

Australian state Labor government slashes public service jobs

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The Labor Party government in the Australian state of Victoria, led by Premier Jacinta Allan, last week announced plans to eliminate up to 3,000 public service jobs as part of an aggressive austerity drive, supposedly aimed at reducing the state's ballooning debt.

The government appointed Helen Silver, a former top bureaucrat and banking executive, to lead an "independent review" of the Victorian Public Service. The review's terms of reference call for the elimination of programs, consolidation of departments and a reduction of the public service workforce to pre-COVID-19 pandemic levels.

This will result in the destruction of 5 to 6 percent of public service jobs, equating to between 2,000 and 3,000 workers. According to other sources, the actual toll could be more like 12.5 percent of the workforce, or 6,500 jobs.

This attack on public sector workers, dressed up as a necessary measure to address "inefficiencies" and "duplication," is a clear indication of the Labor Party's commitment to enforcing the demands of big business and finance capital at the expense of workers' livelihoods.

The cuts come in the context of Victoria's growing public debt, which is projected to reach \$188 billion by 2028. The bulk of this debt stems from the lavish pro-business measures instituted during the initial stages of the COVID-19 pandemic, in which enormous subsidies were funnelled to corporations to maintain profits.

This unprecedented level of expenditure saw the state's credit rating downgraded two notches below AAA in 2020, with international credit agencies repeatedly threatening further downgrades in the years since.

Earlier this month, S&P released a report putting Victoria on notice for its "lax financial discipline" and

signalled that it could face a further credit downgrade if it "failed to rein in pandemic-sized spending." The report's author, S&P Global Ratings analyst Anthony Walker, called for "headcount reductions" in the public service to aid the state's "fiscal recovery."

The Victorian government heeded the call. Just two weeks later, on February 20, state Treasurer Jaclyn Symes announced the review to "zero in on waste and inefficiency," declaring that "difficult decisions" would have to be made to bring the budget under control. Premier Allan said the review was "about getting government back to those basics."

These words echo the playbook of the fascistic US Trump administration's Department of Government Efficiency (DOGE), headed by billionaire Elon Musk, which has set about eliminating hundreds of thousands of federal public sector jobs, in an historic purge, and shutting down key government social, health and environmental agencies.

The Victorian Chamber of Commerce and Industry (VCCI) and other business groups welcomed the cuts. VCCI CEO Paul Guerra declared that reducing costs was preferable to increasing taxes on businesses. Former state Liberal Premier Jeff Kennett, a Thatcherite figure who oversaw the evisceration of public services in the 1990s, praised Silver's appointment to head the review.

Others went further. The Victorian head of the Australian Industry Group, Tim Piper, warned that the layoffs should be "just the first step" in cutting public spending. The editors of the *Australian Financial Review* lamented that neither Labor nor the official opposition Liberal Party had "committed to getting the budget, tax, workplace, and regulatory framework in shape to boost business investment, labour productivity and economic growth."

In other words, the government must cut more deeply and broadly into public services, working conditions and corporate regulations.

This is third set of cuts to the Victorian public service in as many years. Measures to “rebalance” the size of the public service were a centrepiece of the 2021–22 state budget. In 2023, the same Labor government unveiled plans to lay off 4,000 workers in what was then the biggest cull in over a decade. The government also capped annual wage increases at 3 percent for all remaining public sector workers, significantly below the soaring cost of living.

Not just in the US but internationally, governments are gutting government spending in the service of tax cuts for the financial elite and increased military budgets. More unashamedly than ever, they are wholly subservient to the interests of the oligarchs and big business.

The response of the Community and Public Sector Union (CPSU) officials has been to plead for consultation with the government, which is a warning about its readiness to collaborate in implementing the cuts. CPSU Victorian secretary Karen Batt said the union will “fight” the cuts, but her rhetoric rings hollow in light of the union’s record.

The CPSU leaders have already helped oversee \$5 billion in “savings” from the public sector over the past three state budgets, achieved through wage freezes, job cuts and increased workloads. In 2023, Batt boasted that the CPSU had “co-operated” with the state premier to “have delivered \$3.6 billion in savings and reduced the Victorian Public Service by over 2,000 [workers].”

Premier Allan’s promise to reach out and “consult” with the CPSU comes so readily because she knows she will face no meaningful opposition from its bureaucrats. Far from mobilising workers to oppose the government’s attacks, the union apparatus has continually sought to stifle opposition.

In one CPSU members’ departmental meeting this Tuesday, union representatives said the “gist” of what the union was doing is “demanding we be consulted.” They urged attendance at a lunchtime “Save Our Services” rally next week, which a delegate emphasised was *not* industrial action, and should be taken as one’s lunch break or as annual leave.

They also issued a demand that the government conduct a “gender impact assessment” of the cuts.

Presumably, sackings are acceptable so long as an equal number of men and women lose their jobs.

The CPSU’s track record underscores the need for workers to break free from its straitjacket and take up their own struggle against the Labor government and its austerity agenda by forming rank-and-file committees, independent of the unions. Such committees are needed to mobilise workers across the public sector, including in the schools and health system, linking the struggle against the job cuts to the broader fight to defend their basic rights and working conditions.

In the United States, the International Workers’ Alliance of Rank-and-File Committees (IWA-RFC) is organising the fight against the Trump-Musk onslaught. Earlier this week, it published a statement calling for government workers to organise mass meetings and demonstrations to prepare emergency strike action to stop the mass sackings and the gutting of essential programs.

Public service workers in Victoria should take up this call and help build a global counter-offensive in defence of the jobs and rights of workers everywhere.



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