



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

2020–2021–2022–2023

MINUTES OF PROCEEDINGS

No 96

WEDNESDAY, 13 SEPTEMBER 2023

- 1 The Assembly met at 10 am, pursuant to adjournment. The Speaker (Ms Burch) took the Chair and made the following acknowledgement of country in the Ngunnawal language:

Dhawura nguna, dhawura Ngunnawal.

Yanggu ngalawiri, dhunimanyin Ngunnawalwari dhawurawari.

Nginggada Dindi dhawura Ngunnaawalbun yindjumaralidjinyin.

This is Ngunnawal Country.

Today we are gathering on Ngunnawal country.

We always pay respect to Elders, female and male, and Ngunnawal country.

The Speaker asked Members to stand in silence and pray or reflect on their responsibilities to the people of the Australian Capital Territory.

2 UNPARLIAMENTARY LANGUAGE—SPEAKER'S RULING

A point of order having been raised by a Member in relation to a comment made during a bill debate on 12 September 2023, the Speaker, having considered the matter, ruled that the comment was not unparliamentary in the context of how it was used. The Speaker also made a ruling on another comment made during Question Time on that day. She ruled that the comment was unparliamentary and asked the Member, who was not present, to withdraw the words.

3 APPROPRIATION BILL 2023-2024

The Assembly, according to order, resumed consideration at the detail stage—

Detail Stage

Schedule 1—Appropriations—Proposed expenditure—

Consideration resumed on Part 1.12—Environment, Planning and Sustainable Development Directorate—

Debated continued.

Proposed expenditure agreed to.

Part 1.13—Canberra Institute of Technology—debated and agreed to.

Part 1.14—City Renewal Authority—agreed to.

Part 1.15—Legal Aid Commission (ACT)—agreed to.

Part 1.16—Cultural Facilities Corporation—debated and agreed to.

Part 1.17—ACT Executive—

Debate adjourned (Mr Gentleman—Manager of Government Business) and the resumption of the debate made an order of the day for a later hour this day.

4 MINISTERIAL ARRANGEMENTS

Mr Barr (Chief Minister) informed the Assembly that, due to the absence of Minister Davidson, questions without notice normally directed to Minister Davidson could be directed to Minister Rattenbury.

5 QUESTIONS

Questions without notice were asked.

6 PAPERS

Ms Stephen-Smith (Minister for Health), having added to an answer, presented the following papers:

Northside Public Hospital Project—

Copy of letter to the National Chief Executive Officer of Little Company of Mary Health Care Ltd from ACT Minister for Health, undated.

Meeting Paper—ACT Government land tenure and transfer arrangements summary—
Meeting date 8 June 2022.

7 BELCONNEN TO CITY TRANSPORT CORRIDOR

Ms Clay, pursuant to notice, moved—That this Assembly:

(1) notes:

- (a) in 2011, the ACT Government commissioned a report titled *Belconnen to City Transitway Stage 1 and City Bus Services and Facilities Improvement Forward Design*, and some but not all of the upgrades recommended in this study have since been delivered;
- (b) Infrastructure Australia identified the Belconnen to City bus corridor as an Infrastructure Australia priority project in February 2016, with a probable timeframe of five to 10 years;
- (c) between 2011 and 2021, the population of the Belconnen Town Centre has grown from 4,437 to 8,502 and the Belconnen district from 92,444, to 106,061;
- (d) the population of the Belconnen district is continuing to grow rapidly, with particular areas of growth including Belconnen Town Centre, Bruce and Lawson;

- (e) buses which utilise the Belconnen to City bus corridor include the two busiest bus routes (R2 and R4) and the fifth busiest bus route (R3) and these routes, while servicing other parts of the city in addition to this corridor, represent 24.3 percent of all public transport boardings in the ACT in Quarter 3 2022 and 30.5 percent of bus boardings in this period;
 - (f) the ACT Government has made a \$1 billion commitment to delivering a new Northside Hospital campus in Bruce which will connect onto the Haydon Drive section of the Belconnen to City bus corridor;
 - (g) the University of Canberra Master Plan which includes expansion of the campus to provide many more residences and buildings and is designed to incorporate a future light rail connection; and
 - (h) Light Rail Stage 3 is planned to connect Belconnen to the City. The route will likely service the University of Canberra and the new Northside Hospital, replacing buses on this corridor and necessitating enabling works for future Belconnen to City light rail connections; and
- (2) calls on the ACT Government to:
- (a) commit to investigate and deliver upgrades to the Belconnen to City bus corridor within three years, in a phased approach which will eventually deliver bus priority for the entire Belconnen to City corridor and enable the future delivery of Light Rail Stage 3;
 - (b) commence early planning work for Light Rail Stage 3 alignment; and
 - (c) report back to the Assembly on progress on these measures by the last sitting day of the 10th Assembly in 2024.

Mr Parton moved the following amendment: Omit all text after paragraph (1)(h), substitute:

- “(2) calls on the ACT Government to:
- (a) commit to delivering upgrades to the Belconnen to City Bus Corridor within three years, in a phased approach which will eventually deliver bus priority for the entire Belconnen to City corridor; and
 - (b) report back to the Assembly on progress on these measures by the last sitting day of the 10th Assembly in 2024.”.

Debate continued.

Question—That the amendment be agreed to—put.

The Assembly voted—

AYES, 8

Mr Cain
Ms Castley
Mr Cocks
Mr Hanson
Mrs Kikkert
Ms Lawder
Mr Milligan
Mr Parton

NOES, 15

Mr Barr	Ms Orr
Ms Berry	Dr Paterson
Mr Braddock	Mr Pettersson
Ms Burch	Mr Rattenbury
Ms Cheyne	Mr Steel
Ms Clay	Ms Stephen-Smith
Mr Davis	Ms Vassarotti
Mr Gentleman	

And so it was negatived.

Mr Steel (Minister for Transport and City Services) moved the following amendment:
Omit all text after paragraph (1)(h), substitute:

- “(2) calls on the ACT Government to support the expansion of the Belconnen Transitway including:
- (a) consideration of further bus priority upgrades for the entire Belconnen to City corridor and planning for Light Rail Stage 3;
 - (b) consider further bus priority interventions based on new traffic modelling and consider future development of housing, health and tertiary education precincts in the region;
 - (c) consider opportunities to:
 - (i) improve active travel infrastructure such as delivery of separated cycleways along Haydon Drive, Belconnen Way and Barry Drive, which are identified as future priorities in the ACT Government’s draft proposed cycling network;
 - (ii) improve connections between bus stops and key infrastructure and services, such as early education centres, North Canberra Hospital and the Belconnen Community Centre;
 - (iii) enhance other transport modes between Belconnen and the City; and
 - (iv) preserve the corridor and support the future construction of Light Rail Stage 3;
 - (d) note any decision to expand the Belconnen Transitway (following this investigation) will be subject to budget consideration;
 - (e) put forward updated feasibility and design for the Belconnen Transitway to the Australian Government for consideration under the \$500 million Housing Support Program, which supports state and local councils to build infrastructure to support liveable communities and enable more housing; and
 - (f) report back to the Assembly on progress on these measures by the last sitting day of the 10th Assembly in 2024.”.

Debate continued.

Question—That the amendment be agreed to—put.

The Assembly voted—

AYES, 10

Mr Barr	Mr Pettersson
Ms Berry	Mr Steel
Ms Burch	Ms Stephen-Smith
Ms Cheyne	
Mr Gentleman	
Ms Orr	
Dr Paterson	

NOES, 13

Mr Braddock	Mrs Kikkert
Mr Cain	Ms Lawder
Ms Castley	Mr Milligan
Ms Clay	Mr Parton
Mr Cocks	Mr Rattenbury
Mr Davis	Ms Vassarotti
Mr Hanson	

And so it was negatived.

Ms Clay, by leave, moved the following amendment: Insert new paragraph (2)(aa):

“(2) (aa) consider opportunities to:

- (i) improve active travel infrastructure such as delivery of separated cycleways along Haydon Drive, Belconnen Way and Barry Drive, which are identified as future priorities in the ACT Government’s draft proposed cycling network; and
- (ii) improve connections between bus stops and key infrastructure and services, such as early education centres, North Canberra Hospital and the Belconnen Community Centre.”.

Amendment agreed to.

Question—That the motion, as amended, be agreed to—put.

The Assembly voted—

AYES, 5

Mr Braddock
Ms Clay
Mr Davis
Mr Rattenbury
Ms Vassarotti

NOES, 18

Mr Barr
Ms Berry
Ms Burch
Mr Cain
Ms Castley
Ms Cheyne
Mr Cocks
Mr Gentleman
Mr Hanson
Mrs Kikkert
Ms Lawder
Mr Milligan
Ms Orr
Mr Parton
Dr Paterson
Mr Pettersson
Mr Steel
Ms Stephen-Smith

And so it was negatived.

8 PAYROLL TAX—GENERAL PRACTITIONERS—IMPACT

Ms Lee (Leader of the Opposition), pursuant to notice, moved—That this Assembly:

- (1) notes the following recent comments made by local general practitioners (GPs), practice owners and practice staff in relation to the decision by the ACT Labor-Greens Government to impose the general practitioner (GP) payroll tax:
 - (a) “So, I don’t think that there will be any choice for me but to impose a new payroll tax levy on the patients in my practice. The only question is exactly how large a levy we impose and when we put it in place.”;
 - (b) “...the ACT Government’s new tax is a tax on patients. GPs will have no choice but to raise their fees...”;
 - (c) “The ACT Government’s decision to impose additional payroll tax on GPs has left many worrying how they will keep their doors open...”;
 - (d) “GPs are forced to choose between their conscience and their income in a way no high-minded politician or public servant has to do.”;
 - (e) “There are 10 practices currently paying it but a majority of practices will be paying it if GP payments are included in the figures that make us liable for payroll tax.”;

- (f) “I urge Mr Barr to meet with practice managers and owners, like me, in order for him to understand that his figure of 65% bulk billing is not achievable for my practice. If mandated to do this, our practice would most likely close down.”;
 - (g) “I have it on good assurance that many GPs are so distressed by developments that they are looking at leaving the profession, or altering their workloads.”;
 - (h) “...It will be absolutely devastating for the community if one of their local practices are forced to close, and GPs leave town...”;
 - (i) “While GPs are strongly committed to ensuring equitable access to healthcare, the introduction of a new tax for General Practices will inevitably limit their ability to provide healthcare services at a reduced cost through bulk billing. This means that some people are unable to see their GP because they cannot be bulk billed.”;
 - (j) “Thousands of ACT patients will be affected by the new tax. In meeting after meeting, GPs have been telling the ACT Government exactly this.”; and
 - (k) “The idea from Mr Barr that GPs ‘lack motivation’ to do anything, let alone bulk bill is absolutely outrageous. The amount of extra labour we do at no cost to the patient or the state and federal government should be commended. Mr Barr’s rhetoric is ill-intentioned, ill-judged and continues to damage morale.”;
- (2) further notes the following comments by The Royal Australian College of General Practitioners and the Australian Medical Association ACT on 27 August 2023:
- (a) “It would not be possible for us to bulk bill 65% of patients and stay financially viable, even with the triple bulk incentives, which are only applied to pensioners, children and healthcare card holders. The ACT Government’s policy is out of step with other jurisdictions and will not encourage GPs to work in the ACT, it will have quite the opposite effect.”; and
 - (b) “I’m calling on the government to come back to the table to consult with GPs and find a real solution before it’s too late.”;
- (3) further notes the following comments by Dr Walter Abhayaratna in *The Canberra Times* on 11 September 2023:
- (a) “The Barr Government’s decision to impose a new payroll tax on GPs is the latest assault on a primary care sector already on its knees.”;
 - (b) “Unfortunately, all the evidence points to GP access problems getting worse in Canberra, right at the time when chronic disease rates are rising with our ageing population.”;
 - (c) “Into this setting, the ACT Government has lobbed its payroll tax grenade...”;

- (d) “The ACT Government should be frantically trying to stimulate general practice in the territory, knowing GP-led care is vastly more efficient than caring for patients in hospital, where the cost of care is exponentially greater per occasion of service.”; and
 - (e) “Instead, it is bent on a policy that will make the ACT one of the least favourable places in Australia to practice as a GP.”; and
- (4) calls on the ACT Labor-Greens Government to listen to these local GPs, practice owners, practice staff and GP groups and exempt general practice from the new interpretation of payroll tax that applies to contractor GPs.

Mr Barr (Chief Minister) moved the following amendment: Omit all text after “That this Assembly”, substitute:

“(1) notes:

- (a) recent comments by the Australian Medical Association ACT, RAGCP, local GPs and practice owners regarding a NSW Supreme Court ruling (Thomas and Naaz 2022) confirming that medical centres with a payroll over the threshold set in each State and Territory are liable for payroll tax on relevant contracts;
 - (b) that the NSW Supreme Court upheld a September 2021 NSW Civil and Administrative Tribunal decision on the same matter, which was in turn based on a precedent established in Victoria in 2018; and
 - (c) that these decisions have been reflected in identical Revenue Office rulings across a number of jurisdictions;
- (2) reiterates key facts noted by this Assembly in June regarding the ACT and nationally harmonised payroll tax regimes, including that:
- (a) payroll tax is payable by employers on all taxable wages paid to their employees;
 - (b) payments to contractors who provide services to a business under a relevant contract are considered taxable wages under the *Payroll Tax Act 2011*;
 - (c) the ACT has the highest payroll tax threshold of all States and Territories, meaning all businesses operating in the ACT pay no payroll tax when their payroll is under \$2 million, and only pay payroll tax on the quantum over \$2 million;
 - (d) there has been no change to ACT legislation regarding the application of the contractor provisions, and for many medical practices (those with a payroll under \$2 million) there will be no financial impact; and
 - (e) some GP clinics are registered and have already been paying payroll tax in the ACT for a long period of time;

- (3) notes that bulk billing rates in the ACT:
 - (a) are the lowest in the nation, and currently sit at 56 percent of services, compared with every other jurisdiction and every other primary health network region, which are above 70 percent;
 - (b) have declined over the past few years as the Federal Coalition Government maintained a freeze on Medicare rebates, making bulk billing practices less viable, after having increased close to 70 percent between 2018 to 2021; and
 - (c) are influenced by a number of factors including, but not limited to, the ACT having the lowest number of GPs per capita compared to any other capital city in Australia, and the relative wealth and income of ACT households on average when compared to other jurisdictions;
- (4) further notes that the ACT Government is supporting medical practices by:
 - (a) guaranteeing no retrospective assessment and collection of payroll tax debts that would otherwise be payable under the existing policy settings that have been confirmed through successive Tribunal and Court decisions;
 - (b) providing a two-year moratorium on payment of payroll tax on relevant GP contracts for medical centres where at least 65 percent of eligible services are bulk billed; and
 - (c) ensuring the ACT Revenue Commissioner and Office are available for individual GP and representative association meetings to discuss specific corporate structures and arrangements, so that any tax liability can be accurately understood;
- (5) additionally notes that the Federal Labor Government's 2023-2024 Budget:
 - (a) triples the bulk billing incentive for most common consultations with children under 16, pensioners and other Commonwealth concession card holders, better supporting GPs to bulk bill around 157,000 eligible people at the 105 practices already providing bulk billing in the ACT, commencing on 1 November 2023; and
 - (b) significantly reduces costs for general patients by up to \$180 a year if their medicine is able to be prescribed for 60 days; and
- (6) calls on the ACT Government to:
 - (a) continue to engage with GPs, practice owners and representative associations on the application of payroll tax liability to medical centres operating in the ACT that engage GPs through relevant contracts and exceed the \$2 million threshold; and
 - (b) before 30 May 2024, update the Assembly, using the most up-to-date quarterly data available, on the rate of bulk billing in the ACT."

Debate continued.

Ms Stephen-Smith (Minister for Health), by leave, was granted an extension of time.

Ms Castley, by leave, was granted an extension of time.

Paper: Ms Stephen Smith (Minister for Health) presented the following paper:

NSW Government moves to pause payroll tax audits for GPs for 12 months—Media release—NSW Minister for Finance, dated 24 August 2023.

Debate continued.

Question—put.

The Assembly voted—

AYES, 15		NOES, 8
Mr Barr	Ms Orr	Mr Cain
Ms Berry	Dr Paterson	Ms Castley
Mr Braddock	Mr Pettersson	Mr Cocks
Ms Burch	Mr Rattenbury	Mrs Kikkert
Ms Cheyne	Mr Steel	Ms Lawder
Ms Clay	Ms Stephen-Smith	Ms Lee
Mr Davis	Ms Vassarotti	Mr Milligan
Mr Gentleman		Mr Parton

And so it was resolved in the affirmative.

Question—That the motion, as amended, viz:

“That this Assembly:

- (1) notes:
 - (a) recent comments by the Australian Medical Association ACT, RAGCP, local GPs and practice owners regarding a NSW Supreme Court ruling (Thomas and Naaz 2022) confirming that medical centres with a payroll over the threshold set in each State and Territory are liable for payroll tax on relevant contracts;
 - (b) that the NSW Supreme Court upheld a September 2021 NSW Civil and Administrative Tribunal decision on the same matter, which was in turn based on a precedent established in Victoria in 2018; and
 - (c) that these decisions have been reflected in identical Revenue Office rulings across a number of jurisdictions;
- (2) reiterates key facts noted by this Assembly in June regarding the ACT and nationally harmonised payroll tax regimes, including that:
 - (a) payroll tax is payable by employers on all taxable wages paid to their employees;
 - (b) payments to contractors who provide services to a business under a relevant contract are considered taxable wages under the *Payroll Tax Act 2011*;
 - (c) the ACT has the highest payroll tax threshold of all States and Territories, meaning all businesses operating in the ACT pay no payroll tax when their payroll is under \$2 million, and only pay payroll tax on the quantum over \$2 million;

- (d) there has been no change to ACT legislation regarding the application of the contractor provisions, and for many medical practices (those with a payroll under \$2 million) there will be no financial impact; and
 - (e) some GP clinics are registered and have already been paying payroll tax in the ACT for a long period of time;
- (3) notes that bulk billing rates in the ACT:
 - (a) are the lowest in the nation, and currently sit at 56 percent of services, compared with every other jurisdiction and every other primary health network region, which are above 70 percent;
 - (b) have declined over the past few years as the Federal Coalition Government maintained a freeze on Medicare rebates, making bulk billing practices less viable, after having increased close to 70 percent between 2018 to 2021; and
 - (c) are influenced by a number of factors including, but not limited to, the ACT having the lowest number of GPs per capita compared to any other capital city in Australia, and the relative wealth and income of ACT households on average when compared to other jurisdictions;
- (4) further notes that the ACT Government is supporting medical practices by:
 - (a) guaranteeing no retrospective assessment and collection of payroll tax debts that would otherwise be payable under the existing policy settings that have been confirmed through successive Tribunal and Court decisions;
 - (b) providing a two-year moratorium on payment of payroll tax on relevant GP contracts for medical centres where at least 65 percent of eligible services are bulk billed; and
 - (c) ensuring the ACT Revenue Commissioner and Office are available for individual GP and representative association meetings to discuss specific corporate structures and arrangements, so that any tax liability can be accurately understood;
- (5) additionally notes that the Federal Labor Government's 2023-2024 Budget:
 - (a) triples the bulk billing incentive for most common consultations with children under 16, pensioners and other Commonwealth concession card holders, better supporting GPs to bulk bill around 157,000 eligible people at the 105 practices already providing bulk billing in the ACT, commencing on 1 November 2023; and
 - (b) significantly reduces costs for general patients by up to \$180 a year if their medicine is able to be prescribed for 60 days; and
- (6) calls on the ACT Government to:
 - (a) continue to engage with GPs, practice owners and representative associations on the application of payroll tax liability to medical centres operating in the ACT that engage GPs through relevant contracts and exceed the \$2 million threshold; and
 - (b) before 30 May 2024, update the Assembly, using the most up-to-date quarterly data available, on the rate of bulk billing in the ACT."—

be agreed to—put and passed.

9 APPROPRIATION BILL 2023-2024

The Assembly, according to order, resumed consideration at the detail stage—

Detail Stage

Schedule 1—Appropriations—Proposed expenditure—

Consideration resumed on Part 1.17—ACT Executive—agreed to.

Part 1.18—Office of the Work Health and Safety Commissioner—agreed to.

Part 1.19—ICON Water Limited—agreed to.

Part 1.20—ACT Gambling and Racing Commission—agreed to.

Part 1.21—Public Trustee and Guardian—agreed to.

Part 1.22—Independent Competition and Regulatory Commission—agreed to.

Total Appropriated to Territory Entities—agreed to.

Part 1.23—Treasurer's Advance—agreed to.

Part 1.24—Capital Works Reserve—agreed to.

Total Appropriations—agreed to.

Clauses 1 to 10, by leave, taken together and agreed to.

Title—debated and agreed to.

Question—That this Bill be agreed to—put.

The Assembly voted—

AYES, 15

Mr Barr

Ms Berry

Mr Braddock

Ms Burch

Ms Cheyne

Ms Clay

Mr Davis

Mr Gentleman

Ms Orr

Dr Paterson

Mr Pettersson

Mr Rattenbury

Mr Steel

Ms Stephen-Smith

Ms Vassarotti

NOES, 8

Mr Cain

Ms Castley

Mr Cocks

Mr Hanson

Mrs Kikkert

Ms Lawder

Mr Milligan

Mr Parton

And so it was resolved in the affirmative.

10 APPROPRIATION (OFFICE OF THE LEGISLATIVE ASSEMBLY) BILL 2023-2024

The order of the day having been read for the resumption of the debate on the question—That this Bill be agreed to in principle—

Debate resumed.

Question—That this Bill be agreed to in principle—put and passed.

Leave granted to dispense with the detail stage.

Question—That this Bill be agreed to—put and passed.

11 LEAVE OF ABSENCE TO MEMBER

Mr Braddock moved—That leave of absence be granted to Ms Davidson (Minister for Disability) for this sitting due to personal reasons.

Question—put and passed.

12 ADJOURNMENT

Mr Gentleman (Manager of Government Business) moved—That the Assembly do now adjourn.

Debate ensued.

Question—put and passed.

And then the Assembly, at 6.01 pm, adjourned until tomorrow at 10 am.

MEMBERS' ATTENDANCE: All Members were present at some time during the sitting, except Ms Davidson*.

*on leave.

Tom Duncan
Clerk of the Legislative Assembly