

New Zealand unions collaborate with thousands of job cuts

John Braddock
17 April 2024

With New Zealand officially in recession, a swathe of mass sackings is currently sending shockwaves through the entire working class.

So far, more than 3,000 public service jobs have been axed in recent weeks as the National Party-led coalition government—which includes the far-right ACT Party and NZ First—carries out a scorched earth policy, targeting budget cuts of 6.5 or 7.5 percent across most ministries.

On April 17, the Ministry of Education (MoE) announced that 565 positions will be scrapped, including nearly 100 regional and frontline roles directly supporting schools. This includes a reduction of 38 roles supporting students with disabilities and learning support needs. It is the biggest single cut to a public service agency so far.

The same day, Oranga Tamariki, the Ministry for Children, confirmed 447 jobs will be cut, 9 percent of its workforce. The agency provides social welfare interventions for some of the country's most deprived and vulnerable young people.

One Oranga Tamariki staff member described the cuts as “gut-wrenching.” She told Radio NZ: “It’s just purely numbers, which is such a terrible way to look at it because I work alongside some of the most dedicated, hard-working, passionate people I’ve ever met. And seeing the impact that will have on some of them is horrific.”

Other cuts include 445 jobs at the Department of Internal Affairs, 384 at the Ministry of Primary Industries, 50 at Treasury, 134 at the Ministry of Health, 90 at the National Institute of Water and Atmospheric Research (NIWA), 130 at the Department of Conservation, and 286 at the Ministry of Business Innovation and Employment. Dozens of smaller job cuts have been announced in other departments.

The ferocious attack is a deliberate class-war policy. Following the October 2023 election, which saw the incumbent Labour-led government's vote collapse amid widespread anger over increasing poverty, homelessness and soaring living costs, the National Party-led government was installed to carry forward the next stage of austerity measures.

The government's attacks include: A real cut to the minimum wage (which has gone up just 2 percent while inflation is twice that); moves to slash welfare benefits; changes making it easier to evict tenants; and plans to reintroduce for-profit charter

schools and for private companies to play a bigger role in the healthcare system.

The sweeping austerity program underpins a massive transfer of wealth to the rich with \$NZ9 billion in income tax cuts favouring top income earners. The cutbacks will also help to fund an expansion of the police, the prison system, and a major increase in military spending as New Zealand is integrated into US imperialist plans for war against Russia, China and Iran.

There is widespread opposition to the government's agenda. The coalition was scabbled together in secret negotiations after National received just 38 percent of the vote, while ACT and NZ First took a paltry 8.6 and 6.1 percent respectively. Any support they had is now plummeting. A recent Curia poll saw a slump for all of them with ACT faring the worst, dropping to 7.2 percent.

Many respondents to a recent Talbot Mills poll variously described Prime Minister Christopher Luxon as “greedy,” “arrogant” and “entitled.”

Another poll of 1,001 people conducted by Ipsos has found that 58 percent believe “society is broken,” and 65 percent agree with the statement: “The economy is rigged to advantage the rich and powerful.”

The assault on jobs is not confined to the public sector. International media conglomerate Warner Bros. Discovery confirmed on April 10 it will shut down *Newshub*, one of the country's two major media networks. Nearly 300 journalists, technical personnel and presenters will lose their jobs.

State broadcaster TVNZ has also confirmed that several of its shows and news bulletins will shut down, with the loss of 68 jobs. Meanwhile, NZ Post is proceeding with a plan announced last year to cut 750 jobs and replace mail delivery staff with independent contractors.

The construction sector is in a sharp downturn. Recently, Tony Boyce Builders in Timaru, which once employed 51 people, announced it will shut down, and the boat-building company Subicraft is laying off nearly 60 people. The recent collapse of Buildhub left hundreds of migrant workers destitute.

In the face of all this, the corporatist trade unions have made clear that nothing will be done to defend a single job. Far from mobilising an industrial and political campaign across the working class, they have signalled that they will enforce the

cuts, including by corralling workers behind whatever paltry exit provisions may be on offer as they are ushered out the doors.

While the government predicts that as many as 7,500 public sector jobs could go, the Public Service Association (PSA), the country's largest union with over 90,000 members, has restricted itself to releasing a few toothless media statements bemoaning the "reckless nature" of the cost cutting.

Responding to the MoE announcement, the union's Assistant Secretary Fleur Fitzsimons simply bemoaned that the government had promised job cuts would not impact frontline services. She described the cuts as "woefully short-sighted," asking plaintively: "At a time when student achievement is falling, when school attendance is a challenge, where is the plan for education? It doesn't add up."

In fact, prior to the 2023 election the union openly supported Labour's own plan to slash public service budgets by up to 4 percent as "a prudent move to tighten the belt"—as PSA leader Duane Leo put it in a Radio NZ interview last August. Fitzsimons was a Labour candidate in that election.

A particularly rotten feature of the PSA's postings is the underhanded use of identity politics to pit one section of sacked workers against the other. One post highlights, for instance, that women are "bearing the brunt" of cuts at the Tertiary Education Commission while the PSA's Māori arm declared that "cultural expertise" will be lost. In fact, the cuts impact on workers regardless of gender, ethnicity, national origin, skills or education.

The E tū union, with nearly 50,000 members across a range of private and public sector industries, has kept media workers isolated while assisting management at *Newshub* and TVNZ to throw them on the scrap heap.

E tū negotiator Michael Wood, a cabinet minister in the former Labour government, appealed to TVNZ "to work with staff," i.e., consult with the union bureaucracy, rather than "dictate and predetermine the outcome." He told Radio NZ that the union accepted that TVNZ was in financial difficulty, which had to be addressed, but merely disagreed with axing programs that were still profitable.

The privileged bureaucrats that run these organisations have known since well before the October election that the assault was looming. If the PSA and E tū were real workers' organisations, they could have mobilised their tens of thousands of members to freeze government operations. A nationwide strike, bringing in broad sections of the working class, would gain immense sympathy and raise the perspective of bringing down the far-right government.

Such a course of action is anathema to the unions, whose very existence is bound up with protecting and defending the status quo. The bureaucracy insists that any broad industrial action is impossible because it is against the law. But the severe anti-worker provisions in the Employment Relations Act, which restrict strikes to periods of contract renewals, were put in place

by the Labour government in 2000, with the full support of the Council of Trade Unions.

Over the past decade, the union bureaucracy has collaborated in wave after wave of job cuts and corporate restructuring. They are not workers' organisations, but bureaucratic apparatuses representing an upper-middle class layer dedicated to the defence of corporate profits and capitalism.

In this, the unions are protected by pseudo-left outfits such as the International Socialist Organisation (ISO), which act in every case to justify one sellout after another. The ISO played a key role in propping up the authority of the Tertiary Education Union and promoting illusions in the Labour government as 500 jobs were shed and courses cut across the education sector last year.

As defenders of the profit system, the union bureaucracy functions as the policeman of the working class. With capitalism now facing an historic economic and political crisis and descent into war, the role of the unions is to suppress any organised opposition.

Against this, the Socialist Equality Group (NZ) calls on workers to rebel against the union bureaucracy and to take matters into their own hands by building rank-and-file committees in every workplace, controlled by workers themselves. This is the necessary precondition for the unification of workers across New Zealand and internationally in a real fight against austerity.

In response to the lies from Labour and National, echoed by the union bureaucracy, that cuts are needed because there is "no money," workers should advance a socialist program. The billions of dollars of virtually untaxed wealth hoarded by the super-rich, and the resources being squandered on war, should be used to rebuild the crumbling healthcare and education systems and other vital services, and to put an end to poverty and inequality. This means putting an end to capitalism and establishing a workers' government.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact