

Australia: Labor minority confirmed in NSW election as new premier rejects calls for pay increases

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Over the weekend, vote-counting confirmed that the March 25 state election in New South Wales (NSW) has resulted in a minority Labor government.

Far from the resounding Labor success that was touted by much of the media, the outcome underlines the crisis of the two-party set-up. Amid a major collapse of the Liberal Party primary vote, which fell by almost 5 percentage points, Labor was not even able to secure a wafer-thin majority.

Instead, it will govern with 45 or 46 seats in the lower house of parliament, short of the 47 required for majority rule. Labor will likewise not control the upper house. That sets the stage for deepening political instability. The government will depend on volatile independents and crossbenchers to pass legislation, and any resignations or defections will threaten its rule.

This outcome follows an election campaign characterised by extraordinary bipartisanship. Labor and its leader, Chris Minns, refrained from criticising the hated Liberal Premier Dominic Perrottet on virtually any issue. Labor had marched in lockstep with Perrottet's profit-driven reopening of the economy, which has claimed tens of thousands of lives to COVID. And it backed his government as it denounced striking nurses and teachers.

In other words, far from the "contest of ideas" that Minns absurdly proclaimed on election night, the campaign was marked by the suppression of virtually all ideas or substantive policy. The unity ticket underscores the fact that Labor and the Liberals agreed on all the fundamental issues, in line with their character as parties of big business and the banks.

Minns studiously avoided policy statements or advancing a position on almost any issue. The Labor campaign cynically sought to capitalise on hostility to

privatisation. Minns and Labor claimed, without a shred of evidence, that Perrottet planned to privatise Sydney Water immediately following the election.

As the WSWs noted at the time, aside from the water services, there is little left to privatise in NSW because most state assets were sold off under the previous Labor state governments, in office from 1996 to 2011.

The other main plank of Labor's campaign was a pitch to public sector workers who have faced wage cuts and increasingly intolerable conditions, especially in the schools and hospitals. Several electorates that swung from the Liberals to Labor, including in western Sydney, have high concentrations of public sector workers, indicating that this issue played a role in the election outcome.

Developments since the election have underscored the utterly fraudulent character of Labor's appeal on wages.

Minns has pledged that his government will abolish the public sector wage cap, which limited pay increases to 2.5 percent per annum. During the campaign, however, Labor did not put forward any wage rise, instead promising inquiries to examine the matter, together with negotiations with the trade union bureaucracy.

Moreover, Minns had previously expressed his hostility to any pay increase in line with inflation and insisted that even these real wage cuts would have to be paid for by "productivity savings," i.e., budget and job cuts and speedup.

This has now been confirmed. Minns has continued to try and evade the wages question, but he was compelled to address the issue.

An article by the *Mandarin* cited the Labor leader as declaring: "We know we're going into these negotiations with economic principles in mind." The "economic principles" are that wages must be suppressed to limit the rapidly rising budget deficit. Minns proclaimed the need

for a “sensible” resolution on wages.

Public Service Association (PSA) union bureaucrats have let the cat out of the bag, revealing the wage rise figure that Labor has sought to keep quiet. In comments to the *Guardian*, “PSA secretary Stewart Little said the union would ask for more than the 3.5 percent proposed by Minns.” Minns had previously pledged to the financial elite that wage rises would be in that vicinity.

So for all of its posturing on the wages cap, the Minns government is proposing wage increases 1 percent higher than the previous 2.5 percent figure. That is still less than half of last year’s inflation rate of 7.8 percent. It is even less than a sell-out agreement pushed through by the Rail, Tram and Bus Union for Sydney train staff last January. Agreed to under the then Perrottet government, the deal mandated wage rises of 3.53 percent in 2022 and 4.03 percent in 2023.

The PSA and the other unions, which promoted Labor’s wage fraud during the election, continue to back the government. They have suggested only that the offers be around 4 percent, still far below inflation and a real wage cut. The unions, in line with their character as an industrial police force of governments and business, are committed to working with Labor to force through the “savings” that Minns is demanding.

Labor similarly postured on health, but in the week since the election Minns has not outlined a single concrete policy to address the breakdown of the public healthcare system. The word “COVID” does not appear to have passed his lips, underscoring the fact that Labor will continue the “let it rip” policies that have overwhelmed the hospitals.

Instead, Minns announced that Labor will hold a “special inquiry” into health funding. Such an inquiry could last for months, if not years. That the health system is chronically underfunded is hardly a secret that requires a commission to establish.

Minns has opposed one of the key demands of nurses, for improved nurse-to-patient ratios. Since the election, he has pledged to waive HECS university fees for 2,000 health students a year. Under conditions of massive staffing shortages and experienced workers leaving the profession in droves due to unbearable conditions, that amounts to a drop in the ocean.

Minns also travelled last week to the regional area of Menindee, where a massive fish kill recently occurred due to the degradation of the Murray-Darling River system. There he pledged to establish another inquiry.

Inquiries are all the Labor government has to offer.

Amid a major crisis of the public schools, Minns’ election pledge of a vague \$400 million “future fund” will see the sector underfunded, even by the bogus official metrics, for the foreseeable future.

Minns’ real program will emerge, as demands grow for sweeping budget cuts. The state’s deficit is expected to grow to over \$12 billion this financial year. An indication of what the government will seek to impose is provided by the neighbouring state of Victoria.

There, the Labor government of Premier Daniel Andrews imposed a pay deal on teachers that limited annual wage growth to less than 2 percent and further entrenched ballooning class sizes and intolerable working conditions. Now, ahead of an austerity budget, Andrews has reportedly called on public service chiefs to draw up plans for the cutting of up to 10 percent of the total workforce.

With the Liberal Party’s implosion in election after election, the ruling elite is now almost wholly dependent on Labor to force through this reactionary, pro-business agenda. As the NSW election result indicates, there is no enthusiastic support for Labor, which is increasingly identified by working people as a party of big business and the banks. The grip of the unions has also weakened enormously as a result of decades of sell-out deals and betrayals.

That underscores the critical importance of the fight to build a socialist movement directed against the entire political set-up, and aimed at the establishment of a workers’ government. Such a government would reorganise society completely to meet social need, not the profit interests of the ultra-wealthy and the corporations.



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