

# CFMEU

## CONSTRUCTION

Ref: SECRETARY

23 July 2021

Mr Daniel Lee  
Manager Construction Services  
Chamber of Commerce and Industry WA  
Level 5, 235 St Georges Terrace  
Perth, Western Australia 6000

By email: [Daniel.Lee@cciwa.com.au](mailto:Daniel.Lee@cciwa.com.au)

Dear Daniel,

**CFMEU WA**  
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### Greenfields agreement with Bechtel Construction (Australia) Pty Ltd for Pluto Train 2

We refer to the above matter.

We confirm that the Chamber of Commerce and Industry WA have been appointed agent for Bechtel Construction (Australia) Pty Ltd (**Bechtel**) to engage in discussions with the:

- a) Australian Workers' Union (**AWU**);
- b) "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (**AMWU**);
- c) Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (**ETU**); and
- d) us,

in relation to a proposed greenfields agreement for the construction of the Pluto 2 Project (**Project**).

We confirm that the terms and conditions sought by Bechtel were outlined in a memorandum of understanding (**MOU**) and an attachment titled "*Bechtel Construction (Australia) PTY LTD PLUTO TRAIN 2 PROJECT AGREEMENT*" (**Proposed Agreement**).

We confirm we entered the MOU in good faith in order to facilitate certainty and harmonious industrial relations on the Project. However, we note the MOU was executed in September 2019 and with the passage of time a number of concerns with the Proposed Agreement have been raised with us.

Given the above, we write to raise the below concerns about the Proposed Agreement:

#### **Scope of the Proposed Agreement**

Relevantly, clause 3(2) of the Proposed Agreement excludes:

- (b) [t]he transport of personnel to and from the Project;
- (e) [t]he construction, alteration, upgrade and/or operation of accommodation facilities;

We note Bechtel is the developer for the proposed accommodation facility at 72 Madigan Road, Gap Ridge Western Australia 6714 (**Gap Ridge Project**). We note that Gap Ridge Project has been valued at approximately \$180 million. We confirm we became aware of the Gap Ridge Project after the execution of the MOU. In our view, the Gap Ridge Project's sole purpose is to facilitate the construction of the Project and it represents a significant amount of work for construction workers. There is no justification for those workers being excluded from the Proposed Agreement as ultimately

their involvement will assist in successfully delivering the Project. As such, we ask Bechtel to remove the exclusion at clause 3(2)(e) of the Proposed Agreement. Further, for clarity, the Gap Ridge Project should be included in the scope of the Proposed Agreement.

As you are no doubt aware, historically in order to ensure fairness on large scale construction projects, workers were entitled to paid travel time in excess of 20 minutes either to or from site. The race to the bottom has resulted in workers being required to stay in accommodation well more than 20 minutes away from site and not receiving any payment for such time. In our view, their travel to and from site is essential for the delivery of the Project, and on a reasonable and pragmatic basis, workers should be paid for any time in excess of 20 minutes to or from site. As such, we ask Bechtel to remove clause 3(2)(b) from the Proposed Agreement and clearly outline the entitlement of workers to be paid travel time in excess of 20 minutes either to or from site.

### **Severance**

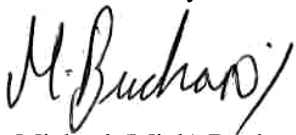
Clause 34 of the Proposed Agreement outlines severance provisions for the Project. As outlined in the *Final Report to the Minister for Commerce: Security of Payment Reform in the WA Building and Construction Industry*, the Western Australian construction industry has the highest rates of insolvency in Australia.

To remedy the high level of insolvency in the Western Australian Industry, we are of the firm view that severance entitlements should be paid to ReddiFund Ltd (**ReddiFund**). ReddiFund is the only Western Australian redundancy fund and ReddiFund has been instrumental in promoting wellbeing in the construction industry through its ongoing support to Mates In Construction.

Given the above, can you please confirm Bechtel will ensure all severance payments will be made to ReddiFund?

If you would like to discuss these issues, please contact the undersigned on 0419 812 861 or via email at [MBuchan@cfmeuwa.com](mailto:MBuchan@cfmeuwa.com). We look forward to your prompt response to the issues outlined above.

Yours sincerely,



Michael (Mick) Buchan

### **State Secretary**

**Cc Brad Gandy, AWU State Secretary**

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**Steve McCartney, AMWU State Secretary**

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