Australia: New South Wales public sector health workers reject Labor government wage cut

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Public sector health workers in New South Wales (NSW), covered by the Health Services Union (HSU), recently voted down a state Labor government pay deal that would have slashed real wages.

The offer, the same made to all public sector workers across the state, included a nominal pay increase of just 3.5 percent this year, with 3 percent rises to follow in 2025 and 2026. This can only accurately be described as a wage cut, with official inflation at 3.8 percent for the year ending in June.

Even this figure doesn't reflect the real extent of the cost-of-living crisis. The latest Australian Bureau of Statistics (ABS) figures show that living costs for "employee households" rose 6.2 percent over the past year, primarily fuelled by home mortgage payments and education costs.

The so-called "cost-of-living" relief in Labor's offer—a $1,000 one-off payment—only applies if inflation exceeds 4.5 percent, virtually guaranteeing that wages will go backwards in each year of the deal.

The "no" vote by almost 5,000 HSU members indicates that health workers are ready to fight. But the words and actions of the HSU leadership, before, during and after the poll, as well as their record, demonstrate that the fight for real improvements to wages and conditions cannot be taken forward within the framework of the trade union apparatus.

• The HSU bureaucracy presented the offer to workers without critical comment, effectively endorsing the Labor government's attack on real wages.

• No mass meetings were called to allow members to discuss the offer, meaning workers were left entirely on their own to decide.

• The possibility of waging an industrial fight against the deal was not raised at all in writing before the ballot, and only in the vaguest terms in a social media video by HSU secretary Gerard Hayes.

The fact that only 9,500 workers took part in the poll—less than one-third of the HSU's NSW public sector membership—is a product of the union leadership's refusal to present workers with a program through which they can fight for an alternative to Labor's austerity agenda.

An online HSU briefing last week to discuss the results of the ballot was attended by just a few dozen members, including several union delegates who were well known to the officials running the meeting. It is highly improbable that less than 0.5 percent of those who voted on the offer would be interested enough in the outcome to attend a Zoom meeting, but there is a simple explanation: Not all members received an invitation.

At the briefing, which lasted just 20 minutes, HSU officials said they would now seek a pay rise of 6 percent, because most workers who voted had nominated this as "fair." The survey was designed to produce such a meagre demand, asking workers to select 4, 5, 6, or 7 percent, or manually enter a larger figure.

In reality, a 6 percent nominal wage increase would not be sufficient to keep pace with the current cost of living, let alone make up for decades of real wage cuts imposed by union-government deals. A 2020 pay freeze and subsequent sub-inflationary deals means that workers throughout the public sector are paid thousands of dollars less each year in real terms than in 2019.

Nothing was said at the briefing—or since—about how members voted on the two poll questions relating to strikes and work bans. One attendee asked what industrial action would be called to fight for the 6 percent wage rise claim, but the meeting organisers did not answer.

Instead, the HSU leadership is promoting illusions that the issues confronting workers can be resolved through

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appeals to Labor and the industrial courts. The union wrote on Facebook: “The Government has been told the outcome of the vote… The HSU and the Ministry of Health will appear in the IRC [Industrial Relations Commission] to give an update on pay negotiations. This will give us an opportunity to press our case.”

In other words, workers should leave the fight for decent wages and conditions in the hands of the union bureaucracy and the pro-business IRC.

The HSU leadership knows that this is a dead end. In a recent email to the membership, Hayes wrote that union bargaining representatives had met with the ministry of health to discuss thirteen claims around conditions, which had been voted for by the membership earlier in the year.

Hayes reported: “Unfortunately, the Ministry had a singular and consistent response – *there is no money, the government can’t afford it*.”

In response, Hayes argued for more of the same. “Your HSU elected bargaining reps will continue to press the Ministry for genuine and real engagement to fix the staffing crises,” he wrote, along with a vague call for HSU members to come together “as a united front to tell the Ministry and the Government that there is no time to wait.”

This bankrupt response of the HSU bureaucracy is not an isolated occurrence. For decades, the trade unions, not just in health but throughout the public sector, have worked with successive Labor and Liberal-National governments to enforce deepening cuts to workers’ wages and conditions.

To fight for a different result, a new strategy must be adopted. Health workers will need to take matters into their own hands and build their own rank-and-file committees, politically and organisationally independent of the unions, throughout hospitals and other health facilities.

Such committees are the only means through which workers can democratically discuss and develop a fight for demands based on their actual needs, not what governments or union bureaucrats say is affordable or possible.

As a starting point, these demands could include:

• An immediate increase to all pay by 30 percent to compensate for decades of real-wage cuts, with automatic monthly cost of living adjustments to keep pace with rising expenses.

• Immediate increase of salary packaging benefits to 100 percent.

• Public health measures to combat COVID-19, including the reinstatement of paid pandemic leave, the provision of free, high-quality N95s or better for all staff and adequate ventilation/air filtration. Decisions on safety must be overseen by workers and based on science, not the profit and cost-cutting demands of management and governments.

• Immediate hiring of thousands of health workers to end chronic understaffing and punishing workloads, which also risk patient safety.

• Permanent full-time jobs for all health workers who want them.

• Massively expand spending on public health. End the privatisation of essential social services.

To take forward the fight for these demands, health workers covered by the HSU should link up with the hundreds of thousands of other public sector workers, including nurses and midwives, in NSW and across the country, who all confront similar cuts to real wages at the hands of Labor governments.

Nor is this pro-business austerity agenda limited to the public sector, or to Australia. All around the world, workers are being subjected to a frontal assault on their working and living conditions, as the ruling class seeks to make them pay for the deepening crisis of global capitalism.

To fight this, what is required is a unified struggle against the political establishment, including Labor and the unions. This must be directed by a new perspective, the fight for a socialist alternative to capitalism, and an end to the subordination of basic public needs, including quality health care and decent wages, to the profit demands of big business and the banks.

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