Anti-corruption body's hearings expose manufactured removal of Australian state premier

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1 November 2021

Hearings of the Independent Commission Against Corruption (ICAC) into former New South Wales (NSW) Premier Gladys Berejiklian over the past fortnight have underscored the concocted character of her forced resignation in late September.

Thus far, the inquiry has not heard any testimony indicating that Berejiklian acted unlawfully or engaged in what most people would consider to be corruption, i.e., the use of her public office for financial gain. Instead, hours and hours have been spent scrutinising government spending on recreational and health facilities in regional NSW, with vague insinuations that there was something underhanded about the funding.

The threadbare character of the allegations, the rush of Berejiklian's former colleagues to give testimony that undermines her, and the abandonment of the former premier by a corporate media that previously fawned over her, all point to the politically-motivated character of the investigation, which effectively engineered a change in government. As has happened before, ICAC, a secretive body with sweeping powers, has carried out a highly-political intervention that has shifted official politics further to the right.

Berejiklian first came into the commission's crosshairs when she was called to testify at hearings into former Liberal MP Darryl McGuire in October 2020. McGuire has been accused of using his parliamentary position for financial benefit, including in dealings with property developers, but has not been charged with any criminal offence.

At last year's inquiry, Berejiklian revealed that she was in a personal relationship with McGuire for five years. Only in September 2021, however, did ICAC declare that Berejiklian was herself the subject of an investigation. The announcement immediately compelled the premier to resign, followed by a rapid escalation of the drive to lift COVID safety measures in the interests of the corporate elite, and an intensification of a further pro-business restructuring of the economy.

Despite the media hype surrounding them, little has emerged in the current hearings that was not previously known.

The allegations against Berejiklian, which appear to fall far short of criminal conduct, are that she had an undeclared conflict of interest by failing to reveal her relationship with McGuire.

The hearings have focused on government spending in McGuire's electorate of Wagga Wagga, while Berejiklian was the treasurer or premier. Last week, ICAC heard a tapped telephone conversation from 2018 in which Berejiklian told McGuire she would ensure that $170 million was forthcoming for the Wagga Wagga Base Hospital. The funds, however, already had been allocated in the 2017–18 budget, months before the conversation took place.

The NSW Liberal-National government also approved $5.5 million for a clay shooting complex in Wagga Wagga, beginning in 2016. A top public servant testified that McGuire had lobbied for the spend and that Berejiklian had an "inclination to support it." This was hardly a revelation, given that it was in McGuire's electorate and Berejiklian was the treasurer at the time. Then sports minister Stuart Ayres testified that he also supported expenditure on the facility, in part because it was to host world championship events in 2018. Another $30 million was also approved for the Riverina Conservatorium of Music.

At most, the funding appears to be an example of "pork barrelling," the widespread practice of governments directing expenditure to particular electorates to shore up

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their support. While the seat of Wagga Wagga had long been held by the Liberals, Labor and various independents consistently received high votes, and when McGuire resigned in 2018, the government lost the subsequent by-election.

More fundamentally, however, the intense scrutiny of funding to a public hospital, and to recreational and cultural facilities in a regional centre, is extraordinary. State governments are responsible for public health and other amenities, and a great deal of their activity centres on allocating or withholding funds for various projects.

If spending $170 million on a hospital was the worst a state government had done in recent decades, the situation confronting working people and essential public services would be much different.

While the ICAC has chosen to scrutinise funding for a hospital, which nobody claims was unnecessary or wasted money, NSW governments over the past 30 years have carried out slash and burn operations, targeting essential services, and selling off electricity, public transport and many other services.

This program, conducted by Labor and Liberal-National governments alike, has transparently been aimed at boosting the fortunes of private corporations, to the detriment of the public, and has proceeded with minimal official scrutiny. The same is the true for cuts to TAFE colleges and to most areas of health spending. Many infrastructure projects, moreover, funded to the tune of billions of dollars over the past decade, have served as cash handouts for construction firms, and have been tailored to boost the property market, amid a speculative frenzy.

The seemingly absurd focus on the hospital dovetails with a broader demand from the financial elite for an austerity program targeting essential spending on chronically-underfunded public healthcare and education. The ruling elite is insisting that increases in government debt, accrued during the pandemic, must be paid back by working people.

What has been underscored by the proceedings are the sweeping powers and intensely political role of ICAC. In line with a broader build-up of the state apparatus, the commission can gather evidence through wide-ranging surveillance. Its broad remit of examining not only corruption but potential breaches of protocol in public office, means it can hold quasi-judicial and inquisitorial hearings into matters that do not amount to criminal conduct.

ICAC can compel the production of documents or other data; compel a public authority or public official to provide information; enter properties occupied by a public authority or public official to inspect and copy documents; obtain warrants to search properties; use surveillance devices and intercept telephone calls; and compel witnesses to answer questions at compulsory examinations (private hearings) and public inquiries.

For much of her leadership, the premier of the country's largest state was having her phone calls recorded, because they were caught up in an ICAC tap on McGuire's phone. The commission can conduct such a bugging operation under a warrant issued by a member of the Administrative Appeals Tribunal. There are no reports of such warrants being denied.

ICAC has a discretion as to when it may initiate or announce an investigation. This further highlights the political character of the move against Berejiklian. While she had been closely identified with the resistance of the political establishment to COVID safety measures, there were frustrations within the ruling elite that she was not proceeding quickly enough with a pro-business reopening of the economy, and that she had at certain points been susceptible to popular demands for safety measures.

Berejiklian was replaced by Dominic Perrottet, a member of the Liberal Party's hard-right, who has reportedly opposed limited safety measures throughout the pandemic. In his first month in office, Perrottet has turbo-charged earlier plans for a "reopening" and been hailed in the financial press for spearheading the charge to "normalise COVID."

It is symbolic that as the hearings into Berejiklian concluded, Perrottet today announced another hastening of the "roadmap" to lift restrictions, bringing forward the opening of nightclubs and the lifting of attendance caps at homes and public venues by a month.

Berejiklian's removal is a warning to other state premiers that they will be similarly targeted if they do not impose the demands of the corporate elite as rapidly as required. It is another demonstration of the threadbare character of bourgeois democracy. Despite the formal trappings of elections, powerful and secretive state agencies, and the major corporations, can dictate policy and determine who heads a government.

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