



# Media Release

---

## Application for appointment of independent administrator for CFMEU

The Fair Work Commission's General Manager, Murray Furlong, has today initiated proceedings in the Federal Court under s.323 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) to appoint an independent administrator for the Construction and General Division of the Construction, Forestry and Maritime Employees Union (CFMEU).

The proposed scheme of administration covers the Divisional Executive and offices in the Victoria-Tasmania, New South Wales, Queensland Northern Territory, and South Australian Divisional Branches. The remaining Divisional Branches in Western Australia and the Australian Capital Territory would continue to function as usual but could be brought under the scheme at a later date on application to the Court.

Following significant consultation with a wide range of stakeholders representing both employer and employee interests, it is proposed that the Court appoint Mark Irving KC as Administrator.

Mr Irving KC has been a Member of the Victorian Bar for over 26 years. His experience is extensive and includes acting in significant matters relating to both unions and employer organisations. A copy of his biography is attached to this media statement.

The Court is asked to approve a scheme for the taking of action by Mr Irving KC as independent administrator.

### The proposed scheme

The members of the Construction and General Division of the CFMEU and the broader community deserve to have confidence in the ongoing effectiveness of the administration proposed in the scheme, which will take as long as necessary to bring the Branches of the Division into lawful compliance, and then systemically embed this governance for the future.

If appointed, the Administrator will have the ability to ensure that the Division and Divisional Branches function effectively and lawfully within the legislative framework and the lawful objectives of the CFMEU. The Administrator will be required to ensure that the rights of members of the union continue to be protected and that the Division and Divisional Branches operate in accordance with their objects.

The scheme proposes that the Administrator will have power to:

- remove officers, officials and employees from their positions, engage employees and consultants as required, and apply to the Court for the appointment of assistant administrators
- take possession of all property and credit cards
- exercise votes of the offices he holds

- appoint proxies to represent him at meetings and exercise voting rights as instructed
- bring proceedings to recover funds, impose penalties and award compensation
- cooperate with any investigations
- establish and implement policies, including Rule alterations to ensure the CFMEU can be representative of and accountable to its members, operate lawfully and effectively and encourage member participation and democratic functioning
- keep and maintain the register of members
- prepare financial accounts as required and
- issue a certificate when satisfied a Divisional Branch is operating effectively so that the process to remove it from administration can commence, including by commencing elections for office.

The administration of the Division or a Divisional Branch will only end after the Administrator certifies that it is functioning effectively, and the Fair Work Commission's General Manager agrees. Before reaching that conclusion, an independent audit of the financial affairs of the Division or Divisional Branch must be conducted.

#### **Independent special purpose audit and General Manager's industry committee**

To support the integrity of the scheme, the application to the Federal Court also seeks the appointment of KordaMentha Pty Ltd to undertake a special purpose audit and prepare a report into the financial position and financial risks relating to the Division and Branches in administration. This report will be provided to both the Administrator and to the General Manager following commencement of administration.

As part of the commitment to being an open and transparent regulator, the General Manager is establishing a Building and Construction Industry Committee. The committee will report to the General Manager. The Administrator will also be required to meet with the General Manager regularly throughout the administration to report on the scheme's progress.

Yesterday the General Manager wrote individually to approximately 250 CFMEU office holders to remind them of their obligations as elected officials under the RO Act and of the information and education resources the Commission publishes to assist them in their roles.

The General Manager is unwavering in his commitment to ensuring the success of this process for the benefit of CFMEU members, employers and the broader community. The objective in making this application is to ensure that the CFMEU can meet the expectations and act in the interests of its members, lawfully and in a proper and democratic way, and in accordance with its statutory obligations and the expectations of the broader community that it operates within.

[END]

**Media inquiries:** Kellie Fonseca, (03) 9063 7610, [media@fwc.gov.au](mailto:media@fwc.gov.au)