



Inaugural Speeches

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The SPEAKER: On behalf of the member for Ku-ring-gai I acknowledge the presence in the gallery of the Federal member for Bradfield, the Hon. Paul Fletcher, MP, Parliamentary Secretary for Communications; the Consul-General of the Netherlands; Mr Andrew Humpherson, a former member of the Legislative Assembly; family, friends and supporters of the new member; and my friend and colleague the President of the Legislative Council, the Hon. Don Harwin.

Mr ALISTER HENSKENS (Ku-ring-gai) [4.30 p.m.] (Inaugural Speech): In October 1944 my father spent two days in the basement of a biscuit factory with his mother, father, sister and their neighbours. The advancing Allied Welsh division was fighting the German army, house by house, street by street. As my father sat in the basement of that biscuit factory, with shells exploding and bullets ricocheting, he did not think of the brave work he had done in the Dutch resistance over the preceding three years, the German rifles he had stolen or the sabotage he had performed. Instead, he thought to himself that there was more he could do to help the advancing Allied army.

My father and his friend hatched a plan. They walked across the road. As my father spoke to a German guard who was holding a machine-gun, his friend came from behind and held a gun to the head of the soldier. The guard handed the machine-gun to my father. After taking the machine-gun, my father then went alone down the steps of the building the soldier was guarding and into the basement of a disused cigar factory where the Germans had a temporary command centre. My father caught the people inside by surprise. He ordered about 10 SS soldiers to drop their guns. Their leader defiantly responded to my father:

I am an officer of the Waffen SS. We do not surrender to civilians.

My 19-year-old father was hardened by what had happened during the war. That included the imprisonment in a German concentration camp and later death of his brother, Gerard, as a political prisoner, the internment of his brother, Jacques, on the Burma railway as a Japanese prisoner of war and the disappearance and death of a third brother, Theo, who was a merchant mariner. He witnessed first-hand the horrible transportation that led to the extermination of many of the Jewish inhabitants of his city. With that background he responded to the officer in German:

Surrender or I will shoot the lot of you.

As he said those words my father probably squeezed the trigger of the machine-gun a little tighter as the eyes of the two men met. After a terrible pause, the SS Officer gave an order to his men:

Put down your guns.

It took about 65 years after those events for my father to fully tell me that story. We were on a holiday to Europe to celebrate my parents' fiftieth wedding anniversary and we were standing at the foot of the steps he had descended many years ago. My father was motivated to risk his life that day because of the love of his family, his community and his country. I come to this place with different risks but with the same motivations. I thank my parents who were volunteers in our community, at my schools and in our church. Without much money, you raised five children on a single income and gave each of us a great start in life. Your support, love, values and guidance have been all that I have ever needed to do well in life. I am so glad you are here today.

My mother significantly introduced me to and then encouraged my love of music and drama. In fact, the only trade union that I have ever been a member of is the now former Musicians Union, which I had to join as a teenager to be able to play in the clubs and hotels of the Hunter Valley in bands or as a solo singer-guitarist. And I promise not to sing at the drop of a hat in this place like the former member for Epping. I also thank my music teachers at Newcastle High School and Mr Warburton. The Liberal Party needs to do as much as it can to support the arts. Government is not only about economic efficiency but also needs to facilitate the human soul, the advancement of humanity and the continuous investigation of the human condition by which societies advance.

In addition to my parents, I am delighted that my wife, Nancy, who has been the most important person in my life and who has been my companion since we were in our early twenties is here with our two lovely children, Georgia and Gus. I love you dearly and thank you for your love and support. In the time remaining I want to say some words about Ku-ring-gai, to thank the people who helped me arrive here and to talk about some ideas for the better future of our State. I am only the fifth person to represent the seat of Ku-ring-gai. I immediately acknowledge my predecessors. Ku-ring-gai has been represented by two Premiers, the Hon. Nick Greiner and the Hon. Barry O'Farrell; an Attorney General, the Hon. John Maddison; and Stephen O'Doherty. On behalf of my constituents, I acknowledge and thank each of those men for their exceptional public service to our local community and to this great State.

I also thank most sincerely the electors of Ku-ring-gai who have given me the great privilege of representing an area that I have lived in for almost 20 years. Ku-ring-gai is a great place to live and to bring up a family, and it is one of the most highly educated and economically sophisticated electorates in our State. I consider that it is not only an honour but also a great responsibility to represent them here. I would not have been given the opportunity to represent Ku-ring-gai without the support of the local Liberal Party branches. I thank our local party members, the conference executive led by Carolyn Cameron and all of the volunteers who worked so hard in a compressed and intense campaign to see me elected.

I especially acknowledge the help and support of my good friends Diane Woods, Michael Lane and Alan Lipman. The four of us have been active Liberal Party volunteers together and friends since the turn of the millennium when we served together on Andrew Humpherson's SEC executive. Thank you to them and to Darren Bark for your friendship and tireless work in helping me to be pre-selected as the Liberal candidate and then elected as the member for Ku-ring-gai. I have worked closely as the Bradfield FEC president with the Hon. Brendan Nelson and the Hon. Paul Fletcher, and I thank both of them for the support and assistance they have given me. I appreciate Paul Fletcher and Andrew Humpherson being here today. I am honoured that the Consul-General of the Netherlands could also join us.

I am buoyed today by the presence of so many other family and friends. I am delighted that my brother and sister, Frankie and Marianne, Keith, Aunt Joan and Uncle Jim, and my nephews Charlie, Willem and Hamish are here today. I also mention my sister Ineke, who I love very much and who has done so much for Nancy and me. I also acknowledge the member for Orange who I employed as a young solicitor in Newcastle in the mid-1990s and who has been a friend ever since. I am glad we can work together again. Many friends have come from near and far to be here today. I have some very longstanding school friends from Newcastle East Primary School and Newcastle High School, and other friends from the University of Sydney and my legal career, as well as the friends I have made in my role as a parent, a parents and citizens association president, a director of New South Wales Basketball, a coach and manager of that sport, and as a Liberal Party volunteer.

I cannot mention you all today but you are all very special to me, and I particularly appreciate those who were so willing to help me with my preselection and election campaigns. You have come at relatively short notice today and your presence has made this an extra special occasion for me. I especially mention Mr Omar Ali, who was my high school maths teacher from year 9 until year 12. Mr Ali is an Egyptian immigrant to our country. In my high school neither his country of origin nor his religion was important to his students. What made us love going to maths was the fun that happened in Mr Ali's classroom. We could only be affected by the way that he cared about how we learnt maths. His love of maths became our love of maths.

After I became a lawyer, Mr Ali's eye was blinded in a cataract operation and because of a dense cataract in his other eye he was legally blind. It was to me that he turned for help. It was a heavy responsibility, given his vulnerable situation, but it was in a way fitting. Without his teaching I would not have become a lawyer and now I was able to help him. Although I have routinely represented as a barrister the very largest public companies from Australia and other parts of the world, representing Mr Ali was one of the most special cases I had as a lawyer. With my good friend George Inatey, QC, leading me, we were determined that Mr Ali would receive justice.

I would like to quickly acknowledge some other important mentors in my life. Pam and Cliff McDonald were neighbours and the parents of my best friend, Graeme, at primary school. Mr McDonald was a great citizen of Newcastle—a solicitor, a lieutenant colonel in the Army Reserve and an alderman on the Newcastle City Council. I wish he was still with us but his sons, Graeme and Greg, are here today. My first basketball coach and Olympian, Terry Charlton, introduced me to that sport which has brought me so much enjoyment in my life. Mr Bob Dick was my junior representative basketball coach for many years and Stan Allen was my high school coach. My father was the parents and citizens association president for the whole seven years I spent at primary school. Each of those men gave their time as volunteers freely and by their example in my early life showed me the importance of community service, which I hope to emulate now as a member of Parliament.

Today I am not going to embark on a theoretical treatise in political science nor wax lyrical about technical legal issues. I am also a bit sick of talking about myself and my life after a compressed preselection and election campaign this year. Instead I would like to speak freely about some of the challenges we face as a State Government and as a society. I will not show any regard for jurisdictional issues between State and Federal governments, because the people of Ku-ring-gai expect their elected representatives to work together to solve problems and not make excuses. I will talk a lot about what people might think are economic or dry issues.

But I adopt the words of my Ku-ring-gai predecessor Nick Greiner, who said Liberal governments should be dry and warm.

As Liberals we often speak of economics because we are the party in this place that takes economic issues seriously. But we always need to ensure that community members understand that we care about them and not economic theory. Liberals can never appear to be just a team of accountants or actuaries who live for the love of numbers—no offence, Mr Ali. We must always show that we are economically responsible but with the objective of making people's lives better through our economic and other policy. The Federal Government's intergenerational report released in March this year is a sobering insight into how Australia will change and its population will age over the next 40 years, which will necessarily put increasing strain on State Government services. In October last year federalism again was given prominence by a paper entitled "A Federation for the 21st Century", published by the Committee for the Economic Development of Australia. It is fitting that in this Chamber, which was addressed frequently by the Father of our Federation, Sir Henry Parkes, that we consider and debate the modern operation of our federation.

There are two contemporary important problems with the operation of our Federation and they have been with us for some time. Government services are subject to Federal and State duplication at an increasing rate, which wastes our precious government resources. Also State governments have a poor revenue base relative to the Federal Government but States undertake expenditure in excess of the direct revenue they raise. This is known as vertical fiscal imbalance. The latter has given rise to calls to reconsider the scope of the GST which is paid to the States. Australian Federal and State governments need to restore their zeal for reform. I am pleased that this Government is doing that. There was a time in the 1980s when both sides of politics appeared to understand that driving economic efficiency was not just a matter of theory but also could be in the best interest of the community.

The reformers recognised that a dollar saved by the efficient delivery of government services was a dollar made available for new or existing government services. Similarly, efficiency in the private sector creates wealth which expands taxation receipts, thereby enhancing government services and improving the lives of those who could gain employment after previously being on welfare. But that bipartisanship appeared to dissolve during the Howard Government years. It is for our side of politics to make the case for continuing economic reform by facing down the shallow scare campaigns of our opponents. We must be prepared to win the battle with intelligent and reasoned arguments delivered in the language that the community can understand. The last State election and the poles and wires debate in my opinion were a window to the political future. Liberals will need to be prepared to continually operate and win in the marketplace of ideas.

For example, we cannot have a real discussion about tax reform in this Federation without considering as part of that discussion the current situation of the GST. We need to sell the virtues of tax reform. If our citizens want the current standard of, for example, public hospitals and public education to continue in the future, together with the full implementation of a National Disability Insurance Scheme, then we have to find solutions to the fact that most revenue is raised by the Federal Government but that most government services are provided by the States.

A GST discussion is not radical. My economics professors at the University of Sydney all agreed as far back as the 1980s that a broad-based consumption tax was the most efficient taxation model possible, if the regressive nature of the tax could be comprehensively addressed. John Howard and Peter Costello were able to demonstrate that the GST could lower the overall taxes of average Australians if accompanied with proper income tax cuts and appropriate welfare measures. Despite the all-too-familiar Australian Labor Party scare campaign at the time, the Howard and Costello Government showed that a GST did not bring the end of the world or destroy the egalitarian nature of Australian society. Average law-abiding citizens are better off with a consumption tax because tax cheats do not pay their fair share of income tax. People can avoid paying tax on their income because they can operate in the cash economy, have offshore tax havens or never pay tax because they engage in criminal activity. But everybody consumes goods and services, so a GST has those tax avoiders actually paying some tax. The question is whether we should have them pay more of the tax burden through the GST than they currently do.

It is important and we must compensate people on welfare, pay-as-you-earn taxpayers and people on low incomes if there is any change to the GST so that they are better off and not worse off. But the base of our consumption tax is currently narrower and the rate is lower than in many comparable countries. Governments want laws that encourage economic activity and the provision of jobs. But stamp duty and payroll tax penalise economic activity and the provision of jobs. We would be better off with tax reform than persisting with stamp duty and payroll tax. [*Extension of time granted.*]

The revenue base of the States of our Federation should not be subject to the boom and bust of the property market or the mining industry because of the reliance by State governments on stamp duty and mining royalties. Allied to the question of the State's revenue is the drive to greater efficiency in the provision of services and contestability. There is nothing mandatory about the public ownership of assets or the public provision of public services. What matters to consumers is whether they can obtain a good quality service at the lowest possible price. If a private operator can run a public hospital with the same services provided at the same price to patients as the Government currently charges, then it does not directly matter to consumers if the hospital management is in public or private hands. But if those same services at the same price are provided cheaper to government by a private operator, then that does indirectly matter, because more money is then available from that activity for other government services or to lower taxes.

We need to expose the union featherbedding that is currently hindering the provision of efficient public services. For example, the Electrical Trades Union did not fight government policy on the poles and wires on the basis that their industrial practices were efficient. They did so out of naked self-interest. I have thought that our competition laws are inadequate since I appeared in a leading trade practices case from 1999 to 2004 as it weaved its way to the High Court. The case ironically involved a private electricity generation company that was refused access to the government-owned monopoly over the electricity poles and wires operated by the Northern Territory Power and Water Corporation. Our current laws allow too much monopolistic and oligopolistic behaviour in our State, which is stifling competition, creating higher prices overall and damaging small business. When speaking with small business people in Ku-ring-gai I found that they expressed their belief that large retailers in this State are distorting the supply chains and engaging in predatory pricing to try to put them out of business.

The butchers, fruiterers and other shop owners in our local shopping strips in Ku-ring-gai say that they are on the edge of oblivion after having traded successfully for 20 years or more. Despite their better products they need the help of government and, critically, the backing of our community if they are going to survive. If we want to keep the character of our suburbs intact, the community needs to consciously support our local retailers and take more time to shop with them. It will greatly assist our self-employed local business owners who work very hard and have put everything on the line for their businesses.

And all governments need to do more to curb unfair economic practices, including the misuse of monopoly or oligopoly power and predatory pricing and to take on some of the large players in our economy to ensure an efficient operation of the market, which in the long run is in the best interest of consumers. The professional and technical services sector, of which I have been part for 27 years, is our second largest contributor to the State economy. We should ensure that there are no impediments to the service industries of this State equally and robustly competing at a national and international level. If we want our State to be more than a quarry or a farm, we must investigate ways for us to expand our economic base, create wealth and take advantage of our close proximity to the growing Asian economies.

Our closeness to Asia is an economic opportunity as much as a competitive threat. And there are encouraging signs. For example, software engineers Atlassian, a great Sydney start-up company formed in 2002, last year had sales of over \$200 million. But we need to have a sensible conversation about how our industrial laws in the past have contributed to the decline in our manufacturing industry, and be sensible and honest about how our industrial laws will need to change before we can again be internationally competitive in manufacturing or tourism or other industries crippled by penalty rates.

We need to address industrial allowances for public sector workers so that union membership is truly a matter of choice and not compulsory or paid for by the taxpayer. There is currently an understandable anxiety in the community. Our economy has been largely flat since the global financial crisis, people are concerned about job security, self-funded retirement income has reduced with reduced interest rates and many people wonder whether they will ever be able to afford a home for their existing or future family. Instead of just expanding Sydney endlessly, we need to provide more encouragement to regional development so that good jobs, like they were when my father immigrated to Australia in 1951, are close to cheaper houses, land and the underutilised infrastructure in our regional areas. And we must address the restricted supply of land in Sydney.

Today I have discussed the operation of our Federation, the tax base of our State, privatisation, competition law, small business, the service industry, industrial practices and decentralisation. I hope that I can focus on the development of many creative ideas to bring about beneficial change to our State. That is why I wanted to come to this place and with hard work and the support of the people of Ku-ring-gai and my colleagues, that is what I hope to achieve. Madam Speaker, I thank you and the House for its indulgence.