



Victoria's Election Free-for-all

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Government debt has grown to such an extent that both sides of politics seem to believe that a bit more of both won't matter much in the overall scheme of things.

[The Victorian state election](#) is next week – but you'd hardly know it. The two biggest news stories in Melbourne this week have been the police arrests for alleged illegal betting on the Brownlow Medal (the award for the AFL's best player) and Monash University deducting marks from the assignment of an engineering student because it didn't include an acknowledgement of country.

The attention both these items received reveals a great deal about the current priorities of Victorians.

The election has come at a good time for the Andrews government. If the election were this time next year Victorians would have had the opportunity to reflect on what they've just lived through



and the future that awaits them.

The prevailing attitude is one of “let’s get through it and move on”. Victorians would rather think about anything other than politics, government finances and Melbourne being the world’s longest locked down city. Victorians will take some time to recover from the last two years of the trauma of COVID-19 and its social, psychological and economic consequences.

Few Victorians want to ask themselves “what was it all for?” and “was it worth it?” And they certainly don’t want to ask those questions of their politicians. Lockdowns have barely rated a mention from the media or the major parties during the campaign.

Victorians are in no mood for either grand visions or truth telling. They’re focused on their own and their family’s wellbeing – and paying the bills. That’s a sentiment Labor and the Coalition are sensitive to.

“Low-key” doesn’t begin to describe how low-key their campaigns have been. The parties have both opted to play it safe, and when politicians play it safe that means only one thing – they’ll promise lots of free stuff.

The first page of the ALP’s election website highlights the word “free” no less than half a dozen times – “We’ve made TAFE free”, “We’re creating Australia’s first free public fertility services”, “we’re making kinder free”, “we’re making nursing free” and so on. Plus there’s Labor’s latest promise of free car registration for apprentice tradespeople.

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Following in those footsteps the Coalition is promising free school lunches, and free swimming and bike riding lessons for “newly arrived and refugee” children.

Of course, none of these things are actually “free”. A point neither Daniel Andrews nor Matthew Guy are willing to make. *Victoria on the edge – Debt, Deficits and Unsustainable Growth*, a research report released in October by the Institute of Public Affairs, is grim reading.

To begin with, Victorian government debt as a share of the state’s economy has quadrupled since Dan Andrews became premier eight years ago.

In the Cain/Kirner years in the 1990s government debt was 16 per cent of the gross state product. It then fell to 5 per cent by 2014, is now 20 per cent, and will go to 25 per cent by the middle of the decade. Since 2014, Victorian government spending has been increasing by about 10 per cent a year, compared to an average increase in the other states of 6 per cent.

After Tasmania, Victoria has the fastest growing public sector workforce in the country. Nearly 12 per cent of all employed Victorians work for the state government. Victorian public sector wages have been increasing annually on average 3.7 per cent compared to the non-Victorian average of



2 per cent.

Yet service delivery has not improved. For example, while health spending has increased by nearly 50 per cent in the past five years, the performance of hospital emergency departments as measured by patients treated within a specified time has declined. The “solution” to this offered by both parties is more of the same – even more spending on health.

The problem Victoria now has is that government spending has increased so much and debt has grown to such an extent that both sides of politics seem to believe that a bit more of both won't matter much in the overall scheme of things – which unfortunately is probably a reasonably accurate assessment.

There's no discussion – by anyone – of policy reform or fiscal consolidation. Every indication is that regardless of the election outcome next weekend, Victoria will continue on its [current path](#), until eventually it won't be able to afford to.

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