

Australia: Union officials offer no way to fight Labor government attack on workers' compensation

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Unions NSW, the peak trade union body for New South Wales, is holding a series of rallies around the state, protesting the Labor government's moves to slash workers' compensation payments for psychological injuries.

To be eligible for compensation under the changes, workers would have to show that the damage to their mental health was caused by a narrowly defined "relevant event," specifically ruling out excessive workload and pressure, one of the most common causes of psychological harm.

Workers who have been bullied or sexually harassed at work would have to plead their case before the pro-business Industrial Relations Commission (IRC) before being allowed to make a claim for compensation.

Those who have sustained a permanent psychological injury would not be eligible for lump sum payments or damages, and would stop receiving compensation payments after 130 weeks, down from 260, unless they can prove they are more than 30 percent impaired (up from 15). As Association of Psychologists vice president Katrina Norris told a parliamentary inquiry, "An impairment of 15 percent requires an individual to be unable to function independently in almost all domains of life."

This is an attack on the basic premise of workers' compensation legislation—that employers are responsible for providing a safe work environment and are financially liable for workplace injuries, illness and death that result from the failure to do so. While currently limited to psychological damage, this legislation would set a precedent for similar cost-slashing measures to be applied to physical injuries in the near future.

The motivating factor behind the legislation has been made abundantly clear—neither big business nor NSW

treasurer Daniel Mookhey is willing to pay the price demanded by state insurer iCare, which, despite 8 percent annual premium increases, has only 85 percent of the funds needed to pay for injured workers' claims.

Mookhey has refused to increase public funding to the insurer and is instead seeking to resolve its financial problems by eliminating virtually all payouts for workplace psychological damage.

The Unions NSW protests called in opposition to these attacks are nothing more than token stunts, designed to create the impression that the union bureaucracy is opposing the Labor government's attack. This is highlighted by the fact that they were not called until after the bill was already introduced to parliament and the subject of an inquiry, in which Unions NSW was a participant. That is, having spent months engaged in backroom discussions about the legislation, the union bureaucracy has only raised it with workers at the eleventh hour, when its passage is all but a foregone conclusion.

Far from mobilising workers against the changes, the union leaders have created the conditions for the demonstrations to be miserable affairs, serving only to demoralise those who want to fight. They have been called as "own-time" rallies, not strikes, meaning workers can only attend if they take time off or are not rostered on.

The political line advanced by the union officials addressing the rallies is a dead-end, comprising plaintive appeals for the Labor government to change its mind.

This was highlighted at the Parramatta rally on Wednesday by Unions NSW secretary Mark Morey, who opened the event by saying it was "a sad indictment of this government" that a protest against attacks on workers' compensation—"the third one I've been to in 20 years"—needed to be held, and closed it by declaring "this

is about putting pressure on the Labor government,” and urging workers to “call your MPs.”

In other words, in response to a heinous, once in a decade, attack on workers’ rights, the only course of action NSW’s top union bureaucrat suggests is to beg for a change of heart from the very Labor government that is carrying it out.

Morey complained that, while in opposition, most current Labor MPs, including Mookhey, signed a “pledge to support injured workers,” including through the removal of parts of the legislation that the government is now seeking to make more stringent. In 2018, Mookhey described the five-year time limit on compensation for those with permanent impairments of 20 percent or less as an “arbitrary cutoff... that we know leads to the risk of self-harm.”

Morey raised this to bolster the unions’ fraudulent case that the Labor government’s attack on workers’ compensation is a sudden shocking betrayal that could not have been predicted.

In fact, there is ample precedent. Similar cuts to psychologically injured workers’ right to compensation have been carried out in recent years by Labor state governments in Victoria and South Australia, with no more than token opposition from the trade unions.

Moreover, the slashing of workers’ compensation is just one component of a broader assault on workers’ wages, conditions and democratic rights, spearheaded by the punitive wage caps enforced by Labor governments at state and federal level. Since March 2022, while inflation has averaged 4.13 percent per annum, public sector wages across the country have nominally risen by an average of 3.13 percent, compared with annual private sector increases of 3.5 percent.

In NSW, mass strikes in 2022 by educators, health workers and other public sector employees were shut down by the unions, which claimed that workers could advance their demands for decent pay, adequate staffing and safe working conditions by electing a Labor government.

This was always a lie—Mookhey and Labor leader Chris Minns made clear well before the election that real wage increases for the public sector were not on the cards. Since taking office in March 2023, the NSW Labor government has continued to impose real wage cuts throughout the public sector, viciously denounced workers over even the possibility of strikes and utilised the courts to ban industrial action by nurses, midwives, psychiatrists, doctors and rail workers.

Labor’s hostility to the working class is by no means confined to NSW. Last year, the federal Labor government carried out the most blatant attack on workers’ democratic rights in decades, placing the construction division of the Construction, Forestry and Maritime Employees Union (CFMEU) under administration, as a means of suppressing the struggles of a historically militant section of the workforce. This draconian act was and is supported by the vast majority of Australian unions, as well as Unions NSW and its national counterpart, the Australian Council of Trade Unions (ACTU).

None of this was mentioned by speakers at the rally, because to do so would be to expose the role of the union bureaucrats themselves, working with Labor governments and the industrial courts to enforce the dire wages, staffing levels and working conditions responsible for the rise in workplace psychological injuries.

The NSW Labor government’s proposed changes to the Workers’ Compensation Act are an attack on workers’ right to a safe workplace that must be fought and defeated. But this is impossible within the framework of the union apparatus.

Workers need to take matters into their own hands. Rank-and-file committees must be built in hospitals, schools and all other workplaces, throughout NSW and around the country, as the means through which workers can take up a unified struggle, independent of the trade unions, for the defence of their rights.

What is required is a political fight against capitalism, in which not only wages and working conditions, but even workers’ health and lives are subordinated to the profit interests of the financial and corporate elite.



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