

Australian government's cuts opposed by public sector workers

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Over recent weeks, about 120,000 Australian Public Service (APS) workers, including in the tax office and departments of human services, defence, immigration and agriculture, have voted down proposed enterprise agreements that seek to impose a 3 percent annual ceiling on pay rises and “efficiency dividend” cutbacks dictated by the Labor government.

The 3 percent pay cap amounts to a wage cut—it is well below the 4.5 percent rise in the Australian Bureau of Statistics cost of living index for an employee household. The productivity trade-offs demanded include the cutting back of allowances, accrued leave, maternity leave, redundancy entitlements and flexible working hours.

The government's imposition of austerity measures on around 165,000 public servants is part of its efforts to fulfil its pledge to the financial and corporate to return the federal budget to surplus by the 2012-13 financial year. In the May budget, it announced \$22 billion in spending cuts.

The government increased the “efficiency dividend” imposed on each department—a mechanism of continuous cost cutting—from 1.25 percent to 1.5 percent to gain \$465 million in savings over the next two years. It is also axing 530 jobs from its social security agency, Centrelink, and 300 from the Department of Education, Employment and Workplace Relations, on top of 600 jobs cut the previous year.

The Community and Public Sector Union (CPSU) and other unions have deliberately blocked any unified campaign to defend jobs, wages and conditions and are instead pursuing independent enterprise agreements

across different departments and agencies. Industrial action has been limited to isolated work bans and a handful of brief protest stoppages.

The unions rely on the government's Fair Work Australia laws that outlaw all industrial action outside enterprise bargaining periods and a complete ban on so-called “secondary strikes”—that is, any action by workers not immediately affected by the enterprise agreement. By seeking a series of separate agreements, the CPSU effectively made any unified action illegal.

CPSU national secretary Nadine Wood justified the union's decision in the union's July bulletin: “We took the decision over a year ago that reaching a single agreement, while it had attractions, was unrealistic. The time frames and complexity of existing APS industrial and budget arrangements made this too big a step.”

By contrast, the government is centrally coordinating its assault through the Australian Public Services Commission (APSC), which is requiring all departments to stick rigidly to Labor's cost-cutting agenda. The agency recently directed the tax office to rule out further negotiations after staff members rejected its latest bargaining offer.

The overriding concern of the CPSU officials, as it has been for decades, is to preserve their position as labour bargaining agents. They are also determined to prevent any political threat to the minority Labor government, which clings precariously to office with the support of the Greens and a handful of so-called independents.

While the CPSU publicly criticises the government's

“inflexibility” and declares its opposition to trade-offs, the union is seeking to broker agreements along the lines required by the government. A September 2 union bulletin announced that a “complex” arrangement had been reached within the immigration and citizenship department to secure an 11 percent pay increase over three years that “does not breach the government’s pay cap rules.”

This is nothing more than a sleight-of-hand to try to fool workers. The union admits that the deal actually consisted of “2 percent headline increases in each year of the agreement.” Further increases were to be achieved via the amalgamation of grades and the inclusion of pay increments to which workers were already entitled. The department has previously been subjected to substantial cuts, resulting in heavier workloads. In 2008, for example, the department slashed 10 percent of its operational staff overseas.

The CPSU is continuing its decades-long collaboration with both Labor and Liberal governments, as they privatised or outsourced services and imposed cuts to jobs and conditions. Since the Hawke government took office in 1983, this has resulted in a 40 percent reduction in federal public sector jobs, from 410,000 to just 243,000 by June 2010.

Between 1983 and 1996, the Hawke and Keating Labor governments carried out a major privatisation program, including Qantas and the Commonwealth Bank, as part of an historic assault on social position of the working class that was conducted through a series of accords with the trade union bureaucracy.

The Hawke government also introduced the first “efficiency dividends” in its 1987 budget, setting across-the-board annual spending cuts of 2.5 percent that required department heads to slash jobs, drive up workloads and deliver ever greater levels of productivity. The “dividend” was reduced to 1 percent in 1994-95, just ahead of the 1996 federal election that swept Labor from office.

This cost-cutting mechanism was retained by the Howard Liberal government and increased to 1.25 percent in the 2005 budget, a level that was maintained

by the Rudd Labor government from 2007. In its 2008 budget, Labor imposed a further one-off 2 percent savings quota on top of the 1.25 percent.

Over the past two decades, outsourcing has also resulted in the slashing of thousands of jobs, starting with the Keating government’s contracting out of some of the functions of the Commonwealth Employment Service, which was then shut down by the Howard government in 1998 to make way for the fully privatised Job Network.

In 1999, the IT functions of the Department of Health and Aged Care, the Health Insurance Commission and Medibank Private were outsourced. By December 2000, 23 departments and agencies had outsourced their IT infrastructure. In the early 2000s, services that were outsourced included key functions of the social security agency Centrelink, Australian Passport Services application processes, defence port services and medical services cost recovery processing.

None of these pro-business measures, all of which have had a devastating impact on services, could have been carried out without the assistance of the CPSU and other unions. To overturn the systematic cost-cutting of successive governments requires a concerted fight to defend jobs, wages and conditions. But that will only take place through a rebellion against the unions and the FWA straitjacket that the union leaders enforce.

Such a struggle would rapidly bring public servants into a political confrontation with the Gillard government posing the necessity of a turn to other sections of workers facing similar attacks and the fight for a workers’ government to implement socialist policies.



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