Angry protest in Australia against Labor government changes to workers compensation

Terry Cook
23 June 2001

More than 1,000 workers blockaded the NSW state parliament in Sydney last Tuesday in an angry demonstration against the longest-serving Labor Party state government in Australia. The protestors denounced Labor MPs as “scabs” and “traitors,” as the parliamentarians were escorted inside by a small army of police to vote for government amendments to workers compensation legislation.

Some of Labor’s “left” MPs initially had qualms about being seen to cross a union picket line. But the blockade had left the government without a majority on the floor of parliament and theoretically vulnerable to an opposition no-confidence motion. The parliamentary speaker called off the daytime session to avoid such an embarrassment, enabling Premier Bob Carr and his senior ministers time to persuade the MPs to set aside their “principles” in order to save the government.

The protest was a very public display of the resentment and hostility that has been building up in the working class against Labor over a protracted period. The proposed legislative changes, which will drastically reduce the avenues available to injured workers to obtain adequate compensation, are a particularly sensitive issue for those working in dangerous jobs such as mining, construction and firefighting.

Earlier in the year, the trade unions had been forced to conduct a campaign of strikes and protests against the proposed amendments. But in May, the NSW Labor Council reached an agreement with the government and shut down its campaign. The deal was based on a sleight of hand—the unions agreed to allow the bulk of the legislative changes to pass into law unhindered, while hiving off several particularly contentious aspects to a judicial inquiry, where the government would almost certainly get most of what it wanted.

Everything appeared to be signed, sealed and delivered as Labor Council secretary Michael Costa prepared to step into a comfortable seat as a Labor MP in the NSW upper house. But on June 15, after receiving a copy of the draft legislation, the unions suddenly realised that the government intended to renege on its deal.

The proposed amendments contained a hotly disputed plan to increase the threshold for suing at common law from 25 percent impairment of part of the body to 25 percent impairment of the whole body. The majority of injured workers, even those with serious disabilities, will not be able to meet this requirement and therefore will be prevented from seeking the larger settlements available under common law.

As Costa’s replacement, John Robertson, admitted this week, the unions after much deliberation and “with extreme reluctance” organised a series of protests against the government’s actions, including a picket of parliament. What the unions called as a token protest turned into a 15-hour blockade as workers took the opportunity to vent their anger against the Carr government.

The picket provoked immediate denunciations from the media and from Carr himself, who insisted the protesters had no right to disrupt the proceedings of parliament. The editorials in the major newspapers were uniform in accusing workers of “mob rule”.

The *Sydney Morning Herald* declared that “the line between the right to demonstrate and mob rule is very thin. It was crossed on Tuesday when demonstrators ceased to be demonstrators and prevented—even if only temporarily—elected members from entering Parliament.”

Employer groups backed Carr to the hilt, insisting that he stand firm against any watering down of the

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legislation. The NSW director of the Australian Industry Group Mark Goodsell warned: “It is naïve to imagine it would not result in big job losses and a serious fall in investment.”

The protest also had ramifications at the federal level. Opposition Labor leader Kim Beazley initially tried to distance himself from the events in NSW, saying they would not affect the federal election due within six months. But under attack from federal government spokesman Tony Abbott, who seized on the blockade as “proof” that “the real master of the Labor Party is the unions,” Beazley rapidly joined the chorus of support for Carr and criticised the unions for opposing the “reforms”.

The state government pushed the legislation through the lower house on Thursday night—51 votes to 32. No Labor MPs voted against the bill but the speaker and six Labor backbenchers were “all allowed to stay away” to avoid the political embarrassment of voting for it. The bill still needs to pass in the upper house.

In his speech to parliament, Carr claimed that if the legislation were not passed the government would have to increase employer premiums to plug a $2.2 billion gap in the WorkCover scheme. But the hole in the workers compensation scheme is the product of its systematic erosion over more than a decade by governments seeking to cut costs to attract investors away from their rivals in other states.

While being forced by the depth of feeling among workers to maintain some pretense of a campaign, the union leaders are working behind the scenes to reach a new deal with the government. Labor Council secretary-elect Robertson announced on Thursday that the unions had lifted bans on the collection of transport fares and scrapped plans for industrial action as “a sign of good faith” in requesting discussions with the government.

The day before, union bureaucrats from 13 of the state’s largest unions marched into the office of state general secretary Eric Roozendaal to insist that he call a special state Labor Party conference to discuss the issue. Some officials are still threatening to use their numbers on the party’s administrative committee to call such a meeting.

At the same time, the firefighters union has formally disaffiliated from the Labor Party and others, including the Australian Manufacturing Workers Union, are threatening to follow suit.

But these protests amount to so much hot air. Workers should recall what happened following the angry August 1996 demonstration outside parliament house in Canberra against the federal Liberal government’s budget and its Workplace Relations Act. Union officials, as well as Labor leaders, joined the media campaign denouncing the “violence” of protesters for a confrontation that had been provoked by police.

At that time, the NSW Labor Council passed a special resolution, which made no mention of the budget or its deep inroads into social services but condemned “in the strongest terms, the violent actions of a small minority of protesters at this week’s ACTU rally”. The unions refused to defend any of the protesters and several senior officials collaborated with police to identify individuals at the demonstration.

The apologetic stance taken by Robertson in the wake of this week’s events is a warning that the unions will rapidly cave in to the current media denunciations of “mob rule”. While there is still some bluster from union officials, no one is suggesting that the blockade of parliament be renewed.

Regardless of what happens in the short term, the events of the past few days have provided a revealing glimpse into two political processes. The first is the degree of hostility, distrust and alienation felt among working people towards Labor. The second is the immediate reaction in the media and ruling circles to brand as intolerable even the most limited expression of the independent interests of the working class or any challenge to the agenda of big business.

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