll, the Under-Treasurer at the time. I used to meet with Mr Carroll every couple of weeks to discuss a wide range of topics. Mr Carroll was keen on ensuring that public money was spent wisely. I also recall he had expressed concerns to me prior to the 2017 election about the potential effect of BPPs from a monetary viewpoint.
33. I was aware of the potential implementation of BPPs:
- a) through discussions with my Minister, Minister Mark Bailey;
 - b) due to my role as DG, through which I had access to most cabinet material which was received on a weekly basis. I was required to use this cabinet material to brief Minister Bailey before he attended the cabinet meeting; and
 - c) as a result of DTMR being consulted by other departments and agencies on submissions to cabinet.
34. In or around April 2018, BPPs were introduced to the procurement of government work with a decision that 'best practice industrial relations requirements' would apply for all major projects of \$100 million or more or declared projects, along with workplace health and safety system and standard, commitment to apprentices and


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trainees and a history of compliance with government policy. Departments were required to apply the BPPs when appointing contractors and in turn, contractors were to undertake to apply the best practice principles to subcontractors and suppliers performing work under the project contract.

35. My recollection was that the BPPs, amongst other things, intended to give unions unfettered access to worksites by making all workplace health and safety representatives union delegates.
36. The implementation of BPPs was achieved through the Queensland Procurement Policy requiring the application of BPPs in accordance with guidance issued by the DHPW and Office of Industrial Relations.
37. In terms of timeline:
 - a) one of the first projects to have BPPs applied to it was the North Queensland Stadium in Townsville. This occurred in late 2018. The financial consequence of that implementation was that further funding of approximately \$40 million was needed to accommodate the implementation of BPPs;
 - b) in October 2019, certain minimum conditions (**Minimum Conditions**) were applied to the Cairns Convention Centre Refurbishment and Extension project. I recall this also had an associated increase in costs; and
 - c) after October 2019, I recall the DHPW were to undertake wider consultation on applying the Minimum Conditions more broadly on various projects.
38. Best Practice Industry Conditions (**BPICs**) was a policy spearheaded by former Minister Mick de Brenni and originated in the DHPW. My recollection is that BPICs were directed at achieving various policy initiatives including:
 - a) ensuring that there were more women working in the construction field;
 - b) a reduction of male construction worker committing suicide;
 - c) improving project safety outcomes;
 - d) providing additional remuneration for workers;



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- e) increasing rostered days off;
 - f) granting union control over the decision to be made as to whether work was undertaken in inclement or hot weather; and
 - g) increasing redundancy entitlements for workers at the end of a project.
39. Due to the evolution of BPPs into BPICs and discussions I was having with Minister Bailey at the time, I recall thinking it was inevitable that BPICs would be applied more broadly to Government procurement, including DTMR.
40. In terms of timeline, I recall:
- a) in February 2020, a draft BPICs was applied to the Southern Queensland Correctional Precinct (**SQCP**) project;
 - b) in July 2020, BPICs was to be applied on a project by project basis subject to relevant Government approval; and
 - c) in August 2020, the original BPICs was approved to be applied to the Building Construction and Maintenance category along with construction/civil infrastructure projects with Transport Infrastructure and Services (**BCM BPICs**).
41. At that time, there were several matters I was concerned about in considering how, or if, BPICs should apply to DTMR, including:
- a) that the Union did not have the legal coverage to represent workers in horizontal infrastructure because that was the right of the Australian Workers Union (**AWU**);
 - b) that there was insufficient time to properly consider and implement these policies which were being pushed through at a rapid rate;
 - c) taking into account stakeholder's views on any consequential effects on the wider Queensland economy; and
 - d) if it would effect the NPA which was the key source of funding source for major projects.

(e) *Set out in narrative form, how BPPs and BPICs came to be applied by the DTMR*

42. On 18 November 2019, I became aware that Minister de Brenni informed Minister Bailey that BPPs would apply to all government projects valued at over \$100 million and that as a lot of those projects were DTMR projects, BPPs should be applied to those projects.
43. Prior to this, while DTMR implemented BPPs as far as it could on major projects, DTMR had always left industrial relations issues to civil engineering contractors to deal with and that continued even after the introduction of BPPs.
44. Whilst I was aware of the BPPs being implemented by other departments in accordance with the Queensland Procurement Policy, I held concerns that the BPPs would negatively impact QTRIP by increasing the estimated costs of those projects. At the forefront of my mind as DG, was to manage the public's money in a way that gave the best value to the public. Accordingly, I considered it important to take the time to develop an appropriate policy for DTMR that would implement the positive objectives of the BPPs whilst safeguarding QTRIP and managing public funding appropriately.
45. It was clear to me that Government intended for all unions to agree to a sample agreement, however this was not achievable. For example, it was not appropriate to have unions party to an agreement on a project where they had no coverage. Accordingly, BPPs were not applied by DTMR via minimum conditions or a sample agreement.
46. During the period where I considered the application of BPPs to DTMR projects (and later, BPICs) I recall I attended meetings with the unions, including the Construction Forestry & Maritime Employees Union (**Union**), to discuss the potential application to DTMR policies. I considered it important to do my due diligence into how any these policies may be made suitable for DTMR projects. I recall at this time I received criticism from Mr Michael Ravbar of the Union for not implementing BPPs to date, who said words to the effect 'Mr Scales is a very bad man, and the worst DG in the service, because he is not implementing government policy'.



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47. In late 2019 and early 2020, I recall DTMR was asked to provide feedback on the implementation of the Minimum Conditions as applied to the Cairns Convention Centre, and the approval to introduce BPICs on future BPPs projects. Whilst not a DTMR project, Minister Bailey was proposed to be a signatory, along with Minister Grace Grace and Minister de Brenni, and therefore our feedback, along with feedback from Department of Education, DHPW, Treasury and Premier and Cabinet, was sought.
48. At that time, I recall raising concerns to Minister Bailey and to his chief of staff, Ms Tam van Alphen, that there was a significant risk DTMR would not be able to deliver the QTRIP in full if changes were made to the Minimum Conditions without giving DTMR the opportunity to consider implementation and impacts. Potential delays and cost increases were my greatest concern when it came to BPPs and BPICs. As a result of these concerns, DTMR did not support the position reached by DHPW and the Department of Education (where the Office of Industrial Relations was domiciled at that time). DTMR advised Minister Bailey that it would require up to twelve weeks to assess the impacts of the proposal as it contained significant changes that would impact DTMR's ability to deliver the QTRIP program.
49. Mine and DTMR's position to the Government was that it did not consider that BPICs should apply to its projects yet in circumstances where DTMR:
- a) required further time to work out how it could satisfy and deliver the intention of the BPICs's policy whilst minimising impact on program delivery;
 - b) required further advice (including legal advice) on mechanisms available to both contractors and subcontractors to respond to the BPICs. Particularly, whether the greenfield agreements were an available option for contractors and subcontractors;
 - c) it had received a draft minimum conditions document from the Union (**Union Conditions**) which DTMR needed to consult about unions about (such as the AWU) and the Office of Industrial Relations;

- d) required further time to obtain additional specialised advice to assess the suitability of the Conditions for regional and metropolitan transport infrastructure projects; and
 - e) required further time to assess and manage the cost impacts, and time to consider the implementation of all the various actions and initiatives around BPICs and consult on these things.
50. I was subsequently informed that the approach outlined in paragraph 48 above would not apply to DTMR yet.
51. I recall that from 2020, I was required to progress the implementation of BPICs. I used to meet with Minister Bailey on a very regular basis, at least three times a week (not including holiday periods or extended site visits), usually in the morning, and we would discuss issues arising in the portfolio. I believe we would have discussed the application of BPICs to DTMR's projects during one of these meetings and Minister Bailey would ask for updates on the implementation of BPICs.
52. Separately, and as a board member of the CRRDA, I was aware that Minister Kate Jones had issued a written direction to CRRDA (at a time when Cross River Rail was within her portfolio) to apply BPICs to Cross River Rail.
53. I also recall having discussions with Paul Martyn at this time, who was the DG of DHPW. I would discuss with Mr Martyn all sorts of issues, especially around the challenges of implementing BPICs as we had to deal with the same trade unions.
54. I recall advising the Minister and his staff members that DTMR should develop its own BPICs. To the best of my recollection, Minister Bailey was in agreement with this and asked me to action it. I strongly felt and communicated there were differences between the building construction and civil construction industries which needed to be reflected in any draft DTMR BPICs document (**Transport BPIC**). In summary, these differences are set out below:

Civil (transport) Construction	Building Construction
Predominantly a horizontal delivery model in which the principal contractor self-performs substantial portions of the work and brings in specialist subcontractors, typically with fewer layers of sub-subcontracting.	Follows a vertical delivery model where a managing contractor oversees delivery through numerous trade subcontractors, who in turn may engage further tiers of subcontractors, resulting in deeper subcontracting chains
Workforces for civil contractors are commonly engaged under Enterprise Agreements, which can complicate establishing a Greenfields Agreement on large-scale projects.	Managing contractors in building projects usually maintain lean on-site teams, which can make it more straightforward to put in place a greenfields agreement for major works
The assets constructed are generally horizontal—such as roads, bridges, and tunnels—resulting in broader site footprints and a distinct risk profile.	The assets are typically vertical—such as high-rise buildings, hospitals, and schools—resulting in more compact footprints and a different risk profile.

55. I was concerned that any BPICs applicable to DTMR would need to:

- a) safeguard the delivery of QTRIP and minimise any delays and increased costs associated with the implementation of BPICs on those projects;
- b) ensure the Transport BPICs was in a format that could be implemented easily, given the number of projects DTMR had;
- c) ensure contractors did not lose control over their construction sites so that they had the flexibility to deliver projects as required, otherwise they could abdicate their responsibilities. It was the contractor's duty to undertake industrial relations matters. I was very concerned, for example, that the conditions with respect to inclement and hot weather in the BCM BPICs would put this at risk; and
- d) avoid the hourly rate being significantly and unnecessarily inflated.

56. Importantly:

- a) My view was that a), b) and c) of BPICs referred to above in paragraph 38 were good things, but I thought that d), e) and f) had the potential to be a problem if there were no commensurate increases in productivity. I thought that under BPICs costs would consequently increase without commensurate productivity gains resulting in significant increases on the public purse with nothing in return;
- b) I did not think BPICs, as a public policy, would achieve much, if anything, for the public: I did not consider it a proper use of public money. It predominantly benefited only certain union members at a significant cost to the public purse; and
- c) it was not clear to me how BPIC's would result in a reduction of male suicides, though I wholeheartedly support any policy or project that would achieve such a noble goal.

57. I recall raising these concerns about BPICs with members of my Executive Leadership Team (ELT) and also with Minister Bailey on several occasions. In these discussions, I explained costs would increase under BPICs. It was my duty, in accordance with section 61 of the *Financial Accountability Act 2009* (Qld), and fundamental concern to ensure that public money was being spent properly. In response, the Minister said words to the effect of 'It's government policy, just implement the policy'. I recall I also said that although some elements of the initiative were good, productivity would decrease and he said something like, 'Just do it and take the consequences'. I understood Minister Bailey to be saying that he understood there may be cost and delay consequences for implementing BPICs, but that I was to deal with those impacts as they arose.

58. By August 2020, the Government noted that a BPICs would be developed for the transport civil infrastructure sector by DTMR and presented in due course for approval. Under the Westminster system, once a government makes a decision, it would be my job to implement that decision. As such, DTMR became involved in developing a draft Transport BPICs document for approval prior to the commencement of caretaker mode in October 2020.



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(f) *Set out in narrative form the work undertaken to prepare the first version of the Transport BPICs*

59. I recall that DTMR undertook the following work to prepare the first version of the Transport BPICs:

- a) I asked Ms Amanda Yeates DDG to assist and manage the development and negotiation of the Transport BPICs, with the assistance of Ms Deanne Hawkswood, Chief Procurement Officer. Ms Hawkswood was detached from her line role to concentrate on this task. Both Ms Yeates and Ms Hawkswood were highly experienced public servants and Ms Yeates was an experienced and qualified engineer. I considered it necessary that they lead the project, because as detailed at paragraphs 102 to 124, my involvement at meetings with the Union with respect to BPICs seem to inflame the Union. As a DG, we are about the "art of the possible" and I wanted to give the best chance of constructive dialogue with the Union occurring;
- b) the persons primarily responsible for the drafting of the document was Ms Hawkswood and persons in her office;
- c) Ms Yeates and Ms Hawkswood developed the Transport BPICs in consultation with trade unions, being primarily the Union, the Electrical Trades Union (ETU) and the Plumbing and Pipe Trades Employees Union (**Plumbers' Union**) (collectively known as **Building Trades Group** or **BTG**) as well as the AWU. In particular:
 - (i) on 1 June 2020, a meeting was held between representatives of DTMR and the Union. At the meeting, the Union were advised that DTMR would be developing a BPICs suitable for DTMR;
 - (ii) on 5 June 2020, a meeting was held between Ms Yeates and the Union where DTMR provided a list of projects for the Union to select a trial project from. Mr Ingham nominated the Cooroy to Curra project, for which the tender process had recently closed;



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(iii) with respect to the AWU, DTMR sent correspondence to that union dated 22 July 2022. In response, AWU sent me a letter on 3 September 2020 in which they reiterated their entitlement to represent workers on or in connection with civil constructions, that the AWU was engaging in consultation based on assurance provided by DTMR that it cannot mandate that contractors and their sub-contractors adopt the conditions and raised other issues with respect to interaction between the draft Transport BPICs and the relevant legal framework set by the *Fair Work Act 2009* (Cth), the *Building and Construction Industry (Improving Productivity) Act 2016* (Cth) and the Code for Tendering and Performance of Building Work 2016. A copy of this letter is annexed to my statement as NS-1;

- d) reviewed relevant industrial agreements and conducted comparisons of various terms and conditions;
- e) I arranged for additional support from the ELT by making the development of BPICs a regular topic in our meetings, so that Ms Yeates and Ms Hawkswood would have ongoing backing and support as needed. Further, this ensured the ELT were across any empirical data that needed to be considered in relation to BPICs implementation, as it related to the use of public funding. I had a number of meetings with Ms Yeates and Ms Hawkswood to keep across progress;
- f) DTMR had dialogue with the industry bodies, as with all major stakeholders, however they were not consulted on the detail of the drafting. This was due to the impracticality of doing so. The civil construction and manufacturing industry is comprised of multiple types of contractors (for example, "tier 1" and "tier 2"), with some being national and international stemming across various construction specialities. There are also a large number of industry bodies across these specialities. The ability to consult representatives within the timeframe to develop BPICs was near impossible. From a practical policy implementation perspective, it made sense to me that DTMR would negotiate with the various unions to get the "best deal" we could in terms of responsible financial management of public funding and achieving the objectives of the



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policy and then, once we had an advanced policy document, to put it out to the industry. Provided it worked at an industry level, which is what DTMR sought to achieve, we believed that the industry bodies would more readily accept a document agreed to by the Unions;

- g) in mid-2020, DTMR engaged an external Industrial Relations specialist, Mr Scott Gartrell to provide assistance to Ms Yeates and Ms Hawkswood. Mr Gartrell was a consultant from KPMG (who was on panel at the time) who was recommended to DTMR by Ms Yeates as 'the union whisperer'. Mr Gartrell assisted with the development of the Transport BPICs from approximately June 2020; and
- h) KPMG was also engaged to conduct several scenario modelling exercises in relation to different aspects of the Transport BPICs by comparing industry standards, Union conditions and aspects of DTMR's draft BPICs's including for example, an analysis to determine the most cost-effective percentage rate per hour of overtime, afternoon loading and additional weekly costs.

60. The implementation of Government policies in Queensland does not always require "a directive". This would be provided in most cases following a cabinet decision. Under the Westminster system, I would be required to implement any policy applicable to DTMR.

61. In or around October 2020, DTMR prepared a draft Transport BPICs to apply on DTMR projects with a minimum project value of between \$100 - \$300 million supported by various documents including:

- a) the draft Transport BPICs showing feedback from the Union and other unions;
- b) a model prepared by KPMG comparing DTMR's draft BPICs's to specific Union enterprise agreements, ETU Contracting Framework and several 'major project' enterprise agreements. This model recorded that the findings were that Union agreements provided for approximately \$1,704 more per week than the industry standards (Draft BPICs) for projects in excess of \$300M total project value, as a result of higher wage rates, redundancy contributions, site allowances and productivity payments; and



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- c) an analysis of project cost uplift as a result of Transport BPICs on major DTMR projects.
62. In October 2020, the draft Transport BPICs:
- a) for projects valued between \$100 million and \$300 million, as identified within QTRIP, was approved to apply on civil transport projects with a project value; and
 - b) for major projects valued over \$300 million, was agreed to be the base position from where negotiations would be for negotiating project specific industrial conditions and wages, and that relevant Government approval would be sought for each project.
63. Once a document became Government policy, it would be required to be implemented. No directions were required to be given after this point.
64. Following development of the Transport BPICs, consultation with third parties remained ongoing, particularly in relation to specific projects that BPICs were to be applied to. However, this occurred less frequently for me as the impacts of COVID-19 became a priority.
65. Throughout the course of my involvement in the development of BPICs, DTMR engaged Crown Law from time to time to consider legal issues associated with BPICs and to ensure DTMR was implementing BPICs in a lawful manner.
- (g) *Set out in narrative form, steps taken to limit the application and impact of BPICs*
66. As noted above, before the Transport BPICs was drafted, I had raised concerns on multiple occasions with respect to the application of BPICs to DTMR projects to Minister Bailey and his staff. When it was clear that BPICs would apply to DTMR projects, as DG I took steps to advocate for and develop the Transport BPICs to better control, implement and limit cost increases and delay on projects and manage the potential risks with the policy.
67. As also noted above, when BPICs was approved by the Government in August 2020, it was to apply to all projects valued at \$100M or more. Sometime after the approval



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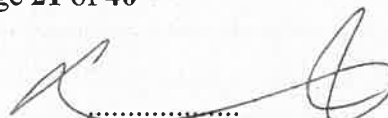
Witness (Lawyer)

in or around 2022, DTMR undertook work aimed at having the threshold amount for application of BPICs to DTMR projects raised to \$300M. Ultimately, DTMR was not successful in changing the threshold as Department of the Premier and Cabinet (DPC) did not support the change.

68. At that time, there were seven projects valued at between \$100 million and \$300 million, and 12 projects with a project value over \$300 million so \$300 million was a sensible mid-point. The main reason to try and change the threshold was to concentrate BPICs on a number of specific projects, to make it easier to manage.
69. I was also seeking to better manage the application of the Transport BPICs in circumstances where there had continued to be challenges with its implementation, including:
- a) significant costs increases on projects where it had been applied;
 - b) there was significant industry opposition arising from the lack of consultation prior to introduction and implementation of the policy;
 - c) the uplift from civil construction industry current Enterprise Agreements or relevant awards to the Transport BPICs was significant for most participants in the civil industry;
 - d) the Union and ETU were pushing contractors to adopt the Transport BPICs right away which was driving project cost increases and delaying project commencement instead of it being a staged approach; and
 - e) inevitably, the terms of the Transport BPICs, including the pay rates and conditions, would set a precedent as the terms would be promoted by the unions for all future projects, regardless of project value and location in the State.
70. Generally speaking, I actively sought for DTMR to actively design and negotiate the terms of the draft Transport BPICs and its subsequent implementation because I was particularly concerned about:
- a) higher wages with no commensurate productivity return;



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Witness (Lawyer)

- b) project delays caused by increased rostered days off and days off in hot and humid weather;
 - c) increased redundancy payments;
 - d) the proposal that workers were to continue to be paid even if they stopped work due to hot or humid weather; and
 - e) the proposed ability for the Union to call when work would stop in hot or humid weather having the effect of giving the Union an unprecedented degree of control which was obviously open to misuse.
71. I felt like it was "trench warfare" in seeking to resist the Transport BPICs to be in the same terms as the BCM BPICs to ensure some form of reasonable return for the extra money which was to be paid out as a result of the policy. I am satisfied that ultimately the Transport BPICs reflected a better position for DTMR than other DGs or departments had achieved.
72. I also did not trust the Union to not act inappropriately. In my observation, for example, on the Star Casino project Multiplex had given the Union basically everything it wanted on the Queen's Wharf project (which was not a DTMR project) and yet the Union still regularly walked off the job in circumstances which I did not think were warranted and as a consequence, the project was delayed and cost more. I was worried about this being mirrored in projects that I was responsible for if I did not take steps to negotiate the Transport BPICs to protect this from happening.
73. The Transport BPICs ultimately approved was, in my opinion and to my recollection, not as severe as the BCM Project BPICs or Renewables BPICs which were negotiated in the DHPW because:
- a) the Transport BPICs was a guidance document which tenderers could implement in any manner they choose to nominate;
 - b) tenderers had more clarity on DTMR's requirements and could respond and price the tender more accurately; and

- c) in contrast, the BCM BPICs had higher labour rates, was more expensive to implement and was more prescriptive in its application, as it was a requirement, not a guideline.

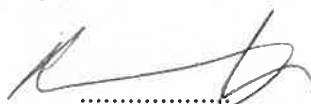
Application and impact of BPICs

(h) and (i) How BPICs was applied

74. As outlined above, as a result of the decision in October 2020, DTMR was to:
- a) apply the Transport BPICs on civil transport projects valued between \$100 million and \$300 million on QTRIP; and
 - b) use the Transport BPICs as a starting point for negotiating project specific industrial conditions and wages on projects valued over \$300 million. The development of each project-specific BPICs also required relevant government approval.
75. The first DTMR project to have BPICs applied to it was Gold Coast Light Rail stage 3 (**GCLR3**). GCLR3 was the proposed next stage of the light rail system, extending 6.7 kilometres along the Gold Coast Highway from the existing Broadbeach South station to Burleigh Heads. This was a natural progression of the success of Stage 1 and Stage 2.
76. The Government gave a direction to apply BPICs to GCLR3 as it had already commenced the procurement process. I understand that direction was given by Ms Van Alphen of the Premier's ministerial staff in a meeting with Mr John Witheriff from GoldLinq, which was the GCLR3 consortium. I was not present at the meeting but Mr Witheriff told me about it. The procurement process had been completed however the contract for GCLR3 had not achieved contractual close. The direction was to reopen it and apply BPICs retrospectively. I recall that it was estimated that the additional cost impact for applying BPICs to the GCLR3 could be up to 21% or \$149 million on the original business case estimate.
77. In accordance with the decision in October 2020 (that the Transport BPICs was to form the starting point for any BPICs to be applied to projects over \$300 million) and



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Witness (Lawyer)

the Transport BPICs was the base document upon which a GCLR3 BPICs was developed.

78. Since that time, the AWU had refused to engage with DTMR in the development of the Transport BPICs because it did not want to be a signatory to a single multi-union project agreement with the other trade unions in circumstances where the AWU claimed majority coverage of employees on transport civil construction projects in Queensland.
79. DTMR developed a distinct Transport BPICs to address specific project circumstances for GCLR3. A draft BPICs was provided to John Holland in July 2021 and negotiations commenced however it seemed to me that John Holland ultimately "folded" and accepted the Union's terms. There were delays in the process and the contract was not finalised until March 2022.
80. Otherwise, following the October 2020 election, I do not recall any further directions given by the Government as the Transport BPICs was to apply to all projects with a minimum project value of between \$100 to \$300 million, with a variation of the Transport BPICs to apply for all projects over \$300 million.
81. It is important to note, however, that the application of each Transport BPICs was different on every project, given they were not mandatory obligations. Whilst the Transport BPICs stipulated conditions and terms to be embedded into the contracts for service of a project, many of the terms simply required contractors to use best endeavours or take reasonable steps to implement them. It was not legal to require compliance with many of the Transport BPICs terms any further than this. I recall the unions were dissatisfied with this and felt it was not strong enough.
82. The industry responded to the Transport BPICs in two ways. Firstly, where a contractor's existing enterprise agreement was slightly below the Transport BPICs, the contractor offered enhanced outcomes, such as rostered days off. However, where the existing agreement was not aligned, the contractor negotiated a specific greenfield agreement which incorporated similar Transport BPICs to cover the contractor's directly employed workforce.



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Witness (Lawyer)

83. From early 2021, the following projects between \$100 million and \$300 million had the Transport BPICs applied retrospectively to them:
- a) Bruce Highway (Cooroy to Curra) Section D, contract 2 (March 2021);
 - b) Bruce Highway (Caboolture) Bribie Island Road to Steve Irwin Way (March 2021); and
 - c) Walkerston Bypass (February 2022).
84. By January 2023, the following projects had the Transport BPICs applied to them at the commencement of the procurement process:
- a) Centenary Bridge Upgrade Project (awarded December 2022);
 - b) Pacific Motorway (M1) Exit 49 Interchange Upgrade (awarded June 2022);
 - c) Linkfield Road Overpass upgrade (awarded December 2022); and
 - d) Beams Road Rail Level Crossing upgrade (awarded December 2022).
85. The following two further projects had a specific project Transport BPICs prepared as they were valued over \$300 million, which required separate relevant Government approval:
- a) Coomera Connector Stage 1 North. The BPICs for Coomera was approved in September 2021 by the CRBC and the contract was awarded in November 2022; and
 - b) Rollingstock Expansion Project. The BPICs for Rollingstock was approved in October 2021.
86. By January 2023, the following projects were still progressing through the procurement phase for Transport BPICs application:
- a) Coomera Connector Stage 2 Central;
 - b) Rockhampton Ring Road;
 - c) Beerburrum to Nambour Rail Upgrade (Stage 1); and



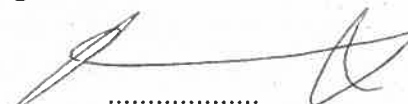
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Witness (Lawyer)

- d) Qld Train Manufacturing Program (previously known as Rollingstock Manufacturing Project).
87. At the same time, a further 19 projects in QTRIP were identified to be subject to BPICs in the future.
88. As a result of the implementation on these projects, areas of improvement for the Transport BPICs were identified. These included the need to:
- a) update wages and employment conditions for transport civil construction projects between \$300 million and \$700 million;
 - b) be able to develop a project-specific Transport BPICs for projects over \$700 million;
 - c) provide information about the purpose and intent of the Transport BPICs and better align to similar conditions in the DHPW approved Building Construction BPICs and proposed Renewables BPICs; and
 - d) address matters raised during implementation.
89. For projects worth over \$300 million, it was decided that the project-specific BPICs implemented on the Coomera Connector State 1 would be used (instead of using the Transport BPICs as a starting point for negotiations). Trade unions and the industry were advised of this during the procurement process for the Coomera Connector project.
90. It was also identified at this time that for DTMR to implement the BPPs and Transport BPICs at prequalification stage, changes to the National Prequalification System for Civil (Road and Bridge) Construction Contracts (NPS) would be required, using a "Queensland Supplement". This is due to suppliers becoming prequalified under the NPS, which was a system used Australia wide. Embedding BPPs and the Transport BPICs into the prequalification stage meant that suppliers or principal contractors would be required to satisfy the requirements of both before being able to tender for future DTMR projects.


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Witness (Lawyer)

91. In March 2023, the Government:

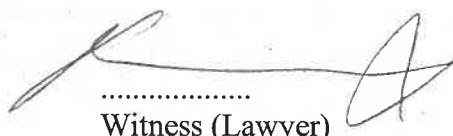
- a) for projects valued between \$100 million and \$300 million, approved implementation of the updated Transport BPICs (**Updated Transport BPICs**);
- b) for projects valued between \$300 million and \$700 million, approved implementation of the updated Transport BPICs with specific allowances and provisions relevant to the specific project;
- c) for projects valued over \$700 million, approved that contractors would have the discretion to develop a project-specific BPICs;
- d) approved that a Queensland Supplement to the NPS to be implemented by DTMR to establish the BPP, including the prevailing approved Transport BPICs, as a prequalification requirement for contractors;
- e) approved that the then Minister for Transport and Main Roads seek authority from the Premier and Minister for the Olympic and Paralympic Games to make minor amendments to the Transport BPICs, to ensure the conditions are consistent with the prevailing legislation and market conditions and continue to represent leading practice for the transport civil construction sector. These amendments and implementation progress were to be provided on an annual basis; and
- f) noted that while projects have incurred cost impacts from forecast budgets due to the introduction of the Transport BPICs, these additional costs reflect the shift from the current state by industry, closer to the rates and conditions in the BPICs.

(j) and (k) Issues and Impacts of BPICs

92. In the time available to complete this statement, I have not had an opportunity to produce or consider a forensic analysis of the impact of BPICs on each DTMR project it was implemented. Further, I left DTMR abruptly in 2023, and several projects to which BPICs was applied remain ongoing. Accordingly, the impacts on these projects were not yet known or fully known.



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Witness (Lawyer)

93. At the time of developing the Transport BPICs in 2020, I recall DTMR conducted various modelling exercises. One included comparing the costs of the Transport BPICs against proposed and existing agreements for Cross River Rail agreements. The analysis demonstrated that the Transport BPICs was a financially reasonable agreement, with the Union Agreement proposed for Cross River Rail being the most expensive.
94. In September 2020, at the time of submitting Transport BPICs for approval, it was estimated that applying the Transport BPICs would likely incur labour cost increases of up to 3.6% for projects valued between \$100 - \$300 million. For projects over \$300 million, the increases were expected to be greater than 3.6%.
95. In November 2021, DTMR provided an update to the Government on the negotiations of the Transport BPICs on the GCLR3 project and the impacts expected. At the time, it was estimated that an overall increase in costs for the GCLR3 project due to BPICs was \$206.3 million, which included:
- a) \$184 million in estimated impacts including:
 - (i) \$122.7 million in direct labour and subcontractor costs;
 - (ii) \$35.2 million in additional provisions and program related costs; and
 - (iii) \$26.1 million in indirect corporate costs;
 - b) four months program extension moving the completion date from 30 May 2025 to 1 October 2025; and
 - c) as a result of the increased contract value and the extended program, an estimated \$22.4 million increase for costs including risk, insurances and resource costs for State, Independent Verifier and GoldlinQ, Alstom and Keolis Downer.
96. According to various QTRIP reports across the life of GCLR3, the GCLR3 (QTRIP project number 938148) had an original indicative total cost of \$1,044,000,000. By the end of the 2024/2025 financial year, this had increased to a committed total budget of \$1,219,000,000. This represents an increase of over \$16.7%. In my

opinion, this is as a result of BPICs and the contractor's loss of control of the project. For example, due to BPICs, the contractor was unable to provide directions to subcontractors on their hours of work or conditions of work.

97. By April 2022, further costs impacts of BPICs more generally were realised and the Government was advised of this by DTMR. Across the projects subject to the Transport BPICs (which applied to projects valued between \$100 - \$300 million), it was found that the Transport BPICs had caused an increase of 3.3% in project value, totalling \$57.5 million. Across the projects subject to the extra BPICs conditions for projects over \$300 million, it was found that the BPICs had caused an average increase of 8.1% in project value, totalling \$1.02 billion. In total, DTMR estimated that by April 2022 (less than 18 months after the Transport BPICs was approved), there had been an increase of \$1.08 billion as a result of the application of BPICs on projects in Queensland.
98. By early 2023, further issues and challenges with the Transport BPICs were identified and raised with the Government by DTMR. These included, but were not limited to, that the Transport BPICs:
- a) was too prescriptive, reflects building industry conditions and opens the civil industry up to demarcation risk and conflict on civil construction sites;
 - b) created a barrier for industry participation as contractors and suppliers opted out of tendering for Government projects;
 - c) caused inconsistency for sub-contractors, who often had different wage rates for different jobs and sporadic work onsite;
 - d) encouraged the Union to become more prevalent in the civil industry, which would make collaborations more difficult due to their behaviour;
 - e) otherwise caused division between relevant unions representing civil trades in Queensland; and
 - f) risked non-compliance with the Building Code.
99. As such, the Updated Transport BPICs was proposed, as discussed above.

100. In my opinion, whilst the impacts of COVID-19 (for example, increasing the cost of steel) was one factor that increased costs, I believe that a significant factor for the cost increase on the DTMR projects was as a result of BPICs. This is because we took the cost of steel supplied for projects out of the tender process and made it a "Principal supply", meaning DTMR paid the cost of the steel and ultimately wore the risk if the price continued to increase. This assisted the Civil Engineering Industry in bidding for projects. As such, the increasing costs of steel was no longer a contributing factor to increased costs on building sites.
101. Adopting Transport BPICs on projects also resulted in delayed project commencements, which in turn drove up project costs. This was because DTMR had consistently advised various trade unions that the transition to the BPICs would be incremental and occur over time, however the Union and ETU expected the Transport BPICs to be adopted in full, immediately. This in turn caused tension between trade unions and contractors as they attempted to negotiate, ultimately causing delays and costs increases.

(l) and (m) Union involvement in respect of BPICs

102. I had regular quarterly meetings with stakeholders, including the Union, to discuss various issues. These were convened by and held at my office. I believe that BPICs would have been discussed at these regular meetings from time to time.
103. I also recall attending other meetings with representatives of the Union about the introduction and implementation of BPICs to DTMR projects and also meetings with the unions, specifically regarding the Enterprise Bargaining Agreement negotiations for RoadTek.
104. In doing so, I was seeking to achieve some sort of middle path on what ultimately became the Transport BPICs, without having "to give away the farm".
105. Before I attend meetings, staff would provide me with briefing notes. The purpose of these notes was to inform me of important matters that would or may be discussed at the meeting. Minutes of meetings were not recorded as a general rule. Briefing notes could be detailed, and would be finalised and filed.

106. I initially attended meetings with representatives from the Union (specifically, Mr Ravbar and Mr Jade Ingham), the ETU, the Plumbers' Union (BTG). Occasionally, Ministerial staffers from Minister Bailey's or the Premier's offices would also attend. The AWU may have attended some of the earlier meetings but ceased attending in around May 2021.
107. Given the volume of meetings associated with my role as DG, I do not have independent recollections of all meetings with the Union. I have refreshed myself with some available records and believe that:
- a) one of these meetings occurred on 1 June 2020, at which DTMR advised the CFMEU that it would develop a set of BPICs suitable for DTMR; and
 - b) a further meeting occurred on 20 June 2020 which was attended by Minister Bailey, myself, Mr Ravbar, Mr Ingham, Ms Jacqui Collie and Ms Yeates at a Parliament House room, at which the challenges and management required to implement BPICs on a live tender was discussed.
108. I recall a meeting was also held with representatives of the Union at the Union Headquarters in Bowen Hills. During that meeting, Mr Ingham and Mr Ravbar acted in an aggressive and discourteous manner, even saying words to the effect of 'contractors are raping Queensland'. I recall Ms Hawkswood was intimidated and uncomfortable following this meeting due to the manner and language used, and so no further meetings were conducted at the Union Headquarters.
109. I believe the AWU representatives stopped attending meetings with DTMR and the Union about BPICs because they were also constantly attacked and abused by Mr Ravbar and Mr Ingham. They frequently referred to the AWU in those meetings as "Australia's Worst Union", which was insulting and caused tension.
110. In the course of my initial meetings with the Union, I came to understand that the Union was seeking to encroach into the civil construction space. Traditionally, the Union was only involved in 'vertical' construction projects whereas the AWU was involved in 'horizontal' civil construction. Accordingly, prior to the development of BPICs, I had had very little contact with the Union on projects.

111. I recall that at one of these meetings, I specifically raised the encroachment by the Union to Mr Ravbar and Mr Ingham, who became very angry at that suggestion.
112. Both Mr Ravbar and Mr Ingham were often openly aggressive towards me in meetings. They would shout and use profanity.
113. Mr Ingham would say things like 'You can't believe the words dribbling out of the AWU'.
114. Mr Ravbar often remarked 'I've been talking to the fucking Premier and your Minister and they all agree you are the worst fucking DG' or 'you are the worst fucking DG ever'.
115. When they were yelling in meetings, I would tell them not to do so as it wasn't particularly productive or demonstrating respect at all.
116. It reached a point where Mr Ravbar would start every meeting with a tirade about me, which was confronting and unpleasant.
117. Mr Ravbar once rang me to say 'You need to get into gear and implement government policy'.
118. I believe that because I had sought to support the CEO and CRRDA in preventing the Union from being permitted to represent workers working in the Cross River Rails tunnels, as that was appropriately and legally the AWU's role as the relevant union for civil construction, I received a lot of the aggression from the Union after that.
119. The Union had earlier sought to influence which contractor CRRDA appointed for the Cross River Rail project. After CPB was named as the major contractor and CPB made two Enterprise Bargaining Agreements with the AWU, which inflamed matters, Mr Ingham made adverse comments.
120. As noted above, staff from the Minister's and Premier's office would be present for many of the meetings I attended with the Union or BTG about BPICs. They would inevitably support the Union. The ministerial staffers I recall attending these meetings included:

- a) Mr Brett Reed from the Premier's office; and


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b) Ms Alphen, who was in Minister Bailey's office initially and at some point became a deputy chief of staff in the Premier's office.

121. The ministerial staffers did not intervene on my behalf or seek to have the Union behave appropriately. Instead, if I was resistant they would often intervene and say something along the lines of 'Leave it DG'. It was usually Mr Reed who would do this.
122. I recall a meeting where Mr Reed said to me 'Be quiet DG'. I was feeling very angry at the time and so I did go quiet in an attempt to calm myself and avoid making matters worse.
123. I recall another meeting where I was taken to talk about the application of BPICs to QTRIP. That meeting involved representatives of BTG and ministerial staff from Minister Bailey's office and the Premier's office.
124. Eventually I stopped attending meetings at which the Union would be present, because my presence seemed to inflame the Union representatives to become aggressive and not willing to engage in a constructive manner. My role was about delivery and the "art of the possible" and my presence at the meeting could prevent the development of the BPICs document progressing and it needed careful stakeholder management. I therefore asked Ms Yeates and Ms Hawkswood to lead the development of the Transport BPICs. This was also around the time of when Queensland closed its border during COVID-19 and I was required to focus my time on managing permits for deliveries across the borders, as well as ensure QTRIP projects continued. Despite no longer attending the meetings, I was kept fully informed of all that was discussed and remained inextricably linked to the negotiations and development of BPICs.

(n) *Union applying pressure on DTMR projects or selection of contractors*

125. Following the decision to apply BPICs to DTMRs project, the Union would be involved in meetings considering the application of BPICs to a project before that project went out to tender.

126. The Union would not be involved in tender evaluation but would seek to influence to process by sending through a company's past safety record which I suspect they had obtained from the Office of Industrial Relations. I recall incidents where Mr Ingham would seek to cast doubt on a company's reputation based on its safety record. The objective would seem to have been to attempt to influence the choice of a contractor.
127. I did not consider the safety records were balanced records which could be solely relied upon to determine the successful tenderer. Often these records contained notations about areas for minor improvement. My experience of large complex projects is that safety issues (which required improvement) would regularly occur on site.
128. My impression was the Union was seeking to use those records against any contractor that the Union did not get along with or did not have agreement with subcontractors, for example, who were not union- affiliated. In particular, I recall the Union would criticise CPB, Acciona, Fulton Hogan, Beilby Construction and BMD.
- (o) *Government directing DTMR representatives to meet or engage with Union*
129. I do not specifically recall the Minister's Office or Premier directing me to engage with the Union. If any directions were given, it would have been verbally and during my regular meetings with Minister Bailey. Rather, I recall meetings were often arranged, both by my team and by the Minister's Office or Premier. If a meeting with the Union was arranged by the Minister's Office or Premier, I was expected to attend.

Other Misconduct by the Union

(p) and (q) Misconduct involving me personally

130. An example of Union Misconduct is the incident in which the Union stormed the DTMR premises at 61 Mary Street.
131. This occurred on 23 August 2022 and is set out in detail in the Geoffrey Watson report.

132. DTMR was intending to hold an industry briefing about QTRIP and the date and time had been advertised to attendees well in advance. I was the speaker. This was a usual part of the QTRIP consultation process with stakeholders.
133. The Union stormed the building at 61 Mary Street. They gained access to the conference room that was to be used for the briefing and were loudly chanting and shouting. They prevented other DTMR staff and industry representatives from accessing the building. The Union members were very noisy and aggressive. The building was put into lockdown for the safety of the staff. Approximately 2000 DTMR staff worked in that building.
134. I was present in 61 Mary Street at that time for a separate meeting ahead of the industry briefing, which was actually taking place in a room towards the back of the building on the same floor as the QTRIP briefing room. I could hear Union members going from room by room looking for me. It was very unsettling. They were chanting 'Neil Scales, I smell corruption'.
135. It was not at all a peaceful protest, it only ended peacefully after QPS intervention.
136. There were four staff present in the conference room when the Union broke in. I recall that several of those staff sought workers' compensation following the event.
137. I did not recall receiving any contact from the Premier after that incident to ascertain if I and my staff were okay. At time, Minister Bailey said to me words to the effect that it was just 'unions being unions'. The DPC DG Rachael Hunter did reach out to me to enquire if I was "ok", but that was the extent of it as far as I can recall.
138. Following the incident, the Union sent an open letter dated 25 August 2022 entitled "Bailey must rein in rogue department". In this letter the Union called for Minister Bailey to take some responsibility for his department's failures and to stop shifting the blame onto front-line workers. The letter includes a quote from Mr Ingham which asserted, among other things, that I '...was a bureaucratic relic of the Campbell Newman era' and that I had a 'preference for using small clique of bargain bin contractors.' A copy of this letter is annexed to my statement as NS-2.


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Witness (Lawyer)

139. Shortly thereafter, on 30 August 2022, Mr Ravbar sent a letter to Mr Adrian Langford, then serving as the Deputy Chief People and Culture Officer for DTMR, in which he justified the protest on the basis that their members had been prejudiced by "dodgy procurement practices" and that the members' concerns were specifically directed at mismanagement at the senior executive level.
140. As a safety measure following that incident, industry briefings were conducted for a number of years by way of Teams meetings rather than face to face presentations.
141. After that event, the Union would protest whenever they knew I was intending to visit a site. I recall that I was to go to inspect the new Neville Bonner bridge on or around April or May 2023 that was under construction. Of course I had to declare in advance that I was going as I needed permission to be on site. I received word that the Union was planning a protest at the site so I cancelled the visit.
142. On another occasion in, though I cannot recall when, the Union marched on 1 William Street. They carried an effigy of me with a sign saying 'scales of injustice'.
143. On another occasion they chanted whilst marching on Parliament 'Neil Scales we smell corruption'. They also separately marched on 1 William Street, again with the "Scales of injustice" effigy.
144. I recall they also had a soccer ball with a picture of my face affixed to it, which they would kick around.
145. In the course of preparing this statement, I have also been shown a video from December 2022 which appears to have been posted via the Union Construction & General QLD/NT Facebook page entitled "A very merry Christmas from the Union to DTMR director-general Neil Scales, Transport Minister Bailey, and all the management team bringing you Cross River Fail." In the video, there is man wearing a mask of my face and another man holding a sign saying "Something's fishy scales" and "scales fails". The video depicts persons wearing Union branded clothing singing an adaption of jingle bells which contains the lyrics of "Neil Scales is the grinch, screwing over workers" and "Hoping BPICs is on the way". The video is available at the following link: <https://www.facebook.com/watch/?v=692107792321681>


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Witness (Lawyer)

146. An example of what I consider to be Union Misconduct involved an incident involving the failure of a concrete pump at Cross River Rail between April and July 2024. In 40 years of being involved in this industry, I have never seen or heard of a concrete pump failing. I suspect the pump may have been deliberately sabotaged.
147. At the time when I discussed the incident with Graham Newton, he too thought that there was potentially sabotage by Union members to cause delay to the project.
148. Other incidents of deliberate delays that I was informed of, which I consider amount to misconduct, include:
- a) on 16 June 2021, at nighttime, two Union representatives entered the worksite of the Pacific Motorway Exit 41 in Yatala, while works associated with a new overpass bridge was being performed. The two Union representatives did not follow the safety entry procedures and approached several workers on site before issuing a Notice of Entry to the principal contractor. They obstructed works for approximately two and a half hours as they positioned themselves underneath the boom of a 450-tonne crane and refused to move, despite requests being made both from workers and the police. As a result of their actions, works had to be re-scheduled to a later date as there was not enough time to complete the works prior to the highway re-opening;
 - b) in late 2022, Dean Reilly, a Union organiser, tried to unlawfully enter a BMD worksite. He attended the offices of the contractor and requested that he be escorted onsite based on the premise that he was representing a worker who had made a complaint. He was not able to say where the worker worked or provide any specific details with respect to the issue. Mr Reilly verbally quoted section 81 of the *Work Health and Safety Act 2011 (QLD)* (WHS Act). He did not have the required permit and was refused entry by the contractor. Mr Reilly made statements that he would complain to the Fair Work Ombudsman. in or around May 2023, Union members invaded the tunnels on the CRR despite not having a right to enter the tunnel, have the right tickets or documentation or even be dressed in the appropriate PPE required for such activity. For these reasons, I considered the entry to be for a purpose other than assessing safety

issues, otherwise the Union representatives would have complied with safety themselves; and

- c) in or around May 2023, Union members invaded the tunnels on the CRR despite not having a right to enter the tunnel, have the right tickets or documentation or even be dressed in the appropriate PPE required for such activity. For these reasons, I considered the entry to be for a purpose other than assessing safety issues, otherwise the Union representatives would have complied with safety themselves.

AWU

(t) Relationship between DTMR and AWU

149. In contrast to my interactions with the Union, as a DG, I had a good working relationship with the AWU during my time as DG of DTMR, in particular Rohan Webb. Whilst my interactions were somewhat sporadic, they were always respectful.
150. Generally I sought to maintain solid and workable relations with all unions that DTMR had engagement with. For example, I believe I also had a constructive relationship with Peter Ong from the ETU. I felt that I could speak to both Mr Ong and Mr Webb constructively to resolve issues that arose.

(u) Differences DTMR experienced in engagement with AWU vs the Union

151. The Union was the only union with which I encountered major problems with during my time as DG.
152. The Union was a stand out because their modus operandi was to be aggressive and abusive. I cannot recall any meeting where Union representatives engaged in a manner which was constructive or did not involve aggression or abuse of some type.

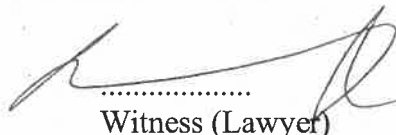
Cessation of work at DTMR

(v) Cessation of my contract

153. My contract as DG was due to expire on 3 June 2023, which was a Saturday. I anticipated that my contract would be renewed, as it had been in the past. It was a contract with the Premier on a three + two year basis.
154. I was notified on Tuesday 30 May 2023 by Ms Rachel Hunter's office, DG of the DPC and Mr David Mackie, Acting Public Service Commissioner, at a meeting at Ms Hunter's office at 1 William Street, that my contract was not going to be renewed. Their manner in the meeting suggested they were embarrassed at having to give me that news.
155. The decision to end my employment would have been made by the Premier's office and people there. I believe Ms van Alphen was Union aligned. I also had experienced Mr Reed consistently backing the Union during meetings with me.
156. I believe that Mr Ravbar would have sought to use his influence with the Premier and her staff to ensure my contract was ended, because:
- a) as chair of the CRRDA, I supported the CEO and resisted the Union attempting to represent workers in the Cross River Rail tunnels as it was more appropriate for the AWU to do so;
 - b) I resisted implementation of BPICs for as long as I could in CRRDA and in DTMR to get a more effective policy outcome;
 - c) although, in my view, BPICs was not an effective policy, and the Transport BPICs was not favourable to the Union as the BPICs in other departments;
 - d) the Union held rallies aimed at intimidating, abusing and discrediting me; and
 - e) after my contract ended, the Union posted on its Twitter account 'Vale Neil Scales ... Don't let the door bang you on your arse on the way out'. A copy of this post is annexed to my statement as NS-3. This post also includes a photograph of the effigy of me with the 'scales of injustice' that I mentioned in paragraph 142 of this statement.



Neil Scales OBE



Witness (Lawyer)

157. The sudden cessation of my contract on a few days' notice robbed me of the opportunity to farewell my staff properly. I still feel bruised by it all, having given over a decade of service to DTMR and the Queensland public service. I also had to communicate with my staff and stakeholders in the short time I had about my abrupt exit from DTMR, and this was very difficult.

158. I also believe the stance I adopted in respect of the Union involvement, resulted in the Premier's office blocking some potential awards to recognise my service. I understand that some staff had nominated me to receive a Public Service Medal. I understand I was also nominated to receive an Order of Australia. Neither of these eventuated.

(w) *Reasons given by DTMR or the Government for not continuing my contract*

159. Neither Ms Mason or Mr Mackie informed me of any reason why my contract was not renewed. I did not receive reasons from any other persons in the Government.

160. The contents of this statement are true, except where they are stated on the basis of information and belief, in which case they are true to the best of my knowledge.

161. I understand that a person who makes a false declaration in a statement commits an offence.

162. I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the *Oaths Act 1867* (Qld).

DECLARED at Brisbane on 19 December 2025.

NEIL SCALES OBE



Signature of declarant

BEFORE ME:

MEREDITH BENNETT

a lawyer employed by Ashurst,

123 Eagle Street, Brisbane



Signature of witness

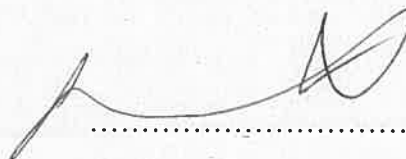
**COMMISSION OF INQUIRY INTO THE CFMEU AND MISCONDUCT IN THE
CONSTRUCTION INDUSTRY ANNEXURE SHEET**

ANNEXURE SHEET

This is the document referred to as NS-1 in the Statement of Neil Scales Obe
declared/affirmed in Brisbane on 19 December 2025.



Neil Scales Obe



Witness (Lawyer)

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ABN 54 342 536 060 (AWUEQ) ABN 28 853 022 982 (AWU)

3 September 2020

Mr Neil Scales
 Director-General
 Department of Transport and Main Roads
 1 William Street
 Brisbane QLD 4000

Email: [REDACTED]

Dear Mr Scales

I refer to the proposed Transport and Main Roads (TMR) Best Practice Industry Conditions document (the BPIC document).

The AWU have been advised by TMR officers and KPMG consultants that the document will represent the industrial standards expected from tenderers in relation to major civil construction projects for the Queensland Government including but not limited to roads, bridge and rail projects.

The Australian Workers' Union (AWU) is entitled to represent the industrial interests all workers in or in connection with civil construction. The AWU constitutional rules provide as follows:

"Without limiting any provisions of other sub-rules hereof the industries of the employment of every bona fide worker, male or female, engaged in manual or mental labour in or in connection with any of the following industries or callings, namely: ...

road making, water and sewerage, railway construction work;

manufacture or preparation, applying, laying or fixing of bitumen emulsion, asphalt emulsion, bitumen or asphalt preparations, hot pre-mixed asphalt, cold paved asphalt and mastic asphalt, (other than tar paving or asphalt work within the external alignment of buildings not incidental to or part of civil engineering works;

the construction, maintenance and conduct of the Commonwealth Railways and all kinds of general labour;

the manufacture of cement and cement articles and/or the operation of concrete batching plants;

Landscaping, (other than in the Northern Territory);

The construction, repair, maintenance or demolition of:

Civil and/or mechanical engineering projects;

Secretary/ Branch Secretary: Steve Baker

Road Making including construction and/or maintenance and/or repair and all work in or in connection with or incidental thereto;

Water Supply construction and/or maintenance and/or repair and/or operation of and all work in or in connection with or incidental thereto.

Sewerage construction and/or maintenance and/or repair and/or operation of and all work in or in connection with or incidental thereto;

Railway construction and/or Maintenance and/or repairs and all work in or in connection with or incidental thereto;

All labour other than craftsmen employed on in or in connection with or incidental to the construction and/or maintenance and/or repair and/or operation of State and/or Federal Public Works, and/or works for semi-governmental bodies (including Harbour Boards);

All employees engaged in or in connection with or incidental to the construction and/or maintenance and/or repair and/or operation of local authority work or works;

All employees engaged in the construction and maintenance of tramways;

Bridge Carpenters and all other labour employed in or in connection with or incidental to the construction and/or maintenance and/or repair and/or alteration and/or demolition of bridges, wharves, piers, jetties, dolphins, barrages and other similar or like structures;

All kinds of general labour (including builders' labourers);

Horticulture and all work in or in connection with the hiring out and incidental servicing of pot plants;

Manufacture of cement including all work in or in connection with or incidental thereto;

All labour other than craftsmen engaged in the manufacture of concrete and reinforced concrete pipes and/or the making of concrete kerbing and channelling, concrete manhole covers, concrete paving slabs, concrete box drains and lids, concrete septic covers, concrete pig troughs or other concrete troughs used for farming and agricultural purposes, and all other concrete articles;

Employees employed on dredges, barges and tugs, and launches north of 25th parallel of south latitude;

Secretary: Steve Baker

Forklift Operators, End Loader Operators, Electric Locomotive Drivers and Winchmen;

All persons other than craftsmen engaged in land reclamation"

The AWU is the only employee organisation listed in the definition of "union" in the draft BPIC document that is entitled to represent the industrial interests of **all workers** across the civil construction industry.

TMR has contacted the AWU to consult on the proposed BPIC document.

Based on correspondence provided by TMR on 22 July 2020, it is the understanding of the AWU that Crown Law has provided advice to TMR that has confirmed that "the development and implementation of the conditions document is legal and consistent with the the *Fair Work Act 2009* (FW Act), the *Building and Construction Industry (Improving Productivity) Act 2016* (BCIIP Act) and the *Code for Tendering and Performance of Building Work 2016* (Building Code)."

Specifically, TMR have stated that "in terms of applying the conditions on projects, the department understands that it cannot mandate that contractors and their sub-contractors adopt the conditions. However, the department can evaluate contractors based on how they demonstrate that their employment conditions and standards compare to the conditions. The department will specify the matters it is seeking from a successful contractor and evaluate contractors based on what they offer via the tender process. This evaluation will likely require contractors to evaluate their sub-contractors for the project on how the sub-contractors' terms of employment conditions also reflect the conditions proposed in the tender."

The AWU is engaging in this consultation process based on this assurance provided by TMR.

The AWU is supportive of the Government requiring employers who are tendering for Government major projects to demonstrate that they will make agreements only with trade union(s) who have eligibility to cover workers covered by the agreement (for greenfields agreements the trade union(s) must have coverage of the **majority of the workers** i.e. the AWU in civil construction) and provide for terms and conditions of employment, including wage rates that are not below the industry conditions.

The AWU understands that TMR is obliged to comply with the relevant provisions of the FW Act.

The AWU notes that departmental officers are required to comply with the Code of Conduct (the Code). Specifically, section 3.2(c) which provides that public servants must "comply with the laws of State, Australian and local governments."

As such, approval and/or implementation of a BPIC document which is not consistent or operates in conjunction with a tender document in a way which is inconsistent with the FW Act would potentially be a breach of the Code by the relevant departmental officer/s.

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The AWU understands that the BPIC document will be the minimum benchmark for the terms and conditions proposed in greenfields and non-greenfields agreement applying to major Government projects.

The AWU provides a preliminary response based on the information provided by TMR.

The AWU submits that when TMR tenderers are bargaining with relevant employee organisations to make greenfield agreements under the FW Act consistent with the proposed BPIC document, the following provisions are relevant for the purposes of the document and evaluating bidders:

Section 172 provides that an employer or employers (the tenderer or tenderers) may make a greenfields agreement with one or more **relevant employee organisations** if the agreement relates to a genuine new enterprise that the employer or employers are establishing or propose to establish and the employer or employers have not employed any of the persons who will be necessary for the normal conduct of that enterprise and will be covered by the agreement.

Section 177 provides for who can be a bargaining representative for a proposed greenfields agreement. The section relevantly sets out that bargaining representatives will be the employer and an **employee organisation** that is **entitled to represent the industrial interests** of one or more of the employees who will be covered by the agreement, in relation to work to be performed under the agreement and with which the employer agrees to bargain for the agreement.

In relation to the certification of greenfield agreement, section 187 relevantly provides that the FWC must be satisfied that the relevant employee organisation that will be covered by the agreement are (taken as a group) is **entitled to represent the industrial interests of a majority of the employees** who will be covered by the agreement, in relation to work to be performed under the agreement and that it is in the public interest to approve the agreement.

Section 187 also provides that the FWC must be satisfied that the agreement, considered on an overall basis, provides for pay and conditions that are consistent with the prevailing pay and conditions within the relevant industry for equivalent work in the relevant geographical area.

The FWA defines a "relevant employee organisation" in relation to a greenfields agreement, as an employee organisation that is **entitled to represent the industrial interests** of one or more of the employees who will be covered by the agreement, in relation to work to be performed under the agreement.

TMR officers have an obligation pursuant to sections 172, 177, 187 and the definition of "relevant employee organisation" under the FW Act, to ensure that contractors tendering for major civil projects, to which the proposed BPIC conditions document would apply, only make greenfields agreements with relevant employee organisation(s) who are entitled to represent the industrial interests of the majority of employees.

Should the contractors tendering for major civil projects seek to meet the conditions outlined in the BPIC document using non-greenfields agreements, sections 176(1)(b) and 176(3) of the FW Act

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requires that a non-greenfields agreement, can only be made with a relevant employee organisation(s) who are entitled to represent the industrial interests of employees who will be covered by the agreement.

Specifically, TMR must ensure that the proposed BPIC document and/or tendering documentation allows only those employee organisations that have the entitlement under their constitutional rules to represent the industrial interests of employees within the civil construction industry or their specific occupations within that industry.

As the AWU is the only employee organisation with industry rules allowing eligibility for all employees within the civil construction industry, it will represent the majority of employees for any greenfields or non-greenfields agreement.

TMR has a positive obligation to comply with the FW Act and ensure through the proposed BPIC document and/or tendering documentation that other employee organisations that only have occupational coverage in the civil construction industry are restricted to representing only those occupational callings that their eligibility rules allow for.

This would be done through 'parties' or 'scope' clauses of the proposed BPIC document and would outline specifically what occupations or callings of employees each employee organisation is entitled to represent. The AWU submits that these provisions must be duplicated in the proposed enterprise agreements.

In relation to 'parties' or 'scope' provisions of the proposed BPIC document, the AWU draws TMR's attention to the following concerns:

- At clause 2.1 the 'parties' that are relevant employee organisations that have occupational coverage in the civil construction industry must be restricted to representing only those occupational callings and roles that their eligibility rules allow for as outlined above;
- There needs to be a 'scope' provision outlining exactly the scope of works that is covered by the proposed agreement and those that are not;
- The underpinning Awards listed at clause 4.1 must be limited by the scope clause of the BPIC document;
- The definition of "union delegate" must include "of an employee organisation entitled to represent the industrial interests of employees";
- There needs to be a definition of "representative" as it relates to a union representative must include "of an employee organisation entitled to represent the industrial interests of employees";
- There needs to be clarification of employees working under an agreement and suppliers providing construction materials through the supply chain.

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In relation to the wages, conditions and classifications which should be included in the proposed BPIC document, the AWU submits that the conditions and wages contained in the *CPB Contractors Pty Ltd – Cross River Rail – Tunnel and Shafts Greenfield Agreement 2019-2023* and the *CPB Contractors Pty Ltd – Cross River Rail – Civil Surface Works Greenfield Agreement 2019-2023* (CRR Agreements) should constitute the minimum benchmark.

To avoid doubt, this includes all wages, terms, conditions, classifications and details thereof included in the CRR Agreements but not yet contained in the proposed BPIC document.

The proposed draft BPIC document developed by KPMG already refers to provisions contained in the CRR Agreements and given that the CRR Agreements apply to the civil construction industry and occupations that represent the current wages, conditions and classifications that prevail across the industry in Queensland they should be included as the minimum benchmark.

The AWU submits that the BPIC document is being developed to ensure tenderers meet best industry practice standards in Queensland. Therefore, to include wages, conditions and classifications lower than those contained in the CRR Agreements would actually diminish the ability of trade unions to bargain for prevailing conditions for workers.

If it is the intention of TMR and Cabinet to develop and implement a so called BPIC document containing wages, conditions and classifications less than those contained in the CRR Agreements then the AWU is vehemently opposed and submits that such a document would sell out civil construction workers and their families across the State.

Given that the matters outlined above are consistent with the relevant industrial legislations and that the department and officers have a positive obligation to comply with such legislations, the AWU has an expectation that the matters raised will be addressed throughout the consultation, drafting and approval process for the proposed BPIC document.

The AWU notes that we have requested and are waiting for the relevant provisions of the tender, which outline how the evaluation process will incorporate the proposed BPIC document and the draft BPIC "C.1 - Local Manufacturing and Supply Chains". These are required for the AWU to provide a more considered response on the draft. We expect these documents to be provided in the near future.

If you require any further information, please contact Executive Officer Mark Raguse on

[REDACTED] or [REDACTED]

Yours sincerely

[REDACTED]

STEVE BAKER
SECRETARY

Secretary: Steve Baker

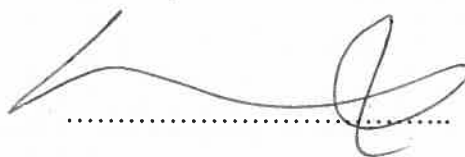
**COMMISSION OF INQUIRY INTO THE CFMEU AND MISCONDUCT IN THE
CONSTRUCTION INDUSTRY ANNEXURE SHEET**

ANNEXURE SHEET

This is the document referred to as NS-2 in the Statement of Neil Scales Obe
declared/affirmed in Brisbane on 19 December 2025.

A handwritten signature in black ink, appearing to read 'Nscales', written over a horizontal dotted line.

Neil Scales Obe

A handwritten signature in black ink, consisting of a long horizontal stroke followed by a circular flourish, written over a horizontal dotted line.

Witness (Lawyer)

CFMEU

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 State Construction
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MARK BAILEY MUST REIN IN ROGUE DEPARTMENT

August 25, 2022

Transport Minister Mark Bailey needs to stop blaming front-line workers for serial failings in his own department, and instead hold decision makers in his bureaucracy accountable.

Tuesday's attendance by construction workers at a Queensland Transport and Roads Investment Program briefing was nothing more than key stakeholders - the men and women who actually build this state's infrastructure – wanting to have a say on issues which impact on their working lives, and the infrastructure needs of all taxpayers, CFMEU assistant secretary Jade Ingham said.

"Construction workers and their union are industry stakeholders. If the government, or bureaucrats or the opposition, think otherwise then it is a sad reflection on the contempt they have for the workers of Queensland," Mr Ingham said.

"The reality is that under the tenure of TMR director-general Neil Scales – a bureaucratic relic of the Campbell Newman era – construction standards have fallen, costs have blown out, projects are running late, use of insecure and poorly paid labour hire has exploded, and safety standards have fallen."

"Mr Scales' reign – and his preference for using a small clique of bargain bin contractors - has delivered us death and defects on the Airport Link project, disastrous safety standards, cost overruns and build quality on the Toowoomba Range, and the ongoing debacle that is Cross River Rail," Mr Ingham said.

"Construction workers have had a gutful of being treated like a cheap and disposable commodity, and it is disgraceful that successive Ministers in this allegedly Labor government have allowed Mr Scales to wage his war on workers unabated."

"Mr Bailey has had multiple warnings about the rogue elements in his department and their cavalier disregard for government procurement policy, yet still he fails to act."

"On Tuesday construction workers, frustrated at government inaction over this dysfunctional department, turned up to participate in an industry stakeholder meeting."

"Workers – who were at no point asked to leave by police or security – departed of their own accord when the meeting was cancelled by a government too scared to face scrutiny."

"The solution is simple Mr Bailey: Clean out your sclerotic bureaucracy, starting at the top."

qnt.cfmeu.org.au
 ABN: 12 898 529 251

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

ANNEXURE SHEET

This is the document referred to as NS-3 in the Statement of Neil Scales Obe
declared/affirmed in Brisbane on 19 December 2025.

A handwritten signature in dark ink, appearing to read 'N. Scales', written over a horizontal dotted line.

Neil Scales Obe

A handwritten signature in dark ink, consisting of a large, stylized 'K' followed by a horizontal line and a loop, written over a horizontal dotted line.

Witness (Lawyer)

VALE NEIL SCALES

It is with profound shock and sadness we have to report that TMR director-general Neil Scales is stepping down from his role.

We are sure his departure has nothing at all to do with a multi-million dollar wage theft claim against TMR currently being pursued by the CFMEU. This centres on the systemic underpayment of TMR sub-contractors and a failure to honour terms of contracts stretching back six years.

Nor is Scales' demise in any way linked to his long and distinguished track record of costing Queensland billions of dollars by hiring the cheapest, shoddiest construction companies that taxpayers' money can buy ... only to see project after project (hello Cross River Rail) plagued with delays, engineering failures and massive cost blow-outs.

And as for accusations that TMR under Scales repeatedly ignores the government's own procurement and tendering policies when awarding lucrative contracts? Please, the poor man was just trying to get value for money, and if a few corners relating to quality, safety and competence had to be cut here and there, well let us not dwell on the past.

No, none of that. And please don't believe the persistent rumours circulating about Scales' poisoned relationships and loss of trust within senior government circles. We are assured he will be greatly missed by all who had to deal with him.

So best of luck in the next phase of your life's adventures Neil.

Don't let the door bang you on the arse on your way out.



Posted on Union C&G Qld/NT on Twitter