Australia: As NSW nurses and teachers strike, Labor Party accuses state government of “spending spree”

Mike Head
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Despite their stoppages being kept separate by the trade unions, tens of thousands of nurses, teachers and rail workers will join stoppages across New South Wales (NSW) this week, as did other NSW public sector workers on June 8, defying government threats of huge fines.

They will do so after last week’s state budget was handed down by the Liberal-National Coalition. It confirmed the government’s flat rejection of workers’ demands for pay rises to match soaring inflation and for urgent funding increases to introduce minimum nurse-to-patient ratios and end the devastating staff shortages in hospitals and schools.

But the state Labor opposition also refused to meet their demands. In fact, it accused the government of over-spending in the budget, denouncing it as a “spending spree” bid to win the state election due next March.

Labor’s response underscores the bipartisan nature of the offensive underway, led by the federal Labor government, to impose major social spending cuts, including to public health, education, aged care and disability services, and deeper real wage cuts in the face of the worsening cost of living crisis.

Labor governments in Victoria, Queensland and other states are implementing similar policies, including public sector wage caps far beneath the rate of inflation, and unbearable workloads on health and education staff.

In last week’s NSW budget, Premier Dominic Perrottet’s government confirmed that it would only lift its annual wage growth cap from 2.5 percent to 3 percent, regardless of an official inflation rate expected to hit 7 percent by the end of the year, and already skyrocketing costs of petrol, food, energy and housing.

That was not all, however. What was revealed, in addition, were plans to further ratchet up “productivity”—that is output per worker, for all public sector employees over the next four years, no doubt at the cost of thousands more jobs.

According to the budget papers, there would be “an additional 0.5 percentage points available in 2023–24 should appropriate productivity improvements be implemented.” On top of that would be an “efficiency dividend” of 1 percent in 2023–24, rising to 2 percent in 2024–25 and 3 percent in 2025–26.

Over $100 million more would be clawed back from workers by cutting workers’ compensation contributions. Altogether, allocations for “employee expenses” would increase by just 2.9 percent from 2020–21 to 2025–26, even further below the anticipated inflation level.

The budget allocated billions of dollars for business-related infrastructure, including driverless Metro Train services, at the expense of social programs. Total government spending would be slashed from $120.3 billion in 2021–22 to $109.5 billion by 2024–25—a more than 10 percent cut in real terms—partly because of the withdrawal of temporary pandemic and flood relief payments.

The severe crisis and impossible workloads in the public hospitals, fuelled by the resurging COVID-19 pandemic produced by new Omicron sub-variants, will intensify despite a promise to hire about 10,000 full-time equivalent staff over the next four years.

So acute is the public hospital breakdown that the Bureau of Health Information quarterly report for January to March 2022 showed that only 57.1 percent of Category 2 patients had their treatment start on time. These patients need to be treated within 10 minutes because they have an imminently life-threatening condition such as serious chest pains, sepsis, acute respiratory distress, or severe fractures.

The situation in the schools is just as catastrophic, with an estimated shortage of 3,000 teaching staff causing constant class cancellations or amalgamations, aggravated by COVID infections.

For all the media attention given to the government’s promise of universal access to pre-kindergarten education by 2030, the purpose is to drive up workforce participation by women as working-class households are increasingly squeezed financially.

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That pressure will hardly be touched by marginal "cost of living" gestures in the budget, such as $150 vouchers per student for school costs in 2023.

The Coalition government has dismissed workers' essential demands despite soaring revenues. These include a $4 billion boost from higher minerals royalties—largely due to the US-NATO proxy war against Russia in Ukraine sending coal prices skyward—and an extra $1.2 billion from stamp duty due to still near-record high housing prices.

The Labor opposition, however, shares the government's contempt for workers. State Labor leader Chris Minns refused to commit to raise public sector wages if he were elected to office next March. Instead, he said Labor would scrap the current bargaining system and replace it with "productivity-based bargaining" that would tie pay rises to productivity measures.

Minns labelled the budget a "spending spree" that future generations would have to pay off. He said NSW Treasurer Matt Kean "spent $1 billion for every minute that he spoke at the lectern today" and was "spraying money in every direction at a rate of knots months before the general election."

Minns said the total debt for the state was estimated to hit an "unsustainable" record-breaking high of $182 billion.

These accusations of fiscal irresponsibility echo the claims of Prime Minister Anthony Albanese's federal Labor government to have suddenly discovered a debt and deficit crisis in the national budget that requires "sacrifices," ditching Labor's election rhetoric of a "better future" and the lifting of wages.

Minns's statements are a warning. Labor's enforcement apparatus—the trade unions—will step up their efforts to isolate workers, prevent a unified mobilisation and lay the basis for sell-out industrial agreements.

The unions have only called stoppages because they have been compelled to do so as a result of mounting anger and demands from their members. For months, the unions have ensured that stoppages are spasmodic, isolated from each other, and confined to letting off steam via protest rallies.

For years, the unions, including the NSW Nurses and Midwives Association and the NSW Teachers Federation, have imposed one sell-out industrial agreement after another, enforcing pay caps and doing nothing to address workloads and worsening conditions.

The trade unions are playing the same role globally, trying to suppress the rising struggles on every continent against the skyrocketing cost of living and the disastrous "let it rip" pandemic policies of big business and its governments. They function as industrial and political police forces for the ruling elites.

As the Socialist Equality Party explained in its June 25 statement on the NSW strike wave, the only alternative is for workers to take matters into their own hands. The SEP has initiated the Committee for Public Education (CFPE) and the Health Workers' Rank-and-File Committee (HWRFC), to spearhead the fight for new organisations of working-class struggle.

These committees are part of the fight to unify and organise workers worldwide by building the International Workers' Alliance of Rank-and-File Committees (IWA-RFC).

The SEP statement proposes a series of demands, starting with an immediate across-the-board pay increase of more than 20 percent with automatic monthly cost of living adjustments, and the hiring of thousands of teachers and health workers to end the punishing workloads.

These demands point to the necessity for a socialist program to totally reorganise society to meet the needs of working people, not the profit demands of the corporate oligarchy and its parliamentary servants, Labor and Coalition alike.

Contact us today to discuss the establishment of rank-and-file committees.

Health Workers' Rank-and-File Committee (HWRFC)
Email: sephw.aus@gmail.com

Committee for Public Education
Email: cfpe.aus@gmail.com
Facebook: www.facebook.com/groups/opposeaeusellout/
Facebook: www.facebook.com/commforpubliceducation
Twitter: @CFPE_Australia

Socialist Equality Party (SEP)
Email: sep@sep.org.au
Facebook: SocialistEqualityPartyAustralia
Twitter: @SEP_Australia
Instagram: socialistequalityparty_au
TikTok: @SEP_Australia

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