



PRIME MINISTER

Reference: B15/1587

12 AUG 2015

Senator Jacqui Lambie
Senator for Tasmania
PO Box 256
BURNIE TAS 7320

Dear Senator

A handwritten signature in blue ink that reads 'Jacqui'.

Thank you for your letter dated 25 May 2015 regarding the confidential volume of the interim report of the Royal Commission into Trade Union Governance and Corruption.

As you know, the Hon John Dyson Heydon AC QC recommended that this volume be kept confidential in order to protect the physical well-being of Royal Commission witnesses and their families. The recommendation was supplemented by a non-publication direction to further protect the identity of the witnesses.

In light of the Commissioner's recommendation that confidence in the report be maintained, I invite you to contact my office to arrange for a confidential briefing by a senior officer in my Department on the confidential volume. This will be an oral briefing summarising the report that does not contravene the non-publication direction.

At this time, I can advise that the confidential volume reports on threats of violence, and an act of violence, against witnesses called or likely to be called to give evidence before the Royal Commission. The report contains the Commissioner's observations about the impact of fear on the willingness of people to give evidence or to tell the truth to the Commission, and the difficulty this presents to the Commission. This is the context for Commissioner Heydon's statement in his report concerning grave threats to the power and authority of the Australian state. They are indeed serious matters.

I note your media release of 26 May 2015 references a question to the Attorney-General asserting that the report has remained confidential as its release might "uncover political corruption and harm the Liberal Party's reputation".

While I am not able to disclose the details of the report, I can assure you that it does not contain any reference to political corruption or any matter that would harm the reputation of the Liberal party.

In response to your questions about access to the confidential volume, access has been limited within the Commonwealth for the purpose of advising me. A copy is held in my Office and the remaining copies are held by my Department.

You may be aware that Commander Mark Ney, the Commander of Investigations for the Royal Commission, confirmed at an Estimates hearing of the Legal and Constitutional Affairs Legislation Committee that he had access to the confidential volume. The Royal Commission may take action it considers necessary, including referring information to the police.

The case for re-establishing the Australian Building and Construction Commission is amply supported by evidence on the public record.

The Final Report of the Cole Royal Commission in 2003 found the industry was characterised by unlawful conduct and concluded: '[t]hese findings demonstrate an industry which departs from the standards of commercial and industrial conduct exhibited in the rest of the Australian economy. They mark the industry as singular'.

The published volumes of Commissioner Heydon's interim report show this continues to be the case. That report reveals widespread unlawful conduct in the building industry. The Commissioner draws particular attention to the behaviour of the CFMEU concluding there is a 'culture of wilful defiance of the law which appears to lie at the core of the CFMEU'.

The interim report makes recommendations for individuals and organisations to be referred to specific bodies for investigation and possible prosecution. The offences for investigation range from making false statements and obstructing Commonwealth officials to assault, blackmail and extortion.

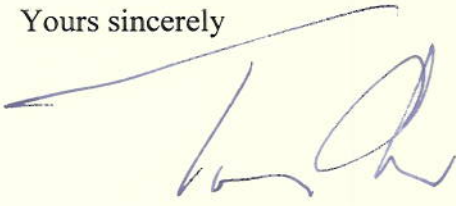
Recent Federal Court decisions reveal the CFMEU's continuing disdain for the law. In May this year, Justice Tracey censured the CFMEU for its 'deplorable' approach to complying with the law. In his decision, Justice Tracey said '[n]ot for the first time the CFMEU sought to impose its will by means of threats and coercion against employers. Its approach was one of entitlement: it was free, despite legal constraint, to deploy its considerable resources to achieve its industrial objectives. The concept of the rule of law was anathema to it'.

As recently as 2 June 2015, Nigel Hadgkiss, Director of Fair Work Building and Construction, gave evidence to the Senate Education and Employment Legislation Committee about unlawful behaviour in the building industry. I understand you were present for some of his evidence. In the Government's view, this was the latest in a long line of compelling arguments in support of the re-establishment of the ABCC.

The Government is committed to doing all that is necessary to reform the building and construction industry and to reinstitute the rule of law in this sector. Australia cannot afford to have a building and construction industry which is inefficient and unstable. The restoration of the ABCC is a critical reform for Australia.

I encourage you to discuss any concerns with the Bill with Senator Abetz. I have copied this letter to Senator Abetz and Senator Brandis.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Tony Abbott', written over a horizontal line.

TONY ABBOTT