

# Australian trade unions to oversee public sector job cuts

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Public sector strikes planned for later this month to oppose government cost cutting in the Australian state of New South Wales were suddenly called off on October 4 after trade unions reached an agreement with the state Labor government. The government has agreed to defer its measures and set up a 12-member Labour Advisory Committee (LAC) of government ministers, leading Labor Party figures and union representatives. The deal was brokered by the NSW Labor Council, the state's peak union body.

The unions have hailed the formation of the LAC as a gain for public sector workers and a “win for commonsense” but the hastily concocted deal is aimed at taking the heat off the Labor government and creating the conditions for its proposed cuts to proceed. In all, the government has provided for 1,400 public sector retrenchments in its 1999-2000 budget and is seeking to eliminate 2,000 more positions through a freeze on any new hiring.

Over the past month the government's attempts to push through this agenda have provoked widespread anger among workers, forcing the unions to call industrial stoppages to let off steam. However, these began to disrupt transport and other services and cause a crisis for the government.

Workers were further infuriated by a series of comments by the Premier Bob Carr. At one point, Carr warned that if the cuts to rail jobs were not accepted then rail workers would face the kind of full-scale privatisation carried out by the Liberal government in Victoria. At another, he said that the government was not about “to place a heritage order” over the public service.

At the end of last month, 2,000 staff at CityRail overturned a union recommendation for a limited protest stoppage and went on strike for 24 hours in

opposition to plans to slash 450 station jobs. The strike, the second in two weeks, brought metropolitan and country passenger services to a standstill. At the same time 2,500 bus drivers held rolling stoppages against attempts to impose cuts to 47 working conditions, including the reduction of sick and holiday leave entitlements. Even when informed of the Labor-union agreement, the bus drivers still went ahead with a planned stopwork meeting.

Workers at Sydney Water also took action to defend 450 jobs. Technical college teachers held a statewide stoppage and staged a noisy demonstration outside Parliament House to protest the elimination of 650 teaching positions. Nurses at the Royal Prince Alfred Hospital struck for 24 hours against plans to slash \$12 million from the hospital's operating budget. Further combined strike action and demonstrations had been scheduled to coincide with the resumption of state parliament later this month.

Surprised by the depth of feeling among workers and fearing the movement might get out of hand, the unions have moved to defuse the situation. Hinting at the real purpose of the LAC, Labor Council secretary Michael Costa told the media that the advisory council would give the unions a chance to have a direct input into the “implementation of government policy” and this would “lessen the chance of further transport strikes.”

The LAC's role was more clearly spelt out by the government. Emerging from a four-hour meeting with the unions, Transport Minister Carl Scully said: “This is about a compromise, a negotiated settlement whereby we can move appropriately I believe, with some staff reductions and possibly some budget saving.” Scully said the government promised only to “review the pace and degree” of its program.

The real nature of the LAC can also be judged by

some of the leading government figures on it. They include Treasurer Michael Egan who two years ago attempted to push through the privatisation of the state's power industry, threatening the destruction of hundreds of jobs, and former Health Minister Andrew Refshauge who closed inner-city hospitals and imposed severe cut-backs to health services. Even now the government is looking to eliminate more than 1,000 jobs in public health this year.

Since the Carr government came to office in 1996, the unions have already collaborated in the elimination of jobs and the downgrading of public services. Only last year the public transport unions struck a deal that allowed the destruction of over 400 station assistants' jobs as part of a wages settlement. The unions also agreed to allow the remaining staff to take on extra duties normally performed by station masters and their assistants. This has created the conditions for City Rail to demand the abolition of nearly 200 jobs. Through direct job losses and transfers, the number of workers employed by the State Rail Authority, covering CityRail and Rail Link, has been slashed from 19,742 in 1995-96 to just 9,317 in 1997-98.

The cuts to public services are being carried out to finance tax breaks and handouts to the employers and the wealthy worth \$2.6 billion over four years. These include large cuts to payroll and land tax.

Following the strikes, big business sharply reminded the Labor government just whose interests it serves. Employers Federation chief executive, Garry Brack, warned the government not to back down on job cuts. "If you play a hard game now, it sends out a message that you are going to have a rational policy debate but not one that is simply dictated by people going on strike for day." Within days of this statement the unions moved to impose industrial peace.



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