

# Australia: NSW government pushes public sector wage freeze

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New South Wales (NSW) Premier Gladys Berejiklian's plan to freeze the wages of public sector workers suffered a setback on Tuesday, being voted down in the state parliament's Legislative Council.

The government has moved for the measure to be imposed by the state's Industrial Relations Commission (IRC), with hearings at the pro-business tribunal beginning yesterday.

If approved, the policy will see 410,000 workers denied a 2.5 percent wage increase stipulated by their enterprise agreements. With inflation now at 2.2 percent, this amounts to a pay cut in real terms.

Contrary to corporate media attempts to portray public servants as overpaid paper-pushers, the majority of those affected by the wage freeze are teachers, firefighters, bus and train drivers, nurses, paramedics and other health workers.

The measure exposes the hollow character of these workers' designation as "essential frontline workers" during the coronavirus pandemic as well as the bushfire crisis.

Having been forced to work in dangerous conditions, often without adequate personal protective equipment, these workers are now the first to be hit with austerity measures designed to ensure that the working class foots the bill for hundreds of billions of dollars in bailouts for big business.

Sharpening the blow, the state premier's announcement came just weeks after it was revealed that NSW Police Commissioner Mick Fuller had received a 15.4 percent pay rise, bringing his salary to \$649,500.

Berejiklian claimed the projected \$3 billion savings from the wage freeze was necessary to prevent job losses that would result from the economic crisis intensified by the pandemic.

She said: "Every spare dollar we have and every dollar we don't have, we need to spend in health and also in jobs and job security—that is the priority."

Contrary to the premier's claim, the plan will see hundreds of millions of dollars taken out of health spending, because around 120,000 of the affected workers are employed in the health sector.

Berejiklian said that the austerity measures would not extend to the state's infrastructure spending, because "projects equal jobs."

The main role of these major infrastructure projects is to funnel billions of dollars of public money into the hands of big-business developers and construction companies.

These private companies will be able to reap even greater profits as a result of state and federal bailout packages, and cheaper labour as a result of attacks on working conditions carried out with the full support of Labor and the unions.

The NSW wage freeze is just the latest component of a multifaceted effort by the ruling class to use the coronavirus pandemic to carry out a major restructure of industrial relations and society as a whole.

The NSW move follows a six-month wage freeze for federal public servants announced in April, and plans by the Queensland Labor government to cancel public sector pay increases from July 1.

The Labor opposition, with the support of the Greens and minor parties, blocked the move in the NSW Legislative Council. This was a cynical attempt to deflect widespread anger over the measure behind the very institutions responsible for a protracted offensive against public sector workers, including parliament and the industrial relations commissions.

Labor and the Greens voted the cut down, in the full knowledge that it would immediately be taken to the IRC, which will doubtless pass the measure.

In addition to the similar policy being implemented by the Queensland Labor government, state Labor administrations have been at the forefront of austerity measures nationally. In states such as Tasmania, they have previously introduced effective wage freezes almost identical to that being imposed by Berejiklian.

NSW Labor governments, moreover, in office from 1996 to 2011 oversaw the sell-off of state assets, resulting in the destruction of thousands of public sector jobs. They became synonymous with corrupt dealings involving property developers and other corporate interests.

Further underscoring the bogus character of claims that parliament resoundingly “defeated” the freeze, the Shooters, Fishers and Farmers Party also voted against the measure, but indicated that they would have been happy to negotiate if some of the money taken out of the pockets of public sector workers was spent in regional areas.

One Nation Legislative Council member and former federal Labor party leader Mark Latham indicated limited opposition to the move, telling Sky News that “the nurses, the ambos, the police [and] the corrections officers” should be rewarded for their role on “frontline of handling the health emergency.”

Latham then attacked teachers for voicing their concerns about the safety of returning to face-to-face teaching, saying: “Schools were safe, and we couldn’t get them up and running as they should be in the classroom. I don’t think the teachers deserve the pay rise in a time of austerity.”

Prior to Tuesday’s vote, NSW Treasurer Dominic Perrottet met with union leaders to offer a paltry one-off payment of \$1,000 to about 200,000 “frontline” workers if the legislation was allowed to pass the upper house.

Berejiklian has threatened sackings or cuts to other areas of public spending if her wage freeze move is unsuccessful, ensuring that, one way or another, the working class will shoulder the burden of the state’s economic troubles.

The proposed wage freeze has attracted criticism from economists, who predict that cutting back public sector wages will likely depress spending and deepen the economic crisis.

Modelling conducted by the Australia Institute predicted that while about 2,910 jobs would be created if \$3 billion was spent on construction, there would be 4,020 jobs if public sector workers received their scheduled pay rises. This underscores the fact that the measure is not aimed at “rebuilding the economy,” but at slashing government spending, in line with a corporate offensive against the working class.

While the unions have voiced token opposition to the wage freeze, they have promoted the illusion that workers’ rights can be defended through parliamentary channels, calling on workers to petition the minor parties in the upper house to oppose the measures.

The Public Service Association of NSW criticised the government’s “gutless” use of legislative means to enact the freeze rather than “arguing a case at the independent umpire,” the Industrial Relations Commission (IRC).

In the wake of a recent ruling by the IRC’s federal counterpart, the Fair Work Commission, obliterating the pay and conditions of 214,000 fast food workers, any suggestion that the “independent umpire” will uphold the interests of workers is a fraud.

NSW secretary of the Health Services Union Gerard Hayes complained in a *Sydney Morning Herald* article that the wage freeze will prevent the union from complying with Prime Minister Scott Morrison’s call for unions and businesses to work together to “hammer out compromises.”

Hayes declared that he wanted to “open up the awards and to unleash a new wave of productivity across our health system.” In other words, sell out his workers in the interest of government cost-cutting.

The NSW Teacher’s Federation (NSWTF) and the NSW Nurses and Midwives Association did not rule out the possibility of industrial action, but have so far confined their actions to political lobbying in the face of already mounting anger of teachers and nurses over unsafe working conditions during the pandemic.

Paramedics in NSW began industrial action at 9 p.m. Monday to protest the wage freeze, refusing to enter billing details into the online patient information system. The move was expected to cost the state between \$400 and \$900 per ambulance trip.

The Australian Paramedics Association (APA) called for the billing ban after workers criticised the union’s lack of action against the wage freeze.

One worker wrote on the APA’s Facebook page: “You better do something now APA.... If you guys don’t pull your finger out and strike, I’ll pull my money from this union!!!”

Another worker asked: “So when are we going to see some action from the union? These posts are as useful to our wages as the applause we’re getting from the public...”

After the move was blocked in the upper house, the APA declared victory, even as the government prepared to put the wage freeze before the IRC.

The reality is that since the beginning of the coronavirus pandemic, and for decades before, Australian unions have worked hand-in-hand with state and federal governments, Labor and Liberal alike to dismantle workers’ pay and conditions.

The attempts by the unions to neuter the widespread opposition to the pay freeze and subordinate it to the big business Labor Party, further demonstrates that workers can only defend their interests by breaking with these thoroughly corporatised entities.



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