

South Australian unions call protest to head off opposition to Labor's job cuts

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Trade unions in South Australia have called a protest rally outside tomorrow's state Labor Party conference in an effort to head off widespread anger over the state Labor government's deep cuts to public sector jobs and workers' entitlements and channel workers back into the arms of the Australian Labor Party (ALP) itself. The unions are promoting the illusion that the government can be pressured or convinced into reversing some of its austerity measures.

The Australian Education Union, which covers public school teachers, sent a message to its members on November 19, saying that the ALP conference "provides an ideal platform to take a stand against these irrational and undemocratic cuts. Inside the conference, ALP delegates who have lost faith in their leaders (and there are many) will bring motions against the Budget and those who conceived it." In reality, whatever motions are put will be aimed at effecting a public posture of "opposition", while the Labor government proceeds, unimpeded, with its full agenda.

Two months have passed since the government, in its September 16 budget, announced that it would impose savage austerity measures to reduce spending by \$2 billion over four years in order to satisfy the demands of the international money markets. The budget axed nearly 4,000 jobs, slashed public services, abolished job security and unilaterally scrapped long service entitlements and holiday leave loadings. Treasurer Kevin Foley said that in return, the credit ratings agencies, Standard & Poor's and Moody's, had agreed to maintain the state's AAA rating.

Initially, the unions convened limited, but extremely angry, protests by hundreds of public sector workers, including teachers and fire fighters. Demonstrators denounced the savage cuts, which will hit schools, hospitals, transport, environmental regulation and other

basic services, and impose hefty fees and charges. However, the perspective of the unions was to seek to negotiate a deal with the government of Premier Mike Rann, whereby the unions would help enforce cost-cutting. The main Public Sector Association slogans and placards on the demonstrations were "Negotiate don't legislate" and "Bargain don't bludgeon".

Rann and Foley adamantly rejected any compromise. In fact, Foley declared that further cuts to public spending would be needed within 12 months to return the budget to surplus. Rann dismissed union calls for a change of ALP leadership, saying he had unanimous cabinet support for the budget legislation.

After that, the unions claimed that Greens, Family First and other non-government MPs in the Legislative Council, the upper house of parliament, would defeat the government's bill to remove long service and holiday leave entitlements. Instead, the budget legislation was passed by the Legislative Council on November 9.

In yet another bid to sidetrack workers and head off any independent political fight by the working class against the Labor government, the unions shelved further state-wide protests and lodged an application in the Supreme Court for a review of the state Industrial Relations Commission ruling that it did not have jurisdiction over the budget measures.

Then the unions, with the help of the media, created the impression that they would take a strong stand inside the ALP, and either force Rann and Foley to back down, or replace them with a new leadership in the government. On November 13, the *Adelaide Advertiser* published an article under the headline, "Government ordered to stop entitlements cuts by Labor Party state council." It soon emerged that the resolution—which apparently only mentioned the

entitlements, not the job and service cuts—was not binding on the government.

The only concern behind the resolution was to avert the government's defeat at the next state election, due in 2014. Australian Workers Union (AWU) state secretary Wayne Hanson openly admitted to the *Advertiser* that the resolution was based on a desire for Labor to win the next election. Moreover, Liquor Hospitality and Miscellaneous Union secretary Di Troia emphasised that his union had not lost faith in the ALP itself. However, unless the ALP adhered to “core labour values”, the union would not support its re-election in 2014 and would call for “generational change” in the ALP leadership.

Similar calculations lie behind a range of union motions that have been tabled for tomorrow's ALP conference. The AWU has proposed a motion calling for Rann and Foley to “effect generational leadership change ... prior to the 2011 state [ALP] convention”.

Another resolution, from the shop assistants' union, condemns the Rann government for stripping away workers' entitlements, which was “inconsistent with cherished Labor principles and policies”. The motion reportedly “acknowledges” that the budget was framed in a difficult financial environment but directs the government to make a reversal of the cuts the first priority of future budgets, if financial conditions improved. This makes clear that the unions accept the dictates of the financial markets just as much as the government itself.

Rann's government prepared the ground for its measures by setting up a Sustainable Budget Commission (SBC) in June 2009 to identify public sector programs and services to be cut. Over the previous two years, the government mounted serious attacks on the working class, including reducing injured workers' compensation payments by 20 percent after 13 weeks in 2008, and announcing the elimination of 1,600 public sector jobs in 2009. Nevertheless, the unions all supported Labor's re-election in March this year.

Trade union declarations that Rann and Foley have betrayed “Labor values” are a fraud. The ALP is a thoroughly pro-business party, and the unions have worked hand in glove with Labor governments and the employers for decades to implement far-reaching erosions of jobs and conditions throughout basic

industry. Now, like the governments in Ireland and Greece and around the world, the Labor administrations in Australia are starting to apply the axe to the public sector on the orders of the banks and finance houses.

The Rann government's offensive is entirely backed by Prime Minister Julia Gillard, who has personally pledged to lead a new wave of pro-business “economic reform”. The South Australian measures are regarded by both her government and the corporate and media establishment as a test case for similar measures in other states and by the federal government itself.

The Murdoch media, in particular, has hailed Rann for setting a national lead. The *Australian* praised Rann for putting “the health of the South Australian economy” ahead of “ideological purity”. The *Adelaide Advertiser* congratulated the government “for being sufficiently fiscally responsible to retain the cherished triple-A rating” and urged Rann to go further to ensure that public servants “share the 21st century necessity to be more productive”.

The states will increasingly be expected to slash spending over coming years because they are responsible for many basic services, such as hospitals, schools, housing, utilities and community programs. This pro-market assault can be answered only through the independent mobilisation of the working class as a whole against the Labor governments and their union partners, based on the fight for a socialist program to fundamentally reorganise society to satisfy human needs instead of corporate profit imperatives.



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