

Build something great™



MEDIA STATEMENT

19 December 2014

Statement from Mike Kane, CEO Boral Limited in response to the Royal Commission's Interim Report

Boral welcomes the findings set out by Commissioner Dyson Heydon in the interim report of the Royal Commission into Trade Union Governance and Corruption.

Mike Kane, Boral's CEO & Managing Director said "For close to two years, Boral has been calling for action and assistance to stop the illegal secondary boycott that has been imposed on Boral by the CFMEU in Melbourne, and which is continuing to cost the company millions of dollars in lost sales and legal fees.

"The findings of the Royal Commission provide powerful and authoritative endorsement of Boral's position that the CFMEU has been engaged in serious illegal activity for an extended period of time, immune from any legal sanction."

Boral notes in particular that the Commissioner has identified serious flaws in the judicial system's ability to deal effectively with the conduct of the CFMEU:

"A legal system which does not provide swift protection against the type of conduct which Boral alleges it has suffered at the hands of the CFMEU, and which does not have a mechanism for the swift enforcement of court orders, is fundamentally defective. The defects are so great as to make it easy for those whose goal is to defy the rule of law. The defects reveal a huge problem for the Australian state and its numerous federal, State and Territory emanations. The defying of the Victorian Supreme Court's injunctions for nearly two years, and the procedural history outlined above, will make the Australian legal system an international laughing stock. A new form of 'sovereign risk is emerging – for investors will not invest in countries where their legal rights receive no protection in practice. At least so far as the courts are concerned, it may be appropriate for consideration to be given to procedures which ensure the swift determination of contempt applications, complemented where necessary by appropriate court rules and legislation."

"The Royal Commission has shone a light onto the totally unacceptable activity taking place in Melbourne's construction market and the associated costs to the community. It has recognised that Australia's legal and regulatory system as it stands does not provide swift protection for the type of conduct which Boral has suffered at the hands of the CFMEU.

"After 22 months of extensive pursuit of legal justice, and with costs well in excess of \$10 million, the situation on the ground in the Melbourne CBD market remains unchanged. We have lost access to an important market in Melbourne because there has been no legal protection available to stop the CFMEU from its illegal control of market activity.

"As we have said repeatedly, Boral will continue to co-operate with law enforcement authorities to ensure that our rights and the interest of our stakeholders are protected," said Mr Kane.

For more information:

Kylie FitzGerald, Investor and Media Enquiries
Tel: 02 9220 6591 or 0401 895 894

Boral Limited ABN 13 008 421 761 – PO Box 1228 North Sydney NSW 2059 - www.boral.com.au