

GOVERNOR'S SPEECH: ADDRESS-IN-REPLY

The PRESIDENT: As this is the inaugural speech of the Hon. Scot MacDonald, I request members to extend to the honourable member the normal courtesies.

The Hon. SCOT MacDONALD [3.30 p.m.] (Inaugural Speech): It is an honour to rise as a new member in Australia's oldest Parliament. It has been 187 years of evolution from a small, appointed Advisory Council to an elected House of Review in the State of New South Wales. It remains the custodian of good governance in the most populous State with the largest economy in the Commonwealth of Australia.

Like any true conservative, I value the history of the institution and look forward to being part of its development of democracy in this great State. This is an exciting period for the new Liberal-National Government. In recent years the Coalition has not often sat on this side of the House, on the Treasury benches. We have been handed a mandate, but our tenure will be short if we do not improve the lives and prospects of all of our citizens. Unquestionably, there was a feeling of jadedness and cynicism about State politics prior to the March election. Clearly, we have important economic, social and environmental goals to prosecute, but I believe they will not easily be attained if this Parliament does not restore confidence in our political institutions and representatives. That is an important challenge for New South Wales politicians, both new faces and experienced hands.

An inaugural speech is a time to clearly enunciate a new member of Parliament's political beliefs. I come with rationalist economic foundations, mainstream social values and cautiously protectionist environmental credentials. We are all a product of our training, culture, experiences and ambitions. As I mentioned in my introduction, an effective conservative is one who defends the positive attributes of our institutions and policies but always stands ready to embrace improvements.

Only a few years ago, admitting to being an economic rationalist was akin to writing a political suicide note. I remember well past State and Federal campaigns in which candidates proudly proclaimed themselves to be enemies of economic rationalism. According to these, mainly Independent, budding politicians, the bush was missing out and the answer was a more command-and-control economy. These populists preyed on the insecurities of the country as cross-subsidies and inefficient policies were dismantled. Of course, these were hard decisions, but regional communities will never reach their potential if government distorts the economy with protectionist, inefficient policies that do not support entrepreneurial activity.

The corollary is that regional New South Wales must be recognised for its mineral, agricultural, educational, tourism, manufacturing and natural resource contributions. Strategic infrastructure investments outside Sydney will benefit all of New South Wales, and it is clear that the Coalition's election commitment to do just that was heard and supported. But I reject the notion that New South Wales should be managed as two regions—country versus city. Good governance benefits everyone, and weak management drags us all down. I want maximum opportunity for my three children and future generations, no matter where they choose to live, study and work.

A well-planned, functioning Sydney is important for every family, whether they live in Gympie, Gordon, Griffith or Guyra. The inability to resolve transport inefficiencies in Sydney and Newcastle is a break on primary industries as much as lost productivity is due to urban congestion. It is shameful that nearly all of the Riverina's produce is shipped through the Port of Melbourne rather than Sydney. A container of citrus or wine can leave Griffith in the evening and be loaded on a ship in Melbourne the next day. The same journey through the Port of Botany will take two to three days. That is the legacy of 16 years of poor leadership, a lack of vision and a failure to invest.

With regard to economics matters, it may be the dismal science to its detractors, but when we ignore its fundamentals we erode opportunity and social justice; build in debilitating inefficiencies or even invite sovereign meltdown, as we have seen in Europe. Corporate accounting roles, managing a family business in Guyra with my wife for 20 years and then the experience as Executive Officer of the Statutory Authority, Riverina Citrus, have ingrained in me core principles of sound financial management. They were not always easy to adhere to and the vagaries of agriculture tested us over the years—particularly the 1994 and 2002 droughts. But as difficult as they are, I believe these lessons apply equally to a family budget, business, government agency, State and nation.

I particularly feel strongly about State induced inefficiencies. Well-intentioned support is inevitably popular and sorely needed in times of stress. But then the protection and/or funding become entrenched and are fiercely defended once established. But someone always loses and in my experience they are often the least organised or vocal. As a supplier of stock feed to drought stricken farmers in the New England, I vividly recall productive, viable farmers complaining to me about assistance given to marginal producers. The sustainable producers had preserved their pastures, built up drought supplies, managed their finances conservatively and then they bore witness to State and Federal drought aid programs that inflated the price of feed and freight and kept marginal farmers in business beyond the point that was any use to them, their community or the industry.

In Griffith, Leeton and Hillston, the Murray Darling Basin water reforms demonstrated to me similar challenges. Water reforms are tough and the protagonists unyielding. In essence they represent the unravelling of decades of State government intervention and mismanagement. But as the reforms reach some sort of consensus position, we must be careful not to penalise the efficient farmers in Australia. From an economic perspective, we must not waver from the goal of giving irrigators the tools to trade and make rational business decisions.

Removing barriers to trade is the only feasible means of ensuring a sustainable irrigation industry for the long term. Protecting private irrigation operators or restricting entitlement or allocation trade in the misguided belief of shielding an irrigation scheme or community will only delay adjustment and cause greater pain. Just ask wool producers how effective State intervention ultimately proved itself in the 1990s. I would argue that the Wool Reserve Price Scheme cost regional Australia decades of misery largely because government listened to noisy, inefficient producers and a compliant media that lacked the courage to prosecute rational, economic policy. Government has a role in identifying and assisting adjustment, but not in retarding or distorting the process.

I am proud to bring these principles to the Legislative Council. It is a credit to the Liberal Party that it remains the voice for small business and the market economy. I have spent my

entire career in business. I hope the Liberal Party continues to preselect representatives with an entrepreneurial background. As my friend and colleague the Hon. Peter Phelps reminds me, the Liberal Party needs an element of political professionals. I recognise that development, but one of the core features of our party must be that it remains a bastion for private enterprise and our parliamentary team must continue to reflect that ethos.

The second foundation I mentioned was mainstream social values. I recognise I have been fortunate with a stable, loving childhood, albeit a Queensland one. State of Origin is a confusing time for me. I pay tribute to my father, who is here today, for instilling in our family virtues of self-reliance, hard work and aspiration. My mother succumbed to dementia early in 2010. Our mother was an early encourager of my political interest, often reminding me of her grandfather's local government activities around Byron Bay. I hope it did not contribute to her condition, but as with most of my family, I prevailed on her to assist with doorknocking and other campaign activities. We miss you, Mum.

My wife Aileen has been an important part of my political journey. She is supportive, tolerant, calm, insightful, has a great antennae for BS and is definitely vigilant about any predisposition to self-importance in her partner. My children are here today. Alex, James and Nicola are everything that offspring should be: supremely disinterested in their father's politics, infuriating, heartwarming, comical, curious about the world and ultimately masters of their own destiny. I beg their continued patience for eight more years. The course I intend to take on social issues will reflect our conservative but centrist Government—hasten slowly and be mindful of the strengths of our heritage. I value our Judea Christian foundations. In my experience, including living a year abroad, Australians are instinctively open minded, good humoured, non-discriminatory and welcoming. We are at our best when we reject zealotry, from the Left or Right, and adapt to changing social norms incrementally and inclusively.

I want to speak about Aboriginal affairs. A town hall forum in Armidale that featured the Leader of the Opposition, Tony Abbott, MHR, reinforced to me that we are still some way from a satisfactory relationship with the first Australians. The gaps in health, opportunity and living standards are well known. But the Aboriginal ladies, including past Armidale Dumaresq Councillor Margaret Walford, who rose to ask questions of Mr Abbott, did not restrict themselves to issues of funding for Aboriginal services. They were not happy with descriptions such as "Indigenous Australians". They felt it emphasised their detachment from mainstream Australian life. Those present that night preferred to be known as "Australian Aboriginals".

I have always been troubled by the Welcome to Country that became the norm some years ago. I think the greatest absurdity I witnessed was listening to a white Anglo-Saxon moderator recite the welcome in Griffith to a room full of mostly Italian-heritage irrigators who were about to endure a Federal Government Murray-Darling Basin consultation on why it was a good thing to decimate their water entitlements. I would like to propose the following, which may more accurately reflect the development of our nation without diminishing our respect for the original custodians:

We welcome you to this community, which has been built on the heritage of the Aboriginal people, the endeavours of the pioneers and the nation building work of migrants.

I am sure the words could be improved and localised, but the point is that Australia is what it is today by virtue of its ancient history and modern history. To exclude more recent contributors is unsettling and a rejection of the inclusive society we strive to be.

The third foundation I wish to build on in my time in this Parliament is our environmental legacy. The next four years will be challenging as the State Government grapples with natural resource management and energy security. Living in regional Australia, I have been a witness to well-intentioned but poorly executed environmental public policy: vegetation management regulation that was introduced without consultation and enforced with the perspective that all farmers are vandals; water reform that ignores social capital and economic efficiency; a proliferation of public reserves without the resources to manage them; and, of course, the carbon debate that ignores our comparative advantage in minerals, the absence of coordinated international mitigation strategies, unrealistic aspirations for the contribution of renewable energy sources, and the heroic assumption that a local regulatory and taxation system can be constructed to manage emissions that will be economically efficient.

The words "I am from the Government and I am here to help you" should send a chill down the spine of any citizen. In essence, the argument boils down to this: Can the Government administer and cost the externalities of carbon emission without distorting our social and economic fabric? Today the answer is incontrovertibly no. We cannot measure soil sequestration accurately; rent seeking will corrupt any scheme; behaviour is unlikely to change significantly unless household compensation is removed; and the price of carbon is so high as to be nationally destructive. Our international competitors are unlikely to match our altruism but, most importantly, governments are just plain bad at efficient regulation, market intervention and taxation. As we have seen from the past four years of Federal Labor, we are more likely to get perverse outcomes that will include unnecessarily higher energy costs, wasted investment in green energy schemes and the export of jobs and industry.

But these criticisms and wariness count for little if alternative policies are not prosecuted. In the absence of a breakthrough in clean coal or affordable renewable energies that can be relied on for base load needs, nuclear energy must be considered as part of the suite of energy options for the developed economy we have in New South Wales. I would like to see the premier State lead the way in assessing nuclear power for its safety, whole-of-life economics and suitability for our grid.

Before I conclude I would like to remind this Parliament and the people of New South Wales of the debt they owe to a former State Liberal candidate who paid the ultimate sacrifice for his beliefs and courage. Donald Mackay had run twice as an endorsed Liberal candidate in State and Federal elections in the Riverina. When he was assassinated in 1977, Mr Mackay had been nominated by the Murrumbidgee Conference of the Liberal Party to run in that year's State election.

Donald Mackay had been a selfless, forthright anti-drugs and anti-organised crime campaigner for many years. He received precious little help from those who should have stood with him: the Police Force, the judiciary and the Government. And it pains me that his family still feel today that the New South Wales Liberal Party did not support them through his disappearance and subsequent investigations and inquests. Our party and the Parliament would do well to take every opportunity to honour this true hero, who stands head and shoulders above those who came before and after his too brief public life.

I will finish by acknowledging some of the many friends who have been part of my political journey. I respect and value these people for their loyalty, values and consistency. I do not mistake that for blind, uncritical support because that serves no-one productively. So I will take the risk and hope I do not miss anyone. I record my thanks to Senator Connie Fierravanti-Wells, Peter Poulos, Lynne and Terry Webster, Clive and Margaret O'Connor, the Hon. David Clarke, the Hon. Matthew Mason-Cox, the Hon. Marie Ficarra, the Hon. Mike Gallacher, Jenny and Jim Farquhar, Justin Levido, Wendy Berkley, Tom and Val Hellman, Graeme Lavis, Martha Weiderman, Councillor and former Tweed Mayor Joan van Lieshout, the late Dick White of Guyra and now his able successor Sam White, and my brother Andrew and sister Gillian and their families. I would like to record my special thanks to those who have travelled long distances from regional New South Wales centres including Grafton, the Tweed, Griffith, Armidale, Guyra, Coffs Harbour and Port Macquarie. It is more difficult to be engaged politically when you are based outside Sydney, but it will be part of my mission to make you equal partners in our democracy.

It would be remiss of me not to acknowledge my early supporters in the Armidale branch of the Liberal Party, people such as John and Marilyn Pidgeon, Rob Richardson, Irene Sharpham, Matthew Tierney, Roy Perrot and Edgar Bradley. But if I am allowed to have a favourite it would have to be Bea Bradley, who somehow cajoled me into driving from Guyra to Armidale to attend branch meetings even in July through snow and sleet. Bea is in the twilight of her life but commands the fondness and respect of a large proportion of the Armidale community. This is also the time to salute the young guns who have been with me through battles such as my 2004 tilt for the Federal seat of New England: Wade McInerny, Andy Heath, Les Wells, Dane Rosolyn, Chris Rath and Samantha Aber. I thank you all.

Senator Bill Heffernan is in a special category. Our journey has had a few speed bumps, and we disagree fiercely on some matters, notably his campaign for northern Australia's development, but his advocacy for country Australians garners respect across the political divide and is the standard for regional members of Parliament. I mention my friends and associates from Griffith. Although my time there was too short, it had a profound effect on me and I hope I can be of assistance to that community in my time here. The Chair of Riverina Citrus, Frank Battistel, and board members such as Sue Brighenti and Neil Offner are passionate, visionary people of their industry. They possess the skills necessary in leaders as the Riverina confronts some profound challenges in water reform and in terms of trade pressure. There is a small part of me that suspects that Frank and Neil appointed me in the belief that they would one day have a former executive officer in Parliament.

I also place on record my appreciation and admiration for the Queensland Agricultural College in Gatton, which is now part of the University of Queensland. The Queensland Agricultural College gave me structure and disciplined my interest in agriculture. It was the start of my tertiary education with an Associate Diploma in Farm Management. That led me to a near lifetime association with the University of New England in Armidale. For someone who left Churchie in Brisbane with a less than stellar academic record in high school it was the perfect institution to harness my skills into a Bachelor of Financial Administration, post graduate Certificate in Natural Resources and hopefully, shortly, a Masters in Environmental Management. The University of New England has been good to me. It is an important regional institution, and I remain fiercely loyal to it.

I want my inaugural speech to feature my appreciation of this Parliament. I have only been here a few short weeks but the experience has been overwhelmingly positive. From the member of Parliament induction program, to the cleaner who saved me from a Malcolm Fraser Memphis moment after an early morning shower, to the Clerks and support staff who guide and assist us as they protect the Parliament and maximise our contribution, to the colleagues who strive so hard to be worthy of this institution and the State of New South Wales, I thank you. Friends and colleagues, I stand ready to make my contribution to a Liberal-Nationals Government, the fifty-fifth Parliament of New South Wales and the citizens of this great State as a proud member of the Legislative Council. I thank you for the honour and privilege.