

GOVERNOR'S SPEECH: ADDRESS-IN-REPLY

The PRESIDENT: Order! Before I call the Hon. Dr Peter Phelps, I remind honourable members that he is about to make his inaugural speech. I invite all members to extend to him the traditional courtesies that are extended to a new member on such an occasion.

The Hon. Dr PETER PHELPS [2.40 p.m.] (Inaugural Speech): I second the motion for adoption of the address in reply to the Governor's opening Speech. Mr President, may I first congratulate you on your election. It is a most deserved honour and my joy is tempered only by your refusal to don full regalia. Let me state also that I am delighted to be in this place. For many years now it is all that I have wanted to be. It was this place that in 1984 launched my political career. It was a Wednesday—it must have been a Wednesday, because that was the sports day and the Fort Street High School under 16 Rugby team had a bye.

Being mildly interested in politics, I hopped on the bus and went into town to see Parliament for the first time. I was so appalled by what I saw that when I left this place I walked down Bridge Street to Anchor House, met a nice lady called Mrs Macauley, got out my wallet and joined the Liberal Party on the spot. However, I did find it strange that Mrs Mac put me into a branch nowhere near where I lived. I was to discover only in later years the significance of such occurrences. But that was the start of my journey to this place. Here I am, almost 27 years later, as a member of Parliament. Immediately after my election the Hon. Matthew Mason-Cox said to me "Mate, mate, it's great to have you coming into the House. You can be our Luke Foley." I am not sure whether to be honoured or whether I should be contacting my solicitors. I certainly hope it means that I get three questions in a row in future in question time.

Many new members arrive in Parliament hopeful and idealistic, only to leave some years later bitter and cynical. I have cut out the middle man—I arrived here bitter and cynical! I am bitter about the poverty of political debate in Australia and I am cynical about any prospect that it will improve in the near future. We have a shallow, simplistic media that encourages that cynicism, where every political contest is treated like a horse race and where even the most legitimate of public debate becomes dissent, or splits, or crises. Members of the media weep crocodile tears about the lack of authenticity in our politicians, but when one comes along he or she is treated as a freak to be mocked and derided.

One of my colleagues suggested that my cynicism was due to the unnaturally close exposure to the worst elements of the Federal Parliament, which is true so far as it goes. For the better part of the past decade I spent my working days trying to clear up the legal and media messes made by members of all parties; by the stupid and venal—by people who seemed to think that their job as parliamentary representatives entitled them to snuffle in the trough and break the rules. Perhaps it was just the Federal Parliament that disappointed me. After all, the Federal Parliament does not have a code of conduct for its members of Parliament and this place does, and what a mighty tome it is. After all, has this code of conduct not made New South Wales the byword for virtue, the pantheon of ethics across the nation?

When people in other States think of the New South Wales Parliament, the first thing that springs to mind is the ethical and incorruptible behaviour from its politicians, and all because we have a code of conduct. Some people might miss the irony so let me spell it out clearly. The ethical do not need a written code of conduct and the dishonest will ignore it anyway. It is part of what I call the Democrat disease—named after the incessant desire of that now defunct party to legislate for morality, as if human nature could be so easily changed. It has not worked since Moses brought

down the Ten Commandments, so why should it work now? Laws can punish the wicked but they cannot, in and of themselves, make men good. This flimsy code of conduct is just part of a wider problem in New South Wales. As I said at my preselection, for those of you who were there, we are overtaxed, overregulated and overridden.

How many Acts of Parliament are there? If we think about it there might be 100, 200, 300, 400, 500 or 600. As at December 2010 there were 1,089 separate Acts of Parliament, 300 of which are just useless. However vital they may have been in 1930 I am not sure anyone, not even Mr Barilaro in the Legislative Assembly, thinks we really need a Bungendore to Captains Flat Railway Act. Do we really need a Tweed River Entrance Sand Bypassing Act? What about the Sydney Female School of Industry (Dissolution) Act 1926? Who knows? Perhaps we need these vital instruments. But it strikes me that there are a large number of Acts, especially archaic private Acts, which could be culled from the statute books with no apparent loss to our rights and freedoms.

Similarly, there appear to be about another 400 Acts that could be usefully consolidated. Should employers be required to deal with nine different Acts on workers compensation? Are farmers happy about having 13 different Acts involving National Parks and Wildlife? Does it help the Department of Community Services to have 15 different Acts relating directly to children's welfare, or the police with 18 different Acts relating to crime and criminals? All the various universities and colleges Acts could be amalgamated into one. How about this for a title—the Universities and Colleges Act? It is my fervent wish that this Government will get rid of as much unnecessary law and regulation as it can during the next four years. We should set ourselves a target for the repeal of laws and regulations, and we should meet them.

The code of conduct states we must acknowledge that our principal responsibility as serving members is to serve the people of New South Wales. But what is New South Wales? This is New South Wales. Find the mouth of a river, go to its headwaters, go across on a particular latitude until you reach an arbitrary longitude, south until you hit another river, follow it to its headwater and then draw a chord to an arbitrary point on the coast—the work of an imperial draughtsman, dividing up the empire into neat and manageable chunks. But what about the community of interest? Is there a community of interest between Annandale and Armidale, Bourke and Ballina, and Dubbo and Denistone? People from Broken Hill go on holiday to Glenelg in South Australia, not Bondi. Deniliquin residents who want to go shopping in the big smoke go to Melbourne. People in the Tweed are more likely to visit a medical specialist in Brisbane than Sydney.

Perhaps instead there are valid cultural differences for the retention of the States. If so, then what are they? It is not as though Queensland has only 24 letters in its alphabet, or Victoria uses a hexadecimal number system. I live in Queanbeyan, across the border from Canberra. I support the Raiders, the Brumbies and the Canberra Cavalry—it has been a sad year for me! But to me the Australian Capital Territory border is an invisible and entirely artificial barrier. I can easily understand the mild parochialism of those from geographically distant areas like Western Australia, Tasmania, far north Queensland or the Northern Territory, but for New South Wales is the person in Wodonga really that different from the person in Albury? Is the person in Coolangatta really that different from the person in Tweed Heads? Is the person in Murrumbateman really that different from the person in Hall? Of course not.

When it comes to cultural differences, all that can be mustered these days is what I call a fake state-of-origin parochialism. As Rodgers and Hammerstein wrote, "You've got to be taught to hate", and so New South Welshmen become cockroaches and Queenslanders become cane toads. But it is all just a fabrication. Any decent Australian historian knows that the real historical nicknames are,

respectively, "cornstalks" and "banana benders". We are cornstalks in New South Wales, but of course, we cannot hate those names, can we? So we just create a new nomenclature based on whatever horrid fauna can be appropriated to fabricate a bit of mindless parochialism.

What relevance do the States then have? Not much by any assessment. They are too small to encompass the cultural and too large to encompass genuine communities of interest. To that end, Alex Hawke, who is in the public gallery today, kindly faxed me a copy of Jack Lang's 1930 Abolition Bill, with the suggestion that it would be an excellent first private member's bill for me to introduce. I doubt whether I will be taking him up on that offer at this time. But if we are just going to be a way station for the Federal Government and its dictat, then why not? Why not abolish the Legislative Council and the Legislative Assembly. Why not abolish the State Government entirely? What purpose do we serve if we are straight-jacketed within federally mandated systems of education, water, land use, fishing, and environmentalism? Since the engineers case, the High Court has permitted a gradual accretion of power and interference in State matters.

Harmonisation has become a euphemism for subjugation. What is the use of this? Are we simply an imperial bauble perched atop a colonial anachronism, the errand boys of the Federal Government? If States are to remain relevant we must fight for real competitive federalism—not cooperative federalism—with genuine competition between the States, not this collectivist begging bowl approach. If you want to be a pot smoking Mullumbimby hippie, fine—but do not expect me to subsidise your lifestyle. Similarly, if a State has resources that are left unused, why should it expect us to subsidise a lifestyle for which it is unwilling to pay? If the distribution of revenue to the States was done on the basis of direct parity with its collection, then fine. It is not perfect but at least it would be a just outcome. But at this time horizontal fiscal equalisation, as it is called, is just an excuse to rob the productive to pay the lazy.

If the people of any State—and I am looking in particular at Tasmania—vote for left-wing governments that seek to return to a pre-industrial utopia, then let them do so on their own coin. If they want to lock up productive resources so that middle-class bushwalkers can go on day trips from their inner city pads, fine—but do not ask me for money. Even here in New South Wales, Labor was locking up river red gums, which could have provided real income and real jobs in rural communities; locking up national parks rather than opening them up to legitimate recreation, as if they had forgotten that humans created national parks for our enjoyment, not the other way around. The problem is compounded only by vertical fiscal imbalance or, to put it in the language of humans rather than economists, the States have the attitude of teenagers:

"Come on, dad, give us some more money."

"Why don't you just get a job, son?"

"Aw, dad, now you're just being mean".

Are we prepared to accept the responsibilities of taxation? It has been only 70 years since we temporarily transferred the income tax powers to the Federal Government as an emergency wartime measure. The High Court has consistently struck down the right of States to levy volumetric taxes. So we have no sustainable direct taxation and no sustainable indirect taxation. We are beggars. Are we prepared to act like adults? I think we are—I certainly hope we are—and we had better be, because for as long as the Federal Government holds the purse strings, New South Wales will get a raw deal.

What then should be the nature of our contribution to this new competitive federalism? What do we, as the Liberal Party, stand for? Some have said that we must abandon ideology for pragmatism. I have difficulty with that concept. If critical legal theory teaches us anything—and I think the jury is still out on that—then everything is political. And where there is politics there is ideology. Even an unrecognised ideology is an ideology, because the way we respond to situations is dependent on the paradigms that we use to interpret the world around us. But let us assume for a moment that we could be purely and utterly pragmatic. What does that mean? What direction do you take if you cannot reference core values by which to guide your policies? If the only claim we can make is that we will be better managers and planners, in the worst Hayekian sense of the word, than the Australian Labor Party, what was the last election about?

We cannot simply be Labor lite. We must believe in something or else we fall into the ideological bunga-bunga party that Labor has become. And look at what Labor has become: It is all "comrades this" and "comrades that" and "forward the revolution bruvvers", up until it is time to leave Parliament and off they toddle with a healthy six-figure government relations job at Macquarie Bank. When I told my colleague the Hon. Matthew Mason-Cox that I thought we should sit more than three days a week and that starting at 11 o'clock was somewhat indulgent, he replied:

You are not going to be making too many friends in there, are you, Peter?

Perhaps not but, in the words of Paul Keating, if I want a friend, I will buy a dog. For years in Federal politics I sat through the thoroughly emetic spectacle of valedictory speeches from political opponents, which went something like this: "Oh, old Johnno, he was a tough fighter for the other side, but he was a good bloke and we became good friends." Well, not me. I do not want to be friends with people in my own party, let alone with people in other parties! I would prefer it if Labor members were to say in eight years time, "Good riddance to the son of a bitch; he was nothing but a thorn in our side." If people are for socialism then I am irrevocably against them. Let me just remind members of what each and every one of those sitting opposite has signed up for—the so-called socialist objective. They support:

The democratic socialisation of industry, production and exchange, to the extent necessary to eliminate exploitation and other anti-social features.

That is what everyone on the other side of the Chamber has signed up for. Now the Labor Right, always with one eye to the future of a corporate gig, says, "Oh, that's just words, just a sop to the Left of our party". But words mean what they mean. The Labor Right says:

Look at the conditional statement at the end, 'to the extent necessary', so it means everything and it means nothing.

But words matter. Which commissar will be determining what is the necessary extent? As William Pitt the Younger observed:

Necessity is the plea for every infringement of human freedom. It is the argument of tyrants, and the creed of slaves.

Certainly the Labor Left has no doubt about what it means. Let us look at what Tristan Ewins, a self-described long-time ALP member in the socialist Left faction, wrote in an article for the Australian Fabian Society. I want to digress for a moment. What is it with Trots? They are all called Tristan, Isolde, Oscar, or Lucinda. What is it about the socialist Left that has these lisp-

bourgeois, private school socialists? You can see them now: Archibald Worthington-Smythe, the prefect at Cranbrook or Kings, essentially despising the working class and their boorish ways, and always looking to correct them, to improve them, to turn them presumably into "new Soviet man". Oh, if only the benighted proletariat would just listen to their betters! As H. L. Mencken wrote, the urge to save humanity is, almost always, a false front for the urge to rule it. Anyway, back to Tristan and the Fabians:

The "Socialist Objective" ought not simply be a "tokenistic bone" thrown to the Left in return for its acquiescence. It needs to be at the heart of a living, breathing, dynamic culture, in which the whole Party shares.

However, even he has to throw in:

[The Socialist Objective] takes what is best in socialism and liberalism. In contrast to State socialism, the "Socialist Objective" implies a "socialised mixed economy", characterised in part by a thriving and democratic private sector, where the role of markets and market signals, is duly recognised.

As my younger friends are wont to say, WTF? Being a little bit socialist is like being a little bit pregnant. When you start expropriating, where do you stop? Indeed, why should you stop? If a little bit of government intervention is okay, then why not a lot? Certainly other Labor writers are not so enamoured of the "to the extent necessary" weasel words. Gonzalo Puig, writing on the Evatt Foundation website, makes the point clearly:

More particularly, socialisation is any one of three economic models. Nationalisation is the first and best-known model, [the second] is the co-operative experience, as an example of a small, autonomous economic system whose means of production have been collectivised. The third and final model of socialisation sees society assuming the right of ownership over the means of production. These are then at the disposal of particular workers' communities, from which society claws back, for the purposes of funding general public needs, a proportional share of their total income.

So we have to ask of members opposite: What is it that you have signed up for—nationalisation, collectivism, or confiscatory tax rates? The irony is that the Labor Left does not want to say and the Labor Right does not believe it in the first place. I am not a pragmatist, I am an ideologue. As for my ideology, it can be described very simply:

We hold these truths to be self-evident, that all men are created equal, that they are endowed ... with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness—That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed ...

What magnificent words these are. "All men are created equal." That does not mean everyone is the same or that everyone has the same outcome, but there is no inherent moral superiority between any two classes of people. We are endowed with inalienable rights; they cannot be taken from us. Life is the most fundamental right of all. You can take anything from me and I can be recompensed for it, but if you take my life I cannot. "Life, Liberty and the pursuit of happiness"—I will not go into the pursuit of happiness because there is quite an historical discussion on whether Francis Hutcheson or John Locke was behind the development of those words. It would take me three hours to deal with it, and I will save that for a day when the Leader of the Government is negotiating with the

crossbenches and has three hours to fill. It goes on to say, "That to secure these rights"—in other words, these rights cannot be abrogated; government's role is to secure these rights—"Governments are instituted among Men, deriving their just powers". When governments act to secure those rights they are acting justly. When they move to violate those rights they are acting unjustly. They derive that from the consent of the governed—places like this.

Those are Jefferson's words and although many here will think of them as being peculiarly "American" words, these values in fact lay at the heart of the Scottish enlightenment. It is hard to imagine that a country that could produce former Senator George Campbell and Senator Dougie Cameron could also produce such visionary philosophy, but there it is. Wonders will never cease! We have that great Lockean trinity—of life, liberty and property—and there is only one system that can give effect to these rights, capitalism. Capitalism is the only system that addresses the human condition, whether you are a fundamentalist Christian who believes that we are inherently fallen due to original sin, or a militant atheist who, like Richard Dawkins, believes we are inherently self-centred because of "the selfish gene". Capitalism does not seek to create a utopia on earth. Indeed, the road to utopias is often paved with gulags, with show trials, with death chambers and with killing fields.

We must seek to limit the role of government as much as possible. After working for many years in Canberra, let me tell you that there are many bureaucrats who say, "Oh, if only we had a few more dollars. If only we had a bit more power, what wonders we could work." But, as Reagan said, the truth is that, beyond a few legitimate functions, government never does anything as well or as efficiently as the private sector. If we want a maxim to live by in government, let it be from Henry Thoreau: The best government is that which governs least. We must always be willing to take a light touch, to de-legislate, to deregulate wherever possible. People need to be able to choose, to coin a phrase, to be free to choose, for good or for ill. Indeed, the Liberal Party derives its name from the Latin "libertas", meaning freedom. So it makes perfect sense to me to describe my views as libertarian. Yet I have always been troubled by this divide—a divide that I now realise is quite artificial—between my libertarian ideals and my social conservatism. Some of my younger friends in the Liberal Party seem obsessed with that. They seem to think it is an unconquerable and incompatible ideological divide. I would urge them to think again. Between the extremes of paternalism and devil-takes-the-hindmost there lies a happy medium.

It was a friend of mine, Tim Andrews of the online site Menzies House, who pointed out that not only are libertarianism and social conservatism not incompatible, but there is a contemporary school of political philosophy that happily marries the two streams of thought. Its chief theoretician is the late Frank Meyer, and it is called "fusionism". Mr President, knowing my fondness for George Houston Reid, you will certainly appreciate the happy serendipity of that name. We can seek the maximum of freedom of action in society and we can still be social conservatives. The two are not incompatible. Indeed, both are necessary to maintain a civil society. And while I am in this Parliament I hope to be able to promote policies that accord with such views.

As an aficionado of the Village People, Mr President, you, like me, will no doubt recall that they sang, "No man does it all by himself". I would like to pay tribute to some remarkable people. First and foremost is my father, the late police superintendent Robert Phelps. My father, who was well known to both the Leader of the Government and the new member for Campbelltown in their earlier lives, was a lifetime policeman. He was old school—some would say a dinosaur—more interested in practical policing than theoreticians and intra-force politics. He had a Manichean world view: there is good and there is bad, and we should fight for the good and oppose the bad. He was the

Polaris by which I set my moral compass, and I miss him dearly. Like many of his generation he had the opportunity to obtain only an Intermediate Certificate before having to go to work, but—or perhaps because of that—he always valued education very highly.

If I may digress, I should point out that I am the product of a public school education, from Bradbury Infants, Camperdown Demonstration School, Summer Hill opportunity classes, the redoubtable Fort Street High School, and Sydney university, and St Paul's College therein. I am quite happy with that. I am a very proud product of public education and I am always happy to support it. I do not doubt that even as we speak the New South Wales Teachers Federation is preparing giant billboards with my photo on them, exclaiming, "This is what can happen when you send your children to a public school!" as an exemplar to all.

My dad was a single father who devoted his life to his children's betterment. He always said that he did not mind what my brother, Andrew, and I did in life, as long as we tried our best. It is my greatest sadness that my father could not be here today to see this in person. The second person I would like to acknowledge is my old and dear friend Colin Jones. I was a working class brat who thought that the height of culture was watching Larry Corowa streak down the sidelines for the Balmain Tigers. Colin introduced me to the world of opera, which I have come to love, and ballet, which I still find to be a taste I have not yet acquired. He is a great friend—better than I have been to him—always with a cheerful word, and always there on my shoulder to remind me to keep a perspective on life.

The third person is Professor Neville Meaney, formerly of the University of Sydney. As you know, Mr President, I love history and in Neville I found a magnificent scholar, a diligent mentor and a boon companion. Neville might not be widely known, but he is certainly one of the most influential historians and, in my view, the greatest living historian in Australia today. Neville was always one to temper my enthusiasm and keep me focused on the job at hand. He abhorred the cant and obscurata that makes up so much of the academic world these days, and sought that most elusive game, historical truth. Unlike many of today's academics, when the facts disagreed with his theories he changed his mind. And, as a good union man, he gave me some sound advice: irrespective of how much you love your job, never settle for being paid less than you are worth.

The fourth person is Tony Nutt. Tony is the finest political operative in Australia today, bar none. I first met Tony when, as the New South Wales State director, he called me into his office in Riley Street and berated me for half an hour over some right-wing mudlark that I had engaged in. But, and I say this quite immodestly, Tony had an eye for talent! When Paul Zammit quit the Liberal Party in a hissy fit, Tony was kind enough to take me under his wing and find me a job in Canberra. Indeed, without Tony, I would never have gone to Canberra—and I would not have met my beautiful wife, Ann, and had four wonderful children, Thomas, Victoria, Jane and Olivia. Over the next 10 years, I worked closely with Tony and I loved it. Watching Tony and Petro Georgiou go to town on the Ministerial Committee on Government Communication—well, there are no words to describe it! Tony is a truly great political operative. I would love to read his memoirs, except that Tony is far too honourable a man ever to write them in the first place.

Finally, I thank Nicholas Campbell. Before historical revisionism starts too quickly, we need to remember that in the 30 years following the dumping of Ted St John, the conservative wing of the New South Wales Liberal Party could point only to the most occasional and transitory of victories. In those 30 years, the conservatives were locked out of the Women's Council, locked out of the Young Liberal Council, except for Scott Heathwood's brief presidency, locked out of State Executive and the party presidency, except for Bronwyn Bishop, and locked out of upper House

preselections. Yet within 10 years of Nick's arrival on the scene, the ancient regime fell. No longer guerrillas in the mountains, the conservatives were in the presidential palace! Nick Campbell was the brains, the master strategist and the tactical opportunist. He wanted nothing for himself—to the constant frustrations of his friends—except to see the success of conservative values. Nick and, indeed, Kathy have been very supportive of me over the years. I would not be in this place without his invaluable assistance.

I also thank some other very special people, who have been particularly supportive of me. First, I thank the keepers of the flame. Nick may have been our Montgomery, but it is nonetheless still appropriate to praise the victories of the Wavells and Auchinlecks who preceded him. Leading that group is, of course, the old Central Committee led by the Hon. David Clarke. Senator Concetta Fierravanti-Wells, my fellow aviation enthusiast Malcolm Brooks, Graham Abel, Peter Truelove, the late Judith Barton and the late Les Wallace have all been great supporters of mine and loyal compatriots. Next is the team—the Young Liberals who decided in the mid-1990s that if change was needed, we were the ones who would have to lead it: people like Joe Francis, now a Liberal member of Parliament in Western Australia, Hamish Stitt, Stuart McNeilly, Irfan Yusuf and the inimitable John "Banjo" Ruddick. Then came the next wave, the Haberfield contingent, which arose to fill the ranks: the now Hon. Anthony Roberts, David Miles, Simone Holzapfel, Steve Galillee, Tim James, Alex Hawke, Noel McCoy, Scott Farlow, my colleague in this place the Hon Natasha Maclaren-Jones, and my colleagues in the other place Mr Dominic Perottet and Mr Jai Rowell.

Last, but by no means least, I thank the ALSF-ers—the Australian Liberal Students Federation members—who were, and still are, fighting the Left on the barricades: the late great Mark Heyward, Jason Groves, Justin Owen, Dallas and Wade McInerney, Kyle Kutasi, Andy Heath, Sasha Uher, Chad Sidler, and the irrepressible Tim Andrews. To my former bosses, the Hon. Bronwyn Bishop, Senator the Hon. Michael Ronaldson—both of whom are kindly in attendance today—the Hon. Gary Nairn, Senator the Hon. Eric Abetz and Senator the Hon. Chris Ellison, I thank them all for tolerating my excesses, my opinionated views and my bluntness. You were all different and were all great to work for. I loved every minute of it—well, except the bits that I did not, but at least those were instructive! Perhaps unusually, I also thank three Labor Senators: Robert Ray, John Faulkner and Joe Ludwig—honourable, in the true sense of the word, gentlemen all but especially Senator Ray. Members on all sides of politics could do worse than follow the sort of example that he set.

I love politics. I am so thankful that every day for the best part of a decade and a half, people have paid me to do what I love in that big ugly modernist building with crappy artworks in Canberra. All those 27 years ago, did I think I would be here? I do not know; I cannot remember. Perhaps I was just conceited enough to think that I would be. But I do know this: I did not come here to get a job; I came here to do a job. The Liberal Party and the people of New South Wales have given me a bully pulpit, and I intend to use it. I have been given a brain, and I intend to use it. I have been given a voice—and, by God, I intend to use it.