

Australian health workers call for strikes as union leadership scrambles to negotiate with NSW Labor government

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Health Services Union (HSU) delegates in the New South Wales (NSW) public sector voted yesterday to resume industrial action next week if the state government does not put forward an improved pay offer by Friday.

Beginning in late May, HSU members in public health, including paramedics, radiographers, allied health workers, orderlies, cleaners, security, catering workers and administrative staff carried out limited work bans and sporadic stoppages across the state. At the time, the union said 89 percent of members had voted for industrial action.

Like nurses and midwives, these workers face another massive real wage cut after years of declining wages, chronic understaffing and increasingly dire conditions, exacerbated by the ongoing COVID pandemic.

The union leadership suspended all industrial action from June 23, following a “fruitful” meeting with the NSW treasurer, health minister and industrial relations minister as “a show of good faith in these negotiations.”

The delegates’ vote is a reflection of genuine opposition among workers to the NSW Labor government’s plans to further slash real wages throughout the public sector. The government has offered a meagre 4 percent nominal pay rise, exclusive of a 0.5 percent increase in employer superannuation contributions required by federal law. This falls far short of the current official inflation rate of 7 percent, which is itself a major understatement of the rising cost of living.

Despite the carefully stage-managed atmosphere created by the HSU bureaucracy, the two-day conference featured occasional expressions of the anger below the surface. This was most sharply expressed during a presentation by NSW Treasurer Daniel Mookhey on Monday. Mookhey was the only cabinet minister to attend the conference; Premier Chris Minns had been advertised as a speaker but

did not attend.

When Mookhey spoke about “respect” for paramedics, one delegate shouted, “then pay us what we’re worth,” to substantial applause. Other delegates pointed to the cost of living crisis and the complete inadequacy of the government’s wage offer, while one noted that in stark contrast to the increase in Mookhey’s pay packet since taking office, health workers had received nothing.

These moments were diametrically opposed to the friendly response granted to the Treasurer by the union leadership. HSU NSW President Mark Sterrey lauded Mookhey as a “longstanding ally” of the union, who “always turns up to [face] HSU members, whether it’s good or bad.”

Mookhey and Minns are the two individuals most directly responsible for carrying out Labor’s pro-business agenda of harsh austerity in NSW. The very fact that they were invited to speak at the conference highlights the close relationship between the HSU bureaucracy and the Labor government.

Throughout the conference, HSU NSW Secretary Gerard Hayes uncritically repeated Mookhey’s key assertions—that Labor “have abolished the wages cap” and “remains committed to return 100 percent of salary packaging to HSU members.”

Removing the 2.5 percent public sector wage increase cap, a policy designed by Labor in 2008, was a key promise in the lead-up to the March election, but in the three months that followed, the Labor government made no steps towards removing the punitive measure. On Sunday, after 100 days in office, Minns declared that the wage cap would end in September, six months after the election.

But the removal of the wage cap will not stop workers from falling further behind the soaring cost of living.

Labor has made clear since before the election that pay rises must be tied to “productivity gains,” that is, the slashing of jobs and existing working conditions.

On the issue of salary packaging reform, Mookhey only announced that the “first stage” would begin this month, with workers’ share of tax savings increasing from 50 percent to “60 to 70 percent.” The Treasurer gave no indication of when subsequent stages would be introduced.

The salary packaging scheme allows workers to pay for certain living expenses out of pre-tax income. Currently, half of the benefit is returned to the employer.

The brief flashes of hostility to Labor expressed by HSU delegates at the conference reveal the undercurrent that the HSU bureaucracy is determined to suppress. The main purpose of the conference was to equip delegates with arguments to use against branch members who demand a struggle for real improvements to wages and conditions.

Central to this was a proposal put forward by Hayes for a reframing of Labor’s wage offer that the bureaucracy hopes will meet with less opposition from workers, without requiring any additional funding.

Hayes suggested that instead of an across-the-board 4 percent pay rise, workers could be offered a flat \$3,500 increase to base pay, regardless of their current wage. Under such an arrangement, the lowest paid workers in the health system, such as cleaners, would receive a pay rise of around 7 percent, while workers earning more than \$87,500 would get less than 4 percent.

This is designed to sow division among the workforce and plays on the fact that union density is higher among workers in lower-paid classifications. As a result, Hayes said, under a percentage wage increase, “there’s a lot of [non-members] who are gonna get a lot out of what you’re doing ... You’re having to fight, you’re on strike, you’re losing money.”

The proposal is a clear attempt to cover up a sellout with a veneer of equality. It demonstrates that the HSU’s call in May for a 6 percent pay rise was never serious. The meagre sub-inflationary claim has been thrown out the window and replaced with the union appealing to its members to make sacrifices.

Hayes’ sellout counter offer gives Labor enormous scope to avoid any further strike action, merely by agreeing to discuss the possibility. While not indicating Labor’s position on the proposal concretely, Mookhey noted positively that the union was “considering some innovations.”

In the event of a revised offer from Labor, Hayes urged delegates to “take the debate back to your workplace over a four-week period, talk about it, ventilate it.” In other words, the bureaucracy intends to drill into workers that 4 percent is all they are going to get and the best they can hope for is a few tweaks “so that those who need it most can get some kind of relief now.”

In a further effort to quell workers’ demands for industrial action, Hayes sought to downplay the importance of the pay increase, which he described as “chump change,” while “award reform is where the real money is.” In other words, Hayes is dismissing any organised opposition to a further real wage cut, suggesting that workers should simply await the outcome of lengthy and opaque backroom union-government negotiations over the dozens of industrial awards that cover health workers.

Hayes also repeated his call for a Royal Commission into “wastage” in the health system, in line with the HSU’s recent report claiming “Neither NSW or Australia needs to spend more on health care.” This is geared towards giving Labor free rein to carry out further cuts in public health spending as long as the HSU bureaucracy is allowed to play an integral role.

The HSU conference, while a tightly controlled environment, nonetheless expressed a growing divide between workers who are determined to fight the deepening assault on their wages and conditions and a union bureaucracy that is functioning as an arm of the Labor government.

This urgently poses the need for workers to build their own organisations of struggle, rank-and-file committees, and link up with broader sections of the working class, including nurses, midwives and other NSW public sector workers.

This will provide the basis for a political struggle against Labor, the unions and all other representatives of the capitalist system, which is incompatible with even the most basic functions of society, including a high-quality public health system with decent wages and conditions for all.



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