

Australian “union corruption” inquiry targets workers

Terry Cook
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Australian Prime Minister Tony Abbott this month announced a royal commission into alleged trade union corruption, as part of a broad offensive to dismantle hard-won basic rights and conditions of workers in line with the demands of big business. The real target of the inquiry is not the union bureaucrats but the working class itself.

Before last year’s federal election, Abbott seized on allegations of misuse of union funds by the Health Services Union (HSU) national president Michael Williamson and former national secretary Craig Thomson, and by ex-Australian Workers Union (AWU) officials and former prime minister Julia Gillard, their former lawyer. He declared that a Liberal-National government would hold a judicial inquiry into “union slush funds.” Now, the government has decided that such an inquiry would be too narrow for its purpose.

The pretext for the shift to a royal commission with far wider powers was provided by an unsubstantiated witchhunt generated by Fairfax Media and the Australian Broadcasting Corporation late last month, alleging that Construction Forestry Mining and Energy Union (CFMEU) officials and shop stewards received bribes and inducements from contracting companies.

Outlining the royal commission’s sweeping terms of reference, Abbott declared it would examine allegations by “whistle-blowers within the union movement of unlawful activity, corruption, organised crime involvement, standover tactics, kickbacks, etc.” He declared, without presenting any evidence, that such practices are “very widespread in elements of the union movement.”

The royal commission, headed by former High Court judge Dyson Heydon, will have powers of investigation far in excess of those wielded by many police agencies, including to subpoena witnesses and force them to

testify. One Fairfax Media article described it as “the bastard child of a fishing expedition and the Spanish Inquisition.”

The inquiry will investigate “the financial management of trade unions and union-linked organisations, the adequacy of laws governing these bodies, whether the organisations have been used to facilitate crime, and how funds are sourced for and distributed from union bodies.”

Heydon will investigate not just the HSU, AWU and CFMEU, but also the Electrical Trades Union (ETU), the Transport Workers Union (TWU) and “any other person, association or organisation” against whom “credible allegations” are made of pursuing an “unlawful purpose” or other misconduct.

This misconduct includes “any conduct which may amount to a breach of any applicable law, regulation or professional standard by any officer of a registered employee association” [trade union] in order to “procure an advantage for themselves or another person, association or organisation” or “cause a detriment to a person, association or organisation.”

In other words, the royal commission will be able to pry into the affairs of unions, other organisations and individuals on the flimsiest basis, such as “credible allegations” of “causing a detriment” to someone. “Unlawful purpose” could cover supporting any industrial action to defend jobs or conditions, which is illegal under the existing “Fair Work” workplace laws of the previous Labor government, except during defined bargaining periods for enterprise agreements.

Abbott said the terms of reference were not limited to “any particular organisations, particular allegations or particular industries,” so that “the inquiry will be able to go wherever the evidence leads it.” This is an open-ended brief to pursue any issue that aids the employers.

The royal commission can also investigate “any issue or matter reasonably incidental” to its lines of inquiry.

The Royal Commission was launched amid an avalanche of job destruction and escalating demands by the financial and corporate elite for the removal of all impediments to the dismantling of working conditions and entitlements, such as weekend and overtime penalty rates.

The Abbott government has already instructed the Fair Work Commission, which is preparing a “review” of pay and conditions, to “take account of a softening economy and labour market” and “the impact of employment costs on employers’ decision to hire workers.” This includes considering whether penalty rates “for working particular times of the day” were “appropriate in a particular industry.”

After announcing the royal commission’s terms of reference, the government said it was finalising plans for a review of industrial relations laws, with a view to boosting workplace “flexibility.” Employment Minister Eric Abetz said he would introduce new laws to “allow” workers to trade off conditions, such as penalty rates, in return for more flexible hours.

Legislation is also being debated in the Senate for the reintroduction of the Australian Building and Construction Commission (ABCC), with extraordinary coercive powers to interrogate building workers, launch prosecutions, compel witnesses to testify, and pursue damages from unions and individual workers for engaging in “illegal” industrial stoppages.

The ABCC was originally established as a result of the previous Cole Royal Commission, which was instigated in 2001 by the former Howard government, also utilising claims of corruption and union violence. After lengthy hearings, Cole, also a former judge, found no evidence of organised criminal activity in the construction industry, but claimed that it was an industry where “lawless” industrial action occurred. Cole declared there was an urgent need for “structural and cultural reform” in order to improve productivity.

The Rudd and Gillard Labor governments retained the coercive powers of the ABCC, eventually handing them to the Fair Work Building Industry Inspectorate, but the proposed revived ABCC would have even greater powers.

While some large employers were reportedly reticent about a new royal commission, fearing it would disrupt

their cosy relations with the unions, which have a long record of suppressing industrial action on major construction projects, sections of big business have flagged support for the inquiry.

Master Builders Australia CEO Wilhelm Harnisch said that, while the inquest may make some of his members “uncomfortable,” the industry “would be better for it.” Concerned that the inquiry may stray into investigating companies allegedly engaged in “bribing union officials,” Harnisch insisted that any such employers were held to “economic ransom.”

The trade unions have for decades strived to deliver every employer demand for the scrapping of workers’ jobs and conditions, in the name of “international competitiveness.” Now, however, they are under pressure to go prove that their services are still valuable in driving down labour costs.

Heeding that call, AWU national secretary Paul Howes this month called for a new “grand compact” between unions and business, including to combat “a pattern of unsustainable growth in wages.”

The Labor Party has opposed the royal commission, but suggested other means of achieving the same ends. Opposition leader Bill Shorten called on the government to establish a highly-resourced federal police-led taskforce “to deal with the most serious allegations of corruption and bribery.”

Likewise, Australian Council of Trade Unions (ACTU) president Ged Kearney declared that “allegations of misconduct should be pursued via legal channels by the police.” CFMEU construction division national secretary Dave Noonan called on government to “properly fund” the Australian Crime Commission (ACC)—a body armed with similar inquisition-type powers as a royal commission.



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