

# Victorian nurses union pushes wage deal as Labor government slashes hospital budgets

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Around 2,000 Victorian nurses and midwives voted on June 26 to accept “in-principle” a proposed enterprise agreement worked out by the Australian Nursing and Midwifery Federation (ANMF) bureaucracy and the state Labor government.

Following ANMF members’ powerful rejection of the previous wage-cutting offer at a meeting on May 20, the union leadership worked closely with Jacinta Allan’s Labor government to rebrand the deal as a major win for workers, without costing the state an extra cent.

At the same time, the union leadership carried out a divide-and-conquer campaign. While refusing to reinstate “Stage 2” industrial action, the ANMF held hospital-level meetings across the state, attempting to convince workers that their opposition to the deal was misplaced.

Workers told the *World Socialist Web Site* they were canvassed at these meetings to determine what was the lowest annual percentage figure they would be prepared to accept.

The latest offer contains a 28.4 percent (compounded) wage increase over four years, under which base pay rates in most classifications will still be lower in real terms than in 2019, until at least October 2027.

This headline figure was arrived at through the incorporation of the projected outcome of an ongoing “work value” case before the Fair Work Commission. The industrial tribunal is expected to order increases to minimum award rates that would render the Labor government’s previous base wage offer illegal.

The basis of this is that nurses and midwives have been systematically underpaid for many years—as a result of previous ANMF sellouts—and that this has been exacerbated by the increased complexity of the work. In other words, a major component of the pay increase being heralded as a massive victory for nurses and midwives is not about keeping pace with the cost of living, but belated and inadequate reparations for the dire level of their existing wages.

The 28.4 percent figure also absorbs the one-off cash payments promised in the previous offer.

Wednesday’s vote—which was limited to workers who attended in person, in Melbourne or one of eight regional centres—represents just 3 percent of Victorian public-sector

nurses and midwives, however, all industrial action in the dispute was immediately shut down by the ANMF.

The ANMF bureaucracy is seeking to present the deal, which still has to be voted on by the 58,000 covered workers who were not at the meeting, as a foregone conclusion. This is particularly important to the ANMF and the government under conditions where new reports are emerging daily about the impact of Labor’s cost-cutting budget on the state’s hospitals.

The ANMF bureaucracy is tasked with enforcing the government’s austerity agenda, which will slash jobs, impose even more onerous demands on health workers, exacerbate delays in care and worsen patient outcomes in a hospital system already wracked with crisis. As such, the union leadership is determined to keep the pay dispute isolated from opposition to the broader attack on public health.

This week, Western Health and Northern Health, collectively responsible for nine Melbourne hospitals and some 19,000 staff, both announced immediate hiring freezes. Staff of Alfred Health were told in an email there were “no exemptions” to sections of the organisation that would be considered for cuts, even chiding workers to turn the lights off when they left a room in order to save on energy costs.

It follows recent announcements that 20 health services in rural and regional Victoria were told their budgets would be slashed by up to 30 percent.

This underscores that the ANMF’s slogan for the enterprise agreement campaign, “Retain, Recruit, Rebuild,” is a fraud.

A nurse told the *World Socialist Web Site* that ANMF Victorian secretary Lisa Fitzpatrick sought to downplay the connection between the budget and the pay dispute during the meeting: “She basically outlined that ‘I can prove to you that [the wage increase] is not coming from the budgets that will employ people and the hospital budget. We are not bankrupting the hospital system.’

The real meaning of this is that nurses and midwives will be called upon to repay the cost of their meagre wage increases through increased workload.

On average, the proposed pay increase roughly equates to 6.45 percent per annum, although the timing of pay increases differs according to pay classification. Workers in most

categories will receive pay rises of around 5 percent this year, 4.23 percent in 2025, 4.09 percent in 2026 and 12.71 percent in 2027.

This will likely mean another three years of real wage cuts. Australian Bureau of Statistics (ABS) data released this week show that inflation jumped to 4 percent in the year to May, from 3.6 percent the month before.

But official inflation figures are a vast understatement of the real increase in the cost of living. Prices rose far more sharply for costs that most directly affect workers and their families. High petrol prices meant fuel costs were 9.3 percent up, power bills rose by 6.5 percent and there was a 5.2 percent jump in housing costs, including a 7.4 percent increase in rents and a 4.9 percent rise in home-building costs.

First-year registered nurses and midwives will receive the largest increase, 17.51 percent, this year, followed by three years of 3 percent nominal increases—likely to be lower than the official rate of inflation. Registered nurses and midwives up to year six will also receive larger pay increases in the first year.

For all but the newest workers, the proposed offer falls far short of what is necessary to recoup past losses.

Since April 2019, while the consumer price index has increased by 20.42 percent, the wages of Victorian nurses and midwives have risen by just 9.27 percent. As a result, a first-year registered nurse now earns \$170 less per week than if pay rises had kept up with inflation over the past five years.

While the proposed deal will immediately overcome this shortfall for first- and second-year nurses, most other classifications will have to wait. Even assuming an almost inconceivably low annual inflation rate of 2.5 percent from March 2025 onward, the wages for nurses above third year will not exceed their 2019 level in real terms until November 2027.

The proposed agreement does not come close to making up for the cumulative impact of previous union-government wage cuts. A full-time registered nurse or midwife who started as a first year in April 2019 has earned almost \$8,000 less than if their pay had matched inflation. By the end of the proposed agreement, based on 2.5 percent annual inflation, that deficit will blow out to almost \$26,000.

The Health Workers Rank-and-File Committee urges nurses and midwives to reject the conception that this dispute is over. In fact, the June 26 vote only heightens the urgency of a fight for real improvements to wages and conditions, and against Labor's attacks on the public health system.

This is impossible within the stranglehold of the ANMF bureaucracy, which is determined to ram through the Labor government's wage offer and enforce its austerity agenda. As the work value case demonstrates, the union has played this wage-suppressing role for decades.

This means nurses and midwives need to build fighting organisations of their own, rank-and-file committees that are independent of the union leaders. Through these committees, workers can fight for demands based on their actual needs, not

what the government says is "affordable."

The first task of such committees is to wage a campaign calling on nurses and midwives throughout Victoria to vote "no" when this offer is put to a formal ballot.

To take the fight forward, rank-and-file committees must insist that "Stage 2" industrial action measures, including bed closures, are reinstated, along with a plan for more aggressive action if necessary. To allow nurses and midwives to participate fully in this action, the ANMF must be compelled to provide a strike fund from its substantial existing resources, derived from membership dues.

The struggle for a real pay rise, that not only covers present and future increases in the cost of living, but makes up for losses incurred under previous union-government sellout deals, must be connected with a fight against Labor's attacks on the health system.

This will require a political struggle against the Labor government and its austerity agenda. To take forward this fight, nurses and midwives must turn to the hundreds of thousands of other public-sector workers who are being subjected to similar attacks on their wages and conditions at the hands of Labor governments throughout the country.

Nurses and midwives are confronted with the necessity to defend public health from the depredations of a Labor government that is committed to a program of austerity in the interests of the corporations and financial interests who regard public hospital care as simply an area to be looted in their incessant drive for profit.

This poses the need for a fight for socialism against the capitalist profit system and all the forces that defend it.



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