

NSW health workers: Form rank-and-file committees to fight Labor government wage cuts!

Martin Scott, Margaret Rees
25 July 2024

Around 30,000 New South Wales (NSW) public sector health workers, covered by the Health Services Union (HSU), are this week voting on a pay offer from the state Labor government that will deliver further real wage cuts and do nothing to address dire conditions in the hospital system.

The HSU bureaucracy has adopted a “neutral” position, presenting the offer to members without comment. This amounts to a tacit endorsement of Labor’s deepening attack on the real wages of health workers, including many of the lowest-paid employees in the hospital system.

The proposed deal contains a nominal pay increase of just 3.5 percent this year, with 3 percent rises to follow in 2025 and 2026. Workers throughout the NSW public sector, including nurses and midwives, have been presented with the same offer.

This is yet another wage cut in real terms. The latest Australian Bureau of Statistics (ABS) figures show the inflation rate at 4 percent over the year to May, having increased each month since February. 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.

Moreover, the offer does not begin to address the enormous losses foisted upon health workers in previous union-government deals. Most notoriously, at the start of the COVID-19 pandemic in 2020, with hospital workers placing their health and lives at risk every day, the HSU bureaucracy imposed a negligible 0.3 percent pay “rise” on behalf of the state Liberal-National government.

As a result of the 2020 pay freeze and subsequent sub-inflationary deals, health workers throughout the public sector are paid thousands of dollars less each year in real terms than in 2019.

A wardsperson now earns almost \$1,700 a year less than if wages had kept up with inflation since 2019, and is almost \$2,600 worse off in total over the past five years.

An entry-level administrative worker would need an immediate pay rise of 8.27 percent and a one-off payment of \$3,046 just to catch up with inflation since 2019.

Under last year’s union-government deal, grade 4 pharmacy technicians were paid almost \$5,000 a year less in real terms than in 2019, meaning a 10.38 percent pay rise is needed to catch up with inflation, plus a \$6,400 one-off payment to restore past losses.

Even this does not tell the full story. Official inflation figures

understate the real cost of living to workers, with increases in non-discretionary items such as food, fuel and housing far above the 4 percent figure.

In Sydney, the median advertised rental price for an apartment has increased 40 percent since 2019, to \$680 per week. This is more than 60 percent of the pre-tax wage of a wardsperson, compared with 41 percent in 2019. To reduce the proportion of wages spent on housing to 2019 levels, a wardsperson’s wage would need to increase by almost 50 percent.

These figures make clear that the Labor government’s pay offer is totally unacceptable. But the HSU bureaucracy has presented it to workers without a word of criticism, let alone a call for workers to take action.

Gerard Hayes, NSW secretary of the HSU, told members on social media, “it’s now in your hands,” and “It’s your voice—make sure to use it.” In other words, workers are on their own.

The union is even leaving it up to workers to suggest through the online ballot what wage increase should be demanded.

This is not, as Hayes claims, “democracy.” It is dividing workers up as individuals, depriving them of the right to collective discussion and forcing them to elaborate a pay demand on their own.

While the HSU ballot also asks workers if they will “pledge” to take part in strikes or work bans, this has not been mentioned at all outside of the ballot itself. By refusing to outline a clear way forward to fight for an alternative, the HSU bureaucracy is trying to engineer a situation in which a majority of members will begrudgingly vote “yes” to accept the real wage cut.

Should workers reject the offer, Hayes and the HSU leadership are likely hoping that enough workers, burned in previous years by token stoppages that left them with nothing but an hour or two of lost wages, will not “pledge” to strike this year. Such a result will be used by the bureaucracy as a pretext to avoid industrial action, on the phoney grounds that workers are not willing to fight.

The HSU bureaucracy is also using the promise of a long-awaited increase to salary packaging benefits, which allow health workers to pay for certain expenses out of pre-tax income, as an additional sweetener to trick workers into accepting Labor’s pay deal.

The latest government offer states: “The full benefit of salary

packaging will be provided to members in two tranches: 85 per cent as of mid 2024 and 100 per cent as of 1 July 2025.” That is, 85 per cent of the tax benefit of salary packaging will go to the worker, and 15 per cent to the employer, NSW Health.

In the lead-up to the 2023 election, the HSU promoted a supposed written commitment from Labor leader Chris Minns to increase this to 100 percent if the party took office.

Without so much as a reference to the government’s broken promise, the HSU has now lumped this in with the wage offer, giving members no option to say “yes” to salary packaging and “no” to a real pay cut.

Public sector allied health workers covered by the HSU are simultaneously voting on a single-year 3.5 percent increase, purportedly to leave the way open for future “award reform.” The union leadership has been promoting this for several years as the only way to improve wages and conditions for this section of the workforce.

The promise of award reform was employed last year by the HSU bureaucracy to ram through a flat \$3,500 nominal pay increase that hit allied health workers with an even larger real wage cut than the Labor government’s initial offer.

Concerned that workers would not accept Labor’s initial 4 percent pay increase offer, the HSU bureaucracy scrambled to cook up a revised proposal that would prevent industrial unrest without costing an extra cent, effectively turning one section of the membership against the other in order to satisfy the Labor government’s demands.

The government-union offer follows years of real wage cuts imposed both by the current Labor government and the previous Liberal-National administration, with the total collaboration of the HSU and the other public sector unions, which have repeatedly blocked industrial action opposing the attacks.

The unions have also overseen the broader assault on the hospital system, resulting in dire conditions for workers and patients alike. The situation in the workplace has continued to deteriorate, with staff shortages and uncovered absences creating snowballing stress. As one worker said after an earlier stop-work: “If you take a sick day off, you feel terrible. You feel like you are letting people down.”

While the HSU ballot is framed as merely a question of wages, the union bureaucracy is seeking to push through the wage offer as a means of suppressing a fight for improvements to any other conditions and against further cuts to public health spending.

The Health Workers Rank-and-File Committee (HWRFC) urges HSU members to vote “no” to the Labor government’s real-wage slashing offer, and “yes” to the questions on strikes and work bans.

But we warn that the actions of the HSU, in previous years and in this dispute, show that workers cannot afford to leave the struggle under their control. The bureaucrats are determined to deliver the demands of the Labor government, of which they are an integral part.

Workers need to take matters into their own hands to ensure that a serious campaign of industrial action is undertaken. This will require the building of rank-and-file committees, politically and organisationally independent of the unions, in hospitals and other

health facilities.

Such committees will be 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, the HWRFC proposes the following:

- * 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.

Health workers covered by the HSU can’t do this alone. To take this forward, they need to link up with other public sector workers, including nurses and midwives, who all confront the same cuts to real wages. This is above all what the HSU and other unions are seeking to prevent in their divide-and-conquer strategy to deliver the Labor government’s cuts.

A unified struggle of public hospital workers across the state would be a powerful start. But the assault on wages and social spending is by no means confined to NSW. This pro-business austerity agenda is the policy of the Labor government at state and federal level, across the country, and of the ruling class worldwide.

To fight this, what is required is a political struggle against Labor and the unions, and a fight for a socialist alternative to capitalism, under which even the most basic public needs, including health care and decent wages, are subordinated to the profit demands of big business and the banks.



To contact the WSWs and the Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)