



Hansard

LEGISLATIVE COUNCIL

60th Parliament

Tuesday 20 June 2023

Members of the Legislative Council

60th Parliament

President

Shaun Leane

Deputy President

Wendy Lovell

Leader of the Government in the Legislative Council

Jaclyn Symes

Deputy Leader of the Government in the Legislative Council

Lizzie Blandthorn

Leader of the Opposition in the Legislative Council

Georgie Crozier

Deputy Leader of the Opposition in the Legislative Council

Evan Mulholland (from 31 August 2023)

Matthew Bach (to 31 August 2023)

Member	Region	Party	Member	Region	Party
Bach, Matthew	North-Eastern Metropolitan	Lib	Luu, Trung	Western Metropolitan	Lib
Batchelor, Ryan	Southern Metropolitan	ALP	Mansfield, Sarah	Western Victoria	Greens
Bath, Melina	Eastern Victoria	Nat	McArthur, Bev	Western Victoria	Lib
Berger, John	Southern Metropolitan	ALP	McCracken, Joe	Western Victoria	Lib
Blandthorn, Lizzie	Western Metropolitan	ALP	McGowan, Nick	North-Eastern Metropolitan	Lib
Bourman, Jeff	Eastern Victoria	SFFP	McIntosh, Tom	Eastern Victoria	ALP
Broad, Gaëlle	Northern Victoria	Nat	Mulholland, Evan	Northern Metropolitan	Lib
Copsey, Katherine	Southern Metropolitan	Greens	Payne, Rachel	South-Eastern Metropolitan	LCV
Crozier, Georgie	Southern Metropolitan	Lib	Puglielli, Aiv	North-Eastern Metropolitan	Greens
Davis, David	Southern Metropolitan	Lib	Purcell, Georgie	Northern Victoria	AJP
Deeming, Moira ¹	Western Metropolitan	IndLib	Ratnam, Samantha	Northern Metropolitan	Greens
Erdogan, Enver	Northern Metropolitan	ALP	Shing, Harriet	Eastern Victoria	ALP
Ermacora, Jacinta	Western Victoria	ALP	Somyurek, Adem	Northern Metropolitan	DLP
Ettershank, David	Western Metropolitan	LCV	Stitt, Ingrid	Western Metropolitan	ALP
Galea, Michael	South-Eastern Metropolitan	ALP	Symes, Jaclyn	Northern Victoria	ALP
Heath, Renee	Eastern Victoria	Lib	Tarlamis, Lee	South-Eastern Metropolitan	ALP
Hermans, Ann-Marie	South-Eastern Metropolitan	Lib	Terpstra, Sonja	North-Eastern Metropolitan	ALP
Leane, Shaun	North-Eastern Metropolitan	ALP	Tierney, Gayle	Western Victoria	ALP
Limbrick, David ²	South-Eastern Metropolitan	LP	Tyrrell, Rikkie-Lee	Northern Victoria	PHON
Lovell, Wendy	Northern Victoria	Lib	Watt, Sheena	Northern Metropolitan	ALP

¹ Lib until 27 March 2023

² LDP until 26 July 2023

Party abbreviations

AJP – Animal Justice Party; ALP – Australian Labor Party; DLP – Democratic Labour Party;

Greens – Australian Greens; IndLib – Independent Liberal; LCV – Legalise Cannabis Victoria;

LDP – Liberal Democratic Party; Lib – Liberal Party of Australia; LP – Libertarian Party;

Nat – National Party of Australia; PHON – Pauline Hanson’s One Nation; SFFP – Shooters, Fishers and Farmers Party

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Tuesday 20 June 2023

The PRESIDENT (Shaun Leane) took the chair at 12:03 pm, read the prayer and made an acknowledgement of country.

*Announcements***Hunter Valley bus crash**

The PRESIDENT (12:03): I know members of this chamber are going to do their own statements about the horrible occurrence in the Hunter Valley in terms of the bus crash tragedy. I would like, on behalf of this chamber of Parliament, to say that I wish to reflect on the profound tragedy of the recent events that occurred in the Hunter Valley. Our hearts go out to the victims, their families and all those affected by this terrible accident. I also want to offer our sympathies to the Warrandyte community and others here in Victoria who have been so severely and sadly impacted.

*Bills***Building Legislation Amendment Bill 2023****Energy Legislation Amendment (Electricity Outage Emergency Response and Other Matters) Bill 2023****Gambling Regulation Amendment Bill 2023****Gambling Taxation Bill 2023***Royal assent*

The PRESIDENT (12:04): I have a message from the Governor, dated 6 June:

The Governor informs the Legislative Council that she has, on this day, given the Royal Assent to the undermentioned Acts of the present Session presented to her by the Clerk of the Parliaments:

11/2023 Building Legislation Amendment Act 2023

12/2023 Energy Legislation Amendment (Electricity Outage Emergency Response and Other Matters) Act 2023

13/2023 Gambling Regulation Amendment Act 2023

14/2023 Gambling Taxation Act 2023

*Address to Parliament***Governor's speech***Address-in-reply*

The PRESIDENT (12:05): I am pleased to advise the house that on 7 June 2023, accompanied by members of the Council, I presented to the Governor the address of the Legislative Council, adopted on 2 May 2023, in reply to the Governor's speech at the opening of the Parliament. She was pleased to make the following reply:

PRESIDENT AND HONOURABLE MEMBERS OF THE LEGISLATIVE COUNCIL

In the name and on behalf of His Majesty The King I thank you for your expressions of loyalty contained in the address you have just presented to me.

I fully rely on your wisdom in deliberating upon the important measures to be brought under your consideration, and I earnestly hope that the results of your labours will be conducive to the advancement and prosperity of this State.

*Committees***House Committee***Membership*

The PRESIDENT (12:06): I advise the house that I have received a letter from Ryan Smith, member for Warrandyte, resigning from the House Committee, effective immediately.

*Questions without notice and ministers statements***Aged care**

Georgie CROZIER (Southern Metropolitan) (12:06): (177) My question is to the Minister for Disability, Ageing and Carers. Minister, the not-for-profit and private aged care sectors are being hit with increasing operating costs due to soaring energy bills, and now your government is increasing payroll tax to the private aged care sector, so I ask: what discussions have you had with your federal counterpart to ensure that these private aged care providers, which make up 47 per cent of Victoria's aged care facilities, are not forced to close their doors?

Lizzie BLANDTHORN (Western Metropolitan – Minister for Disability, Ageing and Carers, Minister for Child Protection and Family Services) (12:07): Thank you, Ms Crozier, for the question. First of all I will say that matters regarding taxation are indeed a matter for the Treasurer, but I am happy to also elaborate a little bit further in response to the question for the Treasurer that Ms Crozier does have. In terms of my responsibilities, what I am responsible for is the provision of public aged care services within Victoria.

Georgie Crozier: On a point of order, President, regarding questions to ministers under standing order 8.01, the minister has responsibility, according to the general orders, around the Supported Residential Services (Private Proprietors) Act 2010. That comes under her responsibilities. Services supplied at an SRS may include help with taking medications; help with maintaining personal hygiene – for example, showering and dressing; assistance with staying active and mobile; social and community activities; and supporting contact with health providers. I say that this is directly within her ministerial responsibilities, and I would ask her not to deflect to the Treasurer. This is a question directed to the minister, which she has responsibility for.

The PRESIDENT: Thank you. I call the minister to continue her answer.

Lizzie BLANDTHORN: Thank you, President, and thank you, Ms Crozier, for an explanation of the general orders – much appreciated. What I will say is that matters regarding taxation –

Georgie Crozier interjected.

Lizzie BLANDTHORN: If I could be allowed to continue, matters regarding taxation are indeed a matter for the Treasurer –

Georgie Crozier interjected.

Lizzie BLANDTHORN: Sorry, Ms Crozier. For the second time I am two sentences into my answer and being interrupted. If you would like an answer, I am happy to provide you with one.

What I am responsible for is the provision of public aged care services in Victoria – I would say that we have a four out of five rating for public aged care services across Victoria – and that the Commonwealth government is responsible for funding and regulating aged care services. As part of the COVID debt repayment plan, we are introducing a temporary levy to help pay off the debt that was incurred during the one-in-100-year pandemic. That has been well canvassed in recent weeks and certainly since the delivery of the budget. The COVID debt levy is temporary and targeted, and above all else it is responsible in terms of us being able to meet our obligations.

What I will say also is that existing payroll tax exemptions for hospitals and charities continue to apply. Non-profit aged care facilities are typically exempt from the type of tax that you are indeed talking about under the charities exemption. There are a small number who are affected by the payroll component of the levy focusing on large businesses, which will impact on payrolls above \$10 million, which is only around 5 per cent of businesses in total. I have not spoken to the private sector about these changes directly, nor have I actually received any correspondence directly, as I am advised, on these matters. But what I would say is that payroll tax matters are indeed a matter for the Treasurer.

Georgie CROZIER (Southern Metropolitan) (12:10): Clearly the minister did not answer my question. It was about her federal counterpart the minister for ageing, so I take it the minister has not spoken to –

Jaelyn Symes interjected.

Georgie CROZIER: No, no, the question was very clear. As the Leader of the Government knows, I read out the general order which the minister has direct responsibility for. But I will go to my supplementary. Minister, it is reported that one in five public aged care beds are being closed at the same time your government is imposing an increase in payroll tax to private providers, so I ask: what discussions have you had with the state Treasurer to ensure the aged care sector in Victoria can continue to meet the needs of elderly, vulnerable Victorians and their families?

Lizzie BLANDTHORN (Western Metropolitan – Minister for Disability, Ageing and Carers, Minister for Child Protection and Family Services) (12:11): There were about three questions in there, and I am not sure that any of them are indeed supplementary to the issue of payroll –

Georgie Crozier interjected.

Lizzie BLANDTHORN: I am not sure that any of them are actually indeed supplementary to the original question. But to go to one of the points that you did –

Georgie Crozier: On a point of order, President, my question is around vulnerable Victorians in the aged care sector. My supplementary is of course directly related to the substantive, because I am asking what discussions the minister has had with her federal counterpart and now with the Treasurer, because the impacts of the government's decision –

The PRESIDENT: Thank you, Ms Crozier. Obviously it is your time to ask a question, and if you do not like the minister's answer, I cannot direct the minister how to answer. If the minister says to me that what you have asked does not fall within her responsibility, I take that as an answer.

Lizzie BLANDTHORN: The issue of payroll tax falls clearly and squarely with the Treasurer, but I have endeavoured to be helpful, Ms Crozier. I would note that for the coalition to be raising these matters when the coalition slashed \$75 million from aged care and pushed for the full privatisation of aged care facilities last time they were in government, it is a little bit rich to be making this point.

David Davis: On a point of order, President, the member accused the coalition of taking money from aged care when that is not in fact the case. We increased funding to aged care.

The PRESIDENT: There is no point of order. Does the minister want to continue?

Lizzie BLANDTHORN: Only insofar as to go to Ms Crozier's original point, where she was suggesting that beds were being shut. There is over 80 per cent occupancy across public sector residential aged care, and this has been consistent over the last two years.

Georgie Crozier interjected.

Lizzie BLANDTHORN: Sorry, Ms Crozier, you had your opportunity to ask a substantive. You asked a supplementary that clearly does not relate to your substantive.

Port Melbourne public housing

Samantha RATNAM (Northern Metropolitan) (12:13): (178) My question is for the Attorney-General. Attorney, despite a growing chorus of voices opposing your government's plans to privatise the Barak Beacon public housing estate in Port Melbourne, your government is doubling down and since we were last in this chamber has begun eviction proceedings against residents, including taking one to VCAT this Thursday. Residents like Margaret Kelly are not just advocating for themselves, they are standing up for the thousands of public housing residents who do not want public housing to be privatised. I note Victoria's model litigation guidelines state that government agencies should:

consider seeking to avoid and limit the scope of legal proceedings by taking such steps, if any, as are reasonable having regard to the nature of the dispute, to resolve the dispute by agreement, including participating in appropriate dispute resolution ... processes or settlement negotiations ...

Attorney, why has the government via Homes Victoria breached its own model litigant guidelines in respect to eviction proceedings against public housing tenants like Margaret?

Jaclyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (12:14): Dr Ratnam, this is not a question that is appropriate to be addressed to the Attorney-General. I do not enforce the model litigant guidelines in relation to departments. It is the expectation that they abide by them. I am not in a position to give you a view one way or the other. This is a matter that is squarely a matter for the Minister for Housing.

Samantha RATNAM (Northern Metropolitan) (12:14): Thank you, Attorney. To follow up, we have now learned about the true costs of the privatisation of Barak Beacon. The home Margaret is being evicted from and the three other sites will amount to over \$500 million being handed over to private developers. With more public housing sites earmarked for demolition and privatisation, how will you ensure that public housing residents are treated fairly and appropriately according to the government's own guidelines?

The PRESIDENT: Ms Ratnam, that does not fall within the responsibility of the Attorney-General as far as the executive goes. The minister can answer as she sees fit. If she says it is not her responsibility, that is an answer.

Jaclyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (12:15): That was less for me than the substantive.

Ministers statements: Children's Court

Jaclyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (12:15): I would like to take the opportunity to update the house on two key milestones for Victoria's Children's Court. On Thursday I had the privilege to be in Shepparton joining members of the local community and members of the Children's Court in marking the two-year anniversary of Marram-Ngala Ganbu. Over the last two years it has provided a hearing process that is not adversarial and allows more time for families to ask questions, participate in finding solutions and decision-making and then connect with relevant services. Marram-Ngala Ganbu delivers on the work of the Children's Court in a way that is informal, culturally appropriate, flexible and welcoming for Aboriginal children and their families. From the way the courtroom is adorned with Aboriginal cultural items to the Koori magistrates and the amazing support staff, everything is designed so that Aboriginal people feel welcome, heard and empowered, and it ensures a fairer, more culturally appropriate experience that is leading to much better outcomes.

On Friday I attended the official opening of the Dandenong Children's Court. The focus of this brand new court facility is solely on the needs and interests of vulnerable children and their families. That is why the court incorporates problem solving and collaborative and multidisciplinary practices tailored to the needs of young people. The physical design of the court is also tailored to these needs and ensures that there are separate facilities from adult offenders, with a separate entrance, waiting area

and remote hearing facilities for vulnerable court users. The court also features a Koori Children's Court, meaning that Aboriginal children and their families will be able to participate in the court proceedings in a culturally safe and respectful way.

I would also like to thank everyone involved in both the success of Marram-Ngala Ganbu and the work that has gone into launching the really important facility at Dandenong. I have no doubt that we will see great things from both of these things in Shepparton and Dandenong.

Emergency warning system

Ann-Marie HERMANS (South-Eastern Metropolitan) (12:17): (179) My question is for the Minister for Emergency Services. Minister, Victoria's firefighters union warned the absence of vital information about public safety could put lives at risk during emergencies, yet this government has removed advertising from widely read print editions of major papers. Given the need for vulnerable people like the elderly and those without stable internet connection, phone reception or television to receive vital intel during emergencies, how can this government guarantee all residents will be able to receive emergency warnings in regional and remote parts of Victoria in the event of an emergency?

Jaclyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (12:18): I thank Mrs Hermans for her question. It is certainly a topic that we explored a little bit at PAEC, but I think at the outset I have to take issue with the way you framed the question in relation to government advertising and mixing that with emergency information during an emergency event. I do not think people should be waiting for a printed paper to get their information in the midst of an emergency, because it might be a little bit late. That is not how you should be getting your information whilst an emergency is upon you.

In relation to the broader issue in relation to advertising, the government has recalibrated its spending towards television and digital channels because that is where the greatest community impact is and it is what provides value for money. All Victorian public sector print advertising in major metropolitan newspapers, as we know, will cease from 1 July but will continue in regional papers, which is where a lot of the information for emergency, particularly fire and flood, needs to go. My advice is that this will not have a significant impact on bushfire or flood awareness campaigns in an emergency or for preparedness, because there are a range of other means that agencies use to communicate advice, such as radio, TV, warnings issued by the BOM, the VicEmergency app and website and social media. There is also a lot of doorknocking activity to ensure that we can access people that are right in the line of something that might be happening. We also have the ability to identify vulnerable cohorts through local councils.

Kate Fitzgerald, the CEO of Emergency Management Victoria, recently met with the commissioner for senior Victorians to understand how we can help target our warnings and campaigns. Interestingly, that briefing included key findings that older Victorians developed new skills through the pandemic and preferred to get their information online. That was directly the advice from the commissioner for senior Victorians. It is always important to have material going out to communities in relation to preparedness in relation to an emergency, and as I have outlined, there are numerous ways to do that and we will continue to do so.

Ann-Marie HERMANS (South-Eastern Metropolitan) (12:20): I thank the minister for the response. Given the decrease in CFA volunteers, the lack of upgrades to allow CFA resources to be compliant and now the ban on advertising in major papers, how will this government ensure Victorians in regional Victoria will have the support and resources to protect public safety and prevent lives from being at risk during emergencies?

A member: She's already answered that.

Ann-Marie HERMANS: No, this is about resources and support.

The PRESIDENT: Minister, answer as you see fit.

Jaelyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (12:21): Mrs Hermans, it would have probably been useful if that was the first question, because I have got 50 seconds to effectively repeat some of the messages that I gave you in the first answer in relation to how information is being provided to communities.

But in relation to support for communities, this government has a strong record in supporting our emergency services in the field. Only last week I opened the Molka fire station. The week before I handed over a new truck to the Mansfield fire brigade. Each and every week we are out there celebrating more and more investment and more and more support for our vital emergency services. I am more than happy to give you a list of all of the ones that are coming up, because there are lots. There are more trucks and more facilities to open. The budget had more than \$36 million in relation to infrastructure just for our emergency services organisations in regional areas, so there is a lot of support for emergency services. That is why this job is pretty cool.

The PRESIDENT: Before I call the next question, I might have jumped the gun and called the first question before calling the Leader of the Government.

Jaelyn SYMES: Sorry about that, President. As you may have noticed, there are only four of us this week. I will take questions for Minister Erdogan and Minister Tierney will take questions for Minister Stitt all week.

LGBTIQ+ health services

Rachel PAYNE (South-Eastern Metropolitan) (12:22): (180) My question is for the Minister for Equality Ms Shing. People with intersex variations represent 1.7 per cent of all births. As the minister is aware, intersex people are born with physical, hormonal or genetic features that are not considered typical male or female sex characteristics. Advocates have raised concerns that intersex children are often subject to invasive and irreversible medical procedures when too young to consent. The real-life experience of a number of intersex Victorians is that medical decisions have been made for them that do not reflect their identity later in life. Recently the ACT passed legislation that will stop deferrable treatment on intersex people until they can participate in informed and collaborative decision-making about their own body. So my question is: will the minister commit to similar legislative rights to protect bodily autonomy here in Victoria?

Harriet SHING (Eastern Victoria – Minister for Water, Minister for Regional Development, Minister for Commonwealth Games Legacy, Minister for Equality) (12:23): Thank you, Ms Payne, for that question and for the opportunity to talk about intersex variations and, as you have begun to do, to actually correct some of the mythology and misinformation that exist around intersex variations. As you have said, around 1.7 per cent of live births feature intersex variations. They can be chromosomal; they can also be physical. In a chromosomal sense you might have Turner syndrome or Klinefelter syndrome, and in a physical sense there might be differing appearances of genitalia which require at-birth decisions to be considered and, in too many cases, taken. We know that that has been the source of an enormous amount of trauma, and that was borne out in the issuing of the *(i) Am Equal* report, which was developed and delivered following extensive discussion with Equality Australia.

With that in mind I do want to foreshadow that this is a matter that sits within the Minister for Health's portfolio, but I also want to confirm that there has been extensive community consultation on the way in which a reform system can be developed and the way in which consent sits at the heart of surgeries and other medical interventions. We have had a really extensive conversation with LGBTIQ+ individuals, organisations and stakeholders. I note your reference to the ACT and the way in which it has developed reforms. Also Malta and a couple of other jurisdictions worldwide have leaned into the challenges around the way in which medical interventions should not occur, where there is not able to be informed consent, in anything other than critical and life-threatening circumstances.

We released *(i) Am Equal* back in 2021. *(i) Am Equal: Future Directions for Victoria's Intersex Community* sets out our commitment to improving health and wellbeing outcomes for this 1.7 per cent

of the population, which, for everyone else listening, is about the same population as people with red hair. That is a good comparator for people perhaps to consider around the prevalence of intersex variations in the community. We do have a key commitment to developing an intersex protection system. People have been providing information as part of a community consultation. That closed just recently. We are in the process of assessing and analysing what that community consultation has been, and we will be delivering on a set of reforms in 2024. We need to step through this carefully.

I do also want to thank the many intersex folks, including activists, representatives and allies, who have been part of this conversation. Consent, bodily autonomy and the right to determine how it is that people access our health system whilst preserving wellbeing are at the very heart of this work that we are doing, and that work goes on.

The PRESIDENT: Ms Payne, a supplementary?

Rachel Payne: No supplementary, but I thank the minister for her very detailed response.

Ministers statements: agriculture training

Gayle TIERNEY (Western Victoria – Minister for Training and Skills, Minister for Higher Education, Minister for Agriculture) (12:26): I am proud of the investment that this government makes in training and skills in the agriculture industry. We understand how important agriculture is to Victorians. Our investment is guided by strong research and sector engagement. In 2021 I commissioned the *Future of Agriculture Training Review* to ensure we better meet the needs of the modern agriculture industry. I am pleased that this review led to the \$15 million Agriculture TAFE and Training Fund, which is absolutely designed to train the agriculture workforce we need now and for the future.

This fund is supporting exceptional programs that will deliver the right skills for the many diverse disciplines needed by our world-class agriculture industry. Grants of up to \$2 million were awarded across the state, including to SuniTAFE to increase the skilled workforce in protective cropping; South West TAFE's Glenormiston campus for the new agriculture tech skills centre, which will ensure our producers of the future have access to the most up-to-date equipment and technologies; the Gordon TAFE to deliver ag tech skilled builders to bolster regional agribusiness capabilities; and support for the fantastic innovative agricultural training programs at Wodonga TAFE, GOTAFE and the Rural Industries Skill Training base at Hamilton, to name a few. We are making sure that the next generation of farmers have access to state-of-the-art equipment and facilities so that they can respond to the ever-changing demands of agriculture. That is what we do: we invest in quality and we invest in the future.

Commonwealth Games

Joe McCracken (Western Victoria) (12:28): (181) My question is to the Minister for Commonwealth Games Legacy. Minister, when will you release the report from the EPA that details the contamination levels at the former saleyards site in Ballarat, which is the proposed site for the Commonwealth Games athletes village?

Harriet SHING (Eastern Victoria – Minister for Water, Minister for Regional Development, Minister for Commonwealth Games Legacy, Minister for Equality) (12:29): Thank you, Mr McCracken, for that question. It is an opportunity for me to talk about the process of discussion and engagement not just with the EPA but with other agencies and organisations on the ground at the site of the former saleyards. One of the things, Mr McCracken – and I know that you, if not your colleagues, are interested in this answer – that we are doing is working very closely with agencies and organisations to understand the way in which site preparation and remediation needs to take place. This is part of ongoing conversations with the EPA. I am looking forward to seeing what the detail of that is, because that in and of itself will inform the remediation works that need to take place. As you would also be well aware, the buffer zones and reducing the impact on surrounding residential areas

whilst also preserving the industrial components of land packages around that site are important to take account of and to consider as well.

As that work continues with the EPA, I am looking forward to being able to understand the impact of its assessment and what needs to happen. Obviously, though, to make it absolutely clear, remediation and improvement of the site will take place to the standards that are required and in order to be able to deliver a world-class facility that not only –

David Davis interjected.

Harriet SHING: Mr Davis, you should have asked this question if you are interested in this level of engagement.

Members interjecting.

The PRESIDENT: Order! The minister is answering the question.

Harriet SHING: We could do with some noise attenuation over there, I tell you what. The EPA is responsible for that.

Mr McCracken, I am really happy to have ongoing conversations with you given that you have a legitimate interest and a local interest in this matter that in fact involves the work on the site to develop it as far as preconstruction works are concerned. And of course the engagement with the EPA continues. The EPA is at the heart of this work as the independent statutory body responsible for making sure that all land – as far as contamination, decontamination and remediation go – is conducted in accordance with the statutory obligations that exist and that this is done not just in accordance with the EPA’s statutory remit but also as that relates to the standards required to develop residential accommodation on the site. I am looking forward to updating you on that work as it occurs.

The PRESIDENT: Just before I call Mr McCracken for his supplementary, and taking in commentary, I am not ever going to pretend that I know the executive responsibility of every minister, and that is why I let ministers answer if they inform the house that it is not their responsibility. But I would have thought releasing EPA reports would have fallen to the Minister for Environment. As I said, I am not going to pretend to be the expert ever, but I thought I would make that comment to assist Mr McCracken with his supplementary question.

Joe McCracken (Western Victoria) (12:32): I note that I still did not get a clear idea of when it will be released, but I might give you another shot. Given that the site is the subject of contamination and planning controls, as you refer to, will you release a time line of required works to provide certainty to the Ballarat community to ensure that the project is actually completed on time?

Harriet SHING (Eastern Victoria – Minister for Water, Minister for Regional Development, Minister for Commonwealth Games Legacy, Minister for Equality) (12:33): Noting the exchange that we have had in the intervening period about the fact that this covers a number of portfolios, Mr McCracken, I am going to continue to engage with you in what I hope will be the good faith that you will take this in. We do have a number of geotech works and site investigations that have occurred across village locations around the state, and what we are doing is talking regularly with communities, with councils and with industry to consult with them about the work that needs to be done. As I have said – and this is in response to previous answers – construction is on track to commence later this year. The geotech work has actually occurred, and I am looking forward again, Mr McCracken, to having a conversation with you about the progress of that work. In addition to that I would welcome an opportunity to engage with the community directly on the progress of this matter as it occurs, including, as part of legacy round tables, that work does go on to make sure that the community and councils are apprised of developments as they occur.

Age of criminal responsibility

Katherine COPSEY (Southern Metropolitan) (12:34): (182) My question is to the Attorney-General. Attorney, coverage of the recent election of the First Peoples' Assembly has made it clear that raising the age of criminal responsibility from 10 to 14 is a priority for members, and I take the opportunity to congratulate everybody elected to that important body. The Yoorrook Justice Commission has also been calling for this. In fact, medical, legal and human rights stakeholders are united in calling for the age to be raised to at least 14. Attorney, the government announced that it will raise the age to 12 but is kicking the can down the road and into the next term of government to raise it to the required minimum of 14. Attorney, we understand there does need to be investment in services, diversionary pathways and other supports to enable the age of criminal responsibility to be raised. What we do not understand is why 14 cannot be legislated in this term of government, if necessary with sufficient implementation to allow those elements to be in place. Attorney, can you please tell us why sufficiently robust planning to allow legislation in this term of government seems to be beyond the Andrews Labor government?

Jaclyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (12:35): I thank the member for her question/commentary. The government has committed to raising the age to 14 by 2027. We are doing this in two stages, by raising it to 12 in the first instance and making the necessary investments in building the system to ensure that we have the wraparound services – the right approach, minus the criminal lens, to make sure that we are intervening appropriately to ensure that these kids are not just revolving through a system that ultimately ends up in the criminal justice system, whether that is later on in their teens or indeed adult custody and contact with the justice system. The commitment is firm, and we have got a lot of work to do to get underway. I am very proud of the announcement. I understand some people would like us to move more quickly, but I want to make sure that we get this right and we do not have any gaps and kids falling through the cracks.

Katherine COPSEY (Southern Metropolitan) (12:36): Thank you, Attorney, for that answer. When looking at the budget, only \$13.7 million has been allocated across forward estimates to prevent youth offending through early intervention, whereas youth justice custodial services get more than \$250 million a year. Where else in the budget are there allocated resources to allow for those necessary investments in services, diversionary pathways and other supports to ensure that by 2027 the system will have enough capacity to make sure we are not locking up 12- and 13-year-old kids?

Jaclyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (12:37): At the outset, I do not want to see any 12- or 13-year-olds locked up either. Luckily there are no 12-year-olds and there are a very, very, very small number of 13-year-olds, and we want to ensure that when we do raise the age to 14 it is actually going to make no difference, because none of them have been caught up in the system as well in relation to the diversion and wraparound services.

The question that you ask is difficult to answer because it ranges across a variety of ministers' responsibilities. I would have thought that with investments in prenatal and in early years – and Best Start, Best Life is an amazing policy which is designed to pick up families and support them early, making sure that people are taking advantage of free kinder – and investments in school, investments in TAFE, investments in free TAFE and investments in ensuring people have got options, this government is committed to supporting all Victorians, but particularly the most vulnerable, so that we avoid people coming into contact with the justice system. Frankly the objective of a lot of the work we do is so that you will not be asking me questions, because these young vulnerable people will not see me and my part of my portfolio, because we would have intervened early, we would have had the diversion processes in place and the services in place where I am not seeing them in the courts. That is the end objective, and we will continue to make those investments, a range, across all the government portfolios.

Ministers statements: Changing Places

Lizzie BLANDTHORN (Western Metropolitan – Minister for Disability, Ageing and Carers, Minister for Child Protection and Family Services) (12:38): I rise to update the house on the Andrews government’s actions to promote inclusion across Victoria. Last week I was pleased to announce \$2.3 million in funding for 13 new Changing Places facilities. These grants will enable councils, not-for-profit community organisations and tourist destinations to construct fully accessible toilet facilities, making sure public spaces can be enjoyed by everyone. Each Changing Place has a height-adjustable adult-size changing table, a ceiling tracking hoist system and enough space for two people either side of a peninsular toilet, making community spaces and events more accessible for the 1.1 million Victorians and many more visitors who are people with disability. As Victorian Disability Advisory Council member Martin Heng observes:

These facilities are incredibly important to allow people with high support needs, particularly those who need a hoist to be able to use the toilet, to get out into the community.

Since 2015 the Labor government has invested in new Changing Places initiatives, supporting the construction of 70 facilities. In 2022–23 the Labor government’s Changing Places program invested \$5.4 million to build 30 new facilities throughout Victoria.

This is just one way the Andrews Labor government is supporting access and inclusion in Victoria. We are also delivering the disability liaison officer program, which supports Victorians with disability to access critical health care. We are investing in the Victorian disability advocacy program, which helps people receive the services and supports they require to access and participate in public life. We are also supporting the public education campaign Change Your Reactions to promote better attitudes towards people with autism. Indeed I note in passing that last Sunday was Autistic Pride Day, and I would like to take this opportunity to celebrate the important contributions that autistic Victorians make in our community. These new Changing Places show that the Andrews government is continuing to do what matters for Victorians with disability.

Commonwealth Games

Joe McCracken (Western Victoria) (12:40): (183) My question is again to the Minister for Commonwealth Games Legacy.

Harriet Shing: What a day! I feel so seen.

Joe McCracken: We see you and we hear you. Minister, in PAEC last week you said that a dedicated events platform for Mars Stadium could not be built because of a factor of time. If that is the case about the proposed –

Harriet Shing interjected.

Joe McCracken: I think it was you.

Harriet Shing: You might want to check that.

Joe McCracken: Okay. If that is the case about the proposed platform, how do you then plan to remediate the entire Ballarat saleyards site as a site and build an athletes village given the factor of time is much more significant?

Harriet SHING (Eastern Victoria – Minister for Water, Minister for Regional Development, Minister for Commonwealth Games Legacy, Minister for Equality) (12:41): Thank you, Mr McCracken, for that question. I am just having a quick squiz at the transcript from last week, and that question was in fact asked of the Minister for Commonwealth Games Delivery. I am very happy to take that on notice and perhaps seek an answer from the minister in accordance with the standing orders.

Joe McCracken: On a point of order, President, I think it does relate to the legacy of the project, and that is why it is relevant to the minister's portfolio.

The PRESIDENT: If a question is put to a minister and the minister's response is that it is not their responsibility within the executive, that is a response. I take it that it is a response that the minister has given.

David Davis: Further on the point of order, President, the legacy portfolio relates to what is left. A stadium will either be built or it will not be built. The legacy will either be there or it will not be there. The member's question is directed to eliciting what the position is with respect to the legacy.

The PRESIDENT: Mr Davis, on your point of order, it is not for me to direct the minister how to answer a question. If the minister's answer is that it is not their responsibility and it was not their quote and so forth, that is the answer.

Joe McCracken (Western Victoria) (12:43): That is fine, thank you. I appreciate it might have been someone else, but it is still a legacy project. Can the minister please tell us exactly when the Ballarat saleyards site will be remediated and at what cost?

Members interjecting.

Joe McCracken: I said in the substantive question that, if it was a factor of time for Mars Stadium, then obviously the factor of time for the Ballarat saleyards is more significant. That is what I asked.

The PRESIDENT: That was the question in a nutshell.

Harriet SHING (Eastern Victoria – Minister for Water, Minister for Regional Development, Minister for Commonwealth Games Legacy, Minister for Equality) (12:44): Thanks, Mr McCracken. We have moved from one part of the Commonwealth Games delivery, which sits very squarely with the Minister for Commonwealth Games Delivery, into a discussion about the work on the Ballarat saleyards and athletes village accommodation. I think that you were talking then about the factor of time and the way in which construction, remediation and decontamination might occur on that site in asking your earlier question. I have said that geotech works have been completed and that ongoing discussions are continuing with the EPA, government, local council and the community, and that consultation continues. Of course if there are questions that go between both portfolios, Mr McCracken, I am really happy to engage with you. But the first question is very, very squarely on Mars Stadium and the factor of time, which the Deputy Premier addressed at page 8 of the PAEC transcript from last week.

Commonwealth Games

Joe McCracken (Western Victoria) (12:45): (184) I will move on to a different area. My question is again to the Minister for Commonwealth Games Legacy. The Treasurer in the other place has said that the state government is expecting a substantial contribution from local government. However, the City of Greater Geelong has said it is unable to pay for a new aquatics centre at Armstrong Creek. Will the minister guarantee that locals will not miss out because council cannot fill the state government's funding gap?

Harriet SHING (Eastern Victoria – Minister for Water, Minister for Regional Development, Minister for Commonwealth Games Legacy, Minister for Equality) (12:45): Mr McCracken, as you would be aware, and as the Treasurer and Premier have indicated and as my colleague the Minister for Commonwealth Games Delivery has also indicated, the previous budget contains a \$2.6 billion investment which is about making sure that we can deliver the games of a lifetime. This includes an \$800 million procurement pipeline, which will be about making sure that up to 1200 contracts are able to be delivered. That also includes a once-in-a-lifetime investment in infrastructure.

What you have asked for, Mr McCracken, goes directly to the ongoing conversations that we are having with local government. Again, it has been great to see that Regional Cities Vic and their paper released last week celebrate the momentum that the Commonwealth Games are bringing to rural and regional Victoria and anticipate with great enthusiasm the benefit that this will bring. We know that worldwide the Commonwealth Games is an opportunity to celebrate our communities and to make sure that we have the economic, employment and community benefits that go along with these investments. We also know that infrastructure is a key part of this, and this is why we are continuing to engage with councils not just on what the offering will be as far as sporting infrastructure goes but also to really develop and deliver a fundamentally life-changing experience for visitors, for spectators and for the communities.

Mr McCracken, those conversations are continuing. We are looking forward to continuing those really good faith and productive conversations with councils. To that end, I am really grateful for the opportunity to have met with councils to talk with them about their priorities and to make sure that what we are delivering for communities now and into the future provides them with what it is that they are looking for around future legacy and opportunity for communities. Just on this very point, in fact today Jeroen Weimar is meeting with CEOs as part of that ongoing set of conversations, and the office of the Commonwealth Games Victoria 2026 organising committee and Development Victoria have been in constant conversation and engagement with the City of Greater Geelong.

This is about making sure that we work alongside our hub CEOs across all local government areas and that we continue with the work that has been delivered as part of regional engagement forums and the legacy round tables and the work, as I said, that Jeroen Weimar and others are doing. The Deputy Premier has also been discussing these matters with councils. That is why, again, those conversations continue. We want to make sure that communities have what it is that they want as legacy outcomes from this, that co-contributions are part of delivering what communities want – what they identify – and that we can make sure that our \$2.6 billion offering fits within the scope of what they want into the long term for generations to come.

Joe McCracken (Western Victoria) (12:48): That was a life-changing experience, Ms Shing, I have got to say.

Harriet Shing: That one fell a bit flat. You might need to work on your delivery.

Joe McCracken: I will try next time. Thanks, though. I will have to get zingers from you guys. Will the minister guarantee that no regional Victorian towns, such as Geelong or Ballarat in my electorate, will miss out on a single legacy project if their council is unable to meet the financial demands of the state government?

Harriet SHING (Eastern Victoria – Minister for Water, Minister for Regional Development, Minister for Commonwealth Games Legacy, Minister for Equality) (12:49): You are asking about ‘no regional towns’ and you have referred to your electorate, Mr McCracken. But just by way of the definition of ‘town’, I would note that around Victoria there are 281 towns of 5000 or fewer people. Again, Mr McCracken, I am always really pleased to engage with you on what it is that legacy looks like and what it is that that record investment in regional Victoria looks like –

Joe McCracken: On a point of order, President, I am happy to rephrase the question so it is ‘cities’ for the minister, but obviously the minister understands the intent of the question.

The PRESIDENT: There is no point of order.

Members interjecting.

The PRESIDENT: Order! It is very difficult for the minister to answer the question when there is so much interruption. We have lost the first half of her time, so, Minister, if you want to continue past 23 seconds, please feel free.

Harriet SHING: Thank you, President. Mr McCracken, in a previous answer you did in fact quote the Deputy Premier as saying that it was a factor of time, and that is indeed exactly what we find ourselves faced with today because of the intransigence perhaps of your colleagues. But with that in mind, I just want to actually reconfirm our commitment to making sure that there are villages, that there is infrastructure, that there are programs and services and that, again, we have the very best benefit for communities. I am really looking forward to you being on board with all of that work.

Ministers statements: Yarra strategic plan

Harriet SHING (Eastern Victoria – Minister for Water, Minister for Regional Development, Minister for Commonwealth Games Legacy, Minister for Equality) (12:51): Last Friday it was a profound honour to visit one of our most pristine and important waterways, the Yarra River, to talk about the work that has been delivered under the Yarra strategic plan. *Burndap Birrarung Burndap Umarkoo* is a landmark framework where in 2017 the Yarra was recognised as a living entity, the first time that this had occurred in Victoria. Indeed it is a really significant achievement for any parliament to have finally recognised the unique and enduring connection between water and First Nations culture, identity and country. The Yarra River winds its way through 242 kilometres in Victoria. It is surrounded by about 2450 hectares of extraordinary land. These riparian and waterway environments are of crucial importance not just to our economic and our community health and wellbeing but, absolutely crucially, to our First Nations communities.

I joined with Wurundjeri, Bunurong and land council workers and representatives and elders to talk about the improvements that have been delivered and the way in which we are committed to better waterway engagement and collaboration but also to self-determination, this transfer of power that needs to take place. I was also really thrilled to be able to announce a further \$1.65 million in funding for four priority projects, being greening the Birrarung and scaling up vegetation; river parklands as a living entity and connecting cultural landscapes; urban greening in the inner-city reach; and a new online collaboration tool to further support the work of the Yarra Collaboration Committee. Thank you and congratulations to all involved in this extraordinarily important legacy and advocacy.

Written responses

The PRESIDENT (12:53): Regarding Mr McCracken’s second-last question, or his second question – they are both the same – Minister Shing committed to Mr McCracken to get some more details to him from the Minister for Commonwealth Games Delivery, but I think that offer was outside the standing orders.

Constituency questions

Southern Metropolitan Region

John BERGER (Southern Metropolitan) (12:54): (237) My constituency question is for the Minister for Small Business in the other place Minister Suleyman. The Andrews Labor government has a strong record of supporting small businesses. Our Ready for Growth program is supporting 1000 Victorian businesses with high growth potential to access new markets. Our Solar for Business program provides small businesses with a rebate of \$3500 to install a solar panel system, helping to reduce their energy costs, and I saw firsthand the Small Business Bus, which recently visited Port Melbourne. The Small Business Bus travels across Victoria, developing businesses’ capabilities and providing practical support for small businesses. Recently I visited the shopping strip on Glenferrie Road and High Street and chatted to cafe owners and hairdressers. It is important that we listen to them about challenges and opportunities they may face. Can the minister update me on how our government’s investments are benefiting hardworking small business owners in the electorate of Hawthorn?

Eastern Victoria Region

Melina BATH (Eastern Victoria) (12:55): (238) My constituent question is for the Minister for Agriculture. On 23 May when you came to TAFE Gippsland, Morwell, to condemn our viable, sustainable native hardwood timber industry, you said you spoke with industry and you rattled off government employees and your Eastern Victoria MPs. Last week Minister D'Ambrosio came to the valley. She entered via the front gate, only she exited by the back gate because there were five trucks. Twenty timber industry people and their families were standing there respectfully asking to speak to her, respectfully wanting her to pass by, and she sneaked out the back door. It is absolutely atrocious. So the question I have for the minister is: will you actually come and meet with timber industry workers and business owners affected face to face and discuss how you are going to stop their lives from being crippled?

Northern Metropolitan Region

Samantha RATNAM (Northern Metropolitan) (12:56): (239) My constituency question is for the Minister for Education. The Pavilion School in my electorate is an excellent school that supports marginalised and at-risk students to re-engage with education. However, the school is under-resourced and does not have enough resources or campus space to meet demand, and the waiting list for the Epping campus is now up to 65. On the very first day of this term of Parliament I raised the need for additional funding for the school, and the response to my question indicated that the Department of Education's north-western Victoria regional office was working with the school regarding their proposal. However, the school reports no progress has been made. Minister, will you now intervene and ensure direct funding is allocated to the school so it can acquire and access additional space?

Southern Metropolitan Region

Ryan BATCHELOR (Southern Metropolitan) (12:57): (240) My question is to the Minister for Education. Could the minister detail funding allocated in the recent state budget to the Sacred Heart Parish School in Sandringham in Southern Metropolitan and how it will support them to upgrade and modernise their facilities? I visited Sacred Heart on Fernhill Road a couple of weeks ago for a tour and spoke at length with the principal Simon Collis about the plans they have to upgrade the classrooms in their school in the next few years. It is a great school; it is a growing school. The funding allocated in the recent state budget will enable them to start work on their plans for much-needed upgrades to the carpet, worn down by the generations of kids running around. I also had a really great chat to the principal about the work that the school does to support the community of Remexio in the Aileu province of Timor-Leste, a great connection between that school and our nearest neighbour. As a friend of Timor-Leste I am very pleased to see these sorts of partnerships continuing. I look forward to working with the school and the school community on these upgrades in the coming years.

South-Eastern Metropolitan Region

Ann-Marie HERMANS (South-Eastern Metropolitan) (12:58): (241) My question is to the Minister for Planning. Locals and I want to meet and get advice regarding the proposed \$2.9 million early childhood education facility for 110 children at 154 Drysdale Avenue, Narre Warren North, in the Highgrange estate. Residents fear Drysdale Avenue has minimal on-street parking, with an intersecting single-lane carriageway to the busy Belgrave-Hallam Road. It is not safe for the additional traffic congestion the centre would attract. Residents call it an accident waiting to happen. Drysdale Avenue has one-lane traffic each way and is the only entrance and exit point for the estate. Casey council is reviewing the plans. No decision has been finalised. Thirty-one objections have been submitted to the council so far. A development plan overlay, DPO, exists, so submitters will not have appeal rights should the application be approved. With excessive amounts of childcare centres in the area and an estimated 400 children aged zero to four years, will this government stop a tick-the-box exercise to support their locals?

Northern Victoria Region

Georgie PURCELL (Northern Victoria) (12:59): (242) My constituency question is for the Minister for Outdoor Recreation. The commercial kangaroo-killing program in Victoria slaughters our native icons under the cover of darkness and turns them into pet food, footballs and soccer boots in what is the largest land-based slaughter on the planet. Now it is moving into the central shooting zone, which includes Mount Alexander and Macedon Ranges shires. This will allow the barbaric slaughtering of over 82,000 grey kangaroos in the area, the largest quota in this state. The carnage will also leave my constituents stressed, anxious and traumatised in their own homes. Given the devastation floods and fire already cause our wildlife and considering the dedication of local rescuers, carers and community protecting wildlife, my constituents want to know if the minister will reverse this decision.

Eastern Victoria Region

Tom McINTOSH (Eastern Victoria) (13:00): (243) My question is for the Minister for Outdoor Recreation in the other place. Minister, Victoria has some of the greatest waterways in the world, and Eastern Victoria has the best of the best. Whether it is Lakes Entrance or the Mornington Peninsula, Victorians, tourists, weekenders and locals love to get out and enjoy our incredible and diverse coastline and pristine inland waterways. My question, Minister, is: how has the state government improved access to the water for boating in Eastern Victoria? With the recently announced upgrades to the Metung boat ramp and the election commitment to upgrading Schnapper Point boat ramp, I want to share with my constituents what other work the state government is delivering in Eastern Victoria. Access to the outdoors and recreational activities is so important for hardworking Victorian families. Getting the boat in the water and feeling the wind and elements is a great way to get out and get active together. I am so glad the government is supporting these fantastic activities, and I look forward to learning more about upgrades in Eastern Victoria.

Northern Victoria Region

Wendy LOVELL (Northern Victoria) (13:01): (244) My question is for the Minister for Health. On 22 February I asked a constituency question to the minister regarding her failure to sack the board of Remembrance Parks Central Victoria trust in the wake of their callous desecration of memorials at graves in cemeteries under their management, as well as numerous governance failures. Despite being required to respond to my question within 14 days as per the standing orders, the minister finally provided a response 106 days later, on 13 June. In her response the minister stated:

It is my expectation that the trust provides regular updates on its progress to rebuild the community's confidence and improve their processes.

Considering the overwhelming pain caused by the RPCV board it has an obligation to inform grieving families and the public of the improvements it is making. Will the minister ensure the regular updates she speaks of regarding changes the trust is undertaking are released publicly to assist in regaining the confidence of families and the community?

Western Metropolitan Region

David ETTERSANK (Western Metropolitan) (13:02): (245) My constituency question is for the minister for public transport and infrastructure. My constituent is a resident of Melton and recently pointed me to council modelling for a vastly improved bus network for the Melton LGA. She said that implementing the council's proposed changes would benefit 40,000 people currently without public transport services, improve access to employment and education precincts and reduce private motor vehicle trips. These changes are desperately needed. Melton LGA is one of Victoria's largest growth corridors, and with approximately 300,000 trips originating from Melton per day, only 2 per cent are on the bus. A simple realignment of the bus network with no major investment would take as little as six months and service an additional 17,200 people compared to the existing network. A \$3 million investment would service an additional 24,000 residents, and a \$10 million investment an extra

57,000 people. So my constituent asks: what steps has the government taken or will take to implement the council's bus upgrade plans?

Western Victoria Region

Joe McCracken (Western Victoria) (13:03): (246) My question is for the Minister for Small Business and relates to the funding cuts to mental health clinicians that were based in chambers of commerce such as Commerce Ballarat in my electorate. Will the minister please release the advice, briefing papers or any other relevant information which the minister used to justify this decision? Commerce Ballarat, joined with the Geelong Chamber of Commerce and the Bendigo chamber of commerce, have said publicly:

COVID is over, but the recovery is not. It is an extremely difficult environment for business owners who are emotionally and physically exhausted.

Over 22 per cent of small business owners have reported being diagnosed with a mental health condition. Rates are higher in particular sectors – for example, manufacturing, 35 per cent; retail, 34 per cent; accommodation and food services, 34 per cent; and construction, 33 per cent. I cannot understand why the government would make such a cruel and uncaring move in a sector which needs it the most. It is about time the government started listening to small business instead of ignoring it.

Western Victoria Region

Sarah Mansfield (Western Victoria) (13:04): (247) My constituency question is for the Minister for Transport and Infrastructure. Melton City Council's award-winning Moving Melton transport prospectus identifies that the Melton bus network is failing the community. Melton is growing rapidly, as are car dependence and congestion. Meanwhile, bus patronage is declining as the service is so poor. Much of the community have no access to bus services. Routes are convoluted and lengthy. Services are infrequent and only 10 per cent of bus routes are meeting minimum service criteria. Lack of access to public transport is bad for health, the environment and the economy, and it compounds inequality. Melton's bus system needs greater investment, but even a cost-neutral redesign of the existing system would much better meet the needs of the Melton community. Minister, will you ensure an immediate review of the Melton bus network occurs to meet community needs?

North-Eastern Metropolitan Region

Matthew Bach (North-Eastern Metropolitan) (13:05): (248) My constituency question is for the Minister for Education. Will the minister instruct her department to work with and develop a maintenance funding plan for Streeton Primary School to prevent the current cycle of asset degradation? I have spoken on a number of occasions in this place about Streeton Primary, a fabulous school with great leadership, wonderful teachers, an incredibly engaged student population and appalling facilities. The place is falling down. The school has been seeking capital upgrades for years and years and years. Now, after advocacy from me and numerous other members of this place – from across the aisle, I might say – the member for Bundoora kindly wrote to me before the budget to say that there would be some funding. There was some small funding for important works, and I thank the Treasurer for that. But nonetheless that is the first funding for any capital works for such a long time for Streeton, and there is far more to do. In particular when it comes to the ageing school grounds, significant investment is needed. I would ask the education minister to see to it.

North-Eastern Metropolitan Region

Aiv Puglielli (North-Eastern Metropolitan) (13:06): (249) My question is to the Minister for Consumer Affairs. Last week I held a renters forum in Ivanhoe, and those that attended shared frankly awful stories of their experiences as renters in my region. I heard from one person who was moving out of a rental and did not hear from their landlord about their bond refund until the last possible day. They were told that the landlord was withholding some funds for X, Y, Z reasons, and given the timing, if they did not accept these charges, then the matter would have to immediately go to VCAT. The

renter was left with no option but to accept the reduced bond refund. They needed these funds for the next bond, and they could not wait for a VCAT hearing. This is the second time I have heard of such a story in North-East Metro. From the sound of it, landlords and agents are purposefully leaving the decision to withhold funds from the bond until the last day that they must legally inform renters. Minister, will your government improve conditions to better protect renters from manipulative agents and landlords?

Northern Victoria Region

Gaelle BROAD (Northern Victoria) (13:07): (250) My constituent question is to the Minister for Health on behalf of employees of the Bendigo Health Care Group. Can the minister please explain why N95 respirator masks are still required to be worn by all staff regardless of their role at Bendigo Health? I spoke with nursing staff, administration staff and tradespeople who questioned why the N95 masks are still mandatory when they are no longer required at other hospitals across Victoria. Prior to the pandemic, masks were not required to be worn during the flu season, so perhaps masks can be voluntary rather than mandated or the less restrictive surgical masks can be used. Nursing staff have told me that the N95 masks reduce their oxygen levels and make it difficult for them to breathe and do their work. Staff are not wearing them properly and are less likely to take on additional shifts. I am sure we all recognise the huge workload and pressure that the COVID-19 pandemic placed on our health workforce and thank the staff for their important and ongoing contribution to our wellbeing. I would appreciate the minister's review of the directives given to staff at Bendigo Health to ensure the best possible outcome.

South-Eastern Metropolitan Region

David LIMBRICK (South-Eastern Metropolitan) (13:08): (251) My constituency question is for the Minister for Public Transport. Buses currently replace trains on the Frankston line whilst work is being completed on the level crossing in Glen Huntly. For commuters travelling from south-east Melbourne into the city and back again, this journey is complicated and must be nearly impossible for people who have mobility issues or other disabilities or those who might not speak English. In particular buses are parked a long distance from train stations at Brighton Beach and Caulfield. My question for the minister is to investigate whether it is possible to make buses more accessible for commuters when buses replace trains on the Frankston line?

Southern Metropolitan Region

David DAVIS (Southern Metropolitan) (13:08): (252) My question is for the Treasurer, and it is a simple question. In my region of Southern Metropolitan there are a number of private aged care services. Regis has got a number, as do Bupa and others and TLC. My question therefore is: how much is estimated to be collected in increased payroll tax collections from the aged care services in Southern Metropolitan Region? And I specifically ask: has the government undertaken any assessment of the impact on private aged care providers and, importantly, their vulnerable residents, and will they release that assessment? What is happening here is that a massive new tax has been levied on aged care providers. This is going to be an absolute king hit on these providers and will directly affect the quality of services to their residents. It is a risk that some services may actually close, and that is why I ask. In my region I am very concerned about a number of them. Some of the private providers – Regis, Bupa, TLC and others – are going to be impacted directly.

The PRESIDENT: Standing orders prescribe that we have 15 constituency questions. Mr Davis was number 16, and Mr McGowan asked me if he could go on the list and I said yes. I seek leave from the chamber to allow Mr McGowan to do his constituency question, and I will be better at counting tomorrow.

North-Eastern Metropolitan Region

Nicholas McGOWAN (North-Eastern Metropolitan) (13:10): (253) Thank you, President, for allowing me to get away with that. It is much appreciated. My question is to Minister Brooks, and I

ask him to join with me in sending our condolences and condemnation in respect to the massacre that occurred in Uganda. Members of this house may not be aware, but in my electorate there are very many new Australians and very many hail from many parts of Africa. If you did not catch the news, sadly last Friday a school was attacked in a small town on the border of the Democratic Republic of the Congo, and in the order of 37 students were – yet again; in Africa we have seen this too often – macheted or burnt alive in their dormitories. It was horrific – nothing short of it – and I would like to know that our government is sending their condolences on and condemnation of these savage acts that we have seen quite enough of in our lifetime.

Bills

Children and Health Legislation Amendment (Statement of Recognition, Aboriginal Self-determination and Other Matters) Bill 2023

Council's amendments

The PRESIDENT (13:11): I have a message from the Assembly:

The Legislative Assembly informs the Legislative Council that, in relation to 'A Bill for an Act to amend the **Children, Youth and Families Act 2005**, the **Social Services Regulation Act 2021**, the **Child Wellbeing and Safety Act 2005**, the **Commission for Children and Young People Act 2012**, the **Magistrates' Court Act 1989**, the **Health Services Act 1988** and the **Public Health and Wellbeing Act 2008**, to make minor and consequential amendments to other Acts and for other purposes' the amendments made by the Council have been agreed to.

Public Administration and Planning Legislation Amendment (Control of Lobbyists) Bill 2023

Assembly's rejection

The PRESIDENT (13:12): I have a further message from the Assembly:

The Legislative Assembly informs the Legislative Council that the Assembly has rejected 'A Bill for an Act to amend the **Public Administration Act 2004** and the **Victorian Planning Authority Act 2017** to provide more control over lobbyists'.

Petitions

Corrections Amendment (Parole) Bill 2023

David LIMBRICK (South-Eastern Metropolitan) presented a petition bearing 2536 signatures:

The Petition of certain citizens of the State of Victoria draws to the attention of the Legislative Council the Corrections Amendment (Parole) Bill 2023.

The bill would ensure that current prisoner Paul Charles Denyer, also known as the Frankston serial killer, would not be able to seek parole unless he is in imminent danger of dying or is so seriously incapacitated that he no longer has the physical ability to do harm to anyone. Denyer has never shown remorse for his crimes and continues to pose an immediate threat to public safety. His repeated attempts to apply for parole will continue to traumatise his victims' loved ones, as well as the broader community.

The petitioners therefore request that the Legislative Council vote in support of the Corrections Amendment (Parole) Bill 2023 to ensure community safety.

David LIMBRICK: I move:

That the petition be taken into consideration on the next day of meeting.

Motion agreed to.

*Bills***Drugs, Poisons and Controlled Substances Amendment (Regulation of Personal Adult Use of Cannabis) Bill 2023***Introduction and first reading*

Rachel PAYNE (South-Eastern Metropolitan) (13:13): I introduce a bill for an act to amend the Drugs, Poisons and Controlled Substances Act 1981 to make it lawful for an adult to possess small quantities of cannabis for personal use, to make it lawful for an adult to cultivate not more than six cannabis plants for personal use, to permit an adult lawfully in possession of cannabis to give the cannabis by way of a gift to another adult and for other purposes, and I move:

That the bill be now read a first time.

Motion agreed to.

Read first time.

Rachel PAYNE: I move:

That the second reading be made an order of the day for the next day of meeting.

Motion agreed to.

Residential Tenancies Amendment (Rent Freeze and Caps) Bill 2023*Introduction and first reading*

Aiv PUGLIELLI (North-Eastern Metropolitan) (13:14): I introduce a bill for an act to amend the Residential Tenancies Act 1997 to provide for a suspension on rent increases for two years, to provide for a maximum rate for future annual rent increases and for other purposes, and I move:

That the bill be now read a first time.

Motion agreed to.

Read first time.

Aiv PUGLIELLI: I move:

That the second reading be made an order of the day for the next day of meeting.

Motion agreed to.

*Committees***Scrutiny of Acts and Regulations Committee***Alert Digest No. 7*

Sonja TERPSTRA (North-Eastern Metropolitan) (13:15): Pursuant to section 35 of the Parliamentary Committees Act 2003, I present *Alert Digest* No. 7 of 2023, including appendices, from the Scrutiny of Acts and Regulations Committee. I move:

That the report be published.

Motion agreed to.

*Papers***Papers****Tabled by Clerk:**

Auditor-General – Regulating Food Safety, June 2023 (*Ordered to be published*).

Education and Care Services National Law Act 2010 – Education and Care Services National Amendment Regulations 2023, under section 303 of the Act.

Multicultural Victoria Act 2011 – Victorian Government report in multicultural affairs, 2021–22.

Parliamentary Committees Act 2003 – Government response to the Electoral Matters Committee Report on the Inquiry into whether Victoria should participate in a national electoral roll platform.

Planning and Environment Act 1987 – Notices of approval of the –

Alpine Planning Scheme – Amendment C66.

Baw Baw Planning Scheme – Amendment C145.

Bayside Planning Scheme – Amendment C184.

Boroondara Planning Scheme – Amendment C378.

Cardinia Planning Scheme – Amendment C276.

Glen Eira Planning Scheme – Amendments C253 and C254.

Glenelg Planning Scheme – Amendment C96.

Greater Bendigo Planning Scheme – Amendment C281.

Greater Dandenong Planning Scheme – Amendment C233.

Hume Planning Scheme – Amendment C257.

Latrobe Planning Scheme – Amendment C137.

Mansfield Planning Scheme – Amendment C54.

Maroondah Planning Scheme – Amendment C152.

Melbourne Planning Scheme – Amendment C425.

Merri-bek Planning Scheme – Amendment C226.

Mildura Planning Scheme – Amendment C123.

Monash Planning Scheme – Amendment C151.

Port Phillip Planning Scheme – Amendment C207.

Wangaratta Planning Scheme – Amendment C94.

Whitehorse Planning Scheme – Amendment C247.

Whittlesea Planning Scheme – Amendment C257.

Yarra Planning Scheme – Amendment C314.

Road Management Act 2004 – Code of Practice for Worksite Safety – Traffic Management (*Gazette S280, 1 June 2023*).

Statutory Rules under the following Acts –

Conservation, Forests and Lands Act 1987 – No. 35.

Crown Land (Reserves) Act 1978 – No. 41.

Drugs, Poisons and Controlled Substances Act 1981 – No. 46.

Electricity Safety Act 1998 – No. 40.

Evidence (Miscellaneous Provisions) Act 1958 – No. 39.

Forests Act 1958 – No. 42.

Land Act 1958 – No. 43.

Marine Safety Act 2010 – No. 36.

National Parks Act 1975 – No. 44.

Subordinate Legislation Act 1994 – No. 38.

Transfer of Land Act 1958 – No. 47.

Transport (Compliance and Miscellaneous) Act 1983 – No. 48.

Transport (Safety Schemes Compliance and Enforcement) Act 2014 – No. 37.

Wildlife Act 1975 – No. 45.

Subordinate Legislation Act 1994 –

Documents under section 15 in respect of Statutory Rule Nos. 35, 38, 39, 40, 41, 42, 43, 44, 45, 47, 48, 49, 50 and 52.

Legislative Instruments and related documents under section 16B in respect of –

Primesafe Determination of Licence Categories and Fixing Fees for Meat Processing Facilities and Meat Transport Vehicles for 1 July 2023 – 30 June 2024, under the Meat Industry Act 1993.

Primesafe Determination of Licence Classes and Fixing Fees for Seafood Safety Licences for 1 July 2023 – 30 June 2024, under the Seafood Safety Act 2003.

Wildlife Act 1975 – Notices under section 86 of the Act –

Wildlife (Closure of Lake Buloke State Game Reserve) Notice (*Gazette S220, 5 May 2023*).

Wildlife (Closure of Lake Bookar State Game Reserve) Notice (*Gazette S250, 19 May 2023*).

A proclamation of the Governor fixing an operative date in respect of the following act:

Casino Legislation Amendment (Royal Commission Implementation and Other Matters) Act 2022 – Sections 34, 36, 37, 38, 41, 47, 53, 54 and 55 – 31 May 2023 (*Gazette S273, 30 May 2023*).

Committees

Legal and Social Issues Committee

Inquiry into Extremism in Victoria

The Clerk: I have received the following paper for presentation to the house pursuant to standing orders: government response to the Legal and Social Issues Committee's inquiry into extremism in Victoria.

Petitions

Health Legislation Amendment (Information Sharing) Bill 2023

Response

The Clerk: I have received the following response to a petition for presentation to the house pursuant to standing orders: response from the Minister for Health to the petition titled 'Amend the Health Legislation (Information Sharing) Bill 2023', presented by Mr Limbrick on 23 February 2023.

Women's Centre for Health and Wellbeing Albury–Wodonga

Response

The Clerk: I have received the following response to a petition for presentation to the house pursuant to standing orders: response from the Minister for Prevention of Family Violence to the petition titled 'Funding for the Women's Centre for Health and Wellbeing Albury–Wodonga', presented by Ms Lovell on 2 May 2023.

Business of the house

Notices

Notices of motion given.

General business

Georgie CROZIER (Southern Metropolitan) (13:30): I move, by leave:

That the following general business take precedence on Wednesday 21 June 2023:

- (1) order of the day 2, resumption of debate on the second reading of the Energy and Resources Legislation Amendment (Transition Away from Coal) Bill 2023;
- (2) order of the day 1, resumption of debate on the second reading of the Corrections Amendment (Parole) Bill 2023;
- (3) notice of motion given this day by me relating to an independent report on the mental health system; and
- (4) notice of motion 105, standing in Mr Davis's name on the payroll tax exemption for charitable schools.

Motion agreed to.

Bills**Appropriation (2023–2024) Bill 2023****Budget papers 2023–24***Cognate debate*

Lizzie BLANDTHORN (Western Metropolitan – Minister for Disability, Ageing and Carers, Minister for Child Protection and Family Services) (13:31): I move, by leave:

That:

- (1) this house authorises the President to permit the second reading debate on the Appropriation (2023–2024) Bill 2023 to be taken concurrently with the debate on the motion to take note of the budget papers 2023–24, contingent on such a motion being moved; and
- (2) at the conclusion of the cognate debate:
 - (a) the question ‘That the Appropriation (2023–2024) Bill 2023 be now read a second time’ will be put followed by the remaining stages of the bill; and
 - (b) debate on the motion to take note of the budget papers 2023–24 will be adjourned until the next day of meeting, and the house will permit further debate on that question to occur on a future day.

The PRESIDENT: Before I ask if leave is granted for this motion to proceed, I will clarify that if it is agreed to and a cognate debate on the Appropriation (2023–24) Bill and budget papers proceeds then members will be able to speak on these questions just once, either during the cognate debate or during the remaining debate on the motion to take note of the budget papers.

Motion agreed to.

Members statements**Hunter Valley bus crash**

Sonja TERPSTRA (North-Eastern Metropolitan) (13:32): I rise to make a contribution in regard to the recent devastating bus accident in the Hunter Valley in New South Wales, which has deeply impacted the community of Warrandyte and members of the Warrandyte Cricket Club and their families. Warrandyte is a community which I am proud to have served as a government member over the last five years in the North-Eastern Metropolitan Region. I pass on my deepest sympathy and sincerest condolences to the family and friends who have lost loved ones in this tragedy. I also pass on my best wishes for a speedy recovery for those who have a long road to recovery in front of them.

Celebrating a wedding would normally be such a joyous occasion, but tragically, as we all know only too well, lives can be irrevocably changed in a split second, leaving a lasting, painful legacy for those who are left behind to endure. Our government will walk side by side with the Warrandyte community in providing wraparound support to help community members get through this. That is why a support package of \$580,000 will be made available for Darcy Bulman's family, as she was tragically killed

as a result of this accident. Family members of primary victims will receive \$5000 to assist with costs like loss of income and travel expenses in dealing with the aftermath of this tragedy. All this is on top of the other supports that will be available to victims via the Victorian government's victim support scheme and the New South Wales equivalent of the TAC. We will respect the club's wishes for privacy during this time and will work privately and constructively with the Warrandyte Cricket Club and Manningham council to support victims and their families as they work through this deeply saddening and distressing situation.

Hunter Valley bus crash

Nicholas McGOWAN (North-Eastern Metropolitan) (13:33): I too rise to offer my condolences to the families and the Victorians impacted by the tragedy at Greta in the Hunter Valley, and I know that in doing so I reflect the condolences from my fellow member Matt Bach in this place, Dr Bach, but also in the other place Ryan Smith. I too send my condolences not only to the community of Warrandyte that we represent but also obviously to the cricket club. And further afield from the cricket club and Warrandyte, there are quite a number of Victorians, in the order of 16, that were in the bus, which carried 35 souls that night just over a week ago now. I give them our assurances that we will work both confidentially and privately to serve their every need in the days ahead.

I also would like to remind people not just in this place but also more generally that not all those with an injury are in a hospital bed necessarily, but in fact some of the greatest injuries are the mental anguish, anxiety and stress that will follow in the days, the weeks and the months to follow. I urge everyone here, and everyone right across Victoria and Australia for that matter, not to think that simply because they are not in hospital bed they are not a patient – they very much are, and they have our support.

Refugee Week

Samantha RATNAM (Northern Metropolitan) (13:35): Today is World Refugee Day, and we mark this day in Refugee Week, an important week to honour the experiences, strength and courage of people seeking asylum and refuge. The theme this year is 'Finding freedom'. Right now thousands of refugees, however, are met with detention, not freedom, when they are fleeing war and persecution. As a nation we must treat them with compassion, not cruelty.

On Thursday there was a very special celebration that exemplified the capacity we have for compassion with the 30th anniversary of the Southern Migrant and Refugee Centre right here in Parliament. Thank you to the board chair Dr Ponniah Anandajayasekeram, CEO Rakesh Sharma and all the board members, staff and volunteers for showcasing the work of SMRC and all the tireless work they have contributed to the lives of migrants in Melbourne for decades. SMRC has provided invaluable support to migrant communities through settlement services, homework clubs, training and skills development, family support, volunteer community engagement, aged care work and so much more. It is fair to say for so many people SMRC is the only support service in their lives, and in those crucial few years of settlement their work is the difference between someone having a positive settlement journey or being isolated in their new homeland.

First Peoples' Assembly of Victoria

Samantha RATNAM (Northern Metropolitan) (13:36): On another note, I would also like to take this opportunity to acknowledge the historic elections for the First Peoples' Assembly and congratulate all those elected. The assembly has already begun groundbreaking work on treaty and issues of First Nations justice, and I am confident that this formidable group will continue the work for justice and healing. We thank you for your service and taking on this momentous task of negotiating a statewide treaty in Victoria.

Refugee Week

Lee TARLAMIS (South-Eastern Metropolitan) (13:36): Today is World Refugee Day, which is celebrated during Refugee Week. The theme this year is 'Finding freedom', encouraging everyone to explore what it means to be free. It is an opportunity to promote greater awareness of refugees, the issues they face and the positive contributions refugees make to our society. We should take the time to recognise and celebrate the resilience, courage and contributions of our refugees in Australia and worldwide. It also serves as a timely and important reminder of the millions of people around the globe who have been forced to flee their homes due to persecution, conflict and unimaginable hardships. We should acknowledge the importance of compassion and solidarity.

The plight of refugees is a responsibility that calls on all of us to act. We must advocate for policies that prioritise the protection of refugees' rights and dignity. We must support organisations who work to help refugees find safety, and perhaps most importantly of all we can foster an environment that is welcoming and compassionate within our communities. Challenging stereotypes and misconceptions of refugees is something we should all be constantly doing. We should be challenging the narratives that portray refugees as anything other than people who make an immense social, cultural and economic contribution to our society. Refugees make Victoria a better place, with their presence in our society adding to our vibrancy and diversity.

There are thousands of refugees in my electorate, and their stories of hope and hardship never fail to move and inspire me while continuing to remind me of how lucky we are to live in such a safe and free country. There are also large communities from Afghanistan and Ukraine in my electorate, who we know have recently felt enormous pain as they have witnessed their family and friends back in their home country being persecuted, killed, displaced or even forced to flee just to survive. I am so proud that we live in such a welcoming, diverse and accepting community.

Mick Simpson

Wendy LOVELL (Northern Victoria) (13:38): I rise to acknowledge and champion the tireless work of Kyabram's Mick Simpson, who has dedicated his life to raising community awareness of dementia, an insidious condition that is the second leading cause of death in all Australians. In February I spoke of Mick's work when I joined him on a Walk for Dementia event at the Victoria Park Lake in Shepparton. Through his walks Mick raises both awareness of and funding for research into the condition, despite having been diagnosed with dementia himself in 2019.

Earlier this morning I was honoured to welcome Mick on the front steps of state Parliament as he completed his latest Walk over Dementia event, walking from Kyabram to Parliament House – what an unbelievable achievement. Mick's event was to highlight the increasing number of children diagnosed with childhood dementia in Australia. One in 2800 children are born with a condition that causes childhood dementia, and sadly 70 per cent of those children diagnosed will not reach their 18th birthday. Due to a lack of funding there has been little research into treating or slowing childhood dementia, and the money raised from Mick's walk will support research as well as dementia and carer support in Kyabram. I welcome Mick and his support team to Parliament House today. Mick, you are an inspiration to all of us for the wonderful work that you do to raise awareness of this insidious condition. You are a champion for all sufferers and a hero in your local community.

Housing affordability

Katherine COPSEY (Southern Metropolitan) (13:40): On a recent sunny Saturday earlier this month I joined volunteers to attend rental inspections and talk to tenants in the inner south about their experience of the rental crisis. One young man was being forced to relocate after the lease he took over was not renewed. This is the second time this year he has had to move house, which we all know can be a stressful and expensive experience at the best of times. He is facing skyrocketing rental costs, which means he no longer has the choice to live alone and needs to move in with friends in order to even find a property. With 12-month leases the norm at best, most renters live year to year on the

whim of landlords. We have heard from too many people that they are scared to speak out about repairs and essential works for fear of being branded a difficult tenant and not having their lease renewed, or facing eviction. A substantial proportion of Melbourne's population rents, and we need to do better by them. We need to see increased rights and securities for renters so that they can safely speak up when they have no functioning heating or no oven without fear of that costing them their home. We need a freeze on rents now and we need rent caps moving forward to address out-of-control rent rises and make renting better.

Voice to Parliament

Sheena WATT (Northern Metropolitan) (13:41): Voice, treaty and truth – that is what our elders called for in 2017 when they gathered on sacred land at Uluru to write a new chapter in our national story. There, standing in the footsteps of generations of our ancestors and strengthened by an ancient and powerful connection to country, our elders made a call for a better, fairer future for our children. This year their calls have finally been answered, and with yesterday's passage of the bill to alter the constitution and enable the Indigenous Voice, we now embark on that long-overdue step of recognising Aboriginal and Torres Strait Islander people in the constitution through a Voice to Parliament by referendum.

As a proud Aboriginal woman, I know just how important it is that we do not let this moment slip through our fingers. This referendum is a chance for all of us to come together in the spirit of healing and reconciliation to right the wrongs of the past. It is a chance to acknowledge that governments have tried and failed time and time again but that we are mature enough as a country to acknowledge that and try something new. It is a chance to realise the dreams of our elders who have fought for recognition and self-determination for decades. I invite you to walk with me and my brothers and sisters as we build an Australia that values, listens to and respects the cultures, knowledge and unbroken sovereignty of Australia's First Peoples.

Aged care

Georgie CROZIER (Southern Metropolitan) (13:42): With an ageing population, the last thing Victoria needs is for the private and not-for-profit aged care sector to collapse in Victoria. Tens of thousands of Victorians rely on the support and care that so many provide through these facilities, and tens of thousands of Victorians want to have the ability to choose how they can support their elderly parents and loved ones. Lou Pascuzzi, CEO of TLC, last week called it as it is, saying that policy decisions by both federal and state governments are putting more and more pressure on the sector. That includes the Andrews–Allan government's decision to increase payroll tax to private aged care facilities. Forty-seven per cent of aged care facilities in Victoria are privately run. What happens if they close their doors? The not-for-profit and public aged care facilities are not without problems. As Robert Gottlieb says in today's *Australian*:

Not-for-profit organisations and those under government ownership might not pay payroll tax but often have deep problems because aged care is emerging as an industry that is like infrastructure and requires substantial capital investment to make it work.

The Andrews–Allan government just does not get it. For our state to have the services to support some of our most vulnerable we must have a robust public system as well as a robust private system, yet time and time again we see this government demonising the private sector. Let us not forget what Daniel Andrews said:

I would not let my mum be in some of these places. I just wouldn't.

Daniel Andrews, stop your nasty, divisive commentary on the private sector – whether it is independent schools, businesses or the aged care sector – and provide the support to these hundreds of thousands of vulnerable Victorians and their families and reverse the payroll tax hikes to aged care.

Housing affordability

David ETTERS HANK (Western Metropolitan) (13:44): I rise to welcome the federal government's proposed social housing accelerator, which should see Victoria receive an additional \$500 million for social and affordable housing. In and of themselves these additional funds will not resolve the current critical shortage of public, social and affordable housing, but this is a welcome initiative. But as we all know, it is often wise to look a gift horse in the mouth, and Legalise Cannabis Victoria sees two critical issues. Firstly, in housing development the greatest challenge is getting suitable land. The Victorian government has literally hundreds of sites that can accommodate thousands of social and affordable households in the Melbourne statistical division. If I may paraphrase Mark Twain, they are not making land like that anymore, so do not just sell it. It is critical that the government prioritise the use of existing landholdings for housing before it is simply sold on the open market to reduce debt.

Secondly, the Commonwealth funding is apparently tied to 'reforming' planning laws. What this 'reform' means is far from clear, but if this is just code for mugging local councils and riding roughshod over communities, then I think there will be a hell of a fight. We need to make our planning laws and processes fit for purpose and their implementation much better. A long history of poor planning outcomes abundantly demonstrates this need. I look forward to elaborating on these themes in subsequent debates. We are in a housing crisis, and we need to get this right.

Brauer College

Jacinta ERMACORA (Western Victoria) (13:46): I recently had the pleasure of visiting one of our outstanding government schools in the south-west, Brauer College, where I met with student leaders. Spending time with an emerging new generation of leaders was informative and made me feel heartened about the future. I was fascinated and found it commendable that school leaders now hold their own specialist portfolios and students are able to access school leaders according to their needs.

The Brauer leaders I met included school captain Molly Carey; Lilian Smith, who is the student wellbeing captain; Isabella Condon, social justice captain; Mia King, environment captain; Teah Couch, sports activities captain; and Charlee Sutcliffe, who is the art and culture captain. Rain Lai, the other school captain, and Riley Byrne and Sienna Gladstone were apologies. It was great to take a walk with them and check out the newly refurbished running track at Brauerander Park and to ask them about their future plans. I have to admit I am pretty pleased to see that nine out of those student leaders were young women. I chose pyjama day to visit, which was a lot of fun and certainly changed the atmosphere, and I was very pleased to see the leaders were in uniform to meet with me.

Ballarat Neighbourhood Centre

Joe McCracken (Western Victoria) (13:47): I recently visited the Ballarat Neighbourhood Centre and had a meal with locals and volunteers. I would like to acknowledge executive officer Vicki Coltman, chairperson Glen Crompton and all employees, staff and volunteers of the Ballarat Neighbourhood Centre in Sebastopol. The team do an amazing job feeding many locals. Much of the food is donated by local businesses. As chef David put it, 'It's the best feed in town for \$10,' and he is absolutely right. Congratulations and well done to the team. You are doing great work.

Rotary Club of Wendouree

Joe McCracken (Western Victoria) (13:48): I also had the pleasure of visiting the Rotary Club of Wendouree for their breakfast meeting. They are a hardworking club doing wonderful work to support the community. President June Driscoll, along with the executive committee, were so kind and hospitable. A special mention to my former university lecturer Jessie Harman, who is a member of the club but also sits on Rotary's international board. Jessie is an amazing woman who embodies the values of Rotary. Congratulations to the Rotary Club of Wendouree. Your continued work in supporting the Ballarat community is appreciated by everyone. Well done.

Refugee Week

Trung LUU (Western Metropolitan) (13:48): I rise today to speak about Refugee Week, and today, being World Refugee Day, is a very special day to me personally, being a refugee. It is a global event that raises awareness about the dilemma of refugees by honouring their strength, courage and resilience. This special observance sheds light on the crucial need to provide safety and assistance to people who have been forced to flee their homes due to war, persecution and violence – a journey that I and my family personally experienced when we fled Vietnam after the fall of Saigon.

Our multicultural community is coloured by moving stories of survival and hope. World Refugee Day stands as a reminder that all people deserve a life of dignity and security, irrespective of their nationality or origin, especially with the pressing issues of the global displacement we see nowadays. Australia has welcomed thousands of refugees from various countries, embracing its international obligations and building diverse communities. This week we will observe a variety of events and activities, such as cultural performances, film screenings, educational workshops and fundraising campaigns like the event I attended over the weekend in Thomastown organised by Mrs Dalal Sleiman and the Australian Chaldean Family Welfare, who organise and provide service and guidance to newcomers.

These types of occasions create opportunities for Australians to learn what refugees experience, recognise their valuable contributions to society and express unity with this displaced population worldwide. World Refugee Day is observed globally on this day, 20 June, enriching the nation's social fabric and fostering greater understanding of this humanitarian issue.

Country Cob Bakery

Gaelle BROAD (Northern Victoria) (13:50): Today I want to acknowledge the hard work and entrepreneurial spirit of small businesses. As anyone in small business knows, it takes a significant amount of resilience to face the pressures that come, so it is great to celebrate the wins when they happen. I would like to inform the house that the best pies in Australia can be found in Northern Victoria, at the Country Cob Bakery in Kyneton. Their Fish Amok pie was judged the best in the country at the recent Baking Association of Australia competition, which looked at over 1500 products from 348 bakeries across the nation.

Being awarded the title of Australia's best pie was an ins-pie-ring win for the team at the bakery. In 2021 their caramelised pork and pepper pie won top honours, while last year's winner was the Aussie classic, the plain meat pie. The bakery really had their eyes on the pies – I mean prize – this year. They have now made it a hat-trick and won the title three years in a row. So far they have won more than 350 medals and trophies for their pies and pastries. Last year they were invited to demonstrate their skills at a MasterChef masterclass.

I would like to congratulate the owners Chan and Ryan Khun on their success and encourage everyone to drop in to the Country Cob Bakery in Kyneton to support this great business. They also have bakeries in Boronia and Springvale, so treat yourself to the best pies in Australia.

Warrandyte electorate

Matthew BACH (North-Eastern Metropolitan) (13:52): I want to commend the earlier contributions of my colleagues in the North-Eastern Metropolitan Region, both Ms Terpstra and Mr McGowan, regarding the dreadful impact of the shocking bus crash in New South Wales, in particular here on the community in Warrandyte, and commend both of them for the work that they continue to do to support families.

I was in Warrandyte yesterday meeting with Nicole Ta-Ei Werner because she is the Liberal candidate for the upcoming by-election in Warrandyte, and I was talking with her about local issues. Certainly a huge local issue today and into the future, as Mr McGowan said, must be supporting the community,

especially supporting the community around the cricket club that has been so indelibly impacted by dreadful events in New South Wales.

In addition, right across the electorate people are feeling the pinch when it comes to the cost of living. There are specific local issues that I know Ryan Smith, the outstanding outgoing member for Warrandyte, has talked about, like the dreadful intersection at Five Ways. More than half of the families in Warrandyte choose to send their children to non-government schools, so it is an electorate and a group of parents in particular who will be hit particularly hard by the schools tax that we will shortly debate. It was great to catch up once again with Nicole to talk about issues in Warrandyte, both issues that are tragic and recent but also ongoing concerns of that community.

Business of the house

Notices of motion

Lee TARLAMIS (South-Eastern Metropolitan) (13:53): I move:

That the consideration of notices of motion, government business, 36 to 93, be postponed until later this day.

Motion agreed to.

Bills

State Taxation Acts Amendment Bill 2023

Second reading

Debate resumed on motion of Ingrid Stitt:

That the bill be now read a second time.

Matthew BACH (North-Eastern Metropolitan) (13:54): I am pleased to rise to make a contribution at the commencement of our debate on the State Taxation Acts Amendment Bill 2023, in particular as members around the chamber will know that on this side of the house we oppose a number of measures in this bill. We believe that when the government comes into this place and seeks to punish Victorians for its own economic incompetence, it is necessary to just stand up. We are going to fight today and into the future on behalf of the 6.8 million Victorians who under this bill are going to be paying higher taxes. We are going to fight on behalf of those Victorians who are now going to have to pay Labor's schools tax, Labor's rent tax, Labor's job tax and Labor's debt tax. These are all taxes on aspiration. They are all taxes on a fair go.

When I think about taxation I think first and foremost, as I often do, about the wisdom of the founder of our party, Sir Robert Menzies. In thinking about my contribution today I went back, as I do often on matters of policy, to the remarks of Sir Robert. In a debate in 1958 Sir Bob said that one of our party's key principles when it comes to economic matters must be to keep taxation as low as possible. Unlike some others – and they are entitled to their views – we are not a party of no taxation, we are a party of better taxation and we are a party of less taxation. That is what Sir Robert said, for those of us on the Liberal side of our happy coalition. That is a principle that is timeless, as were so many of his values.

There are a number of things that we know about this bill. As I said, first and foremost it seeks to introduce a whole series of taxes on aspiration. We do understand on this side of the chamber that Victoria is broke. Victoria is broke under Labor, so the government has to seek to do something about the parlous budget position. The government says that it is broke because of COVID debt. Well, I will run through some numbers anon which demonstrate just how disingenuous that argument is. Of course we know that Victoria's debt was spiralling out of control before COVID. It is worth noting that COVID was not a Victorian phenomenon. There was a COVID pandemic – indeed there is an ongoing COVID pandemic – right around Australia and indeed right round the world. It is interesting because time and time again in this place during the height of the pandemic we heard from those opposite that

this is a worldwide pandemic. I sought to interject from time to time that the definition of ‘pandemic’ is such that it is a worldwide event, but nonetheless we heard ‘worldwide’. That was the Labor talking point – a worldwide pandemic.

However, according to those opposite, because COVID hit Victoria it is now necessary that Victoria has more debt than New South Wales, Queensland and Tasmania combined – three COVID-impacted states, as every jurisdiction around the entire world was impacted by COVID. But the government has to try something because the measures in this bill are so harsh and so regressive and will have such a dreadful impact not just on business or the top end of town – those who should pay their fair share, to use the government’s language – but on parents who make really hard decisions to send their children to non-government schools. Members of the government have said publicly that our independent schools are for profit. It is not just that that language is incorrect, it is absolutely flat-out wrong. There is a big difference between organisations that run a surplus and organisations that are for profit. None of our schools are for profit. Indeed, under the state-run registration agency, every single Victorian independent school is forced to run a surplus. But because our schools run themselves really well and, yes, have small surpluses, which they must do for their registration, otherwise they would be shut down, which is government policy – and I agree with it, by the way – they are to be punished.

The rent tax is not a tax on wealthy people who seek to buy an additional property, although some opposite have sought to characterise it as such. While I was praising Ms Terpstra before, I will come to one of her interesting quotations about people who own additional property. I do not, for the benefit of the record. I do not own one. I certainly do not have the means to own two. But I bear no ill will to mum-and-dad investors who seek to save, to secure their retirement and to provide rental accommodation for somebody else as well, by the way. The obvious impact of that tax will be to push up rents. It has been interesting: we have heard from many members today, many members of the Greens party – I think Mr Puglielli was talking about this just before – and other members too, about how hard it is to find rental accommodation and how expensive rents are at the moment. This is absolutely the wrong time to be increasing Victorians’ cost of living not only with a schools tax that will add hundreds if not thousands of dollars onto school fees but with a rent tax that will make it so much harder for those seeking to rent a home.

Before I get into a little bit more detail about the bill, as is my way I want to give some credit where credit is due. There are one or two elements of this bill that those of us on this side of the house think are good, and thus I will throw a bouquet in the direction of the Treasurer. The first is lifting the payroll tax threshold from \$700,000 to \$900,000. That is a good step we on this side of the house believe. It is a good step in the right direction, and so credit where credit is due. Now, of course we historically have taken policies to elections that have wanted to seek greater action. For example, to get us in line with New South Wales, the current threshold – or I should say the threshold that will apply should this bill pass the house, and I fear it will even though I oppose it – will be \$900,000. That is, for context, \$300,000 short of the \$1.2 million threshold in New South Wales. So another impact of other measures in this bill will be to see businesses move elsewhere, but I am trying to remain on the positives for now. We think that is a good change and we support it, so to the Treasurer on that front I would say thank you and well done.

There is one other element of the bill that I really like, and I like it in particular because it complies with the Menzian principles that I hold so dear. It is regarding properties that are classified ‘Trust for Nature’, as this bill provides for in division 5.

A member interjected.

Matthew BACH: How am I going?

Ryan Batchelor: I’ve got the quote, don’t worry.

Matthew BACH: I have got to build some bridges. Many economists stress the importance of broad-based land taxes, but in the context of our existing state tax regime, which is so regressive, I am

certainly supportive of measures, as are we on this side of the house, to carve out properties that might encourage landowners to plant more trees. I am optimistic in fact about the impact this may have on biodiversity and on our efforts to sequester atmospheric carbon through restoring tree canopy wherever possible. So these are two elements of the bill that on this side of the house we think are good, and in the context of these debates, where so often it is a temptation to only talk about things you may not like and to seek to find division, it is good to note that we like those elements of the bill.

However, there are three or four new taxes that I do want to focus on in my contribution, and it is because of these three or four new taxes and the impact that these new taxes will have on Victorians that a little later I will seek to move a series of amendments knocking out each one of the individual taxes.

Amendments circulated pursuant to standing orders.

Matthew BACH: But before that, I will move a reasoned amendment:

That all the words after 'That' be omitted and replaced with the words 'this house refuses to read this bill a second time and the bill be withdrawn because the government has not:

- (1) provided a viable fiscal strategy for Victoria that will not:
 - (a) increase unemployment;
 - (b) increase the tax burden on families and businesses;
 - (c) put downward pressure on real wage growth;
 - (d) put downward pressure on investment and jobs growth;
- (2) provided a fiscal strategy to repay \$140 billion in state debt;
- (3) appropriately accounted for \$76 billion in recurrent and capital contingency funding that should be drawn down in lieu of new taxes and tax increases; and
- (4) alleviated cost-of-living pressures for Victorian families.'

Broadly the purpose of the reasoned amendment is to cease our proceedings and for the bill to be withdrawn, because the government has put forward in this bill a piece of legislation that will in fact see unemployment increase, that will see the tax burden on families and businesses increase and that will put upward pressure on a range of other areas and downward pressure on investment and also on jobs growth.

One of the taxes that we oppose, and not only oppose but have made a commitment to repeal should we be fortunate enough to win government at the next election, is the schools tax, and that is worth dwelling upon. I personally think the schools tax is a particularly egregious attack on aspiration. About 42 per cent of Victorian families choose to send their children to independent schools. Part of the logic of our uniquely Australian approach to schooling has for a long period of time been that we do not want systems like those that operate in some European countries where it is only an absolute elite who can send their children to a school of their choice. Here for a long period of time there has been bipartisan support for the notion that there should be government support to all different types of schools – of course far more government support to state schools, but nonetheless government support to schools of all types – in an effort to ensure that the Victorian people, should they wish, can seek to choose to send their children to a school that they may like. It might be a denominational school; it might be a different school. It might be that because of the tyranny of distance in many of our regional and rural areas it is far more convenient to send their children to a non-government school rather than a government school. Whatever the reason, frankly, Deputy Premier –

Harriet Shing: Deputy Premier?

Matthew BACH: Deputy Premier, I wish. Deputy President.

Harriet Shing: You thought you would get away with that one, didn't you?

Matthew BACH: I did. I thought it slipped through and was on the record.

We have thought that it really should not matter what the reasons are for parents' choice about a particular school – that they should be able to make that choice. In the budget I was surprised to read, just as all independent schools were surprised to read, that the government in fact is seeking to remove the payroll tax exemption on non-government schools. In the budget papers there is a line that says the hit list of non-government schools will be 110. There was a fierce reaction to that, because if the government had bothered to check its numbers, and in particular if the embattled Minister for Education had bothered to check the numbers, they would have realised that by the time you punish 110 schools you are punishing schools with fees as low as \$7500. Mr Andrews said these were schools that have had a sweetheart deal. He dumped that language pretty quickly, but that is what he started with. That is where the government started: these are schools that have had a sweetheart deal when it comes to taxation. These are 'high-fee' schools; the government has dropped that language too. Of course many parents went spare about that, because simple analysis by Independent Schools Victoria and by the Catholic Education Office demonstrated that this significant change would actually lead to many independent schools being totally defunded by the state government. State governments provide some funding to independent schools. The schools on this hit list – when eventually we learn which schools were on the hit list, many of those will be entirely defunded by the state government and will be paying far more in taxes to the state government than they actually get. Straightforward analyses, apparently not done by the Minister for Education before the budget was announced, demonstrated that this will mean fee increases of hundreds and hundreds of dollars, in some cases over \$1000, a year for families who are doing it so tough. I get it, Victoria is broke because of the financial incompetence of the Andrews Labor government, but I do not think the way to fix the budget is to punish hardworking families.

The Premier tried to fix the education minister's mess at the Public Accounts and Estimates Committee hearing, and he said, 'Look, it's not going to be 110 schools that are hit. It will be fewer.' We do not know how many fewer, but it will be fewer – well, 'less', the Premier said, but he meant fewer. It will be fewer. He said that the threshold will not be \$7500, it will be higher. He did not say what it will be. There has been speculation it might be \$10,000 a year or \$12,000 a year. The point that has been made by principals and leaders of so many independent schools is this: we know what this government is like when it comes to taxation. This is a Premier of course who stood before the cameras when he was opposition leader and said, 'There will be no new or increased taxes under a Labor government.' Well, he has broken that promise I think now 48 times. I might stand corrected; it might be more by now. But, anyway, he has broken that promise at least 48 times.

Before the last election – what was it, seven short months ago – the Treasurer gave a pledge to the Victorian people: 'No new or increased taxes.' Victorian parents know that once you start punishing certain schools, well, you can always go further. Just because the Premier may say tomorrow or on 1 July – and he has provided a commitment to providing the full hit list on 1 July – 'Look, we're only going to hit schools with fees of \$10,000,' that is still hundreds and hundreds of thousands of Victorian parents who will be slugged with bills, oftentimes in excess of \$1000 a year. But, nonetheless, of course what will happen is that this government will use salami tactics. Slice by slice it will add more and more schools to the list, its hit list of schools, to which the payroll tax exemption will no longer apply.

So my call to the government is, please, ditch it entirely. We can work together to find savings elsewhere – for example, in the troubled infrastructure portfolio, where we have seen more than \$30 billion of blowouts. We can work together to put in place evidence-based policies, like those advocated by Infrastructure Victoria or the Grattan Institute, that could see billions of dollars of savings. Please do not punish Victorian families and Victorian schools for your own financial malfeasance.

Part of the reason I think that there is so much angst within the broader parent community in Victoria, 42 per cent of whom, remember, choose to send their children to a non-government school, is because the government clearly has no idea about the impact of these changes. The member for Kew last sitting

week asked the Minister for Education if the COVID levy and the mental health levy would apply to schools now that their payroll tax exemption is being removed, and she said, 'No'. She said there were no Victorian schools with a payroll of over \$10 million. Well, that was an amazing statement. There are 69 independent schools in Victoria with a payroll of over \$10 million. That is before you include the Catholics. So in actual fact it is more like 80 independent schools that because of this bill will not only be forced to pay a very significant amount of payroll tax – oftentimes in excess of a million dollars a year – to the Andrews Labor government but also be hit with the COVID levy, and in addition to that they will be hit with the mental health levy.

I suppose it is not surprising that the minister did not know that or anything else about the impact of this tax, because she has not spoken to one single school about it. That was confirmed at the Public Accounts and Estimates Committee. Under questioning from Mr McGowan and Mrs McArthur, the minister said that she had been to a dinner. I already knew the minister went to the dinner because I was at the dinner. The minister arrived late to the dinner. She delivered her speech and then got the hell out of there. But on the way out several schools wanted to talk to the minister because they were pretty angry. She did actually talk with them for – I do not know – it might have been 3 or 4 minutes, and this was the example she used at the Public Accounts and Estimates Committee to demonstrate that she is consulting with schools. However, when questioned by Mrs McArthur to name any school that she has actually had a discussion with, she could name none.

I actually do not think it is Minister Hutchins's fault. I think this was cooked up in the Treasurer's office. I think she had no input –

A member interjected.

Matthew BACH: Perhaps it was the Premier's private office – maybe it was the PPO – but it was certainly not the office of the Minister for Education. She did not know about it. Again, she was clear at the Public Accounts and Estimates Committee that her department had so little input into any modelling about the impact of this tax. So for all of these reasons – first and foremost for the massive hit this will cause to family budgets up and down the length and breadth of our state – the Premier needs to do better than simply backtracking to say, 'We'll raise the threshold,' or there will be fewer than 110 schools that will be hit initially. He has got to scrap this tax entirely. A little later, in the committee stage, I will be moving an amendment to knock this element out of the bill, and I seek support from crossbench members in order to do that. We will interrogate these matters far further, not only through the period of the debate but then in the committee stage perhaps late this evening. But there are other elements in addition to the schools tax that I should also reference, and then colleagues of mine will pick up where I have left off.

I said that I would refer to some brief comments that have been previously made by Ms Terpstra when it comes to taxes on property. Interestingly, she referred to anybody who owns more than one home as being a property baron, which is fascinating considering so many of her colleagues own more than one home. Some of my colleagues do as well, and I do not cast aspersions on people who may have more than one property. I do not, as it happens. But so many of her colleagues are, according to her definition, property barons. Well, I would go into bat for these Labor ministers and indeed for other Victorians who seek to have an investment property – who seek to save, to secure their retirement and then provide rental accommodation for other Victorians who so desperately need it. Oftentimes we are talking about mums and dads who do what they do and therefore relieve pressure on the federal aged pension system, which we know costs us so much. These are young people, or seniors seeking to downsize, and so many of them also would then be very well served by a solid supply of rental properties, yet our current rental vacancy rate is nearing its lowest point in decades.

We need to do everything we can to increase the supply of rental housing to bring down rents. In particular I dwell for a moment on those living alone. We heard Ms Copsey talking about the plight of young people she recently met who are seeking to break into the rental market on one income, and that is so hard right now. Yet this bill will only make matters worse. This bill will increase land tax

and further disincentive people from turning to properties to secure their retirement. Fewer homes available to rent will be the obvious outcome. The Real Estate Institute of Victoria has had a few things to say about this particular element of the bill. They referred to the land tax increases, and they said:

This is a tax on families – not the big end of town. The Government is seeking to recoup the budget debt off short-term solutions that will hurt mum and dad property investors and Victorian renters –

really importantly –

while exacerbating the structural housing supply issues facing the state ...

Those are comments with which I would concur.

There has been some discussion about the COVID debt levy, which I suppose is a useful name from the point of view of the government, but putting a few facts on the table I think will be important at the outset of our debate today to seek to debunk the myth that Victoria is in the shocking economic straits that it is today somehow because of COVID. Currently our debt sits at \$135 billion, and it is set to hit \$171 billion three years from now. As I have said, Victoria's debt was spiralling long before the COVID pandemic hit our shores and indeed the shores of every other state and territory in this country – albeit not Canberra, because Canberra does not have shores. When the Andrews Labor government took office at the end of 2014 Victoria's debt was a tick over \$20 billion.

Members interjecting.

Matthew BACH: I am offending everybody at the moment. Victoria also had a debt-to-GSP ratio of 6 per cent. That was when the previous Liberal and National Party government lost office. Now our debt is \$135 billion, with a debt-to-GSP ratio of 23 per cent. Those opposite, surely you are not going to argue that the government spent \$115 billion on COVID support. They have spent more and more money on employing an army of public servants, and I would refer members to the comments of Mr Rowswell in the other place about how odd it is. Surely it is something that only this government could achieve: over the period of this budget, over the so-called forward estimates, for us to see 4000 fewer public servants – not less, but fewer public servants – but to see the wages bill going up by an additional \$3 billion nonetheless. Think about that – albeit not too hard – for just a moment.

There are elements in this bill that are odd. There are more elements in this bill, especially concerning the three or four taxes that I outlined at the start of my contribution, that we believe, and so many eminent experts who have been quoted at length by Mr Rowswell and others in the other place believe, will have such negative impacts on Victorians. As I have said, we do understand that Victoria is broke. On this side of the house we have a strong view, as so many other Victorians do, that we are dealing with a government here that is economically incompetent and certainly when it comes to taxation, and we are talking about taxation today, has never told the truth to the Victorian people – 48 new or increased taxes since the then opposition leader said there would be none and more very significant tax increases via new and increased taxes in this state tax bill despite the fact that the Treasurer promised none before the last election. In the midst of a cost-of-living crisis, when school fees are going up so much already, when it is almost impossible to get rental accommodation already, hardworking Victorians should not be the ones to pay the price for the financial incompetence of the Andrews Labor government.

With those few words from me to kick off the debate, I will take my seat, noting as I have said that I will move a series of amendments, which have been circulated to all members of the chamber, a little later seeking to knock out certain clauses that would enact what we see as the most egregious tax changes. As you are aware, we have made a commitment on this side of the house to repeal the schools tax should we come to office. We think that is a prudent approach. As Sir Robert said, we are not a party of no taxation. I would love to be in a position today to make a major announcement that an incoming John Pesutto government would scrap every one of these taxes should they pass. However, in keeping with the wisdom of our founder, we are in a position to make a commitment to the Victorian people to repeal the schools tax, and we will look very carefully closer to the election at any further

commitments we will be able to make. For now, however, we are simply seeking to do everything we can to stop these dreadful tax increases from going ahead.

John BERGER (Southern Metropolitan) (14:20): Today I rise to contribute to the State Taxation Acts Amendment Bill 2023. Before I do so, I would just like to touch on the budget that came before this bill. As a first-time member, this is the first budget I have been in the Parliament to experience – and how exciting it was to have a front-row seat in helping to deliver to Southern Metro. It is truly rewarding to be getting on with the job and doing what matters.

This bill is an exercise in fiscal responsibility. During the pandemic we borrowed large sums of money to ensure our state could keep on moving. We did it because it was the right thing to do. Now the task falls to us to repay that debt accumulated during the pandemic. We must take the future into consideration if we are to sensibly tackle this debt, and that is exactly what this bill does. Just as we took the responsibility of protecting Victorians during the pandemic, we are taking responsibility for repaying the debt we incurred for the greater good of the state as COVID-19 wreaked damage through all of our lives. It is part of the COVID-19 debt repayment plan. It is ambitious, no doubt, but we will not shy away from our commitments to Victorians.

Victorians know there is good debt – there is the sort of debt to buy a home, start a business and plan for the future. And, as Victorians know, there is bad debt – short-term debt, the short-term debt that you have on a credit card. We must make some tough decisions, but a good government does that and not always what is popular. It does what is right, and that is what we on our side of the chamber do. We are doing what matters for Victorians.

At its core this bill continues to support small businesses and helps grow the Victorian economy while also balancing our debt obligations for the pandemic. The reality is that our pandemic-era debt was necessary, sensible and helped protect Victorians from the negative impacts of not just the deadly virus but the economic disaster – an economic disaster that could have left so many Victorians jobless, homeless and worse off. But as necessary as it was, it comes with a price tag, and the time has come for us to start paying back the money we put on the state's credit card.

To help these efforts, our government has developed a comprehensive COVID debt repayment plan. Through this extensive plan we see a path towards paying back the debt gathered during the pandemic over the next 10 years. This will include a range of measures to invest in Victoria's future prosperity, making it easier by the day for us to pay back our annual bills. Other measures being taken include the Victorian Future Fund, also being discussed in this place, hopefully, today. This bill is but one part of a very large puzzle, but it is a vital piece nonetheless. It contains a package of tax reforms to benefit not just the state finances but the Victorian community going forward, because in the Andrews Labor government we believe in delivering outcomes that offer not just one benefit to the community but multiple.

We are introducing temporary and targeted fiscal measures for the next 10 years under this plan in a sensible and considerate way that will benefit our rebounding economy, an economy spurred by record investment in jobs, infrastructure and the things that matter. Ending in 2033, we are introducing two new targeted, temporary levies that are not just fiscally sensible but reasonable. Around 5 per cent of businesses in Victoria, all of whom hold national payrolls above \$10 million a year, will be asked to contribute more payroll tax each year. This levy will be set at 0.5 per cent a year – that is 0.5 per cent. Furthermore, businesses with national payrolls above \$100 million a year will pay an additional 0.5 per cent. It is estimated to raise about \$3.9 billion for the state over four years, with this revenue going toward our COVID debt repayments.

It is not hitting our small businesses. This surcharge is for the large businesses in our state – the businesses who did well out of the pandemic, those with large payrolls, businesses that can afford to contribute to the community that they benefit from so much. Business profits are up 24 per cent over the last three years. That means these businesses not only recovered from the pandemic but are

thriving. So it is only fair that these businesses that have come out well through the pandemic and maintained a sizeable payroll pay a little extra.

There are some voices that claim this will hurt their mum-and-dad businesses. This could not be further from the truth. We are a government that backs small businesses. Small businesses are the backbone of any healthy local economy. If we are to tackle Victoria's debt, it is important that we work together, and that means businesses paying their fair share. That is why the bill provides relief for small businesses and marks modest changes for those who can afford such changes. More than 26,000 businesses will be paying less payroll tax because of our reforms and around 6000 will stop paying it altogether. That is not even mentioning the abolition of business insurance duties, which will save businesses around \$275 million over three years. Our reforms to stamp duty for commercial industrial land use is something I am excited to see take place after sitting on the inquiry into land transfer duty fees.

The truth is that this government has reduced or cut taxes and charges 64 times since it was first elected in 2014, and the bill continues that tradition. Our bill is lifting the payroll tax free threshold to \$900,000 from next year and up to \$1 million the year after that. If your business holds a \$1 million payroll, this bill will save you over 14 and a half grand a year – just think about that. It is not a war on business, it is a bill written in the good spirit of Victorians helping each other as we recover. Of course those opposite will make it out to be a war on business simply because in that good spirit we are introducing a lever that will impact 5 per cent of businesses and high-value landowners. But it must be stressed that we will help pay down our COVID debt and continue to fund programs and services which help not just the most vulnerable but every Victorian in one shape or another.

When taxes are utilised in an effective way everyone benefits, and this reflects the values of the Andrews Labor government, which is why these tax arrangements are implemented in such a manner to improve the functioning of tax in this state. From next year the state's tax-free threshold for general land tax rate is set to be reduced to \$50,000. Larger landholdings, namely those above \$300,000, will see a temporary 0.1 per cent increase. It should be noted that it is not going to affect the family home, because the Andrews Labor government knows that everyday Victorians do not need any more stress on their bills. It will only be placed on properties and those utilised in such a way that the owners can afford to give a little bit extra. It is important to note that these reforms will not hit current owners of industrial or commercial properties. Not only will our broader reforms to duties be subject to properties after they transact owners, consultation is also set to open to help with the introduction of these reforms. The bill was crafted cooperatively with industry groups and businesses and done in the name of ensuring everyday Victorians can continue to live their lives in prosperity.

The Andrews Labor government does not take any action without first ensuring that experts and stakeholders have their fair say. Any bill that is presented in this place and the other place needs to be representative of the needs of the community. This bill is for Victoria and everyone who lives and does business here. This is not a blanket catch-all tax on landowners; the existing land exemptions will continue on primary family homes, residential care facilities, primary production land and so forth. This is a bill where we believe that the fiscal measures should be enacted in the best interests of every single Victorian.

I think the only thing the pandemic showed us is that we are a community, a family, spanning millions of people. We achieve the best outcomes when we work together, and that is what this is – being mature and measured in solutions to the COVID debt and working together. This is targeted proportionately at those who can pay. The fact that the land value has increased 84 per cent in the last 10 years alone is absolutely staggering. Some Victorians have been lucky enough to benefit from the increase, and we celebrate that. But I am a renter and I know the struggle of making ends meet. This bill will not upturn the efforts they have made and the hard work they have put into getting where they are today. These tax arrangements are strategic and targeted while also making swift and effective advancements on reversing the debt we accrued over the past few years. Due to this, this change is a modest amendment to our tax arrangements but still goes a long way in helping repay the COVID

debt. The repayment strategy is stretched over 10 years to ensure the tax burden, wherever it is felt, is not punitive but constructive. This is about allowing businesses and Victorians who can afford to pay these new taxes to do so in a way that will not alter their current situation.

The temporary levies combined with our offsets, higher tax-free thresholds and scrapping of business insurance duties are altogether set to benefit small businesses doing it tough, and those of us who have fared better will be contributing more to the repayment effort. It goes to the heart of what it means to be Victorian. Victorians all look out for each other. We all help each other when in need, and we make sure everyone has a fair go. This bill is all about balancing these values with the goal of repaying the pandemic-era debt that has accrued, ensuring that Victorian businesses and families are not affected by the debt long term. Combined, these temporary levies are set to raise around \$8.6 billion over four years, improving the state's finances. As mentioned earlier, they will eventually end in 2033, when our COVID debt is paid off in its entirety.

Victorians know the bill contains fair measures and strikes the right balance. They showed this with the ballot last November. Victorians vote Labor because they know that they get outcomes like this. They know that they get a government that covers all bases, a government that creates a fairer Victoria. This is a government that is still committed to making sure our state's economy continues to grow and prosper for years to come for both private and public investment. It is an integral part of our recovery. It is why, as I already mentioned, small businesses stand to benefit from these tax amendments. Some of us did better out of the pandemic than others, and it is only fair that those who did better contribute more to our collective repayment efforts. You would not ask someone with a broken leg to run a marathon, and I think that all Victorians accept that fact. We are compassionate people at the end of the day.

This budget honours our promises and commitments to the Victorian people and makes modest changes to the tax system to ensure we can pay back the cost of protecting us from COVID. As the Treasurer said when delivering the budget, kicking the can down the road is not an option. It is not what we do. We will look at the challenges that our state's finances are facing and work to resolve them. Victorians know the truth: it is the best possible pathway forward. As shown time and time again, when this government makes tough decisions, Victorians will support these reforms if they make sense. They understand what mature governments look like, and these reforms do make sense. Victorians know we do what is right by our state, not necessarily what is always popular. That is what a government should be dedicated to doing, and our government is going strong. Growth is expected to average around 2.4 per cent a year going forward with the considerations of the levies and tax changes in this bill. We are bouncing back, no doubt about it. That is the best thing for this state right now, which is also why this repayment is outlined on a very clear time line. This is not forever.

Along with paying back the COVID credit card, the bill makes important administrative and technical changes. It responds to a new legislative framework from the Commonwealth government around corporate collective investment vehicles. It amends the Duties Act 2000, the Land Tax Act 2005 and the Payroll Tax Act 2007 as intended. This bill allows the state to pay back the COVID credit card by ensuring our state's economy continues to grow and improve to ensure that we continue to bounce back from the pandemic. I put my support behind this bill. This is what good governance looks like. This will keep us moving forward as a state and is the Andrews Labor government in action. I commend the bill to the house and recommend my colleagues support it.

Samantha RATNAM (Northern Metropolitan) (14:33): I rise to speak to the State Taxation Acts Amendment Bill 2023. The Greens will be supporting this bill today. I want to thank the Treasurer for the constructive manner with which he met with me and my Greens colleagues in recent weeks. We were concerned about the lack of safeguards for renters in this year's budget, and I am pleased to have had a commitment from the government that the three policy areas we put forward will be part of their considerations in how to address the worsening rental crisis. Those three areas of reform include rent caps or other forms of rent control, effective short-stay regulation and improvements to the vacancy tax. These are all measures that can be implemented quickly and that would help renters struggling

with out-of-control rent increases. They were also policies the Greens took to last year's state election, and while the government did not support these reforms then, and in fact put forward no policies to address the rental crisis at the election or in the recent budget, it is encouraging that they are on the path to adopting these policies now. Short-stay regulation and an effective vacancy tax will ensure empty houses can become homes. Rent control, an idea once seen as impossible, is now firmly on the agenda. Continuing to ignore the rental crisis is untenable. Action must be taken and taken soon.

We look forward to continuing our discussions with the government on addressing the worsening housing crisis in coming months. The community expects us to work together in this place to address the challenges facing Victorians, and we are committed to continuing to work with the government to do just that. If we do not, we are letting down the one in three Victorians who rent their homes.

The bill before us amends numerous acts and makes a number of changes to various taxation laws. One small measure in the bill that the Greens propose, and that we welcome the government adopting, is an exemption from land tax for land covered by a conservation covenant. In the midst of the biodiversity crisis we are facing, this small incentive for people to put a conservation covenant on their land to protect biodiversity values in perpetuity is a good move. Most other states in Australia have exemptions, and we certainly welcome Victoria joining them. The budget impact is small but the benefit for nature into the future is really significant.

Most notably, the bill contains taxation measures that form part of the government's so-called COVID debt recovery plan. I say 'so-called' because the state's debt is made up of a lot of projects and decisions, some of which are justified, like the additional spending to support people during the COVID pandemic and important public transport infrastructure projects, while others are disastrous mistakes, like the West Gate Tunnel and North East Link. If better decisions needed to be made in the last two to three years, scrapping these two ridiculously expensive and environmentally destructive toll roads, which together are going to cost at least \$25 billion, should have been top of the list. Having said that, we welcome the two primary tax measures that are well targeted at big businesses and property investors. They are measures that are focused on wealth distribution, something the Greens will always support. Big business was well served during the pandemic with Commonwealth and state support – some could argue too well served – and now, even though Australians are struggling with increased prices, big businesses are still doing well and it is appropriate that those that can afford to are asked to pay more. The fact is Victorians who have invested in property additional to their residence have seen their wealth grow significantly in recent years. Despite the more recent downturn in property prices, they are on their way back up again. As Greg Jericho said in the *Guardian* last week:

Forget death and taxes, the real certainty in Australia is rising house prices.

We know the intergenerational inequality that is stemming from this property wealth; older Australians are getting wealthier on the back of their property investments while young folk are locked out of the housing market. Redistributing some of this wealth is the right thing to do. But what the government has failed to do in this year's budget and with this bill is to introduce the tax reforms Victoria needs. The government has framed these key tax measures as temporary measures to deal with the temporary problem of COVID debt, but the reality is that even before COVID-19 our tax base was not generating the revenue required to meet the needs of Victorians. While the government is focused on the budget deficit, Victorians are suffering a social and environmental deficit. Need I remind this place that there are 30,000 Victorians homeless on any given night, a number that has done nothing but go up in the last eight years of this Labor government. Economic inequality is on the rise. Inflation mixed with low wages is sending more people into poverty.

Imagine if these tax measures were being put forward by the government as an ending poverty levy instead. The over \$20 billion of revenue raised through these new taxes would go towards cost-of-living relief and place-based programs, including housing, health, education, justice reinvestment and employment. We know that poverty is a handbrake to economic growth, and Victoria would be much

better off managing its finances by tackling entrenched inequality and disadvantage first. Properly tackling poverty and ending homelessness would improve education, employment, productivity and health outcomes while reducing costs in areas like emergency departments, the justice system and crisis services.

Instead of being the state that is cutting funding to public schools, as exposed by the Australian Education Union, we would be committed to giving public schools and teachers what they need to improve education outcomes. We could be cutting the ridiculously long times Victorians are waiting for mental health and dental services, and organisations in the community service sector would not be needing to cut jobs and services. As for the environment, well, the budget is delivering a \$2 billion cut to the Department of Energy, Environment and Climate Action, and while some of this relates to the end of COVID programs, the reality is that there are such significant cuts that we will see more species go extinct and more precious places lost.

In the lead-up to the budget, the Greens put a number of revenue proposals on the table, proposals that if adopted would go some way to addressing the social and environmental deficit facing Victoria. The big banks in this country are back to making massive profits – an estimated \$33 billion in this financial year alone. These obscene profits are on the back of Australians struggling with increased mortgage payments. The least our governments should be doing is scraping some of it back in tax. We have proposed a bank levy on the big banks based on liabilities related to Victoria. The Parliamentary Budget Office has costed this revenue at between \$4 billion and \$15 billion over 10 years depending on the rate.

We have also proposed increasing the online gambling tax to 20 per cent and, more importantly, stopping revenue from the tax being given to the racing industry. The farce of the gambling tax being given back to the racing industry is made even worse when it means the racing industry is getting four times as much new funding in this year's budget as homelessness services. The government has once again failed to commit to replacing stamp duty with a broad-based land tax. While we appreciate there would be costs to such a change in the short term, it is a reform we desperately need for both the stability of tax revenue in the long term and also to assist with housing affordability. The reality is as long as the state remains dependent on stamp duty revenue there is no incentive to rein in house prices.

There are good tax measures in this bill which we support, including removing payroll tax deductions for high-income private schools, but the budget was a missed opportunity for further reform. In contrast, the Liberals' approach to these tax measures would be condemning Victoria to austerity, making the lives of Victorians more difficult. Without taxes that redistribute wealth, the Liberals would be cutting more services, more jobs and leaving Victorians worse off. As such, the Greens will not be supporting their amendments. In conclusion, the Greens acknowledge that while some measures in this bill are a good start, there is much more work to be done to build a system that is truly fair and just for all Victorians.

Georgie CROZIER (Southern Metropolitan) (14:42): I rise to speak this afternoon on the government's State Taxation Acts Amendment Bill 2023. As my colleague Dr Bach has pointed out, this government is addicted to taxing Victorians. As we know, since they came to power, since Daniel Andrews has been Premier, there have been almost 50 new or increased taxes in Victoria. How does that assist with productivity and investment and confidence in this state if you are continually putting a burden of tax onto hardworking Victorians?

I listened to the contribution of my colleague over there Mr Berger, and he said businesses have to pay their fair share. That is right. This government is continually targeting businesses, hardworking Victorians who are putting their heart and soul into their businesses and looking at how they can employ people and grow their business. I have just been having a conversation with Mr Mulholland about what the government is doing in terms of a particular business that has been blocked from expanding.

What this government is addicted to, as I said, is taxes. We have seen that, whether it is a schools tax, a rent tax, a job tax or a debt tax. This is what Daniel Andrews has put on every single Victorian. I am not going to go to the amount every single Victorian man, woman and child is going to be paying, but it is going to be absolutely detrimental to the future of this state. You cannot continue to tax your way out of this extraordinary debt that the Andrews Labor government has put on Victorians. It is due to the Andrews government's decisions that we have got a debt of \$171 billion, where we are paying \$10 million a day in interest alone, and that will increase to \$22 million in just a few years time. The Parliamentary Budget Office is saying that in 2032–33 Victoria's debt level will be \$300 billion.

This government's answer to this disgraceful way of managing the Victorian budget is to tax. We have seen so many instances of this when the government is pressured. I want to pay tribute to my colleagues in relation to highlighting the schools tax, for one, on independent schools. The minister was unable to even provide what consultation she had had with these schools or name the schools that were going to be affected. She gave some flippant, vague answer which demonstrated that she had little ability to understand the consequences of this punitive tax. It is not about just hitting those that are wealthy, it is hitting hardworking Victorians who choose to send their kids to independent schools. They are working hard to do that. When questioned about this, it was clear that the Premier was backtracking because he knew that this was actually an issue that was hitting people right across the state. He said there were fewer than 110 schools that were going to be impacted. That was not what was in the budget papers. That was not what the minister said. You have got this Premier that does one thing and says another. Again, the minister could not even name which schools were going to be on this government hit list.

That is just one example of how taxes can have a punitive effect for hardworking Victorians because they just want their kids to get ahead. They want to choose to be able to send their kids to these independent schools. These independent schools provide a range of opportunities and indeed in many instances some incredible scholarships for children that can then have an opportunity. Isn't that what it is all about – giving people opportunity and giving them the confidence to know that everything is in hand.

Unfortunately you cannot say that about Victoria's budgetary position. We are in a perilous position here in Victoria, and it is because of the decisions made by government. The government keeps blaming COVID for this rising debt. They always, and deliberately, forget to tell you, Victorians, that the blowouts are in the projects and the mismanagement of projects – \$30 billion in blowouts have contributed to this ongoing rising debt. And on that debt, as I said, we are paying \$10 million a day. Our credit rating is AA, but it is at risk because of how this government is handling Victoria's fiscal position – whether it is the schools tax, whether it is the rent tax, whether it is the land tax.

Again, you listen to those members opposite and they talk about those that have to pay more: 'That's the fair way to do it.' Well, actually, I would say if you had any decency around what is fair and reasonable then you would look at and take responsibility for the actions of your government, because it is the actions of your government that have led Victoria into this terrible situation that we are now faced with. We are way behind other states. Look at the other states – New South Wales, Queensland and South Australia – and the very undignified comments from the Premier during COVID when he was disparaging about South Australia and said, 'Who would want to go there?' Well, look what they are doing. They will be seeking to take business from this state because it will be better to do business in South Australia than it will be here in Victoria. Daniel Andrews will be long gone. He will have left this place. He will walk away on his pension off into the sunset, never to be seen again. But he will have left a legacy, and his legacy is one of trashing this state – and, by God, has he trashed this state. He has trashed its reputation, and he has trashed its economic reputation as well – once a livable city, the most livable city no longer; once a state to be attracting business, now businesses are questioning whether they stay here or whether they come here to do business. And when they do want to expand their business, they are hit with these taxes, so they are questioning 'Why would we do that?' as well.

We do not need that. We want confidence. We want to bring back confidence. We want entrepreneurship and innovation, as I have previously said. We want this state to thrive, and we want every Victorian to have the opportunity to have a fair go and to get ahead, not pay, as government MPs say – ‘We’ve got this debt, and therefore everyone’s got to pay their fair share.’ Well, stop your waste and mismanagement and spending like you are, because you are putting Victorians into this situation, which is now so precarious that many, many people are worried about what is coming. If you read the headlines and you read the stories, there are significant issues right around the world. That is only going to make Victoria’s position worse, because we are coming into that situation and the government has put us into this economic zone of increasing debt, increasing taxes and continual waste and mismanagement.

I could go on. I do not have the time and it will take me too long to read it out, but I have tweeted a list of those 49 new or increased taxes that this government has put on Victorians – 49. They are all there for people to see in the public domain. But it shows you the depth and breadth of the taxes; it just goes on and on and on. And these taxes have been put on after the 2014 election, when Daniel Andrews told Victorians on Channel 7, ‘I give you this undertaking: I promise you no new taxes.’ Well, the man has broken that promise not once or twice but 49 times, because there are 49 new or increased taxes. So that is Daniel Andrews legacy. It is not a very pretty one, actually. He might think he has got rid of a few level crossings, and that is okay. We started that program, and that is fine to have done that. But where this state is –

Members interjecting.

Georgie CROZIER: Well, we did. You laugh.

Ryan Batchelor: A few – 70 level crossings.

Georgie CROZIER: Well, look at the 70, and let us just take that up, Mr Batchelor. Look at the ghost shifts and the roting of these projects that have been undertaken, whether it is the Metro Tunnel or the issues around the infrastructure projects. The roting and mismanagement of these projects are off the Richter scale, Mr Batchelor – through you, Deputy President. The gross mismanagement, the roting, the ghost shifts and the disgraceful behaviour that have gone on in some of these projects need to be called out. And I am very pleased that those people who have got the guts to call it out are coming out and telling exactly what has happened over many, many years under your watch – under this government’s watch. It is a waste – waste and mismanagement – and that is why we are being taxed. That is why businesses are being taxed: to pay for your mistakes. This government and the previous government – the mistakes, the mismanagement and the appalling disregard for taxpayers money are going to be there for your children and their grandchildren, because it is not going take 10 years to pay off your debt. Victorians have got a tax bill that will be going on for a lot longer than a decade, because these 49 taxes are not going to pay off the \$300 billion debt that the Andrews government has landed Victoria in.

This State Taxation Acts Amendment Bill again shows the full extent of where we are going in this state. This government is determined to tax, tax, tax and spend, spend, spend and has no responsibility for the legacy it is leaving. It is incredibly disappointing that this once proud state is in this position, but we have been here before. The Cain–Kirner years – some of us remember those days. Look at that mess. Look at what a Liberal government had to do: clean that mess up. And by God we will clean it up again when we are elected in 2026.

Ryan BATCHELOR (Southern Metropolitan) (14:54): I am pleased to rise –

Harriet Shing: What an act to follow.

Ryan BATCHELOR: There are multiple acts that I am following, and I will get to the first one in a moment. But I am pleased to rise on the State Taxation Acts Amendment Bill 2023, which is seeking

to implement the government's taxation measures relating to the budget and make a range of other associated changes to maintain the integrity and sustainability of Victoria's taxation system.

Obviously the centrepiece of this bill, and the most significant part of it as it relates to our budget, is the COVID debt repayment plan, because as a government we do take our obligations to the state's finances seriously and we do acknowledge and understand that the impact of the global pandemic on Victoria was significant. Whilst we do not necessarily want to relive and remember all of the aspects of that time, we cannot forget the impact that the pandemic had on our community, on the lives of Victorians, but also the lasting impact that it could have had on the state's financial position. This was a once-in-a-century event, and we have an obligation as a government, as members of Parliament and as a community to ensure that the cost of doing what was necessary then is not going to be borne by generations to come and that that once-in-a-generation, once-in-a-century pandemic does not have a lingering effect on the state's finances for longer than it absolutely needs to. That is the centrepiece of the COVID debt repayment plan that was in the state's budget. It is about ensuring that those of us who received help to get through the pandemic play our part in paying it back so that the fiscal legacy, the financial legacy, is not placed on a generation of children to come, that it is paid back within the time frames outlined in the budget.

I am glad Dr Bach is back, because I think it is important that we reflect on some of the contributions that have been made. It was good to see Dr Bach drawing his inspiration once again from the legacy of Robert Menzies, bringing him into the chamber, *Weekend at Bernie's* style, to prop up his contribution to this debate, parading him around the chamber as the bastion of the Liberal Party's legacy. The reason that I mention *Weekend at Bernie's* and use that particular reference is because we were all made aware on the weekend that in fact Menzies is dead, and the reason we know that is because Dr Bach penned an opinion piece in the weekend's paper that reminded us of that. He said in the headline that it is time for the Liberals to forge a new path. It seems that the new path that Dr Bach sought to forge lasted about three days, because it was not too long before we again saw the common trope of the originalist question which he derided many of his colleagues for asking: 'What would Robert Menzies do?' It seems that what Robert Menzies would do is provide inspiration for Dr Bach in his speech and underpin their approach to taxation.

I just want to finish this brief interlude in the context of this very significant debate by reflecting on what were the absolute words of wisdom in that several-hundred-word contribution on the pages of the *Age* on the weekend. I will quote the great Dr Bach here. He said:

Clinging to the legacy of a government first elected 84 years ago is not a viable strategy for winning elections and governing.

I think he has got a point. By clinging to the Menzian legacy, by holding him up like the dead corpse that he is and reanimating him into this debate, we can absolutely see how far gone and how bereft they are of new ideas.

Turning back to the Victorian economy –

Matthew Bach: By leave, you can carry on.

Ryan BATCHELOR: I could not get any further. You were wringing all of the juice out of that lemon, sorry, Dr Bach.

We do need to reflect on where the Victorian economy was prior to the pandemic and the strong economic position that our state was in. We had strong economic growth. We had strong employment growth. Unemployment had fallen. The Victorian economy was experiencing a very extended period particularly of jobs growth, and to us on this side of the chamber one of the most important indicators of the strength of an economy is the way that it is creating jobs: 468,000 new jobs created between November 2014, when we came to government, and March 2020, when the pandemic struck – more than any other state or territory. We were in a strong position going in, with the economy, and that was in large part supported by the deliberate economic strategy that the government had undertaken – that

it was willing to borrow to invest in the sort of infrastructure that is driving long-term productivity and economic growth. That was the deliberate economic strategy of this government, to invest in the sort of infrastructure that you require to make your economy more productive and to make sure that your economy is delivering the sorts of dividends that are required for the long term. That was our approach to economic growth during the period prior to the pandemic.

Of course the pandemic had a very serious effect on our economy. It had a very serious effect on our state budget when the kinds of necessary measures and actions that the state needed to take to protect us all from the sorts of health impacts that we saw globally, we saw internationally – that we prevented from being wreaked upon Victorians – meant that the state needed to borrow for support in this once-in-a-century crisis. We spent about \$40 billion on community safety measures, on health investments and on making sure we had the right sorts of supplies and services that were able to provide assistance to save jobs from being lost during that pandemic, provide necessary financial assistance to ensure that businesses did not go under during the pandemic and ensure that households had necessary support. At the time that was what we needed to do, and I do not think anyone on this side of the chamber in any way regrets any of the necessary decisions that were taken to protect our community, to support businesses and to support households.

As a result we had to borrow. We had to borrow \$31.5 billion to do those sorts of things. If we had not, the consequences would have been much more severe, and I really do not want to think about how terrible it would have been if we had not had a government willing to make those decisions and take the sort of action that was required. But it does mean, now that we are past the pandemic, that we have got a fiscal legacy. We have got a debt legacy that we need to figure out what to do with, and that is the choice that this legislation poses for the Parliament. We have got to figure out what it is we want to do. Do we want to leave the COVID debt legacy for our children's generation to figure out what to do with, or do we want to take the difficult, necessary decisions contained in the COVID debt recovery plan in order to pay back that debt? That is exactly what our COVID debt recovery plan does – introduces temporary measures to ask people to make a contribution over the course of the next decade to pay that debt back.

The choices we have got fundamentally are either to support the taxation measures that are before us today or to be open and honest with the Victorian people about the services you are going to cut in order to make up the difference. That is the choice: support the measures before us today or stand up and be honest about what you are going to cut. That is the question that is in front of us.

The question for the opposition is to identify which services they are sharpening the axe for to pay for the measures that they will not be taxing for. That is exactly the kind of choice that we as members of Parliament face, and if the opposition are serious about wanting to be taken seriously as an alternative government for this state, then they need to be open and up-front about the sorts of choices they are willing to inflict on the community. What are you willing to cut in order to pay back this COVID debt? We know that we do need to take action to pay back this debt. We are not the only government in Australia that is facing this set of circumstances; we know that others are facing similar sets of circumstances. We are being up-front with the Victorian people about the need to manage it, and we are being proactive in our management of the state's finances by taking the sorts of decisions that we need to take: pay down debt and reduce our interest bill as a result of the pandemic through the COVID debt recovery plan. It does have a range of measures included, which the bill seeks to implement – a fair and balanced range of revenue measures. The COVID debt plan is temporary, it is targeted and above all it is responsible.

The bill before us also has a range of other taxation-related measures designed to better target tax concessions in some parts and also to expand them in others to have a fairer taxation system here in Victoria. For example, it is allowing a longer land tax exemption where construction or renovation of a principal place of residence is delayed due to builder insolvency. It will expand tax concessions for families providing a home for a relative with a disability when the occupant is eligible to be the

beneficiary of a special disability trust. It implements fairer land transfer duties for pensioners and concession card holders and introduces a land tax exemption for land with a conservation covenant.

Some other important measures are that it seeks to abolish the business insurance duty and increase the payroll tax free threshold for certain businesses – so a range of measures that we have put in place in addition to the COVID debt recovery plan to make our state taxation system fairer. Because that is what this legislation is trying to do; that is what this government is focused on. It is quite clear to us that the opposition does not have a plan and does not have a commitment to paying back our COVID debt. In fact earlier in the debate Dr Bach seemed to suggest that soon, if the Liberals were to be elected to government at some future point, all schools are going to have their payroll tax removed, and we look forward to hearing more details about Dr Bach's plan for that.

This legislation is an important part of ensuring that this state recovers from the pandemic. It is about doing the responsible things required of responsible governments, and it is about making sure that in other ways our state taxation system is fairer, and I commend the bill to the house.

David LIMBRICK (South-Eastern Metropolitan) (15:09): You all know how much I love talking about taxes. I think it was Milton Friedman who said there is nothing more permanent than a temporary government program. So I am sceptical about this COVID recovery plan, but let us have a look at the genesis of that. The government is claiming that all of this expenditure during the pandemic was necessary to keep Victorians safe, but if you analyse a lot of this in detail – I will start with one example: HEPA filters for schools. It was recently stated in the newspapers that there is no actual scientific evidence that they achieved anything. Many schools have these HEPA filters still sitting in closets. Was that a good spend of taxpayers money? Other items which were distributed through schools were these rapid antigen tests. Now, they may have been useful in many cases, but I know many parents at home will have a cupboard full of these things about to expire and therefore become useless. They were virtually getting them shoved down their throats by the schools – it was quite crazy. But the thing that really annoyed me at the time was that the government kept talking about how all of this is free – everything is free, everything that they are doing is free, free, free. Of course it is not. Eventually it has to be paid back, and this is what this bill is looking at doing today – the COVID credit card, as it was said, of \$31.5 billion.

As is normal with this government, when they raise taxes they tend to try and do it in places where they think it is going to have the least political impact, not because it is a highly efficient way to do it. We have seen it in the past: they taxed goldminers, they taxed foreign property owners and they taxed brown coal production. In this case it is one of the worst taxes which I want to focus on: payroll tax. It is said that when you want less of something, that is when you tax it. That is what we do with tobacco excise: we do not want people to smoke, so we tax the hell out of it. Alcohol excise as well – they do not want people drinking, so the federal government taxes alcohol. At a state level with gambling – we want people gambling less, so we tax gambling. Payroll tax is about people getting a job. We are raising taxes on people getting a job.

The government says, 'Well, big business did really well out of the pandemic, so they should have to pay their fair share.' The problem with targeting this on big business is that these businesses are national or multinational. They can choose where they hire their staff. They can choose where they make their investments. Anyone that has worked at a management level at a national company, as I did for many years, will know that these decisions are made all the time. When governments raise taxes for hiring new people in that state, they will actively consider that in their deliberations and decide, 'Maybe we should be investing in another state,' and due to our federation's wonderful competitive federalism we will see South Australia taking advantage of that and trying to poach Victorian businesses. I would like to see Victoria be a state where we declare to the world that we are open for business and we want to cut red tape and taxes as much as possible so we get as much investment as possible. But instead we are telling them, 'Well, you've got to pay your fair share,' and they may make a decision to go somewhere else. Indeed multinational companies may simply decide to invest in another country.

The other problem with the payroll tax changes that are outlined in this bill is one that has been canvassed widely. I know Dr Bach is very passionate about this and I am also. It is the change to payroll tax for independent schools. I have had many contacts from both schools and parents that are really concerned about this. To give you an example of the types of pressures that schools are facing, I have spoken with a number of schools who have said this payroll tax combined with new wage negotiations that they have had to do for teachers because of inflation and these sorts of things plus the increase to the WorkCover levy are going to result in large increases to fees for parents.

Much of the narrative is that the parents that send their children to these schools are very wealthy and can afford it. Well, that is not universally the case at all. Many of these families work very hard to save the money to send their children to these schools because they want to send their kids to a school that reflects their values or they want to send their kids to a school that they believe has superior programs. Some of them want to send their kids to an independent school because they are in a school zone with a local public school they might not want to send their children to. Due to stamp duty it is very expensive for them to move houses to another area, and their choice is to send them to a school that they do not like because of our crazy zoning system for schools –

Matthew Bach: Scrap it.

David LIMBRICK: I would scrap it too; I think the zoning system is crazy – or to send their children to an independent school. So many families work very, very hard to save the money to send their children to these schools. Many of these schools that are going to have to raise fees – because that is how they are going to have to cover it; they are not for profit; they do not often have large amounts of money that they can just pull out of thin air; they have to pass the costs on to the parents – are concerned about whether those parents can actually absorb those costs or not, and some of those students may have to be pulled out of those schools. The parents might not be able to afford it with all of the other cost-of-living pressures. Power bills are going up, rents are going up, everything is going up. If their school fees go up as well, maybe they will have to send their child to a school that does not reflect their values or one that they do not feel is suitable for their children.

But the interesting thing is my team has had a look at how much it costs taxpayers for children to go to schools. For a Victorian government school it costs taxpayers about \$20,000 per student, and it costs them about \$12,000 for non-government schools, so if children are going to have to switch to government schools, that is actually going to increase taxpayer costs. So I am not even convinced that this is going to be an effective way of raising money. I know that one of the features in this bill is going to be the ability for the Treasurer to make exemptions, and I urge the Treasurer to make exemptions liberally on this, because many of these parents really just cannot afford this increase. Indeed I have had some schools contact me concerned about whether this will render them non-viable, which would be an absolute tragedy. It will be an absolute tragedy if successful independent schools find themselves in a position where they may have to wind up because of taxes. I mean, what an outrageous thing to have happen, if that were to happen, and I really hope that it does not.

The main concern that I had with this was around the payroll tax. There are many other problems with this bill. Suffice to say I will not be supporting it. I hope that the government sticks to the temporary nature of some of these taxes and they do not just hang around forever like a bad smell. But I agree with one thing: we do need to repay this debt. We cannot be in a position where we are getting our credit ratings downgraded and we are stuck in this perpetual debt. So with that, I will not be supporting this taxation bill, but I would urge the government to rethink what they are doing with taxing these schools and do whatever is possible to make sure that schools do not go under and parents are not faced with the awful proposition of having to take their children out and interrupt their education again after it was interrupted so many times during COVID. We just cannot afford any more interruption to children's education, especially if it is due to taxes imposed by the government.

Renee HEATH (Eastern Victoria) (15:18): I rise to speak in opposition to the State Taxation Acts Amendment Bill 2023. Since this budget has been handed down one thing has become abundantly

clear: if you are working hard to get ahead, if you are driven, if you are aspirational, this government is going to tax the living daylight out of you. One thing I love about this country is that when you work hard and when you succeed you open the door for somebody else to break the cycle that they are in. If you work hard to own your own home, if you work hard to own a second home, then you can rent it out to somebody who is in need. You can help another family. You are not just living from week to week, you are able to break that cycle and help somebody else get ahead.

There is a severe rental shortage in Victoria. Yesterday a constituent contacted me. She wanted to talk to me because her rental provider is selling up due to Labor's new land tax. She mentioned that when she was speaking to him he said it is not just this land tax alone but that school is costing more in this state, work is costing more in this state, grocery bills, electricity bills – everything is costing more in this state. It is this land tax that has tipped him over the edge, and now he is going to have to sell. This tax punishes those who are providing in the rental market, a space that some are leaving now, and more and more are beginning to leave this space. Penalising rental providers for Labor's poor fiscal management is not going to do anything to ease the rental crisis or to ease the cost-of-living crisis in this state; in fact this is going to be a major driving factor in these issues.

I received an email from another constituent, who said this:

I am writing to you today to voice disappointment regarding the current Land Tax thresholds ...

This year is the first time I have received a Land Tax bill due to threshold adjustments, make no mistake I understand the need for taxes even though we live in a time when literally every bill and cost of living has increased (and continuing to increase) this added expense is a real kick in the guts.

I thought the government was supposed to be assisting with cost of living? This has actually made my financial situation worse, and if the land tax increases for 2024 get approved it will get even tougher!

The main reason I am writing to you today is to highlight my situation, which would not be unique!

My mum and dad migrated to Australia in the 50's to ensure their children could (eventually) own their own home and flourish from all the wonderful opportunities that Australia could offer. They worked many jobs to pay for our house and when my eldest brother was involved in a life changing car accident they again dug in deep to ensure he had a house of his own. Unfortunately my brother marriage broke down which ended in divorce and being a disabled pensioner the only way to ensure he kept his home in the settlement was for myself to fund that portion financially.

Fast-forward to today and it seems my family values and good will is now punished by the –

Labor –

government's Land Tax.

I am not a multi housing investment portfolio person, I am a person with 1 house (that I live in) that helped my brother keep his home! The government needs to look at ... tax revenue in a more fair way, please consider ... my situation for an exemption.

This is, sadly, one of many, many stories like this. It is not people that are, you know, multimillionaires that are really thriving in every area of life, it is generally hardworking Australians who are working hard to buy their second home so that they can ensure their future security or so other people can benefit from it. This tax will punish mum-and-dad investors and people that have worked hard, and a lot of those people are working hard for the benefit of others. This tax is harming hardworking people, this tax is harming mum-and-dad investors and this tax is harming people who through their own hard work are aiming to help more people that are in need. This government is not helping the rental crisis; they are driving it. Under the Liberals, hardworking people are rewarded and rightly keep more of what they own, but under Labor, hardworking people are used as an ATM to pay for this government's blowouts, for their corruption and for their incompetence.

Today I spoke to a local real estate agent in my area, and he said that there are hardly any rentals on their books at the moment. He also said that a lot of people around are coming in and talking about these new taxes. This is a tax that will be passed on to renters. They have also noticed a new trend lately that they are having to knock back different rental applications because people are applying for

rentals they simply cannot afford. He said that these increased knockbacks are due to people not being able to cope with the cost-of-living pressures in this state. This policy will put many people in our community backwards that are already struggling, and that is why I oppose this bill.

David ETTERS HANK (Western Metropolitan) (15:24): I rise to speak to the State Taxation Acts Amendment Bill 2023 on behalf of Legalise Cannabis Victoria. The COVID-19 pandemic presented the most difficult financial management circumstances that a government could face. Thousands upon thousands of Victorians lost their livelihoods and lost their health. During this time, more than ever, Victorians needed the support of their government. There was no road map. There was no rule book for the pandemic or for the potential economic meltdown that it could have so easily induced. The government had to envisage the support that the Victorian people needed at the time and act swiftly, with the worthy intention of saving lives and warding off economic disaster. The Victorian government was not alone in pursuing this course of action. Who can forget Josh Frydenberg, suddenly an unexpected born-again Keynesian, quoting John Howard, saying that a massive government support program was too important for politics. Keynesian economics and the important role of government spending when the economy is on the brink was central to all governments, state and federal.

A member: When the facts change, I change my mind.

David ETTERS HANK: Exactly. In Victoria we are carrying a large debt burden. There is no disputing this reality. But to put this in perspective, at 28 per cent of gross state product, the Victorian debt is proportionally well below the national debt, at over 50 per cent of gross domestic product. That said, if there are more effective fiscal management strategies that could have been employed, then we should have that discussion and we should learn from that experience. For those who now with the wisdom of hindsight wish to simply use the state budget as a cudgel to belt the government, I have limited tolerance. To put it simply, the price of a successful attack is a constructive alternative. It is fair to ask the questions, 'How would you have dealt differently with a once-in-a-lifetime pandemic?', 'What public health initiatives would you have not funded?', 'What social supports would you have not created or bolstered?' and 'What price would you put on the lives that were saved, the additional health services delivered or the families preserved?' But those are all now part of history. We are where we are, and the question now arises: how do we pay for it? More importantly, how do we pay for it and at the same time seek to provide some relief for the cost-of-living pressures that are prevailing upon the Victorian community and nationally?

In this State Taxation Acts Amendment Bill 2023 the government seeks to address these two complex problems. On the one hand, we have a series of measures designed to increase revenue, including a 10-year temporary payroll surcharge on larger employers; a temporary land tax surcharge, an increase to land tax; increasing the land tax contribution of absentee property owners; removing the payroll tax exemption for the highest fee non-government schools to simply equalise their contribution to that of our public schools – and I do take on board Dr Bach's comments about the need for government to more accurately target what we mean when we talk about the highest fee non-government schools; and, finally, measures to reduce the capacity of property developers to dodge their obligations to contribute to the provision of critical services and infrastructure in our rapidly expanding but under-serviced suburban growth corridors. In short, these are all measures that target those most able to make a greater contribution. This is sensible and this is entirely appropriate.

At the same time, and without getting into broader budget initiatives, in this bill we see a number of modest measures that seek to assist those most in need. These include assistance for pensioners and land transfer duty and tax concessions for families supporting a family member with a disability. Let us be clear and honest with the Victorian public: these changes will increase the state revenue base and deliver some minor redistribution of wealth. This is both inevitable and desirable, and I would respectfully suggest that it is but a small taste of what will be required into the future. As a state and as a nation, we are going to need a lot more government revenue in the future. We have a society that is rapidly ageing as baby boomers transition through retirement and into old age. This will result in

skyrocketing health, pension and social support costs over the next 20 to 30 years. How is this to be paid for? This problem has been spelt out clearly in multiple Commonwealth intergenerational reports. Are we simply going to require the proportionally smaller pool of younger and poorer workers to pay proportionally more and more tax to fund the passing of the baby boomers? That is not going to work.

Over the last 25 years we have also seen and continue to see major transfers of wealth in this country. This includes significant transfers from wages to profits and transfers from working- and middle-class families to families of the wealthy. At the same time we have also seen the aggregation of ever greater wealth amongst those, mainly of my baby boomer generation and older, who got into the property market when it was more affordable and have now seen our asset wealth increase hugely. Quite apart from being grossly inequitable, these are all changes that are simply not sustainable.

Could I also draw the attention of the chamber to a couple of other minor matters that might warrant a little consideration when we consider this bill and future revenue streams. Firstly, I know it is a bummer to bring this up, but the COVID pandemic is not actually over and we are but one nasty mutation away from another health crisis. Hopefully we will have learned from our recent experience and things may be handled somewhat differently, but if there is to be a new and virulent outbreak, it is going to be painful and it is going to be expensive.

Secondly, there is the unfolding dynamic of climate change. One of this Council's committees is currently analysing the impact of the floods of 2022, the result of multiple climate confluences, including three consecutive La Niñas, and we are in all likelihood about to move into an El Niño period that may well have a profound impact on our country and our environment. It is to the great credit of members of this chamber that I do not think anyone in this place disputes the fact that the frequency of natural disasters is increasing and that this in turn is being driven by climate change. As lawmakers we need to recognise that the process of decarbonising, electrifying and transitioning our economy has great long-term economic and social benefits, but it will also require in the short to medium term significant investments from both public and private sources.

As lawmakers we also need to recognise that arising from the climate changes that we have already locked in there will be a major cost measured in billions, if not hundreds of billions, associated with adaptation measures. Inevitably there will need to be concrete measures introduced at both state and federal levels to raise the necessary funds to address these critical issues. To the degree that the modest changes in this bill seek to have those with the greatest capacity to pay contribute more, I say: get used to it. There is inevitably going to be more where that came from.

In closing, Legalise Cannabis Victoria would simply note that we paid a high price during the pandemic, but critically we paid to keep people in their homes, we paid to keep people fed and in their jobs and we paid to keep people alive. We recognise this bill as a necessary step in Victoria's hopefully post-COVID economic recovery. We commend the government on this suite of generally equitable tax reforms. Accordingly, Legalise Cannabis will be supporting this bill.

Jacinta ERMACORA (Western Victoria) (15:33): I am pleased to speak on the State Taxation Acts Amendment Bill 2023, an important ancillary bill that is introduced each year alongside the budget to guarantee the success of the government's financial plan. All the budget bills must be viewed in the context that is the wake of the COVID-19 pandemic. Victoria took a hit during the pandemic, like most states and countries around the world. Nobody was fully prepared for what was to come, and nobody knew with 20/20 vision the best way to keep Victoria safe. It is easy with the clarity of hindsight to say what should have been done or what could have been managed better, but rather than wallowing in the past, the Andrews Labor government looks to the future. The government looks to implement a long-term and responsible financial repair plan to use tools to prevent passing this unprecedented debt on to our children and grandchildren. While nobody in existence likes to incur an unexpected debt, it was necessary to achieve a greater purpose.

This budget is carefully calibrated to provide relief to some of our most vulnerable Victorians whilst asking those who did well during the pandemic to contribute a little more for a short period of time. This approach is a very Labor approach: fair, equitable and just. Victorians overwhelmingly reinforced their support for this government as the only government they trust to help them recover from the financial impact of such a once-in-a-generation event. Just like during COVID, when those opposite regularly undermined the vital health messaging of our community, we now see an effort to stymie this responsible COVID debt reduction strategy. It is easy to criticise the government's management during the pandemic with the benefit of hindsight. What is not easy is working together with everyday Victorians to recover our balance sheet with as little long-term impact to every Victorian as possible.

Every state and nation around the world had to borrow during the pandemic to help save the lives of their people, but only Victoria has developed a practical COVID debt repayment plan. We as a state government have been clear in differentiating between the economic debt and the non-productive debt, and the Treasurer has acknowledged that the debt incurred from COVID is a non-productive debt and thus must be addressed. This is a challenge that every government that actively managed and protected its population during the pandemic faces. Some governments have elected to bury their heads in the sand and pretend the debt is not there, while other governments have chosen to confront the issue and address it. This is exactly what this budget does. The government have not forgotten that our children will remember COVID, but we do not want to ask them to pay for it as well.

What we do not hear in this debate is an alternative to the government's proposal. The only conclusion we can make is that those opposite are proposing not to pay it off at all. This bill facilitates the COVID debt reduction plan through sustainable amendments to the tax system that aim to pay off our debt without impacting those who are struggling the most. This bill will ensure that individuals and businesses that did well during the COVID-19 pandemic contribute to the debt reduction on a sliding scale and for a temporary period of time. This is the principle of fairness and justice in practice and leaves no-one behind in our economy. This will be implemented through a COVID debt levy, which will impose a temporary payroll tax surcharge on employers who pay wages of \$10 million or more for a financial year, commencing from 1 July this year for a period of 10 years. The rate will be 0.5 per cent for businesses with national payrolls over \$10 million and an additional 0.5 per cent for businesses with a payroll above \$100 million.

Additionally, the bill will impose a temporary land tax surcharge for a period of 10 years which will require a \$500 flat surcharge for landholdings between \$50,000 and \$100,000 and a \$975 flat surcharge on landholdings above \$100,000. The bill will also increase the rate of land tax by 0.1 per cent for thresholds with taxable landholdings over \$300,000 for general tax rates and \$250,000 for trust surcharge rates. Existing exemptions for principal places of residence – the family home – and primary production land will continue to apply. This will impact individuals, trusts and businesses that have the privilege of owning second or more properties other than their primary home. Approximately 380,000 landowners who are not currently liable for land tax are expected to become liable for a temporary period to pay general land tax in 2023–24. Many of those taxpayers are companies or trusts rather than individuals.

As I have said, the focus is on those who did well during the pandemic. We all saw the value of homes skyrocket over the last four years, causing problems for the younger generation. Those people who were lucky enough to own additional properties prior to COVID have in the last four years experienced a significant increase in value. The temporary changes to land tax reflect that. Let us just remember that the majority of Victorians will not be impacted by these temporary measures.

This bill also provides further relief and exemptions for some of the most vulnerable Victorians. We are allowing a longer land tax exemption where construction or renovation of a principal place of residence is delayed due to builder insolvency. This shows that the government is aware of the impacts that recent builder insolvencies have had on everyday Victorians and the financial relief that they will feel by having additional time to complete construction without incurring land tax.

The government will also introduce three changes related to expanding tax concessions for families providing a home for a close relative with a severe disability. These are undeniably life-changing initiatives that will assist people to provide long-term housing solutions for immediate family members with severe disabilities. It is discriminatory that any person should find themselves in insecure housing as a consequence of their disability. We will continue making changes that work to provide equity for these people.

In conclusion, Labor's value set will always guide the government to govern in a way that is responsible and fair. The budget was drafted with a focus on that value set and our core principles, which is why people who are able to are being asked to contribute on a temporary and targeted basis.

Ann-Marie HERMANS (South-Eastern Metropolitan) (15:42): I rise today to oppose the government's controversial State Taxation Acts Amendment Bill 2023, which will only add more pain to Victorians already suffering from the Andrews government's incompetence as net debt continues to rise to record levels.

We now have on our hands under this government a schools tax, a rent tax, a land tax and a jobs tax. We have an increase in WorkCover premiums. The list just goes on and on and on. In fact if we look at some of the new and increased taxes since 2017, they include the new stamp duty on property transfers between spouses, the increased stamp duty on new cars, the new stamp duty on off-the-plan purchases and the new so-called vacant home tax. The list just goes on and on. It includes a luxury car tax. Then there is the fire services property levy, which has happened twice and will be happening a third time with this, and increased foreign stamp duties – three of those since 2015. We have the increase to the municipal and industrial landfill tax, which we call the bin tax; the road occupation charge on construction companies; the numberplate tax; the electric vehicle tax; the increased stamp duty on property transactions; the increased land tax on taxable holdings above \$1.8 million; the mental health payroll tax surcharge; the increased wagering and betting tax; and the increased fire services property levy – sorry, there is a third one in here, so there is a fourth one that is coming through. Then we have a 50 per cent increase to births, deaths and marriages fees and a proposed levy on employers to fund five days sick leave for casual employees, and that is going to be followed up with a new tax after two years. We have a number of new taxes. It just goes on and on.

Of course everybody has been talking about the payroll tax on independent schools, and that is going to be of tremendous concern for a number of families in the south-east, which I represent. Even the land tax on holdings or amounts between \$50,000 and \$300,000 – or the rent tax – is going to be really difficult. How many people in the south-east, if they have land, would have land that is worth less than \$50,000? I cannot think of anybody. The Leader of the Opposition John Pesutto has said that the Liberal-National coalition would vote against the proposed COVID-19 debt levies on business and property investors, pledging also to pull back the Andrews government's plan to remove a longstanding payroll tax exemption for high-fee schools if elected in 2026. This will make a significant difference to the lives of many of the families in the electorate that I represent.

Under this government our net debt in Victoria is expected to increase to \$171.4 billion by 2026–27, despite the Andrews government push to introduce new taxes to claw back moneys lost through their continued mismanagement of Victorian taxpayers funds. The Treasurer has even admitted that debt is continuing to escalate and will continue to cause financial and economic hardship for future generations of Victorians. Is it any wonder that some of my colleagues have mentioned that people are wanting to leave Victoria again?

As a former teacher I am angry that many schools in the south-east are going to be hugely impacted from 1 July, and the problem we also face is that we do not even know which schools they are. This schools tax, which was initially said to impact 110 high-level schools and bring in a net of \$442.2 million over the next four years, not only is unfair but affects affordable independent education provided by some colleges in my electorate. In fact I read out a large list only the last time we were here in this house, and I could quite easily add to that list because I was reminded by a number of

schools that I had left them out of that list. So according to the original government predictions in the budget, about 110 high fee paying schools – or around the top 15 per cent, it says – were to lose their payroll tax exemptions from next June to raise this money over the three years. This was originally going to be based on the annual threshold of \$7500 per student.

Matthew Bach: High fee.

Ann-Marie HERMANS: Yes, and how is that high fee? Let me tell you that even for the small, low fee paying schools, when it gets to years 10, 11 and 12 it is virtually impossible, if you are going to have the range of subjects that students need for VCE, to be able to fund a student at \$7500. So your low fee paying schools are now subject to this schools tax because they are going to have fees that are over that amount for their students in secondary systems. If you want to encourage young people to be educated and you want their parents to be able to send them to a school that offers the subjects and the opportunities that some of these schools do, then you need to be prepared to pay for it. But how many people are going to be able to do that under this government? The lame excuse was that the \$7500 fee figure was set in 2020 and was not necessarily ‘reflective of fees and costs and pressures and the school fee environment now’. That is such a joke. The payroll tax accumulated at 5.85 per cent will significantly impact the schools’ ability to operate at their current levels and could translate to a 10 per cent increase in parents’ tuition fees over the first two years.

That includes of course the fact that WorkCover is going to increase by 42 per cent, and I do want to say that the last time the Liberals were in government the WorkCover premiums went down twice in that four-year period – twice. But under Labor they have gone up by 42 per cent, and if you add that into the schools tax, then we are looking at school fees going up by 10 per cent. Now, how many families are going to be faced with having to decide which kid is going to be able to go to the school that offers the subjects that they want to provide for their children? And let me just say that in the south-east we already have overcrowded government schools. We do not have enough choice; we do not have enough government schools. This government has allowed the south-east to be bursting with homes but not with job opportunities and not with enough schools for young people, which is why the independent schools are so heavily populated – because there are not enough government schools in the region. It is interesting that the Victorian government was forced to water down its plan to strip the 110 private schools of their longstanding tax exemption, recently conceding that the predicted moneys raised would not be as much as expected.

The 2023–24 Victorian budget handed down by Labor is going to do more harm than good. We know that our debt in this state is bigger than that in the three states of New South Wales, Queensland and Tasmania. And we here were the most locked down of all of the country and in fact of the whole world when it comes to time, so we would not even be in this state of debt if this Labor government had not locked us down for such a long period of time.

I have to say I have never seen so many homeless people in the streets of Victoria, so many people losing their businesses and so many shopfronts empty. Do you think that adding payroll tax, increasing WorkCover premiums and then bringing a jobs tax on top of that is going to increase the productivity of this state? If you do, you are dreaming. Where is this money going to come from?

This bill also includes 10-year levies on Victorian businesses and national payrolls above \$10 million and for multiple property owners to repay the \$31.5 billion in COVID-19 debt. Since 2014 Daniel Andrews has introduced more than, as we have here, 49 new or increased taxes, and of those more than 20 are new or increased property taxes. He has now introduced the renters tax, which is just making it harder not only for home owners but it is going to be passed on to the renters themselves in an already overpriced market, as we have already heard from a number of my colleagues. So, if elected, we will oppose a debt cap to prevent Victorians suffering further.

Household spending is close to flat. Household saving rates are down, but money is being directed to higher housing costs rather than discretionary spending. Productivity is slowing dramatically, with

GDP per hour worked contracting 4.6 per cent in the year to March, and business confidence is deteriorating, with diminishing orders and lower utilisation rates. Consumer confidence is generally negative, the lowest since March 2020. The Liberal–National coalition is committed to addressing the cost-of-living standards of all Victorians as its main impetus.

I just want to add right at the end, I am looking forward to this going into committee because I do see a number of things in this bill which do concern me, where it comes to clauses on land and bushland areas, where we are looking at some areas – and I have to say I could not help noticing the amendment for the fire services property levy again because of overpayments and payments made in error. All I can say is: as if we need to have a government that cannot even get its own taxation right. We will be opposing this bill.

Joe McCracken (Western Victoria) (15:52): I rise to speak on the State Taxation Acts Amendment Bill 2023, and I particularly want to focus on the removal of payroll exemption from independent and private schools and some Catholic schools as well, known as the schools tax. Let me make this very clear: the last thing we should be taxing in this state is education. If you want something, you incentivise it. If you do not want something, you tax it. So what is the message that is being sent to the Victorian community: that education is not valued? We should be doing every single thing we can to support education. Michelle Green, the CEO of Independent Schools Victoria, described it as a ‘learning tax’. This is a cruel and nasty tax that comes from a party that is supposed to support education. I just wonder what every single school in this state is thinking when they look at this. Who is next? It was not really that long ago that Whitlam fought to make education free, and now it is that same party that is taxing education into oblivion. How are schools supposed to absorb millions of dollars in taxes without impacting student outcomes? The simple answer is they cannot. The only way to survive is to pass the costs on, and who pays? Who pays out of that? Parents, caregivers, guardians – they are the ones that have to pay for this absolute mess. It is not necessarily even the top end of town. These are people that make significant sacrifices just to give the person in their care the best possible start they can to life, and that is being cruelly taken away from them. It will probably mean that many people who have worked so hard to sacrifice so much to give that young person a good start in life will now miss out. They have been pushed out.

Before I came to this place I was a teacher in a Catholic school. I know exactly what it is like to work in education; I did so for over a decade. I know many, many parents who made great sacrifices to ensure their son or daughter got the best possible education they could. But this cruel government does not seem to care about parents and the sacrifices that are made. All they seem to care about is sacrificing parents and students in order to rake in more tax income. That is a total disgrace. But the worst thing about this mean policy is that only 10 days after it was announced, it was altered, and we are still not really sure – no-one has the clarity – about what the threshold really is. Some say \$7500, some say \$8000, some say \$10,000 and some say \$13,000. No-one really has that clarity, so this mixed, muddied sort of message that is being sent out there is that we do not know. The government do not know and, more importantly, they just do not care.

We found out in the Public Accounts and Estimates Committee last week that the Minister for Education did not even consult with schools. Her only consultation, if we can call it that, was a dinner. I thank my colleagues in this chamber on PAEC – Bev McArthur, who sadly is not here today, and Nick McGowan – for shining a light on that hopeless situation. The only consultation was at a dinner. It is just unbelievable. What is truly disappointing in this situation is who suffers. It is students. It is teaching and learning. It is educational outcomes, and we need all the help we can get in this sector to make sure that we can improve outcomes. Taxing schools is not helping. Slugging parents is not helping. Putting pressure on teachers and school administrators is definitely not helping.

Schools can barely run camps thanks to this government. Well, soon enough they will barely be able to run anything thanks to this anti-education government. Commentators have described this move as mean. Now, I caught up with a number of former teachers that I used to work with and also learning support officers, and this is how they described it: nasty, unfair, cruel, indecent and horrible. One

learning support officer said, ‘Doesn’t Dan get it?’ Clearly not. So how about we actually do the right thing: (1) properly consult with the sector and (2) support our parents, our kids and our teachers and stop this horrible, cruel tax on education. It is just not right. It is as simple as that. It does not have to be a question about taxation; it is just a question of morality. It is wrong.

I quickly want to mention land tax as well. Obviously under this bill there are changes to land tax which reduce quite significantly the threshold at which land tax applies. I would have thought that in the middle of a housing crisis which has been widely acknowledged by many commentators and many in the government – indeed we have certainly acknowledged it – you would want to do everything you possibly could to ensure that you reduce pressure on quite a tight market. Land tax and particularly the changes in here are not going to do that.

We have already got significant issues with land supply, and because quite a lot of land supply release is tied up in the Minister for Planning’s office we have great difficulty in ensuring that market supply actually comes on line. So why would we want to tax it even more? It has been widely acknowledged that there is a rental affordability crisis. On land tax, why would we want to increase the burden on those who own property to create a disincentive for them to put their property on the market and increase supply for renters? If you know anything about economics, it only drives the price up. So what we will see more is increased prices for renters. Now, if there is going to be a cap on rental increases, why would anyone at all want to put their property on the market?

I predict, and I so hope I am wrong here, that you will have a lot of people wanting to put their property on the market and divest their interest because it is just too hard, just too difficult, to put their property through that. So, please, listen to those who are in the sector. Estate agents are screaming out for reform here, real reform. Teachers, parents and young people are going to be impacted by the changes to education – particularly, as I just spoke about, the payroll tax changes. I implore the government to listen, have a heart and rethink this strategy. It is just so wrong.

Evan MULHOLLAND (Northern Metropolitan) (16:01): I rise to speak on the State Taxation Acts Amendment Bill 2023, because Labor’s brutal budget needs to be called out for what it is. It is an admission that this government has lost control of the state’s finances, has mismanaged our major projects, has blown out the state’s debt and deficit, has broken its promises to the electorate made less than eight months ago and is punishing Victorians by hitting them with new taxes in the middle of a cost-of-living crisis to cover its failings. Victorians are paying more under Labor, and they are getting less.

I would like to thank my colleagues for their earlier contributions to this debate. They have highlighted how dangerous this budget is for the future of our state, how it will further damage investment in Victoria and send business interstate, how Victorians will suffer from the empty promises that are coming up unfulfilled across Victoria and how new taxes will hit families hardest in the midst of a cost-of-living crisis.

I am going to focus on two taxes in particular, the schools tax and the renters tax. The schools tax is absolutely one of the most cynical policies I have ever seen from this government and indeed shows their true colours. It shows how deep down Labor loathes independent schools. Many of them do so from the ironic self-loathing position, themselves having been recipients of quality independent-school education. They cannot think of anything worse than a parent choosing to decide for themselves that they will send their children to their school of choice to be taught in accordance with their values. They hate, probably, when Labor chooses to underfund our public schools, so parents turn to independent schools to fill the gap.

Just look at schools like Aitken College in Greenvale, in my electorate of Northern Metropolitan, and Hume Anglican Grammar in Mickleham, in the northern growth suburbs. Enrolments at these schools are booming, and much of it is driven by Labor’s failure to invest and build public schools in the northern suburbs. The closest public school to Hume, Craigieburn’s public school Mount Ridley

College, is overflowing, with 2750 students, and Greenvale does not even have a public school that goes all the way to year 12. Parents literally do not have a choice to send their kids to public schools in the areas where independent schools will be affected by this tax, and now the government is slugging these independent schools with a tax for the crime of picking up the slack for their underinvestment.

The schools in the north which this government refuses to rule out from its new tax are speaking up. The principal of Aitken College Josie Crisara sent a letter to concerned parents. She rightly noted that MPs will be voting on an unprecedented tax measure without knowing how it will be applied and which school communities will be subject to it. She said it is bizarre the government has said it will consult with non-government schools once the relevant legislation is passed to outline how the government will apply the tax, the fee, the threshold it will be based on and the formula the Minister for Education and the Treasurer will be using to determine which schools will be taxed and which schools will not.

At the Public Accounts and Estimates Committee hearing the minister also failed to name a single school that she had consulted since the budget was released a month ago. The minister said she spoke to schools at the Independent Schools Victoria dinner but could not actually name a single school that she spoke to at the dinner. I know my learned colleague Dr Bach was at the dinner and spoke to many, many principals concerned about Labor's punitive schools tax. One of them was Josie Crisara, the principal of Aitken College, and she has been highlighting the government's unwillingness to be open and transparent about the impacts that this new schools tax will have on the sector.

We saw the Premier at the Public Account and Estimates Committee last week forced to clean up the Treasurer's mess, as he usually does, about the 110 schools that will be impacted – 'Oh, it won't quite be 110. Please, press gallery, look the other way. I'm shooing it away.' We do not believe that, because once a tax is implemented this government has form in just nudging it up that little bit. There are still no proper details about this tax. We saw the Minister for Education say, 'It's not my job to give advice on Labor's school tax,' despite the Treasurer explicitly telling the same committee that it is a matter for the Minister for Education. Only a John Pesutto led Victorian Liberals and Nationals government will repeal this schools tax. Consultation is what you do before you make a decision, not afterwards.

I also spoke with the principal of Hume Anglican Grammar. He shares the concerns of Aitken College and is bewildered that his school, which is doing so much to cover the government's failure of schools in the northern suburbs, could be hit with this schools tax. We have also heard from Penleigh and Essendon Grammar School, who wrote to parents to share the news of this schools tax. The principal said that the new schools tax is 'very frustrating and highly unsatisfactory'. He has not received assurances from the member for Niddrie – and of course he would not – when he conveyed the school's concerns. He said they are not asking for a 'sweetheart deal'. It is independent schools simply asking for the retention of the rules that have been in place for 52 years, since the introduction of payroll tax, because of their educational and non-profit status. He said it is 'unacceptable that this has come out without warning or consultation' and has left schools with 'little opportunity to plan for this change'.

As my colleague Dr Bach would know, schools are making their financial decisions about next year right now. A lot of them already had financial plans in place and were up-ended by the news out of this budget. Labor needs to listen to schools, teachers, principals and parents and agree to our amendment to remove this punitive schools tax from this bill.

I will move on to the renters tax, because it is Labor's policy to slug rental properties with \$1300 a year in tax, a brutal tax on renters, and the costs are going to be borne by renters. I actually just spoke to the partner of a prominent real estate agent in Northcote, in my electorate of the Northern Metropolitan Region, and he is concerned about the impacts this will have on renters and investors. He told us that, as a result of the new land tax, appraisals are up and property owners are taking their rental properties off the market and are selling. They said it is contributing to rent increases that are

already going through the roof. He said that it will really have an impact precisely in these Labor–Green areas in the inner city.

We already know the effect that this tax will have, and that is an effect of limiting supply of rentals. When we have a rental crisis – I see in my own electorate rental queues lining up around the corner just to get their foot in the door of a rental property where they want to live – the Labor government and the members opposite are making it harder, because we know this tax on renters is already having an effect on limiting supply. I ask members opposite: call your local real estate agents, like I have in Northcote, like I have in Greenvale and like I have in Brunswick, and they will all tell you appraisals are up and rents are up as a result of this tax on renters. They also say a rent cap would make selling much worse and in the long run will hurt renters as there will be less houses available to rent.

We see, exclusive to the *Guardian*, that Labor have done a secret dirty deal with the Greens political party, who are all of a sudden concerned about renters despite blocking every single piece of new supply in the northern suburbs they can find. You will not find a single council meeting where Greens are not jumping up and down about inappropriate development, limiting supply. Instead of saying that is not good enough, the Labor Party are now saying they are going to join with the Greens and implement and investigate more policies that will limit supply of housing for potential owners and for renters. Do Labor members not understand the basic economics of supply and demand? A rental cap is just a ridiculous economic policy thought up by lefty academics. You mostly cannot find a single economist that would ever agree with it. I have actually been asking questions about this in the stamp duty inquiry. We had Matthew Kandelaars from the Urban Development Institute of Australia. He said a rental cap will cause unintended consequences and will reduce supply across the market. There you go. Even Brendan Coates from the Grattan Institute, who are usually to the left of Lenin, said that:

Those that have a rental property that is a rent-controlled apartment, for example – this is widespread in places like New York – do very well, but no-one else can get into the area, so you end up with a two-tier rental market ...

where you have got an asset class. Quentin Kilian from the Real Estate Institute of Victoria was no different. He said he would:

... urge in the strongest terms not to bring in any form of intervention in the form of a rent cap ... There is ample evidence around the world that interventions of that nature do not assist the market ...

and supply. Robert Carling from the Centre for Independent Studies said:

... it would be very damaging. That is another thing – probably the second thing that most economists could agree on is that rental freezes –

and caps –

are not the right way to solve the rental affordability problem. They just damage supply, and it is supply that we need.

I could go through list after list. Property Council of Australia said it:

... would be a huge disincentive for investment into that asset class.

Salta development said that:

... we would no longer be in the residential development space.

There goes a whole lot of supply. They added:

... you cannot cap the revenue side and leave the cost side uncapped. Basically it is a recipe for going bankrupt ... so why would you invest in that category?

This is the kind of fiscal vandalism that those opposite have signed up to and have conscripted themselves to, reading out bland talking points from the Premier's Private Office about how great this budget is when they know deep down how terrible this budget is. I mean, you could not possibly think

of a worse way to boost supply. We see the government musing about housing affordability and future reforms. What they have signed up to with the Greens, they know in their heart of hearts, as every single expert out there knows, has the effect of limiting supply. So why cave to a fringe-left minor party and damage the affordability crisis, the rental crisis, that is making life so hard for my constituents? We hear that appraisals are up – I hear that personally from real estate agents in my electorate.

There are a few other things in this budget I just want to touch on, because I know a member for Northern Metropolitan on the other side will be interested in this. The government has made lots of hospital announcements, including for the Northern Hospital, Epping, and the Austin Hospital. Before the election they announced over \$1 billion for the Northern and Austin hospitals in the northern hospitals package. That sounds pretty great to me and is something that we support. But there is actually, in this budget, over four years only \$320 million allocated, and that is not just for the Northern Hospital and the Austin Hospital, that is split between seven different hospitals across the state. Victorians should know that when Labor announces a new hospital upgrade, that is all they are doing – making an announcement – because this budget makes it clear that the Labor government has no intention of upgrading all of those hospitals beyond the government press release. It is not just hospitals the government spins; we see Labor's Mickleham Road project in Greenvale is on the rocks. There was no funding for stage 2 of Mickleham Road. They are only doing 1.6 kilometres for \$222 million, even though they were able to do 6.6 kilometres of Plenty Road for over \$140 million. They cannot even explain why it is costing so much.

We see the federal government has put the \$109 million committed by the former coalition government as part of that \$222 million on ice, so we have now got stage 1 of the project as 'to be confirmed' in the budget. Just like the \$50 million for the Wallan diamond in Wallan – we see that put on ice as well. No Labor members – lower house or upper house – from the northern suburbs or even federal members are advocating for that money to be kept in Greenvale and advocating for that money to be kept in Wallan. Labor takes the northern suburbs for granted, and we can see that in this budget.

Melina BATH (Eastern Victoria) (16:16): US founding father Benjamin Franklin said nothing can be said to be certain except for death and taxes. As far as I am concerned, I do not think I believe in reincarnation. You can only die once, but under the Andrews government for the past nine years you could have over 50 increased and new taxes and climbing, so indeed, Benjamin Franklin, death and taxes and taxes and taxes and taxes.

We all understand that there must be taxes in this world. There must be a form of paying for government services and grants for our economy, to move the wheels and to support those in need. There must be debt. Every reasonable family knows that in their household they have a trading debt. They have a mortgage. They will have – hopefully only one – a credit card that they put costs on, and when they are paid they can pay that down, and they budget. Here is the thing: they budget so that their debt is manageable. That is a responsible thing that families do and singles do. It is responsible to live within your means as best you can.

But the Andrews government has made debt an Olympic sport. I say that in terms of not a Commonwealth sport but an international Olympic sport. Across the globe apparently we are the only ones that have this massive COVID debt. Apparently our debt outweighs that of Tasmania plus Queensland plus New South Wales – those three states combined – but Victoria has the gold standard of debt. But we are labelling it a 'COVID debt' because it just sounds more plausible. Somebody in the backblocks, in fact probably hundreds of spin doctors in the backblocks, of the Premier's office decided that that would be something that we could cast out as a line to the general public and put our hand on our heart and say, 'We have pulled you through the longest lockdown in history, the longest lockdown in the entire world; we have pulled you through that, and now we are going to label it "COVID debt" and you are going to eat up some sandwiches of tax and deprivation.'

This is the world of politics, and this is what the government can do because it has the numbers. But we on this side – the Nationals and the Liberals – want to hold the government to account and we also want to, when we are in, repeal some of these debts. One in particular is our tax on education. I very much value the contribution of Mr McCracken, being a former schoolteacher in the Catholic system. Of course I was a schoolteacher in the state system and will always support our state and independent schools. Parents need choice. We have heard again from the government benches about the need for choice in this. We need to have choice. We need to have a choice about who we are as people. We need to have choice in a whole variety of aspects. But this government is diminishing our ability to have the choice to send our children – if we want to, if we value it and if we can afford it – to a private or an independent or a Catholic school. It is doing that to the tune of we are not too sure. Labor's school tax removes a longstanding payroll tax exemption for independent and non-government schools, and it is going to add thousands to the cost of education.

I listened the other day while my colleague – a very talented gentleman – Danny O'Brien was inquiring of the Premier at the Public Accounts and Estimates Committee, in relation to how many of these schools it will be, 'How many schools will have this payroll tax exemption removed?' He was sort of juggling numbers – 110, maybe it will be more, maybe it will be less – and he laid the responsibility firmly on the education minister. He said, 'She's going to calibrate the threshold.' Well, moving forward, in the next couple of days in advance the Treasurer said, 'Well, hang on a minute. Don't ask me; that's the Minister for Education.' However, when it got to be the Minister for Education's point in the limelight, of course she said, 'Oh, no, no. That's not my job to give advice.' They are happy to throw out that line of COVID debt, and they are happy to throw out that line of tax, but no-one really wants to own who is going to wear it and how.

Having a look at the supposed list of where that will come in, at least a dozen to 15 of my Eastern Victoria electorate schools will be encompassed within this supposed threshold, and they are not wealthy schools. These are absolutely wonderful schools – and wealthy schools can be wonderful too, but these are community-based schools who are –

Matthew Bach interjected.

Melina BATH: Exactly, not-for-profit schools, giving that community a service, providing in effect a choice for parents in our regional communities and also taking the pressure off our state school system. We need to have those independent schools, because otherwise the burden of education on our state school system would be unbearable. We know in the state school system principals are seeking more than 1000 teachers right at this moment. That is very scary for those schools as well that have to cope with classes that just have insufficient educators standing in front of them. So this will only put pressure. Principals have written to me talking about an increase in 10 per cent of those parent tuition fees over a couple of years. Labor might go, 'Phew, doesn't matter,' but actually it all adds up. We have got interest rate increases, we have an increased burden and now we have got this.

The other thing that I often find so – I should not say ironic, but it is just so frustrating when the government comes up with policy on the run. I firmly believe that the increase in land taxation is again policy on the run: 'Let's see who we can throw it out at and target.' Indeed the Real Estate Institute of Victoria spoke to the burden of this new tax, and they spoke to it in this way:

According to the Australian Tax Office –

so this is data –

more than 70 per cent of Victorian property investors own only one rental property, with 43 per cent of that group earning under \$100,000 p.a.

These do not sound like property barons to me. They could not be classified as people on the extremely affluent side of Victoria. These are people who are choosing to invest their hard-earned cash – to put that in. Seventy per cent of landlords have one property. Again, we do have a rental crisis in our state; there is absolutely no doubt about that. Particularly, again, in Eastern Victoria Region, in my electorate,

right across the board you see businesses who are desperate to have staff but who cannot get access to staff because they do not have a place to live. We know that there is a doctor shortage. We know – again, I am speaking with teachers – that professionals are finding it incredibly difficult to come into more regional and remote areas because there simply is not the accommodation. Then of course if you are going to put this impost on people – again, not the high end of town but normal mums and dads – they are going to also have to carry that burden and put that onto those renting their properties, and that will cause additional stress.

One example I heard recently in my electorate, which is very sad, and I will speak to this in my adjournment debate, is about a husband and wife who are currently renting and who want to build their own home. The home is 85 per cent built, but because of the liquidation of another building company under pressure they will be renting for longer because their property will take months upon months to turn into a home.

We have seen policy on the run. We saw the SEC as a thought bubble right at the time of the election. I could just see in their back rooms those hundred spin doctors went, ‘Let’s think of something that might kind of tickle the fancy of inner Melbourne and support an SEC.’ Apparently that will solve all of our energy issues. Just for the record, the people in Morwell were not turned on by that fancy policy on the run, the SEC. Only 31 per cent voted for the Labor candidate. She is a very decent and respectful person, and I certainly pay her homage, but the SEC was policy on the run.

I will finish my contribution by saying there is policy on the run all the time. We had a date of 2030 for the closure of the native timber industry. We see policy on the run, and it is now shutting in six months. What the government does not do well – in fact they make a gold standard of this as well – is communicate. Their definition of ‘communication’ is just kind of wafting around in some space and –

Matthew Bach: Go to a dinner.

Melina BATH: going to dinner and not speaking to anybody in that key stakeholder group. They come to my electorate and stand on a government piece of land and say that they are communicating with various people in the industry. This is very disappointing, because what they could do is work with those stakeholder groups, whether they be teachers or teacher unions or whether they be the principals et cetera. They could speak to those in the industry, but we have seen a whole raft of examples where they have not.

I will finish off with Benjamin Franklin, who said, ‘Nothing can be certain except death and taxes.’ The government is making gold standard taxes. We will certainly support the amendments moved by my colleague the very good Dr Bach to improve this bill. We note that there are a couple of parts to it that are reasonable, but on the whole it is a dog of a bill.

Jaclyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (16:27): We will go into committee shortly. I thank everyone for their contributions.

Council divided on amendment:

Ayes (14): Matthew Bach, Melina Bath, Gaelle Broad, Georgie Crozier, David Davis, Moira Deeming, Renee Heath, Ann-Marie Hermans, David Limbrick, Wendy Lovell, Trung Luu, Nicholas McGowan, Evan Mulholland, Rikkie-Lee Tyrrell

Noes (20): Ryan Batchelor, John Berger, Lizzie Blandthorn, Katherine Copsey, Jacinta Ermacora, David Ettershank, Michael Galea, Shaun Leane, Sarah Mansfield, Tom McIntosh, Rachel Payne, Aiv Puglielli, Georgie Purcell, Samantha Ratnam, Harriet Shing, Jaclyn Symes, Lee Tarlamis, Sonja Terpstra, Gayle Tierney, Sheena Watt

Amendment negatived.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1 (16:36)

David DAVIS: I want to make a few comments on the purposes clause of the State Taxation Acts Amendment Bill 2023. This is a dastardly bill, make no mistake. This is a bill that recognises the failure of the Andrews Labor government. It is a bill that jacks up tax on so many Victorians. We have seen tax increases on a wide front: 49 new taxes now and a tranche of them in this budget. But this budget breaks new ground – new ground in the sense that it is a series of very nasty new taxes that actually clobber everyday families. For people who have pockets of land that they are using for a range of different purposes, if they have got more than one, they are going to be hit very, very hard indeed – more than for their principal place of residence. It has always been the case that over certain thresholds there was land tax for people, but now the threshold has been dropped much lower and the rates are higher at various points. That is actually going to impact severely on everyday Victorian families – Melburnians, country families. The clobbering and the vicious hit that is part of this bill should not be underestimated.

The new payroll tax increases will also hurt many small businesses. If you look at the hit to private aged care, these are aged care providers that provide an important service to so many hundreds of thousands of Victorians. We have got on one hand the federal government trying to increase payments to aged care. Daily rates are being increased, as they should be. Additional requirements are being placed on aged care providers, and in a sneaky and outrageous grab this government has landed a new charge, an additional set of surcharges, on private aged care providers.

It is worth just putting on record some of the history of this. In government we viciously opposed the Abbott government's decision to remove the rebate on payroll tax. It is just worth having some understanding of payroll tax's history: 1941, a wartime tax, a federal tax. In 1966 there was a new bill. Both of those bills protected benevolent and not-for-profit groups, and there was an arrangement for payroll tax reimbursement for private providers of many of the services that we would normally expect, and that is the truth in aged care.

In 1971 payroll tax came to the states in a deal across the federation, and this provided an important revenue source for the states. There were largely harmonised arrangements. That has now broken down, and this government, the Victorian government here, is the one that has led the charge in breaking down these harmonised arrangements.

When Tony Abbott and the then Liberal Treasurer removed the payroll tax rebate, the state had the opportunity to step in, and we were certainly looking very closely at that. We lost government in November, but it was very much to the fore to bring forward some assistance for private providers that had been building and investing on the understanding that they would have a payroll tax rebate.

But this government, the Andrews Labor government, decided not to provide any assistance to those groups, and now what they have done is they have come back with new thresholds and new clobbers that will actually really hurt a lot of the private providers that are providing a very large percentage of the aged care provision in this state. There is the surcharge at \$10 million and the additional surcharge at \$100 million. These surcharges will really hurt and ramp up the cost on these providers.

Now, that can only be dealt with in several ways. Either the providers have got to raise fees, which will hit older Victorians who are vulnerable and living in centres now, and there will be a flowthrough of increased fees, or they can in some way diminish service. That is the fear – that you can end up with diminished service. And this is in no way a level playing field. You have got the not-for-profits on one hand and government providers which are not paying payroll tax. There might be a payroll tax

equivalent paid in some government agencies. But that is not the same, because it is a circular payment by government, and people need to understand the difference that is applied here.

With the payroll tax changes I think there is a real risk that we will see providers collapse and providers not able to proceed, and the government appears to be blissfully unaware that it is its action, its decision, its new taxes and its new clobbers that are actually going to have this effect. And all of this is because the state government has decided that it is incompetent enough not to be able to manage its major projects, it is incompetent enough not to be able to manage its huge consultancy bill and it is incompetent enough not to be able to manage the blowouts in costs and charges right across the whole of government.

There is another aspect in this bill that I think many people will be very concerned about, and that is the charges that are being applied to private schools – not-for-profit non-government schools. Ms Crozier and I have got many in our electorate, and they are schools that are across a full spectrum of price, a full spectrum of ethnic background and a full spectrum of philosophies of education. People send their kids to private schools for a whole range of reasons. Some want religious education; some want language education.

I pick the example of a school that I am very close to, Oakleigh Grammar, a school that I have worked with for a number of years. The Labor government has provided them virtually nothing, and all they are going to do now is provide a new tax for a school like Oakleigh Grammar – you know, with fees around \$10,000, \$12,000 a year, relatively modest fees, and families that are struggling to make the payments to send their kids to a private school that provides the education with a philosophy and background that they find appropriate.

Why on earth you would choose to thump not-for-profit non-government schools is beyond me. These are schools that are doing everything they can to provide for the future of our kids. Parental choice is important to me, it is important to the opposition and indeed in terms of total government cost these schools are actually cheaper than government schools because at government schools virtually the entire cost, beyond a voluntary contribution, is made by the government. At private schools a very significant contribution is made by the parents, sometimes other fundraising activities and sometimes a church or other institution – old boys or old girls, as the case may be at different schools. Those funding sources are going to look at this and they are going to say, ‘So we’re working hard to fundraise, we’re working hard to put money into the arrangements and yet the government is taking money out?’

We know that some of the schools are going to pay more than \$1 million a year. We know that they are going to pay the surcharge, and Mr Bach my colleague made clear that the surcharge applies to likely 69 different schools across the state. So these payroll tax surcharges are a very, very nasty hit. People should not underestimate the knock-on effects of this, the long-term effects. What I say to those schools who may fall below the threshold, and we have got a kind of floating threshold at the moment – it might be \$7,500, it might be \$8000, it might be \$10,000, it might be a different number; who would know – but whatever number it is I say to every private school in the state, every not-for-profit school: you are next. You are in the gun. If it is \$10,000 this year, it could just as easily be \$8000 next year. Or they will fail to index it over time and allow the schools to all creep into that threshold. That is what is going to happen.

The reason they are doing this is because Daniel Andrews hates private schools. It is an ideological hatred. Not only is there the desperate need for money, but there is an ideological hatred of private education, a vicious hatred. That is what he is doing – he is trying to over time twist and turn the balance against the choices that parents make about private education. This is an outrageous attack that is occurring. The Deputy President is very aware that in her area there are significant private providers, and those private providers, long run, are in the gun for Daniel Andrews. He wants to get to them. He wants to penalise them. He wants to clobber the parents. They are aspirational parents – parents who want to do better for their children and who want to give their children every opportunity. Every parent does, but some parents actually say, ‘Okay, I’m going to work harder, I’m going to have

a lower quality of life now and I'm going to put the money into my kids' education.' And that is a legitimate choice. It is actually a choice that should be fostered and encouraged, for people to have that option. Some want to send their kids to a government school. In my case, some of my kids went to government schools and so forth in primary.

Jaelyn Symes interjected.

David DAVIS: They did. They went to Kew Primary. In secondary they have gone different ways. That is what I think a lot of people want to see. They actually want to see parents be able to exercise choices without a financial disincentive for those schools imposed by government. That is a tax on education, a tax on schools. We need to be clear about what is going on here. This will over the long term cause a lot of damage, so I say this is a bad bill. The amendments that Mr Bach will talk about seek to remedy some of these problems.

I do not think that a person in good conscience should be voting for a tax on schools – that is wrong – and a tax on aged care. Goodness! Why would you tax aged care provision when you know that it is going to flow through into higher aged care fees? Again, there could easily be significant fallback into the government and not-for-profit sectors, which are treated differently. But the fear is I think that the quality of aged care could decline and a number of closures could occur. So I say this is a bad bill, I say that it is an unfair bill and it is an irresponsible bill. It is driven at its heart by two things: Daniel Andrews's failure to manage the economy and the finances of the state, so we are in massive debt and desperate for money, and at the same time he is prepared to indulge his ideological obsessions and attack private schools.

Matthew BACH: Attorney, when the Premier was before the Public Accounts and Estimates Committee, he said that the Treasurer and the Minister for Education were working together to determine which schools would now not be exempt from payroll tax. Do we have that list yet?

Jaelyn SYMES: As has been communicated, that work will be undertaken by the minister in consultation with the Treasurer to not be in effect until 1 July next year.

Matthew BACH: Attorney, the budget papers say that over the period of the forward estimates \$422 million will be raised from the removal of the payroll tax exemption on – I think approximately 110 schools was the exact language of the budget papers. Can I ask how that very specific figure was arrived upon.

Jaelyn SYMES: Thank you, Dr Bach, for your question in relation to the removal of a tax exemption to certain high fee paying private schools. In relation to the costing, the budget remains an appropriate reflection of the government's position, and we will update as required as the minister and the Treasurer work out these things. In relation to what it was based on, it was based on information that was available from 2019 data.

The threshold was previously set, as you know, at \$7500, which was based on 2019 data from the Australian Curriculum, Assessment and Reporting Authority and, as has been well canvassed, will now need to be updated to reflect changes in school fees over the last several years. As I have articulated, this will be determined by the Minister for Education and the Treasurer by the end of the 2022–23 financial year and the changes will not come into effect until July 2024.

Matthew BACH: Thank you, Attorney. That is very useful. Attorney, again at the Public Accounts and Estimate Committee hearing the other day the Minister for Education was asked about whether any advice or modelling was carried out, and she said that that had not been the case in her department but that this had been worked up in Treasury. I think it might be appropriate for me to ask now whether there was any advice or modelling from the Department of Treasury and Finance to inform that initial decision of 110 schools – about 15 per cent – with that \$7500 threshold that you referred to.

Jaelyn SYMES: Dr Bach, the government has an established process for separating low fee from high fee. The revenue estimates therefore related to the data points listed in the Victorian budget

estimates based on the current thresholds. They are well established at that point in time and, as I have indicated to you, are up for revision at the moment, with that advice to be provided shortly.

Matthew BACH: Would you mind if I asked you some questions then about the process that is ongoing to seek to set a threshold higher than \$7500? Will financial information other than school fees be used to determine whether an independent school will be made to pay payroll tax?

Jaclyn SYMES: Dr Bach, school fees are obviously a very relevant factor and, as indicated, were used as the initial estimates for the Department of Treasury and Finance (DTF) modelling. There are other considerations that are open to the minister to consider in relation to the finalisation of this policy.

Matthew BACH: Would some of those other considerations be matters like donations to a school or accrued annual or long service leave salaries?

Jaclyn SYMES: That would be a matter for the Minister for Education.

Matthew BACH: But it is interesting because I have recently had the opportunity through our Public Accounts and Estimates Committee team to ask questions of the Minister for Education, and when questions like this are put to her, she says it is a matter for the Treasurer. Unfortunately, the Treasurer was up first at the Public Accounts and Estimates Committee, so I do not have an opportunity to question the Treasurer, although you are representing him today.

All right, so with these matters, we cannot confirm whether things like donations, accrued annual or long service leave and whether or not schools have campuses outside of Melbourne – that is another issue that has come up for me in my consultation with schools – will be treated differently. These are matters, as you say, that will be or that may be taken into consideration by the Treasurer.

Jaclyn SYMES: Yes, the Minister for Education will make determinations in consultation with the Treasurer. The Minister for Education will also be responsible for determining the exemption status of non-government schools, and she will be required to consult with the Treasurer in finalising those schools that may be exempt from payroll tax. So as you have indicated, there are factors that might be considered in relation to setting the threshold and eligibility for inclusion of non-government, high fee paying schools that will no longer benefit from the payroll tax exemption. There may be factors that lean into a particular school's circumstances about whether that exemption should indeed still be appropriate for that particular school.

Matthew BACH: Thank you very much, Attorney. I confess on some of these questions I did not reasonably expect a concrete answer today, because I think the Premier had said at PAEC that the threshold would be communicated on 1 July. Nonetheless, something that is really exercising many schools is certainly the current lack of clarity, but I do understand the government's position about when that will be rectified. When that occurs and we do learn which schools will have their payroll tax exemption removed, will these matters be clearly communicated in some official format?

As we have already discussed and I think the Minister for Education concedes, what may be taken into consideration is quite complex, and there are many factors. I know that Independent Schools Victoria would love some real clarity in the communication from the government about how it is decisions are ultimately made about which schools will no longer be exempt from payroll tax. Now, they have expressed a view that that would potentially best be done by regulation if not by some official form and not simply a media release but then also that processes to seek to have payroll tax exemption reinstated on schools could be really clearly communicated. Is that possible, Attorney?

Jaclyn SYMES: Government is consulting with schools and will provide further information about how the threshold will apply shortly. In relation to some of the communication and assistance for schools, in addition to that consultation, the determination will be publicly gazetted, and it is also my information that the State Revenue Office (SRO) will assist affected schools in understanding their payroll tax obligations. Obviously the government is certainly happy to work with schools that are

working through the processes, and if their circumstances change, of course the government would be open to further consultation and discussions with those particular schools.

Matthew BACH: Attorney, it has been put to me in some of my consultations that it is possible that the new payroll tax revenue from independent schools could potentially have an impact on Victoria's GST share. Has the government received any advice on that matter?

Jaclyn SYMES: Dr Bach, I guess the answer would be that we are always conscious of considerations in relation to payroll tax and how it may impact GST. Our advice is that the small amount of institutions that this going to apply to is not going to shift the dial significantly in relation to those considerations.

Matthew BACH: Just one or two more questions. Thank you, Attorney; I appreciate it. Can I loop back to the matter of when independent schools will become aware if they will now need to pay payroll tax. My recollection is that the Premier said that these matters will be communicated on 1 July. Does it remain the case that there is a commitment to communicating that very important detail to independent schools on 1 July?

Jaclyn SYMES: Dr Bach, my advice is that the announcement is close and will be provided shortly. I do not have the information about the specific date.

Matthew BACH: Perhaps penultimately from me, in my discussions with business managers at schools, who undoubtedly are overwhelmingly highly competent, it has been put to me that there may be some need for additional training or administrative support to schools who will now have to pay payroll tax for the first time. Is that something that the government has considered?

Jaclyn SYMES: Yes, it is, and there has been work with the SRO in relation to the support that they can offer to ensure that any schools that will no longer be exempt understand their payroll tax obligations.

Georgie CROZIER: Attorney, I am just wondering if you could tell the committee how much the government expects to get from the private aged care sector in relation to payroll tax – what that will bring in for the government.

Jaclyn SYMES: I anticipated that I would get a question from you on this matter, so I have got some material for you. As you know, non-profit aged care facilities are typically exempt from payroll tax under the charitable exemption, and that will certainly remain the case here. Public, religious and not-for-profit aged care will be exempt from the COVID debt levy payroll tax surcharge, just as they are exempt from payroll tax. The payroll component of the levy will focus on large businesses with national payrolls above \$10 million.

We will certainly always seek to strike the right balance between providing the services and infrastructure and raising the revenue that is necessary to provide it. I understand that the very small amount of organisations that this will apply to is not a lot in the aged care sector, but I might just seek some further information to see if we have got anything a little bit firmer than that.

Ms Crozier, the calculations are based on estimations across the whole economy, across every sector, and do not drill down into individual sectors, but as I have articulated, with the threshold being payroll of \$10 million or more, the impact on that particular sector is expected to be small because there are a lot of smaller agencies in relation to delivery of those services.

Georgie CROZIER: Minister, could I just get some clarification on a couple of points. You said just then that you were not able to say how much that payroll tax would provide to the government from the, I quote, 'very small amount of organisations'. I want to go back to that in a minute. You also said that it was based on estimates on every sector. But that is not the point with the state schools tax, because it is in the budget papers – \$422 million. So you have actually worked out what you can derive

from the independent school sector, but you are telling me you cannot provide to the committee or provide to the house how much you will derive from these private aged care facilities.

Jaelyn SYMES: To put some context around the way you have framed your question, the payroll tax exemption being removed from private schools is something that is based on the information that we have at hand and is a specific application to that sector – to remove an exemption that has existed for some time, to put them on an equal footing with public schools. The question you asked is: why haven't they done calculations for every sector of the economy in relation to the payroll threshold of \$10 million? Well, you could ask the same question about agricultural businesses, manufacturing businesses, small businesses. What you are asking is not comparable with seeking to remove an exemption as opposed to a general application of payroll tax for businesses that have a payroll of \$10 million. The parameter that we are setting is the payroll tax threshold; it is a separate argument to the private schools.

Georgie CROZIER: Attorney, I raise it because of the issues around what the sector have said. You said yourself you were expecting questions from me on this very issue. The sector are raising issues around their viability, their ability to do business. They have said that there are increasing energy and power costs but also this payroll tax. If there are only a very small number of organisations – I think you said you were targeting national organisations that have a payroll of over \$10 million; that is what you said – on the basis of that I am wondering how many aged care providers that is and how many aged care beds that is. You might need to take that on notice. The reason I ask, Attorney, is because I am concerned about their ability to keep their doors open.

Jaelyn SYMES: Of course, Ms Crozier, nobody wants to cause an impost on an aged care facility in relation to the good work that they do. We are obviously very supportive of the new federal government actually stepping in to finally increase support for non-public aged care workers in particular. But what I have noticed in both your questions in question time today and what you are putting to me now is this statement that there are all these aged care facilities and beds that are going to be impacted. You have not actually given an example of an aged care facility that you know is going to be impacted by the \$10 million payroll tax.

Georgie CROZIER: I can give it to you now. Read the papers!

Jaelyn SYMES: I have said it is a small amount that I know of, but you have not –

Georgie CROZIER: I am texting the provider right as we speak.

Jaelyn SYMES: Is it lots and lots? You are asking me to detail the number of companies. I am saying to you that it is a broad application across the economy for organisations that have a payroll of more than \$10 million. I have told you that there is not specific modelling per sector, so I am not able to then break that down into aged care facilities that meet the threshold. There would be a small amount. We will continue to work with them in conjunction with the federal government about any impacts on their work; of course we would always do that. However –

Georgie CROZIER: Why didn't the minister tell me that this morning?

Jaelyn SYMES: Well, it is a federal government responsibility, which is what her answer was. But in terms of any of those concerns, we are always open to those conversations. That is not a problem. But I cannot tell you how many it impacts, so then of course I cannot tell you how many beds it impacts, because it is not something that is calculated by DTF when they are doing their modelling, because it is specific sectors –

Georgie Crozier interjected.

The DEPUTY PRESIDENT: Order! Ms Crozier, the minister has the call.

Jaelyn SYMES: This is a threshold that applies across the economy, so therefore the calculation estimates that DTF do are broadly across the economy. What I am saying to you is that they have not

broken it down into every specific sector, unlike the private schools one, which was a specialised approach to removing that exemption. As you have identified, your concern is the impacts on aged care, and as I said, we will continue to have conversations with companies or organisations that are impacted. But to ask DTF to go sector by sector across the broad spectrum of businesses in Victoria is not how it is done.

Georgie CROZIER: I really find that extraordinary. It is not a national Wesfarmers that you are targeting here that has multiple businesses. These are services in either education or health that are actually critical to the wellbeing of Victorians. One company which has been widely reported, which I am sure your advisers are well aware of, has 12 facilities in Melbourne and Geelong that have specifically spoken about these increases in cost that they will then have to manage. Those are those energy and electricity costs that I have spoken of but also these payroll costs. They are a business. I know a lot of you have never run a business, but when you run a business –

Jaclyn SYMES: I have.

Georgie CROZIER: Well, not too many of you have. If you have, you should understand what I am talking about. The inputs and the overheads that have to be applied through a business when they are managing a business –

Jaclyn SYMES: Well, that is why we have got exemptions for all of the small guys.

Georgie CROZIER: Well, then, good, Attorney. That is exactly what I am talking about. I find it extraordinary that DTF have not done any modelling on this. You say that you are talking with the federal government. Well, I would like to understand: did anyone actually speak with the Aged & Community Care Providers Association around what the government was proposing to do and what the impacts would be?

Jaclyn SYMES: Ms Crozier, I have answered this question. It is not broken down into every subsector. The application is for businesses that have payrolls of over \$10 million. Of course the aged care sector is an important sector. You have put a value judgement on the fact that they should be treated differently to every other business in Victoria that has a payroll over \$10 million. What I am saying is there are many important sectors in Victoria. Whether they are a disability provider or whether they are an agricultural provider, there are many, many organisations that of course would be subject to ongoing conversations about how we would support them or how the federal government would support them. This is a fair tax applying to businesses that have a payroll of \$10 million. That is how it is modelled; it is not broken down into subsectors.

Georgie CROZIER: Attorney, I would still like to understand how many aged care providers you are talking about. If it is not a large number, then the government must have those figures on how many private aged care providers meet that threshold of \$10 million and what the estimated revenue for the government will be in relation to that payroll tax that will come into the government coffers. I think it is important to understand, and I think it is important that the government actually understand, exactly what they are doing with the decisions they are making and the impacts of those decisions. That is why I am asking these questions, because these decisions, these increases in taxes that you are putting on the aged care sector, are having a massive impact. They are trying to run a business. They are putting in money for infrastructure and resources. That is what they are doing to provide people with choice and to provide facilities that look after elderly Victorians. You say it does not affect many when in actual fact the companies that you have just brushed off here – saying they are national companies and we do not break it down by sector – are companies that have got multiple facilities. They are big operations. They are complex operations. They are facing pressures, as you know only too well, about workforce shortages but also these increasing costs, these overhead costs, these running costs to keep their elderly residents cared for.

When you are putting an extra burden on them like you are as a government – they are your decisions – you must understand the impact of that. And if you do not, I say that is absolutely disgraceful. These

Victorians deserve to understand whether they are going to be secure in these homes or whether that business can actually operate, given that the federal government's funding has all just gone out the window, because of your additional payroll tax charges that you are applying in addition, as I say, to those overhead costs such as energy and power bills. I ask again, finally, could I please have the numbers of providers that will be affected, the number of beds that those providers actually provide for Victorians and the amount of payroll tax that this payroll tax increase will have on those providers?

Jaclyn SYMES: Ms Crozier, what I can do is outline the fact that this government is striving to strike the right balance between providing the services that Victorians want and need and raising the revenue that is required to deliver it. We have cut or abolished taxes and fees 63 times since coming to government, including in this budget. This includes increasing the payroll tax threshold four times since coming to government so that fewer smaller to medium-sized businesses do not pay any payroll tax. That will pick up a lot of aged care service providers who no longer are paying –

Georgie CROZIER: On a point of order, Deputy President, could the Minister repeat what she just said?

Jaclyn SYMES: We have increased the payroll tax free threshold four times since coming to government so that fewer smaller and medium-sized businesses pay any payroll tax. Until those changes there may have been aged care facilities that were paying payroll tax, but because of our changes they no longer are. So just to put it into context, it is about responsible decisions and trying to balance the need to bring in revenue as well. We have also committed to continuing to increase it twice more, lifting it to \$1 million – so payroll of \$1 million. That is 6000 businesses across the board, and I cannot tell you how many of those 6000 businesses that are aged care have a payroll of less than \$1 million. But as you can see, Ms Crozier, this is about a decision to recalibrate where the limits are, making it easier for those small and medium-sized businesses, as demonstrated over subsequent budgets, and we have a threshold of \$10 million for sector-wide changes.

Georgie CROZIER: So I am just getting some confirmation that the Attorney is not going to provide the committee with answers to the questions that I asked. Is that right? Just in the number of organisations affected, the number of beds that are in those organisations and the payroll tax that will come into government coffers – is that what you are saying? I know you have just read out the spiel that has been given to you by the advisers. I just want to know if that is what you are saying to me: no, you will not be providing me with that information.

Jaclyn SYMES: Ms Crozier, the specifics you are asking are outside the bill. The bill applies to the broader economy and does not break it down by sector.

Ann-Marie HERMANS: I am looking at the Fire Services Property Levy Act 2012 in relation to overpayments and payments made in error. I do, again, realise that I am very new at this, so I am just wondering, Attorney, looking at page 34, part 3, where it talks about that, and I am just trying to understand: are you wiping that out or are you adding that in? It seems to cancel itself out. I am having trouble trying to understand the convoluted way it has been put in there. I am just wondering if you could please bring some clarification to that.

Jaclyn SYMES: The bill amends the refund and cancellation provisions under the Fire Services Property Levy Act in response to the Victorian Court of Appeal case of the Valuer-General against AWF proprietary – lots of other acronyms, but you get the point. The refund and cancellation provisions under the Fire Services Property Levy Act allow collection agencies to refund or cancel payments for mistakes, such as duplicated payments or mathematical errors. In that decision the Ararat Rural City Council sent notices to an operator, being the lessee of the land, with capital improved values calculated on an assumption that the wind turbines connected to underground foundations were fixtures forming part of the land. The court subsequently held that the fixtures did not form part of the land and should be excluded from the hypothetical fee simple estate to be valued by a valuation authority for fire service property levy and rates purposes.

Following this decision, several wind farm operators have made refund requests under the refund and cancellation provisions in respect of historical payments that they have made for fire supply service property levies. However, these provisions were not intended to provide a person aggrieved by a valuation with an alternative avenue to dispute amounts paid if they were otherwise too late to lodge an application under the Valuation of Land Act 1960. The bill amends the refund and cancellation provisions to expressly carve out overpayments and errors, the basis for which is the ground of objection under the Valuation of Land Act. These amendments will ensure consistency between refund and cancellation provisions of the Fire Services Property Levy Act and will adequately reflect the policy intent of the statutory scheme. As you have got that act in front of you, the bill will make minor amendments to correct the omission of annual payroll tax rates being in place for the 2022–23 financial year and subsequent financial years in respect of regional employers and bushfire relief regional employers.

Ann-Marie HERMANS: Just to clarify, that means that the people that have overpaid or been charged incorrectly will be refunded, or is it actually cancelling it out? The way I read it is that it is acknowledging it, but it is actually saying ‘from now on’ and not for ones that have been previously in place. So that is not right?

Jaclyn SYMES: It does not cancel out any ability to seek a refund or object to an evaluation, it just streamlines it. It does not cut anyone’s ability, it just ensures that they are going through the right avenue.

Ann-Marie HERMANS: Yes, it is just the way that it reads it looks like it is –

Jaclyn SYMES: It is a double –

Ann-Marie HERMANS: It is a double negative, that is right. So that was my first one. Thank you for that, Attorney-General. I must confess I do have a number of sections in here that I have actually underlined. I have concerns with regard to the variation of residence requirements, and let me just go back to the front page, where you have the issue about the Land Tax Act 2005 and the way you are wanting to amend section 2 – it is probably not called section 2 – to provide an exemption from land tax for land subject to a conservation covenant. When I look up what you are talking about when you talk about a conservation covenant, it looks like it is extremely subjective. The outline there is not very detailed.

Jaclyn SYMES: Which clause of the bill?

Ann-Marie HERMANS: I am on page 2, subparagraph (c)(ii), if that makes sense, in part 1, looking at ‘to provide for an exemption from land tax for land subject to a conservation covenant’. This is land that I would imagine would be bushland and/or fire prone, but when you go to find out what that actually means and what that actually looks like, my concerns are that it is not properly defined, that it is all based on the commissioner and that there is no genuine understanding of what that actually looks like. If you turn to page 55, division 5, ‘Conservation covenants’, you will see that they give some sort of an outline, but everything seems to be based on the commissioner, and that is a very subjective way to do it. Land is exempt land if the commissioner determines that it is subject to a conservation covenant.

I fail to understand how the commissioner is the only one that can determine what a conservation covenant looks like, and I was wondering if you had more information and details on the parameters of that so that we can understand that whole exemption for land tax. Otherwise what we are going to find is that some people will be able to get their land classified based on being favoured by the commissioner, which is a very subjective way to do it, and others will not, and that is a concern for me.

Jaclyn SYMES: Thank you, Mrs Hermans, for your interest in this matter. It will be from January 2024 that we will introduce a new land tax exemption for land protected by a conservation covenant with Trust for Nature. There is no intention in this legislation to change the definition or process for

what is deemed to be a conservation covenant. A conservation covenant is a voluntary legal agreement made between a private landowner and Trust for Nature to permanently conserve land. Conservation covenants are registered on title and are legally binding. While there are other arrangements to encourage the conservation of land, a conservation covenant with Trust for Nature provides enduring protection. For your information, the Trust for Nature is a body corporate established under the Victorian Conservation Trust Act 1972, so this is about picking up that benefit for an established process.

Ann-Marie HERMANS: As I understand it, what you are saying is that if the land is subject to a conservation covenant, it is exempt from the land tax –

Jaclyn SYMES: They still have to make an application, though.

Ann-Marie HERMANS: So they have to make the application, but if they make the application and they are successful, their land is going to be exempt. That means that we will be, obviously, increasing the amount of bushland that will be fire prone in Victoria, because this is going to encourage that, which is just by the by.

I am also looking here and I notice that there are a few other things I have questions about. One of them has to do with the pensioners. The wording is being changed with regard to who is going to be, once again, exempt, with ‘eligible pensioner’ being substituted with ‘eligible cardholder’. I am wondering whether ‘eligible cardholder’ – because I could not see enough in that – includes seniors. Or does that mean that you are looking at an eligible cardholder as being somebody that is on benefits and not someone that is necessarily just a senior?

Jaclyn SYMES: Individuals who hold an eligible Commonwealth concession card can access the pensioner and concession card holder exemption if they buy a home up to \$750,000.

Ann-Marie HERMANS: That will actually then rule out a number of people who are currently eligible as pensioners but are not on the pension, because you are changing the words from ‘eligible pensioner’ and substituting them with ‘eligible cardholder’. So eligible pensioners may be changed down the track, because we are looking at cardholders only. Is that correct?

Jaclyn SYMES: Sorry, Mrs Hermans, I am a little bit confused. Eligibility for a seniors card does not make you eligible; you have to be an eligible pensioner and concession card holder. A lot of people are eligible for seniors cards. My dad likes his because there is a free fishing licence, but that does not mean that he then gets eligibility for duty exemptions in relation to the changes that we are making. From 23 July eligible pensioner and concession card holder duty exemptions and concessions will be broadly aligned with the first home buyer exemptions and concessions. But it is designed to pick up existing concessions, disadvantaged pensioners or concession card holders.

Ann-Marie HERMANS: So it does mean that the change of wording – ‘eligible pensioner’ being substituted by ‘eligible cardholder’ – does actually then restrict some of the people who are currently exempt, as I understand it, based on what you have said.

Jaclyn SYMES: No. In the act ‘eligible cardholder’ and ‘eligible pensioner’ have the same meaning. It is not replacing ‘eligible cardholder’ with ‘eligible pensioner’. Individuals who hold an eligible Commonwealth concession card can access the pensioner and concession card holder exemption. This includes the Services Australia pensioner concession card, Services Australia healthcare card, Department of Veterans’ Affairs pensioner concession card, DVA healthcare card, Services Australia Commonwealth seniors card and DVA Commonwealth seniors health card. So this is not limiting in the way that I think you thought it was.

Ann-Marie HERMANS: Thank you so much for reading out who is actually eligible. I do appreciate that because I was looking at, again, on page 21, clause 15, ‘Section 58 amended’, subclause (2). That is why I was asking those questions.

I also have a couple of other questions in relation to this. Again I have concerns about some of the wording in this. Page 17 I am on:

57T Variation of residence requirement

If satisfied that there is a good reason for doing so, the Commissioner may –

- (a) reduce the required period of residence; or
- (b) determine that a temporary absence from residence does not break the continuity of residence; or
- (c) extend the period in which residence must begin.

In this – and I could be reading this incorrectly, so I would love to stand corrected by you – I just see the opportunity for, again, a large amount of subjectivity that could actually lead to discrimination. I just wonder if you could expand, please, on the ‘57T Variation of residence requirement’, again referring back to the commissioner and the commissioner having the power to make those decisions.

Jaclyn SYMES: Can I just ask for a little more clarification of exactly what you are asking?

Ann-Marie HERMANS: I am just looking at (a), (b) and (c) for 57T, part 2, ‘Amendment of Duties Act’, page 17. In terms of the wording, again, I think you have mentioned before about the commissioner, but I guess what I am concerned about is the inequity – that it is a bill that is not written in such a way that prevents inequity. I see the opportunity, I guess, for inequity in this in that the commissioner has an awful lot of power in terms of making this decision and that it could be subject to subjectivity, which could lead to discrimination. It says:

reduce the required period of residence; or

determine that a temporary absence from residence does not break the continuity of residence; or

extend the period in which residence must begin.

The commissioner is given quite a bit of authority to make these decisions, and the whole qualifying idea is based on good reason. So I am just wondering if you are able to expand on what that looks at.

Jaclyn SYMES: Yes, I am going to have a go. It is designed to apply for principal place of residence, but what that can mean for different people can be sometimes a little bit varied – if somebody has a health condition and they spend a lot of time in hospital and their property is vacant or they need to go overseas to attend to family members and then come back. There are a range of reasons somebody might not be in their house, which calls into question whether it is their principal place of residence or not. So this is designed to ensure that people are not penalised for having perhaps a slightly different arrangement to their personal circumstances that means that they are not in their home 100 per cent of the time.

Ann-Marie HERMANS: Thank you so much for the response. I do appreciate it. I again just feel there is a lack of detail in that. I realise that we cannot tie it up with too much detail, but there is an openness there that could lead to subjectivity, which could lead to discrimination and nepotism and favouritism and, in some cases, persecution.

Jaclyn SYMES: I think what I would say, though, is that this is actually designed to build in flexibility rather than be a blanket rule. So I would argue the flip side: that it is designed to be more fair, that people have the ability to have their personal circumstances considered. It is the commissioner that has the ability to have a look at this, which is effectively the SRO, so that every decision can be looked at on its merits, and it is given a variety of parameters, through which you can hopefully bring more people into the benefit. That is how I would describe it, as opposed to it being designed to knock people out. If you did not have the ability to consider good reasons, it might actually have the negative impact of what you are articulating you think that might do.

Ann-Marie HERMANS: I do appreciate the response, and there is good sense in what you are saying. I guess the point is that in the wrong hands with the wrong people, the opportunity still arises for exemption while everybody else can be paying land tax. It is great that you have been paying

attention to how you can actually be kinder and fairer to people with a disability, but again, looking at this, I noticed that there were some points that made me question some of the things. Again, I will tell you where I am going to. Looking at disability, I started at page 11, but I am currently on page 16, which is 57S, 'Residence requirement'. And it is not just for disability; I would imagine it is for a number of other areas as well. There are requirements:

of at least 12 months; and

commencing within the 12 month period immediately after the transferee or transferees became entitled to possession of the land.

I know that we have something that is very similar in place for how long a person has to actually be residing within a place for it to be classified as a primary residence. But I did notice that in this bill it does mention that should the person cease to be alive – and let me just look at that and see if I can find the page for you for that – they continue to have that opportunity for the family to have that exemption. I do not have the exact page number for you yet, but I will find it. I was just reading it before. It is page 52, and it is clause 48, 'Exemption continues on death of resident'. In section 57(4) of the Land Tax Act 2005 it is substituting 'land; or' for 'land', with different punctuation to change the meaning. Then you are inserting:

(c) was a person with a disability (qualifying) and the land was owned by an immediate family member.

In other words, what it appears to be saying is that the exemption for land tax will also apply to somebody who had a family member that lived within the house for at least 12 months and now that the family member is dead the exemption continues to be applied. Is that correct?

Jaelyn SYMES: Let us go through what is currently available and what is changing and work our way through this and see if we can satisfy the substance of your question. So currently a duty exemption is available to families who transfer a property to a special disability trust for the purpose of providing accommodation and housing to a family member who suffers from a severe disability. Broadly, the declaration of a special disability trust or a transfer of property to the trustee of a special disability trust from an immediate family member of the principal beneficiary is exempt from duty provided there is nil consideration and the value of the property does not exceed half a million dollars.

What is changing is that the special disability trust deduction threshold is being increased from that half a million dollars to \$1.5 million for properties that will be used as the principal place of residence of the principal beneficiary of the special disability trust. If the value exceeds \$1.5 million, duty will be assessed on the amount that exceeds this threshold. The principal beneficiary is a person with a disability if aged 16 or over. Specifically, they have an impairment that would qualify them for a disability support pension or similar invalidity or permanent incapacity payments, require full-time care and are not able to work more than 7 hours a week or outside the supported wage system due to a disability. If that person with a disability is occupying the property and gets the land tax exemption and that person dies, the exemption ceases to apply. You also asked about the amount of time that –

Ann-Marie HERMANS: Yes, I mentioned 12 months earlier. But in this one I am more looking at – you mentioned the age – how long does this apply for? It looks like it is permanent. Is that correct that it is a permanent exemption?

Jaelyn SYMES: The exemption would cease to apply if the person with the disability passes away because it would no longer meet the criteria of being provided for a person that met all the criteria that we went through. So it will no longer be eligible because it is not being provided for that particular purpose.

Ann-Marie HERMANS: Sorry, I will just double-check that I have not left anything out here. Your death exemption rule I understand now, and I appreciate you explaining that. Just in terms of what you read out as being the criteria, was it all of those things or just some of those qualifications? Was it over 16 and fully impaired and in full-time care and cannot work – was it all of the above – or was it just a selection of those?

Jaclyn SYMES: The advice is that it is and/or – so if they have an impairment that will qualify them for the disability support pension or similar invalidity or permanent incapacity payments or require full-time care and not be able to work more than 7 hours. There is an ‘or’ and an ‘and’ in there.

And just for further clarification, if the principal beneficiary is aged under 16, they must have a severe disability or severe medical condition supported by evidence from a treating health professional and obviously do not have to meet the work requirements.

Matthew BACH: Attorney, I just have two or three questions to finish with – one or two on the issue of the payroll tax exemption for non-government schools and then one or two broader questions on payroll tax – if that is all right.

Jaclyn SYMES: What if I say no?

Matthew BACH: You would not. Back to the matter, and I accept your responses and appreciate your responses on the matter of the threshold. When this threshold is arrived upon, will there be a commitment from the government to index that threshold? Obviously, a concern from some non-government schools is that the threshold is set at, say, \$10,000 per annum annual fees, or \$12,000, but if that is not indexed – educational CPI is running at about 5 per cent I think – pretty soon a series of schools which are not initially caught will soon be caught.

Jaclyn SYMES: Dr Bach, obviously this is a matter that schools have raised directly with government, and it is part of the consultation.

Matthew BACH: Attorney, this bill introduces payroll tax on Victorian businesses. I spoke in my contribution about the issue of the threshold for smaller businesses and appreciate the comments you have already made on that matter during the committee stage. Did the government receive advice on the economic impacts of increased payroll tax prior to it being included in the budget?

Jaclyn SYMES: Yes.

Matthew BACH: Did that advice encompass issues like how many jobs are estimated to be lost over the next series of years, perhaps the next decade, as a consequence of increasing payroll tax?

Jaclyn SYMES: Dr Bach, it is fair to say that the government considers economic impact of the package of revenue measures. And I think it is fair to say that we are a government that is committed to creating jobs, and that is why we have a budget that is structured in a way to pay off COVID debt while also enabling us to invest in infrastructure and services and recruit more teachers and more nurses and indeed all of the people that we need for our Big Build.

Matthew BACH: I appreciate the broader point about jobs growth, but I still would not mind drilling down just a little bit about the potential employment impacts of payroll tax increases. What about rising unemployment? Obviously, unemployment is predicted to rise according to the budget papers. Was increased payroll tax a factor in that according to the advice of Treasury?

Jaclyn SYMES: Sorry, Dr Bach, can I just get you to repeat that?

Matthew BACH: Yes, of course, Attorney. Was increased payroll tax a factor that has added to the forecast for rising unemployment?

Jaclyn SYMES: Broadly, Dr Bach, we are a government that has always been focused on creating jobs, as I outlined, and we have a very strong track record in relation to that. Unemployment rates are, gladly, at historically low levels, and we have created almost 440 jobs more than any other state since recovering from the pandemic.

On your broader question about what is considered, the Department of Treasury and Finance consider all budget measures in economic impacts in budgets, so there are a variety of factors that go into these matters, but we certainly stand by our record in creating jobs, and a lot of our policies are underpinned by that principle.

Matthew BACH: Finally, and given the responses that you provided to some of Ms Crozier's earlier questions, this question of quite some detail could potentially be taken on notice. The question is this, though, Attorney: whether we know how many Victorian companies will be liable for increased payroll tax this year and how many companies will be liable by the end of the period, by 2032.

Jaelyn SYMES: I might choose to answer that at the bottom end first, because I understand that increasing the payroll tax threshold to \$900,000 and then \$1 million will mean that at least 6000 businesses that currently pay payroll tax will no longer need to and will reduce the payroll tax paid by them. In relation to those that have wages bills exceeding \$10 million, we understand that it is about 5 per cent of Victorian employers that have a wages bill of that magnitude. Only about 1 per cent of Victorian employers have a wages bill exceeding \$100 million, so my calculation is that there are many, many beneficiaries in relation to the smaller end, and for those that are in the category of exceeding \$10 million our calculations are that they are best placed to be able to contribute due to their size. And there are only 5 per cent, as I said, of businesses in that category.

Clause agreed to; clauses 2 to 5 agreed to.

Clauses 6 to 21 – no question put pursuant to standing order 14.16(2).

Clauses 22 to 26 agreed to.

Clauses 27 to 54 – no question put pursuant to standing order 14.16(2).

Clauses 55 to 57 agreed to.

Clause 58 – no question put pursuant to standing order 14.16(2).

Clauses 59 to 72 (17:54)

Matthew BACH: I move:

1. **Suggested amendment to the Legislative Assembly –**

Division heading preceding clause 59 and clauses 59 to 72, omit the heading and clauses.

I will do so briefly, noting that this amendment is a test for my two further amendments. I have spoken to the view of members of the coalition as to the need for these amendments. This first amendment is regarding the COVID debt surcharge on payroll tax, and then the final amendment, which if this amendment is lost then we will not have an opportunity to speak to in greater detail, is in my mind most important, and that is to seek to omit the section of the bill that will remove the current exemption for payroll tax on independent schools. The reasons we feel that is so important have been well aired over the course of this debate, not only in this chamber but in the other chamber and more broadly.

Jaelyn SYMES: Sorry, Dr Bach, but it is humorous to me that you did not mention amendment 2.

Matthew BACH: Also an excellent amendment.

Jaelyn SYMES: An excellent amendment! Well, we will not be supporting any of the amendments. We oppose the amendments. They are effectively removing substantive parts of the state tax bill, which undermines the ability for the state to act appropriately in relation to its financial responsibilities. I just did want to refer to – maybe you want to elaborate, Dr Bach. I understood your remarks in relation to increases in the tax-free threshold were that you were wanting to throw a bouquet in the direction of the Treasurer for proposing these changes. I understand that the Shadow Treasurer, when he spoke in the other place, said that he was also quite supportive of these things. So I am just a little bit confused about that. But, nonetheless, they are going to be voted in en bloc, so I guess we do not need to spend too much time on discussions around the individual amendments. But I am a bit confused about amendment 2 and who supports it and who does not. I think the opposition seem to be quite confused in relation to that as well. But I am more than happy to put these to the vote.

The DEPUTY PRESIDENT: When we vote for these clauses, I remind people that if you are supporting Dr Bach's proposition to omit the clauses you need to vote no. It is a double negative, which becomes very difficult. The question is:

That the division heading preceding clause 59 and clauses 59 to 72 be agreed to.

Council divided on question:

Ayes (20): Ryan Batchelor, John Berger, Lizzie Blandthorn, Katherine Copsey, Jacinta Ermacora, David Ettershank, Michael Galea, Shaun Leane, Sarah Mansfield, Tom McIntosh, Rachel Payne, Aiv Puglielli, Georgie Purcell, Samantha Ratnam, Harriet Shing, Jaclyn Symes, Lee Tarlamis, Sonja Terpstra, Gayle Tierney, Sheena Watt

Noes (15): Matthew Bach, Melina Bath, Jeff Bourman, Gaelle Broad, Georgie Crozier, David Davis, Moira Deeming, Renee Heath, Ann-Marie Hermans, David Limbrick, Wendy Lovell, Trung Luu, Joe McCracken, Nicholas McGowan, Rikkie-Lee Tyrrell

Question agreed to.

Clauses 73 to 81 (18:06)

Matthew BACH: I move:

2. **Suggested amendment to the Legislative Assembly –**

Division heading preceding clause 73 and clauses 73 to 81, omit the heading and clauses.

The DEPUTY PRESIDENT: The question is:

That the division heading preceding clause 73 and clauses 73 to 81 be agreed to.

Council divided on question:

Ayes (20): Ryan Batchelor, John Berger, Lizzie Blandthorn, Katherine Copsey, Jacinta Ermacora, David Ettershank, Michael Galea, Shaun Leane, Sarah Mansfield, Tom McIntosh, Rachel Payne, Aiv Puglielli, Georgie Purcell, Samantha Ratnam, Harriet Shing, Jaclyn Symes, Lee Tarlamis, Sonja Terpstra, Gayle Tierney, Sheena Watt

Noes (15): Matthew Bach, Melina Bath, Jeff Bourman, Gaelle Broad, Georgie Crozier, David Davis, Moira Deeming, Renee Heath, Ann-Marie Hermans, David Limbrick, Wendy Lovell, Trung Luu, Joe McCracken, Nicholas McGowan, Rikkie-Lee Tyrrell

Question agreed to.

Clause 82 (18:10)

Matthew BACH: I move:

3. **Suggested amendment to the Legislative Assembly –**

Division heading preceding clause 82 and clause 82, omit the heading and clause.

The DEPUTY PRESIDENT: The question is:

That the division heading preceding clause 82 and clause 82 be agreed to.

Council divided on question:

Ayes (20): Ryan Batchelor, John Berger, Lizzie Blandthorn, Katherine Copsey, Jacinta Ermacora, David Ettershank, Michael Galea, Shaun Leane, Sarah Mansfield, Tom McIntosh, Rachel Payne, Aiv Puglielli, Georgie Purcell, Samantha Ratnam, Harriet Shing, Jaclyn Symes, Lee Tarlamis, Sonja Terpstra, Gayle Tierney, Sheena Watt

Noes (15): Matthew Bach, Melina Bath, Jeff Bourman, Gaelle Broad, Georgie Crozier, David Davis, Moira Deeming, Renee Heath, Ann-Marie Hermans, David Limbrick, Wendy Lovell, Trung Luu, Joe McCracken, Nicholas McGowan, Rikkie-Lee Tyrrell

Question agreed to.

Clauses 83 to 111 agreed to.

Reported to house without amendment.

Jaclyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (18:14):
I move:

That the report be now adopted.

Motion agreed to.

Report adopted.

Third reading

Jaclyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (18:14):
I move:

That the bill be now read a third time.

The PRESIDENT: The question is:

That the bill be now read a third time and do pass.

Council divided on question:

Ayes (21): Ryan Batchelor, John Berger, Lizzie Blandthorn, Jeff Bourman, Katherine Copsey, Jacinta Ermacora, David Ettershank, Michael Galea, Shaun Leane, Sarah Mansfield, Tom McIntosh, Rachel Payne, Aiv Puglielli, Georgie Purcell, Samantha Ratnam, Harriet Shing, Jaclyn Symes, Lee Tarlamis, Sonja Terpstra, Gayle Tierney, Sheena Watt

Noes (14): Matthew Bach, Melina Bath, Gaelle Broad, Georgie Crozier, David Davis, Moira Deeming, Renee Heath, Ann-Marie Hermans, David Limbrick, Wendy Lovell, Trung Luu, Joe McCracken, Nicholas McGowan, Rikkie-Lee Tyrrell

Question agreed to.

Read third time.

The PRESIDENT: Pursuant to standing order 14.28, the bill will be returned to the Assembly with a message informing them that the Council have agreed to the bill without amendment.

Victorian Future Fund Bill 2023

Second reading

Debate resumed on motion of Ingrid Stitt:

That the bill be now read a second time.

Tom McINTOSH (Eastern Victoria) (18:20): I stand to support the Victorian Future Fund Bill 2023. The bill legislates the creation of the Victorian Future Fund and defines how the Victorian Future Fund can be used. The bill establishes the Victorian Future Fund as a statutory trust account. Legislating the establishment of the fund provides certainty regarding the governance and purpose of the fund. This certainty supports the state's credit rating agencies in assessing the impact of the fund for credit rating purposes. It is also the established practice of equivalent funds in New South Wales and Queensland to legislatively enshrine the fund's functions.

I want to speak on the government's fiscal strategy and the COVID debt repayment plan. At the start of the pandemic the government set out a responsible and clear four-step fiscal strategy to restore the state's finances over the medium term. This strategy not only improves the state's financial position but also helps guard against future financial shocks. The 2023–24 state budget delivers progress on this financial strategy. The first step – creating jobs, reducing unemployment and restoring economic growth – is progressing well. The unemployment rate is below 4 per cent, and the government's jobs target has been met more than two years early. The second step is the government's fiscal strategy: returning to an operating cash surplus. This means the state is generating sufficient cash inflows to exceed its cash outflows on operating activities. The government continues to forecast an operating cash surplus for 2022–23 onwards. This is an improvement on the cash surplus when compared with the 2022 Victorian pre-election budget update.

The third step is returning to an operational surplus. This is important, as this is where the government generates sufficient revenues to cover not just its cash expenditure but also the ongoing replacement of existing assets. The government is forecasting an operating surplus of \$1 billion in 2025–26. The operating surplus is then forecast to increase to \$1.2 billion in 2026–27. The fourth step is stabilising net debt to gross state product. 2023–24 shows progress in the fourth step in the fiscal strategy: stabilising net debt. The improvements to the government's operating cash position have flowed through to net debt, which is expected to be \$3.7 billion lower by June 2026 compared with the pre-election budget update. The government remains committed to stabilising net debt as a percentage of the GSP over the medium term. The new Victorian Future Fund is a key plank in stabilising net debt. The Victorian Future Fund was earmarked last year to manage the fiscal impact of COVID-19 and deliver positive outcomes for Victorians by reducing the debt burden on future generations. It was announced that the fund would initially be established using proceeds from the VicRoads modernisation joint venture of \$7.9 billion. It was also announced that further investments would be made in the future fund through proceeds from designated government land sales and a proportion of future budget surpluses once net debt stabilises.

The bill also provides discretion for the Treasurer to contribute amounts into the fund, such as a proportion of any future surplus once net debt stabilises, as the government has also committed. The bill confirms that the fund will be managed by the Victorian Funds Management Corporation, the VFMC, the state's specialist investment agency, by implementing a diversified investment strategy designed to deliver returns that exceed the savings that would otherwise have been achieved. These excess returns will, over time, improve the state's operating result and net debt position, further supporting the state debt stabilisation strategy.

The Victorian Funds Management Corporation will drive an investment strategy designed to deliver higher returns than would otherwise be achieved, with the fund balance ultimately to be used to pay down debt incurred during the pandemic. The government has committed that the fund will be managed in line with strict environmental, social and governance principles consistent with other investments managed by the VFMC. The investment returns from the fund will be quarantined and returned to the fund so that its balance will grow over time. Further investments will be allocated to the fund in the future through proceeds from designated government land sales and a proportion of future budget surpluses once net debt stabilises.

The fund is projected to have a balance of around \$12 billion by the end of the forward estimates. The bill provides that money in the future fund may be applied only for the purposes of paying amounts determined by the Treasurer to reduce the state's debt as well as for administration and auditing of the fund. This means the fund cannot be used as an ATM and raided for election commitments as others have attempted to do in the past. Reporting will be in line with the recommendations of the Public Accounts and Estimates Committee and other jurisdictions. PAEC has recommended that the Department of Treasury and Finance's annual report detail the performance of the fund including the opening and closing balance at the end of each financial year and how its performance assists in stabilising net debt.

Similar reporting obligations exist in Queensland where the equivalent Queensland law provides that the fund movements will be recorded and disclosed in Treasury-audited financial statements that form part of Treasury's annual report. Credit rating agencies recognise the New South Wales and Queensland debt retirement funds as offsets to gross debt for the purposes of assessing those state's credit ratings, and both New South Wales and Queensland have introduced legislation to establish their respective funds. It is clear that Victoria must do the same to receive the same treatment.

As I have said, I support this bill and the idea of a future fund. I think Victoria understands the benefits of the future fund as well, taking a large sum of money that has come the state's way, putting it aside so that it sets the state up for the future and ensuring that those funds do not get swept into the general running of the state and spent in a short period. The funds are invested and the investment grows. Because the fund receives returns that are higher than the interest rate we borrow at, doing it this way will improve our overall financial position more than simply paying down debt straightaway.

Future funds are a sensible idea, and I think Victorians understand the benefits of the investment. We have superannuation, and that has been a fantastic thing for workers. People understand the idea of quarantining funds for the future, growing them sustainably, which is what a future fund does. It is about thinking about the future. You can sell or lease an asset or have high royalties from a natural resource for a short period and just take those funds into the Consolidated Fund and say, 'Good-o, we can spruce up the balance sheet this year.' You can not think of the future, and we have seen people argue for that – in fact we have seen that occur in Australia in recent decades, benefiting particular vested interests rather than the interests of the community. It is the interests of the community which we are here to represent; it is for their financial sustainability and for the balance sheet of the state to be used in the best interests of the Victorian community.

Overseas the idea of quarantining large sums of money for the future is not new, and you hear a lot about sovereign wealth funds and high-worth sovereign wealth funds. Norway is an example that is used a lot. I believe it has the biggest sovereign wealth fund at a value of around \$1.5 trillion. The dollar values may be different, but we are talking about similar principles. In Norway they recognise that incomes that are not going to be around forever are extraordinary and should be treated differently. Many other nations have done the same. This has given these nations tremendous financial security and independence, and it is a great example for us here in Australia.

I commend the bill, the Victorian Future Fund Bill 2023, for taking advantage of this opportunity to invest for our state and deliver on our financial sustainability going forward for not only this generation but many more to come.

Sitting suspended 6:29 pm until 7:32 pm.

Matthew BACH (North-Eastern Metropolitan) (19:32): It is good to rise to have my say on the Victorian Future Fund Bill 2023. At the outset I want to make it plain that on this side of the house we do not oppose this bill. Indeed we think that the basic idea, the basic premise, being put forward here by the government is a good one for a range of reasons that I will briefly outline. I suppose at the outset, though, I want to make the point that this bill really is an admission that at some level within the government there is an acknowledgement of the parlous financial position that our state now finds itself in because of the extraordinary waste and the dreadful debt, the mounting debt, that we see here in Victoria. In fact we have a debt crisis; I think that is acknowledged. It is certainly acknowledged by the ratings agencies, and one of the reasons I think for the introduction of this bill on the part of the government is a real worry that unless something is done, unless at least some very small steps are being taken – and this is a small step – to seek to alleviate the huge impact of our mounting debt, then we will see further downgrades, as we have already seen downgrades.

As I have said, the introduction of this bill is a concession about where we are at. I think I said in my earlier contribution today on the State Taxation Acts Amendment Bill 2023 that at the moment Victorians are paying \$10 million every single day just to service the debt. It is not COVID debt. Of

course there was additional spending on the part of the government through the course of the pandemic. However, debt was mounting before COVID hit, and the vast majority of Victoria's debt has nothing to do with spending that could be reasonably attributed to any of the actions taken by the government during the period of the pandemic. What we see is that, whilst right now Victorians are collectively paying \$10 million every single day just to service our debt, this is going to climb to \$15 million every single day by 1 July this year, which is in 11 days time, but then climb under this budget, the budget that passed the other place just last sitting week and undoubtedly will pass this place on Thursday, to \$22 million every single day. We have got a debt problem, to put it mildly, and the government is therefore bringing this legislation forward, the Victorian Future Fund Bill 2023, in an acknowledgement and a significant admission that we have a debt problem – we have a debt crisis – and something must be done in order to deal with that.

I am advised that the future fund will initially be in receipt of something in the order of \$8 billion – a tick over \$8 billion. That is after the government made a decision to privatise the licensing division of VicRoads, which is interesting of course, because oftentimes in this place we hear about the evils of privatisation.

It is in fact today Mrs Kirner's birthday, and I heard a group of Labor Party members in the dining room singing happy birthday to Mrs Kirner. I do not mind saying that I hummed along. In another life, when I was –

Harriet Shing interjected.

Matthew BACH: I hummed along, Ms Shing. I thought, especially given recent events, I did not want to sort of provide full-throated support to the birthday rendition for Mrs Kirner, but nonetheless, on my small table involving Liberal and National Party members, I hummed along.

A member: In your head or out loud?

Matthew BACH: A strong tenor. Under the Baillieu government, Mrs Kirner was the communities adviser. She held that role under the Bracks and Brumby governments and she continued to hold that role under the Baillieu and Napthine governments, and she was quite amazing in that role. I do not confess to have known Mrs Kirner well, but as the adviser – 'key adviser' I have been called previously by Minister Blandthorn – to Minister Wooldridge, I had much interaction with Mrs Kirner, and she was a fabulous support. I was incredibly nervous actually, as a young Liberal bloke – I was 25 at the time – to come into contact with someone as formidable as Mrs Kirner. However, she provided amazing support in that role, and she is a person for whom I have great respect. It is little understood that she started so many of the processes during her premiership that of course then carried on under the Kennett administration for seven years, which included significant privatisations, despite the fact that of course we hear almost daily from those opposite about the deep evil of privatisation. It is not a point that I will dwell upon, but it is a point of interest that much of the funding, as I understand it, that will initially flow into this future fund is as a result of privatisation.

The basic idea of a future fund is of course one that we on this side of the house wholeheartedly support. It was a previous federal Treasurer Mr Costello who introduced a very important fund in Canberra. It is a point that has been made by my colleagues in the other place that we would have preferred a model more similar to the federal model. We will support the government on this measure. We will not oppose it. Nonetheless we would have preferred a slightly different model, more similar to the model in Canberra.

The future fund that has been established federally has done quite wonderful things for our country. My understanding is that it is in fact the largest investment fund in the entirety of the Southern Hemisphere now. It manages hundreds of billions of dollars, and as such it is a proven model. It is very well resourced, it is focused on generating profitable returns and importantly those returns can only then benefit the liabilities of the federal public service, and that was the reason of course that fund was initially established. I do have my concerns that this is an opportunity, in establishing a future

fund here in Victoria, that has been missed – to learn from a highly successful initiative from a previous government in Canberra. I will just give one or two reasons for that view that I hold. Under the legislation that we are now considering here in this place, the Treasurer has complete discretion to appoint a person to manage the fund.

The broader terms of that appointment, as I say, are completely at the discretion of the Treasurer, which is not the way things are done federally. In Canberra that fund is governed by a board of seven – six members, and in addition to that of course a chair. The Commonwealth Future Fund legislation talks at some length about the risk and return considerations as well. These are not mentioned in this legislation, at least not as I read it. If members opposite would like to enlighten me, then I would be very interested to hear that.

This is legislation that, as per one or two elements, as the Attorney referred to in the committee stage of the previous bill, I would like to give some credit to the Treasurer for. We think this is a good move. We acknowledge on this side of the house, as I think the Treasurer must do at least implicitly in bringing forward this legislation, the deep challenges that Victoria is facing in terms of our debt. This in effect, in the most simplistic language, establishes an offset account – if you like, a state of Victoria offset account – and that is to help to balance the overall position, the net position of the state, in order to then help to pay off debt. Of course on this side of the house we think that is a good thing.

I am not entirely convinced that that is the only reason for the Treasurer seeking to bring forward this legislation to the house. We know from recent comments from both of the major ratings agencies that they have deep concern about the state of Victoria's finances, and so excuse me if I sound in any way cynical or overly sceptical, but potentially one of the reasons for bringing forward this legislation is the Treasurer is aware that unless at least some ameliorative measures are taken, then there will be further downgrades of Victoria's credit rating. I think oftentimes people do not understand the significant impact of downgrades of a jurisdiction's credit rating. It makes it harder and more expensive to borrow money – and the current government is borrowing a huge amount of money, has huge debt liabilities. Nonetheless, whether that is the case or not, this is a measure that in some respects at least apes a significant and important measure introduced previously into the federal arena. It is a measure that I think everybody acknowledges has been an important measure, and on that basis we will not be opposing the bill before the house this evening.

Samantha RATNAM (Northern Metropolitan) (19:43): I rise to speak in opposition to the Victorian Future Fund Bill 2023, which is little more than a vehicle for this government's neoliberal agenda. This bill relies on using the sale of public assets and public land to service our debt – well, at least a small portion of the debt. It will lock in future privatisations and sell-offs and has little purpose other than reassuring the ratings agencies that the government has a plan to manage its debt. Most of the debt this bill is designed to address was incurred by doing exactly the kind of work a government should be doing: looking after people in a time of crisis. During COVID this government was not afraid to spend big to do the right thing, like freezing rents and banning evictions, housing the homeless and supporting our essential workers. But now the Labor government is turning its back on good government by preparing to carve public services and public assets up and sell them off to cover a debt.

The bill legislates for the new Victorian Future Fund and outlines what moneys are to be put into the fund and what it can be spent on. Firstly, funds will be credited from what the bill calls the 'VicRoads modernisation', which is simply a roundabout way to describe the privatisation of the licensing and registration functions of VicRoads. This sets the scene for the fund to be fuelled by future privatisations, and we know there will be more, because this Labor government has overseen the biggest privatisation agenda in this state since the days of Jeff Kennett. It has sold off the Port of Melbourne and privatised the land titles office. Just like the Kennett government, it is slashing thousands of public service jobs, and it is selling swathes of public land to the private sector, including desperately needed public housing land.

Today we can still see the effects of the rampant privatisation of assets during the Kennett era. Electricity prices have skyrocketed, the building and construction sectors are in disarray and our health system is in crisis, all of which stem from Kennett's carve-up and sell-offs. I can only imagine what this Labor government is locking us in for by 2050. This government likes to hide the full extent of its privatisation program by dressing it up in language like 'modernisation', 'renewal', 'redevelopment' or its favourite, 'public-private partnerships', but make no mistake, what this government is doing is pushing ahead with a neoliberal approach to the function of government where key public assets are sold off and government functions are outsourced to the private sector. It has relied on investing in public-private partnerships where public money is handed over to private companies to make profit from building assets and providing services to the public. So many of the government's major projects rely on the government paying developers to build infrastructure that will funnel profits back into the developer's coffers, like the West Gate Tunnel toll road or the privatised housing in the ground lease model.

Public services should be kept in public hands. A good government would be investing in its public sector and in really high-quality public services like education, health, transport and housing. We know that privatisation always leads to higher costs for essential services, poorer quality services and lost revenue that can no longer be reinvested into public services. Filling the future fund with the proceeds from privatisation is a kneejerk reaction and a short-sighted way to manage government debt. The bill also provides that proceeds from the sale of public land will also go into the future fund. Just like public services, public land is a precious asset that should be protected and kept in public hands, but this government has repeatedly made the short-sighted decision to sell it off to raise money in the short term and then years later has found itself in need of more land for public infrastructure and public services.

Take for example our housing crisis, which the government says will be solved by increasing supply, but to increase supply you need to find somewhere for the new homes to go. This government is currently signposting its plans for a major housing package to increase supply, and while those of us not in government are still in the dark about these plans, they are likely to involve taking planning power away from local government and centralising it within the minister's office to fast-track new housing projects. However, this government has a public asset within its control that it could use to address the housing crisis now: public housing and public land for more public housing. A good government would be utilising this public asset by building thousands of new public homes on public land, creating the affordable housing we desperately need in a crisis, but instead this Labor government is carving up public housing estates for privatised housing and giving precious public land to the private sector. And now it is preparing to sell off even more land for the purposes of this future fund. There are currently 146 parcels of land being prepared for future sale. This is land that could be used for public services or public housing, and once public land is sold off it is lost forever.

I would also remind this government that this is not their land to sell off. While they might think public land is an asset to be disposed of because they hold the title to it, this land actually belongs to our First Peoples, who have never ceded sovereignty over the lands that were violently taken away from them during colonisation. In the middle of a treaty process in Victoria which recognises the harms of the past and the present and moves towards true self-determination and justice for First Peoples, any attempt to further dispossess First Peoples of their land risks undermining the whole process. To honour the treaty process public land should be kept in public hands until treaties are completed. This land must not be further stolen from our First Peoples until treaty protects land rights and First Peoples have a say over what happens to their land. Legislating that the future fund will be credited by the proceeds from future public land sales only locks in further dispossession of First Peoples.

The government's spin on this bill is to call it a future fund, but if we are really concerned about the future then the fund should be directed to addressing the material challenges facing Victorians, and right now the most pressing issue is the housing crisis. A key reason we are in a housing crisis is because this Labor government has abandoned public housing.

There are fewer public housing dwellings in Victoria now than there were when this government took office, and we are on track for even less as the demolition of public housing and its replacement with private housing continues. Imagine if we dedicated the billions of dollars going into this fund to the provision of public housing – we could well be on the way to addressing the housing crisis and solving homelessness once and for all.

We know that the initial money in the fund will come from the \$7.9 billion privatisation of VicRoads and from the ongoing sell-off of public land, but because this is an investment fund, the government will take this initial deposit and then choose various ways to invest that money. There is little in this bill to govern how or where this money can be invested, which means there is nothing to stop the government from taking the public money in the fund and investing it in harmful industries like fossil fuels. It is incredible that in a climate crisis it is even possible for a government to take public money and invest it in things that make the climate crisis worse, like the oil and gas industries – but it is.

While we are not prepared to support this bill in its current form, the Greens have prepared amendments to address its flaws and turn the future fund into something that can be used for good. Our amendments would change the purpose of the fund to be for building more public housing, preventing proceeds from the sale of public land being credited to the fund, at least without first securing permission from the First Peoples' Assembly and checking whether the land is suitable for new public homes, and prohibiting the fund from investing in companies engaged in fossil fuel activities. I am happy for my amendments to be circulated now, please.

Amendments circulated pursuant to standing orders.

Samantha RATNAM: I will speak more to each amendment in the committee stage, but these are the kinds of changes the Greens want to see made to the bill in order for us to support it.

Sheena WATT (Northern Metropolitan) (19:52): I rise to speak in support of the Victorian Future Fund Bill 2023, which is a bill that will continue this state's positive trajectory down the road to post-COVID financial recovery and debt repayment. During the pandemic so many of us gave up so much to keep our state safe. We missed out on birthdays and special celebrations, we put plans and holidays on hold and we sacrificed our time with our family and friends and missed very special significant family occasions. The Andrews Labor government knew, as we know now, that we needed to move quickly to support Victorian households, workers and businesses to make ends meet while staying safe. We made the vital decision, as did many governments right across the globe, to borrow money to save lives, save jobs and keep us moving forward in an economically sustainable way, and throughout the pandemic I saw the incredible benefits this choice bought those who call my electorate of the Northern Metropolitan Region home.

As we continue to do what matters to get through the pandemic in one piece, this approach led to a necessary increase in our debt as we borrowed to protect Victorians and our economy. As part of the 2022–23 state budget we announced the Victorian Future Fund as a part of our debt stabilisation strategy. This fund was initially established as a notional allocation within the Consolidated Fund, with the current allocation of funds coming from the VicRoads modernisation joint venture. The Victorian Future Fund Bill intended to help Victoria bounce back economically from the pandemic as a key goal to ensure that our children, grandchildren and great-grandchildren do not have to bear the burden of debt created throughout the pandemic.

I might add at this time, contrary to what others in this chamber might think, Victoria is not the only state in Australia to have built up debt during the COVID-19 pandemic. In fact Victoria is far from the only jurisdiction in the world to have accrued debt during this time. Here with this bill this government is legislating a plan to deal with the debt in a way that improves our financial position and helps us guard against future financial shocks.

The Victorian economy is already well on the way to recovering from the fiscal impacts of COVID-19. In fact our economic activity is currently above the prepandemic levels, with the labour market even

stronger than it was before 2020. It is something worth celebrating. Economic output per person is expected to be 5 per cent higher this year than it was in the 2018–19 financial year, the last full financial year before the pandemic. The unemployment rate is around its lowest since the early 1970s. Underemployment is nearly at a multidecade low, and the participation rate of 67.7 per cent at March of 2023 is a record high. Employment for those most affected by the pandemic, especially women and young people, recovered strongly. By early 2022 female employment had grown more than male employment compared with March 2020 levels. Meanwhile the proportion of young people in employment recovered to around prepandemic levels by early 2022. Our economy is forecast to keep growing and creating jobs even whilst we negotiate the current global challenges of high inflation, rising interest rates and of course some challenges with peace and stability on our globe.

I will just also say that with the Victorian Future Fund Bill, we are delivering progress on this responsibly and with a clear fiscal strategy – a strategy that aims to restore our state’s finances and keep the post-pandemic Victorian economy strong, growing and delivering record-breaking jobs performance. The Andrews Labor government has a history of doing what needed to be done and needs to be done and delivering the things that Victorians need. During the pandemic we did what we had to do to provide Victorian families and communities with the services and support they needed to get by. Now, as we emerge into a post-pandemic era, we are getting on with the job of paying down our COVID debts and granting every generation of Victorian kids to come a better future. I commend this bill to the house.

John BERGER (Southern Metropolitan) (19:57): I rise today to contribute to the Victorian Future Fund Bill 2023. I spoke about the budget earlier in the day, so you know my opinions on it already. But to get onto the VFF: we first saw the Victorian Future Fund in the 2022–23 budget, when it was first put forward as a decisive response to the fiscal impact of the COVID-19 pandemic here in Victoria. With the aim of insuring the good debt that the Andrews Labor government took on to build and deliver a better Victoria, the future fund was introduced. The Victorian Future Fund found its initial footing through a notional allocation from within the Consolidated Fund. Acknowledging the benefits of a long-sighted approach to the future fund, the 2022–23 budget also anticipated additional contributions to the fund in the coming years. This includes revenue from government land sales and a share of future budget surpluses. This forward-looking approach set the stage for the fund’s establishment and growth into a game-changing asset for the Victorian people.

This bill establishes the fund as a statutory trust account under the Financial Management Act 1994. It sets out a framework for the administration of the fund and how to appoint a manager. It outlines the auditing process and reporting requirements and amends the Duties Act 2000 so that the fund manager is a qualified investor under the act.

Compared to three years ago, our economy is well and truly full steam ahead. Employment has bounced back, and we are fighting strong against inflation. But we would not be here if it were not for the important preventative efforts that we took at the beginning of the pandemic – fiscal measures that were recommended by the Reserve Bank of Australia and responses to the economy in the face of an unprecedented, once-in-a-century pandemic, with millions of Victorians outside of this chamber on the cusp of losing their jobs or falling into poverty.

We have borrowed sensibly to invest in the future of our state and to invest in things that create jobs and boost the economy. Infrastructure projects like the Metro Tunnel and the Suburban Rail Loop will forever alter the nature of public transportation in Victoria. They will change the way that Victorians out in the suburbs of Melbourne use and interact with our transportation system. That is what investment under an Andrews Labor government looks like – fiscally responsible upgrades to our state’s infrastructure for the benefit of everyday Victorians. That is why the fund exists – to manage the fiscal impact of the COVID-19 pandemic and deliver for all Victorians. We will reduce the debt burden on future generations.

The Department of Treasury and Finance has consulted extensively on this bill, as we do with all bills, and that includes with the state's credit rating agencies, the Victorian Auditor-General's Office and the Victorian Funds Management Corporation in relation to the fund. We know that by establishing this legislation our state's credit rating agencies will look upon us fondly. It demonstrates our strong commitment to managing the state's debt.

We need to pay back the COVID debt credit card so that we can get on with doing the things that matter in this budget. Both New South Wales and Queensland have introduced legislation to establish their respective funds. This brings us into line with them. We know that to receive the equivalent credit rating treatment we must do the right thing.

The Treasurer has the power to appoint a fund manager who possesses the necessary skills and experience. The fund manager is authorised to invest the money in the fund and to provide information to the minister or secretary as required for reporting purposes, so the utmost level of transparency will be applied to a very important step in our state's financial recovery. The bill goes on to outline in clause 12(1) through to (3) that the Treasury may conduct audits of the fund or appoint a qualified person to do so in their stead.

In summary, it is a straightforward bill and just what the Victorian public want and need. The Victorian Future Fund was first introduced in 2022–23. In response to our COVID debt, our future strategy has four stages. The first is to create jobs, reduce unemployment and restore economic growth. The second is to return to an operating cash surplus. The third is returning to operating surpluses. The fourth is stabilising debt levels. This budget delivers on that. The 2023–24 budget shows progress on the fourth step. Improvements in the government's cash position have flowed through to the net debt. That is expected to be \$3.7 billion lower by June 2026, and we have committed to stabilising net debt as a percentage of gross state product over the medium term.

We are requiring at this stage that money be used for the modernisation of VicRoads. This process involves consultation with VicRoads workers, unions, motorist groups and other stakeholders, ensuring that we have a fund to secure Victoria's future for generations to come. The VicRoads modernisation process has always been integral to improving VicRoads service delivery. If everyone would cast their minds all the way back to 2022, the VicRoads modernisation process is the reason why we were able to abolish learner and probationary licence fees, an incredible win for families and young Victorians. Removing this barrier means that we can get more young Victorians learning to drive, one of the most exciting milestones in a young person's life. But with this modernisation, VicRoads is still in public hands because we believe that something as important as your licence and your registration should be regulated. It should be in the hands of you. Put simply, VicRoads should stay in the hands of the Victorian people, which it has. I commend this bill to the house and urge my colleagues to vote in support of it.

David ETTERS HANK (Western Metropolitan) (20:03): I rise on behalf of Legalise Cannabis Victoria (LCV) to speak to the Victorian Future Fund Bill 2023. The bill's purposes have been thoroughly canvassed in this house already, so I will not restate those now. But we do acknowledge and appreciate the need for the fiscal impact of the COVID-19 pandemic to be carefully managed to ensure our current debt does not excessively burden future generations. It has been said by the government that the establishment of this fund in legislation is an important step to providing certainty regarding its governance and purpose. Yet nothing in this proposed legislation gives a general indication of where the fund will make its investments, nor is there a clear goal for investment returns.

The minister's second-reading speech acknowledges that this fund is aligned with the practice of equivalent funds in New South Wales and Queensland. In New South Wales their Generations Fund, set up in 2018 with \$10 billion of capital to be used to help to repay state debt, was found to be investing in so-called emerging markets, resulting in hundreds of millions of taxpayers dollars being invested in tax havens and authoritarian countries. We would hope that the Victorian equivalent does not suffer this same fate and end up actively financing activities that worsen the challenges we face as

a society. With this in mind, we strongly urge the government to ensure that this fund is operated with the transparency and consistency that \$10 billion of public funds deserves. In particular we press the importance that this fund be an ethical investor.

There is another principal point that I wish to press. It relates to the sale of government land, which will account for a significant portion of the capital directed into the fund. To this end, LCV is very interested in seeing the state develop a formal process around the sale of Crown land to ensure that its use for public, social or affordable housing can be maximised, and we have put a potential solution to the government. It is well known to all of us that Victoria is facing a crisis in the lack of social and affordable housing. Melbourne's population will increase by 1 million people every decade between 2020 and 2050. *Plan Melbourne* projects that we need to build 460,000 new homes every decade by 2050 to cater for Melbourne's expected population growth. To put that in some perspective, that is the equivalent of all the homes in the City of Greater Geelong multiplied by four being built every 10 years. This will intensify the housing affordability crisis we are already experiencing, particularly amongst low- and moderate-income households.

The housing market is unable to deliver the number of affordable homes we will require in the next 10 years. Most of the homes currently being built are not affordable to the 64 per cent of households who are the targets of Victoria's own affordable housing policies. In the period 2016 to 2036 Victoria will require an additional 166,000 social housing dwellings to accommodate those low-income households in the bottom income quartile alone who will otherwise be experiencing housing stress. This implies that we need to build at least 8000 new social housing dwellings a year. Victoria is currently developing but a tiny fraction of this target.

The ready availability of land is crucial to rapidly expanding the supply of social housing. Institutional investors have repeatedly emphasised the importance of having a ready pipeline of assembled projects. Land is the Achilles heel in achieving this outcome. For both housing associations and Homes Victoria the biggest problem is being able to access land in suitable locations at an affordable price. The availability of land to Homes Victoria and community housing providers also provides leverage with developers in concluding agreements to build social and affordable housing projects. With the government in the process of expediting extensive sales of state-owned land, we must be careful not to miss this essentially one-off opportunity to maximise the use of that land. We cannot sell it twice. If this land is assessed by the valuer-general at best and highest use, it generally means that it cannot be afforded by either housing associations or Homes Victoria and will end up with a private developer, with revenue from these land sales going to the Victorian Future Fund. But if we ensure that prior to being released to the market, it is assessed for its suitability for public, social or affordable housing, then there may be an opportunity for both financial and social gain. We would suggest that this assessment be overseen by Homes Victoria, with final approval by the Homes Victoria advisory board. Where a site is identified as being suitable for public, social or affordable housing, in the first instance expressions of interest would be sought from relevant not-for-profit entities such as housing associations, either directly or in partnership with a developer or Homes Victoria itself, to develop the land in question.

For the purposes of valuing the land to be offered, the valuer-general could base their valuation on best and highest use for not-for-profit purposes – essentially a modest discount for a very clear purpose and a significant social dividend. Homes Victoria could assess applications to develop the land for social and affordable housing according to its design criteria and on a value-for-money basis. Where a suitably funded proposal is approved for the development of the site in question, the land could be sold to the relevant party, who would be responsible for the development, including payments to the government of the assessed value of the land. Funding sources could include the housing affordability future fund or the newly announced social housing accelerator. The proceeds from the sale could then be disbursed to the Victorian Future Fund. The outcomes therefore would be the proceeds of the sale to the future fund plus a timely remedy to the social and affordable housing crisis wrapped in one.

We do thank the Treasurer for making the time to hear us on this issue and his undertaking in good faith to pursue this issue further. Victoria will not have this opportunity twice. The \$10 billion intended for this fund could be spent or invested in many ways to the benefit of Victorians. We urge the government to do this right. Accordingly, we will be supporting the proposal for the fund.

David LIMBRICK (South-Eastern Metropolitan) (20:10): We love to have a bit of fun in Australia. As a bit of a tourist drawcard and a bit of fun we have seen the proliferation of various big things around Australia over the last 50 years or so. New South Wales has the Big Banana in Coffs Harbour and the Big Golden Guitar in Tamworth. Queensland has the world-famous Big Pineapple on the Sunshine Coast, and despite it going missing for a short period in 2014, Bowen has the Big Mango. The Big Lobster has made its home in Rosetown, South Australia, since 1979, although it is possible that it is much bigger than originally intended – something about a mix-up between feet and metres. But what about Victoria? Well, we have got a few of our own. We have got a big apple or two, but most of the other states have these also. In Birchip they have got the Big Mallee Bull. There is also a big koala, and indeed a giant koala and even a couple of big Ned Kellys. But I think something is missing. What we really need is a monument to the tragic position of our state finances.

Whilst I am reluctant to suggest any government spending at all, I think an arts grant to create the ‘Great Big Debt’ would really be a tourist drawcard and pay for itself easily. I have really never considered myself an artist – well, not unless you consider a heavy metal drum solo art – but it is worth thinking about what the numbers in our state debt really mean. How would you even predict that? What would the great big debt look like if you created it as an art piece? It is estimated that our debt will reach over \$170 billion, but if you just throw it out there, \$170 billion, it is just noises or lines on a piece of paper. How do you even understand the scale of this? Australian banknotes are incidentally printed here in Victoria, just north of Melbourne in Craigieburn. They are printed on a polymer substrate, and for the \$100 note each sheet has 45 banknotes. These machines can print 8000 sheets per hour. So how long would it take to print enough bills to equal our \$170 billion in debt? The answer is 196 days, or a bit closer to 197 days, running the machine non-stop, 24/7.

But what would this quantity of cash actually look like? Well, it depends on the estimate that you use. One of the most common images of large sums of money is from police raids. From one raid last year there was \$1.2 million in cash found in a sports bag, so the projected debt for Victoria is around 141,000 sports bags full of money – but maybe that is a bit esoteric. Young Alexei, who is doing work experience in my office at the moment, took the dimensions of a \$100 bill and worked out the volume of a stack of these notes. With a bit of simple maths he figured out an estimate of how many Olympic swimming pools worth of \$100 bills it would take to account for our debt. The answer is it is about 2.7 Olympic swimming pools totally full of \$100 bills. There was some reporting last month that a couple of pools that will be constructed at Armstrong Creek for the Commonwealth Games could be scrapped after the games, so I have an idea: maybe we could commission an artist to fill these pools with fake banknotes and create a new tourist attraction called the ‘Big Debt’. People can come and take a selfie and put a picture of themselves on their mantelpiece.

I will not be opposing this bill. Reducing the size of government by releasing assets held by the government is something that I support. So is paying off debt, even if the accumulation of it was not totally justified.

Jacinta ERMACORA (Western Victoria) (20:14): The Victorian Future Fund is another example of the Andrews Labor government continuing to demonstrate responsible economic management combined with thoughtful future-focused strategy. The purpose of the bill is to manage the fiscal impact of the COVID-19 pandemic and deliver positive outcomes for Victorians by reducing the debt burden on future generations. The bill establishes the Victorian Future Fund as a statutory trust account under the Financial Management Act 1994. Legislating the establishment of the fund provides certainty regarding the governance and purpose of the fund. The strategy is two-pronged: improving the state’s financial position and preparing the state’s finances for future financial shocks. It is a smart way to ensure economic stability and structured long-term planning, with the primary purpose of the

bill confirming the money allocated to the fund may only be used to pay down debt, and this ought to meet expenses incurred in administering the bill. This is critical as it secures the corpus against the coalition ever attempting to raid the fund for election sweeteners again like they did in 2022.

During the last election former Shadow Treasurer David Davis delivered the opposition's financial statements, stating that \$10.2 billion would be redirected from the future fund to pay down debt. This was reported in the *Age* on 24 November 2022, with RMIT University emeritus professor of public policy David Hayward saying the coalition was:

proposing to raid every contingency known to humankind.

The *Age* also noted that David Davis:

could not say how much revenue would be lost by reducing the Future Fund or how much the state would save on interest but believed it would have a net benefit.

And I know so many people in my region who remember all too well how former Premier Kennett used being in government to squander assets for quick political sugar hits. During my time on Warrnambool City Council I was involved in or observed and voted for three different funds for different purposes, and I highly recommend them, provided that you stick to the principles of what they were originally for in the first place.

The first fund was a drainage fund, and it was going to address historically old drains that were up to 150 years old, now 170 years old, that really were beyond the local government in their ability to financially address them. They needed to demonstrate a financial commitment to the fund, to those challenges, so they set up the fund and in doing so attracted state money to address the drainage issue. The second fund was a car parking fund. This was very much the residents being encouraged to, I guess, put their money where their mouth is. The council diverted a portion of the parking fees into a fund that was used for purchasing new car parking land, so it was very much reflecting the priorities of the community at the time. The third fund was a small infrastructure fund and was, I guess, very similar to what this government uses. A lot of the bigger capital works were overriding the smaller projects in the asset prioritisation and these little, smaller neighbourhood projects were missing out. They set up a small infrastructure fund for projects less than \$300,000. In doing so, the communities throughout the municipality were able to ask for small projects to be funded, and they were. I am a big fan of funds, and I am a big fan of what this piece of legislation does to improve the security and certainty of this fund so that it cannot be squandered by any other future government.

Council divided on motion:

Ayes (30): Matthew Bach, Ryan Batchelor, Melina Bath, John Berger, Lizzie Blandthorn, Gaelle Broad, Georgie Crozier, David Davis, Moira Deeming, Jacinta Ermacora, David Ettershank, Michael Galea, Renee Heath, Ann-Marie Hermans, Shaun Leane, David Limbrick, Wendy Lovell, Trung Luu, Nicholas McGowan, Tom McIntosh, Evan Mulholland, Rachel Payne, Georgie Purcell, Harriet Shing, Jaclyn Symes, Lee Tarlamis, Sonja Terpstra, Gayle Tierney, Rikkie-Lee Tyrrell, Sheena Watt

Noes (4): Katherine Cosey, Sarah Mansfield, Aiv Puglielli, Samantha Ratnam

Motion agreed to.

Read second time.

Committed.

Committee

The DEPUTY PRESIDENT: Dr Ratnam's amendments and further amendments include a proposal to amend the bill in one of two possible ways relating to the use of money from the sale of public land. Dr Ratnam's option 1 incorporates amendments 3 to 6 on sheet SR130C group 2. If these are defeated, her option 2 incorporates amendments 1 to 5 on sheet SR132C group 4. In light of this

and with leave of the committee, I will deal with clauses 1 and 2. I will then postpone consideration of clauses 3 to 7 and move directly to clause 8 to deal with Dr Ratnam's alternate proposals. After clause 8 is dealt with, I will return to clause 3 and proceed through the remainder of the bill in sequence. I hope that you all understood that.

Clauses 1 and 2 agreed to; clauses 3 to 7 postponed.

Clause 8 (20:28)

The DEPUTY PRESIDENT: Dr Ratnam, I invite you to move your amendments 3 to 6 on your sheet SR130C.

Samantha RATNAM: I so move those amendments:

3. Clause 8, line 24, omit "the following –".
4. Clause 8, line 25, omit "(i)".
5. Clause 8, lines 31 to 33, omit all words and expressions on these lines.
6. Clause 8, page 5, lines 1 to 8, omit all words and expressions on these lines.

These amendments simply remove clause 8(1)(a)(ii). The subclause references moneys from the sale of public land being credited to the fund. Public land is a precious resource that once sold is lost forever, and it especially should not be sold off in order to manage a government debt. There are better ways to manage debt than selling off public assets. Our amendments are designed to remove the incentive inherent in this bill for this government to keep carving up the state and selling it off. I commend these amendments to the house.

Jaelyn SYMES: In relation to conditioning for crediting, the government will not be supporting this amendment. It is our view that this is off the topic of the future fund and demonstrates a lack of research about existing government policy. I would like to put on record that the *Victorian Government Landholding Policy and Guidelines*, freely available on the Department of Treasury and Finance website, state that before being listed for public sale, surplus land is offered through a first right of refusal process to all other Victorian government departments and agencies as well as local government and the Commonwealth government. This process allows for surplus government land to be considered for community use or for an alternative public service need before it is released for sale on the open market. Homes Victoria already gets access to land before it is disposed of and is active in doing so to deliver on the Big Build.

Council divided on amendments:

Ayes (4): Katherine Copsey, Sarah Mansfield, Aiv Puglielli, Samantha Ratnam

Noes (32): Matthew Bach, Ryan Batchelor, Melina Bath, John Berger, Lizzie Blandthorn, Jeff Bourman, Gaele Broad, Georgie Crozier, David Davis, Moira Deeming, Jacinta Ermacora, David Ettershank, Michael Galea, Renee Heath, Ann-Marie Hermans, Shaun Leane, David Limbrick, Wendy Lovell, Trung Luu, Joe McCracken, Nicholas McGowan, Tom McIntosh, Evan Mulholland, Rachel Payne, Georgie Purcell, Harriet Shing, Jaelyn Symes, Lee Tarlamis, Sonja Terpstra, Gayle Tierney, Rikkie-Lee Tyrrell, Sheena Watt

Amendments negated.

Samantha RATNAM: I move:

4. Clause 8, line 31, before "money" insert "subject to section 8A,".

These amendments will prevent money from the sale of public land from being credited to the fund unless it has met the following two conditions: firstly, that the First Peoples' Assembly has agreed to the sale; and secondly, that Homes Victoria has determined the land is unsuitable for public housing.

If the government is intent on selling off public land, then we need a better process before we do it. Land that belongs to our First Peoples should not be sold off without their consent, particularly in the middle of ongoing treaty negotiations. The fact that the government is even considering such a mass sell-off of public land as treaty negotiations are about to get going is, quite frankly, a show of bad faith. At the very least the First Peoples' Assembly should be consulted on the land sales and have a say on whether the select public land is appropriate for consideration in treaty negotiations. Just selling it off without such a process means that there is less public land to be considered as part of the treaty.

We know the government already needs more land for public and affordable housing. The rumours currently swirling about the proposed planning reform package make it clear the government has major reform on the horizon to increase housing supply, but the government already has a way to increase housing supply: by using the public land it already has and owns to build more public housing. Our amendments would ensure that if the land has to be sold and the proceeds credited to the future fund, it must meet these two conditions: agreement from the First Peoples' Assembly and analysis of the suitability of the land for public housing by Homes Victoria. I commend the amendments to the house.

Jaelyn SYMES: Dr Ratnam, I take issue with your characterisation of 'mass sell-off of land'. There is nothing in this bill that changes the government's policy in relation to identifying surplus land to be sold at all. What this bill does is direct a portion of sales into a fund for the purpose that it is set up to do. So your statement that underpins your amendments is false. As a government we are incredibly proud of our treaty process with Aboriginal Victorians. We are very proud of our journey through the Yoorrook Justice Commission, which goes alongside the steps in relation to treaty, and the issues that you are raising are unrelated to the bill. There are certainly opportunities for land matters to be dealt with through treaty, and I understand that that is Yoorrook's next area of focus in relation to their hearings, in relation to land matters following the justice investigations, which I was proud to contribute to. So inflating this as a land grab from Aboriginal people is really inappropriate – to characterise it as such.

This is an amendment that we will not be supporting because it undermines the purpose and the function of the bill that we have made a commitment to delivering. Our current credit rating, for example, which was affirmed by all major rating agencies after the budget, is underpinned by the announced intention to legislate for the future fund's purpose of debt repayment.

Whilst I support your endeavours in relation to increased public housing and social housing here in Victoria, the Victorian government has, what, a \$5.3 billion Big Housing Build and continues to make provision for public housing. We know there is always more to do, but trying to undermine this bill and confuse it with other government areas of policy such as Aboriginal land rights and the housing big build is not in line with what this bill is trying to do – not to say that we do not have ambitions and indeed a proud record in some of the advances that you are trying to link to this bill, which we would say is not appropriate.

Evan MULHOLLAND: I agree with the Attorney-General on this amendment. The amendments relating to housing are completely unrelated to this future fund bill, but I suggest perhaps the member can chat to her counterparts at local government level in regard to social housing, particularly the City of Yarra, who knocked back an opportunity to develop 100 social housing units on council land that I know the government were very keen to see put forward. But we have had in Yarra – like we have in Merri-bek, like we have in Darebin – Greens council after Greens council blocking the supply of new housing. They are bleating about housing now, but in reality we see Greens representatives all over Melbourne blocking housing. But again I say housing is an issue completely unrelated to this bill, and this amendment should be opposed.

Council divided on amendment:

Ayes (4): Katherine Copsey, Sarah Mansfield, Aiv Puglielli, Samantha Ratnam

Noes (32): Matthew Bach, Ryan Batchelor, Melina Bath, John Berger, Lizzie Blandthorn, Jeff Bourman, Gaelle Broad, Georgie Crozier, David Davis, Moira Deeming, Jacinta Ermacora, David Ettershank, Michael Galea, Renee Heath, Ann-Marie Hermans, Shaun Leane, David Limbrick, Wendy Lovell, Trung Luu, Joe McCracken, Nicholas McGowan, Tom McIntosh, Evan Mulholland, Rachel Payne, Georgie Purcell, Harriet Shing, Jaelyn Symes, Lee Tarlamis, Sonja Terpstra, Gayle Tierney, Rikkie-Lee Tyrrell, Sheena Watt

Amendment negatived.**Clause agreed to.****Postponed clause 3 (20:46)**

The DEPUTY PRESIDENT: Dr Ratnam, I invite you to move amendment 1 on sheet SR130C, which tests your amendments 2, 7 and 8 on the same sheet.

Samantha RATNAM: I move:

1. Clause 3, after line 21 insert –

“*public housing* has the same meaning as in the **Housing Act 1983**.”

This amendment will change the purpose of the fund to be to fund public housing. We know this Labor government has abandoned public housing and has no plan for our public housing system, no plan to look after the housing it already has and no plan to build more public homes into the future. If this government is going to ring fence a pool of money to be used for a specific purpose, there is no better purpose than investing in our public housing system. As this government knows from its experience in the pandemic, investing in infrastructure is a proven way to encourage economic activity and promote economic growth. Government debt would be managed over the long term using the economic benefits from investing in and building more public housing. Properly tackling inequality and ending homelessness will improve education, employment, productivity and health outcomes while also reducing costs in areas like emergency departments, the justice system and crisis services. It is a much more productive way to manage debt than the government’s proposal of an investment fund. In a housing crisis, the best investment for Victoria’s future is to build more public housing. I commend this amendment to the house.

Jaelyn SYMES: The government will not be supporting Dr Ratnam’s amendment. It proposes to change the proposed purpose of the fund, so it undermines the function of ensuring that the future fund is directed to repaying debt, which is our commitment, which has been affirmed by all major rating agencies as part of underpinning their understanding of our credit rating. Again, Dr Ratnam, I take issue with your characterisation of our government being one that has abandoned public housing when our record would pretty much reject that straight out. There is billions of dollars going into public housing. Whether it is new housing, improved housing that is supporting public housing tenants, identifying ways to have more affordable housing or making changes to rental laws, making it easier for renters is something that we have a strong history of, so conflating the two issues is frankly unwelcome. You know that we will not be supporting this amendment that you are proposing, and it is not because we oppose public housing but because it is contrary to the purposes of the bill.

Council divided on amendment:

Ayes (4): Katherine Copsey, Sarah Mansfield, Aiv Puglielli, Samantha Ratnam

Noes (32): Matthew Bach, Ryan Batchelor, Melina Bath, John Berger, Lizzie Blandthorn, Jeff Bourman, Gaelle Broad, Georgie Crozier, David Davis, Moira Deeming, Jacinta Ermacora, David Ettershank, Michael Galea, Renee Heath, Ann-Marie Hermans, Shaun Leane, David Limbrick,

Wendy Lovell, Trung Luu, Joe McCracken, Nicholas McGowan, Tom McIntosh, Evan Mulholland, Rachel Payne, Georgie Purcell, Harriet Shing, Jaclyn Symes, Lee Tarlamis, Sonja Terpstra, Gayle Tierney, Rikkie-Lee Tyrrell, Sheena Watt

Amendment negatived.

Clause agreed to; postponed clauses 4 to 7 agreed to; clause 9 agreed to.

Clause 10 (20:52)

The DEPUTY PRESIDENT: I invite Dr Ratnam to move her amendment 9, which is a test for her amendment 10 on her sheet SR130C.

Samantha RATNAM: I move:

9. Clause 10, line 13, after "appointment," insert "and subject to section 12A,".

These amendments will prohibit the fund from investing in companies engaged in fossil fuel activities. Currently there is nothing to stop the government from taking the public money in the fund and investing it in harmful industries like fossil fuels. It is incredible that in the climate crisis it remains possible for a government to take public money and invest it in things that make the climate crisis worse, like the oil and gas industries. These amendments will explicitly prevent the fund from investing in fossil fuels. Governments have responsibility to lead on ethical investment. Governments no longer invest in tobacco, for example, because of the public health risk. The fossil fuel industry is literally killing the planet and causing untold harm to billions around the world. The predictions for fires in our upcoming summer are scary. It is incumbent on the government to not give fossil fuel companies social licence by investing in them.

Evan MULHOLLAND: I move to speak against the amendment. I do not know about my fellow member for Northern Metropolitan, but I graduated from student politics quite a long time ago. This is something that you would see at a National Union of Students conference. I saw many in my time.

Harriet SHING: You disparage the National Union of Students.

Evan MULHOLLAND: I was actually general secretary of the Victorian branch of the National Union of Students, comrades.

Members interjecting.

Evan MULHOLLAND: This is not a serious amendment and should be opposed.

Jaclyn SYMES: I do not have the experience of Mr Mulholland in relation to student politics; I spent too much time at the pub. In relation to what Mr Mulholland was picking up on, this is grandstanding, and you know it. There is nothing not stopping the government from making inappropriate investments. The fund will be managed in line with the strict environmental, social and governance principles consistent with other investments managed by the Victorian Funds Management Corporation.

Council divided on amendment:

Ayes (4): Katherine Copsey, Sarah Mansfield, Aiv Puglielli, Samantha Ratnam

Noes (32): Matthew Bach, Ryan Batchelor, Melina Bath, John Berger, Lizzie Blandthorn, Jeff Bourman, Gaele Broad, Georgie Crozier, David Davis, Moira Deeming, Jacinta Ermacora, David Ettershank, Michael Galea, Renee Heath, Ann-Marie Hermans, Shaun Leane, David Limbrick, Wendy Lovell, Trung Luu, Joe McCracken, Nicholas McGowan, Tom McIntosh, Evan Mulholland, Rachel Payne, Georgie Purcell, Harriet Shing, Jaclyn Symes, Lee Tarlamis, Sonja Terpstra, Gayle Tierney, Rikkie-Lee Tyrrell, Sheena Watt

Amendment negatived.

Clause agreed to; clauses 11 to 15 agreed to.

Reported to house without amendment.

Jaelyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (20:58):
I move:

That the report be now adopted.

Motion agreed to.

Report adopted.

Third reading

Jaelyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (20:58):
I move:

That the bill be now read a third time.

Motion agreed to.

Read third time.

The PRESIDENT: Pursuant to standing order 14.28, a message will be sent to the Assembly that the Legislative Council have agreed to the bill without amendment.

Committees

Environment and Planning Committee

Membership

The PRESIDENT (20:59): I have to advise the house that I have received a letter from Mrs Deeming resigning from the Environment and Planning Committee effective from today.

Adjournment

Jaelyn SYMES (Northern Victoria – Attorney-General, Minister for Emergency Services) (20:59):
I move:

That the house do now adjourn.

Camberwell police station

John BERGER (Southern Metropolitan) (20:59): (286) My adjournment is for the Minister for Police in the other place, Minister Carbines, and the action that I seek is for the minister to join me in visiting the Camberwell police station. I am proud that the Andrews Labor government's record investment of \$4.5 million ensures Victoria Police have the tools they need to keep our community safe, and our investment is delivering. New crime statistics show the criminal offence rate in the City of Boroondara in my community of Southern Metro has decreased again in the year to 31 March 2023. This is the result of highly visible, proactive policing across our community. Boroondara is served by three police stations, Ashburton, Boroondara and Camberwell, and since 2015–16 our government has invested \$428,000 in 13 crime prevention grants to improve community safety in Boroondara.

I have seen firsthand the dedication and passion of our police force. Last week I had the honour of attending the 40th anniversary celebrations of Neighbourhood Watch on behalf of the Minister for Police. There I spoke with the Chief Commissioner of Police Shane Patton and other frontline officers about their roles. Often hard, always changing, it is vital that we support them in carrying out their important roles. That is why the Andrews Labor government's 2022–23 budget committed to an additional 502 police and 50 protective services officers, or PSOs, over the next two years to meet the growing needs of our state. This is on top of 3135 new police officers already on the beat, all thanks to the record investment in Victoria Police from the Andrews Labor government.

In my community of Southern Metro I am particularly excited to see the benefits of the chief commissioner's back-to-basics approach to community policing. The new grassroots approach will tackle local crime while also supporting the communities that the police serve. That means increased engagement with local councils, community groups and government agencies to address local issues.

I have seen Minister Carbines busy at work visiting police members right across the state. Just last week I note he visited Preston, Reservoir and Greensborough police stations. I know that my community of Southern Metro will appreciate his presence. I look forward to the minister joining me to hear firsthand from the hardworking police officers in Camberwell about how the neighbourhood policing initiatives benefit my community.

Schools payroll tax

Ann-Marie HERMANS (South-Eastern Metropolitan) (21:01): (287) My adjournment matter is to the Minister for Education in the other place, and the action I seek is for the minister to provide me and all Victorians with an update on the current situation regarding the government's recent backflip on stripping more than 110 private schools of the longstanding payroll tax exemption and to disclose when, on which date, we will find this information out about the school taxes and which schools have been actually implicated and will be impacted.

According to the budget the government advised that about 110 high fee paying schools, or around the top 15 per cent by fee level, were to lose their payroll tax exemptions from the middle of next year, based on an annual fee threshold of about \$7500 per student. The Premier allegedly changed this recently to impact about 70-plus schools with a threshold in excess of \$10,000 in annual fees per student. Advice on the new threshold and which private schools is needed immediately, as the new payroll tax is concerning parents and principals of schools in my electorate, and they want to know who is going to have to find more money.

An example of being excluded from this tax can be translated to a payroll tax accumulated to 5.85 per cent, leading to a significant impact on operating budgets which, once coupled with the 42 per cent increase on WorkCover premiums, could translate to a total 10 per cent increase in parents' tuition fees over two years. With teachers' wages set through enterprise bargaining agreements – and in many cases these have been fixed and agreed upon for the next three years – the additional money is going to have to come from somewhere. The financial increase will have to be forwarded to the parents in the school fees, and this is a huge ask of parents in any climate, but in these times many parents will have to reconsider their educational options. Some single-sex schools are concerned the fee increase will impact gender equity and learning as parents decide which of their children they can afford to have attend their preferred school. Many principals have also expressed concerns about how it will impact girls' educational opportunities and options. Minister, please advise me and all Victorians when we will find out which schools will be affected by the removal of this tax exemption.

Planning

David LIMBRICK (South-Eastern Metropolitan) (21:04): (288) My adjournment matter today is for the attention of the Minister for Planning. Earlier this evening something significant occurred at Maribyrnong council. Whilst I do not often comment on local government issues and while this is not in my electorate of South-Eastern Metro Melbourne, I hope this represents the turning of the tide when it comes to our planning system in Victoria. The council rejected a heritage overlay that would have covered about 900 homes. This followed campaigning from locals, some of whom had recently purchased homes, including one resident who recently discovered that their property would be worth \$300,000 less under a heritage overlay.

For far too long heritage consultants, architecture enthusiasts and nimbys have held too much sway over our planning system, ensuring restrictive planning overlays such as the heritage scheme proposed in Footscray interfered with other people's properties and diminished the amount of homes available in suburbs where people want to live. There have been a lot of comments on housing affordability

lately, and while some of the proposals may have some small effect, the reality of housing is that if we want more affordable homes available we need more housing supply. Indeed councillors at Maribyrnong do seem to have had an epiphany over the debate in their local government area, recognising that we may have had the balance wrong or at least that we need to reconsider how we balance different needs in planning.

I commend the residents of Footscray and surrounding areas that have campaigned against this change being imposed on them, and I commend the burgeoning yimby movement, who are providing a rational counterargument to the 'just say no' attitude to planning. I also commend the elected representatives of Maribyrnong council for making the right decision. My request to the minister is to review these planning schemes and ensure that any changes, in particular to broad heritage overlays, prioritise private property rights and increasing housing supply.

Moon Dog Craft Brewery

Evan MULHOLLAND (Northern Metropolitan) (21:05): (289) My adjournment tonight is also for the Minister for Planning, and I seek the action of the minister to investigate whether Maribyrnong City Council is appropriately exercising its planning powers. I am pleased, as my colleague Mr Limbrick said, to report that after a public backlash, and comments from me about this in the chamber as well, they have backed down on their plan to heritage list over 900 homes.

The example I would like to point out tonight is another application by Maribyrnong against the Moon Dog brewery, a great success story in my electorate, founded in 2010 in a little street in the backstreets of Abbotsford – a little brewery which I used to live around the corner from, and I was a frequent visitor – by Josh and Jake Uljans and school mate Karl van Buuren. It has taken Australia by storm, becoming a brand that can be found in pubs, bars, bottle shops and all over the country. The success of their Moon Dog World in Preston is plain for anyone to see. Indeed many of my constituents in the Northern Metropolitan Region appreciate it. I am a frequent visitor there. You can take the family along. My three-year-old son Ted loves the playground, while I sit back next to the playground and enjoy my favourite pint, splice of heaven pine lime IPA.

They are looking to expand, and the opportunity came with 54–58 Hopkins Street, Footscray, where Moon Dog applied to transform the venue with live music, a rooftop bar and a capacity of 900 patrons. It sounds pretty good to me. This is actually the former home of the iconic Franco Cozzo, and for many Melburnians that is a household name.

A member interjected.

Evan MULHOLLAND: Brunswick and Footscray, grand sale, grand sale. It was the ultimate migrant success story, which wrapped up in mid-2018. So with five years of sitting empty, Moon Dog took an interest and applied to Maribyrnong City Council, but after a six-month community consultation process – the council was flooded with submissions in favour, including from the mayor – was rejected due to safety concerns due to the narrowness of the footpath, which is actually a responsibility of the council itself. Moon Dog have even said they are happy to address any of these issues raised as part of the proposed development, and they plan to keep the original Franco Cozzo facade of the building while maximising green space and efficiency. It is a project that has ample public support, would add to the amenity of the local community and ticks all the boxes relating to sustainability, and it was shot down by council, including a Greens councillor on Maribyrnong council. Therefore I call on the minister to outline how she will ensure that all councils are appropriately exercising their powers and making sensible decisions when it comes to planning matters so we can all just enjoy a pint together at the new Moon Dog brewery.

Firewood collection

Rikkie-Lee TYRRELL (Northern Victoria) (21:08): (290) My adjournment matter is for the Minister for Environment. Further to my previous question on the matter, people in regional Victoria are struggling – struggling to combat rising inflation, the cost of living – and having to make difficult decisions like choosing between staying warm or keeping on the lights. Many of my constituents are still pleading with me to advocate for access to wood collection areas. While the minister argues that wood is a finite resource, I would like to instead point out that wood is in fact a renewable resource, the most renewable one we have. My constituents should not be discriminated against due to their residential area. I ask the minister to remove postcode restrictions while introducing permits for residents outside of the restricted area, allowing wood collection to remain regulated. If the minister cannot herself act on those matters, then I ask for the right regulatory body to be presented with this request.

Victorian Managed Insurance Authority

Melina BATH (Eastern Victoria) (21:09): (291) My adjournment debate this evening is for the Assistant Treasurer in the other place, and it is on behalf of Bill and Bridget Schultz. In light of yet another domestic building company collapse, the action I seek from the minister is for him to commit to a review of the Victorian Managed Insurance Authority workload capacity and implementation to support the expedition of insurance assessments so that victims can access payouts and then fund their own home completions in light of builder collapses. Fulfilling their dream to live in Gippsland, a beautiful place, my constituents Bill and Bridget until two weeks ago were watching with anticipation as their forever home was moving forward in its construction. However, tragically for them yet another building company has gone into liquidation. The insurer is the VMIA, and they were told that their assessment could be up to months away because in effect they are getting smashed with assessment requirements.

Bill and Bridget are in a very distressed state. This financial year alone ASIC statistics tell us that 1753 building and construction companies have gone broke, and the Victorian industry is certainly now in a crisis. In 2021 the expert panel on building reform from this government stated the risks associated with a greater reliance on imported and prefabricated products. Well, this is getting worse. We have got the Big Build from the Andrews government, and it is a tradie drain with our regional tradies moving into the city. We have input construction costs that are spiralling. Once upon a time we had a hardwood timber industry in Victoria, and that is closing. It is only going to put upward pressure on all builders and construction.

They are my friends as well. They wanted to live in the wonderful space at Newborough, and they are absolutely bereft. They want to get that payout. They want to start to see if they can find another builder to finish their home. The kitchen cabinet maker actually withdrew and took off all the doors because he had not been paid. They are in a distressed state, so I want the minister, the Assistant Treasurer, to investigate the VMIA and see if there are any actions that can be addressed to support the fast-tracking of insurance assessments so that the Schultzes and others – many, many hundreds of others – can go and actually get their dream homes built.

Health funding

Sarah MANSFIELD (Western Victoria) (21:12): (292) My adjournment matter is for the Minister for Health, and the action I am seeking is a guarantee that a genuine and substantial preventative health funding stream will be established by this government. In the last state budget we have once again been let down by Labor's underinvestment in preventative health. Investment in preventative health is recognised as a global priority, and yet Australia ranks a lowly 20 out of 33 countries in the OECD for health expenditure dedicated to prevention. Trying to deal with health conditions after they have already developed is like putting an ambulance at the bottom of a cliff to wait for people who have fallen off. Putting up a fence to prevent people from falling in the first place is easier, cheaper and better for everyone concerned.

We could actually prevent at least a third of chronic physical health conditions. Many preventable hospitalisations in Victoria are linked to chronic conditions associated with alcohol, tobacco and obesity. By targeting these risk factors through prevention programs, we can reduce the burden on our hospitals and healthcare resources. For every \$1 invested in prevention we save \$14.30 in healthcare costs. However, the economic benefits extend well beyond the health budget bottom line. People who are healthier are more productive, more engaged and less likely to experience poverty. Preventative health initiatives have a profound impact on equity. By addressing underlying social determinants of health and promoting preventative health measures we can help bridge the gap in health disparities among different socio-economic groups.

With population growth, an ageing population and an increasing burden of chronic diseases, it is imperative that we develop a comprehensive strategy and set targets for preventative health that prioritise keeping people healthy and out of hospital. Despite all this it is staggering that only 2 per cent of our health spending is directed towards prevention while over 75 per cent is allocated to ambulance and hospital services. This imbalance places strain on our health system and threatens its long-term sustainability. We will never be able to build enough hospital beds to keep up with demand if we do not massively pivot our focus to prevention. I urge the minister to prioritise preventative health in our state's budget and the allocation of health resources.

Elective surgery

Georgie CROZIER (Southern Metropolitan) (21:15): (293) My adjournment matter this evening is for the attention of the Minister for Health, and it relates again to the dire situation that too many Victorians find themselves in. I had an email from Travis's boss Lee, who was very concerned about his employee. Travis works in his warehouse and has to lift various boxes and undertake the work that he needs to do to provide for his family. His boss Lee said that, you know, he has been on the waiting list since 2019 to have his abdominal hernia repaired and nothing has happened.

David Davis: Cruel.

Georgie CROZIER: It is totally cruel, Mr Davis. He was getting more and more concerned because the pain was increasing. This poor man was obviously very concerned about the state of the hernia, and he was looking at having to draw down on his superannuation to go private and get this very simple operation undertaken. So when I did speak to Travis, Travis filled me in on the details, and what really alarmed me was the fact that he had been on the waiting list since 2019 at Monash. In 2021 –

David Davis: Four years for a hernia.

Georgie CROZIER: four years – he was taken in to get an ultrasound, he waited there, then they were too busy because of COVID and he was sent home again. He was in excruciating abdominal pain. And then in 2021 the doctor made contact again and said, 'Look, he needs this to be done.' This year, two years later, on 31 March 2023 he received a text message from Monash Health and a follow-up letter. And the text message said:

We understand you are currently waiting for a General Surgery consultation at Monash Health.

While waiting, your circumstances may have changed, you may have been able to access your specialist care elsewhere or you may no longer require an appointment.

If you still wish to remain on the General Surgery waiting list, please contact your doctor for an updated referral to be sent to Monash Health prior to 12/05/23.

That is all very well that the hospital is trying to understand where these people are. We know thousands are taken off the elective surgery waitlist every month – some die, some go interstate to get their surgery. And people like Travis are absolutely astounded that the only correspondence they get is about whether they want to come off the elective surgery waitlist, not 'How are you going? Are you being seen to, or do you need to be seen in a clinic and we'll get your surgery done?'

The action I am seeking from the minister is for her to provide an account of how many Victorians who have been taken off the elective surgery waitlist from the Monash have gone private – because they go through a survey, Monash know from these patients that they contact how many have come off – and how many people have gone interstate to get their surgery because they cannot be seen and have it undertaken in Victoria.

State Emergency Service Tatura unit

Wendy LOVELL (Northern Victoria) (21:18): (294) My adjournment matter is directed to the Minister for Emergency Services and concerns the need to relocate the Tatura SES headquarters. The action that I seek is for the minister to relocate the Tatura SES headquarters from its current location to vacant land next to the Tatura fire station in O'Reilly Road, Tatura. The Tatura State Emergency Service unit is a small but hard-working unit providing emergency assistance to the Greater Shepparton community. Despite having only a few members, the Tat SES punches well and truly above its weight, with the latter part of 2022 being a very busy time for the unit. The October flood event was extremely challenging for the unit, which answered 460 requests for assistance in an 11-day period. Over a three-day period, seven volunteers managed all emergency incidents in Mooroopna, which was a truly remarkable effort. And then in December a large hailstorm lashed the Tatura area, resulting in the SES unit again responding to many calls for assistance.

As I stated earlier, the Tat SES currently only has a few active members, and an unfortunate barrier to attracting new members is the unit's location directly opposite an operating abattoir in Russell Street. More specifically, the SES headquarters is on the north side of the abattoir, and the Tatura SES unit members have informed me that unfortunately the northern section of the abattoir is where the treatment plant for the animal excrement is and is also the area where the innards and any waste from carcasses are stored prior to disposal. As such, a putrid odour emits from this section of the abattoir, which makes for extremely uncomfortable working conditions for volunteers when they are at their headquarters.

The smell is also proving a deterrent for prospective new members and is deterring them from joining the unit when they initially visit the headquarters. The Tatura Fire Brigade relocated to a new fire station in November 2020 on the corner of O'Reilly Road and Ross Street near the Tatura Racecourse. This location is to the south of the abattoir, adjacent to the meat-packing section and free of repugnant odours. On the east side of the new fire station is a vacant block of land that would be an ideal location for the new headquarters for Tat SES. The relocation of the SES unit to this site would be advantageous in that it would improve the working conditions of the volunteers, particularly regarding the odour emitting from the abattoir, as well as locate two emergency services within close proximity to each other. This is a commonsense solution to improve the current working conditions of the Tatura SES volunteers, and I call on the minister to make it happen.

Australian Broadcasting Corporation

David DAVIS (Southern Metropolitan) (21:21): (295) My matter for the adjournment this evening is for the Minister for Creative Industries, and it concerns the announcement made last Thursday by the ABC board and managing director. They announced a series of cuts and a series of significant impacts on Victoria – on the arts in Victoria and on employment. I hasten to add here that the top-line thing for most Victorians is the end of the ABC news service on Sunday nights. That service will cease in a few months, never to return. It will be produced in Sydney, so we will have the Sydney broadcasting corporation beaming out and telling us about things on the harbour bridge and so forth. Not least the jobs that are involved in that, I think this is a major error by the ABC; I think they have misunderstood what is going to occur. I am also concerned at the announcement made about dedicated arts programming ending on the ABC. The ABC has often run very good arts programs that have actually had a significant positive impact on the sector, and they plan to end that formally, forever, according to the plan.

The idea is that this is all about digitalisation and so forth. Well, I think it is about cuts. I think it is about savings, because the ABC is top heavy. Fifty per cent of its staff are based in New South Wales. Only 18 per cent of its staff are based in Victoria. They are slicing hard into the staff in Victoria. Remember it is not our ABC if it is run out of Sydney; it is our ABC if it is run out of here in Melbourne and country Victoria. They need to focus on that. It is a slicing up of dedicated arts programming and the end of dedicated arts programming. The idea is that Sunday night TV news at 7 o'clock on the ABC will cease from Victoria and it will all come from New South Wales into the future. I think this is outrageous, and I think the Minister for Creative Industries should join me in opposing this. I ask him to make contact with his federal colleague Michelle Rowland to make clear that he opposes this and makes his views as a Victorian known. I do not believe it is satisfactory. We pay 25 per cent of the taxes, we have got 25 per cent of the funding and we have got 25 per cent of the population. We want just a reasonable 25 per cent of the funding back here. We want to make sure that we get our share of ABC funding, including for news and including the important funding into arts programming areas. I think this is a major mistake, and I call on the minister to make contact with his federal colleague and explain the impact on Victoria. The idea that we would never have a 7 o'clock Sunday news service again is extraordinary.

Literacy education

Renee HEATH (Eastern Victoria) (21:24): (296) My adjournment is for the Minister for Education, and the action that I seek is that the minister outlines for the Victorian people what the plan is to implement a structural systematic phonics program. The Progress in International Reading Literacy Study, or PIRLS, is a test that is held every five years involving 57 countries. It is an assessment and research project designed to measure reading achievements at the fourth-grade level. Regrettably, the results from this study have shown that there is a decline in performance in Victorian schoolchildren, and interestingly, other states have not been affected in the same way.

Victoria was the only state to register a statistically significant decline in the reading abilities of grade 4 children. In comparison to the rest of the nation Victoria is falling behind. That means that in comparison to children in other states Victorian children are falling behind and this government is failing the next generation. Despite the record funding into education our standards continue to drop. Behind these statistics are Victorian children, and only 13 per cent of children in Victoria are now in the highest band of reading achievement. Jordana Hunter from the Grattan Institute said the state needs to get serious about teaching reading. She said:

The evidence is clear that primary school teachers should be trained in structured systematic phonics and should have the skills and resources to support children to access a wide vocabulary and background knowledge, which is essential for reading comprehension.

This is vitally important because we know that if kids are still learning to read, they are really going to struggle to read to learn. Strong literacy skills set the foundation for strong futures, and it is something we must take seriously. Multiple studies have shown that children that get off to a poor start in their reading rarely catch up, and this emphasises the fact that we need to be doing everything that we can to give Victorian children the same opportunity that other children within Australia have. Children should not be at a disadvantage just because they live in Victoria.

Forsyth Creek primary school

Trung LUU (Western Metropolitan) (21:26): (297) My adjournment is for the Minister for Education. I am urging the government to reconsider and to construct the proposed Forsyth Creek primary school in the Ellarook estate in Melbourne's west. My constituents, the residents of Truganina, are profoundly angry and disappointed in the Andrews government for completely disregarding its promises. The decision not to build the proposed Forsyth Creek primary school will result in a staggering shortfall of 233 school places in a suburb that is still experiencing significant growth in Melbourne's west. It exposes a glaring lack of foresight and planning on the part of the Andrews government.

As a direct consequence of this ill-advised decision not to build the Forsyth Creek primary school, students in Truganina are being forced into overcrowded and cramped schools that are already stretched to the limit due to poor planning by the government. These students were promised a nearby school and convenient access to a train station within their suburb before the election and now, and rightly so, feel betrayed by a government that immediately after securing their votes decided not to build. Documents obtained reveal that demand for student enrolments in Truganina has become apparent, and projections indicate that three out of four government schools in the area will soon exceed their capacity. This oversight demonstrates the blatant disregard for welfare and education opportunities for my constituents in the west – Truganina’s young population. The Shadow Minister for Education Dr Matt Bach and I have voiced our frustrations locally in recent days, highlighting the government’s irrational decision and heartless reversal of its promise, leaving students crammed into already overcrowded schools.

As a resident of the west and a state Liberal member for the Western Metro Region, I have to point out that this is another instance of the Labor government demonstrating a lack of understanding of the challenges and aspirations of the western suburbs of Melbourne. The community of Truganina, like many others in my region, feel that they are being taken for granted by the government, which consistently fails to address their genuine concerns. The residents of Truganina deserve better. Please, Minister, uphold your promise from before the election and construct the proposed Forsyth Creek primary school in the Ellarook estate in west Melbourne. I implore you to reconsider.

Housing affordability

Gaelle BROAD (Northern Victoria) (21:29): (298) My adjournment is to the Minister for Planning and is regarding the sale of surplus government land. Victoria is in a housing crisis with a shortage of supply, yet the state is sitting on sites that are prime locations in regional cities like Bendigo and Wodonga. Councils have raised this issue with me as this land could be developed to address the current housing shortage.

Bendigo is a city founded on gold where land has been used for mining in the past. The sale and development of the land has stalled because assistance is required to get these sites ready for private development. Work needs to be done to assess the actual levels of contamination and remediation costs and resolve zoning issues. In Bendigo three sites have been identified that together total 80 hectares of land that has the capacity to provide approximately 2600 dwellings and accommodate up to 6400 people. The Chum Street site in Golden Square is fully serviced and has the potential to accommodate up to 840 people. In Wodonga, land in the centre of the town that was once a railway line could also be developed into residential housing. The sites are in a great location close to shopping centres, schools, health services and public transport.

There are examples of projects in Victoria where contaminated land has been rehabilitated. Developers showed strong interest when the Fitzroy gasworks site came on the market in Melbourne last year to create a new neighbourhood to become home to 1000 families. The site had to be cleaned up under an EPA order to remove contaminated soil. Likewise in 2020 there was great interest in Mobil’s former petroleum storage tank site next to the West Gate Bridge.

We need to encourage private developers to increase the supply of affordable housing in regional areas, and I note the gold royalty tax that commenced in 2020 has provided a windfall to state government revenue, raising close to \$43 million last financial year. It would be great to see the tax revenue that comes from mining contribute to this project and support regional development. The state government should not be sitting on this land in Bendigo and Wodonga when it could be put to good use, and the action I seek is for the Minister for Planning to work with these respective local councils to expedite plans to enable development of these sites.

Responses

Gayle TIERNEY (Western Victoria – Minister for Training and Skills, Minister for Higher Education, Minister for Agriculture) (21:32): There were 13 matters that were raised this evening, all of which will be referred to the relevant ministers.

The PRESIDENT: The house stands adjourned.

House adjourned 9:32 pm.