

Tasmania's Labor-Green coalition government threatens to axe 10 percent of public sector jobs

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The recently-installed premier of the Tasmanian Labor-Green coalition government, Lara Giddings, this month unveiled major budget cuts of \$430 million over four years, and warned of mass public sector sackings. The February 11 announcement came less than two weeks after Giddings replaced David Bartlett as premier of Australia's smallest state, in an abrupt switch designed to clear the decks for drastic cutbacks to social spending.

Giddings declared that the bulk of the cuts—\$270 million—would have to come from public sector savings, the equivalent of axing 10 percent, or 2,300, of the state's public service jobs. More than a thousand part-time workers could also lose their jobs, with a possible flow-on effect of 12,000 job losses throughout the state's economy.

Tasmania has a population of just over half a million people. In percentage terms, the cuts announced by Giddings are on the same scale as the sweeping austerity measures being carried out by governments across Europe.

Initially, job freezes and other "efficiency" measures will be imposed, but Giddings specifically refused to rule out forced redundancies. She repudiated a "rock-solid guarantee" that she gave before last March's state election that there would be no forced public sector retrenchments.

The premier insisted that front-line services, including health and education, would not be spared, making it clear that the cuts would have a severe social impact. The result will be deepening social inequality and poverty, as well as large-scale unemployment, especially for young people—with 20 percent of 15 to 19-year-olds already unable to find full-time work.

Giddings warned that the cuts were merely "day one" of a new wave of austerity, with more to be announced in the June budget. In words almost identical to those being used by politicians across Europe and the United States to announce deep cuts to jobs, pensions and social programs, Giddings declared: "We are living beyond our means and spending must be cut in line with our reduced income so we do not go back into net debt."

In effect, Giddings—who spoke of adjusting to the "post-GFC [global financial crisis] world of reduced revenues" when installed as premier—sought to make ordinary working people, such as teachers, nurses and public servants, responsible for the economic breakdown, not the financial elite, whose activities directly caused it.

The demand for social spending to be slashed has been justified with references to Tasmania's suddenly discovered \$300 million budget hole and fears of downgrading by global credit agencies. Tasmanian Chamber of Commerce and Industry chief executive Robert Wallace endorsed the cuts, warning: "The status quo is not an option . . . because the state will go deeply into debt and lose its AA+ credit ratings."

The Tasmanian and other state governments are taking the lead in imposing austerity measures across the country, in concert with the federal Gillard Labor government. In South Australia, the Labor government announced budget cuts of \$2 billion late last year, including 4,000 public sector layoffs, and the Queensland Labor government has pushed through a series of privatisations that are already resulting in thousands of redundancies—3,500 in the former Queensland Rail alone.

Giddings pledged not to allow the budget to go into deficit, echoing the vow made by the Gillard government to restore its budget to surplus by 2013.

These developments underscore the falsehood of claims that the Australian economy has “weathered the storm” and “defied the laws of economic gravity”. Like their counterparts in Europe, governments across Australia are gouging from the working class to pay for the stimulus packages and bailouts that were provided to the major financial institutions and banks in the aftermath of the 2008 financial crisis.

The cuts in Tasmania have further exposed the ongoing role played by the Greens in propping up Labor and assisting it to carry out its pro-business agenda. After last year’s Tasmanian elections resulted in a hung parliament, the Greens stepped in to ensure parliamentary “stability” by forming a minority coalition government with the Labor Party. When Giddings was elevated to the position of premier in back-room moves late last month, pledging to carry out deep spending cuts, the Greens immediately offered their support.

Now the Greens have openly pledged to help enforce Labor’s cuts. The day Giddings announced them, Greens leader Nick McKim, a senior cabinet minister, declared in a media statement: “[T]he current power-sharing Parliament provides a positive opportunity for all parties to work in a mature and responsible way to put the state’s financial situation back on track, despite the tough decisions that will need to be made.” He urged the opposition Liberal Party to “work constructively with all stakeholders, including the Greens, Labor and unions, to develop workable public sector productivity strategies”.

McKim indicated his preparedness to ditch his party’s own “rock-solid” election promise not to support public sector redundancies. Instead, he appealed to the Liberals and the trade unions to help the Greens “find cost-saving mechanisms which could prevent or reduce job losses”.

The Greens leader specifically invoked his party’s extensive record of collaborating with both Labor and Liberal parties to implement “debt reduction” measures. From 1989 to 1992, the Tasmanian Greens entered into an accord with a minority Labor government, providing it with crucial support as it carried out unprecedented budget cuts, including the

destruction of thousands of public sector jobs. Then, from 1996 to 1998, the Greens provided similar backing to a minority Liberal government, led by Tony Rundle.

McKim stated: “Recent history shows that it takes minority governments to work together and often make hard calls to fix up the mess majority governments have made. The Labor-Green Accord debt reduction strategy achieved this, the Rundle-Green minority period also faced up to similar challenges, and after years of Labor mismanagement, the Greens are prepared to front up again.”

While the trade unions have voiced opposition to forced redundancies, their primary concern is to prevent any industrial or political struggle against the Giddings government. They have offered to cooperate with the government to find alternative means to inflict the cuts on their own members, while appealing to it to take the outright retrenchment threat “off the table” in order to facilitate their collaboration.

Despite claiming that it would use “all the resources available to us” to “protect the jobs of public sector workers,” the main public sector union, the Community and Public Sector Union (CPSU), has announced no campaign and called no mass meetings of its members. In a media statement, CPSU general secretary Tom Lynch revealed that the union had been consulted by Giddings in advance about the cuts, and expressed disappointment that she had rejected their advice to rule out forced retrenchments.

Following a meeting of officials from about 20 unions in Hobart on February 15 to discuss the cuts, Unions Tasmania secretary Kevin Harkins emphasised their opposition to any political or industrial struggle against the sackings. “There’s never been any discussion about industrial action, except in the media, that’s not something that unions have put out there,” he stated. Harkins indicated a readiness to assist the government, saying that the unions required “more information” about why the job cuts were necessary.



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