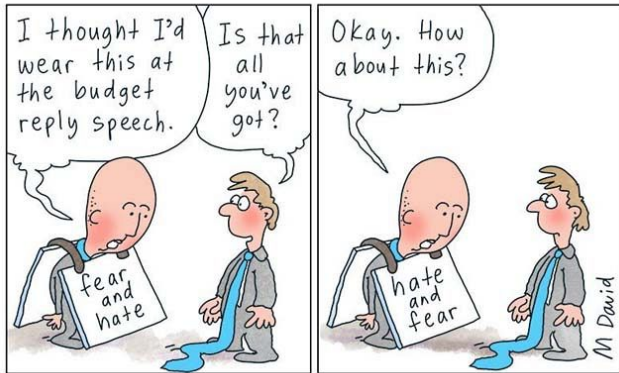


# Calculating the cost of Coalition corruption

By Alan Austin

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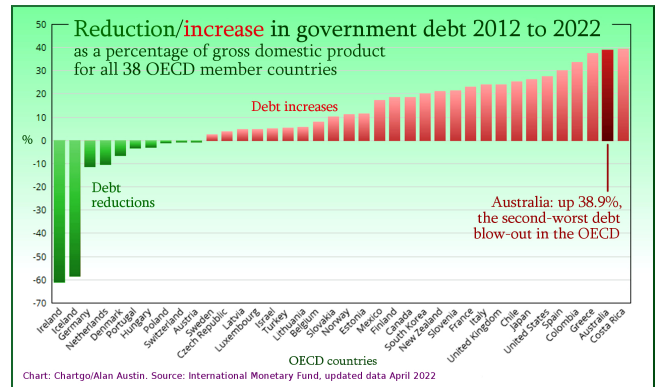
**Figures in last Tuesday's Budget Papers show the Coalition has cost Australians more than 400 billion dollars in waste and rorts, as [Alan Austin](#) reports.**

WE CAN NOW quantify the losses to the economy – and to the people of Australia – due to the incompetence and corruption of the Liberal-National Party Coalition over its eight years and eight months. The October [Budget Papers](#) provide full data on spending, revenue, deficits and debt over its [disastrous tenure](#).

In that entire period, it did not generate a single budget surplus, despite governing during a phenomenal period of global economic growth, booming international [trade](#) and soaring [commodity](#) prices.

On virtually all tables of economic outcomes, Australia has tumbled down the global [rankings](#) year after year. As [analysed](#) in detail in April, Australia from 2012 to 2022 added

more debt to GDP than any developed country except Costa Rica. See green graph, below.



(Data source: [International Monetary Fund](#))

## Reconstructing budgets that might have been

Having actual budget [outcomes](#) up to June 2022, we can now calculate total losses caused by the Coalition's core incompetencies since 2013. We can reconstruct what would have been achieved had the Coalition not [rorted](#) the economy so destructively or, better yet, not gained office at all.

The starting point is the 2013 *Pre-Election Economic and Fiscal Outlook* ([PEFO](#)).

The heads of Treasury and the Finance Department determined that on the established settings and under prevailing conditions, outcomes would have been:

- deficit of \$30,100 million in 2013-14;
- deficit of \$24,000 million in 2014-15;
- deficit of \$4,700 million in 2015-16;
- and

- surplus of \$4,200 million in 2016-17

Hence after four Coalition budgets, had the 2013 levers remained in place, deficits would have totalled \$54,600 million.

The optimum settings bequeathed to the incoming [Abbott](#) Government, however, were abandoned almost immediately. Sound tax policy was tossed aside, revenue from mining super-profits was [gifted](#) back to the foreign corporations – who couldn't believe their dumb luck – and rorts and waste took off exponentially.

By June 2017, actual deficits accumulated [totalled](#) \$159,080 million — almost three times as deep.

We can now estimate the deficits and surpluses we would have expected through the rest of the [boom period](#) before the pandemic and then for the challenging two years of the COVID recession.

This requires estimating the corporate tax revenue foregone as a result of permitting tax avoidance and evasion on an industrial scale. We can do this using the [Transparency Reports](#) issued annually by the Australian Taxation Office. We then estimate losses to the budgets from incompetent and corrupt spending by referencing reports from the [National Audit Office](#) and elsewhere.

## Costly corruption

The [full list](#) of corrupt Coalition spending runs to hundreds of items. Some of the more costly rorts include: the COVID JobKeeper corporate [handouts](#), consultants and external labour; the [inland river](#) rorts; corrupt discretionary [grants](#); the aborted French [submarine](#) contract and other [defence](#) waste; the carbon credit [scheme](#); offshore [detention](#) waste, and the “[clean coal](#)” rort. Also high on the list is interest now payable on unwarranted [public debt](#).

Our working files show wasted spending comes to \$194.3 billion. Revenue lost to preventable tax avoidance and evasion comes to \$261 billion. Total \$455.3 billion. See table 1, below.

Year	Actual budget deficit A\$ m	IA best estimate A\$ m	Losses A\$ million
2013-14	-48,456	-30,100	18,356
2014-15	-37,867	-24,000	13,867
2015-16	-39,606	-4,700	34,906
2016-17	-33,151	4,200	37,351
2017-18	-10,141	26,500	36,641
2018-19	-690	39,450	40,140
2019-20	-85,272	-14,800	70,472
2020-21	-134,171	-22,500	111,671
2021-22	-31,962	59,900	91,862
<b>total 2014-2022</b>	<b>-421,316</b>	<b>33,950</b>	<b>455,266</b>

Table 1: Australia's actual budget deficits from 2014 to 2022 compared with estimated budget outcomes absent waste, rorts and tax evasion (Sources: [PEFO](#), [Budget Papers](#), the [Australia Institute](#), Independent Australia)

The first four entries under 'IA best estimate', shown in red, are supplied by the 2013 [PEFO](#). The others are our calculations. Total losses over the period come to a staggering \$455.3 billion. That is more than half the current [gross debt](#), which is now \$892 billion. It can also be seen as the theft of \$17,500 from every Australian man, woman and child.

This table shows surpluses in the three years 2017 to 2019. Most well-managed economies achieved this, including [New Zealand](#), [Germany](#), [Switzerland](#), [Sweden](#), [Denmark](#), [Norway](#), the [Czech Republic](#), [Luxembourg](#) and [Lithuania](#). Even [Greece](#). Australia certainly should have also.

These numbers are consistent with [findings](#) of the [Australia Institute](#) in 2016 that 'perceived worsening of corruption since 2012 may have reduced Australia's GDP by \$72.3 billion, or around 4 per cent of latest GDP figures'. That was based on detailed [analysis](#) by [PriceWaterhouseCooper](#). Corruption has

escalated since then.

This accords also with [Transparency International](#)'s reports [showing](#) Australia's global ranking on corruption has fallen from seventh in 2012 to 18th in 2021.

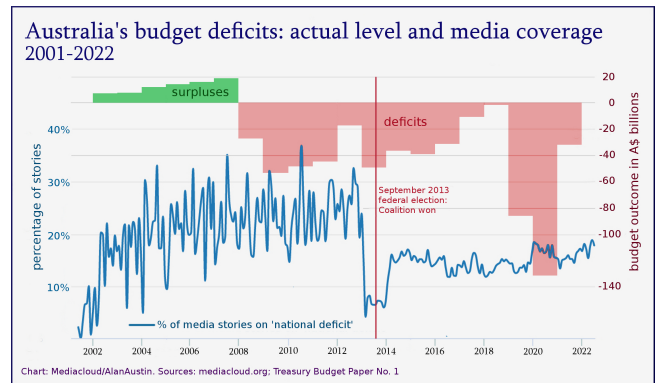
Our calculations are conservative. They exclude lost productivity and the cost of reparations after floods and bushfires which many analysts believe have been exacerbated by Coalition failures to deal effectively with climate change.

## Role of the craven media

Had voters known the magnitude of these losses, the Coalition would not have been re-elected in 2016 and 2019, and would not have won the [seats](#) it did in May. But, of course, most voters didn't.

The chart below shows actual budget outcomes together with media reports thereof from 2001 to 2022, thanks to [mediacloud.org](#).

Clearly, there is no correlation between outcomes and the level of media attention. Australia's mainstream media exists to keep voters ignorant of reality and to portray the Coalition – falsely – as competent managers.



(Data sources: [Mediacloud](#), [Budget Paper No.1](#))

## Recovery of misappropriated funds

There is now hope that some of the wealth stolen from Australians may be recovered if the proposed corruption [commission](#) funded in this budget turns out to be effective.

Given the quantum of the losses, it would be a just outcome for several former ministers to spend the rest of their lives in gaol. And for many mainstream "journalists" to live henceforward in homelessness and poverty.

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