

Australia: Queensland government offensive against public sector

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Queensland's Liberal-National Party state government last week unveiled a far-reaching offensive against the public sector, on top of the destruction of social programs and more than 14,000 government jobs since it was elected in a landslide defeat for the previous Labor government in March last year.

Premier Campbell Newman referred to "the most significant transformation of the public sector in Queensland for four decades." He outlined the wholesale handing over of social programs—including health, education, welfare, community services, housing and public transport—to corporate, for-profit, providers.

Newman said the role of government would change fundamentally from "doer" to "enabler." Government services would be exposed to "contestability." This is a recipe for shifting them into the hands of private operators that ruthlessly strip back programs, retrench entire workforces and hire new ones on lower wages and worse conditions.

In particular, the services catering for the most vulnerable members of society, such as the homeless, disabled, public housing tenants, aged and children, will be outsourced.

Public health services are to be especially targeted, in line with the growing demands of the financial elite everywhere for the cutting of health care expenditure. Public hospitals will have to contract out their clinical, clinical support and outpatient services, and the same will apply to community health and dental health programs.

Newman said his government had accepted three-quarters of the 155 recommendations made by an audit commission headed by former federal Treasurer Peter Costello, James Cook University vice-chancellor Sandra Harding and state Public Service Commission

chairman Doug McTaggart.

However, conscious of deep public hostility to the outright privatisation of essential services—a key factor behind Labor's defeat last year after it sold off railways, motorways, ports, forest plantations and other facilities—Newman ruled out further major asset sales before the next state election in 2015.

The audit panel said further privatisation, including of the electricity network, was necessary to pay off up to \$30 billion in state debt—about half the total—in order to regain the state's AAA credit ranking with the global ratings agencies. Instead, together with selling off some "non-core" facilities, the Newman government plans to achieve the same savings via the "contestability" model of privatisation.

No details have been provided of the expected cuts to services, jobs and public sector workers' conditions, but some idea of their scale can be gauged from leaked ministerial briefings outlining plans to quickly shut down 55 of the state's 1,240 schools, forcing students to travel up to 20 kilometres a day to amalgamated sites.

Seeking to distance the federal Labor government of Prime Minister Julia Gillard from the Queensland cuts, Trade Minister Craig Emerson said: "What you're seeing in Queensland right now is just the curtain-raiser to what [opposition Liberal Party leader] Mr Abbott would do with their crazy austerity drives, where they're prepared to sacrifice jobs and growth in order to fit their ideology."

This is a total fraud. The Gillard government is spearheading the austerity drive. On every level, the Queensland blueprint is closely bound up with Labor's pro-business agenda to gut welfare, public health and education and other essential social services. On health care, for example, the Queensland measures flow

directly from the federal government’s hospital “reforms,” which fix funding to “national efficiency” price levels, forcing all hospitals to cut and outsource services.

An *Australian Financial Review* editorial praised Newman’s government for taking steps toward imposing “nothing less than a revolution in the way that government is run.” The editorial signals the depth of the assault on social services and jobs being prepared nationally, regardless of which party wins the September federal election.

The business newspaper said it was disappointed that Newman had not embraced the asset sales urged by Costello’s panel, but welcomed the “contestability” plan as a step toward “a deep review of the structure, size and scope of government.” The editorial said this “revolution” had to be extended across the country, insisting that Queensland represented “all the financial problems of the federal government in miniature.”

Costello’s report pointed to the emerging collapse of government revenues derived from the mining boom. In 2011–12, capital expenditure on mining investment in Queensland was \$25.7 billion, some 14 times higher than a decade earlier in 2001–02. That unprecedented surge, largely fuelled by China’s growth, is rapidly coming to an end, intensifying the demands of the corporate elite for a root-and-branch winding back of government functions.

In Queensland, as elsewhere, the Labor Party and unions are doing everything they can to suppress resistance to the social counter-revolution. Having paved the way for Newman by enforcing the previous Bligh Labor government’s privatisations and budget cuts, they have continued that role by blocking working-class opposition to the ensuing onslaught.

When thousands of workers, including about 10,000 in Brisbane, rallied against the Newman government’s first budget last September, the Labor and union leaders sought to divert the outrage into a “1,000-day” campaign for the return of a Labor government in 2015. Since then, virtually all protests have been shut down, and the unions have helped enforce the job-shedding.

This collaboration is set to intensify. Queensland Council of Unions President John Battams claimed that the Newman government’s rejection of Costello’s proposal for more asset sales was another “victory for Queenslanders,” just as he insisted that last year’s

axing of 14,000 jobs—rather than a feared 20,000—was a good outcome.

Likewise, Queensland Teachers Union president Kevin Bates said amalgamating schools was understandable, alleging that some locations had “a very large number of schools in a very small space.” He called for “consultation with those communities.” In the same vein, Labor’s shadow education minister Jackie Trad, while claiming to be “very concerned” about school closures, said there was a need to review the distribution of education resources, and urged the government to inform school communities as quickly as possible.

With the complicity of Labor and the unions, the working class in Queensland, one of Australia’s two main “mining boom” states over the past three decades, is being made a model for a devastating social reversal to conditions not seen since the last Great Depression in the 1930s.



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