

# Australian state government announces 3,600 public sector job cuts

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In the midst of negotiations over an industrial agreement, the Victorian government of Premier Ted Baillieu announced on December 15 that it will eliminate 3,600 public sector jobs over the next two years. This amounts to a 10 percent reduction in the public service.

The industrial relations body, Fair Work Australia (FWA), sponsored conciliation between the Community and Public Sector Union (CPSU) and the government the following day. The CPSU essentially accepted the job cuts without question and guaranteed “productivities” in return for a larger pay rise than the 2.5 percent increase being offered by the government.

The Baillieu government is relying on the unions to block the working class from a unified struggle against the attacks on public servants. The CPSU and other unions are pursuing independent enterprise agreements across different departments and agencies. Industrial action has been limited to isolated work bans and brief protest stoppages on December 21.

CPSU state secretary Karen Batt claimed that the union had secured a victory when it obtained an order from FWA on December 21 that ended all industrial action and started compulsory conciliation. If this process fails to produce a mutually acceptable agreement over the next three weeks, the FWA apparatus will arbitrate the conditions and wages of public servants for the next term of their Enterprise Bargaining Agreement.

This amounts to a victory for the Baillieu government, which can implement job cuts without workers having any legal right to resist. The powers of

FWA to end industrial action have also been used against Victorian nurses and Qantas workers in recent weeks, with the unions using the orders to shut down campaigns in defence of jobs and conditions.

The public sector cutbacks are the outcome of intense pressure on Baillieu from big business and the federal Labor government to maintain Victoria’s budget in surplus. Seven months ago, major employer representatives expressed outrage at his first budget, which, despite \$2.2 billion in spending cuts, was considered entirely inadequate to meet the concern of credit rating agencies that the state could slide into deficit.

Victoria, a state with a relatively large manufacturing sector and reliant on an expanding property market, is a casualty of the mining boom. With record investment in new mining projects, largely in Western Australia and Queensland, the Australian dollar has sharply increased, plunging the non-mining sectors of the economy such as manufacturing, tourism, retail and education into crisis. Mass layoffs are being prepared in the oil refining sector, car and airline industries, and the food processing sector, along with more job losses in the steel industry.

The state Liberal government confronts a decline in the economic growth rate from 2.5 percent last year to 2.25 percent this year. Tax revenue is predicted to fall sharply by \$1 billion over the next four years. Adding to this, the Victorian government has also been hit by federal Labor’s decision to cut \$2.5 billion from GST revenue.

Baillieu is attempting to satisfy the demands of the

markets. The recent Budget Update means a further \$1.9 billion in spending will be cut from the 2011-12 financial year, with the majority of the government's "efficiency measures" coming from the destruction of jobs. Through its actions, the state government hopes to increase the budget surplus to \$1.3 billion in 2014-15.

While in opposition, Baillieu promised that if elected there would be "absolutely no reduction in public servants". He also pledged to make the state's teachers the highest paid in Australia. Now in power, the Liberal Party is demanding that any teachers' wage increase over 2.5 percent must be matched by so-called "productivity savings". Baillieu also promised that he would ease cost-of-living pressures for families. Instead, his government has imposed higher car registration fees for the majority of motorists who drive non-luxury vehicles, and is raising public transport fares by nearly 9 percent.

Baillieu knows that big business will judge his government largely on its ability to drive down costs in health, nursing, teaching and other public services during the next round of negotiations. In the current nurses' dispute, the Liberals have insisted that patient-to-nurse ratios be scrapped and over \$100 million cut from the health budget.

The government's intransigence towards the state's nurses and other public sector workers is an expression of the depth of the global economic crisis and its profound impact within Australia. In order to appease the financial markets and their credit ratings agencies, governments at both the federal and state levels must cut services and expenditure to the bone.

Public servants and the working class as a whole must reject the budget measures, which amount to a demand that workers pay for the 2008 global economic meltdown created by the financial and corporate elite. They need to break free of the straitjacket of the trade union apparatus, which accepts the dictates of the banks and corporations and serves as an industrial police force on their behalf. New organisations of struggle are necessary, including rank-and-file workplace committees, which turn to other sections of workers throughout the country and internationally facing

similar attacks on their jobs and conditions.

Above all, a political struggle must be developed against the federal Labor government and its state counterparts that has as its conscious aim the establishment of a workers' government and the socialist reorganisation of society. The banks and major corporations must be brought under public ownership and democratic control, and society reorganised in the interests of the majority.



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