Australia: Queensland unions cancel protest over wage-cutting state budget

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At the last minute, the Queensland Council of Unions (QCU) last week called off a budget day protest by workers outside the state parliament against the state Labor government.

That was despite the budget still containing an annual public sector wage rise cap of 2.5 percent and providing no relief for health workers and teachers facing intolerable staffing shortages and workloads.

After a two-year wage freeze imposed by the Labor government at the start of the COVID-19 pandemic, the trade unions are anxiously trying to prevent a movement erupting out of their control against Labor's ongoing wage-cutting and the disasters in public health and education.

The union apparatuses are attempting to isolate their members from the strikes of nurses, teachers, rail workers and public servants in neighbouring New South Wales (NSW), who face a similar attack by that state's Liberal-National Coalition government, as well as a global eruption of workers' struggles against the devastating surge in the cost of living.

The QCU said it would "consider a formal wages offer from the state government made overnight to unions," and discuss it with their members. But both the government and the unions refused to provide any information about the "offer."

With 24 public service workplace agreements expiring this year, including for nurses, teachers, police, firefighters, doctors and paramedics, Labor and its union partners are intent on blocking strikes and keeping pay rises well below inflation, which is predicted to reach 7 percent this year, even on the understated official figures.

The state government and the unions are working closely with the federal Labor government, which has called for "sacrifices" and made clear its support for the demand issued last week by Reserve Bank of Australia governor Philip Lowe for wage increases to be kept below 3.5 percent.

In last week's budget, Premier Annastacia Palaszczuk's Labor government based all its financial calculations on enforcing a 2.5 percent wage cap. That was even though it posted a $1.9 billion surplus in 2021-22 due to surging world prices for coal, the state's biggest export revenue source, because of the US-NATO proxy war against Russia in Ukraine.

The budget papers specifically warned that "a one-percentage-point increase in wage rates above [the 2.5 percent] expectation would increase employee expenses by around $300 million per annum."

Treasurer Cameron Dick suggested there would be an increase in the government's wage policy after "good faith" negotiations with unions, but would not say by how much. That indicates backroom talks are underway to strike sellout deals, while workers are being kept in the dark.

Before the budget, there was much hot air from unions denouncing the 2.5 percent cap and claiming they would fight for inflation-matching pay rises, but all that has been dropped.

After months of public outrage over the crisis in the over-stretched public hospitals, with ambulances queueing outside and patients waiting hours for medical care, Dick proclaimed the centrepiece of the budget to be a $23.6 billion investment in healthcare.

This would supposedly hire 9,450 healthcare workers, build three new hospitals and add 2,200 new hospital beds over six years. Yet, the funding allocation is an increase of only 5.6 percent, well below inflation, let alone the higher rise in medical treatment costs.

That is in line with the refusal of Prime Minister Anthony Albanese's federal Labor government to extend a 50-50 COVID funding deal for public hospitals beyond December, despite the Australian Medical Association warning that as a result "many people who are very ill will continue to suffer as a result of ambulance ramping and waiting times in emergency."

Dick also highlighted an allocation of $1.6 billion for mental health services over five years to be funded by a token payroll tax levy of up to 0.75 percent applied to the largest 1 percent of businesses. But that is also far too little to overcome the chronic under-funding of services amid rising demand.

Likewise, expenditure on state schools is set to increase by a little under 6 percent. Education will fall as a proportion of overall government spending from 25 percent in 2021-22 to 24.3 percent for 2022-23. Only 675 new teachers will be hired in 2022-23, not enough to cover enrolment increases.

While the government claimed it would still meet its 2020 state election commitment to provide "6,190 new teachers" over four years, there were no new measures in the budget to address teacher shortages or provide additional teaching support for schools.

Similarly, despite soaring rents, interest rates and mortgage repayments, there was no substantial increase to last year's puny budget commitment to deliver 7,400 new properties for social housing by 2025. Earlier this month, the state Department of Housing confirmed that only 326 new social homes had been built this financial year, blaming labour and supply shortages in the construction industry.

Dick announced a small rise in coal mining royalties, ending a 10-year freeze handed to the coal giants by the Labor government. The change will raise just $1.2 billion over four years, regardless of the massive profits being made on the back of the global energy crisis.

Dick underscored Labor's continuing commitment to protect the profits of the multinational coal companies. He said they had enjoyed "an extraordinary period of stability" thanks to the Palaszczuk government's extended freeze and could "rest easy" knowing that royalties would fall again when global prices cooled.

By contrast, the budget included only a pittance in "cost-of-living" assistance for working-class households—a one-off $175 rebate on their next electricity bill.

Even before the budget, the unions signalled their readiness to try to enforce lower-than-inflation pay rises. Electrical Trades Union (ETU) state secretary Peter Ong said the union was seeking a 5.1 percent rise, in line with the official inflation rate over the past year, but "I've told government that I'm not prepared to take anything back to my members unless it has a four in it."

Alex Scott, secretary of the Together branch of the Australian Services Union, called for a wage increase "that keeps up with the rising cost of living" but "we are not putting a figure on it." He said there would be joint union meetings with the United Workers Union and the ETU after the state budget.

"We are also waiting to see what the federal treasurer says about his expectations for inflation are in his statement to parliament which he has flagged for July," Scott said.

Scott's comment demonstrates the commitment by the unions to police the cuts to real wages and social spending that Jim Chalmers, Labor's federal treasurer, has foreshadowed since the May 21 federal election.

It is a warning that the unions, like their NSW counterparts, will step up their efforts to isolate workers, prevent a unified mobilisation and lay the basis for sell-out industrial agreements.

A bipartisan offensive is 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.

Alongside the NSW Coalition government, 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.

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. That means building rank-and-file workplace committees, totally independent of Labor and the unions, and developing the fight for workers' governments to carry out socialist policies based on the needs of working people, not the profits of the wealthy elite.