

# Royal Commission debacle compounds Australian government crisis

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20 August 2015

An extraordinary saga engulfing the Abbott government's ongoing royal commission into alleged trade union abuses has intensified the underlying political crisis affecting the government and the entire Australian political establishment.

For the past week, the future of the high-profile royal commission has been thrown into doubt by the revelation that Dyson Heydon, the right-wing former High Court judge that the government appointed to head the inquiry, accepted an invitation to speak at a fund-raising dinner for Prime Minister Tony Abbott's Liberal Party.

Tomorrow, after days of legal and political drama, the Australian Council of Trade Unions (ACTU) will formally apply in the royal commission for Heydon to quit his post. The ACTU will do so on the legal grounds of "apprehended bias." This does not require proof of actual bias—just that a reasonable person might perceive that Heydon might be biased against the unions.

Abbott's response has been vitriolic, defending Heydon to the hilt and accusing the Labor Party opposition of conducting a "vicious slander" campaign against the ex-judge. In parliament yesterday, Abbott even declared that it was a criminal offence to criticise a royal commissioner. He warned that the Royal Commissions Act imposes three months' jail for "using any insulting language towards a Royal Commission."

At the heart of the Heydon affair is the escalating dissatisfaction of the corporate elite with the Liberal-National Coalition government for failing to carry through, as a matter of urgency, wholesale cuts to social spending and workers' jobs, pay and conditions amid a rapidly deteriorating economic situation for global and Australian capitalism.

In order to win the 2013 federal election, Abbott sought to capitalise on the popular hostility toward the previous pro-business Labor government by promising not to slash health and education, and not to introduce sweeping measures to dismantle working conditions.

However, as a means of satisfying the demands of big business for an offensive against the working class, Abbott's

government established the Royal Commission into Trade Union Governance and Corruption. Heydon, who headed a similar exercise for the then Liberal state government in New South Wales in 1989, was hand-picked to conduct the inquiry.

Dressed up as an investigation into corrupt conduct by union officials, the commission is a vehicle for ramping up the financial elite's drive to slash wages and living standards, to bring them into line with those imposed on workers across Europe and the United States since the 2008–09 global financial meltdown. Today, this drive is even more urgent, in the eyes of the ruling class, because of the deepening impact of the 2008–09 breakdown—global stagnation, sharply falling growth in China and plummeting export commodity prices.

For the past three decades, the unions have been pivotal in busting up workers' jobs and conditions. That function is epitomised by last week's betrayal by the Maritime Union of Australia of the sacked workers at Hutchison Ports in Sydney and Brisbane. Working in close collaboration with the ACTU, the union has called off a week-long strike and entered "high-level" talks with Hutchison on how to impose its job-cutting.

Having utilised the services of the unions, however, sections of business, now regard the union apparatus, which has its own commercial, political and other vested interests, as an unnecessary limit on employers' capacity to destroy working conditions. Other corporate elements, while still relying on the unions to police the workforce, are intent on extracting even greater betrayals from them.

Although nominally directed against the alleged corruption of union leaders, the royal commission's real target is the working class itself. Heydon's draft recommendations so far include imposing massive fines for industrial action and giving police extra powers to break up picket lines.

The royal commission has been thrown into disarray by documentary evidence that Heydon agreed to address a Liberal Party-branded fundraiser. That information was compounded by the fact that Heydon, as a law professor, sat

on the committee that awarded Abbott a prestigious Rhodes Scholarship in 1981, and a mid-2013 video recording of Heydon condemning the then Labor government at an event held by the right-wing “free market” Centre for Independent Studies.

Significantly, on Tuesday the Labor Party tabled a resolution in the Senate to “respectfully request” the governor-general, former military chief Sir Peter Cosgrove, revoke Heydon’s appointment as a royal commissioner. Under the Royal Commissions Act of 1902, the governor-general issues “Letters Patent in the name of the King” to establish such an inquiry and appoints the commissioner.

Calling on the vice-regal representative to intervene cuts across the constitutional convention that governors-general act only on the advice of the elected government of the day. This proposal is not the same as Governor-General John Kerr’s 1975 dismissal of the elected Whitlam government, using the “reserve powers” of the monarchy. Nevertheless, it would elevate the office of governor-general into centre stage of the present political crisis. For now, Labor has postponed its Senate motion to await the outcome of the ACTU’s application for Heydon to quit, but the resolution remains on the books.

Aligning itself with Abbott, for now, the Murdoch media has gone into over-drive, denouncing Labor and the unions for challenging Heydon. Today’s main *Australian* editorial urges Abbott to make next year’s scheduled federal election campaign a “plebiscite” on “trade union power,” gutting social spending and a “flexible labour market”—a euphemism for dismantling workers’ basic conditions.

“We are headed for an accumulated debt of \$667 billion by 2024 and neither side of politics has a convincing medium-term strategy for fiscal repair,” the editorial declares. “Unsustainable spending on education, health, disability support and the aged pension has us living well beyond our means.”

Amid the furor, an element of anxiety about Heydon’s conduct has appeared within the business establishment. Speaking on Australian Broadcasting Corporation television last Sunday, *Australian Financial Review* editor Michael Stutchbury said Heydon had “over-reached” himself by last month calling into question the credibility of Labor Party leader Bill Shorten as a witness in the royal commission.

In a remarkable two-day appearance before the royal commission, Shorten brazenly defended secret financial deals with employers that were struck by the Australian Workers Union (AWU) under his leadership between 1998 and 2007 at the direct expense of some of the country’s most exploited workers, including an agreement that stripped low-paid casual cleaners of wage penalty rates for after-hours work.

While Heydon’s rebuke of Shorten generated media headlines, various commentators noted that big business actually values the role of trade union leaders like Shorten, precisely because of their long track record of selling out workers and helping employers carry through the destruction of jobs and conditions.

Stutchbury’s reservations that Heydon “over-played his hand” on Shorten also reflects concerns in ruling circles that the increasingly apparent unravelling of Abbott’s government means that business needs to have a Labor Party leadership on hand that can divert the public hostility toward the government back into safe parliamentary channels, and form an alternative, pro-business, government if the need arises.

Events this week highlighted the instability and factional in-fighting now dominating the Abbott government. The week began with prominent leaks reporting splits inside the cabinet, prompting Abbott to reportedly “read the Riot Act” to ministers and publicly warn of “consequences” for cabinet members who leaked or spoke out against government policy.

Yesterday, Employment Minister Eric Abetz denounced unnamed cabinet colleagues as “gutless” for leaking cabinet discussions. Within hours, however, there was another damaging leak, this time of briefing notes instructing ministers to insist publicly that cabinet processes were “functioning exceptionally well” and the government was solely focused on “delivering jobs and growth.”

Abbott’s government faces a crucial by-election in the Perth-based Western Australian electorate of Canning on September 19. A loss, or even a large swing against the government in that by-election, could precipitate another Liberal Party leadership challenge to Abbott, who barely survived such a challenge in February.



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