

# Reject the NSW budget cuts! A socialist strategy to defend jobs and conditions!

The Socialist Equality Party (Australia)  
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Thousands of teachers, nurses and other public sector workers are expected to join trade union-organised rallies in Sydney and across New South Wales (NSW) on September 8 to protest the deep cuts to jobs and services in this week's state budget handed down by the state government of Premier Barry O'Farrell.

The Liberal-National Party government has unveiled an \$8 billion cost-cutting plan that will slash at least 5,000 jobs from the public sector, including by forced redundancies. It will further impose "efficiency dividends"—i.e. speedups and increased workloads—and "long-term structural reforms," including the privatisation of Port Botany and other basic services. Public sector wage rises will remain capped at 2.5 percent a year—well below even the official 4.5 percent cost-of-living increase.

These cost-cutting measures to rein in government spending are aimed at satisfying the requirements of the financial markets for a return to budget surplus, regardless of their devastating social impact. Without the cuts, Treasurer Mike Baird declared, the state's "AAA credit rating was likely to have been lost within the current term of government."

The Socialist Equality Party urges working people to reject the budget measures, which demand that they pay for the economic meltdown that was created by the financial and corporate elite. This means breaking free of the straitjacket of the Labor and trade union apparatus that accepts the dictates of the giant corporations and banks just as much as the Liberals.

Having taken office in March by a landslide—on the back of intense popular hostility toward the previous

16-year-old pro-business Labor government—the O'Farrell government is acting in unison with the federal Gillard Labor government as part of a worldwide assault by governments and big business on the conditions and basic rights of the working class.

Workers and youth will join the September 8 protests, seeking a means to fight back. But the purpose of the "defend your rights and protect our services" demonstrations called by Unions NSW is to sow dangerous illusions. One is that the O'Farrell government is simply a "rogue" outfit—with no relation to the Gillard government—that can be pressured into abandoning its cuts. "We need to tell the O'Farrell government that this is not good enough. NSW deserves better," the union leaflet states.

In reality, the state government, like its counterparts around the world, is acting at the dictates of the financial markets and imposing on the working class the burden of the greatest economic breakdown since the Great Depression.

Another myth is that workers can defend their rights through the trade unions that are working closely with the federal Labor government to enforce the requirements of big business, just as they have policed the drive by successive governments, state and federal, Labor and Liberal, over the past three decades to slash social spending, destroy jobs and restructure working conditions.

The overriding concern of the unions is to maintain their own role as the industrial policemen for government and big business. The O'Farrell government threatened the position of the public sector

unions by introducing wage-capping legislation earlier this year that sidelined the state's Industrial Relations Commission (IRC). In calling for the supposed "independence" of the IRC to be restored, the unions are in reality demanding their reinstatement as the key bargaining agents in cutting conditions and suppressing any independent political struggle by workers.

By calling limited stoppages and protests, the union bureaucrats are seeking to let off steam—exactly as they did at the June 15 rally—and divert the outrage of working people back into the safe channels of parliament and the moribund two-party system. To that end, the unions are also trying to rebuild support for the Labor Party, promoting the lie that it represents an alternative to the Liberals.

The truth is that the O'Farrell government is at one with the Gillard government, which is demanding that federal employees accept wage rises of just 3 percent, alongside cutbacks throughout the public service, in order to deliver its pledge to big business to eliminate its \$50 billion budget deficit by next financial year. State Labor governments in Queensland, South Australia and Tasmania are imposing no less draconian wage caps and job cuts.

This offensive is part of a global onslaught against the working class. Credit ratings agencies, speaking on behalf of the financial markets, are threatening to downgrade any government in the world that fails to gut social spending in order to provide business with lower taxes and pay off the sovereign debts incurred in bailing out the banks and corporate elite during the first stage of the global financial crisis.

From Greece to Britain, and across the United States, savage austerity budgets are decimating public sector jobs, dismantling retirement, health and welfare benefits, and selling off basic infrastructure. These measures go hand in hand with job shedding and wage-cutting by the corporate giants, setting new benchmarks for "global competitiveness". As a result, tens of millions of workers and young people are now unemployed, and a worldwide slump is gathering pace, further ripping apart government tax revenues, as well as the lives and livelihoods of masses of ordinary

people.

Events of the past few months have shattered the myth that the "mining boom" would shield Australian capitalism from the impact of the global crisis—as the Gillard government and the media had claimed for the past two years. It is now clear that record mining export price levels, while generating super-profits for the mining companies, have become a mechanism through which many other parts of the economy are being flattened. Because of the high value of the Australian dollar, whole sectors are in recession and an estimated 100,000 manufacturing jobs are being destroyed, led by Qantas, BlueScope Steel, OneSteel, Shell and Westpac.

In the face of this onslaught, workers confront decisive political issues and a protracted struggle. They can only fight O'Farrell by organising independently from the trade union apparatus, though the formation of rank-and-file committees, and turning out to the other sections of the working class facing devastation. This means making their struggle part of a political fight against the Gillard government and its entire pro-market agenda.

Above all, after decades of Labor's betrayals, the working class faces a political impasse that can be resolved only by building a new party, guided by a socialist perspective to overturn the bankrupt profit system itself.

To defend the fundamental social rights of the working class—including to decent jobs and social services—a workers' government must be established that will reorganise society to meet the needs of the entire population, not the private wealth and profits of a privileged minority. We urge public sector workers, and all our readers, to contact the Socialist Equality Party and help build it as the new political leadership of the working class, based on an internationalist and socialist program.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**