

Australia: Health Services Union forces through Labor government wage-slashing deal

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Tens of thousands of public-sector health workers in New South Wales (NSW) will see a further cut to real wages after a sell-out deal was forced through in late October by the Health Services Union (HSU) leadership, in collaboration with the state Labor government.

The deal consists of the same 3.5 percent pay “rise” that workers decisively voted down in July. The only difference was that the state Labor government’s original pay offer was for a three-year deal, with 3 percent rises to follow in 2025 and 2026, whereas the “new” offer is only for a one-year agreement.

This follows a 2020 pay freeze and subsequent sub-inflationary deals imposed by the HSU, which have resulted in health workers being paid thousands of dollars less each year, in real terms, than in 2019.

The actions of the HSU, both in this dispute and in previous years, highlight that no struggle for decent wages and conditions can be taken forward within the framework of the trade union apparatus. Workers must take the struggle into their own hands, through the formation of independent rank-and-file committees, throughout hospitals and other health facilities.

Following the rejection of Labor’s original offer by some 5,000 workers, the HSU’s only action was to engage in months of behind-closed-doors discussion with the Labor government and the Industrial Relations Commission (IRC).

The HSU declared in July that it would advance a demand for a 6 percent pay increase because a majority of workers had nominated this as “fair.” However, this was promptly dropped without notice or explanation. The bureaucracy also blocked any industrial action by workers, not even mentioning the possibility of strikes or other action after the initial vote.

Some three months later, the “new” offer was then put

to the membership to vote on without any discussion.

Aware of workers’ opposition to what amounts to a real-wage cut, the union sought to produce a vote for the agreement by declaring that if workers rejected it, the bureaucracy would simply “enter into Arbitration in the Industrial Relations Commission,” leaving the decision entirely “in the hands of the Commissioner and there is no control over the outcome or timeline.”

By contrast, if workers voted to accept the offer, the union claimed that, “voting yes does not mean the end. Rather, it’s the beginning of real and challenging negotiations for new awards.”

This ensured that the ballot presented workers with no choice but to accept a deal arrived at through the pro-business IRC, a mechanism of the state used to enforce government pay cuts and ban strike action by workers. With the union offering no way forward for workers who voted against the offer, just over 80 percent voted in favour.

Labor’s offer will do nothing to resolve the dire conditions confronting health workers. The union has told workers that this will be dealt with under their “award reform” case. Such proceedings can be drawn out over years.

Last year, the HSU used the same promise of award reform to force through a flat \$3,500 nominal pay increase, which was only above the official inflation rate for the lowest paid health workers and hit allied health workers with an even larger real wage cut than the Labor government’s initial offer.

One year on, workers confront worsening conditions in underfunded healthcare services pushed to breaking point. According to a survey conducted by the HSU earlier this year, 86.4 percent of health workers reported staffing shortages in their departments and more than 60

percent said that staffing levels had created safety risks. The HSU also reported in September that more than 10,000 workers had left NSW Health in the last 12 months, adding to staffing pressures.

Moreover, the changes to conditions sought in the award reform case are “modest” by the union’s own description, including measures such as an additional 10 days of sick leave and just five days of additional annual leave. On staffing, the only proposed change is a vague requirement for NSW Health to “ensure workplaces are sufficiently staffed and resourced.”

State and federal governments have insisted that there is no money for wage rises or public health funding, stating that any increase in wages must be tied to increased productivity—that is, cuts to jobs and conditions. At the same time, billions of dollars are being siphoned off to expand military budgets.

While Australia’s defence spending is at record levels, increased by the Labor government to more than \$50 billion a year, in the 2023?24 budget the federal Labor government slashed spending on public health by \$11 billion. The NSW state budget handed down in June showed that health expenditure would rise by just 0.1 percent in 2024?25, well below the inflation rate.

Job cuts are being announced across the health sector, including most recently around 55 positions in the South Eastern Sydney Local Health District (LHD) and a 6 percent reduction at Hornsby Hospital for each Allied Health Department. These workers are covered by the HSU, but the union has kept the issue of job cuts entirely separate from the wages claim.

The assault on workers’ wages and conditions is being carried out across the country and internationally. But the trade unions have blocked any unified struggle by workers, including workers throughout the NSW public sector who face an identical offer from the state Labor government.

Most starkly, the HSU and the NSW Nurses and Midwives Association (NSWNMA) have kept the struggles of their membership completely separate.

Following two statewide strikes by thousands of public sector nurses and midwives demanding a 15 percent pay increase, the NSWNMA suspended industrial action by nurses and midwives “as a gesture of good faith,” in order to enter into talks with the state Labor government through the IRC.

At the same time, the NSWNMA announced that nurses and midwives would immediately receive a 3 percent “interim” pay rise, backdated to July 1—effectively

implementing the Labor government’s offer by stealth, to dissuade nurses and midwives from continuing to fight.

With no change in Labor’s position, the union was compelled to call a further 24-hour strike on November 13, amid mounting anger from nurses and midwives. But the purpose of the strike action was to allow workers to let off steam, in order to force through a sell-out deal that enforces the government’s demands.

In the struggle for decent wages and working conditions, workers are in a political fight against the Labor government, the trade union apparatus and the capitalist system, which demands that public healthcare and workers’ wages are subordinated to the profit demands of big business and the banks.

This fight cannot be waged under conditions of the isolation and suppression of workers’ action by the trade unions. Health workers and other sections of workers must break free from the stranglehold of the union bureaucracy and wage a unified struggle for demands that meet the needs of workers themselves, not the interests of governments and big business. To do this requires workers to develop their own organisations of struggle, rank-and-file committees, in every hospital and healthcare workplace.

The Health Workers’ Rank-and-File Committee was formed as an initiative of the Socialist Equality Party to mobilise health workers and assist in the development of such a fight. We urge health workers to contact us today to get involved and discuss forming a rank-and-file committee in your workplace.

Contact the Health Workers’ Rank-and-File Committee (HWRFC):

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To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact