

Herald Sun

Debt bomb set to explode

VICTORIA'S debt bomb is ticking loudly and come the May budget a full accounting of its explosive damage will be laid bare.

With more than \$100bn being splashed on the government's legacy Big Build projects – at a rate of almost \$22bn a year on infrastructure – amassing the biggest public sector workforce in the nation and accumulating debt faster than three other states combined, the government's books are awash with red ink.

In recent days, Premier Daniel Andrews has been softening up the community and business sector on what to expect from Treasurer Tim Pallas when he hands down the budget in May.

And it's not going to be pretty. The government has been absolutely hammering the credit cards at Spring St.

And as interest rates rise, it's not just suburban mortgage holders feeling the pinch – the beancounters at Treasury are also now scrambling to meet an astronomical interest bill of \$10.58m a day.

The 2022-23 Mid-Year Financial Report, released this month, showed a revised estimate for the total interest bill would be \$3.863bn for the financial year.

That followed a \$428m increase in actual interest repayments over the six months to December, compared to the same period 12 months earlier.

None of this takes an economic professor to work out. Everyday Victorians know if they ratchet up the credit spending and borrow too heavily, even at low interest, once rates move back to historical averages or even higher, the repayments will start to hurt.

The state's net debt is projected to reach \$116bn by June this year and continue to grow another 43 per cent in the next three years, according to the pre-election budget update released in November.

All of this means that Victoria is

hurtling towards a debt of \$165.9bn in 2026 – more than NSW, Queensland and Tasmania combined – and taxpayers are going to be mugged with forecast interest payments of \$7.4bn in that year alone.

Premier Andrews has this week repeatedly blamed Covid-19 and the mass stimulus spending and support over the pandemic years as the major reason for the state's dire fiscal position.

Yet NSW, which faced the same pandemic but did not lock down businesses and society to the same degree, faces a net debt forecast of \$118bn in 2026. That's almost \$48bn less than Victoria.

Covid-19 spending was a factor in Victoria's bleak financial outlook but the more persistent, baked-in costs result from the Andrews government's gigantic public sector wage outlays, Big Build project blowouts and now, of course, rapidly rising interest rates.

Since the year before the Andrews government was first elected in 2014, the public sector wages bill has grown a phenomenal 73 per cent. It is now a giant \$38.5bn, the single biggest state outlay on services.

From 2016, the public sector has grown from 285,000 employees to almost 346,000, which now represents 10 per cent of the entire Victorian labour force.

In other words, one in every 10 workers is now on the taxpayer-funded payroll. Certainly, no one decries the need for nurses, teachers, police and ambos, but the scale of departmental bureaucracies has grown out of proportion.

Last month the Herald Sun revealed job cuts were being targeted across some bureaucracies including, ironically, the Department of Jobs, Skills, Industry and Regions.

But shaving a few jobs won't magically balance the books, and huge levels of debt are set to burden Victoria for years as an unwanted legacy of this government's mismanagement.

Cladding chaos continues

THE cladding shambles that exposed fire risks and retrofit challenges across residential apartment buildings in Victoria is far from over.

As revealed in today's Herald Sun, apartment owners still with suspect cladding are struggling to sell their properties, while many appear unaware of the cost of remedial work and who is responsible for it.

Despite the establishment six years ago of the state government's task force into flammable building material, following the Lacrosse Docklands fire in 2014, prospective buyers cannot get finance for apartments that need cladding rectification works because body corporates are unable to specify

exactly how much unit owners will need to fork out for the removal and replacement.

G & H Property Group director Gavin Zeitz, who has sold about 25 cladding-affected apartments, told us it was common for owners to be in the dark when it came to costs.

Many investors and owner-occupiers have been left either facing significant financial stress or forced to sell at losses. Greater transparency and communication is needed from relevant body corporates to owners.

The government has allocated \$600m for combustible cladding on privately owned residential buildings but many, particularly lower-risk clads with two storeys or less, are yet to be retrofitted.

THE BIG ISSUE SHOULD MOIRA DEEMING BE KICKED OUT OF LIBERAL PARTY?



Decency and diversity must unite us

NEXT Monday's special meeting of the Victorian parliamentary Liberal Party is about the future of the party I am honoured to lead. We must ensure we can represent all Victorians and set ourselves on the path to winning government in 2026.

The scenes on the steps of parliament last Saturday were an affront to the values we hold dear as Victorians.

Nazis have no place in our community and those who share platforms with or associate with extremist groups, including neo-Nazi activists, have no place in the Liberal Party.

This is not about freedom of speech. There is a range of sensible views that must be heard in relation to issues, including women's rights.

The Liberal Party is a broad church and we respect everyone's right to express a view.

But with all rights come responsibilities. We must draw a line at hate speech, discrimination and violence. Freedom of speech should never include hate speech. That's why I've acted.

Regardless of religious faith, race, sexual preference and identity, Victorians everywhere need to know the Liberal Party is inclusive



JOHN PESUTTO

THE CASE FOR

and can be a voice for them. No matter who we are or where we come from, we all share the abiding bond of humanity.

Unlike the Premier, who thrives on dividing people, I want to bring people together. I want to lead a modern Liberal Party that is mainstream and embraces diversity.

We need to be an effective opposition to the Andrews Labor government, which is tired, corrupt and incompetent. A strong democracy demands nothing less.

I also want to present a vision for a better and bolder Victoria. I want Victoria to be the best state in Australia, a state with the best health and education systems, the best economy and jobs, and the best place to live, learn, work and raise a family.

A state that prides itself on its integrity and decency. That is

focused on people rather than politics. A government focused on solutions instead of spin. A government that governs for all Victorians and not just those who voted for them.

I want to build a great legacy for Victoria and make a difference to people's lives. A state where a person can pursue their own economic interests without undue interference from the government. With policies that reduce taxes and regulations on businesses and individuals, because this will lead to greater economic growth and prosperity for all.

Modern Liberals also believe in equality of opportunity and freedom from hate. We need to reflect the values of our many diverse communities.

To be inclusive and welcoming of everyone regardless of who they are, where they come from, what they look like and what they aspire to be.

I love Victoria. It has given me, the son of Italian migrants who grew up in the Latrobe Valley, so many opportunities.

I also love the Liberal Party and I'm determined for it to win because I want to make Victoria the state we know it can be.

JOHN PESUTTO IS LEADER OF THE VICTORIAN LIBERAL PARTY

How not to solve a 'women' problem

AS SHOWN by the last federal election, it's obvious the Liberal Party has a women problem. Given the Opposition Leader John Pesutto's action in trying to cancel the upper house MP Moira Deeming, the problem is about to get a lot worse.

Deeming, like JK Rowling and Germaine Greer, is a staunch advocate defending the right girls and women have to use changing rooms, toilets and showers without boys and men self-identifying as females invading their space.

The sole purpose of the Let Women Speak rally was to argue how transgenderism presents a clear and present danger to girls and women and to highlight the need to act. It's unacceptable to allow people with penises (ie. men) into women's private spaces.

That the women's rally was invaded and highjacked by a group of misogynist Nazis had nothing to do with Deeming or those responsible for organising the rally.

If anything, it proves the dangers women face who stand up for their rights.

The argument put by Pesutto that Deeming must be penalised by the party room because she is associated with a person, who knew somebody who supposedly once knowingly shared a platform with a far-right activist is without



KEVIN DONNELLY

CASE AGAINST

substance, unconvincing and irrelevant.

Trying to smear a person's reputation by guilt by association, in addition to proving nothing about a person's convictions and beliefs, opens a Pandora's box where few in public life would evade scrutiny.

Given the widespread prevalence of social media and the fact a politician's job entails meeting so many people of different backgrounds in various contexts there is every chance incriminating evidence can be found.

In all the debate surrounding what many are calling the Deeming affair, ignored are the hundreds of loyal party workers and the more than 108,000 who voted for her in the last state election.

To win in a Labor stronghold deserves praise and support instead

of being treated as an outcast. Also ignored is that many of those criticising Deeming are Liberals in name only (LINO) and what Alan Jones once described as bedwetters. They are concerned with safeguarding their own political careers and chasing the woke vote instead of standing up for conservative values.

Deeming is an easy target for such LINO as proven by her maiden speech where she advocated women's rights, criticised the Safe Schools program that teaches girls can be boys and boys can be girls and argued it's wrong to use the curriculum to impose woke ideology on vulnerable students.

If Deeming's political career is cancelled based on inuendo and hearsay it represents an all-time low for the party founded by Sir Robert Menzies, a true Liberal who believed in freedom of speech and the right each person has to justice.

Cancelling such a recently elected talented, intelligent and committed Liberal also proves to the public that rather than renewal, those in control are more concerned about protecting the old guard.

DR KEVIN DONNELLY IS A CONSERVATIVE AUTHOR AND COMMENTATOR AND A MEMBER OF THE LIBERAL PARTY

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| TAC | ROAD DEATHS THIS YEAR | ROAD DEATHS LAST YEAR |
| | 77 | 58 |
| Victorian deaths in 2023, compared with the same day last year | | |