

Australia: Victorian Labor government to cut at least 1,000 public service jobs

Sofia Devetzi
5 January 2026

The Victorian state Labor government announced in December that more than 1,000 jobs will be slashed across the public service. This is a deepening of an austerity drive it has pursued over the past three years in office.

The cuts are the government's official response to the Silver Review, which was publicly released in early December after months of delay. The "independent review," led by former top bureaucrat and banking executive Helen Silver, was commissioned by the government earlier this year to provide recommendations for eliminating programs, consolidating departments and reducing the public service workforce to pre-pandemic levels.

Premier Jacinta Allan's government accepted most of the final report's 52 recommendations, pledging to cut over 1,000 public servant positions, reclassify many remaining roles into lower salary brackets, and eliminate 29 public sector entities while "consolidating" several others.

The government and the main public service trade union, the Community and Public Sector Union (CPSU), claim that the jobs cuts are aimed at the executive level. Such positions, however, will account for only approximately 300 of the 1,000 roles that will be eliminated. The majority of job losses will hit lower-level staff.

Even workers ostensibly unaffected by the job cuts will face new "efficiency" measures, with departments to review all roles and reclassify them to more junior pay grades wherever possible. Furthermore, while the review's scope did not include so-called frontline staff, the final report stated that the government should nonetheless expect these roles to be "part of broader efforts to improve efficiency and effectiveness."

In releasing the report, Treasurer Jaclyn Symes

signalled that the government may "go further in future" and "revisit" the recommendations that it has not already accepted. That is likely to include the recommendation to eliminate 2,000 jobs, rather than 1,000.

The more politically toxic measures in the report—such as halting construction of new early learning centres and privatising those already built, as well as cutting funding for musical instruments in secondary schools—can be deferred until after the state election in 2026 and then imposed despite public opposition.

In the name of "cost savings," the government has already accepted in full the recommendations to abolish Sustainability Victoria, absorb VicHealth (an entity focusing on health promotion and chronic disease prevention) into the Department of Health, and merge all food safety regulators into one entity. Other recommendations—such as the proposal to combine all workplace regulators—were not accepted in full simply because the government already had legislation in parliament to cut these down.

The government accepted "in part" the recommendation to sell off "under-utilised" Technical and Further Education (TAFE) assets and property.

Advisory committees are also on the chopping block, with the government accepting the proposal to abolish 90 percent of them within the next few years and rely on other mechanisms for policy advice. The review stated that industry bodies could assume this advisory role instead.

The areas most deeply affected by the cuts will be environment, education and health—with these departments to be cut by 9 percent, 7 percent and 4 percent, respectively.

The cuts to social programs are being driven by the

demands of the financial markets, on the pretext of reducing Victoria's growing public debt, which has been projected to reach \$188 billion by 2028. In February, S&P released a report putting Victoria on notice for its "lax financial discipline" and threatening a further credit downgrade if it "failed to rein in pandemic-sized spending."

Much of this debt, however, stems from enormous subsidies funnelled to corporations to maintain profits during the initial stages of the COVID-19 pandemic.

Independently of the Silver Review, numerous restructurings and redundancies have already taken place over the past few months and are continuing at pace. Hundreds of jobs have been made redundant in the Department of Education alone, including in regional/rural services and early childhood education. The deadline for affected workers to apply for a separation package was December 10.

The Silver Review commended the cost-cutting exercises: hiring freezes, tightened hospital budgets and "efficiency" measures that transfer workloads onto remaining staff. It reported that "significant work has been undertaken or is underway in the VPS [Victorian Public Service] to improve its effectiveness and efficiency." In practice, this means unpaid overtime, increased caseloads and the wholesale erosion of institutional capacity to deliver basic services.

These cuts form part of a global push by capitalist governments to shrink the public sector and reallocate social spending to corporate subsidies and military projects. In the past year, this has been seen most starkly by the evisceration of public services by the fascistic Trump administration.

In the Australian context, the cuts are an intensification of a decades-long assault on the public sector. From the Hawke-Keating era Accords and enterprise bargaining framework of the 1980s and 90s, both Labor and Liberal-National governments have overseen the corporatisation of public services.

Beyond the public service, Victorian workers and communities are already feeling the consequences of Labor's big business agenda. The same Labor government is pursuing public housing demolition, has introduced laws allowing children as young as 14 to be tried in adult courts and rolled out new police powers to suppress public protests, including over the Gaza genocide.

The response of the CPSU—under new supposedly "progressive" leadership—is telling. The CPSU emailed its members claiming that "we, together, have saved more than 4,000 public service jobs" and boasting that the original proposal to cut 6,000 roles had been reduced to "only" 1,000.

That is emblematic of the union bureaucrats' long-standing function: to negotiate the scale, pace and acceptability of cuts on terms set by employers and the state, and to police workplace compliance.

The CPSU leaders have 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.

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.

The CPSU's more "progressive" union leadership has already shown its true colours, working hand-in-glove with the Labor government. Public sector workers must take matters into their own hands: democratically elected, workplace based rank and file committees are needed to halt the attacks on jobs, services and democratic rights. These committees must be independent of the union bureaucracy and the Labor Party, linking public servants with health staff, teachers, public housing tenants, transport workers and the wider working class.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact