New Zealand: Public sector workers protest government wage freeze

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Low-paid state sector workers held protests across New Zealand on November 27 against the National Party-led government's decision not to fund wage increases for the next three to five years. Rallies organised by the Council of Trade Unions (CTU), the Service and Food Workers Union (SFWU), the Public Service Association (PSA) and the New Zealand Educational Institute (NZEI), were held in 27 towns and cities, including Auckland, Hamilton, Palmerston North, Hastings, Christchurch, Dunedin, Invercargill, and outside parliament in Wellington.

The unions were forced to organise the "Lift the Freeze on Low Pay" rallies in response to an emerging movement within the working class against attacks on jobs and living standards. The unions—which have for years demanded that workers "sacrifice" for the good of the national economy—have no intention of allowing any ongoing political and industrial campaign against the government. Instead, they used the day of action to divert workers' anger into support for the opposition Labour Party and the Greens.

The rallies coincided with strikes by about 6,000 workers. Some 2,700 orderlies, cleaners, kitchen and security staff at public hospitals struck for four hours and over 3,000 SFWU members working for the state-funded intellectual disability service IHC struck for nine hours. Pay rates for hospital workers start at just $NZ14.62 an hour ($US10.45), while IHC workers receive as little as $14.20—just above the minimum wage of $12.50 an hour.

Some 800 South Island hospital administrators and clerical staff joined the rallies. The PSA members are paid as little as $27,600 ($US19,700), 78 cents above the minimum wage. PSA members working in the Ministry of Justice were also protesting the wage freeze. Justice staff are paid on average 6.3 percent below the pay median for the public service, while the ministry's 1,200 courts registry officers receive 9.25 percent below the median.

Hundreds of school support staff, including teacher aides, librarians, nurses and administrators, attended the rallies and around 1,500 marched up Auckland's Queen Street in a separate protest the next day. Many of the country's 21,000 school support staff receive just $12.94 an hour and are not paid during school holidays. Protestors in Invercargill were joined by about 30 journalists, printers and sales staff at the *Southland Times*, who also held a one-day strike over Fairfax Media's refusal to offer a wage increase.

The public sector wage freeze is part of an austerity policy designed to impose the burden of the economic crisis on the working class. In its May budget, the government slashed new operating spending to $1.45 billion—almost half what it averaged over the past five years—and announced that next year this figure would be further reduced to $1.1 billion. In addition, Finance Minister Bill English announced that the government would save $500 million annually over the next four years by "reducing low priority spending". The country's District Health Boards (DHBs), most of which are running a deficit, are being starved of funds. IHC received a funding increase of just 1.2 percent this year—well below the current rate of inflation, which is 1.7 percent.

Deeper cuts are being prepared. The day before the protests, English confirmed that the government had dropped a previous commitment to increase health spending by $750 million a year. He told reporters that Budget 2010 would contain cuts "of a sort we haven't got to yet" to health, education and housing services, and criticised government departments for their failure to sufficiently cut costs. The Auckland DHB, the country's largest, is reportedly considering cutting spending by as much as 10 percent.

Confronted by around 100 protestors while visiting the town of Hawera, Labour minister Kate Wilkinson fraudulently presented the wage freeze as an alternative to lay-offs. "We've tried to make sure people have kept their jobs. We would rather people have jobs than not have jobs," she said. In fact, the government has eliminated around 2,000 public sector jobs since the start of the year.

DHB spokesperson Craig Climo told Radio New Zealand that the protests would have no effect on wage negotiations. Climo justified the freeze by absurdly claiming that hospital staff earned "significantly ... above the minimum wage" and "better than their counterparts in the private sector".

Invited to address the CTU biennial conference in October, prime minister John Key suggested that if school support staff wanted a pay increase they should ask teachers to take it out of their pay. According the *New Zealand Herald*, far from rejecting

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this proposal, CTU president Helen Kelly said "the union was open to discussing the idea".

Last week's rallies were given over to speeches by union officials and leaders of the Labour Party and the Greens, who used them promote the bankrupt perspective of applying "pressure" on the National government.

At the Auckland rally, Labour leader Phil Goff said the wage freeze was "unfair", while Labour MP Charles Chauvel told protestors in Wellington that the party would do "whatever we can … to get the government to [lift it]". Labour has no principled objection to the government's austerity policies. In October, Labour's State Services spokesperson Grant Robertson declared that "state sector workers are well aware that we have been living through tight financial times" and would be willing to accept "modest" pay offers. However, if the government maintained its wage freeze it risked "widespread industrial action".

During Labour's nine years in power, from 1999 to 2008, health and education were drastically underfunded. According to Ian Powell, executive director of the Association of Salaried Medical Specialists, over recent years hospital costs have increased by around 6 percent per year, while funding has only increased by around 3 percent. School support staff and hospital and disability support workers have all received poverty wages for years.

Members of the Green Party told the rallies that the government could be persuaded through protest politics to raise wages. Speaking to protestors outside parliament, Green MP Sue Kedgley noted that the government had announced "even more savage cuts in the public service next year", but declared that protests would continue "until the people who are running the nation … agree that we have to raise [wages for] low-paid workers".

Kedgley declared her party's support for a petition organised by the Unite union to raise the minimum wage to $15 an hour. The Greens, Unite, and other "lefts" have presented the petition as a campaign for a "liveable wage", but this is far from true. For many of those protesting, $15 an hour would represent an increase of less than 40 cents.

Promoting her party's reactionary nationalist agenda, Kedgley declared that "giving money to low-wage workers makes sense: it means more money to spend on New Zealand services and goods. So it even makes sense from an economic point of view." The Greens' economic nationalism—the party is at the forefront of "Buy Kiwi Made" and "Make it Here" campaigns—serves to tie workers to their "own" government and businesses and pit them against overseas workers.

CTU president Helen Kelly, who addressed protestors in Wellington, declared: "You can't say that wages are the only things to be sacrificed. We will fight that." Kelly did not specify what, besides wages, ought to be "sacrificed". Since the onset of the recession, however, the unions have collaborated with the government and employers to suppress resistance to redundancies and the cutting of conditions. Statistics NZ figures show a mere 18 work stoppages went ahead in the 12 months to June, involving 1,551 workers—a dramatic decline from 30 stoppages involving 7,200 workers the previous year. Meanwhile, unemployment has rapidly risen to 6.5 percent from a low of 3.5 percent at the end of 2007.

PSA national secretary Richard Wagstaff, while calling for an end to the Ministry of Justice pay freeze, said the union would work with the ministry to "reduce their costs by finding ways of working together more efficiently, identifying and eliminating wasteful spending and improving productivity." In other words, the PSA will actively assist in driving down workers' conditions and cutting jobs to ensure that one way or another its members are made to pay for the financial crisis. The union has already accepted thousands of state sector job cuts without the slightest resistance.

One member of the SFWU, a cleaner at Lower Hutt Hospital, told *World Socialist Web Site* correspondents that the protest was the first action taken by the union since the start of the year, and it had not announced plans for any further strikes. Another cleaner, from Kenepuru Hospital, said she was angry that the protest lasted little more than an hour, a dramatic contrast to protests over wage freezes in the late 1970s.

The role being played by the Labour, Green and union leaders to suffocate and divert the movement against the wage freeze and other attacks on workers demonstrates the necessity for a political break from these pro-capitalist organisations and an independent political struggle of the working class, guided by a socialist and internationalist perspective.

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