

# Australian unions promote NSW government's cynical wage cap manoeuvre

**Martin Scott**  
**13 June 2022**

On June 6, New South Wales (NSW) Premier Dominic Perrottet announced a temporary increase of the pay cap covering all public sector workers in the state from 2.5 percent to 3 percent this year, with a possible hike to 3.5 percent next year, dependent on “productivity.”

Also announced on June 6 was a one-off \$3,000 “appreciation payment” for full-time health workers in the public sector. The meagre offer followed announcements of additional staff and funding for NSW’s public health system.

Objectively, what is the NSW government “offering” workers? A pay cut of at least 2.1 percent, based on the current inflation rate of 5.1 percent, and a pitiful sop for frontline health workers who continue to risk their health and lives every day as a result of the ongoing COVID-19 pandemic. The token “appreciation payment” does not come close to making up for years of real wage cuts and a pay freeze implemented in 2020.

Nevertheless, unions covering public sector workers, particularly in health, have hailed the announcements as evidence that the Liberal-National government is “listening” and that there is no need for further industrial action.

In reality, the new funding measures will do nothing to resolve the mounting chasm between declining real wages and the rapidly rising cost of living or the ongoing crisis in the state’s hospitals and ambulance service.

That is assuming that the plans even go ahead. It should be recalled that, at the start of the COVID-19 pandemic, all state, territory and federal governments made grand claims about funding boosts for public hospitals. These plans were quietly dropped, and in fact Australia’s Intensive Care Unit capacity dropped by 8 percent, including 45 beds in NSW alone, between March 2020 and October 2021.

Perrottet this month unveiled a plan to recruit around 10,000 health workers over the next four years, including 1,850 paramedics. It is unclear, however, where these additional staff would be found, especially under conditions where nothing is being done to address issues that have already caused a mass resignation of health workers. An estimated 20,000 nurses across Australia left the profession in 2021, even before the worst impact of the pandemic.

Even if the recruitment drive goes ahead, it would barely offset the impact of COVID-19, let alone resolve chronic

understaffing, which has resulted from decades of cuts by state and federal governments, Labor and Liberal-National alike.

In addition to the thousands of COVID-19 patients requiring care in NSW hospitals every day, on average more than 3,250 health workers have been unable to work due to the virus each week this year. As long as the homicidal “let it rip” policies, adopted by all Australian governments, remain in place, there can be no resolution of the crisis in health care.

Perrottet’s announcements were clearly motivated by concerns in the ruling elite over growing unrest among workers, particularly in the public sector, as expressed in a series of significant strikes over recent months.

In December, public school teachers across NSW held a 24-hour strike, their first after more than a decade of suppression by the NSW Teachers’ Federation (NSWTF). The NSWTF then granted the government a no-strike pledge in Term 1, preventing opposition to the reckless reopening of schools amid a surge of the Omicron COVID-19 variant. The teachers walked out again in May, prompting another no-strike guarantee from the union.

After nurses’s calls for strikes were repeatedly shut down by the NSW Nurses and Midwives Association (NSWNMA) in the first two years of the pandemic, the union was compelled by the growing anger of workers—over the pay cap and the lack of minimum nurse-to-patient ratios—to call a statewide strike in February. With nothing resolved, the nurses struck again in March.

Throughout the dispute, the NSWNMA has promoted illusions in Labor, even though Labor leader Chris Minns has refused to implement ratios if elected and insists, in line with his newly-elected colleagues in the federal government, that wage increases must be tied to increased “productivity.”

The timing of Perrottet’s announcements, days before a strike by more than 30,000 NSW public sector workers, underscores their cynical character. Desperate to avoid the development of further strikes involving broader sections of the working class, Perrottet is attempting to drive a wedge between health workers and the rest of the public sector.

The government’s ploy depends on the complicity of the trade unions, which are already in the process of selling these miserly concessions to their members as major gains.

Demonstrating the close collaboration between the unions and the government, Gerard Hayes, secretary of the Health Services Union (HSU), joined Perrottet for Sunday's announcement of additional funding and staff for the NSW Ambulance service, which he declared "a historic victory" for paramedics.

The HSU also claimed the wage announcement was "a huge win," posting a graphic on Facebook that falsely included the one-off payment as part of the percentage increase workers will receive, covering over the fact that the pay "rise" is a pay cut. When workers pointed out this lie, remarked on the inadequacy of the bonus after years of stagnant pay and dire conditions, and asked which workers would be eligible for the payment, the union shut down comments on the post.

The NSWNMA declared last Tuesday, "Your strikes work!" While the NSWNMA has since voiced token criticism of the announcements, the union is sending workers a clear message that their struggles can be resolved through polite appeals to the Perrottet government.

Last week's announcements are just the latest in a string of manoeuvres by the Perrottet government attempting to shut down industrial action in the public sector.

After nurses across the state struck in February, defying a ban by the pro-business Industrial Relations Commission (IRC), Perrottet threatened legal action against the NSWNMA. The premier was forced to back down after the union leadership warned that the consequences of this would be "very unfortunate," in other words, that such an action would provoke a response from workers that the bureaucracy might be unable to control.

Less than a week later, the NSW government abruptly shut down the entire Sydney rail network, falsely claiming that this was the result of a strike by rail workers, who were accused of "terrorist-like activity." In fact, while the workers were carrying out limited work bans, and had previously voted to strike, the actions called by the Rail Tram and Bus Union (RTBU) represented little more than a minor inconvenience to management.

The rail shutdown was intended as a clear message from the Perrottet government to the entire working class that no industrial action, however limited, would be tolerated.

The attempted provocation was a debacle, as the public quickly saw through the lies and understood that the government, not workers, had stopped the trains. Despite this, the RTBU immediately leapt to Perrottet's aid, restoring full passenger service. It has kept industrial action to an absolute minimum ever since, as it prepares a sell-out deal. The workers, meanwhile, have had their wages frozen for more than a year since their last enterprise agreement expired.

With blunt intimidation and provocation having failed, the Perrottet government has made its announcements on the pay cap and health funding to more directly enlist the services of the unions in suppressing the emerging movement and forcing

through sell-outs to end the various disputes.

The responses of the RTBU and the health unions to the NSW government's manoeuvres are not aberrations but expressions of the class role played by these organisations. Their function is to suppress workers' opposition to attacks on their jobs, pay and conditions, ram through rotten deals to ensure continued growth in corporate profits, and, above all, to shut down any attempt to mobilise broad sections of workers against the ruling elite.

This is a product of the transformation of the unions over the past four decades into corporate entities. No longer workers' organisations in any sense, the unions are led by bureaucrats who sit alongside big-business bosses on the boards of vast industry superannuation funds. As such, the fortunes of the unions are tightly intertwined with corporate profits and global finance capital.

In all of the recent strikes, workers called for a united struggle by all public sector workers against the punitive wage cap and the continued assault on jobs and conditions. The unions insist this is not possible because of Australia's draconian industrial relations laws. The reality is that this legislation was implemented by previous union-backed Labor governments and has been enforced ever since by the unions, who rely on the laws as political cover for their constant isolation of workers' disputes.

Perrottet's various ploys show that his government is highly conscious of the power of the working class. But this power will not be realised as long as workers are bound by the straitjacket of the unions.

Workers must break free from these fetid institutions and form new organisations of struggle, rank-and-file committees completely independent of the unions. These committees will provide a democratic forum for workers to discuss the issues they confront and plan a political and industrial counter-offensive throughout the public sector and the broader working class.

A mass movement alone is not enough, however. The struggle for real wage increases, decent conditions and the vast increase in public spending necessary to provide high-quality, free, public health, education and other vital services to all, will bring workers into conflict with Labor, the unions and the capitalist system itself.

This struggle requires a new political perspective. It is only through a fight for socialism and the establishment of workers' governments that society's vast resources can be torn from the hands of the corporate billionaires and used to provide for the needs of the working class and society as a whole.



To contact the WSWs and the Socialist Equality Party visit:

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