

Australia: 500 more public sector jobs to go in Tasmania

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Amid signs of downturn nationally, the Tasmanian state Liberal Party government of Premier Will Hodgman announced late last month that it will slash a further 500 public sector jobs, on top of the 700 it unveiled in its August budget. The announcement followed a parliamentary vote to defer a planned wage freeze.

These cuts will also be in addition to 1,000 job losses announced by the previous state Labor-Green coalition government, but not yet implemented. In total, these retrenchments will cut the public sector workforce in Australia's smallest state by up to 10 percent.

The government withdrew its pay-freezing Crown Employees Salaries Bill after the Legislative Council, the state's upper house, voted on September 25 to adjourn debate on the legislation to allow for further negotiations with the public sector unions.

The bill would have allowed the government to impose a 12-month freeze on wages and increment payments for public sector workers and then place a 2 percent annual cap on future wage increases.

At the time of its budget, the government insisted that the pay freeze was essential for it to avoid extra job cuts. Following the adjournment vote, state Treasurer Peter Gutwein stated: "It was the pay pause, or 500 jobs." Gutwein also declared that frontline staff would no longer be exempt from the jobs cull.

The budget, the Hodgman government's first since gaining office in March, is part of the sweeping austerity measures being imposed at both federal and state levels to meet the demands of the corporate and financial elite. Global ratings agency Moody's, which lists Tasmania at AA1-negative, welcomed the pay freeze and job cuts, saying "some comfort" could be found in the move to lower wage growth.

After Hodgman's announcement, the trade unions

quickly declared their willingness to work with the government to impose its cost-cutting agenda. Seven public sector unions wrote to the premier, calling for "urgent negotiations." Their letter said the unions were committed to "engaging in constructive discussions to achieve wage-restraint" in line with the government's budget requirements.

The unions announced their intention to call membership meetings. However, the purpose of the meetings is not to fight the job cuts. Instead, the union bureaucrats will try to use them as a lever to pressure the government to come to the negotiating table and include them in the budget slashing process.

Responding to the government's flat rejection of further negotiations, Community and Public Sector Union (CPSU) state secretary Tom Lynch told the media: "We will first of all make ourselves available every single day to negotiate, and if they (the government) won't come to the table to negotiate we will look at all the ways."

Lynch assured the government that "industrial action was not on the cards at this stage" and confirmed that the unions would restrict any activity to conducting "a community campaign in favour of talks."

The unions then began writing directly to government department heads offering discussions on wage restraint measures. Unions Tasmania president Roz Madsen said: "We hope the agencies will be in a position to commence the negotiations with us to deliver the government the savings it needs to address its budget concerns."

Unions have already offered the government options to impose cost savings. The Australian Nursing and Midwifery Federation, for example, previously put forward a slate of 60 possible cost cutting measures.

The unions had accepted the original 700 jobs cuts,

asking only that the government stand by an election pledge to refrain from using “forced redundancies.” The unions fear that compulsory retrenchments, rather than so-called voluntary redundancies, could spark opposition by public sector workers that could get out of the unions’ control.

Tasmania’s water and sewerage corporation chief also warned of further job destruction. TasWater chief executive Mike Brewster said he could not guarantee job security. Hundreds of TasWater workers walked off the job for two hours last Thursday, as part of a six-month dispute over the corporation’s demand for the removal of job security clauses from its industrial agreements.

Both the state Labor Opposition and the Greens supported the move to adjourn debate on the pay freeze bill. However, neither has any disagreement with implementing sweeping cuts to jobs and workers’ conditions to deliver the cost savings demanded by big business.

In fact, both parties attacked the government from a pro-business perspective, with Labor leader Bryan Green accusing it of axing jobs to pay for more than \$400 million in “excessive” election commitments. Greens leader Kim Booth said the budget did nothing to improve the state’s financial bottom line.

The Hodgman government’s budget is deepening the austerity program that was pursued by the previous state Labor-Greens coalition government. After coming to office in 2010, the Labor-Greens government worked tirelessly to impose a pro-market agenda, including cuts to hospitals and the public healthcare system. Its 2011 budget sought to shut down 20 public schools, axe 1,700 public sector jobs and increase water and electricity charges.

These measures fuelled widespread popular outrage, leading to the Liberals being swept into office in the March election. Labor’s vote plummeted to a historic low of 27 percent while the Greens vote dropped from nearly 22 percent in the previous election to 13.5 percent.

Labor and the Greens are acutely aware that any eruption of opposition by public sector workers to the public sector cuts could become a focal point for the broad discontent over mounting unemployment, the attacks on health and education and the gutting of social programs.

From their own experience in carrying out the austerity program, the former coalition partners consider it vital to use the trade unions as a mechanism to contain the opposition and derail any struggle. Former Labor premier Lara Giddings urged the government to “sit down sensibly and maturely with the union movement and actually progress this issue.”



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