

# 2003 New South Wales Election

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*On 22 March 2003 the NSW Labor Government led by Premier Bob Carr became the first government in Australia to win three consecutive four-year terms. The election brought little change to the composition of the Houses or in the vote. This account analyses the election result in the light of the fortunes of both Government and Opposition in the previous four years.*

The New South Wales election on 22 March 2003 was the third in the State since introduction of fixed four-year terms. As with its two predecessors, the election produced a campaign that struggled to move out of first gear. With fixed terms having denied the media and political parties the adrenalin fix of early election speculation, a peculiar form of political ballet seems to have developed, where the Government denies it has begun campaigning, the Opposition insists the Government has, and the media avoid treating the contest as a real campaign for as long as possible.

As in 1995 and 1999, the Parliament was adjourned at the end of the previous year to a notional sitting week in February, providing a safety net in case Parliament needed to be re-convened. Parliament was prorogued on 31 January, though the campaign could not formally begin until the fixed-term provisions dissolved the Legislative Assembly on 28 February.<sup>1</sup> Writs were issued on the same day producing a 23-day campaign, four days longer than the minimum allowed under legislation. Nevertheless, this was still shorter than the minimum period permitted in any other state, and 10 days short of the minimum for Commonwealth elections.

Despite the lack of formalities, campaigning had been underway for months, more noticeably since the Australia Day end to the school holidays. Even then, the Labor Party with all the resources of government available until the formal issue of the

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<sup>1</sup> The fixed-term provisions cause the Legislative Assembly to expire on the Friday before the first Saturday in March in the fourth calendar year after the previous election. Election day is set for the fourth Saturday in March.

writs, appeared keen to be seen as governing rather than campaigning. A new parliamentary entitlement of more than \$50,000<sup>2</sup> per year for electorate mail outs was fully utilised by sitting Labor MPs (but not the Coalition) to flood the electorate with postal vote applications before the allowance was nullified by the issue of the writs. The Coalition raised the usual complaint about the cost and political content of government advertising, but from the relative impotence of opposition, struggled to gain as much attention as the Government.

The Coalition was disadvantaged by the campaign coinciding with the rising prospect of war in the Middle East. By the middle of March, it was apparent that full-scale war would commence before polling day. The first bombing of Baghdad took place on Thursday 20 March, the same day that both sides released election costings. Understandably, this campaign ritual was swamped by war news.

Tensions over the Iraq war robbed the Coalition of important free airtime in evening news bulletins, in newspapers and on talk back radio. As Sydney is the head office of most Australian media organisations, there is a noticeable tendency for the local news agenda to focus on national and international news at the expense of news on NSW politics. The campaign was pushed to the bottom of the television news bulletins and relegated to the inside pages of the newspapers. In these circumstances, an Opposition still trying to gain exposure for its new Leader, John Brogden, was always at a disadvantage against a Government and Premier well known after eight years in office.

The new international climate also played into the hands of the Carr Government. In the aftermath of the September 2001 terrorist attacks in America, and the October 2002 Bali bombing, defence, security and international relations had been moved to the forefront of Australian politics in a way not seen since the height of the Cold War. It was a change clearly harnessed by the Labor Party, whose campaign slogan, 'A Secure Future', tapped strongly into the same public mood that helped re-elect the Howard Government at the 2001 Federal election.

Starved of news coverage, restricted in its campaign budget, and with a leader less than a year in the job and still largely unknown to the electorate, the Coalition had an uphill task. Its campaign slogan, 'A Fresh Approach', was a logical theme against a government eight years in office. The problem was, the public appeared to be more focussed on security than the provision of public services, a problem the Labor Opposition had faced when campaigning on similar issues at the 2001 Federal election. The Carr Government's campaign was successful in focussing on security while keeping the lid on problems in schools, hospitals and public transport. Those problems would re-surface after the election, too late to assist the Opposition.

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<sup>2</sup> Termed an electorate mail out account, the allowance is set at \$1.30 per enrolled voter and is designed to allow MPs to communicate with voters. Average enrolment in electorates was more than 45,000 when the allowance was set.

## *The two leaders*

Bob Carr was first elected Labor leader in 1988, drafted by his party after a landslide election defeat, forced to forgo a planned career in Federal politics. A biography of Carr<sup>3</sup> written with his co-operation, released after the 2003 election and including extracts from his political diaries, reveals Carr's own early doubts that he could ever lead Labor to victory. A narrow defeat in 1991, followed by an equally narrow victory in 1995, put Carr in the Premier's office, but at a time when Labor's fortunes around the country were ebbing.

Between March 1996 and July 1998, Carr led the only Labor government in Australia, a far cry from 2003 when Labor governed in every State and territory and Carr was the country's longest-serving head of government. Victory in 2003 would give Labor a third four-year term in office, a feat not achieved by any government since four-year terms became the norm for State governments.<sup>4</sup>

The new Liberal leader, John Brogden, was, by contrast, a political newcomer. A generation younger than his opponent, the 1988 election that brought Carr to the Labor leadership was also the first State poll at which Brogden had the right to vote. First elected to Parliament at a by-election in 1996, the former NSW Young Liberal President became Liberal Leader in March 2002 on his 33rd birthday. Brogden was three years younger than former Liberal Leader Nick Greiner had been on becoming leader in 1983.

Labor went into the election with 55 of the 93 seats in the Legislative Assembly, opposed by 33 Coalition and five Independent MPs. The daunting task facing the Coalition was to generate a 6.7% uniform swing to win the nine seats that would deny Labor a majority. A swing of more than 9% was needed to give the Coalition more seats than Labor, and more than 10% for a majority Coalition government. Like Nick Greiner at his first election against Neville Wran in 1984, Brogden's real challenge was to ensure he won enough seats to make the Coalition competitive at the next election in four years time.

## *The Olympic hiatus*

Much of the austerity imposed by Treasurer Michael Egan in the first term of the Carr Government had been to ensure that the vast government commitment to

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<sup>3</sup> Marilyn Dodkin, *Bob Carr, The Reluctant Leader*, UNSW Press, Sydney 2003.

<sup>4</sup> Labor governments re-elected in Victoria, South Australia and Western Australia between 1988 and 1989 had yet to serve two full four-year terms. Between 1999 and 2002, non-Labor governments in the same states were defeated attempting to win a third four-year term. No government that has come to office since 1980 has been re-elected once it passed the eight-year milestone, with the solitary exception of Labor under Paul Keating in 1993. The Howard Government may have won a third term in 2001, but four-year terms meant Carr's administration had been in office a year longer than Howard's.

staging the 2000 Olympics did not become a financial millstone for NSW. After victory in the 1999 election, with both the budget and construction program well under control, the Olympics promised to provide an extended political honeymoon for the Carr Government. There were many major logistical, diplomatic and security issues that could have ruined the Olympics. However, in time-honoured Australian fashion, it was a bureaucratic stuff-up that produced most damage to the Carr Government's reputation.

The Sydney Organising Committee for the Olympic Games (SOCOG) had promised that tickets would be available by ballot, with an initial offer open to all and allocated in a fair and equitable manner. In October 1999, it was revealed that 600,000 tickets to some of the most popular sessions had been withdrawn from the ballot. Instead they were offered for sale as part of premium ticket packages. At some of the most popular events, as few as 10% of tickets were available through the public ballot. SOCOG's intention was noble in trying to protect the finances of the Games and therefore the taxpayer, but the secrecy was a public relations disaster. On 29 October 1999, Olympics Minister and SOCOG President Michael Knight publicly apologised for the disaster, made half a million more tickets available to the public, and accepted the Competition Commission's recommendation that the public be offered an option for refunds. Knight subsequently sidelined several senior SOCOG figures, including Chief Executive Sandy Hollway, choosing to give greater authority to several seconded senior public servants.<sup>5</sup>

The other controversies ahead of the Games were minor in comparison. Talk back radio became the aesthetic barometer of the nation over proposals for an international brass band in the opening ceremony and 'drag queens' in the closing ceremony. Producer Ric Birch reacted badly at the time, but all was forgiven afterwards as the ceremonies were greeted with rave reviews both locally and internationally. Shudders also overtook organisers just before the Games, first over several embarrassing train derailments, and then over unhappy and lost bus drivers in the week officials began to arrive in Australia. In the end, public transport, like the Games themselves, were a triumph for the organisers, for Sydney and for Australia.

Unfortunately, the success did not help Michael Knight. As he spoke with pride at the closing ceremony, having accepted the accolade from the IOC President that the Games were the best ever, few could have foreseen that his political career would be over by the end of the week. The revelation in the media of Knight's intervention to prevent SOCOG's Sandy Hollway receiving the IOC's gold medal was seen as highly vindictive. In the face of a torrent of public and media condemnation, and being damned by the faint praise of his ministerial colleagues, Knight announced he would retire at the end of the year.

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<sup>5</sup> David Clune, *Australian Journal of Politics and History* (AJPH), Political Chronicles, July to December 1999.

### ***Public transport woes***

Accidents and delays in the rail system proved to be the most persistent problem for the Carr Government in the four years of its second term. Sydney's *Daily Telegraph*, the popular morning read of many Sydney rail commuters, gave prominence to problems with derailments, late trains, fare increases and several serious accidents. The issue was tabloid media fodder compared to the complexities of funding the health system or reforming the police service.

In its first term, the Carr Government split State Rail into several organisations, each responsible for looking after different parts of the rail infrastructure, rolling stock and operations. This structural reform became a political issue on Thursday 2 December 1999 when an early morning inter-urban train ran into the back of a stationary Indian Pacific train near Glenbrook station at the foot of the Blue Mountains in Western Sydney. Seven people were killed and 51 injured. The Government appointed retired judge Peter McInerney to inquire into the accident. He found 23 factors in the disaster, including problems with signals, signal and telephone communications, and staff training. McInerney's terms of reference were later broadened to examine a rash of derailments and accidents that occurred prior to the Olympics. His final report contained major recommendations on the organisational structure of the rail system, arguing the new structure combined with the internal culture of individual rail organisations had devalued safety as an operational goal of the system.<sup>6</sup>

The Government accepted most of McInerney's recommendations, and also increased funding for rail maintenance. Problems nevertheless continued, with a major train derailment and collision on 12 July 2002 at Hexham in the Hunter Valley, with fortunately only 10 people injured. An inquiry by the Rail Safety Regulator, a position created on a recommendation of the first McInerney inquiry, highlighted inadequate maintenance and track inspection, as well as some of the communication problems responsible for the Glenbrook collision. Transport Minister Carl Scully remained under persistent pressure from the Opposition and the media over operation of the rail system. In mid-January the Opposition was still pursuing the rail safety issue, promising to create an independent rail safety ombudsman.

Events then overtook the political debate. Shortly after 7 a.m. on Friday 31 January, the same day Parliament was to be prorogued for the election, a four-car southbound Tangara train derailed and crashed while negotiating the bends near Waterfall on the southern edge of Sydney. The accident occurred on a section of track where access and mobile phone coverage were poor, making rescue and recovery operations difficult. Seven people died, including the driver; 41 people were injured.

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<sup>6</sup> D. Clune, Political Chronicles January to June 2000, *AJPH*. Details on the McInerney inquiry taken from the website <<http://www.waterfalltraindisaster.com.au/>>

So close to an election, and with so many previous problems, the accident metaphorically derailed the Government's election campaign and became a major problem of political management. The Premier visited the accident site within hours, and at once appointed Peter McInerney to conduct another inquiry. With the sensitivities of the issue, both sides were cautious in their approach. A public inquiry would take time, and some in the Opposition and the media viewed this as an attempt to defuse the issue ahead of the election. Ministers publicly refused to speculate on the cause of the crash, though as the Opposition pointed out, ministerial minds briefed the media on speed being an obvious factor in the crash. The Government responded by warning that the Opposition would be 'devoured by an angry electorate' if it tried to politicise the issue.<sup>7</sup>

Early investigations indicated that sabotage, communication problems and the state of the track were unlikely to be factors in the accident. The train appeared to have been going too fast for the section of track, but the reason was not known. On the day of the accident, Transport Minister Scully indicated that 'black box' data loggers on the train would reveal the speed of the train. The loggers had been a recommendation of the first McInerney Inquiry, and had been fitted to more than 80% of suburban trains. Unfortunately for Scully, it was revealed the next day that loggers had been fitted but were not yet operational, making it harder to pin the high speed down to driver or equipment failure. Scully's standing was damaged by his handling of the accident, and the Government appeared to keep him away from the media spotlight for the rest of the campaign. Television news bulletins all noted the absence of the Premier when Scully launched the Government's Transport policy. In the last fortnight of the campaign, Scully was singled out for attack by prominent radio talk show host Alan Jones.

As it began to appear that the Waterfall accident was not related to previous incidents, the Government became more willing to release details of the investigation. Transport NSW Director General Michael Deegan briefed the media on technical reports from the Rail Safety Bureau, suggesting this was done with the approval of the accident inquiry. This was denied by McInerney several days later, creating more confusion and bad headlines.<sup>8</sup> Despite the potential for the Waterfall accident to ruin the Government's election campaign, in the end it did not become a major factor.

After the election, new Minister Michael Costa sacked Michael Deegan, and then set about handling the politics of a string of transport problems. The Waterfall inquiry began to reveal problems with both equipment maintenance and driver training. (At the time of writing, the inquiry is continuing.) It was revealed that engineers had discovered the important Menangle rail bridge on Sydney's south-west fringe was structurally unsound, recommending its closure as the campaign began in early March. No action was taken and the Minister's office was not

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<sup>7</sup> *Sydney Morning Herald*, 4 February 2003.

<sup>8</sup> *Daily Telegraph*, 5 March 2003.

informed, an investigation of the circumstances passed to the Independent Commission Against Corruption. Costa also announced the much heralded Chatswood to Parramatta rail link may not go ahead in full, and that rail fares may have to rise to improve services. Finally, major problems were revealed with the much hyped Millennium trains. These new trains for the suburban rail system had been commissioned as the Olympic Trains, but were now several years late, massively over budget and still suffering technical problems.

All of these issues were examples of problems highlighted by the Opposition during the campaign. The election would have been more difficult for the Government had any of them become public knowledge before March 22.

### *Law and order*

After dominating the 1995 election campaign, law and order took a lower profile in the first term of the Carr Government, in part as the revelations of the Wood Royal Commission into police corruption made reform of the Police Service itself the bigger issue. The Government went outside of New South Wales to Britain in 1996 to recruit a new Commissioner in Peter Ryan, giving him a brief to reform the Police Service. The 1999 campaign, in which law and order were less prominent, saw the Premier and the Government happy to be shown, both physically and metaphorically, shoulder to shoulder with the popular new Police Commissioner. The relationship soured in the Government's second term, the Commissioner slowly undermined by opposition both within and outside of the service, as the performance of the reformed Police Service in dealing with crime on the streets became a more important issue.

An emerging issue was 'ethnic' or 'gang' crime, and in particular, the effectiveness of policing in Cabramatta. The centre of Sydney's south-east Asian communities, Cabramatta had also become the centre of Sydney's illegal drug trade, especially in heroin. Arguments about the effectiveness of policing in Cabramatta continued for several years, generating parliamentary inquiries and claim and counter claim. Whatever the rights and wrongs of the various claims, it became an issue about which the Government needed to be seen to 'do something'.

In September 2001, the Government faced a by-election in the safe western suburbs seat of Auburn, a seat with one of the highest populations of migrants in the State, and, in particular, a large Muslim and Middle Eastern population. At this time, Peter Ryan's handling of the police was coming under increasing attack from morning talk show host Alan Jones, who frequently provided a platform for Ryan's fiercest critics. In the run-up to the by-election, Jones's attacks became unrelenting, and at the time Carr spoke of the need for ethnic leaders to take a firmer stance against any criminal activities in their communities.

Two events then muddied the waters. The first was the appearance in court of the first in a string of young men of Lebanese background charged with a series of gang

rapes in western Sydney. The ethnic origins of the youths, made an issue by the attackers as well as the media, combined with the arrival of *Tampa* and its boatload of Middle Eastern asylum seekers in late August. The Auburn by-election on 8 September saw Labor's primary vote fall 12.9%, though the Liberal primary vote rose only 2.6%. The peculiar migrant mix in Auburn generated a swing against Labor because the Premier had raised ethnicity in relation to crime. However, perceptions of ethnic crime, together with the *Tampa* incident and the September 11 terrorist attacks in the United States combined to create a potent mix of crime, security and ethnicity just as the campaign began for the November 2001 Federal election. The two-party swing to the Howard Government in NSW was 3.0%, higher still in Sydney, Newcastle and Wollongong, compared to 1.3% in the rest of the country.

Shortly after the Federal election, Police Minister Paul Whelan resigned from Cabinet and announced he would not contest the next State election. Michael Costa, former Secretary of the NSW Labor Council, was catapulted into the job. Costa became Police Minister on 21 November 2001, just two months after being appointed to the Legislative Council. In an unusual move, prior to his appointment as Police Minister, Costa met and received the approval of Alan Jones, fiercest critic of the Government's policing policies.<sup>9</sup> While some saw Costa's appointment as a 'high risk experiment', he was clearly given the task by Carr of controlling the law and order debate ahead of the 2003 election.<sup>10</sup>

The position of Commissioner Peter Ryan now looked shaky. Rumours persisted that the Government would move to dismiss him or that Ryan was looking for a new job. In April 2002 it was announced Ryan would be leaving. After some initial confusion about who took the initiative, it was agreed that a 'mutually agreed termination' had been reached. It was later revealed Ryan was taking on the job as head of security at the Athens Olympics. Deputy Commissioner Ken Moroney was appointed as the new Commissioner.<sup>11</sup> The problems of policing in Cabramatta seemed to attract less attention following the departure of Ryan, while the Bali bombings in October 2002 shifted some of the public focus from crime to issues of security.

The likelihood of law and order dominating the 2003 campaign depended on the report of the Bureau of Crime Statistics on 4 March, the first week of the formal campaign. To the relief of the Government, possible disappointment of the Opposition, and disbelief of some commentators, the statistics saw falls in crime in most categories, especially in the property crimes traditionally associated with drug use. There were some rises in offences against person, highlighted by the Opposition. However, the net effect of the report was to neutralise law and order as an issue, having denied the Opposition the sort of blaring 'crime up' headlines so

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<sup>9</sup> *Sydney Morning Herald*, 21 November 2001, *Australian* 22 January 2001.

<sup>10</sup> David Clune, Political Chronicles January to June 2002, *AJPH*.

<sup>11</sup> *Ibid.*



loved by campaign managers. Both sides continued to display their tough on crime credentials, particularly with tougher bail conditions, tougher sentences and minimum sentence guidelines. Despite the prominence, the issues failed to ignite the campaign in the Opposition's favour.

### *The Opposition Leadership*

When Peter Collins was deposed as Liberal Leader in a December 1998 party coup, the justification was he was leading the Coalition to disaster. Unfortunately for new Leader Kerry Chikarovski, her performance in the 1999 campaign was patchy, and the Coalition suffered a terrible defeat. The loss of seats and senior frontbenchers left the Coalition weakened and with no obvious leadership alternative. Chikarovski remained leader, though her chances of remaining in the position until the 2003 election remained in doubt. A challenge before the Olympics was always unlikely. Then a good performance over the 'Tripodi affair' in 2001<sup>12</sup> combined with hints from Canberra in the run-up to the Federal election prevented factional pressure boiling over into a challenge to her leadership.

Chikarovski's problem was her opinion poll ratings. Traditionally, Opposition Leaders come to the job with a substantial 'undecided/don't know' rating. Coming to the leadership in the white heat of a campaign, Chikarovski quickly became well known, but unfortunately it appeared the public formed a negative opinion. For most of her period as leader, more than half the electorate expressed dissatisfaction with her performance as Leader of the Opposition. Ironically, she recorded her best rating in the final Newspoll taken while she was leader when 32% expressed satisfaction in her performance and 42% dissatisfaction. Chikarovski's best Newspoll rating occurred in September-October 2001, coinciding with the period between the arrival of *Tampa* and the Federal election, when she polled 19% as preferred Premier against Bob Carr's 57%, his worst performance in the same period.<sup>13</sup>

The problem for the obvious alternative leaders, Deputy Leader Barry O'Farrell and frontbencher Chris Hartcher, was that both appeared to have equal support in the party room. In June 2000, Shadow Treasurer Peter Debnam left the frontbench after privately telling Chikarovski she should resign. Veteran backbencher Kevin Rozzoli then tried to flush out a challenger by moving a vote of no-confidence. No challenger emerged, both Hartcher and O'Farrell supporting Chikarovski, though the 18-11 party vote hardly indicated overwhelming support.<sup>14</sup>

The challenge finally came as a surprise when Pittwater MP John Brogden announced he would run in March 2002, with the support of Chris Hartcher standing as Deputy. Chikarovski, with O'Farrell as her organiser, accepted the challenge

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<sup>12</sup> This concerned allegations of improper sexual behaviour by a Labor backbencher. See D. Clune, Political Chronicles July to December 2000, *AJPH*.

<sup>13</sup> Newspoll <[www.newspoll.com.au](http://www.newspoll.com.au)>

<sup>14</sup> D. Clune, Political Chronicles, *AJPH*.

rather than rely on whether sufficient MPs supported a spill motion. Outside of the partyroom, support for Brogden came from former Premier Nick Greiner, party fundraisers and the left of the Party, while commentators such as Alan Jones and supporters of Prime Minister Howard generally campaigned for Chikarovski.

The ballot took place on 28 March 2002. It was Brogden's 33<sup>rd</sup> birthday, and he won the ballot by the barest majority, 15-14. His winning margin came down to Judy Hopwood, having her first party room vote after winning the Hornsby by-election in February. Brogden's new frontbench retained Chikarovski, resurrected former leader Peter Collins as well as Peter Debnam, while Barry O'Farrell was temporarily demoted, returning later in the year after passions had cooled.

Despite the National Party's poor performance in 1999, new leader George Souris was retained after the election, taking on the Shadow Treasurer's job when John Brogden became Liberal Leader. The Coalition also announced there would be no three-cornered contests at the 2003 election, the two parties having learnt their lesson after losing Clarence in 1999.<sup>15</sup> The National Party victory at the December 2001 Tamworth by-election following the departure of Independent Tony Windsor for Federal politics was a boost to the party. However, this was nullified in March 2002 when Port Macquarie MP Rob Oakeshott resigned to sit as an Independent, accusing local party branches of having been stacked by property developers. Oakeshott's departure was a significant loss to the party. One of its younger MPs, he had performed well as Shadow Racing and Gaming Spokesman in revealing problems with the Government's supervision of Sydney Casino.

### *Minor parties and independents*

At the 1999 election, Pauline Hanson's One Nation had polled 7.5% in the Legislative Assembly, higher than had been expected. The party also polled 6.3% in the 'tablecloth' Legislative Council election, electing David Oldfield but denied a second MLC by preference flows. In the Legislative Assembly, One Nation chose to show no preferences on its how-to-vote cards. Thus, under NSW's system of optional preferential voting, 50–60% of One Nation votes exhausted their preferences, inflating Labor's margin of victory in many seats.

Relations between Hanson and Oldfield disintegrated after the 1999 election. In the complex process to re-register the party under revised electoral laws, Oldfield seized control of the party which was renamed One Nation NSW. Oldfield himself found that he did not have complete support in his new party. He was defeated in court in an attempt to have his wife Lisa endorsed as the party's lead Legislative Council candidate in 2003. Hanson launched an Independent Legislative Council

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<sup>15</sup> Over half of One Nation preferences and 30% of Liberal preferences exhausted before reaching the National Party. This allowed Labor to win Clarence despite Labor trailing the combined Coalition primary vote 43.2% to 36.9%.

challenge. She was not successful herself. But by splitting the far-right vote, she prevented One Nation winning a seat (see Legislative Council result details below).

In line with trends elsewhere in Australia, the Australian Democrats were eclipsed in the run-up to the 2003 election by the Greens. Despite good performances at Federal elections, the Democrats had never been a powerful force in NSW State politics, polling more than 5% in either house only once, at the 1991 election. At the 2001 Federal election, the Democrats had out-pollled the Greens in the NSW Senate vote, but a complex flow of preferences delivered the seat previously held by Democrat Senator Vicki Bourne to Kerry Nettle of the Greens.

Events in 2002 indicated the Greens would poll well at the State election. In October, Michael Organ won the Federal by-election in the usually safe Labor seat of Cunningham, a blow to Federal Labor leader Simon Crean. The Carr Government moved the next week to limit the chances of the Greens capitalising on a series of contentious inner-Sydney development issues. The Government abandoned plans to close and sell schools in Hunters Hill, Marrickville and Erskineville, and also decided not to sell part of the former Rozelle Hospital. In the Victorian State election in November 2002 the Greens polled 9.7% state-wide, running a close second to Labor in several inner-city seats, and also polling well in safe inner-Melbourne Liberal seats.

The best chances for the Greens to win seats were inner city Port Jackson, held by Tourism Minister Sandra Nori, and Marrickville held by Deputy Premier Andrew Refshauge. State-wide polls indicated the Greens were headed for a record vote, Newspoll recording 9% (March 19–20), AC Nielsen 11% (March 12–13) while telephone polls conducted by Roy Morgan Research around the same time saw Green support at 13% and 16%.<sup>16</sup> However, the Greens's chances of success were ended by a front page story in the *Sunday Telegraph* on 2 March highlighting the party's libertarian position on drugs. As a result, John Brogden announced the Liberal Party would not direct preferences to the Greens and urged the Premier to do the same. (The Labor Party declined this challenge.) This ruined the chances of the Greens winning their target seats, though the Greens did win an extra member in the Legislative Council.

Once again, the real challenge to the major parties came from locally-based Independents. As well as the large number of Mayors nominating for the major parties,<sup>17</sup> several nominated as Independents, helping build a profile for local government elections set down for later in the year.<sup>18</sup> The Coalition had its task of

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<sup>16</sup> [www.newspoll.com.au](http://www.newspoll.com.au), [www.roymorgan.com.au](http://www.roymorgan.com.au). AC Nielsen poll sourced from *Sydney Morning Herald*, 22 March 2003.

<sup>17</sup> See *Sun-Herald* 15 December 2002, *Sydney Morning Herald* 23 January 2003.

<sup>18</sup> One of the Government's first actions after the election was to defer local elections until March 2004, giving more time for the Electoral Office to prepare, and also to encourage more council amalgamations.

winning made harder by Independent challenges in a string of safe seats. Liberal Party pre-selection disputes resulted in competing conservative candidates nominating as independents in Bega, South Coast and Willoughby. The Liberal Party also faced significant challenges in Cronulla and Hawkesbury, and the National Party in Barwon, Coffs Harbour, Myall Lakes and Tamworth. Apart from the Greens, Labor faced few distractions from the main game of winning the marginal seats.

### ***Other issues in the campaign***

In mid-2002, a political storm developed following a *Sydney Morning Herald* story investigating the Canterbury-Bankstown Bulldogs rugby league club for exceeding the National Rugby League salary cap. It appeared that some of the overpayments had been hidden in the finances of the Oasis project at Liverpool, a development involving a new club and associated poker machine licences, as well as public sporting facilities and residential development.

Politics became involved in the issue when it was claimed that Mining and Fisheries Minister Eddie Obeid had tried to solicit a bribe for the Labor Party. The proposed club had run into problems because of the Government's poker machine cap. Lobbying on behalf of the project involved direct meetings with several senior ministers. The ICAC investigated the issue and found no evidence of corruption against Obeid, a key factional player in the right-wing of the Labor Party. While Obeid was not well known to the public, he was one of Parliament's wealthiest members, and the Opposition discovered that his parliamentary register of pecuniary interests contained errors and omissions. The Legislative Council's Privileges Committee investigated the breach and Obeid was forced to correct the record and apologise for the mistake. Closer to the election, Obeid's involvement in the controversial Parramatta pre-selection produced more bad headlines for Labor.

Labor responded to the Coalition's pursuit of Obeid with allegations in November 2002 of a conflict of interest by Brogden. Between 1997 and 2001, Brogden had been paid a \$25,000 per year consultancy through his private company by Pricewaterhouse-Cooper Legal. This included a period when Brogden was Shadow Planning spokesman and the company had been dealing with the Government on housing developments. While Brogden had recorded the pecuniary interest, its nature was not declared in full detail, and Labor raised the spectre of 'cash for questions'. The ICAC looked at the matter and decided there had not been any corrupt conduct or breach of the Parliament's code of conduct. The allegations led to an angry Brogden confronting his main accuser, Deputy Premier Andrew Refshauge, outside of Parliament in front of the press gallery with cameras and tapes rolling, an action viewed as unwise by most commentators.

Having already announced plans to retire, Racing and Gaming Minister Richard Face made plans to work as a consultant in the same field after the election, even registering a company for the purpose. His plans became known to the media, and

while Face denied any conflict of interest in his preparations, the Premier clearly recognised an issue he did not want distracting his campaign. Face resigned from the Ministry in mid-February.

Both sides campaigned on education, promising increased teacher numbers for the early years of school. The Premier seemed to visit schools on most days of the campaign, shots of him with smiling young children featuring in numerous TV news bulletins. Media revelations of schools with large numbers of temporary classrooms caused a few problems for the Government but, in the end, the promises of both sides neutralised education as an issue.

Health also played a relatively low profile in the campaign, a measure of the deft political control Health Minister Craig Knowles had kept on the portfolio for four years. Questions about the reliability of waiting list figures, and whether hospital emergency wards were turning away ambulances arose in the campaign. As with public transport, the full details of these problems were not revealed until after the election.

So low key was the actual campaign that the media was dominated one day by the Premier's opinion on the relative merits of sausage rolls and meat pies. A throw away remark by the Premier to two journalists indulging in a coca-cola and sausage roll breakfast on the run was printed in the *Daily Telegraph* and picked up by morning talkback radio. The Premier's media adviser responded with a stunt at a pie shop, the Premier downing his preferred meat pie with sauce, his wife Helena dutifully eating her preferred sausage roll. It was that sort of campaign.<sup>19</sup>

This was the first campaign in which Carr's wife featured prominently. Malaysian-born Helena Carr is a successful businesswoman in her own right, somehow finding time away from business to perform duties as the State's first lady. Fixed-term elections provide political parties a new opportunity to pre-plan advertising, and in a political first, an eight page advertorial on Bob and Helena Carr was inserted in all NSW copies of the *Australian Women's Weekly*, published in mid-February. The colourful insert, with text written from Helena's viewpoint, outlined their personal story together, and was clearly aimed at improving the Premier's image with female voters. Helena also appeared in and voiced Labor's most repeated television advert of the campaign.

In modern elections, campaign launches seem to have been marginalised with policies now released throughout a campaign to generate daily headlines. Labor's launch took place on Sunday 9 March in Penrith, the Liberals' one week later in Sutherland, one week before polling day. Not surprisingly, the Liberal Party chose to use the Prime Minister to introduce Brogden, the Labor Party responding the same night by airing television ads directly attacking Brogden. Unlike 1999, the Labor Party sometimes chose to name and attack the Liberal Party leader.

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<sup>19</sup> See *Daily Telegraph*, 26 and 27 February 2003.

Both sides released the costs of their promises on the Thursday before the election. Costed by State Treasury, Labor's promises came to \$805 million in recurrent costs with \$828 million in capital expenditure. The Coalition's promises, costed by accountants KPMG, came to \$808 million recurrent with \$1,911 million in capital expenditure.<sup>20</sup> Both sides claimed their opponents had underestimated the cost of all promises. As it turned out, the whole exercise received almost no coverage, State politics being overwhelmed that night by reports of the first bombs dropped in Iraq.

Based on Newspoll surveys, the Labor Party maintained a lead over the Coalition through most of its second term, with the notable exception of the period around the Federal election, from July 2001 to February 2002. Labor fell behind again just after Brogden took over the Liberal leadership, but Labor regained and then increased its lead until the State election. By the election, Carr's Preferred Premier rating according to Newspoll had returned to 64%, Brogden rating 22%, slightly better than Chikarovski had. On the Opposition Leader satisfaction rating, Brogden had more positives than negatives, a better performance than Chikarovski's, finishing the campaign with a 44% satisfaction rating to 33% dissatisfaction. This was an improvement on early in the campaign, when the *Daily Telegraph* ran polls and accompanying unflattering stories indicating 56% of voters did not know who the Leader of the Opposition was.<sup>21</sup>

Eighteen lower house MPs retired at the election, including former Ministers Ernie Page, Paul Whelan, Fay Lo Po, Gabriel Harrison, along with Speaker John Murray and current Minister Harry Woods. Former Liberal leaders Peter Collins and Chikarovski retired, as did Liberal backbencher Kevin Rozzoli after 30 years in Parliament. The Independent Lord Mayor of Sydney Frank Sartor joined the Labor Party and was nominated for Rockdale, going straight into the Ministry after the election — interesting given he had run against Labor's Sandra Nori in 1988. The Director-General of the Department of Aboriginal Affairs, Linda Burney, won the safe seat of Canterbury for Labor, becoming the first indigenous MP elected to the NSW Parliament.

Once again, New South Wales continued its record of being the only State where the two leaders contesting office did not debate face to face. Carr again refused to debate his opponent, claiming he had been re-buffed by Greiner and Fahey previously. ABC's *Stateline* conducted two special programs before the election, with a panel of journalists interviewing both leaders separately. Brogden performed well in his appearance a week before the election, while Carr's appearance on election eve was buried by coverage of the Iraq war.

The key battleground of the election was morning talk back radio, with both leaders making frequent appearances on 2GB with Alan Jones, 2UE with Steve Price, and on ABC local radio. Jones in particular was critical of the Government, though on a

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<sup>20</sup> *Sydney Morning Herald* 21 March 2003.

<sup>21</sup> *Daily Telegraph* 10 February 2003.

range of issues not always picked up by other media, such as land tax and policies producing higher densities in Sydney suburbs. Property valuations, land tax and the premium property tax were major issues for the minority of voters who paid the taxes, but of limited interest to the wider electorate. Similarly, policies to increase urban population densities were an issue in parts of Sydney, but failed to become major issues for the lack of any alternative policies to deal with Sydney's growth.

Despite the rise of the Greens, the environment did not become a major issue, in part because the Labor Party went to considerable effort to publicise its environmental credentials. After his appearances with school children, the most frequent image of the Premier during the campaign was with Helena in a newly declared National Park. Environment groups also found themselves prevented from campaigning by the tight restrictions on how-to-vote material under NSW electoral law. The Greens themselves seemed to pay more attention to campaigning either on local issues in electorates like Port Jackson, or more broadly in opposition to the war in Iraq. As with the 2001 Federal election, the rise in support for the Greens seems to be as an alternative left party rather than as an environmental party.

The most extraordinary aspect of the campaign was the saturation television and radio advertising by the Labor Party. From preliminary expenditure returns, the Labor Party spent in the order of \$11.4 million on the campaign compared to around \$5 million by the Coalition. Labor spent \$6.4 million on television advertising, including prime spots in the cricket World Cup coverage, and around \$1 million on radio advertising, compared to \$2.4 million and \$250,000 by the Coalition.<sup>22</sup>

### *The results*

After all the campaigning, only five seats changed party. On the North Coast, Labor had always expected to lose Clarence with the retirement of sitting MP Harry Woods. That seat was won by the National Party's Steve Cansdell. Labor's second loss was in South Coast, a seat Labor had been surprised to win in 1999. Compensating for these, Labor won the outer south-west Sydney seat of Camden, leaving the Liberal Party with only three seats in greater Sydney outside its North Shore heartland. Labor also won the southern rural seat of Monaro, Labor's candidate Steve Whan having come close to winning the overlapping Federal seat at both the 1998 and 2001 Federal elections. The other seat to change hands was Tamworth, regained by the National Party at a December 2001 by-election, only to be lost to Independent Peter Draper in 2003.

All sitting Independents were returned, including ex-National MP Rob Oakeshott in Port Macquarie. The National Party was disappointed not to defeat Tony McGrane in Dubbo, and despite vigorous campaigning and the promise of an expensive road

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<sup>22</sup> These are preliminary figures taken from Election Funding Authority returns. There are some inconsistencies based on expenditure charged to party central campaigns, and costs disbursed to candidates.

tunnel to replace the Spit Bridge, the Liberal Party again lost Manly to Independent David Barr. Two former Young Liberal Presidents were elected in the face of Independent challenges, Andrew Constance in Bega and Gladys Berejiklian in Willoughby, winning by just 144 votes after withstanding a high-profile campaign by local Mayor Pat Reilly. Deputy Liberal Leader Chris Hartcher also survived a tight race, staving off his Labor opponent by just 272 votes.

The death of the sitting Labor MP for Londonderry, Jim Anderson, delayed the election in that seat until 31 May. The Liberal Party did not contest the seat. Overall, the State-wide two-party preferred swing to Labor was 0.2%, Labor's primary vote up 0.47%, the Liberal vote down 0.1% and the National vote rising 0.76% in the absence of three-cornered contests. The Greens did not perform as well as polls had indicated, but were still the big winners, up 4.37% after contesting all seats, the Democrats down 2.42% and One Nation the biggest losers, down 6.25%.

With so little change in seat numbers or vote share, the overall result appeared to have maintained the *status quo* from 1999. Yet this view overlooks how close the Coalition came to losing several seats, and also how Labor significantly increased its strength in marginal seats. Despite the lack of overall swing, there were dramatic shifts in a string of key seats, such as Ryde (swing to Labor 8.9%), Kogarah (11.7%), Maitland (8.0%), Miranda (6.9%), Strathfield (7.4%) and Menai (5.3%). Five of these were Liberal marginal seats going into the 1999 election, while Kogarah was Labor's most marginal seat in 1999. All now sit safely on the Labor side of the electoral pendulum with double-digit margins. The result sees no change to the nine seats needed for the Coalition to deprive Labor of its majority, but the swing to achieve this has increased from 6.7% to 9.1%.<sup>23</sup> Majority Coalition government would take a swing of more than 12%.

By the 2007 election, Labor will have been in office for 12 years and facing the 'it's time' factor in trying to win a fourth term. Labor's two-to-one outspending of the Coalition in 2003 looks excessive in terms of the challenge faced, but was an investment to increase Labor's buffer for the 2007 elections.

For John Brogden and the Coalition, the hope will be that some of the margins in Labor-held seats are inflated. At the 2001 Federal election, the Liberal Party won all of the seats in the mortgage belt fringe of Sydney, the same areas won so convincingly by Labor in 2003. In 2007 the Coalition will attempt to harness the same '12 years hard Labor' mood that defeated the Unsworth Government in 1988. Despite the large swing required to defeat the Carr Government, defeat in 2007 should not be viewed as out of the question.

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<sup>23</sup> A redistribution will take place before the next election, possibly altering the required swing.



## *The Legislative Council*

The 1999 Legislative Council election was famous as the so-called 'tablecloth' election, when the nomination of 264 candidates representing 81 different groups produced a ballot paper measuring a metre by 700 millimetres. The size of the ballot paper produced enormous difficulties for the State Electoral Office, forced to increase the width of voting booths and hire special equipment to cope with the extra weight of paper. To add to confusion, a freak hailstorm smashed the roof at the counting centre, creating an asbestos scare that further complicated the count.

The key problem in 1999 had been the lax rules for registration of political parties, and the abuse of group ticket or 'above the line' voting. Both played their part in electing Malcolm Jones from the Outdoor Recreation Party, successful although his party won only 7,264 votes, 0.04 of a quota. Ticket preferences from 21 other parties put Jones in Parliament ahead of candidates from all other minor parties.

After initially toying with major changes including altering the powers of the Council, the Government eventually pursued a simpler course that avoided the need for a referendum. While the Council's counting system and powers are entrenched in the Constitution, procedures for registering political parties and defining group tickets votes are contained in normal electoral legislation.

Party registration was toughened, with the number of members required to register a party increased from 200 to 750. Rather than the previous system that allowed party registration to be sourced from methods such as names collected for petitions, parties in future had to maintain a formal membership register and pay a registration fee to the Electoral Office. No voter could count as a member of more than one party, and every 12 months a party had to verify it still had the required number of members. The most undemocratic of the reforms was a requirement that parties be registered 12 months before a State election.

The voting system was altered to change the way votes for individual candidates were implied from group ticket votes. Under the new system, a single group ticket vote would imply preferences for the selected group, but the ability for the ticket vote to direct preferences beyond to other groups was abolished. As the NSW Constitution requires 15 preferences for a formal vote, the change also forced parties to nominate at least 15 candidates to access a group voting square, effectively increasing the nomination deposit for parties. By preventing the distribution of ticket preferences to other groups on the ballot paper, the average number of preferences per ballot paper was decreased, making it more likely that candidates would fill final vacancies with less than a full quota of votes.<sup>24</sup>

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<sup>24</sup> Because the Constitution did not make provision for dealing with candidates disqualified from the count, a special provision allowed a group losing a candidate to direct preferences to other groups on the ballot paper. This provision was not required in 2003.

A new form of 'above the line' voting was also introduced. In the same way a voter can vote for candidates 'below the line', a preference vote can now be cast for parties above the line. A ballot paper marked, for instance, 1 Democrat, 2 Green and 3 Labor, would have preferences distributed to candidates in each of these parties as they appeared on the ballot paper. In summary, the only preferences in the count were those filled in by voters, either above the line for parties or below the line for candidates. By abolishing the previous system of ticket preferences, the scope for parties to do backroom deals with each other was abolished. It also disadvantaged like-minded groups competing against each other, where the old system would have allowed them to swap preferences.<sup>25</sup>

As a consequence of these changes, the number of candidates rose to 284, all groups nominating 15–21 candidates. However, the number of columns on the ballot paper fell from 81 to 16, greatly reducing its size. The proportion of informal votes fell from 7.2% to 5.3%, while ticket voting rose from 96.2% to 98.2%. At this stage, it is not known what proportion of voters used the new form of 'above the line' voting.

All groups nominated 15-21 candidates and had a group voting square, only the final 'ungrouped' column lacking this option. Fourteen groups consisted of Registered parties, the fifteenth being Pauline Hanson's independent group, disadvantaged as the only group on the ballot paper without a party name above the line. At 82.3%, Hanson's group had the lowest proportion of above the line votes, many people voting for Hanson as a candidate below the line before directing preferences themselves. At this stage, there is no analysis of the informal votes, but there have been suggestions that Hanson lost votes through insufficient preferences being marked.

In these circumstances, the proportion of voters directing preferences fell dramatically. Of the 21 vacancies, 17 were filled on the initial counts with full quotas, 9 to Labor, 7 to the Coalition and one Green. At that point, the remaining partial quotas were Greens 0.89, Christian Democrats 0.67, Labor 0.58, Shooters Party 0.45 and Pauline Hanson 0.42. More than 90% of all preferences exhausted, no further candidates reaching a quota, the final four vacancies going to the Greens, Christian Democrats, Labor and the Shooters Party, with Hanson the last candidate excluded.

The changes to the electoral system worked as expected. Parties needed a significant primary vote to have a chance of electing candidates. As shown by the split of vote between Hanson and One Nation, competing groups were disadvantaged by the failure of preferences to flow. When the final One Nation candidate was excluded, 84% of preferences exhausted, with less than 1% flowing to Hanson. John Tingle's election to the final vacancy for the Shooters Party owed much to drawing column C on the ballot paper, next to the Coalition and One

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<sup>25</sup> For more details on the new electoral system, see Antony Green, *Prospects for the 2003 Legislative Council Election*, NSW Parliamentary Library Research Service, Background Paper No 3/03.

Nation, while Hanson was disadvantaged without a party name and having drawn Group L to the right of the ballot paper.

### *Changes to the frontbenches*

Safely back in office, the Carr Government engaged in a major re-shuffle, for the first time splitting the 21-member ministry into an inner cabinet of 14 with seven members in the outer ministry. There were shifts for several senior ministers — Deputy Premier Andrew Refshauge from Planning to Education, replacing John Watkins who moved to Police. Having taken on one difficult portfolio in Police, Michael Costa now moved to Transport Services, responsible for public transport. Former Sport and Public Works Minister Morris Iemma received a major elevation to the Health portfolio, replacing Craig Knowles, who as well as now being seen by many as the heir apparent if Bob Carr retires, received the new super-portfolio of Infrastructure Planning and Natural Resources. Former Sydney Lord Mayor Frank Sartor leapt straight into Cabinet as Minister for Utilities, Science and Medical Research. Major losers were Carl Scully, left with only Roads from his old Transport portfolio, augmented with responsibility for Housing, and former Ministers Eddie Obeid, Richard Amery and John Aquilina, all encouraged to stand aside from the ministry to make way for new blood.

Another minister, Kim Yeadon, was dumped by his left faction.

Having been blooded in the election campaign, John Brogden was re-elected unopposed as Liberal Leader, also taking over responsibility for Treasury matters. Chris Hartcher was replaced by Barry O'Farrell as Deputy Liberal Leader. George Souris resigned as National Party leader. He was succeeded by Andrew Stoner, member for the North Coast seat of Oxley. Ballina MP Don Page took on the deputy's job. ▲

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**Legislative Assembly (Roll 4,272,104)**

| Party                        | Candidates<br>Seats |                  | Votes        | % Vote       |       | Swing |        |
|------------------------------|---------------------|------------------|--------------|--------------|-------|-------|--------|
|                              | 2001                | (1999)           |              |              |       | Won   | Change |
| Labor Party                  | 93                  | (93)             | 1,631,018    | 42.68        | +0.47 | 55    | ..     |
| Liberal Party                | 71                  | (77)             | 944,888      | 24.72        | -0.10 | 20    | ..     |
| National Party               | 21                  | (23)             | 368,004      | 9.63         | +0.76 | 12    | -1     |
| Greens                       | 93                  | (81)             | 315,370      | 8.25         | +4.37 | ..    | ..     |
| Christian Democrats          | 52                  | (42)             | 65,973       | 1.73         | +0.24 | ..    | ..     |
| Unity                        | 51                  | (28)             | 49,597       | 1.30         | +0.24 | ..    | ..     |
| One Nation NSW               | 56                  | (88)             | 48,846       | 1.28         | -6.25 | ..    | ..     |
| Australian Democrats         | 55                  | (75)             | 35,477       | 0.93         | -2.40 | ..    | ..     |
| Independents / Others        | 168                 | (225)            | 362,631      | 9.49         | +2.67 | 6     | +1     |
|                              | 660                 | (732)            |              |              |       |       |        |
| <b>Informal</b>              |                     | <b>102,872</b>   | <b>2.62</b>  | <b>+0.11</b> |       |       |        |
| <b>Total Votes / Turnout</b> |                     | <b>3,924,676</b> | <b>91.87</b> |              |       |       |        |

Note: Of the Labor candidates, 22 appeared on the ballot paper as Country Labor.

**Legislative Council**

| Party                  | Votes     | %     | Swing  | Quotas | MLCs Elected |      | Total<br>MLCs | Change |
|------------------------|-----------|-------|--------|--------|--------------|------|---------------|--------|
|                        |           |       |        |        | 2003         | 1999 |               |        |
| Labor Party            | 1,620,190 | 43.54 | +6.27  | 9.58   | 10           | 8    | 18            | +2     |
| Liberal/National Party | 1,239,107 | 33.30 | +5.91  | 7.33   | 5/2          | 4/2  | 9/4           | -1     |
| Greens                 | 320,010   | 8.60  | +5.69  | 1.89   | 2            | 1    | 3             | +1     |
| Christian Democrats    | 112,865   | 3.03  | -0.14  | 0.67   | 1            | 1    | 2             | ..     |
| Shooters Party         | 76,133    | 2.05  | +0.38  | 0.45   | 1            | ..   | 1             | ..     |
| Independent (Hanson)   | 71,368    | 1.92  | +1.92  | 0.42   | ..           | ..   | ..            | ..     |
| Australian Democrats   | 58,494    | 1.57  | -2.44  | 0.35   | ..           | 1    | 1             | -1     |
| One Nation NSW         | 55,396    | 1.49  | -4.85  | 0.33   | ..           | 1    | 1             | ..     |
| Unity                  | 52,979    | 1.42  | +0.44  | 0.31   | ..           | 1    | 1             | ..     |
| Others                 | 114,915   | 3.09  | -13.19 | 0.67   | ..           | 2    | 2             | -1     |
| Informal               | 209,851   | 5.34  | -1.83  |        |              |      |               |        |
| Total Votes            | 3,931,308 |       |        |        |              |      |               |        |
| Quota                  | 169,158   |       |        |        |              |      |               |        |