

# South Australian Labor government slashes public sector jobs

Oscar Grenfell  
8 January 2018

The South Australian state government of Labor Premier Jay Weatherill announced 750 public sector job cuts in a budget review late last month. This is part of a broader raft of austerity measures aimed at slashing government spending by \$370 million over the next four years.

State Treasurer Tom Koutsantonis said the cuts would include the axing of 263 public servants and staff reductions in the state-run SA Water and Urban Renewal Authority corporations.

Homestart, a state-run corporation that provides home loans, will be forced to deliver 100 percent of its profits to the government over the next two financial years, up from the current 60 percent, supposedly in lieu of retrenchments.

The measures underscore the extent to which state-run utilities have been corporatised by successive Labor and Liberal-National governments. Koutsantonis said departmental “chief executives” would have “maximum flexibility” to “deliver these savings.”

In other words, the job cuts have not been specifically earmarked, so all public servants will live in fear of being victimised and sacked.

The retrenchments are a direct response to a protracted campaign by the corporate and financial elite for cutbacks to the public service. Articles and editorials in the Murdoch press, including its national flagship, the *Australian*, have declared that the state’s public sector is “bloated.”

The announcement follows the Labor government’s abandonment of proposals for a limited bank tax, which was slated to raise \$370 million over the next four years. The limited tax, which would not have affected the banks’ bottom line, was vociferously denounced in the financial press, and blocked in the state’s parliament.

The latest cuts follow a spate of redundancies in the public sector. While official figures are scanty, the number of public sector positions destroyed since the 2008 financial crisis by the state’s Labor governments is estimated in the thousands.

In 2014 alone, Labor eliminated 885 positions. The following year, it introduced plans to reduce the number of public servants by 4,000 over four years, including through the contracting out of government services.

Over the past five years, some 600 teachers at TAFE vocational colleges have been made redundant, as the state government has sought to wind back publicly funded education, in line with the pro-business education agenda spearheaded by the former federal Labor governments of Kevin Rudd and Julia Gillard.

The union that covers public sector workers, the Public Service Association (PSA), signalled its support for “cost reductions,” while fraudulently claiming to oppose the sackings. Speaking to the Australian Broadcasting Corporation last month, PSA official Neville Kitchin endorsed calls for “efficiency dividends” that he said had been “identified in recent reports.”

The PSA, along with all of the major unions, backed the re-election of a state Labor government in 2014, after it had imposed major cuts, and has enforced each round of redundancies.

The South Australian cutbacks form part of a broader offensive against the jobs, conditions and wages of public sector workers, imposed by state and federal governments, Labor and Liberal-National alike, with the crucial assistance of the trade unions.

Last September, in its first budget, the Western Australian (WA) Labor Party government eliminated 3,000 public sector jobs. The retrenchments, part of a

four-year \$1.7 billion reduction in public sector spending, are set to be completed in the 2017–18 financial year. The job cuts followed the amalgamation and restructuring of public sector departments reducing the number from 41 to 25, and the introduction of an effective four-year wage-freeze in May, just two months after Labor’s election.

The Community and Public Sector Union (CPSU), the national public sector federation, backed the pro-business measures, having campaigned for Labor in the 2017 WA state election on the bogus pretext that it would halt public sector cuts and privatisations. Backing the amalgamations, WA CPSU secretary Toni Wilkinson stated: “Some of our members believe this is an opportunity to get things right in the delivery of government services.”

At a national level, the CPSU has pushed through regressive enterprise agreements covering major public sector departments in the past 18 months. During a three-and-a-half year dispute, the federal Liberal-National Coalition government sought to impose a 2 percent annual pay rise cap and a raft of cuts to jobs and conditions.

Throughout the dispute, the CPSU’s primary concern was that it could be side-lined by the government, depriving it of its position at the bargaining table, where it trades away the jobs, wages and conditions of the workers it falsely claims to represent.

Despite members’ resistance, the CPSU ultimately pushed through regressive deals at a host of federal workplaces, including the Australian Tax Office (ATO), that ratified the government’s push for an effective wage freeze, and further cuts to jobs and conditions.

The perfidious role of the union continued their support for cuts to the public sector, which began in 1987 when Prime Minister Bob Hawke’s Labor government introduced “efficiency dividends”—continuous funding reductions.

From 2007 to 2013, the Labor governments of Julia Gillard and Kevin Rudd eliminated up to 14,500 public sector jobs. In 2013, the Rudd government increased the “efficiency dividend” from 1.25 percent to 2.25 percent, paving the way for further cuts by Coalition governments.

The assault on public service employees is one front in a wider agenda, aimed at forcing the working class to

pay for the deepening crisis of the profit system. In South Australia, the shutdown of car manufacturing and other industrial production has led to deepening social distress. Real unemployment in the state is estimated at over 10 percent, and more than 200,000 people live below the official poverty line. Indices of social distress and alienation such as drug addiction are growing.

In working-class suburbs such as Elizabeth, a former hub of car production in northwestern Adelaide, unemployment is as high 33 percent. Between 1981 and 2011, the number of manufacturing jobs in the state declined from 100,000 to an estimated 74,000. The closure of GM Holden last year is expected to result in 20,000 indirect job losses, on top of the 1,400 workers directly retrenched.

Under these conditions, Labor’s public sector cuts are another indication that the March 17 South Australian election will be dominated by pledges from the main parties to slash spending, further eroding the conditions of the working class.

Nick Xenophon, a right-wing populist ex-senator, whose newly-created SA Best party is polling level with the Liberal-Nationals and Labor in the lead-up to the elections, criticised the public sector sackings. His attitude to austerity, however, was underscored by reports that his federal party, the Nick Xenophon Team, reached an agreement with the Coalition government to slash welfare payments and entitlements for the most oppressed sections of the working class.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**