

Political scandal engulfs premier in Australia's most populous state

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Seemingly surprising revelations are swirling around New South Wales (NSW) state Premier Gladys Berejiklian, underscoring both the venal character and the fragility of the entire Australian political establishment.

A week ago, Berejiklian admitted to a protracted, secret “close personal relationship” with a former fellow Liberal Party parliamentarian, who was forced to resign in 2018 over corruption allegations.

For now, Berejiklian has refused to quit. She is being permitted to remain in office, despite damning evidence produced during five days of public hearings last week by the state's Independent Commission Against Corruption (ICAC) investigation into the business dealings of her intimate friend Daryl Maguire.

As always with such political scandals, this one is driven by the requirements of the ruling elite, not by any concern for cleaning up the parliamentary order. Maguire's activities are hardly an aberration. Corruption is inevitably endemic in capitalist politics, given the dominance of profit-making interests.

There is a particular history of ICAC inquiries being used to execute political shifts in NSW, based on secretly recorded phone calls and texts. Most recently, in 2014, one of Berejiklian's Liberal-National government predecessors, Barry O'Farrell, was forced to quit as premier, supposedly over accepting the gift of a bottle of wine. That led to a more openly right-wing government, in which Berejiklian became a key minister, personally supervising an assault on public transport jobs and conditions.

Today, under conditions of the worst economic and social disaster since the 1930s Great Depression, there is evident alarm in the corporate elite that Berejiklian, who remains aligned with the Liberal Party's “socially progressive” faction, is so politically compromised that she will be unable to carry through the austerity agenda demanded by big business.

At the same time, there is, as yet, no obvious candidate to replace her, under conditions of rising nervousness that the destabilisation of the government in the country's most populous state could open up cracks for the eruption of underlying social and political discontent, amid mass unemployment and growing poverty. Prime Minister Scott Morrison is currently backing her, at least publicly, after hailing for months her determination to “reopen” the economy, regardless of the intensifying global COVID-19 pandemic.

None of the official and corporate media reports about this scandal are plausible. While the premier's five-year relationship with Maguire may have come as a shock to the public, it must have been known by the intelligence agencies and within ruling circles for years, including inside Morrison's federal Liberal-National Coalition government.

As the *Australian's* editor-at-large Paul Kelly pointedly noted last weekend: “Security agencies know when a head of government keeps a personal relationship secret, that invariably raises issues of ministerial conduct.”

Certainly, ICAC investigators and officials have known of Berejiklian's entanglement with Maguire since at least July 2018, when his activities came to light in an investigation into corruption at a municipal council. Maguire was reportedly recorded on tape trying to secure development sites for a Chinese company. ICAC announced an investigation into Maguire, which eventually compelled him to quit parliament.

That Chinese connection may be another factor in the move against Berejiklian, in the context of the escalating US confrontation with China and the associated drive to eliminate alleged Chinese “foreign interference” in Australia.

Many of Maguire's money-making activities involved Chinese business figures. For example, in 2014 Maguire texted Berejiklian to inform her of a \$5.8 million property

sale, brokered by Maguire and his Chinese business partner, which was set to earn him a tidy windfall. She replied: “Congrats!!! Great News!! Woo hoo.”

Questioned during the ICAC hearings, Maguire also revealed he had received cash kickbacks for setting up meetings between Chinese businesses and South Pacific government officials.

Maguire had planned to join a Chinese agri-business company, United World Enterprises (UWE), when he retired from politics in 2019, and at the same time wanted to make public his personal relationship with Berejiklian.

These and many other pieces of evidence about Maguire’s involvement in Chinese visa scams and property developers’ lobbying have shattered Berejiklian’s prospects of political survival. According to the *Australian’s* Paul Kelly, she is “seriously compromised” by the phone tap recordings played at the inquiry, which revealed that “the premier was aware of his lobbying, commissions and business dealings as an MP,” but “took no action and kept seeing him after he was forced to quit parliament.”

When Berejiklian disclosed her relationship with Maguire last Monday, Murdoch media outlets initially called for her head. Linda Silmalis, a *Daily Telegraph* chief reporter, quickly tweeted: “Premier Gladys Berejiklian cannot survive politically.”

That afternoon, Sky News political editor Andrew Clennell interrupted Berejiklian several times at a media conference while she tried to answer his questions relating to her fitness for office. He then went on air and said she “won’t be premier at the next election.”

Since then, other right-wing voices, including in Murdoch publications, have come to Berejiklian’s defence, and raising concerns about ICAC’s powers to publicly expose behind-the-scenes business and political machinations.

At present, Berejiklian is clinging to office, on notice in these circles, both in terms of implementing the measures required by the ruling class and of any further evidence relating to Maguire. The *Australian’s* October 16 editorial stated: “The extent to which NSW Premier Gladys Berejiklian turned a blind eye to the nefarious activities of her former personal associate, Daryl Maguire, will determine her political fate.”

In the *Australian Financial Review* last Saturday, senior correspondent Aaron Patrick declared that Berejiklian’s capacity to deliver for the financial aristocracy had been fatally compromised. “The NSW Liberal Party—a rare Australian right-wing success story at state level—was

politically neutered this week,” he wrote. “Nine years of fairly competent government, including a state that has remained mostly open during the pandemic, has been put at risk by the Premier’s love life.”

Patrick reported that Dominic Perrottet, the Liberal Party’s NSW deputy leader and treasurer, was considered a replacement for Berejiklian. But there is anxiety about the ability of Perrottet, an unpopular figurehead of the party’s most right-wing factions, to command public support.

Over the past year, Berejiklian has prevailed in leadership spill moves against her by these factions and their allies in the rural business-based National Party, on issues related to abortion laws and environmentally-destructive land clearance regulations.

Morrison and his backers are aligned to these factions, and intent on shifting the political order further to the right, in a Trump-style fashion, but may be wary about moving against Berejiklian too precipitously.

Morrison’s government is still holding up Berejiklian for her “gold standard” in lifting COVID-19 public safety restrictions. This is a means for ramping up agitation against the Labor government in the neighbouring state of Victoria, accusing it of moving too slowly to allow all businesses to reopen.

Significantly, those anxious in the ruling elite about axing Berejiklian too abruptly include federal Labor Party leader Anthony Albanese, his predecessor Bill Shorten and Victorian Labor Premier Daniel Andrews. Each has opposed calls for her resignation, expressed sympathy for her position and vouched for her integrity.

This bipartisan line-up marks another chapter in the de facto unity government formed between the two ruling parties during the pandemic. The Labor leaders are maintaining the close partnership they have formed with the Coalition, via the self-proclaimed “national cabinet,” since the COVID-19 crisis erupted in March.

As the Labor leaders signaled, in their vote for the main tax handouts to business and the wealthy in the Morrison government’s October 6 federal budget, the Labor Party and its trade union allies remain committed to imposing the immense burden of the economic crisis on the backs of the working class.



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