Victorian election: The Labor government's right-wing, pro-business record

Morgan Peach, SEP candidate for Northern Metropolitan
24 November 2026

The Victorian state election is unfolding amid an historic crisis of the two-party system nationally, increasingly centred on the Labor Party. In Victoria, Labor's austerity measures and pro-business policies have generated widespread hostility in the working class. Victorian Labor is carrying out at the state level the same program of war, austerity and authoritarianism being implemented by the federal Albanese Labor government.

Labor has held government in the state, Australia's second-largest economy, since 1999, with the exception of four years of Liberal-National Coalition rule between 2010 and 2014. During that time, it has presided over the wholesale gutting of social services and driven down workers' living standards in the interests of the corporations and banks. Victoria is a case study of the class interests served by Labor over its protracted period in office.

The Victorian Labor government's record refutes the claims that Labor is somehow "a lesser evil" compared with the Liberals and the far-right One Nation.

The Socialist Equality Party (SEP) is standing in the state election to insist that workers draw the necessary lessons and join the fight to build a mass movement of the working class on a socialist program against war and austerity, totally independent of Labor and the entire political establishment.

The record of the Andrews government

From its outset in 2014, the Labor government of former Premier Daniel Andrews sought to accelerate the privatisation agenda of previous Labor and Liberal administrations, while further eviscerating social services on behalf of corporate-financial interests.

Andrews oversaw the privatisation of major public assets and services, including the Port of Melbourne for $9.7 billion, VicRoads registration and licensing services for $7.9 billion and the land titles registry for $2.9 billion. His government also maintained close ties with property developers, who play a key role in Victorian politics. These relations were cemented through the vast infrastructure program often hailed as Andrews' greatest achievement in office.

The "Big Build" and "Big Housing Build" have been shrouded in mystifications by their advocates and parliamentary opponents alike. Far from being programs directed towards meeting pressing social needs, as touted by Labor, they funnelled vast amounts of public funds into private hands, providing a massive stimulus for the corporate sector, including through public-private partnerships guaranteeing lucrative profits.

The "Big Build," involving level crossing removals and the construction of the Metro Tunnel and Suburban Rail Loop, was geared above all to the interests of big business, including the development of transport and logistics infrastructure to boost corporate productivity and profits. While tens of billions of dollars were made available to the construction conglomerates, essential social infrastructure, including hospitals and schools, was increasingly run down.

Meanwhile, the "Big Housing Build," with its emphasis on community rather than public housing, has provided a windfall for private construction companies while doing virtually nothing to alleviate the mounting public housing crisis.

The massive borrowings to finance infrastructure projects, together with COVID-19 pandemic-related expenditure, have been the principal drivers of Victoria's accumulating debt. According to the state Auditor-General, gross debt in the general government sector increased almost fivefold between 2017–18 and June this year, from $41.6 billion to $203.3 billion.

The government's capital works program is now valued at $181.4 billion, with more than half the remaining expenditure expected to be funded through additional debt. Net debt stood at $160.7 billion in June and, according to the pre-election budget update, is forecast to reach $196.2 billion by the end of the decade. The annual interest bill alone is projected to exceed $10 billion by then.

Having enriched the corporations through its infrastructure and privatisation programs, Labor has invoked the mounting debt to justify a sweeping assault on the working class. Andrews set a pattern of cutting public sector jobs, suppressing wages and keeping per capita spending on health and education among the lowest in Australia.

In April 2023, the Andrews government informed 45 community health organisations that their funding for preventative health programs would be slashed by 10 percent. While newer working-class centres like Melton were left without public hospitals, Labor pursued semi-privatised hospital redevelopments in Footscray and Frankston.

In its 2023 budget, the Andrews government announced $2.1 billion in public sector cuts over four years, involving the elimination of between 3,000 and 4,000 jobs.

Throughout this offensive, the trade union bureaucracies helped impose degraded conditions and blocked attempts by workers to mobilise against them. Community and Public Sector Union (CPSU) state secretary Karen Batt boasted in 2023 that the union had "co-operated" with Andrews over the preceding three years to deliver $3.6 billion in "savings" and eliminate more than 2,000 public service jobs.

In tandem with this social destruction was a major build-up of the police force. Between 2016 and 2023, under Andrews, the number of police officers was increased by more than 2,600, or 20 percent, strengthening the apparatus of state repression. This was accompanied by a racist campaign targeting Somali and Sudanese youth on the bogus pretext of combatting "African gangs."

The COVID-19 pandemic

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As a direct result of government austerity, Victoria entered the COVID-19 pandemic in 2020 with a healthcare system that was chronically underfunded, understaffed and totally unprepared for the crisis that developed.

In 2019–20, Victoria's public hospitals had just 2.3 beds available for every 1,000 people and received a miserable $2,687 per person in recurrent funding, the lowest of any state and well below the national average of $2,971.

Despite repeated warnings to the Andrews government about the chronic under-resourcing of the state's public health unit, the number of public health officers was reduced from 20 in September 2018 to just 14 in March 2020, when the pandemic struck.

The danger of a complete collapse in healthcare was particularly sharp in Victoria, which saw the worst COVID outbreaks nationally in the initial stages of the pandemic. There was a significant outcry among health workers, teachers and others for public health measures to stop viral spread and prevent deaths. It was under this immense pressure from workers that the Andrews administration adopted measures, including extended lockdowns and other restrictions, which repeatedly eliminated community transmission of the virus.

During this time, Andrews was falsely depicted, including by the pseudo-left organisations, as a defender of public health, despite having presided over its evisceration in the lead-up to 2020. This fraud was underscored by the fact that, by late 2021, his government moved to dispense with successful elimination measures and spearheaded the lifting of safety precautions nationally, in order to reopen businesses and resume the flow of profits.

That reopening was carried out in partnership with the widely hated Prime Minister Scott Morrison and NSW Premier Dominic Perrottet, a far-right figure who favoured the homicidal "let the virus rip" policy. Andrews used his phoney authority as a public health defender to effect the reopening.

The consequences were disastrous. In 2022 alone, Australia recorded more than 13,300 deaths from or with COVID, compared with fewer than 2,400 in the first two years of the pandemic. In Victoria, nearly 3,000 people died directly from COVID in 2022, twice as many as in the preceding two years combined. The state's cumulative COVID death toll now exceeds 7,000.

The pandemic exposed the fact that governments of all stripes, whether Labor or Liberal, consciously accepted mass death as the price of ensuring the continued flow of corporate profits.

With Labor returning to office federally in 2022 and in NSW in 2023, it was Labor that completed this reactionary agenda and ended any pretence of a coordinated public health response. Masking mandates were lifted, mass vaccination campaigns wound down and systematic reporting of infections was abandoned.

Labor's prioritisation of the interests of the financial elite over the lives and health of the population was also revealed in the huge business stimulus packages and handouts during the pandemic's initial stages, which helped generate super profits.

These corporate subsidies played a substantial part in the debt buildup. According to Labor's own 2023–24 budget, it provided $21.2 billion in economic assistance during the pandemic, including more than $14 billion in business and economic support.

The Victorian Auditor-General revealed last month that the department responsible for business and industry support had spent $14.2 billion in pandemic-related expenditure, compared with $11.8 billion by the Department of Health.

Jacinta Allan and the upsurge of the working class

Having made billions available to the corporations and the wealthiest layers, Labor turned towards unleashing a new wave of austerity. After Andrews, who was increasingly detested**,** resigned in 2023, Jacinta Allan was installed by Labor's factional bosses to ensure that this agenda proceeded without interruption.

The Allan government acted on the dictates of the credit rating agencies and bond markets. With S&P Global Ratings threatening credit downgrades in the absence of sufficient budget cutbacks, which would hike Victoria's interest bill, Treasurer Jaclyn Symes travelled to New York to reassure the agencies of Labor's commitment to austerity.

In February 2025, Symes flagged the elimination of between 2,000 and 3,000 public service jobs. In December, the government announced the destruction of more than 1,000 positions as part of a $4 billion cost-cutting program.

Allan ripped $2.4 billion in promised spending from public schools and continued her predecessor's gutting of healthcare. In June 2024, more than 20 regional health services were informed of planned budget cuts of up to 30 percent, while the government was considering proposals to amalgamate the state's 76 health services into just 12.

The government also proceeded with one of Andrews' final projects: the demolition of all 44 public housing towers in Melbourne, threatening to displace around 10,000 working-class and vulnerable people amid a devastating housing crisis, to benefit property developers.

The Allan government also implemented, at the state level, federal Labor's assault on basic democratic rights as part of its militarist agenda. Conflating mass opposition to the Gaza genocide with "antisemitism," Albanese has used the fraudulent banner of combatting anti-Jewish bigotry as a battering ram against fundamental democratic rights, including freedom of speech and political expression.

In Victoria, that vicious campaign has included hysterical slanders of mass protests against the Gaza genocide and the Australian government's complicity, the passing of anti-protest laws, the expansion of police stop-and-search powers and the deployment of counter-terrorism units to arrest anti-genocide protesters and raid their homes.

Allan collaborated in the federal government's 2024 takeover of the CFMEU construction union, an historic attack on the working class. Allegations of corruption on construction projects, including the "Big Build," were used as the pretext to place the union under state control. The intervention was aimed not at combatting corruption but at disciplining a historically militant section of workers, amid reactionary complaints in the corporate press that construction workers' wages were too high.

But Labor's decade-long offensive against workers is now confronting a wave of struggles from below. This year, the Allan government faced a rebellion of workers opposing austerity and wage suppression, including public sector doctors, allied health professionals, council workers and, above all, teachers.

In the most significant industrial struggle by Victorian teachers in decades, tens of thousands of school teachers and education support staff held two mass strikes statewide, demanding a pay rise and an end to crushing workloads, oversized classes and a staffing crisis. Teachers twice rejected sellout deals cobbled together by the Australian Education Union (AEU) in collaboration with Labor. The union bureaucracy was ultimately able to wear down the opposition of teachers and ram through the same hated deal fundamentally unchanged.

The experience underscored the necessity for workers to establish rank-and-file committees, independent of the union bureaucracy, to take their struggles into their own hands and unify them in a political fight against the Labor government.

The teachers' strikes were an expression of the mounting social opposition confronting the Allan government. Under conditions of growing nervousness in ruling circles over the political crisis of Labor,

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Allan was ousted and replaced by Ben Carroll, who immediately signalled to finance capital his commitment to ramp up austerity.

Carroll gave assurances that Labor's land-tax concessions, benefitting affluent multiple-property owners, would be funded through "commonsense decisions to reduce spending." He also pledged to implement punitive "law-and-order" policies to suppress opposition from below.

His entire pitch during the state election campaign has been aimed at reassuring business and finance chiefs that he can be relied upon to continue and escalate the pro-business agenda of his predecessors.

Break with Labor and build an independent movement of the working class for socialism!

Labor is a party of big business at every level, both federal and state. While slashing workers' social conditions and attacking their basic rights, it is funnelling hundreds of billions of dollars into the military and the coffers of the corporations. Under Albanese, Labor has vastly accelerated Australia's integration into US imperialism's offensive on every front of a developing world war, from the NATO war against Russia in Ukraine to the Gaza genocide and the war against Iran. It is transforming Australia into a staging ground for war against China.

Workers and youth must reject the political fraud promoted by the trade unions, the Greens and the pseudo-left Victorian Socialists that Labor, despite its record, must be returned to office to stop the far-right One Nation.

It is Labor itself that has created the conditions for the growth of the far right. Its assault on living standards, the suppression of working-class struggles by the union bureaucracies and Labor's own promotion of nationalism and reactionary "law-and-order" policies have provided fertile ground for One Nation's fraudulent populist appeals.

Anger towards Labor is not enough. Workers must draw the lessons from its history and make a decisive political break with this party, which has played a critical role in maintaining Australian capitalism and suppressing the class struggle for more than a century.

The central task is building a mass movement of the working class against Labor and the whole political establishment, in total independence from all capitalist parties and on a socialist program to abolish the profit system and establish a workers' government. This requires the unification of workers nationally and internationally, who confront the same fundamental attacks in every country.

This is why the SEP is standing candidates in the election. Its campaign is not aimed at entering parliament to place pressure on Labor, but at arming workers and young people with a socialist perspective and building the revolutionary leadership of the mass struggles ahead.

Vote for me, Morgan Peach, and my running mate Peter Byrne, the SEP's candidates for the upper house in the Northern Metropolitan region. Above all, take up the fight for the political independence of the working class and apply to join the SEP today.

Authorised by Cheryl Crisp for the Socialist Equality Party, Level 1/457-459 Elizabeth Street, Surry Hills, NSW, 2010, Australia.

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