

Australia: Labor win in NSW election will not end wage cuts or dire conditions for public sector workers

Martin Scott
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Australia's union leaders have rushed to hail Labor's narrow victory in Saturday's New South Wales (NSW) election. For public sector workers in the state, the result will do nothing to end real wage cuts or the dire working conditions they confront.

Labor's pledge to abolish the state's public sector wage increase cap was promoted by the unions as a key issue in the election. The promise was used by the bureaucracy to divert the struggles of nurses, teachers and others into a campaign to elect Labor.

As was the case in last year's federal and Victorian elections, the defining feature in the NSW ballot was opposition to the Liberal Party, rather than any great endorsement of Labor. But, with the cost of living continuing to soar, one of the few policies Labor did advance, which won a degree of support, especially from public sector workers, was their pledge to end the pay cap.

New Labor Premier Chris Minns acknowledged its centrality on election night, declaring "the people of New South Wales voted for the removal of the unfair wages cap."

But what is the reality of Labor's policy on wages? Minns, along with Treasurer Daniel Mookhey, has explicitly stated that public sector wages will not increase in line with inflation and that wage growth must be tied to increased "productivity." In the week before the election, Labor promised to maintain "targets" of 3-3.5 percent nominal wage growth.

This is in line with Labor's broader agenda. After promising a "better future" in the lead up to last year's federal election, the Albanese government quickly changed its message to a call for workers to make "sacrifices," and declared its opposition to "across-the-board" pay rises in line with inflation.

The fact is that any profession of concern over wages by Labor or the union bureaucracy is a monumental fraud. Australia's draconian anti-strike laws and the enterprise bargaining mechanism, which has been used to suppress

wages for three decades, was established by successive Labor governments starting with the Hawke-Keating administration, in close collaboration with the unions.

Independent Education Union NSW secretary Mark Northam spelled out what teachers can expect, telling the *Australian Financial Review* (AFR), "[wage rise] numbers have got to have a four in front of them."

The official inflation rate, however, has a seven in front of it! While the latest figures from the Australian Bureau of Statistics show the CPI increase for the year ending February at 6.8 percent, down from 7.8 percent in December, this overall figure conceals the reality confronting workers. The price of food increased by 8 percent, housing rose 9.9 percent and electricity soared 17.2 percent.

Public Service Association (PSA) secretary Stewart Little told the *Guardian* his union would seek a "fair wage rise." He clarified: "It won't be anything like current inflation but I expect anything less than the realm of upwards of about 4 percent would be met with concerted opposition from the trade union movement."

The enterprise agreement recently imposed upon NSW rail workers by the Rail, Tram and Bus Union (RTBU) will be seen as the model. Workers were urged to sign a wage-slashing deal in January, on the bogus pretext that the pro-business Fair Work Commission (FWC) would subsequently award them a larger pay rise.

This amounted to 3.53 percent in 2022 and 4.03 percent in 2023—just 1 percent above the state cap. Yet in reporting this meagre result to its members, the RTBU claimed to have "smashed the NSW Government's unfair 'wages cap.'"

This is what Labor and the unions have in mind when they talk about abolishing the wage cap—continuing massive cuts to real wages, with tiny nominal increases that they hope will subdue mounting anger in the working class.

From their perspective, the problem with the cap is that it allowed no "wobble room" for backroom negotiations, leaving the union bureaucrats without a pretext to convince

workers that industrial action was unnecessary. This was the same obstacle that forced former Liberal-National Premier Dominic Perrottet to temporarily increase the cap from 2.5 percent to 3 percent in mid-2022.

Along with the union celebrations, Saturday's election result has been greeted with some concern from the corporate press.

The AFR warned its readers on Tuesday of a coming "wage push across the country" led by unions "emboldened" by Labor's victory in NSW. Underscoring the manufactured character of this threat, the paper quoted S&P analyst Martin Foo, who made clear that "the incoming NSW Labor government's budget was not likely to 'move the needle' on the state's AA+ rating."

The financial press is not worried about the impact of a union-led "push" for sub-inflationary wage rises. Its concern is that workers, facing increasingly impossible living conditions, will not accept further cuts, and that the unions will not be able to control them, now that the diversion of the election is over.

Contained within this is the recognition that the wage cap has an impact that reaches far beyond the state borders. The NSW public sector is the largest workforce in Australia, and a unified struggle by its more than 400,000 workers would have massive implications throughout the country.

The same concern is behind the frantic ongoing promotion of the result by the unions, and the urgent tour of hospitals undertaken by Minns, beginning even before he was sworn in.

It also underlies the extremely limited announcement by Minns this week of a royal commission on the crisis in the health system, which will reveal nothing that health workers don't already know, and which is nothing more than a tactic to stall a reemergence of last year's industrial action.

It was only by promoting illusions in Labor that the union apparatus was able to shut down, or at least put on hold, major industrial disputes in health, education and elsewhere in the public sector, that last year saw tens of thousands of workers carry out mass strikes on multiple occasions.

Educators were forced by the NSW Teachers Federation (NSWTF) to abandon their fight and accept two years of real wage cuts, on the pretext that a fair pay deal was impossible as long as a Liberal-National government was in power.

Health workers continued to vote for strikes, but, under the control of the NSW Nurses and Midwives' Association (NSWNMA), these were turned into flag-waving exercises to promote Labor. Nurses were trotted out for the launch of Labor's health plan, to provide a veneer of legitimacy to proposed policies that fall far short of their demand for mandatory nurse-to-patient ratios.

Following the election, NSWNMA secretary Shaye

Candish congratulated Labor and said she looked forward to "working with them over the next four years," telling members "nothing comes without a fight or a struggle, but we're there."

The clear message Candish is sending to nurses and midwives is that the time for strikes is over and that the fight for decent wages and conditions should be ceded to the bureaucracy and the Labor government.

But health workers did not take to the streets last year to fight for slightly smaller wage cuts and vague "Safe Staffing Levels," just as teachers were not striking for the unspecified and vastly under-resourced promise of a "future fund."

What the union bureaucrats, Labor and the entire political establishment fear is exactly what NSW public sector workers must do—break out of the stranglehold of the union apparatus and take matters into their own hands.

This will require a fight to build new organisations of struggle, rank-and-file committees that are democratically controlled by workers themselves.

This is the only means through which workers can fight for their own demands, including real wage increases, far in excess of current inflation to make up for decades of bipartisan cuts, and genuine improvements to the dire working conditions currently experienced in schools, hospitals and other public sector workplaces.

The fight by workers in NSW cannot be developed in isolation from broader political developments.

The major driver of both the rising cost of living and the calls for increasingly harsh austerity measures by governments around the world is the US-NATO war against Russia in Ukraine, as well as escalating preparations for war with China.

A serious struggle for the conditions of nurses, teachers and other "frontline" workers cannot possibly be undertaken without a fight to end the profit-driven "let-it-rip" COVID-19 policies adopted by all governments, and for the total elimination of the virus.

Both of these existential struggles can only be carried out by one social force—the international working class—and only through a fight against the capitalist subordination of human lives to profit.



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