

## INAUGURAL SPEECH OF THE HONOURABLE SCOTT FARLOW

**The PRESIDENT:** I call the Hon. Scott Farlow. I remind honourable members that this is the honourable member's inaugural speech, and I would ask them to extend to him all of the courtesies that are usually afforded on such an occasion.

**The Hon. SCOTT FARLOW** [3.35 p.m.] (Inaugural Speech): I second the motion for the adoption of the Address-in-Reply to the Governor's Opening Speech. I commend the Governor on his Speech to Parliament and reflect on his sobering reminder that we, the men and women gathered in these Chambers, have the authority and opportunity to implement lasting and meaningful change. On these words, I commend the Governor on his address to Parliament and reflect on his sobering reminder that:

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On these words as the Governor sat ensconced in the vice-regal chair, I cast my mind back to the first time I sat in this Chamber. That occasion was Australia Day, sometime in the 1990s, when my parents brought me to this Parliament, past the classic cars that lined Macquarie Street. On sitting in the Chamber that Australia Day, hearing the story of this Council, the first and oldest legislative body in our nation, I never imagined that I would enter this place as a member and rise in this Chamber and have that distinct opportunity that His Excellency outlined yesterday.

From the transportation of William Bellamy to the colony of New South Wales in 1781, members of my family have made a life for themselves in this State. I am humbled and privileged to be afforded the honour to represent the people of New South Wales and the Liberal Party. I take my oath of allegiance to Her Majesty and her successors seriously and seek to represent the people of this State in this House with dignity, honour and determination as this place's 868th member. I will not squander that opportunity. While I never imagined that I would sit in this Chamber, I have had a deep and abiding political interest from a very young age. As an only child who from a young age needed to converse with adults, I developed a working knowledge of two things—sport and politics. This formative study led me to two distinct and abiding passions in my life: the Balmain, now Wests Tigers and the Liberal Party of Australia.

**The Hon. Rick Colless:** Up the Tigers!

**The Hon. SCOTT FARLOW:** I am glad we can agree on something. Whether it was running my own mock polling booth at home in the 1988 State election at the age of five, or arguing with teachers over the importance of a broad-based tax system in both 1993 and 1998, I have been fighting for Liberal ideals and policy my whole life, and intend to do so in this place. In this, the Liberal Party's seventieth year, I am humbled to be entering Parliament as its representative and servant. The Liberal Party and Australia owe a great debt of gratitude to Sir Robert Menzies in having the foresight to create a non-Labor party which would stand the test of time. In 1962 Sir Robert Menzies outlined to the New South Wales Young Liberal

Movement that the party was formed and succeeded because, "We had something to believe in, not just something to oppose." He went on to conclude that:

I don't believe that governments provide enterprise ... if you want enterprise, if you want vision, you have to go to the individual human being ... to compare the mechanism of government, as if it were some sentient creature with the genius of the human being is absurd.

It was fitting that Menzies made these remarks to the NSW Young Liberal Movement, a body of which I was the longest-serving President and am proud to be a life member, because they still encapsulate my views today. I stand in this place as a liberal, in the classical sense of the word. I believe, as John Stuart Mill laid out in his seminal essay, *On Liberty*, that:

The only freedom which deserves the name is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to obtain it.

Put simply, I believe the role of government should be a limited one—not to be there to administer the lives of its citizens, but to protect them from the imposition of their rights by others. As Milton Friedman put it:

Government should be there to act as a referee, not a player.

There exists today an unfortunate notion that if there is a problem that is a problem for government to fix. It is not necessarily that these things should not be fixed, but it is often the case that when we fix things we create more problems. It is like the introduction of the cane toad to control the cane beetle. We all know how that worked out. While I am an advocate of limited government, I support the role that government plays in supporting those who cannot support themselves. We in this place have an obligation to act as a voice for the voiceless. I believe in a functioning safety net, but I will always fight for a hand up, not a handout. As Margaret Thatcher wrote in the 1979 Conservative Party Manifesto:

We want to work with the grain of human nature, helping people to help themselves—and others.

The best form of welfare is a job. The best housing policy is the one that allows individuals and families to provide for their own accommodation, and the best form of insurance is the family unit and its broader network. These are social constructs that have been formed from time immemorial. They developed not out of some bizarre edict but by reason and nature. I am a conservative in so much as I am a realist. Conservatism deals with the world as it is, not the world under some abstract theory. As a conservative, I do not say no to change, but I do not endorse change for the sake of change; this is why I have always stood and supported our current constitutional arrangements and still see no need to adopt a republic. But for those things where the case for change is clear, we as conservatives must move forward and reform because there is an actual need. As the great conservative thinker Edmund Burke outlined:

A state without the means of some change is without the means of its conservation.

The State of New South Wales has proven and will continue to prove that it is capable of change and that it is capable of more than mere conservation. It is capable of greatness. To this end of making New South Wales great, I believe that we need to rectify the Federation, because our State can only be great if our nation is great.

Firstly, let me lay out that I am a State's righter, a supporter of our federalist system and the vision of our

forefathers in drafting our Constitution. I am a supporter because I believe our States, in particular, this one, can be an engine room for policy development and I believe that competition between our States drives better outcomes for our nation.

The problem is that Canberra is too big. There exists a vertical fiscal imbalance where the States are left carrying the can. The duplication of functions between the Federal and State governments, which leads to added expenses and regulations for individuals and businesses, needs to be eliminated. To this end, we may need to cede certain things to the Federal government, but the Commonwealth also needs to exit the field in areas that are the privy of the States. This is but one part of the story when the States face an annual revenue shortfall of around \$96 billion per annum. Treasurer Hockey said recently:

The states need to accept responsibility for the things they run. If we do that and if we're all accountable for the things we are actually responsible for, we'll have a more efficient system.

I agree wholeheartedly with the Treasurer, but we can only be accountable if we have the means to fund our responsibilities. At present the States are treated like teenagers with a part-time job, having their allowance doled out by their Federal parents. Forty-three per cent of our total revenue is provided by the Federal Government and that is simply unsustainable. It must be remembered we are a Federation of States. The States came first and the States should have the means by which to fund their own areas of responsibility. This is why I was so heartened to hear the calls of Premier Baird—and I acknowledge his presence in the gallery—for the States to have the ability to levy a component of income tax. I am thankful for the support it received from the member for Eden-Monaro, Dr Peter Hendy. It is a move that I have supported for a long time and one that has the potential to give the States an ability to fund their own areas of responsibility.

Most importantly, funding should be set by each State and the States should rise and fall on their own policy settings and not head back to Canberra, cap in hand, asking it to fix their mess. By these means, we can encourage competitive federalism to thrive and lower taxes to prevail. Business can move and people can move. Only through competition can we make this State great. On this point, I also address payroll tax. The Federal Government's tax discussion paper foreshadows making greater use of payroll taxes. For the life of me I have never been able to understand why government believes it is a good idea to tax job creation. Unfortunately, we find ourselves in a position, as a State government, where we are wedded to this tax, which accounts for 30 per cent of our State's tax revenue.

It is agreed widely that employees end up paying payroll tax through lower wages and consumers pay through higher costs. I am concerned most by those who are kept out of the labour force because of this tax on jobs. It is for these reasons that any attempts to weight our tax system towards increased payroll taxes needs to be resisted and New South Wales must ensure we have the lowest possible payroll tax rate. The Coalition Government has made significant steps in reducing the payroll tax burden on businesses by increasing the threshold, extending and increasing payroll tax rebates for business and proposing a new incentive payment for small businesses that take on new employees. These are worthy changes that make New South Wales more competitive.

Our Premier has committed to creating 150,000 more jobs and has put the Premiers of Queensland and Victoria on notice that we are coming for their jobs. I stand shoulder to shoulder with the Premier in this endeavour. To achieve it, we must lower our payroll tax burden, not just by initiatives but by a permanent and sustained reduction in our payroll tax burden. Business makes decisions for the long term. If New South Wales is a low tax and minimal regulation economy, business will move here. As has been proven time and again, lower taxes attract more business and create more jobs. Tax cuts can and do lead to increased revenue. This is how we can provide the services that New South Wales needs to make this State great.

I have spent some time addressing our fiscal challenges when it comes to revenue, but it is not a one-sided equation. Under the stewardship of Mike Baird as Treasurer and now Premier, we have made remarkable ground in restraining our expenditure growth, getting our budget back on track and cutting regulation. I am appalled by the efforts of our opponents to cast fiscal responsibility as savage cuts. Nothing could be further from the truth. Only by balancing the budget, in the long run, can we create the environment to deliver the services that the people of New South Wales expect from their government and help our economy to grow. Put simply, dollars do not equate to outcomes.

At times we fall into the trap of explaining complex ideas with a simple dollar figure. This only leads to a never-ending downward spiral where government gets bigger and the true value of projects lose their worth. If policy is governed by a never-ending game of one upmanship about who spent more, who has a record spend, and how much "wow" a certain dollar amount can attract, we will be nothing better than an episode of *The Hollowmen*. I want to see us, as a Parliament, tackle problems and deliver solutions for our communities, not simply throw money at them. Spending should never be the end game. We can be better than this. We can deliver policy that focuses on outcomes, not inputs. We should be able to herald the fact that we have spent less and achieved more.

One way we can tackle growing and wasteful spending is through the introduction of transparency of government expenditure. Transparency websites have been introduced all over the world to give citizens and taxpayers an insight into how their government spend their money. These transparency expenditure portals have reduced waste, saved money and prevented corruption. They have been introduced by governments across the political spectrum from Texas to California. I believe it is time that we introduced one in New South Wales. Such an initiative will shine a light on government expenditure and it will help the people of New South Wales understand how we spend their money. Policymakers, bureaucrats, journalists and citizen bloggers alike will be able to dissect the figures and shine a light on some deep, dark crevices of spending that have been left untouched and hidden. In today's digital age, citizens are demanding and rightfully expect their government to be more open and more transparent. We have come a long way in New South Wales under the Coalition Government, but there is still further for us to go to attack waste and profligacy. I extend to the Australian Taxpayers Alliance and to my good friend Tim Andrews a vote of thanks for raising the profile of this issue in Australia and also for your assistance in my path to becoming an upper House man. I enter this Chamber as a team player on behalf of the

Liberal Party. It is only through the party that I sit here. It is the people of New South Wales, but the Liberal Party first and foremost, that I represent in this place. Especially as an "at large" representative for the party, my core constituency is the membership of the Liberal Party across this State. I acknowledge so many of them in the gallery who have come today. In his inaugural speech, the Premier outlined why he was proud of our party in saying:

... it is the party that has always allowed members to exercise their discretion in relation to matters of conscience.

The Premier then went further in calling for the party to adopt a free vote in matters that relate directly to a member's community. The Premier reflected his father and his stance in calling for this, and I reflect mine in what I say today as my dad always said to me, "An MP needs to stand up for his constituents." In echoing the calls of the Premier, I too am proud to believe in and protect the Liberal Party's right for members to exercise their conscience in accordance with the rules of the party room. That exercise is not only for matters of moral conscience but also for matters of all conscience. That is one reason that I have always been drawn to the Liberal Party.

Mr President, as you know, I am a team player. I come to this place to represent the Liberal Party and its values. I am not a maverick nor do I intend to become one, but our increasingly homogenous system of voting along strict party lines troubles me. It is a phenomenon that has increasingly taken root in our democracy, largely as a result of the archaic caucus provisions of the Australian Labor Party. It is one that is not shared by other democracies in the Anglo sphere. In the United States and the United Kingdom members exercise a greater degree of independence in their voting, hence their accountability for the decisions they make. In those nations Whips, like our great the Hon. Dr Peter Phelps, spend more time arm twisting than tweeting. I yearn for the day when members opposite will have the ability to exercise their conscience and not face expulsion from their party.

It should be the right of the party and the electorate to vote to maintain a member on the basis of their voting record. It is a fundamental tenet of our Westminster democracy that every member should be responsible for their own vote. I fear this tenet has been eroded in this nation and I defend its right to continue to be exercised in the Liberal Party. As part of the Liberal Party, I am very proud to stand in this place as a member of Premier Baird's team. I recognise in this House the work and leadership of our Premier, Mike Baird. Without him many members would not be in this Parliament today, and I am one of those. I am excited to be part of a team with a reformist plan for New South Wales that will lower cost-of-living pressures, improve our economy and deliver the infrastructure that this State desperately needs. As someone who grew up literally at the exit of the M4 in Leicester Avenue, Strathfield, I cannot wait to see the delivery of WestConnex and the missing link that this city so desperately needs.

**The Hon. Duncan Gay:** A fine young man.

**The Hon. SCOTT FARLOW:** I thank the Minister for Roads, Maritime and Freight for the work he has done on that project. I am glad to join this team with two great friends whom I

had the pleasure of spending many hours with during the campaign, Adam Crouch and Mark Taylor. They are now members in the other place. Both will make wonderful representatives of their communities in this Parliament and I look forward to serving with them in the years ahead. I am also delighted to be reunited in this place with Ben Franklin, a former work colleague and friend. Even though we are now members of different parties we are still on the same team.

It should be remembered that that team also consists of people who were not successful in being elected. In particular, I thank fellow Legislative Council candidates Hollie Hughes and Reena Jethi, who is seated in the gallery, for their efforts in the campaign. I am sure that they will both achieve great things in politics and I have no doubt that other red benches await my good friend Hollie in the near future.

As a candidate for the Legislative Council with an electorate that spans all of New South Wales, I had the great opportunity to campaign with so many tremendous candidates, particularly in Western Sydney, on the Central Coast and in the Hunter. I want to acknowledge today the tremendous efforts of Bernard Bratusa, Hannah Eves, Lyndon Gannon, Karen Howard, Jason Pauling and Steve Thompson. I also particularly acknowledge the work and presence in the gallery of Raman Balla, Sandra Kerr, Michael Sharpe, Nomiky Panayiotakis and Julie Passas. All were tremendous advocates for their communities. I am sure they will continue to make significant contributions to our party. It is also important to recognise the contribution of friends who have not returned to Macquarie Street, for which, I believe, our Parliament is the poorer: Charles Casuscelli, Chris Holstein, Tony Issa, Andy Rohan and Roza Sage.

I enter this place a Christian and wish to acknowledge in this Chamber Jesus Christ as my Lord and Saviour, the King of Kings. I bring my Christian values to this place, as much as they are the values that define me. It is set out in the Synoptic Gospels that the Lord said:

Render to Caesar the things that are Caesar's; and unto God the things that are God's.

The place for God's laws is in the *Bible*; His statutes are written in the hearts of his followers. While I believe in Christian values and I seek to uphold them, I do not believe it is my place to legislate them. God gave us free will to choose what is right and wrong, whether we would follow him or repudiate him. I do not believe that government by power or coercion can change the hearts of mankind. In coming to this House with an abiding faith, I also come to this place with a respect for the divergent faiths and cultures that exist within our community. I respect and will uphold the rights of individuals to practise any faith or no faith free from government interference or tyranny. I acknowledge the presence in the gallery of my good friend Vic Alhadeff. I also respect and encourage the political role of the church and religious organisations. While I do not believe the *Bible*, *Torah*, *Quran* or any religious text should be used as the yardstick for determining public policy, I do believe that religious institutions play an important role in our political discourse and debate. I welcome that role.

None of us stands alone in this Chamber. We are all held up through the support and work of so many, like the spire of a steeple. In the time allowed I cannot name each brick that

supports me here today, but I will try and recognise a few of the columns. Firstly, I thank the Sydney University Liberal Club, as it was there that I got my start in politics on my first day at campus when I was signed up by Alex Hawke, the now member for Mitchell. Alex, I thank you, as it was on that day that this road started for me. Alex has been a constant guide ever since. I thank you for your support, counsel and the odd bullocking, which all led to my entry to this place.

I am proud of the growth and progress of the Sydney University Liberal Club and its continuing commitment to classic Liberal values. I give my thanks to two of the club's most esteemed presidents, Alex Dore and Sasha Uher, for upholding the club in this tradition. I thank current Sydney University Liberal Club members, led by William Dawes, for continuing down this path and for taking the club from strength to strength. I also pay particular thanks to my Sydney University Liberal Club alumni who have stood with me through every challenge and encouraged me in my journey: Tim Andrews, Mark Chan and Simon Fontana. You are all kindred spirits, great mates and, as the member for Miranda can attest, terrible hiking buddies. I thank you all.

I thank the New South Wales Young Liberal Movement for my start and their support in getting to this place. To Tobias Lehmann, Sophie Holman, Brendan Christie and President James Wallace, I give thanks. I also make particular mention of the efforts of the Flying Squad under the direction of Joshua Crawford and Dean Shachar. Never in my time in this party have I seen a Flying Squad operate so well and make such a difference. Well done. I thank those kind souls who had the forbearance to put up with me on their staff, starting with Senator Concetta Fierravanti-Wells, who was elected by this Chamber to the Senate, Peter Debnam, Greg Smith, SC, the Hon. Bronwyn Bishop, and my good friend Lucy Wicks. From each of you I learnt a lot and I will endeavour to include those learnings in my service in this place.

I acknowledge also the support I have received from so many friends: Gerard Benedet, Simon Berger, Jonathan Flegg, Chantelle Fornari-Orsmond, Andrew Jefferies, Damien Jones, Julian Leeser, Ben Shields and Nick Tyrrell. I look forward to the contribution that they will make to public policy in the years ahead, hopefully in a place such as this. I also give thanks to those within the broad Liberal family who offered me support and influenced my journey to this place: Sandra Blackmore, Sam Diamant, Justin Fazzolari, Taylor Gramoski, Ross Grove, Sean Garman, Colleen Hodges, Andrew Isaacs, Warwick Jones, Amy Lehmann, Ben and Sara Potts, Ted Seng, Vincent So, Chris Stone, Natarsha Terreiro, Daniel and Talitha Try and, of course, Helen Wayland. I thank you all.

I thank my former Strathfield Council colleague and great mate Bill Carney and his wife, Mira, for their support through many trials and tribulations. I thank also my great Strathfield friends Councillor Gulian Vaccari, Councillor Sang Ok and the wonderful Jung Ok. I thank all of those within this Parliament who have supported me in my journey to this place, in particular Greg Aplin, Mark Coure, the Hon. Catherine Cusack, my great mate, former vice president and senior Matt Kean, Geoff Lee, Daryl Maguire, Gareth Ward and now the Hon. Shayne Mallard.

I also thank Minister Ajaka, Minister Berejiklian and Minister Roberts, who are seated in the gallery, and of course you, Mr President. I am especially grateful for the support shown to me by my kindred spirits and great friends in this Parliament the Hon. Dr Peter Phelps, the Hon. Natasha Maclaren-Jones, Ray Williams, Minister Goward and Minister Elliott. Thank you for being part of this journey; I am glad to be joining you. I acknowledge the wisdom, encouragement and contribution to our nation in the Federal Parliament of David Coleman, Paul Fletcher, Craig Laundry, Craig Kelly and Minister Scott Morrison and thank them for their assistance along this road.

I would not be standing here in this place if I had never had the good fortune of meeting Nicholas Campbell. I remember meeting Nick for the first time in Canberra at an Australian Liberal Students Federation [ALSF] conference. On that day, I saw in Nick someone who I thought was the brightest person in the room, and that room included a subsequent leader of the Federal Liberal Party and a former Chief Minister of the Australian Capital Territory. To this day, nothing has changed my impression.

Nick is a great beacon of sensibility in our party and someone who has always put the party's best interests first. I thank him for being my political mentor. At that same ALSF conference where I met Nick was my great mate Eugene Paperny. Thanks for being roped into so many things over the years, a few of which may have helped me in my journey to this place. I thank Eugene and Ellen and both their families for their never-ending support.

Before and after politics, there will always be family. Growing up as an only child there are many things that you miss out on—one thing you do not is parental love. I would like to take this opportunity to thank my parents, Mark and Cassandra, for their steadfast love and guidance throughout my life. As the son of a truck driver and a receptionist—both union members, for the benefit of those opposite—educated in public schools and the first in my family to attend university, I have not come from a privileged upbringing. Yet I have been privileged to enjoy a loving one. Ronald Reagan once said:

Each generation goes further than the generation preceding it because it stands on the shoulders of that generation.

Mum and Dad, today I stand here on your shoulders and I thank you for bearing that burden. My Nan and Grandma are in the right Chamber today—they enjoyed seeing all the members of the other place being sworn in yesterday. It is said that grandparents and grandchildren are natural allies. They have been pivotal in my upbringing, my outlook on the world and my presence in this Chamber today. I thank you and I thank my Pop and Grandpa in heaven for their influence on my journey here as well. My family in the United States—Kaylene, John and Jacqui—may be half a world away but I have always felt their love. I thank them.

Now I turn to my wife, Penny. We forged our love together in this building, and I know it will last a lifetime. I fell in love with you not because you would be a doting wife but because you are your own person and always will be. Thanks for your love and support and sharing the path with me. In the words of the Premier, you rock. When the now Premier was Treasurer and working on his first budget he wrote in Penny's budget papers, "You rock". It



was the first and probably only time Penny ever received flowers from me in competition.

Together Penny and I have created what will always be our greatest achievement, our son, Christian, whom I love more than words can describe. I hope and pray he will never be alone. Magoo, when you read back on this one day, I want you to know that I am in this place for you and I want to make the world you inherit a much better place so that you and your generation can stand on our shoulders and go further than we ever could have dreamed.