

Address by NSW Liberal Leader, Barry O'Farrell MP, to the State Council of the Liberal Party, 31 May 2008, Novotel Homebush.

Delegates, I want to start by thanking – personally and on behalf of the State Parliamentary Party – Geoff Selig, Rhondda Vanzella and Robert Webster for their service to the party.

My colleagues and I are grateful for all their efforts that, in the case of all three, went well beyond the call of duty for voluntary office bearers in any organisation, let alone a political party.

I especially want to thank Geoff for his efforts to modernise our party.

In my first speech to you as Leader I reflected on the damage internal party disputes caused to our support in the wider community. *“We need to change the way we operate and we all share responsibility for remedying the problem”* I urged.

I am grateful that Geoff's efforts have paved the way for meaningful reform to the party's structure, culture and behaviour which will help end these past problems.

Delegates, since my last report to State Council, there have been significant development in NSW politics.

We've seen Morris lemma announce the sale of the State's electricity assets.

We've witnessed the unfolding of events in Wollongong and the stench of corruption extend to Macquarie Street with Labor's planning minister caught up in a scandal involving planning decisions and developer donations.

On 21 March we heard Morris lemma's 'road to Wollongong' conversion on political donations – but we've heard little more about it since.

We've witnessed further ministerial incompetence and mismanagement, ranging from Reba Meagher to Linda Burney, and the devastating consequences for families across the State.

Significant, but not different. We're still burdened by a deceitful, corrupt and incompetent government

Electricity

Morris lemma and Michael Costa lied to the community about electricity during last year's election campaign.

Both repeatedly and explicitly ruled out sale of the State's power industry.

They sought to deceive the public again – and assist Kevin Rudd – by delaying the announcement until after the Federal election.

The public were denied the opportunity to pass judgement on the proposal and the public interest has come a poor second to the interests of Labor and the union movement in Morris lemma's determination to sell these assets.

Labor's backroom dealings on the issue, the compromises and inducements on offer – and their cost and impact upon taxpayers and communities – fail any public interest test.

Which is why the Liberal/Nationals determined to try and put public interest first.

Of course, we support private sector involvement in the delivery of public services and infrastructure where it is in the community's best interest.

But unlike Labor, it's the community interest that has, and will, drive our approach to these issues.

That's why we have outlined five community safeguards that would have to be met if the State Coalition is to support greater private sector involvement in electricity.

Those conditions include:

- completion, release and adoption of a Rural Communities Impact Statement to assess and ensure the impact of any sale in regional and rural areas is understood and ameliorated;
- assessment and confirmation that safety nets for pensioners and low income families are appropriate and will prove effective; and
- establishment of a bipartisan parliamentary oversight committee to guarantee that pledges about improved clean, green and renewable energy actually materialise.

But the two most important conditions we have outlined address Labor's most consistent failures in office: its inability to do good deals with the private sector and its mismanagement of money.

Whether the Cross City Tunnel, Lane Cove Tunnel or something that should have been as simple as the rebuilding of Bathurst Hospital, time and time again Labor has entered into deals that have let communities and taxpayers down.

That's why we're arguing the Auditor General must actively oversight any sale process and report to Parliament on the appropriateness of any deal before the legislation is voted upon.

In this instance, we don't want a report two or three years later highlighting another lousy Labor deal. More importantly, taxpayers and future generations can't afford that.

That's why we're proposing the same process that occurred in 1994 when the State Bank was sold.

Then the Legislative Assembly unanimously requested a similar report from the NSW Audit Office before voting on sale legislation.

If it was good enough for a half billion dollar privatisation it has to be essential for one that Michael Costa estimated last December at more than \$15 billion.

If Morris Iemma was prepared to support that approach in 1994 – as he did – he must agree to it again on this occasion.

Equally Labor's record of financial mismanagement is woeful.

Throughout its term in office, NSW has enjoyed record revenues. Money has never been the problem in this State, just the way Labor has mismanaged it.

Over their term NSW has received \$15.7 billion in windfall receipts – revenue over and above what was expected.

It's a figure that set to increase when next week's State Budget is delivered.

It is a figure higher than the anticipated proceeds from Labor's sale of the State's power assets.

Yet what does the State have to show for these record revenues?

Not world-class roads or public transport. Not schools equipped for the 21st century. Not a hospital system in which health professionals are properly funded.

It's been frittered away by Labor waste and mismanagement – and that's why we want an independent board established, involving the Auditor General, a community representative and a financial expert, to oversee and monitor the use of funds realised from any sale.

It's the approach we took in office to guarantee to taxpayers that the 3x3 road levy funds were used appropriately to rebuild country and city roads.

It's a sensible approach to try and guarantee that, if sold, the proceeds will be wisely used to help rebuild State infrastructure and services allowed to run down by Labor.

Delegates, on 8 May we announced that these five community safeguards had to be met if we were to support Morris Iemma's power privatisation.

We don't intend to budge. Unless they are met we won't be supporting the sale. To do otherwise would fail the community.

Donations

Delegates, since we've last met we have seen further evidence of the corruption that exists within this Labor Government.

Make no mistake, this is a corrupt government.

It has corrupted the very processes of government in NSW.

- That's how Labor mates and cronies end up on the public payroll at the very time when we need the best possible people appointed to help solve the State's problems.
- That's how a \$12 billion announcement of a metro link can be rushed out with media fanfare but without proper planning or funding and before the experts have worked out how it can be delivered.
- That's how Labor can spend as much as Coke and the Commonwealth Bank combined – almost \$100 million a year – publicising itself, while too many critical services across the State struggle for funding.

We live in a State being run like a family company – for the benefit and enrichment of Labor, its mates and cronies – and without any thought of the interests of the community.

Nothing epitomised this approach more than the events in Wollongong that ICAC continues to report on.

But the stench of corruption exists beyond the Illawarra.

We've seen the State's planning minister mired in scandal over claims he was personally telephoning developers soliciting donations.

We've seen the corruption risks created by Labor's decisions to concentrate enormous powers in the hands of the planning minister.

Under Labor's planning regime, the State's planning minister can and does personally decide the fate of development applications from major donors to the Labor Party.

Last September, ICAC identified the corruption risk in this situation.

ICAC proposed there should be an independent, arms length process established to prevent it happening.

Morris lemma and Frank Sartor have refused to implement ICAC's proposal.

It's another reason why I believe this Labor Government is corrupt.

This State Government has made an art form out of selling access to Ministers.

During the last term of Parliament, Morris lemma and his mates raised \$24 million in political donations – or \$115,000 a week, every week for four years – through this tactic.

The result has been a sapping of public confidence in decision-making – an undermining of faith in government – as the community has seen the huge sums washing around NSW politics.

That's why a year ago I proposed that a joint select committee inquire into political donations – an inquiry that would have examined all issues including a total ban or ban on certain donations.

Morris lemma opposed the idea and Labor used its numbers to defeat the proposal.

In January I outlined a proposal to introduce a system to impose caps upon campaign spending and donations.

Morris lemma again refused to take it up.

But after the Wollongong corruption and Sartor scandals were exposed, Morris acted, with the emphasis on acting.

On Easter Saturday, he had a 'road to Wollongong' conversion and proposed a total ban on political donations.

He had asked the Labor Party general secretary to consult the other parties and bring back a proposal.

I offered support – providing that any proposal included third parties.

Any system that failed to include third parties – whether business or unions – wouldn't pass the fair dinkum test.

Since Morris lemma's 21 March statement there has been deafening silence.

There was a meeting between our Interim State Director and Labor's General Secretary.

But as Martin Laverty reported, Karl Bitar was more concerned about addressing the 'perceptions' and not the reality of the donations/decisions culture in NSW.

No specific proposals were outlined and no commitments given on third parties.

Despite all the revelations, despite all the community concern, it was Labor as usual – look to be doing something, but not actually doing anything.

Labor as usual as they continued to harvest Sydney's business community:

- offering \$110,000 memberships to business to have a series of dinners with State Labor ministers – including planning minister, Frank Sartor.

It's this type of hypocrisy that confirms Morris lemma's administration is rotten to the core.

Incompetence

And on top of this, Morris lemma has stacked his government with incompetent mates and factional hacks.

Reba Meagher wouldn't make the ministry in any other State. Yet in NSW she's put in charge of the critical health portfolio. Reba Meagher lacks competency, lacks empathy and fails to offer any hope of improvement to patients or health professionals.

Every time Kevin Greene gets up in Parliament or fronts the media, his incompetence is obvious. And, in that department, one of the measure of failure is the annual toll of children who die after DOCs has been alerted that they are at risk of harm.

A million daily rail users can attest to the repeated failure of John Watkins. Always showing more promise than performance and, as Gladys Berejiklian notes, always putting more effort into media announcement and glossy brochures than improving our public transport system.

Joe Tripodi's presence in the ministry simply serves as a reminder of the deal and skulduggery involved in Morris lemma's elevation to the premiership.

And Catherine Cusack has recently repeatedly and skilfully exposed the stupidity of the State's Fair Trading Minister, Linda Burney - someone who couldn't explain her department's own scheme to assist Beechwood home victims and stupid enough to travel to the south of France instead of staying and helping those families.

From top to bottom, it's a ministerial line up failing the State and one that Morris lemma refuses to do anything about.

If Morris lemma wants to (finally) deliver on his election promise to fix the State's problems, he should start with sacking the party hacks he has surrounded himself with.

Delegates, your State parliamentary team are determined to keep exposing Labor failure and proposing Liberal alternatives.

Within a framework of open, honest and accountable government, and reflecting our belief in competition and choice, we seek to outline an alternative path to better government for NSW.

The type of path outlined, for instance, in Gladys Berejiklian's integrated transport proposal, Greg Smith's proposed new system for judicial appointment and in Greg Pearce's suggested overhaul of the State budget process.

We're united, focussed, working hard and determined to win.

But delegates, we need you to be the same.

People want to believe in us. They really do.

The public is craving an alternative to Labor and desperately want to believe the Liberals, along with our coalition partners, can rise to the challenge.

We have millions of supporters across this State - people who do not belong to our Party, but who still call themselves Liberals.

I am talking about:

- the members of the public who come up to MPs wherever we are and tell us they support us and that they can't wait to see us elected.
- those involved in all sectors of society who despair at the way Labor has run down the State and curtailed opportunity.
- good people we may never meet but who defiantly stand up for us in conversations with their friends and barrack for us on election night.

Delegates, we have sorely tested our friendship with these supporters.

- We have failed them by election losses when we were unable to provide the coherent, discernibly Liberal and electable alternative government they sought.
- We have tested all our friendships through our internal machinations that have dismayed even our most uncritical longstanding stalwarts.

These people want to believe in us – and we need to give them real reasons to renew and vindicate the faith and hope they have in us.

Our party members, bruised and disheartened, want to believe.

They want to believe that we can better manage our internal affairs.

They want to believe that their skills, talents and views can be better used in the interests of this party.

They want to ensure their efforts – and that of the entire party – are directed to the goals of winning State and Federal elections so better government can be delivered.

Delegates, as I've said before – Liberals are optimists.

Thank goodness we are – because we've been running on hope alone for too long and we've almost completely exhausted our reserve of goodwill with our members and supporters.

I want to believe that we can change.

As Leader – like all of you – I am working, watching, hoping that the party I first joined twenty-eight years ago has the wisdom and fortitude to meet my expectations of improved ethical and professional behaviour.

I'm backing my belief that we can.

And I make no apology for taking an active role in trying to deliver meaningful, modern and lasting reforms to our structure, our culture and our behaviour.

To do nothing isn't an option either for me as Leader or for my colleagues in the Parliamentary Party as we work across the community.

We must ALL show strength and resolve.

I can't allow our party to continue along a self-destructive course and it is my responsibility as Leader to do all in my power to change things for the better.

It's work that must continue unabated and I invite all of you who share the goodwill and discipline of true Liberals, to join me in this historic effort to build a new road to victory in 2011.

I know, and you know, that people want to believe in our party.

And it is our duty not just as Liberals, but part of our civic duty as Australians, to draw a line.

To rise up from a very untidy, acrimonious past and focus on meeting the expectations of those who want to believe we can represent them effectively in Parliament and ultimately in government.

That is the choice we face.

We literally carry the hopes of millions of fellow citizens across NSW.

We can choose to keep faith with our constituency, to meet their modest expectations or we can choose to stay trapped in old fights, conducting our affairs the old way, and ending up taking the same old path to defeat and despair.

That is really what is on offer today.

We cannot afford another failure.

Today is the day we choose a new future for ourselves, for our members, for our supporters and for all of New South Wales.

I thank you for your decision and support for this course today.

ENDS