

Support the SEP (Australia) in the NSW election to oppose bipartisan slashing of public sector wages!

Max Boddy, SEP candidate for Bankstown
23 February 2023

Last year, Australian workers were hit with the largest real wage cut on record. While inflation reached 7.8 percent, wages increased by just 3.3 percent—a 4.5 percent decline in real terms. The attack was sharpest in the public sector, where harsh wage limits, enforced primarily by state Labor governments, kept nominal wage growth to just 2.5 percent.

The price of basic essentials like food, fuel and utilities is rising even more rapidly than the official inflation figure shows. Workers with mortgages have been slammed by successive interest rate rises, while rental prices in Sydney have increased by more than 30 percent over the past year.

But as workers face the biggest cost-of-living crisis in decades, both Labor and the Liberal-National Coalition are heading into the March 25 New South Wales (NSW) election with policies that will deliver further cuts to the real wages of teachers, nurses, and the rest of the public sector.

They put forward two excuses to justify this onslaught. Firstly, they point to the growing state deficit. Secondly, they, and other representatives of the ruling elite warn that any real wage rises will increase inflationary pressures. Both are lies.

The budget crisis, in NSW and nationally, is the direct result of the hundreds of billions of dollars handed by governments to big business and the corporate elite in the first two years of the pandemic. The billionaires were bailed out, and now the working class is being made to pay.

Wages are not contributing to inflation, because they have been stagnant or declining for the past twenty years. In reality, the price hikes are a result of the US-NATO proxy war against Russia in Ukraine and the disruptions caused by the “let it rip” COVID policies of governments around the world. Multiple studies, moreover, document the massive contribution to inflation of the super-profits being raked in by the major corporations, especially in the energy sector.

In reality, the pledges by Labor and the Coalition to restrict wages beneath inflation are one aspect of a sweeping offensive against the working class. Amid the deepest crisis of capitalism in decades, the only solution the ruling elite can advance is to return social conditions to those that existed in the 1930s or before.

The Socialist Equality Party is the only party in the NSW election advancing a perspective for workers to fight for the major wage increases that they require to live, as well as for a massive

increase in the funding of public healthcare, education and other essential social services. That is because the SEP opposes capitalism and rejects the subordination of every aspect of life to the profit dictates of big business.

There is a growing mood of anger and opposition among workers, and a desire to claw back what has been taken, including by pushing for real wage rises. But to take forward this struggle, a new perspective, based on the lessons of past experiences and an understanding of which class interests the different political forces represent, is required.

In 2022, public sector workers across NSW carried out multiple mass strikes in opposition to real wage cuts resulting from a longstanding 2.5 percent cap on annual pay increases. More than 100,000 workers, including in health, education and transport, stopped work as part of the biggest wave of industrial action in Australia for more than a decade.

The vast majority of these workers have been working on the front line of the COVID-19 pandemic for three years. In addition to the constant risk of infection, illness and death, this has sharply increased workload and exacerbated already chronic staffing shortages.

The parliamentary parties never miss an opportunity to pay lip service to these essential workers, for whom there is tremendous public appreciation and support. But when it comes to the question of addressing their wages and conditions, Labor and the Coalition are adamant—a pay rise in line with inflation is impossible.

Labor claims it will “scrap the wages cap” if elected next month, but this is nothing more than an empty slogan. NSW Labor leader Chris Minns said last week, “We can’t offer inflation-level increases,” while Shadow Treasurer Daniel Mookhey confirmed, “No employer in the country has offered that, no state government has offered that and that’s not our policy.”

These comments came after Liberal-National Premier Dominic Perrottet claimed infrastructure development in NSW would “grind to a halt” if the wage cap were removed. They were aimed at reassuring big business that a NSW Labor government would carry out the same harsh austerity program as its federal and state counterparts.

Labor went to last year’s federal election promising a “better future,” but immediately after taking office, the rhetoric turned to a call for workers to make “sacrifices.” The Albanese government

opposes “across-the-board” pay rises in line with inflation, and demands that wage growth must be tied to increases in “productivity,” i.e., corporate profits.

In an effort to portray the dire conditions in the NSW public sector as purely the fault of the Liberal-Nationals, Labor and the unions frequently claim that other states do not have wage caps in place. In fact, state Labor governments have implemented harsh real wage cuts across the country.

In January 2022, when official inflation had already reached 3.5 percent, the Victorian Labor government reduced its cap on annual public sector wage growth from 2 percent to 1.5 percent.

In Queensland, the Palaszczuk Labor government capped public sector pay increases at 2.5 percent per annum before imposing a two-year wage freeze in 2020. In mid-2022, unions hailed the announcement of a pay rise of 11 percent over three years, which will leave workers earning less in nominal terms in 2025 than if the 2.5 percent had been maintained through the pandemic.

In Western Australia, Labor Premier Mark McGowan introduced a \$1,000 per annum wage “rise” limit in 2017. Mass strikes last year forced this to be increased, but, with the collaboration of the union apparatus, McGowan was able to impose annual nominal pay rises of just 3 percent across most of the public sector.

This whole operation has been enforced by the unions, which are closely tied to finance capital and thoroughly entrenched in the political establishment. No longer workers’ organisations in any sense, these bureaucratic shells serve as an industrial police force to suppress the working class and impose the demands of government and big business for endless cost cutting.

In Victoria, the Australian Education Union mounted a systematic campaign of censorship and misinformation to push through a 2 percent pay rise last year, against massive opposition from teachers.

In NSW, the leaders of the Teachers Federation (NSWTF) and Nurses and Midwives’ Association (NSWNMA) were compelled to call strikes because of the anger and frustration of teachers and nurses. But they did everything possible to minimise and isolate the industrial action, seeking above all to prevent the eruption of broader struggles in the working class.

While both industries have been hit with decades of bipartisan cuts to jobs, wages and conditions, the union bureaucrats insisted Perrottet and the Liberal-Nationals were solely to blame. This was intended to foster illusions that the election of a Labor government would resolve workers’ issues.

The critical issue for the union bureaucrats was to wrap up the wave of strikes ahead of the election, as a pitch to the corporate elite that a union-backed Labor government is capable of shutting down any further industrial action and class unrest. All of the parliamentary parties, with the full support of the unions, are determined to ensure that struggles of workers play no role in this election.

With more than 500,000 staff, the NSW government is the largest employer, not just in the state, but in the southern hemisphere. But the issue of public sector wages is critical for the entire working class.

Wages in the public sector have served as a pace-setter for industry more broadly, especially since the Hawke-Keating federal

Labor government’s early 1990s introduction of enterprise bargaining, which atomised the working class and eliminated industry-wide pay negotiations in the private sector.

The NSW wage cap, which was first introduced by Labor in 2008 before being legislated by the Liberal-National government in 2011, and the adoption of similar measures around the country, entrenching this process, dragging wages down further in both the public and private sectors.

Whichever major party takes office after the March 25 state election, the new government will only deepen the massive real wage cuts inflicted upon NSW public sector workers over the past decade. Only the SEP is advancing an alternative to the subordination of workers’ interests, and vital public services, to the demands of big business.

We say:

- Major pay rises for all workers now, to compensate for years of cutbacks! Everyone who wishes to work must be given a decent job, with enough pay for a dignified and comfortable life! Affordable housing for all!

- Hundreds of billions for public education, healthcare and other essential services!

To achieve these demands, workers will need to build their own organisations of struggle, rank-and-file committees independent of the union apparatus. These are the only mechanism through which workers can defeat union sell-out and isolation operations, unify across industries and more broadly and democratically-decide upon the industrial and political actions that must be developed as part of a working-class counteroffensive.

Above all, what is required is a program that rejects the dominance of the banks, the corporations and their political representatives over society. That means a turn to the SEP’s perspective of establishing workers’ governments, which would place the banks, the corporations and the key levers of economic life under public ownership and democratic workers’ control. These socialist policies, including urgently needed public works programs, would facilitate the creation of decent, well-paid jobs for all, as well as quality education, healthcare and social services as a fundamental social right.

Contact the SEP today to join the campaign!

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