

Australian union forces through wage-slashing deal for tens of thousands of public sector health workers

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The Health Services Union (HSU) announced Friday that a slim majority of its membership in New South Wales (NSW) public health, 52.7 percent, had voted to accept one of two pay offers from the state Labor government.

Almost half of the 13,920 participating members voted to “continue industrial action to campaign for a bigger pay rise.” But the union is using the result as a pretext to shut down the possibility of industrial action against the real wage cuts the Labor government is seeking to impose.

In fact, the ballot was the culmination of a whole process designed to confuse and divide workers, and above all, to persuade them that such a fight is impossible.

Instead, the HSU bureaucracy is promoting the conception that workers can take forward an industrial campaign for improved tax benefits, with the question of wages completely off the table.

Members were asked to vote on whether to accept the government’s proposal to increase workers’ share of tax savings from salary packaging from 50 percent to 60 percent. Almost 72 percent of members voted to resume the campaign to raise this to 100 percent, which would potentially provide an annual net benefit of up to \$1,575.

The union asked members to choose between a sub-inflationary 4 percent wage increase or a flat \$3,502 increase, which would amount to a real-wage cut to all but the lowest-paid workers in the sector. Workers were required to indicate their preference, even if they voted to reject both offers.

The reality is that none of the options placed before workers represented a way forward. Continuing industrial action under the leadership of the HSU bureaucracy would only mean resuming a campaign that was designed from the outset to fail and demoralise.

Despite multiple votes by HSU members for industrial action, the HSU ensured that any action taken was as limited as possible, holding isolated stop-work meetings and limited work bans, which were twice called off in “good faith,” despite there being no change to the government’s offer.

The complete bankruptcy of the HSU leadership was further demonstrated in the flat-rate pay arrangement it concocted in June in recognition of workers’ hostility to the 4 percent offer. The effect of this was to pit one section of the union’s membership against another, to allow the Labor government to avoid an outbreak of industrial unrest without having to spend an extra cent.

The vote by more than 6,500 workers to continue the fight for a real wage increase, especially under circumstances where the union bureaucracy is working to drive a wedge between its members, is a strong statement of workers’ determination.

The divided vote on this question should not be seen as a lack of anger on the part of workers who saw no point in resuming industrial action behind a union leadership that is actively seeking to sabotage it.

NSW health workers can and must insist that the ballot does not mark the end, but the beginning of a new struggle, this time with workers themselves in charge, democratically organised in workplace rank-and-file committees and fighting for their actual needs, not what Labor or the union bureaucracy say is affordable or possible.

The \$3,502 pay increase deal amounts to a real wage cut for almost all health workers. Only full-time workers currently earning less than \$58,000 will see their pay increase by more than the 6 percent official inflation rate, itself a massive underestimation of the rising cost of living.

Workers earning more than \$87,550, including allied health workers, paramedics and other professional staff, will get less than the initial 4 percent offer. One worker, a psychologist, told the Sydney Morning Herald (SMH) the deal “means many allied staff will receive less than 4 percent—personally I will receive 2.7 percent, which is less than the former Liberal government was offering.”

In the corporate press and on social media, workers have expressed their opposition to this cynical ploy by the HSU bureaucracy, in which a meagre pay rise for lower-paid workers will be extracted from those—including union members—who enjoy marginally better rates of pay.

A pharmacist covered by the deal told the SMH, “my professional peers and I do not in any way begrudge other workers getting a disproportionately higher pay rise—we absolutely respect and support our lower-paid colleagues and would celebrate their much-deserved gains... Collectively, however, we know we are just as deserving of—and in the context of 7 percent inflation, in need of—at least a 4 percent pay rise.”

Conscious of opposition to the divisive pay offer, union officials sought to persuade workers that a real fight was impossible. At an online meeting held on the first day of voting, HSU NSW Secretary Gerard Hayes said 4 percent was, “all the government is prepared to do,” and that to get anything more “would be very hard given that many other public sector unions have already accepted the 4 percent... we would need a lot more people to take the fight on as well.”

Mass strikes across NSW last year, involving more than 100,000 health workers, educators and others in the public sector demonstrated that workers are more than willing to “take the fight on.” But those experiences also made clear that a struggle for decent pay and against the dire conditions in public hospitals and schools is impossible within the framework of the union apparatus.

The leadership of the HSU, NSW Nurses and Midwives Association (NSWNMA), NSW Teachers Federation and other public sector unions scheduled mass rallies in Sydney and elsewhere in the state to ensure workers’ struggles were kept separate.

In the second half of the year, to the extent that the unions permitted industrial action at all, they diverted it into support for the election of a Labor government, which, workers were told, would end the punitive public sector wage cap and address chronic staffing issues in the health system.

While the state government still claims it will remove the pay cap later this year, the paltry public-sector wage

offer confirms that it will remain in all but name. As the HSU deal demonstrates, Labor will demand that any pay increase above the sub-inflationary 4 percent figure for one section of workers must be paid for through harsh cuts elsewhere.

NSW Labor, like its counterparts around the country and federally, is determined to slash spending on vital social services like health and education, in order to place the full burden of the economic crisis on the shoulders of the working class.

The HSU’s pay manoeuvre sets a dangerous precedent, not just for health workers but for the working class more broadly, in which sections of workers are turned against one another by the union bureaucracy in order to facilitate government or management attacks on jobs, pay and conditions.

The sell-out operation is not just about imposing a sub-inflationary pay deal. By shutting down the possibility of further industrial action over wages, the union bureaucracy is seeking to prevent a fight against the increasingly dire conditions confronted by health workers.

Over decades, Labor and Liberal-National governments have slashed funding for public hospitals and promoted the privatisation of the health system. The ongoing COVID-19 pandemic, fuelled by the Labor-spearheaded removal of almost all public health measures, has brought the already chronically underfunded and understaffed hospital system to its knees.

None of this would have been possible without the full collaboration of the unions, whose role is to suppress the opposition of workers to the assault on jobs, wages, conditions and the evisceration of vital public amenities.

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 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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