

ELECTORAL MATTERS COMMITTEE

Inquiry into Victoria's Upper House Electoral System

Melbourne – Monday 19 May 2025

MEMBERS

Dylan Wight – Chair

Chris Crewther – Deputy Chair

Jacinta Ermacora

David Ettershank

Emma Kealy

Nathan Lambert

Sarah Mansfield

Evan Mulholland

Lee Tarlamis

WITNESSES

Morgan Begg, Director, Research, and

Mia Schlicht, Research Fellow, Institute of Public Affairs.

The CHAIR: I declare open the public hearing for the Electoral Matters Committee's Inquiry into Victoria's Upper House Electoral System. All mobile phones should now be turned to silent.

I would like to begin this hearing by respectfully acknowledging the Aboriginal peoples, the traditional custodians of the various lands each of us is gathered on today, and pay my respects to their ancestors, elders and families. I particularly welcome any elders or community members who are here today to impart their knowledge of this issue to the committee or who are watching the broadcast of these proceedings.

My name is Dylan Wight. I am the Chair of the committee and also the Member for Tarneit. The other members that we have present here today are Christopher Crewther, Member for Mornington; Jacinta Ermacora, Member for Western Victoria; we did have Nathan Lambert, Member for Preston; Sarah Mansfield, Member for Western Victoria; Evan Mulholland, Member for Northern Metropolitan Region; and also Lee Tarlamis, Member for South-Eastern Metropolitan Region.

I welcome Morgan Begg, who is the Director of Research from the Institute of Public Affairs, as well as Mia Schlicht, Research Fellow also from the Institute of Public Affairs.

All evidence taken by this committee is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you go outside and repeat the same things, including on social media, those comments may not be protected by the same privilege. The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard and is also being broadcast live on the Parliament's website. You will be provided with a proof version of the transcript for you to check as soon as available. Verified transcripts, PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

I will invite you, collaboratively, to give a brief 5-minute opening statement to the committee, and then we will follow with some questions.

Mia SCHLICHT: Great. Thank you for the opportunity to appear before the committee today. Victoria's upper house is a vital part of our parliamentary democracy, and as IPA research has found, the test of whether an upper house is effective is in how it functions as a house of review and scrutiny of the government, how it acts as a check and balance on the executive government and how it represents communities of common interest and promotes decentralisation. The IPA is deeply concerned that the Victorian upper house, under its current design, is failing all three tests.

Since 2006 the Legislative Council has been comprised of 40 members elected from eight large electoral regions, and this model is flawed. The upper house is currently dominated by metropolitan interests and is failing to provide meaningful representation to regional and suburban communities. One of the key functions of an upper house is to give a voice to regional areas, those parts of Victoria that generate a disproportionate share of the state's economic output through agriculture, mining and manufacturing yet are frequently overlooked by governments focused on inner-Melbourne seats. Currently five of the eight Legislative Council regions are based in metropolitan Melbourne. Only three are regional, and even these are being encroached upon by suburban sprawl. For example, the Eastern Victoria Region extends into Ferntree Gully and Croydon North, areas which are clearly part of greater Melbourne. As Melbourne's population grows, more city suburbs will be included in so-called regional electorates, diluting the voice of rural Victoria in the Legislative Council, and this imbalance must be corrected.

Further, electoral regions should be more closely tied to communities of common interest and be a size that a typical member is capable of practically representing. This means there should be more regions composed of

fewer elected members per region better capable of representing the distinct social, economic and cultural characteristics of their region.

Under the current system, Victoria's upper house acts more like an extension of the lower house rather than an independent chamber of review, and this was exemplified during the COVID-19 pandemic when the upper house was prevented from operating at a time ministers and government officials were exercising unprecedented powers. The upper house even voted to expand the emergency legislation and give more powers to the Premier, aided in part by the upper house being composed of members who were elected due to the system of single transferable votes and preference flows and whose views about public health and the role of government were not known by the broader community.

This means we need to change not only the boundaries of the upper house but also how voting takes place, including by separating upper house elections from lower house elections altogether by holding unique upper house elections under the system of optional preferential voting so that upper house candidates are not lost in the mix. The IPA recommends replacing the current system with 22 dual-member electoral regions. This would increase the number of members from 40 to 44. There should be seven metropolitan regions, seven suburban regions and eight regions in rural and regional Victoria. This division of regions would better reflect communities of interest and allow for true local representation. It would also address the problem whereby a growing Melbourne suburban population is either required to share political representation with inner-city Melbourne or be arbitrarily allocated to regional Victoria by allocating specified suburban regions with members representing their unique interests. Each region would elect one member at each election on staggered six-year terms.

We urge the committee to consider these reforms and welcome any questions regarding our research.

The CHAIR: Thank you, Ms Schlicht. I am going to start with Chris because he did not get to ask one last time and he has gotten all edgy.

Chris CREWTHER: Firstly, thank you for your submission and your evidence here today. Thank you, Chair. You suggest that elections for the upper house should not happen at the same time as the lower house but should take place separately every three years. That is correct?

Morgan BEGG: Yes.

Chris CREWTHER: Would that potentially be problematic with an already election-exhausted population? For example, instead of three elections at state level across 12 years you would have seven elections across 12 years, and if you look totally across Australia, in a seat in Victoria you would have 14 elections versus 10. Do you think that is problematic for a population that is probably already exhausted from elections?

Morgan BEGG: I do not think it is a problem at all, and frankly I do not agree with the election-exhaustion narrative. I think it is completely and entirely healthy that elections occur more often rather than less often and that legislators are subject to accountability of the people more often and not less often, so what you outlined there actually sounds very desirable to me.

Chris CREWTHER: Thank you.

The CHAIR: We will move through them, and then if we have got time we will come back to you, because I think we will, if that is all right.

Chris CREWTHER: Yes.

The CHAIR: I just want to go to your submission, and you spoke to it: 22 regions, two members per region, separate upper house elections. From my point of view those changes do not really add to the functionality of the upper house as a house of review. You can talk about perhaps local representation, but it does not really add to that function of the upper house as a house of review. It also comes at an extra cost, having a separate election. Have you done any modelling on what that cost would be to the Victorian taxpayer?

Morgan BEGG: No, that is not within the scope of our research. Parliaments are meant to hold elections, aren't they? It is an accepted cost of government that elections are held, so that is not prohibitive as a reason to adopting a certain model.

The CHAIR: Sure, but there are not a lot of parliaments around Australia, state or federal, that hold separate elections for their lower house and their upper house, and just the complexity of doing that is one of those reasons. I would just be interested to hear as well how you think that essentially going back to the future enhances the role of the upper house as a house of review. It is there as a house of checks and balances.

Morgan BEGG: Victoria itself used to hold separate upper house elections, and that was changed without any discernible benefit that I have been able to derive from the research. Tasmania still currently holds upper house elections separate from their lower house. Perhaps, having said that point, I will hand over to Mia.

Mia SCHLICHT: Just to your point about this model and why we have constructed it the way we have in terms of upholding the upper house's role as a house of review, to be an effective house of review those members need to understand the needs of their communities. As the upper house functions at the moment, those members are not closely tied to the interests of their communities, because the electorates are just so large. That is why we have gone back to that two-member model, because if the members actually understand the needs of their community when they are reviewing legislation, when they are acting as that check and balance, they can speak from the point of view of their community rather than just as a member of Parliament, because ultimately that is the role of a representative – to represent the views of the community.

Morgan BEGG: Our concern in particular on the way the elections take place now is that many upper house members see themselves as members of the party first. If you are a member of the party first rather than being tied to a particular constituency in the community, then you will follow party leaders. That is what really inhibits the independence of upper house MPs. I am not saying that that is the case for anyone here, but I am just saying that this is at least a perception that is held in the community – that upper houses have become chambers for the parties.

The CHAIR: In respect to that, I do not think that anything we do in terms of upper house reform is necessarily going to go to change internal party processes in respect to how members of Parliament deal with policy. I do not think changing to 22 regions –

Morgan BEGG: That is really a question for the parties to solve.

The CHAIR: Okay. We might go to Sarah quickly.

Sarah MANSFIELD: Thank you, and thanks for your submission and the perspective you put forward today. I have asked this question of other witnesses: I guess one of the things we are considering is what the structure of the upper house could look like if we wanted to change it. If we were to do that, it would require a referendum. Getting agreement on what that looks like could prove difficult. If we were not able to hold that referendum before the next election, what are your views on a two-stage process whereby group voting tickets are abolished before the next election and the issue of upper house reform is dealt with at a later stage – or do you think the two things have to be dealt with simultaneously?

Morgan BEGG: Just so that my views are on the record for the committee, I do not actually agree that a referendum is required to undertake this reform. The principle of parliamentary sovereignty is that a Parliament cannot bind or restrain a future Parliament from changing an Act of Parliament. The structure of the Victorian upper house, its design, is contained within an Act of Parliament, so this Parliament or the next Parliament can change that law.

In terms of whether or not it should be a one-stage or a two-stage process, that is a political question. I suppose you take the reform that is available to you when it is available to you. Often breaking up reform into stages can actually make it more difficult in the long run as well, by drawing it out. That is not a question I am very well equipped to answer, to be completely honest. Mia might have different views, but yes, that is a political question.

Mia SCHLICHT: I would agree with that, yes.

Sarah MANSFIELD: Okay. We have heard evidence that the upper house can play different roles in what it is trying to achieve with its representation. One of those issues is geographic representation, but it has been put forward that the lower house does a pretty good job of providing that geographic representation, whereas there are other things the lower house does not do as well that the upper house is perhaps better placed to

balance out. The model you put forward really puts a strong emphasis once again on geographic representation – you would have two members instead of one – but why is geographic representation more important than, say, representation of broader interests around a particular issue or issues?

Morgan BEGG: Well, you were talking to me about this before, Mia, so maybe you could comment.

Mia SCHLICHT: Yes, absolutely. At the heart of our model, what we are really concerned about is making sure that the boundaries are drawn to ensure that communities of interest are grouped and ensuring that those interests are then represented in Parliament. There is this notion that the upper house has a different function to the lower house, which is absolutely true – it is a distinct house – but because of that that makes it equally important that the upper house is accountable to voters. In that way they need to be accessible. The reason why we have such a strong emphasis on geographic boundaries is that we want to make sure that voters are able to access their local member, they are allowed to talk to them about their concerns and they are able to hold them accountable if they do not feel that their member is representing them.

Sarah MANSFIELD: Okay. You have described communities of interest as being geographic, though, and I think what we have heard is that there are other ways that you can define a community of interest. There might be a group of people out there who have a common interest that they would like to see represented in Parliament about an issue, but they are not necessarily all geographically located in the same place. I guess the system you put forward would mean that that would not necessarily get reflected.

Mia SCHLICHT: Sure. In the way we have drafted these communities of interests, we have ensured that the interests would be things like schools, roads and economic outcomes. Industries are similar in those areas, so in that way policy decisions are more likely to be of common interest in those areas because they may have similar lifestyles or interests. The interests that affect the community geographically are often the day-to-day concerns of that community. While, yes, there may be other preferences that are not due to their geographic situation, things that affect their day-to-day lives, such as where they work and how economics are playing into it, are a reflection of the communities of interest.

Morgan BEGG: I am just hearing this now – this idea of constituencies based on issues or ideas – which is probably quite novel in terms of Westminster parliamentary tradition. I would reject it in the sense that I think it is completely appropriate that those ideas are represented in Parliament but that the way they are represented is through public advocacy and through the regular campaigning work that civil society and non-government organisations undertake. It is not to actually be elected to Parliament itself. I think the role of Parliament is to represent people, and you need to be able to point to people on a map and say, ‘This member represents this place.’ That is our system, and I think we have not disproven it.

Sarah MANSFIELD: Thank you.

The CHAIR: Thank you. Evan.

Evan MULHOLLAND: Cool. Thank you. Thanks, Morgan and Mia. Conflict of interest – I used to work for the IPA, and I am a proud member of the IPA. I would like to thank you for appearing today. Putting aside regional models, I guess, your submission states your support for optional preferential, which we already kind of have in the federal Senate. How do you see that playing out in Victoria and the benefits of that?

Morgan BEGG: Well, under our model, at every election a region would elect one member. It would operate effectively as you would see it taking place in New South Wales. A voter would have more choice rather than less choice about how they vote and where their vote goes. If an elector gets their ballot and they only want to vote for one or two of the candidates on their ballot, they can do that, and that vote will be valid. But of course under the present rules that is not the case. For us it is about: how we can urge reform that puts power in the hands of the people? Our view is that optional preferential voting gives more choice to voters, which gives them more power over their vote.

Evan MULHOLLAND: Yes, I would say particularly as you get towards the outer suburbs you have a higher rate of informal voting where people might miss a few, like three or four boxes, and their vote is not valid.

I want to draw you on your commentary on the regional model that you have set up, talking about people not being able to represent all the interests and trying to codify where interests might be. It is a really interesting take geographically. I have found this as well. My electorate is quite big. You have got 11 lower house electorates, and people in Northcote are going to have different views on social policy than people in Greenvale. Even with the recent Voice referendum, you could basically draw a boundary at Bell Street to see who voted no and who voted yes – it was basically 50–50. It is obviously really hard to come to a view on what your electorate might be thinking on policies. Were there any other models that you considered outside of this one, or is there any model that was in the example structures that was closest to the mark?

Morgan BEGG: Mia can speak to the examples in the paper. I think probably the closest to what we were thinking was the 11 regions. Sorry, I am hazy on the details; it was a few months ago we were working on this. We started from a blank slate in terms of what we would do and what we would like to see. You could base upper house representation on local government areas, for instance, or you could base it on sporting club affiliation, I do not know. What is rational about our model here is it is a model that has been in place in Victoria and worked. So why don't we go back to see and say, 'Okay, let's have a look at what we had and how that worked.' That achieved a level of representation we like – okay, that is good. What other changes could we add on top of that to make it more effective? Separate elections and six-year terms. If you tied it to current elections, you would end up with eight-year terms. We think that is too long, so let us bring back the six-year terms and just bring it forward now.

Mia SCHLICHT: Looking back at the models, probably our strongest reaction was to the single statewide electorate across Victoria. We would fundamentally reject that model. We are in no way supportive of a single statewide electorate, primarily because it would entrench a severe regional representation deficit. That was our key concern. I know that there are a number of submissions in support of that model, but when it comes to accountability, democracy and regional representation, that model falls down. We are not in support of a single statewide electorate.

Evan MULHOLLAND: No worries. Thanks, guys.

The CHAIR: Chris has 15 seconds to ask a question.

Chris CREWITHER: I am always left with a complicated one, but you would have heard the question I asked of the Labor Party State Secretary before. What I proposed was similar to your system of 22 different regions but having 11 different regions – but 11 different regions that would stem out from the centre of Melbourne where you would have a –

Morgan BEGG: All the way to the state boundaries?

Chris CREWITHER: Yes, but you would have, say, three Legislative Assembly regional seats and then about five Legislative Assembly outer-metro and metro seats. You would have about two inner-city seats, three outer-metro seats and about three regional seats but where you would have two members representing the three regional seats and then another two representing the five city-based seats. You would have equality between the different areas, but you would also have representation from the outer metro and so forth. So you would have 11 different regions with eight Legislative Assembly members at four members each, having rough territorial equality. But representatives would have to work on representing both regional areas and metro areas with a balance. What would be your view on that?

The CHAIR: I was also going to say that if you are a bit confused, you can take it on notice.

Morgan BEGG: Off the top of my head, I do not disagree with everything you have laid out there. I would have to take that on notice on the details.

Chris CREWITHER: It is sort of a play on your model.

Morgan BEGG: Yes, I can see where it is like a halfway model to what we are advocating for. Certainly you have got my interest.

Chris CREWITHER: I am happy for you to take it on notice.

The CHAIR: I reckon take that one on notice. I am conscious of time. Mia and Morgan, thank you so much. Thanks for the submission. Thanks for taking the time to come in here today. You have taken that on notice, but if there is anything else you would like to provide to the committee, you are welcome to send it through. Thank you.

Witnesses withdrew.