

Australia: New South Wales wage freeze approved by Industrial Relations Commission

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13 October 2020

The New South Wales (NSW) Industrial Relations Commission (IRC) ruled on October 1 that public sector workers in the state should receive a mere 0.3 percent pay increase, instead of the 2.5 percent they had expected on July 1.

The case was brought before the IRC after the state Liberal-National government failed to institute a public sector wage freeze through legislation in June. As the *World Socialist Web Site* wrote at the time, Labor and the Greens made a phony show of opposing the measure, knowing full well that the IRC would rule in the government's favour.

The IRC ruling also exposes the bogus posturing of the unions, whose main criticism of the June bill was that it was a "gutless" attempt to avoid "arguing a case at the independent umpire."

In reality, the IRC, like its federal counterpart, the Fair Work Commission, is a pro-business tribunal that has repeatedly upheld attacks on workers' pay and conditions.

The IRC found that workers did not "come into these proceedings with an entitlement to a particular wage increase," despite the fact that they have received a 2.5 percent pay increase each year since 2011.

Under the Labour Expenses Cap, introduced by Labor in 2008 and formalised by the Liberal government in 2011, 2.5 percent is the maximum annual wage increase that can be granted to public sector workers. The IRC has previously held that the full 2.5 percent should always be applied because the figure is based on average inflation over the long term, and failure to do so would result in wages falling irretrievably behind cost of living increases.

Introducing the updated legislation in 2011, then state finance minister Greg Pearce told the NSW Legislative Council: "[O]ur policy is more transparent than

Labor's 2007 policy by clearly guaranteeing the 2.5 percent increase and minimum conditions."

The IRC disregarded this "guarantee" on the grounds that "the COVID-19 pandemic has caused disruption to the international, national and state economy on a scale not seen since the Second World War."

Similar justifications have been employed across countless industries in Australia, and around the world, as the coronavirus pandemic has been used to carry out wide-ranging attacks on workers' pay and conditions. The extraordinary powers granted to employers under the union-backed JobKeeper wage subsidy are a prime example.

The IRC noted that "the Government sector in New South Wales has been shielded from some of the COVID-19 pandemic that have been experienced in other parts of the workforce." In other words, workers do not deserve a pay rise, because they are lucky to have a job at all.

The IRC ruling is yet another message to workers that they will be forced to pay the price for the economic crisis that has been accelerated by the pandemic.

While the government claimed that the wage freeze was necessary to protect the jobs of public sector workers, it refused to guarantee that positions would not be slashed in the near future.

The majority of the 410,000 public sector employees in NSW are teachers, nurses, paramedics, train and bus drivers, and other front line workers who have been forced to work under difficult and dangerous conditions throughout the coronavirus pandemic.

The announcement of the October 1 ruling further fuelled mounting unrest among teachers on social media.

One wrote: "This pay cut in NSW is such a screw you to all that everyone in the public sector has been doing

over the last 6 months. ... If hundreds and thousands of us can gather in our workplaces then we should gather to fight this insult. This should be followed by ballots for strikes at coordinated times.”

Another said: “It’s shocking and has to be fought! Everyone in their workplaces should be calling meetings to move motions calling for protests and strike action!”

A teacher added: “It’s time for teachers from around the country to protest this because sooner or later this may come our way.”

Speaking after the IRC decision, Unions NSW Secretary Mark Morey labelled the pay freeze “economic vandalism by the NSW treasurer.”

Underscoring the current unprecedented collaboration between the Morrison Liberal-National government and the unions, Morey criticised the state government while heaping praise on its federal counterpart.

He said: “This is swimming against the tide of the federal government, who have made a commitment to keep people in jobs, stimulate the economy, and make sure regional and rural towns in this state and this country survive.”

In fact, the federal government announced a six-month “pause” for federal public sector wages in April. Prime Minister Scott Morrison recently hit out at Australian Broadcasting Corporation workers who voted against the effective freeze.

The Queensland Labor government also moved in April to suspend upcoming public sector pay increases. In Western Australia, the Labor government’s budget, announced last week, includes \$27.1 billion for infrastructure projects and forecasts a surplus of \$1.2 billion, but continues a wage freeze for public sector workers that has been in place for three years.

Morey ruled out any action against the real pay cut, stating that public sector workers “will continue to work because they are professional.”

Instead, the unions are asking workers to email parliamentarians “to point out the injustice of the government’s decision.” Promoting feckless appeals to big business politicians is one of the central means the unions employ to diffuse workers’ opposition, and divert it behind the very capitalist parties, including Labor, that are responsible for the increasingly difficult plight of public sector workers.

Other comments on social media have indicated

growing disaffection with the dead-end being pushed by the unions.

One worker wrote: “So if all public sector workers took action together as one what would the government do? Petitions and talk won’t change these politicians’ minds, only firm action across all sectors providing emergency cover of course might just win and get this insulting offer increased for those who deserve it the most.”

Another commented: “A statewide public sector strike is needed! They cannot run NSW without us. If they won’t willingly cough up our 2.5 percent we must force them to.”

A Facebook user explained: “I work in the disability sector and went through the pandemic and ran out of PPE [personal protective equipment] and can not socially distance and we only got a small percentage of our pay rise. The union let it happen.”

It is not only front line public sector workers who are being subjected to the state and federal governments’ return to work drive, exposing them to the danger of COVID-19 infection.

NSW Premier Gladys Berejiklian last month echoed Prime Minister Scott Morrison’s call for public servants currently working from home to return to their CBD offices. This is part of the broader strategy of federal and state governments, both Liberal-National and Labor, and is intended to increase pressure on private-sector workers to return to their offices.

The move has nothing to do with the efficient operation of government departments, but is instead aimed at ensuring the continued profitability of commercial real estate, private parking stations, and other CBD businesses patronised by office workers.

The role of the unions, in seeking to suppress any struggle against the public sector wage freezes, again underscores the fact that all workers face the need to break with these corporatised organisations, which function as an industrial police force of the governments and big business.



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