

Australian government moves to cut public sector pay and conditions

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7 August 2014

The Liberal-National government is moving to impose drastic cuts in pay and working conditions on all public sector workers, starting with the Department of Human Services (DHS), the federal government's largest employer.

The DHS administers services for some of society's most disadvantaged members. It includes the Child Support Agency and Centrelink, the government's welfare payment office. The department employs 35,000 workers—about 70 percent of whom are women earning between just \$57,000 and \$69,000 a year.

Last month, the DHS unveiled a proposed new work agreement for a 2.3 percent pay rise over three years, with a further 1.25 percent conditional on workers accepting the deal before September 1. At best, this amounts to a wage increase of only 1.18 percent per annum, well below the current 3 percent inflation rate and thus in reality a pay cut.

DHS workers would also have to agree to various trade-offs, including surrendering incremental pay increases due to a third of the workforce in September, cuts to accrued annual leave, and reductions in sick and compassionate leave, from 18 to 15 days, to deliver \$250 million in savings.

According to the Community and Public Sector Union (CPSU), the management is also demanding the right to change, without consultation, service-delivery work rosters to any time between 7 a.m. and 8 p.m., a move that could potentially eliminate some shift allowances.

The proposed DHS work agreement is aimed at establishing a benchmark to impose similar attacks on other federal public sector workers, with 116 other enterprise agreements up for renegotiation, covering more than 160,000 public servants.

Media reports late last month, citing leaked

documents, exposed a Defence Department workplace agreement that would cut the pay and conditions of 20,000 employees. In exchange for a 2.65 percent pay rise over three years—or just 0.9 percent per annum—the department wants to eliminate two paid holidays a year, one of these in the Christmas break, and require a half-hour increase in the working week.

Defence Department management also wants to cut the “performance progression rate,” which determines pay increments, from 3.8 percent to 2 percent and eliminate a 1 percent lump-sum progression payment.

The assault on public sector workers is part of the government Prime Minister Tony Abbott's attempts to impose European-style austerity measures in line with the demands of the financial and corporate elite. The government's May budget contained far-reaching increases to tertiary education fees and healthcare charges, along with slashing welfare payments to students, the unemployed, single parents and age pensioners.

Senator Doug Cameron, the Labor Party's shadow minister for human services, accused the DHS of using “threats” and “aggressive tactics” in pursuit of “the Abbott government's cost cutting agenda.” Shadow employment and workplace relations minister Brendan O'Connor declared that the government was “taking a wrecking ball” to public sector jobs.

These statements are designed to cover up the record of the previous Labor government, in which both Cameron and O'Connor served. Labor imposed thousands of job cuts and slashed working conditions throughout the federal public service—an agenda seamlessly continued under the Abbott government.

The Labor government imposed a 3 percent pay ceiling on public servants and substantially cut accrued leave, maternity leave and redundancy entitlements. It

also increased an “efficiency dividend” imposed on public sector departments—a mechanism designed to achieve continuous cost-cutting—from 1.25 percent to 1.5 percent. This measure alone was expected to eliminate 14,000 jobs over four years and further drive up workloads.

The CPSU and other unions collaborated fully with Labor’s measures, blocking any unified campaign by public sector workers to defend jobs, wages and conditions, and restricting all opposition to impotent protests and isolated work bans.

Last August, just before Labor was swept from office, the CPSU praised the Rudd government for involving the union in negotiations with Department of Finance and Deregulation officials to achieve efficiency dividend targets worth \$1.8 billion. The union claimed that this prevented job losses. The items discussed included “the merger or consolidation of agencies.”

The CPSU wants to play a similar role under the Abbott government. While branding the DHS pay deal as the start of a “full frontal attack” on public service workers and the “ugliest [offer] we’ve ever seen,” the CPSU is utterly opposed to any unified fight by public servants against it.

The union’s only concern is that the government is sidelining it. When the DHS management organised a workforce ballot on the proposed work agreement within two weeks of unveiling the document, the union applied to the Fair Work Australia industrial tribunal for an emergency hearing. After closed-door discussions, the management agreed to abandon the ballot.

As its past record demonstrates, the CPSU wants to be called to the negotiating table to assist in delivering an outcome along the lines dictated by the department and the government. To defend their jobs and conditions, DHS workers, and all public servants, will have to wage a political fight against this entire line-up.



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