

Australia: Labor and Liberal plan NSW public sector job cuts

Terry Cook, SEP candidate for NSW (Australia) Legislative Council
14 March 2007

New South Wales Labor Premier Morris Iemma and his Liberal counterpart Peter Debnam are both preparing major job cuts in the NSW public sector after the March 24 state election. They are also both cynically claiming this will not affect “frontline services” or social programs.

Debnam has focussed his entire campaign on slashing 20,000 public service jobs over four years to fund various election promises. Anxious to divert from Labor’s own 12-year record of job and service destruction, Iemma has declared Debnam’s plan to be “the one big issue, the one big question” in the election.

Labor’s posturing is entirely hypocritical. The Iemma government has already put in motion a plan to axe 5,000 more public sector jobs over two years. Labor’s candidate for Newcastle, Jodi McKay, recently termed it “responsible trimming”.

If re-elected, Labor is certain to increase the number of jobs targetted. In January, Treasurer Michael Costa declared: “There’s lots of inefficiencies in the public service. I’d be the last person to be defending government departments.”

Labor and Liberal habitually use the term “back office positions” to justify the wholesale destruction of jobs. In reality, the “back offices” consist of ordinary administrative workers who struggle daily to hold together vital systems such as transport, health and social services when resources have been slashed.

Debnam’s job cut proposal was the subject of a recent report by the Public Employment Office (PEO). Although commissioned by the Labor government for its own electoral ends, the report nonetheless demolishes the claim that cuts can be achieved through so-called “natural attrition” without hurting “frontline” services.

The report reveals there are only 33,000 “non-frontline” public servants in Sydney. Moreover, about 11 percent leave the service each year, so it would take almost eight years of “natural attrition and no-replacement” for the job

losses to pass 20,000.

If Debnam’s “no-replacement principle” were applied across the public service, the “20,000 positions would be eliminated in 19 months”. But this would see nurses’ jobs cut by 2,489 and teachers by 1,664. If the 20,000 cut were applied “pro-rata” across all departments, then 2,511 nurses and 4,109 teachers would go. If restricted to so-called “back-office” positions, the job losses would include 6,582 in health and 2,129 in public transport.

Even if cuts were realised through “natural attrition”—a euphemism for job destruction—it would mean impossible increases in the workloads of the remaining workers, and rob tens of thousands of young people of the opportunity to secure full-time employment.

Iemma has no claim to the moral high ground on jobs. Since Labor took office in 1995, it has repeatedly reduced spending on essential services such as health, education and transport, resulting in thousands of job losses.

In 2004, for example, former premier Bob Carr’s government, in which Iemma served as a minister, imposed a mini-budget to cut 3,000 public sector jobs to achieve savings of \$2.5 billion. Then too, the cuts were presented as necessary to eliminate “duplication and overlap”.

The truth was that the axe fell on government departments that provided vital services, including the regulation of land use, water, agriculture, fisheries, mineral resources, the environment and forests. Jobs were also eliminated in vital infrastructure, with \$100 million slashed from road works.

In 1997, it slashed 1,600 jobs from Energy Australia—40 percent of its workforce of 3,900—with the majority going from the Hunter region. In 1999, Labor implemented multi-million dollar spending cuts, and the shedding of 1,000 public hospital jobs to finance tax handouts to the wealthy and big business worth \$2.6 billion.

Vast railway job cuts during Labor’s reign, combined

with the paring back of basic maintenance programs, produced an escalating operational crisis, resulting in three major rail accidents in which 21 people were killed and scores seriously injured. To this day, public transport services remain in a shambles, with reduced services, notorious lateness and constant breakdowns.

At the same time, together with the federal Howard government, Labor state governments across Australia have continued to privatise public services, while giving free rein to private employers to restructure services and industries with the express purpose of destroying jobs and working conditions to boost profits.

As for the Greens, their stance on public sector jobs is just as duplicitous. The Greens' election statement, "Campaigning for Working Australians", condemns the Liberals' plan to cut 20,000 public sector jobs, but omits any mention of the 5,000 targeted by Labor. This is no accident. The Greens are clearly pushing for a de facto coalition with Labor. They have no intention of allowing public sector jobs or any other issue to get in the way of their deal to direct second voting preferences to Labor in so-called marginal seats in exchange for Labor's preferences for Greens in the upper house.

The further destruction of jobs is inevitable regardless of whether Labor or Liberal wins office. The gutting of the public sector, social services and public infrastructure is intrinsically bound up with the ongoing drive by all governments to create "investment friendly" environments by axing social services to provide corporate tax breaks and other concessions.

On the wider jobs front, both Iemma and Debnam have gone to great lengths to highlight the fall in the NSW unemployment rate from 5.5 percent to 5 percent since January. While Iemma proclaimed the outcome as proof of his government's economic credentials, Debnam claimed it was the result of federal policies initiated by Liberal Prime Minister John Howard.

What neither Iemma nor Debnam mention is that the official unemployment rate serves to cover up the actual levels of joblessness. The national rate stands at 4.5 percent. The official definition of unemployment, however, excludes people who have worked more than one hour a week, and those who have given up looking for work or are underemployed.

As economist Ross Gittins pointed out in the *Sydney Morning Herald* on February 14: "If you take the officially unemployed and add the underemployed and an estimate of discouraged job seekers, you get a broad measure of the unemployment rate that's roughly double

the narrow, official rate." Gittins estimated that the real rate stands at about 9 or 10 percent.

Even this understates the situation. In many working class areas the unemployment rate is far higher, especially for young people. In the electorate of Newcastle, for example, where the Socialist Equality Party (SEP) candidate is Noel Holt, teenage unemployment stands at 28.9 percent. In the nearby disadvantaged suburb of Windale, it is at a massive 37 percent.

At the same time, the vast majority of new jobs in the past decade have been poorly paid part-time casual work, at the expense of better paying full-time employment.

Against the pro-market policies of all the existing parliamentary parties, the SEP advances definite measures to ensure well-paid, decent jobs for all. Instead of boosting corporate coffers, billions of dollars must be injected into urgently needed public works in areas such as housing, health, education, childcare and public transport.

This would provide well-paid public sector jobs. In addition, education, training and apprenticeship programs must be freely available to all, and youth must be guaranteed decent, secure employment. The advances of modern technology should be utilised to reduce the working week to 30 hours with no loss of pay to allow workers to fully participate in all aspects of cultural and political life.

Such a socially progressive program is inconceivable without challenging the very framework of the private profit system. The overriding task facing working people is the building of a mass party to fight for the reorganisation of society on the basis of new priorities—to meet social need not corporate profit.



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