

Australia: Queensland government axes thousands of jobs

Terry Cook
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The Liberal National Party (LNP) government in the state of Queensland announced last month it would axe more than another 2,000 public sector jobs as part of its commitment to the financial markets to eliminate the state's budget deficit by 2014-15.

Most of the jobs will be shed from Transport and Main Roads, Translink and the government's road construction arm RoadTek, which will now outsource its work in southeast Queensland. A further 360 jobs will go from QBuild, the construction and maintenance corporation, which employs 25,000 people across the state.

Premier Campbell Newman's announcement brings the number of jobs slashed to 6,700 in just four months since the LNP gained office in the March state election. Other public sector workers are having their pay grades reduced, cutting their wages by up to 30 percent. Newman hid his plans during the election campaign in March, claiming that he would fix the state's long rundown hospitals, schools and public transport.

The Labor Party won just 26.7 percent of the vote and was reduced to a parliamentary rump, because of the widespread popular hatred generated by Labor's pro-market agenda over the previous two decades. Labor's measures included extensive privatisations, job cuts and the slashing of public services—a program that the Newman government is now deepening.

A further 20,000 jobs are being targeted. Last week, the government issued a directive through the Public Service Commission, effectively removing all existing "Employment and Security" and Contracting Out" clauses from enterprise work agreements, awards and contracts covering 160,000 public sector workers. Public Service Commissioner Brett Heywood told the media the clauses were "overtly restrictive", making "reform of the public service "difficult and

cumbersome".

Premier Newman has refused to reveal the full extent of job cuts being prepared but has said Queensland has 20,000 public servants more than needed. Last week he told the media: "As to any changes we will be making across the state, you'll have to wait and see in the budget."

In other words, the September state budget is certain to contain severe spending cuts across all government departments. Job shedding of this magnitude—more than 12 percent of the public service—is not far behind that being imposed across Europe and the US as the global economic breakdown continues.

Within days of taking office, Newman declared that the state's financial position was far worse than reported by the outgoing Labor administration. To prepare the way for ripping up his election promises, he announced a Commission of Audit of the state's finances headed by former federal treasurer Peter Costello.

Costello's interim report in June predicted a \$6.6 billion state deficit this year, far higher than the defeated Labor government's \$1.8 billion estimate, and singled out the public service as the main cause of the financial problems. Costello claimed that the state debt would reach \$100 billion by 2018-19 unless "immediate corrective action" were taken, including further privatisations of government assets.

Assets earmarked for sell-off include QBuild, as well as the government's vehicle leasing company QFleet, the print and communications service GoPrint, the information technology business CITEC, and Queensland Shared Services, which provides public sector human resources management and support services.

During the election campaign, Newman promised not

to sell off state assets before the next election. Costello's insistence that asset sales are essential to "get back Queensland's AAA credit rating" means that this pledge is likely to be repudiated.

The LNP government is confident it has the backing of the federal Labor government. Prime Minister Julia Gillard signalled her government's collaboration with Newman's administration as soon as it took office. Despite Labor's massive state election loss, she defended its privatisations and other pro-market measures, and promised that she would work with Newman to deliver her government's "big reform agenda".

Every other Australian state government, whether Labor or Liberal-National, is imposing similar austerity measures. The Gillard government, like its international counterparts, is intent on forcing working people to pay for the financial crisis that erupted in 2008-09, leading to corporate bailouts and spiralling public debt.

Newman is also counting on the trade unions to contain and dissipate popular opposition, as they did under the previous state Labor government. The public sector unions, while mouthing opposition to the job cuts and government directives, are working to limit opposition to a series of isolated protests by different sections of workers.

More than 100 industrial action ballot applications have been lodged in various departments, ensuring any action is confined within the restrictive framework of the state and federal workplace laws.

The unions' only real concern is that the government is moving toward forced redundancies, threatening to spark unrest by workers that could get out of control. Union leaders have called for state-wide strikes on September 15, the day after the government is due to hand down its budget. Queensland Council of Unions president John Battams claimed there would be "a long-term campaign"—a recipe for wearing down the opposition of workers.

Recognising that the union campaign poses no genuine threat, Newman said he would not reverse last week's directive and would seek a 1.2 percent limit on wage rises this year. "There will be more job losses if the unions are not reasonable about these pay negotiations," he threatened.

Responding to the scrapping of job security clauses, the unions announced a Supreme Court challenge to the

directive, citing an earlier Industrial Relations Commission rule requiring the government to conduct consultations over job cuts. This legal action is designed to divert workers' anger into the dead-end of the courts, while pleading with the government to "consult" with the unions, that is, to utilise their services in enforcing its austerity program.



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