

Australia: Victorian premier removed as Labor seeks to assuage big-business concerns

Oscar Grenfell
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Jacinta Allan yesterday resigned as premier of Victoria, Australia's second most populous state, and has been replaced by her erstwhile deputy Ben Carroll.

The enforced leadership change was conducted swiftly. On Sunday night, it was leaked to the press that Labor factional bosses had that evening told Allan that the caucus had lost confidence in her. On Monday, prominent MPs publicly confirmed the same and on Tuesday morning, ahead of a caucus meeting that was to repudiate Allan's leadership, she resigned, clearing the way for Carroll to take the top position unopposed.

Carroll has immediately declared his commitment to implement the demands of big business and to ramp up other right-wing policies, including a "law and order" clampdown on crime.

This development is not only of Victorian significance, but points to a developing crisis of Labor more broadly.

On the one hand, Labor is facing widespread hostility over a cost-of-living and social crisis that it has imposed on working people, which is finding a distorted political expression in near record-low polling as well as the rise of the far-right populist One Nation party. On the other, it is under pressure from the corporate elite to accelerate an austerity agenda that will only deepen popular discontent.

Those are intractable pressures that not only face the Victorian government, but that above all confront the federal Labor government and Prime Minister Anthony Albanese.

The connection between the Victorian leadership change and national Labor politics is a direct one.

Allan received the tap on the shoulder from Labor factional bosses the day after the party's 50th national conference concluded in Adelaide. At a conference that was likely the most stage-managed in Labor's history, and at which no debate occurred amid endless paeans to complete party "unity," factional leaders had evidently been planning Allan's demise.

While other state Labor leaders were prominent at the event, such as South Australian Premier Peter Malinauskas, who introduced Prime Minister Anthony Albanese, and New South Wales Premier Chris Minns, who was warmly greeted by federal ministers, Allan reportedly cut a lonely figure on the opening day and was scarcely noticeable.

Her removal points to the internal tensions Labor sought to bury beneath the show of "unity" at the conference. They are not differences over principle or program in the slightest, but over how to both manage popular discontent and at the same time impose the inherently unpopular demands of the ruling elite.

Allan was a trusted pair of hands who headed a right-wing government. Following the resignation of her predecessor Daniel Andrews in 2023, she intensified his pro-business policies. That included unveiling mass public sector job cuts targeting more than 1,000 workers, suppressing the wages of nurses, teachers and other public employees and proceeding with the planned demolition of 44 public housing towers to benefit property developers.

As with other state premiers, Allan venomously attacked the mass movement opposing the Israeli genocide in Gaza, including by passing anti-protest laws. She also joined in hysteria over "youth crime," with thinly veiled racist undertones, and passed legislation providing for far-reaching police stop-and-search powers.

But Allan's leadership has been under pressure for some time.

With a state election looming in November, her polling had been dire. The polls indicated a rise of One Nation, as had occurred elsewhere in the country, and that the Liberal-National opposition could be competitive, even though it has been in meltdown nationally for the past year.

The leadership change is on one level a desperate rebrand aimed at heading off an electoral disaster. The

discussions taking place in Labor circles were indicated by comments this morning from former federal Labor leader Bill Shorten, who backed Carroll and claimed that without the leadership change Labor would have been facing “extinction level” results in November.

But more fundamental than those calculations was a clamour that Allan was failing to implement the demands of big business for far-reaching austerity and stepped-up exploitation of the working class, amid a deepening crisis of Australian capitalism that finds a sharp expression in Victoria’s high level of state debt.

That was not for want of Allan trying to impose those dictates. But in a signal of what is brewing in the working class across the country, her government has come up against the determined opposition of teachers.

For several months, the Allan government had been attempting, in partnership with the Australian Education Union, to impose on teachers a sellout enterprise agreement for stagnant or declining wages, amid soaring inflation, and lock in massive workloads and unbearable conditions.

In June, for the first time in more than 40 years, teachers voted down an AEU-endorsed agreement, despite intense pressure to accept it from the union bureaucracy, the Labor government and its aligned press, particularly Nine Media’s *Age* newspaper. AEU members again rejected a slightly altered version of the proposed deal in a rushed union ballot that concluded last week, before carrying out their second mass strike of the year on Thursday.

Frustration in corporate circles that Allan has failed to defeat the teachers intersected with broader agitation over the state deficit, which has been the subject of warnings by the credit ratings agencies.

In that context, a long-simmering campaign over purported corruption in state infrastructure projects dubbed the Big Build was heated up by the *Age* and other corporate outlets.

The largely unsubstantiated and entirely untested accusations were used in August 2024 by the federal Labor government to place the construction wing of the Construction Forestry Maritime and Energy Union (CFMEU) under administration. The takeover of the union, which is now run by a federally appointed bureaucrat, was a massive attack on the democratic rights of tens of thousands of construction workers.

As the WSWs explained at the time, this had nothing to do with corruption, but was aimed at disciplining a historically militant section of the working class, amid complaints in the corporate press that construction

workers’ wages were too high. The ousted CFMEU leadership was thoroughly corporatised. But there were evidently frustrations among segments of big business over the need to deal with the sometimes obstreperous bureaucrats.

In a similar way, it appears that the Big Build allegations are once again being brought forward to increase pressure on Labor to accelerate its austerity agenda. The mouthpieces of the corporate elite, such as the *Australian Financial Review* have hailed the removal of Allan. They have connected demands for a “clean up” of government and union corruption to an insistence that government spending is too high and must be cut and that businesses face too many regulations in Victoria.

In his first move as new leader, Carroll has promised a royal commission into the allegations of corruption in the Big Build projects. In a press conference yesterday, Carroll pledged to work closely with business, while vaguely declaring his commitment to the interests of working people, no doubt with an eye to the November election. Carroll’s credentials, in the eyes of the ruling elite, include his membership in the Labor right faction aligned with the Shop, Distributive and Allied Employees Union, the most openly pro-business segment of the union bureaucracy.

The hopes that Carroll will reverse the travails of the Victorian Labor government, however, are optimistic. It is not only Allan who has failed to deal with opposition from teachers, but her entire government, including Carroll himself who was her education minister. Carroll has been described in the press as a reluctant candidate for leader, who was spurred on by the factional bosses. He was extremely wooden at his press conference yesterday, and his first activity as leader this morning was a tour of a supermarket, that even a sympathetic press described as mind-numbingly dull.

Labor’s crisis is not primarily one of inadequate leaders or personalities. It is an expression of a developing disintegration of the old two party system, amid a crisis of global capitalism. Above all, the Labor and union apparatus, committed to war and austerity, is on a collision course with an emerging movement of the working class.



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