

Heydon right to throw out trade union challenge

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Royal commissioner Dyson Heydon rightly has dismissed the trade union argument that he must disqualify himself because he (initially) accepted an invitation to speak at a Liberal Party fundraiser. Mr Heydon makes a point important for a robust democracy: the mere fact judges agree to give a legal speech at a party political event does not mean they endorse that party's world view. It's time for the focus to return to what matters: the work of the commission in exposing corruption and abuses among the unions.

Federal Attorney-General George Brandis put it well yesterday on Sky News: "Dyson Heydon is to the union movement in Australia today what Tony Fitzgerald was to police corruption in Queensland in the 1980s. He is the person who is exposing it ... so, of course, Bill Shorten and (the ACTU's) Dave Oliver and the Labor Party and the trade union movement want to stop him. It's time they got out of the way and let the truth be known." Of course, the unions will not get out of the way. Yesterday Mr Oliver claimed the commission was "terminally tarnished" and did not rule out a further legal challenge to Mr Heydon's role as commissioner.

Rogue unions rightly see the commission as a threat to their abuses of power, which range from kickbacks and coercion to cartels with co-opted employers. This is most obvious in the building industry, where time pressure is intense, budgets are big and construction firms are always keen to lock out the competition. The militant Construction Forestry Mining and Energy Union already has come within the sights of the commission. More than a dozen CFMEU officials have been referred to law enforcement agencies for a range of possible charges, including blackmail and the making of death threats; two serving officials and one ex-official already face criminal charges. The CFMEU as an entity is ripe for deregistration. It has become notorious; its extremism and contempt for the law are reminiscent of its predecessor, the Builders Labourers Federation. It was a former ACTU president, Bob Hawke, who as prime minister served the public interest by having the BLF deregistered.

The CFMEU is an obstacle to any serious attempt to clean up the building industry; in the same way it puts blind ideology ahead of the China-Australia free trade agreement, an agreement that will boost jobs and growth. Mr Shorten cravenly runs the CFMEU line. This month former ACTU boss Martin Ferguson said he believed the Heydon commission was necessary to reform the trade union movement and Labor; he said unions had too much influence over the party. That institutional imbalance has a personal parallel: CFMEU boss Michael O'Connor has authorised TV campaigns against the royal commission and the free trade agreement while his brother Brendan, as industrial relations spokesman, has spearheaded Labor's very similar attacks.

Last month, Labor showed itself beholden to the unions when it voted in the Senate against a bill to re-establish the Howard-era watchdog, the Australian Building and Construction Commission. The ABCC, a body with powers tailor-made for the building industry, emerged from yet another inquiry, the 2003 Cole royal commission. It was shut by Julia Gillard in 2012, her government representing a high-water market for union influence. The trade union line against the ABCC is the same as the line against the Heydon royal commission, that existing laws are sufficient to deal with any wrongdoing. In fact, inquiry after inquiry has found not only that existing laws are inadequate but that existing laws often go unenforced.

Whatever the result of any further challenge to Mr Heydon, it is vital that the work of his commission be protected and continued. This is not just a matter of testing individual cases in the courts but of correcting systematic abuses and inefficiencies in the building industry. The effect of

these shortcomings is to hamper productivity growth and weaken competition. As the mining boom comes off, property and construction are expected to drive a bigger share of economic growth. This also means more money washing around for unions to extort, a fact that helps explain their desperate attacks on the Heydon commission. Mr Oliver complains of the \$60 million cost of the commission; he is silent on the productivity cost of union abuse.

The ACTU has promised a grassroots campaign against “one-term Tony” that it says will be bigger than its successful 2007 campaign against the Howard government’s Work Choices regime. The obvious response of a confident Abbott government would be to rise to the challenge and declare the next election as a plebiscite on trade union power. It should not be beyond the wit of the government to pitch this as an assault on rogue unions, not workers, given the fact union membership has shrunk to just 17 per cent of the workforce.