

# New Zealand: How the 2017–2023 Labour government attacked public health and education workers

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On October 23, more than 100,000 public sector workers in New Zealand—teachers, nurses, doctors and many other healthcare professionals—took part in a mass strike against the National Party-led coalition government’s efforts to cut their pay, and impose a hiring freeze in public hospitals. It was the country’s largest strike action since 1979 and part of a growing wave of mass protests and strikes internationally against the ruling elites’ efforts to solve the crisis of capitalism by throwing workers into poverty.

Workers and young people in NZ are moving to the left and want to fight back against the escalating assault on vital public services, jobs and wages. There is also widespread opposition to the military alliance with US imperialism and the government’s decision—with bipartisan support from the Labour Party—to double the military budget while starving schools and hospitals.

The union bureaucracy, however, is desperate to avoid any repeat of the “mega strike” and to prevent a broader industrial and political struggle against the capitalist system itself. The unions immediately returned to negotiations with the government, indicating that they would be willing to impose sellout agreements that freeze wages against the 3 percent rate of inflation (the government is insisting on below-inflation increases of 2 percent or less).

At the same time, the unions, the Labour Party and their pseudo-left supporters are seeking to subordinate workers to the political establishment by peddling the lie that if Labour and the Greens win next year’s election, they will reverse National’s cuts.

At the strike rally in Auckland, an official from the primary teachers’ union NZEI told the crowd: “This government better listen to us because there’s also an election next year.”

Labour leader Chris Hipkins, in a social media video on October 23, declared: “I wholeheartedly support our nurses, doctors, midwives, dentists, healthcare workers and teachers who have made the difficult decision to take this stand... [for] safe staffing, fair pay and decent working conditions.” He blamed the National government for provoking the strike by “cutting the very services that we all rely on.”

The crisis in public hospitals and schools, however, did not begin with the installation of the National-ACT-NZ First government two years ago. It is the product of decades of austerity measures, under successive Labour and National-led governments.

The 2017–2023 Labour Party-led government—which also included the Greens and, in its first three years, the right-wing NZ First Party—drastically underfunded public education and healthcare while keeping taxes low for the rich. It also diverted billions of dollars to the military, with the openly stated aim of preparing New Zealand to join a US-led war against China, as well as backing the US-NATO war against Russia over Ukraine.

On October 21, Hipkins falsely told Radio NZ that under Labour, “teachers and nurses... got pay increases well ahead of inflation.”

In fact, teachers, tertiary education staff, nurses, other health workers and firefighters repeatedly struck in an attempt to fix the staffing crisis and stop the erosion of their pay, but the unions kept these actions divided and blocked the development of a unified and sustained movement against the Labour government.

In the 2017 election campaign, Labour leader Jacinda Ardern made numerous vague promises to fix the public healthcare crisis, and to end child poverty and homelessness. At the same time, Labour and the Greens sent a clear signal to big business that there would be no real change, with a set of “Budget Responsibility Rules” to keep core government spending below 30 percent of GDP—the same totally inadequate level as the National Party government.

## The public health disaster under Labour

While the Ardern government’s 2018 budget increased health spending by around 10 percent, this was not enough to repair and replace decaying hospital buildings, address the crisis of unmet need and increase wages to a decent level. Some 30,000 nurses and healthcare assistants rejected a pay offer of just 2 percent, which had been recommended by the New Zealand Nurses Organisation (NZNO), and thousands protested in defiance of the union bureaucracy, demanding an 18 percent increase and safe staffing ratios.

Nurses held a 24-hour strike in July 2018 and showed determination to keep fighting but the NZNO sabotaged their struggle. The union cancelled a second planned strike and presented multiple offers that were essentially the same, eventually securing agreement for a 9 percent increase over three years—little more than a pay freeze—and nothing to address the staffing shortage.

Union bureaucrats (including NZNO president Grant Brookes, now a member of the pseudo-left International Socialist Organisation) echoed the government’s lie that there was not enough money to fix the healthcare crisis. In fact, just before the July 12 strike, the government announced \$2.3 billion for new Air Force planes—about four times the cost of the health workers’ settlement.

Three years later, in June 2021, nurses and healthcare workers held another nationwide strike after an initial pay offer of just 1.38 percent—less than half the rate of inflation.

The NZNO repeated its playbook of cancelling further strike action and repackaging the offer. After dropping its initial claim for a 17 percent pay

increase, the union pushed through a deal in October that increased pay by about 7.5 percent—most of which was a downpayment on separate “pay equity” negotiations.

The government and NZNO agreed in 2023 on a “pay equity” deal, which had been promised for decades to end the pay gap between healthcare workers and predominantly male professions. Nurses’ pay increased by roughly 18 to 20 percent. A similar agreement was reached for around 16,000 low-paid allied health workers.

These increases, while significant, must be measured against decades of stagnant wages, including a below-inflation pay deal for nurses in 2023, and chronic understaffing. In 2022 the government admitted to a shortage of 4,000 nurses nationwide.

The Labour government left the hospital system completely unprepared for the COVID-19 pandemic. It initially adopted a strict COVID elimination policy in 2020, fearing that a movement would develop among workers if it allowed the uncontrolled spread of the deadly coronavirus.

In late 2021, however, ignoring public health experts’ advice and caving to the demands of big business, the government abandoned the zero-COVID policy. The virus spread rapidly in 2022, killing thousands of people and overwhelming public hospitals. The unions enforced this criminal “let it rip” policy and the removal of public health measures such as mask mandates in hospitals.

The Ardern government exploited the pandemic to give tens of billions of dollars to big businesses, through subsidies and bailouts. It then recouped the money with deep cuts to public services, which are continuing under the present National-led coalition government.

As well as the deaths and tens of thousands of hospitalisations caused by COVID, the number of people waiting longer than four months for essential surgical treatment doubled from around 15,000 in February 2020 to more than 29,500 by May 2023.

In addition to nurses’ strikes, the Labour government faced repeated strikes by doctors and low-paid medical laboratory workers. When 10,000 allied health workers voted to strike in March 2022 they were blocked by a court ruling. The government relied on the unions to keep each section of workers divided and to ensure that final settlements kept wages basically frozen.

Labour’s final budget in 2023 deepened the crisis: it increased health spending by just 5.4 percent—well below inflation (6.7 percent) and not enough to meet the demands of the growing and aging population.

## **Labour’s education cuts**

The Ardern government’s first budget in 2018 increased operational funding for schools by just 1.6 percent—essentially a funding freeze—and contained a zero percent increase for universities and polytechs, a cut in real terms. This continued the previous National government’s assault on education.

On May 29, 2019, more than 50,000 primary and secondary teachers held a joint strike opposing the attempt to freeze their wages and unsustainable workloads caused by a shortage of teachers and support staff.

Education Minister Chris Hipkins (the current Labour Party leader) declared that the nurses’ deal the previous year had set a “benchmark” for teachers.

Despite significant resistance from teachers, the Post-Primary Teachers’ Association (PPTA) and the primary teachers’ union NZEI were eventually able to push through a sellout that increased pay by just 3 percent a year for three years, with a small extra increase for primary

teachers. The deal was worth less than half what teachers initially demanded.

The PPTA promoted an “accord” with the Ardern government, supposedly to reduce workload pressures, which only provided a handful more teacher-only days and did not address the staffing crisis.

The situation worsened dramatically during the COVID pandemic, with Ministry of Health data from 2022 showing that teachers were the occupation with the highest infection rate of 48 percent. Most schools had no mitigations following the removal of mask mandates, which the unions did not oppose.

Constant illnesses contributed to the staffing crisis. In secondary schools, according to a PPTA report in early 2023, “one third of advertised positions could not be filled at all,” and the average number of applicants per position was the lowest on record since surveys began in 1996. One in four school principals reported having to cancel classes due to insufficient staffing.

There was also an increasingly severe shortage of learning support staff for students with diverse needs (such as dyslexia). Newstalk ZB recently reported that “more than 128 positions have gone unfilled each year since 2020, peaking at 284 nationwide in 2023.”

On March 16, 2023, primary and secondary teachers held another one-day strike after rejecting below-inflation pay offers and demanding increased staffing.

The NZEI pushed through a two-year deal in June 2023 that slashed real pay for 30,000 primary teachers, providing just 6 percent per year while average cost of living for households had increased by 7.7 percent annually and food prices by 12.5 percent. The government promised to reduce some primary class sizes by just one child (from 29 to 28) in two years’ time—a move that was widely denounced as grossly inadequate.

The PPTA imposed a similar sellout on secondary teachers in August: 14.5 percent across three years. Both the unions fraudulently presented these wage-cutting deals as a victory for teachers.

While attacking the wages and conditions of schoolteachers, Labour also oversaw major cost-cutting in the tertiary sector. In response to the collapse in revenue from a drop in foreign students, more than 1,000 jobs were cut at universities across the country in 2020 and 2021. A one-day strike by 7,000 university staff in October 2022 against frozen wages was followed by below-inflation pay deals at Victoria University of Wellington, Otago, Canterbury and Massey Universities, imposed by the Tertiary Education Union.

## **Rank-and-file committees and a socialist party are needed**

The Labour Party suffered a crushing election defeat in 2023. Its share of the votes was almost cut in half from 50 percent in 2020 to 26.9 percent, amid soaring prices, an increase in homelessness, thousands of COVID deaths and rising child poverty. Ardern resigned as prime minister in early 2023 and was replaced by Hipkins, after her 2017 promises to address social inequality had proven to be completely hollow.

In the last days of the Labour government, Hipkins smeared protests against the genocide in Gaza and assured the Israeli regime and US imperialism of Labour’s support for this historic crime.

No one should be deceived by the promises now being made by Labour and the unions—and by publications like the *Daily Blog*, the BHN podcast, and the pseudo-left ISO—that another Labour-Greens government would be any different.

It would behave no differently than the Labour governments in Britain and Australia, which are imposing austerity in the public sector and dramatically increasing military spending. NZ Labour and the Public

Service Association (the country's biggest union) have already made clear that they fully support the doubling of military spending in New Zealand and the US-led march towards war against China, which will be paid for with deeper attacks on public services.

The solution of the capitalist class to the worsening economic crisis is to intensify the exploitation of the working class and to violently redivide the world through imperialist war.

The working class must advance its own solution. The Socialist Equality Group intervened in the October 23 strike with a statement calling on workers to rebel against the pro-capitalist unions by forming new organisations—rank-and-file committees, controlled democratically by workers themselves. These committees must serve as the means to build the broadest possible movement against austerity and war, and to unite workers in New Zealand with those in Australia and other countries.

We proposed that all workers demand an immediate 30 percent wage increase, funded by the expropriation of the super-rich, the placing of industries under public ownership and workers' control, and an end to all military spending.

To lead this struggle, workers need their own party, based on a socialist and internationalist program, completely opposed to Labour, the Greens and the entire capitalist political establishment.

The Socialist Equality Group is holding a public online meeting on **Sunday November 9, at 4:00 p.m.**, to discuss these critical issues. We urge all workers and young people to register here to attend this important webinar on Zoom.



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