

## Reflections on the outcome of Saturday's Tasmanian state election

Saturday's Tasmanian state election turned out to be a personal triumph for Premier Peter Gutwein. He received more than 48% of the vote in his electorate of Bass – a figure only exceeded once before in Tasmanian electoral history. And he appears likely to have led the Liberal Party to an unprecedented third consecutive electoral victory, winning 13 of the 25 seats in Tasmania's Lower House (assuming that the Liberals pick up the fifth seat in the Hobart-based electorate of Clark). His decision to call the election 10 months ahead of schedule has thus been vindicated.

But although the Liberals now look likely to have achieved their aim of preserving their one-seat majority, it *wasn't* a particularly good result for them. With around 86% of the votes counted, their share of the total state-wide vote *dropped* by 1.5 percentage points – in contrast to the 4% and 18% increases in the share of the primary vote obtained by incumbent governments in Queensland and Western Australia at their most recent state elections.

That's surprising given that the Tasmania's Liberal Government has arguably been more successful at suppressing the covid-19 virus, with less frequent resort to lock-downs, than the Labor Governments in Queensland or Western Australia: and given the significant improvement in Tasmania's economic performance since the Liberals came to power in 2014.

Nor was it a good result for Labor – whose share of the primary vote dropped by more than 4 percentage points, losing one of their ten seats as a result.

Rather, the 'winners' – at least in terms of increasing their share of the vote – have been the Greens, who much more easily retained their two seats than they did in 2018; and independents, one of whom is likely to gain a seat in Parliament for the first time since 1996.

According to a count compiled by the Hobart *Mercury* newspaper, the Liberals made spending promises totalling almost \$1.3bn (equivalent to just under 4% of Tasmania's current annual gross state product) during the campaign, only marginally less than Labor's tally of \$1.5bn.

That's more than double the amount by which the State Government's 'operating balance' over the four years to 2023-24 was projected to have improved between the most recent state budget (presented in November last year) and the PEFO issued by the Tasmanian Treasury at the beginning of the campaign (although some of the Liberals' promises extend beyond the forward estimates period). So, all else being equal, Tasmania's budgetary position is likely to deteriorate in the aftermath of the election.

The other notable thing about the Liberals' apparent election victory is that they have neither sought, nor obtained, a mandate for the structural reforms which Tasmania desperately needs if its recent much-improved economic performance is not to prove ephemeral – as the last such period (in the early 2000s) turned out to be.

For all of that improvement, Tasmania remains Australia's poorest state. Tasmanians' average earnings are more than 13% below the national average: and Tasmania's per capita gross product is still more than 20% below the national average (as it was 20 years ago).

And the reasons for that are as they have long been. A smaller proportion of Tasmania's population works than that of any other state or territory (and not just because Tasmanians are, on average, older than other Australians); those Tasmanians who have jobs work fewer hours than those with jobs in any other state or territory; and for each hour that they do work, employed Tasmanians produce less by way of goods and services than their counterparts in any other state or territory (and about 10% less than the national average).

A common factor in all three of these shortfalls is Tasmania's pitifully poor levels of educational participation and attainment. These are *not* for want of spending on education – Tasmania consistently spends more per school student than any other jurisdiction except the Northern Territory – but rather because Tasmania has too many small schools, and a uniquely dysfunctional senior secondary school system which puts barriers in the way of students continuing from Year 10 to Year 12 that simply don't exist in any other state.

But the Liberals have been unwilling to take on the teachers' unions, and the state education bureaucracy, in order to reform this system.

Nor have they been willing to reform Tasmania's chronically under-funded and poorly-performing hospital system – although they are going to throw more money at it by way of a 'blitz' on the waiting list for elective surgery.

As Treasurer and now Premier, Peter Gutwein has – in contrast to his New South Wales Liberal counterpart – no appetite for reform of Tasmania's inefficient and inequitable state tax system. He assumes that a buoyant state economy will deliver the revenue required to fund his campaign promises – despite the fact that, as he told a State Parliamentary Estimates Committee last year, "very few Tasmanians actually pay state tax".

Instead, Tasmania continues to rely on the grace and favour of the Commonwealth Grants Commission and its recommendations as to the distribution of GST revenues – something which is likely to hurt Tasmania badly when the 'transitional guarantee' that no state will be worse off under the changes to that system which the Morrison Government imposed in order to appease Western Australia expires in 2026-27.

And the Liberals have shown no appetite for reform of Tasmania's system of local government, under which there are 29 councils for Tasmania's 542,000 people.

In short, while the Liberals have been rewarded for having competently 'minded the store' over the past seven years, they appear to have no interest in (and certainly no mandate to) build a 'bigger and better store'.

Which is a real pity. What's the point of accumulating 'political capital' as a result of governing competently, if you're not prepared – after two terms in government – to 'spend' some of it? Unless – which is what seems to be the case – your purpose in political life is simply to occupy the government benches so that the other mob can't.