

# Australian Public Service workers reject federal Labor government wage cut

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Australian Public Service (APS) staff covered by the Community and Public Sector Union (CPSU) have overwhelmingly rejected a three-year deal from the federal Labor government that would slash real wages for around 160,000 workers.

The proposed deal contained nominal pay rises of just 4 percent in the first year, 3.5 percent in the second year and 3 percent in the third. This is far short of the official inflation rate of 7 percent, or the real rise in the cost of living, compounded by successive interest rate rises.

More than 85 percent of the 15,000 workers who took part in the ballot voted against the deal, despite the “neutral” position adopted by the CPSU.

Ahead of the vote, the CPSU made clear that members were on their own: “Now it’s up to you to tell us whether the government’s offer is good enough.” This tacit endorsement of the wage-slashing deal came despite the fact that workers had “endorsed overwhelmingly” a claim for a 9 percent wage rise in the first year, 6 percent in the second year and 5 percent in the third, with a cost-of-living adjustment linked to inflation.

CPSU national secretary Melissa Donnelly told the *Canberra Times* before the ballot she “would not preempt members’ responses” to the Labor government’s meagre offer. Donnelly had previously branded the 20 percent over three-year claim as “ambitious,” making clear that the union has been prepared to ram through a lower offer from the start.

Announcing the result, the CPSU did not outline any plans for APS-wide action, merely telling workers it is “working on its next steps.” As the first of these “steps,” the union is encouraging members to wear red on Wednesday June 7.

This token measure is designed to placate members, who have made clear their readiness to fight. It shows that workers’ clear opposition to the deal will find no expression in the union, which is trying to foster illusions that decent wages and conditions will be achieved through back-room negotiations between the union leadership and the Albanese government.

A section of the affected workers, employed at Services Australia, which encompasses Medicare and Centrelink, have lodged an application with the Fair Work Commission for a protected industrial action ballot. But even before these workers have the opportunity to vote on whether to strike, the union has rushed back in to talks with the Australian Public Service Commission.

As well as wages, the Services Australia workers are concerned about job security and workload, after Labor’s May federal budget revealed more than 1,800 jobs—6.5 percent of the total workforce—would be slashed from the agency this year.

Last October, the CPSU and other public service unions welcomed the Albanese government’s 3 percent “interim” wage increase for all APS employees due a pay rise between September 1, 2022 and August 31, 2023. This was instituted as a means of deferring the development of any opposition to Labor’s austerity agenda, amid soaring inflation and at a time when industrial action in Australia was at its highest level in decades.

Following the government’s latest offer, the Australian Services Union (ASU), which covers Australian Tax Office (ATO) employees, was quick to remind workers of this phoney pay rise, noting that “the pay proposal is on top of our next 3% pay increase, which is due on 4 August 2023.”

While not endorsing the offer, the ASU warned that “there will be no further pay increases until there is a new ATO Enterprise Agreement in place.” The message to workers is clear—agree to the deal or forego even the miserable nominal pay bump Labor is offering. The ASU spelled out the compromise it has planned, saying there was “room to manoeuvre on pay if we could get agreement on other parts of our claim.”

As a blueprint for such a sellout, the ASU cited a deal recently rammed through at the Australian Broadcasting Corporation (ABC) by the CPSU and Media Entertainment and Arts Alliance (MEAA). While workers had voted to strike at the national broadcaster, the MEAA called off multiple planned actions at the last minute, while the CPSU

limited the workers it covers to brief, sporadic stoppages.

After the unions pushed through an agreement containing a sub-inflationary nominal pay rise of 11 percent over three years, the ABC announced that a major restructuring operation will begin in July, consolidating divisions and slashing an undisclosed number of jobs. While the unions have known about these plans since at least November, they ensured that the issue of the restructure was not raised in the enterprise bargaining process—the only time that workers are legally allowed to strike against job cuts.

The fact that the unions see this as not just a “victory,” but a model, should stand as a stark warning for APS workers of the type of assault Labor and the union apparatus are planning to replicate.

This is in line with Labor’s attacks on public service jobs and wages across the country. Victorian Labor Premier Daniel Andrews announced late last month that 3,000–4,000 positions would be eliminated from the state’s public service. The CPSU is working with the government to facilitate this by encouraging early retirement. This follows the union’s collaboration in the destruction of 2,000 public sector jobs over the past three years.

In the broader public sector, state Labor governments across the country have delivered successive real wage cuts, including for health workers and educators. Attempts by workers to oppose these attacks have been met with harsh retribution, most notably with a \$350,000 fine imposed against Western Australian nurses over a one-day strike.

In New South Wales, after narrowly clinching the state election following a union-backed campaign to “scrap the wage cap,” the Labor government has offered public sector workers a meagre 4 percent nominal pay rise.

Across the country, harsh public sector wage caps are dragging down overall wage growth. While private sector wages rose by a nominal 3.8 percent in the 12 months to March, public sector pay went up just 3 percent. This demonstrates the wage-cutting role of Labor, which holds power in all jurisdictions except Tasmania, and the unions, which have substantially greater density in the public sector than the private.

This is the continuation of the decades-long assault on the public sector carried out by Labor and Liberal-National governments with the total collaboration of the unions. This process began with the privatisation drive and “efficiency dividends” of the union-backed Hawke-Keating Labor governments. Since 1983, more than 60 percent of federal public service jobs have been slashed.

Left in the hands of the union bureaucracy, the APS bargaining dispute will end in a real-wage slashing sellout and pave the way for further job cuts in the public service.

To prevent this, APS workers need to build new

organisations of struggle, rank-and-file committees independent of the unions and democratically controlled by workers themselves. Through a network of these committees, they can link up with workers throughout the public sector, who all face similar attacks on their pay, conditions and jobs from Labor governments at the state, territory and federal level.

This is not merely a national question. Globally, governments are slashing social spending, jobs and wages in order to make workers pay for the escalating crisis of global capitalism. To recoup massive handouts to big business at the beginning of the COVID-19 pandemic and fund escalating military preparations around the world, the ruling class must extract ever-greater surplus value from workers through harsh austerity measures.

This demonstrates the need for a global working-class counteroffensive. Public sector workers in Australia should turn to the growing sections of workers around the world who are carrying out mass strikes and protests against attacks on their working and living conditions.

But a mass movement alone is not enough. Around the world, workers are finding themselves in direct conflict with the unions, which are doing everything in their power to shut down their struggles. In addition to rank-and-file committees, workers need their own program.

What is required is a fight against the entire political establishment, including Labor, the union apparatus and the industrial courts, and for a socialist perspective—the only alternative to the capitalist subordination of ordinary workers’ needs to the profit demands and imperialist aims of the ruling class.



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