

The political issues facing NSW (Australia) workers

The Socialist Equality Party (Australia)
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Large numbers of workers in New South Wales (NSW) will take part in a union-organised demonstration on June 15 against the move by the Liberal-National coalition government of Premier Barry O’Farrell to directly dictate public sector wage rises. Under new legislation, the NSW Industrial Relations Commission (IRC) will grant increases only at the rate specified by parliament. Any additional increases will be subject to strict “productivity” conditions.

O’Farrell’s law has provoked anger among the 400,000 public sector workers in the state. Nurses and support staff at hospitals across Sydney voted overwhelmingly last week to stop work on June 15, while many government departments will shut down as public servants walk off the job. Firefighters, ambulance paramedics, teachers and other government employees will also join the demonstration.

Frustrations have been steadily building up as living standards have declined. Year after year, wage rises have failed to match cost-of-living increases. Even with a full-time job, millions of people struggle to meet the burden of mortgage or rent payments, soaring utility and fuel costs, education and health expenses and rising food prices.

Moreover, public sector workers feel their democratic rights have been completely violated. O’Farrell made no mention of wage controls during his campaign for the March state election, which his conservative coalition won in a landslide, as voters repudiated a despised, pro-business Labor government.

O’Farrell claims he is only achieving Labor’s projected budget savings, and on this issue he is telling the truth. Based on Labor’s plans, the IRC will be directed to restrict annual pay rises for public sector workers to just 2.5 percent—a real wage cut given the far higher rate of inflation. A delayed payment of an additional 1.5 percent will only be forthcoming if government departments prove they can achieve “employee-related savings”—a euphemism for job shedding and increased workloads.

In the future, however, there is nothing in the law that will prevent the parliament dictating outright wage cuts or drastic changes to conditions such as overtime pay, sick leave, long service leave and holiday entitlements.

Even the initial 2.5 percent stipulation is already becoming the benchmark for wages across-the-board. Staff at four private

Sydney hospitals voted last week to take industrial action over their employers’ insistence that they will restrict wage rises to the 2.5 percent being offered by the state government.

While public sector workers will rally on June 15 with the intention of defending their wages and conditions, the trade unions have called the demonstration with a diametrically opposed perspective. The unions do not oppose O’Farrell’s real wage cut or the gouging out of productivity savings. After all, they had already agreed with the former Labor government to impose them. The NSW Nurses Association, for example, signed an agreement in February that gave nurses only a 3.9 percent pay increase for 2010-2011; 3 percent in 2011-2012 and 2.5 percent in 2012-2013.

The concern of the NSW unions, backed now by the national apparatus of the Australian Council of Trade Unions (ACTU), is that O’Farrell is side-lining the IRC and their own role as bargaining agents in cutting workers’ conditions.

The unions defend the IRC as an “independent umpire.” In reality, the industrial courts have been the mechanism, for well over a hundred years, through which the government, the employers and the unions have collaborated to suppress the class struggle and protect the interests of the ruling elite. In exchange for state recognition as the employees’ sole legal representative, the unions channelled all industrial action by workers into the courts and demanded that they accept whatever verdict was brought down. IRC rulings are enforced by a raft of sanctions against any workers who dare to defy them.

Particularly since the 1980s, the thoroughly corporatised trade unions have brokered one agreement after another in the industrial courts undermining wages, destroying jobs and restructuring working conditions, all in the name of making Australian capitalism “internationally competitive.” Union bureaucrats have blocked any outbreak of opposition by insisting that workers “respect the umpire’s decision.” Alongside a massive growth in social inequality over the past three decades, the rate of strikes and other forms of industrial action has fallen to historic lows.

The unions are not seeking to defend workers’ rights, but appealing to O’Farrell to keep utilising the tried and tested services of the industrial court, with themselves continuing to

play the key role. They fear that O'Farrell's imposition of wage rulings by government fiat will shatter the mythology of the IRC's "independence", triggering the eruption of struggles in open defiance of its rulings and outside the unions' control.

At the same time, the unions are desperately seeking to breathe life back into the lie that the Labor Party represents a "lesser evil", promoting the demoralising perspective that all public sector workers can do is vote Labor back in at the next state election—in 2015. Union officials have been parading Labor politicians before their members as opponents of O'Farrell's law, despite the fact that the ALP leadership had conspired to bring in identical legislation as far back as 2004.

Workers face complex political issues and a protracted fight to defend their interests. The very fact that the O'Farrell government feels it necessary to bypass more than 100 years of reliance on the IRC and the unions testifies to the immense global pressures bearing down on the Australian ruling elite to carry out an unprecedented offensive against the social position of the working class.

The collapse in world financial markets in 2008 has been followed by a savage assault on workers' conditions in Europe and the US, with the working class being forced to pay for the trillions of dollars that were handed over to bail out the major banks and financial speculators. Close to three years later, tens of millions of workers remain unemployed, austerity budgets are being imposed, but there has been no economic recovery.

Contrary to the claims that the "mining boom" has shielded Australian capitalism from the impact of the global crisis, much of the economy has slumped into recession. Inflationary pressures, coupled with the rise in the Australian dollar, are devastating manufacturing, tourism and the service sector. Employers are demanding cutbacks to remain competitive and defend their profits. Workers at Melbourne-based car paint producer PPG, for example, have already been pressured by their unions into accepting an agreement that cuts the pay of new employees by 43 percent.

Global credit agencies are insisting that every level of Australian government slashes spending in order to provide business with lower taxes and guarantee budget surpluses. The federal Labor government of Prime Minister Julia Gillard is seeking to force over 160,000 federal employees to accept wage rises of just 3 percent, alongside cutbacks throughout the public service to achieve 1.5 percent in "savings." At the same time, Gillard is attacking social welfare, public health and public education in order to achieve her policy priority—a surplus by 2012-2013.

State Labor governments in South Australia and Tasmania are following suit. Significantly, neither Gillard nor the Labor states have opposed O'Farrell's NSW legislation, suggesting they would like to impose similar measures.

Workers can only sustain a struggle against O'Farrell by organising independently from the entire trade union apparatus, and linking it with a political fight against the Gillard Labor

government and its right-wing corporatist agenda. Above all, the working class needs a new political perspective and a new political party.

The global driving forces behind O'Farrell's legislation and the broader attack on workers' rights throughout the country underscore that a fight against it can only go forward as part of a political struggle against the profit system itself. Around the world, governments are responding to the greatest failure of the capitalist market since the 1930s by launching criminal wars for resources and strategic influence against their rivals, and by seeking to tear apart the conditions won by the working class over generations. The only progressive alternative is the socialist transformation of the world economy. To defend the fundamental social rights of the working class a workers' government must be established that will reorganise economic life to meet the social needs of the population, not the private wealth and profits of a minority.

The Socialist Equality Party encourages workers to attend our public meeting on June 15 to discuss the fundamental political issues posed by the attack on NSW public sector workers. More importantly, we urge workers and young people who want to fight the agenda of the ruling elite to register for our August conferences, "The Failure of Capitalism and the Fight for Socialism Today." The two-day events, in Sydney on August 20-21 and Melbourne on August 27-28, will provide a forum for a critical discussion on the deepening political and economic crisis, in Australia and internationally, and the need to build the SEP as the new political leadership of the working class, based on an internationalist and socialist program.

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SEP public meeting: The way forward against the attack on NSW public sector workers

Wednesday, June 15, 7:15 p.m.

Jubilee Hall at the Parramatta Town Hall

182 Church Street Mall, Parramatta

(200 metres from Parramatta Station)

Entry: \$2/\$1 concession



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wsws.org/contact