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## A typical Labor budget

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Record Taxes, Soaring Crime, Increased Congestion, Declining Educational Standards and Skyrocketing Public Sector Wages

I am pleased to have this opportunity to make some comments on the take-note motion on the Appropriation (2017–2018) Bill 2017. Indeed it is probably better late than never because it seems like a very long time ago that the Treasurer stood up in this place. It is ironic that the Minister for Finance, who of course has a significant role in the preparation of the budget, and I are speaking at the very tail end of the process, having spent certainly hundreds and possibly thousands of hours — not thousands, but potentially 1000 hours — involved. Indeed after budget week and after the estimates hearings, which this year extended beyond the passage of the bill in this house, there was certainly a degree of process fatigue, but I am pleased to have the opportunity to make some comments now.

As a local member there is not really a whole lot to be said about this budget. As I have done for most of the time I have been in the Parliament, one of the first things I did when the budget went online was to get all the PDFs and roll them into one big PDF. Then I started searching for 'Mornington', and yes, there are a couple of appearances, mostly with 'Peninsula' added after it — sewage treatment works at Somers, for example, which is well outside my electorate. In terms of the Mornington electorate, nothing — not a cracker. So I thought I would try 'Mount Martha' — nothing. I tried 'Mount Eliza' — nothing. I tried 'Moorooduc' — a remote chance of that, but I thought it was worth a try. Unfortunately all those searches were in vain because there is not one new initiative, not one new project, in this budget for the Mornington electorate — no improvement in services, no improvement in infrastructure. In that respect it is a typical Labor budget — plenty of noise and a plethora of self-serving claims but no substance and certainly no contribution to my local community at all.

Despite the sympathetic words of the Minister for Education — somewhat empty sympathy, unfortunately — there is no money for Osborne Primary School. There is no money for Mornington Special Developmental School (SDS), and I think the plans for, originally, the relocation of Mornington SDS, which we hope will no longer proceed, go back to former Minister Pike. They have been expecting something to happen every budget now for a very, very

long time. As I say, I am pleased the Minister for Education is sympathetic — he makes the right noises — but unfortunately he does not do very much to actually deal with the issues that require sympathy in the first place. From the Minister for Roads and Road Safety, I have got to say we got neither funding nor sympathy. There was no funding for urgently needed works or safety upgrades needed for the corner of Bungower Road and Nepean Highway in Mornington, no funding for works on Uralla Road and Nepean Highway in Mount Martha, near the Balcombe Creek bridge, and no funding for works for Forest Drive and Nepean Highway — that is an intersection that I know has been on the minister's radar since 2015; I know because I put it there, and we still have no funding for that intersection.

There is no funding for the much-needed pedestrian crossing on Main Street. Some figures have 14 000 vehicles a day using Main Street, but there is still no pedestrian crossing. At the southern end of Main Street people are expected to race across between the cars.

There is no money for speed reduction devices outside Balcombe Grammar School. Of course this minister claimed that Balcombe Grammar School is not on the Nepean Highway. If he looked up the school — if he looked it up in the phone book or looked it up on the internet — he would find that in fact the street address is Nepean Highway, Mount Martha, and Nepean Highway, Mount Martha, at that point is 80 kilometres an hour. He expects schoolkids to dash across the road to the buses on the other side without the protection of a school speed limit zone in the area.

Of course this is the minister who does seem incapable of funding any works anywhere in the state unless someone else is paying for it, so I am not surprised. His signature project, indeed his sole project, as we will recall, is the western distributor, which was supposed to be shovel ready — remember that? — in December 2014.

Two and half years later, almost three years later, not much has happened. The whole thing is yet to start. There has been a lot of noise — we are now on the third title for the project — but absolutely nothing has happened. The only thing we know for sure is that the government will not be paying for it. It will be the long-suffering commuters from the south-east, the long-suffering commuters on the Monash, people from my electorate and indeed people from the minister's electorate that will be paying for this piece of infrastructure, which is intended to serve the people of the western suburbs. I make no comment about the need to serve the people of the western suburbs — that is beyond doubt — but to expect the people of the south-east to pay for it is of course an entirely different matter.

It is perhaps no surprise that the Minister for Roads and Road Safety is also the Minister for Ports, because not only do we have no money for roads in the Mornington electorate, we have no money for the Mornington pier either. We are now running into the second summer season since the pier was severely damaged: wave screens were dislodged — significant damage, the harbour now subject to the swells coming through the gap. This is a basic government responsibility. It is about maintaining assets. Two years on we have yet another safety issue in Mornington harbour.

This is not exactly a fantastic budget for the Mornington electorate. There is not a single cent for new capital works, there is not a single cent for new

infrastructure and indeed there is not a single cent to undertake necessary and urgent works to rectify areas of significant safety concern.

I think that is probably the story of the budget across the state, because this is a budget in which the Treasurer and indeed the Premier are pushing taxes up and pushing services down. As I mentioned, that is the story of Mornington, and it is the story across the state. In just over two and half years this government has increased taxes by nearly \$4 billion.

Taxation revenue is up by 22 per cent — \$4 billion. It is a record tax take, yet despite that record tax take, violent crime is increasing. Road congestion is getting worse, and it seems it is getting worse by the week. Our public transport is more crowded — if you are lucky, you will get a seat — and it is less reliable; you might get a seat, but you may not get to your destination. And of course the standard of education, and particularly the education of Victorian children, is declining.

Since the 2014 election, taxes for every Victorian household have increased by some \$2000. Never in the history of the state have we had so much money going to government and never have we had government delivering so little. Victorians are struggling with higher taxes, and they are struggling with soaring electricity bills and soaring gas bills. Indeed we have just had a matter of public importance on that subject. Water costs continue to go up significantly faster than CPI. Transport fares go up every year, even though the standard of service goes down, as I mentioned.

This is the highest taxing government in Victoria's history, but perhaps even worse, this is the highest taxing government in the nation. Despite the port of Melbourne windfall, despite that \$10 billion, we have got the highest taxing state in the nation, we have got a crime tsunami and there is no money for police stations and there is no money to reopen police stations. I will not make the obvious comment, Acting Speaker.

But while the state struggles with those cost of living pressures, this government seems to think Victorians can pay even more taxes.

Indeed on that subject we saw in this budget a host of new taxes — we now have 10.

There is the energy tax on coal royalties; the Uber tax; the land tax surcharge for absentee owners, which was 0.5 per cent and has been jacked up to 1.5 per cent; the stamp duty surcharge for foreign buyers started at 3 per cent and now is up to 7 per cent; the fire services property levy has been jacked up; we have had an increase in stamp duty on new cars; we have had new stamp duties imposed on off-the-plan purchases; we have had new stamp duties imposed on property transfers between spouses; we have got new annual property valuations linked to land tax for no reason other than that it will increase the take; and of course we have got the beach house tax — the vacant property tax.

As has been said repeatedly — and so it should be said repeatedly in this house — we are reminded of the promise of the Premier talking to Peter Mitchell on 28 November 2014. I remember that interview only too well. Peter Mitchell said:

Daniel Andrews, all the polls say you will be Victoria's next Premier. If you are, do you promise Victorians here tonight that you will not increase taxes or introduce any new taxes?

Of course the Premier, with an expression that we are only too familiar with in question time, looked straight down the barrel of the camera and said:  
I make that promise, Peter, to every single Victorian ...

Mr Gidley — Just words — just weasel words.

Mr MORRIS — Exactly as the member says, just words, and the evidence is there — 10 new taxes that the Premier promised the night before the election that he would not introduce.

We are also of course frequently treated, or were frequently treated, to expositions by the now Treasurer, talking about how awful the level of debt was back in 2013 and 2014. He talked about the integrity of his costings. On 774 ABC on 27 November 2014, talking about the 2014 election costings, he said:

Now, this is a serious piece of work, aimed at ensuring four things: we will retain the AAA stable credit rating, our election commitments will not lead to an increase in debt ...

On the same day in the Age the now Treasurer promised that there would be no impact on budget surplus predictions, no increase in net debt, no increase in taxes — and we know about that — and no impact on Victoria's AAA credit rating. The last one, thankfully, has not happened yet.

With respect to debt, the 2017–18 forecast in the pre-election budget update was that debt in this financial year would be 4.5 per cent of gross state product (GSP). In this budget debt is forecast to be 5.8 per cent of GSP. You might say, 'What is the difference — 4.5 to 5.8 is pretty close; it's not too bad'. The fact is that that means that debt is 28 per cent higher than was forecast in

November 2014. This Treasurer has clearly not kept the commitment to lower debt.

If we compare ourselves with New South Wales, we see clearly that the infrastructure investment in New South Wales is almost twice that in Victoria. For the current year it is \$10.1 billion in Victoria and \$20 billion in New South Wales, but net debt, coming back to the debt argument, to GSP is 1.3 per cent in New South Wales and 5.8 per cent in Victoria.

We are also faced unfortunately with soaring public sector wage costs. That might be okay if it was being spread across the board, but we see public sector wage costs soaring, yet in the pre-election budget update wages were expected to increase this year by 3.5 per cent in the private sector. This government anticipates that they will increase by only 1.9 per cent, almost half. So it is one rule for union mates — they get the increases — while everyone else is left to carry the can.

We have at this stage record taxes, soaring crime, increased congestion, declining educational standards and skyrocketing public sector wages. All in all it is a typical Labor budget.