

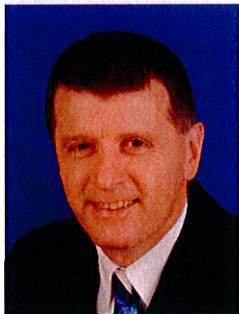
Report of the 2011 State Election Campaign Review

The Hon. John Watkins
Anthony Chisholm



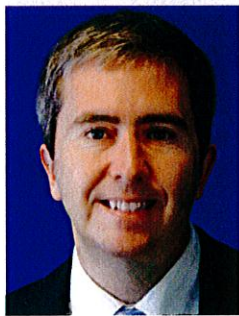
Report of the 2011 State Election Campaign Review

AUTHORS:



Hon. John Watkins

John Watkins served as a member of NSW Parliament for over 13 years between 1995 and 2008. He served as Deputy Premier from 2005 to 2008, and as a Minister in a wide variety of portfolios, including Minister for Transport, Minister for Police and Minister for Education. Mr Watkins is now CEO of Alzheimer's Australia NSW.



Anthony Chisholm

Anthony Chisholm is State Secretary of the Queensland Branch of the Australian Labor Party. Anthony has worked on over 20 campaigns at a central office level in Federal, State and Local Government. In 2009, he was Campaign Director for Anna Bligh's successful election as Premier of Queensland.

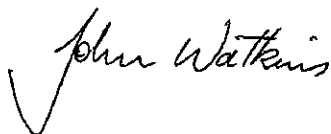
NSW Labor has a proud history of delivering a better life for the working men and women of this state. That is why they have entrusted us with Government here for 52 of the past 70 years.

The devastating scale of our defeat at the election on the 26th of March 2011 makes it clear that the longstanding relationship between NSW Labor and the working people who created our movement has been fundamentally damaged.

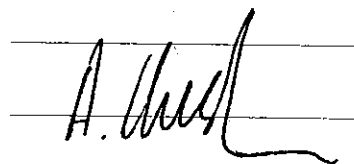
In conducting this review, we have attempted to explain how this happened and how we can prevent it ever happening again.

The task ahead of us will take time, and it will not be easy. However in conducting this review we have been struck by the passion and resolve of everyone we spoke to.

We hope this report and the recommendations it contains will assist with the rebuilding of NSW Labor.



The Hon. John Watkins



Anthony Chisholm

Introduction

At the 2011 State Election NSW Labor suffered its heaviest defeat in the 120 years of the Branch's history. The result was a cataclysmic event for the labour movement, the State Parliamentary Labor Party, and a devastating experience for many Party members.

Labor received its lowest vote since 1904 and returned the lowest number of seats since 1898.

Losing power after 16 years was not remarkable - the size and extent of the loss was. It was the result of the Labor Government losing the support of the community it was elected to serve, and losing the support of lifelong Labor voters. One in three voters who expressly identified themselves as Labor supporters did not vote Labor at the election.

How could this have happened? How could Labor support fall so far, so quickly? How could a Government that had been so popular and achieved so much in its 16 years be so comprehensively rejected?

The NSW Labor Administrative Committee asked that a review be undertaken regarding the election defeat. Based on extensive interviews, submissions and meetings this Review attempts to answer the questions posed by its terms of reference, namely:

- Why NSW Labor's primary vote fell to 25.7%;
- How NSW Labor can prevent this historically low primary vote being repeated;
- The effectiveness of the campaign techniques used by NSW Labor in the 2011 State Election given the political environment faced by its candidates; and
- How the National Review Report applies to the NSW Branch.

In the shadow of that defeat it is worth noting that the Governments led by Bob Carr and Morris Iemma were successful, popular, and delivered sound outcomes for the people of NSW. As recently as the March 2007 election the Government was returned comfortably, winning a solid and clear victory.

The subsequent failure of the Government was rapid, dramatic and comprehensive. Its abject electoral failure, following what one submission referred to as, "a stinking, rotten last term," led to an overwhelming rejection by the men and women of this State who clearly felt that they had been forgotten by what they saw as a self indulgent Government.

One conclusion echoed by several who made submissions to the Review was that no one group or individual was wholly to blame for the 2011 defeat. Rather, there were many parents of the defeat suffered by the Labor Party in March 2011, with ordinary branch members the only exception. The parliamentary leadership and caucus, Party Officers and union leadership all bear some responsibility. This report will therefore not apportion blame to individuals.

It also was clear from submissions and interviews that there are many in the caucus, unions and Party who can be proud of the discipline, effort and commitment that they brought to the cause even when they knew they faced certain electoral defeat.

Another conclusion expressed by many was that to recover, there is an overwhelming need for NSW Labor to comprehensively reform. Without that reform, the Party risks being obliterated as an effective mass membership political party, leaving working people without effective and committed representation.

Why NSW Labor's primary vote fell to 25.7%

Government's loss of policy vision

Several of those who made submissions to the Review spoke passionately of the Government's loss of policy vision in its last years. They spoke of a narrowing of policy expectations and interests and saw this as evidenced by an unnecessarily strident pro-development emphasis on one hand, and a pro-privatisation approach on the other. Some complained that we stopped talking about Labor's policies and beliefs and seemed, at times, to declare war on those people and positions that we had previously been committed to. The Government appeared to turn away from its previous strengths, such as public education and the environment. This, coupled with an overt emphasis on the concerns of the big end of town, caused resentment and confusion amongst party members and Labor supporters. It seemed that the Labor Government had forgotten some of its central constituencies.

The Government under Premier Carr had always been positively disposed towards business activity in the State and whilst it was fiscally conservative, it balanced this with creative policy interest in transport, the arts, education, law reform and the environment. These broad interests seemed to fade as the Government became dominated by a more narrow and strident policy direction that appeared uninterested in or aggressive to these traditional policy strengths. This caused some division and bitterness in caucus as some saw the Government align itself with business and the Treasury over the broader community interest. Whilst this may have been simply a perception, it was a perception the Government failed to effectively dispel. Labor supporters who were interested in issues such as law reform, gay and lesbian rights, the environment, and public education at times felt pushed to the fringes. Many found a welcoming home in the arms of the Greens. The Government became easily characterised as being interested only in development issues. This ensured that the Party would continue to be to be wedged from the left as the Greens took ownership of a range of social and non-economic issues where NSW Labor had previously provided a clear and attractive voice.

Some saw this as the result of the growing negative influence of Treasury in all areas of policy development, especially after the Cabinet Office was combined with the Premier's Department. One former Minister suggested that this upset the balance of power amongst the central agencies and gave Treasury too dominant a role, which was then used regularly to block or undermine Ministerial initiatives.

A number of Members and former Members of Parliament spoke of a culture of bullying and abuse within the Cabinet, and between Cabinet and the backbench, that developed into a toxic mix of disloyalty, leaking and disenchantment. It appeared to the outside world for periods of time in the last three years that the Government

was distracted from, or uninterested in, providing clear and good governance to the State. One former Minister spoke of the consistent leaking by Cabinet Ministers that resulted in Cabinet being bypassed, with major decisions being taken by a small leadership group in isolation from the Cabinet and caucus. This resulted in members feeling overlooked and excluded, further deepening the divisions in the Government. Retaining policy creativity is difficult in an ageing Government but such a narrow decision making process militated against the development of new and effective policies that were attractive to the wider electorate.

The election result of March 2011 seemed to demonstrate that the people of NSW believed that the Government had forgotten about their concerns, had become fixated on internal disputes and resentments, and was not capable of delivering good policy outcomes.

Scandal

Scandal haunted the last term of the NSW Labor Government. From before the writs were returned following the 2007 election till after the defeat in 2011, embarrassing, tawdry and devastatingly regular reports of scandalous, inappropriate and corrupt behaviour became the norm. They became constant and unwelcome companions at press conferences held by Premiers Iemma, Rees and Keneally. Those scandals ranged from the sordidly criminal to the adolescently stupid, but all did their damage. Diverted by having to respond constantly to scandals, the Government was unable to engage the media, and through them the public, in other areas of Government policy and reform.

At times it appeared that, overwhelmed by scandal, intrigue, and corruption, the Government lost interest in governing, and the capacity to govern. Rightly or wrongly at stages through the past four years the Government appeared to be self indulgent and self absorbed when the people wanted and expected it to be interested and actively engaged in their concerns.

The efforts of the Parliamentary Leadership to lead through these times often came to nothing as scandals kept coming with obscene regularity, cutting across all other agendas. Each must have been heartbreaking and frustrating to those Members of Parliament and Ministers intent on doing their duty, fulfilling their responsibilities, and getting on with the job in an honourable fashion. It is hard to imagine the debilitating impact these scandals had on the morale and vitality of the State Parliamentary Labor Party. Their impact on the trust and loyalty of the general public was made clear at the 2011 election.

There is no need to detail the scandals here. Most members who made submissions or were interviewed could rattle off half a dozen Members of the Government who had got caught up in the many different scandals and indiscretions of the last four years. In fact, there were six scandals within an eight-week period in 2010.

No one involved in the NSW Labor Party should ever forget the impact these scandals had on our standing in the community. The people lost faith in the Government, and lost the belief that NSW Labor was interested in their concerns. The community rightly has high expectations of those involved in public life. No Labor MP should ever forget this.

It is hard to explain why such a break out of scandal occurred in this last four years of a Government that had largely been resistant to such scandal over its previous 12 years. Perhaps it was that some believed, as was suggested to the Reviewers, that after the unexpectedly comfortable victory in 2007 some caucus members believed that we would never be beaten and saw this as permission to behave as they wished. Several who were interviewed pointed to inappropriate candidate selection, suggesting that NSW Labor assisted into the Parliament people who were unsuited to public life or high office. It is hard not to agree with such sentiments. The Party selected candidates who should never have been in Parliament. Whether that was due to centralised choice of candidates, factional patronage, abuse of the N.40 rule or just carelessness, NSW Labor certainly paid dearly for its mistakes.

Education and training in ethical standards and Ministerial duties and responsibilities may have also helped avoid some of the scandals. Some MPs and Ministers seemed to be unaware of what was expected of them in public office and some seemed oblivious to the pressures and risks of Ministerial office. Perhaps stronger leadership and oversight from Party leadership may have helped, but there is no denying that those involved in scandal showed a deep lack of respect for the people of NSW, for the NSW Labor Party, for other members of caucus and for the Government.

It is also worth stating that most Members of Parliament and Ministers were diligent and honest in fulfilling their duties. They were not criminal, corrupt or even incompetent, and all were ashamed and angered by the actions of those few who failed in their responsibilities. The public, however, when it got the chance at the election, damned them all.

The State of the Party

Most of those who made submissions or were interviewed for this Review spoke of the NSW Labor being in a crisis of organisation, culture and belief. They pointed past the collapse of the Government to a collapse of the Party. One submission reported

that more than 130 ALP Branches in NSW had closed their doors over the 16 years of the Labor Government. The Party has effectively ceased to exist in many parts of the State. Once built on a broad and committed membership, the ALP is now no longer a mass membership party. And as it gets smaller it gets rapidly older with many branches having an average age of members over 65. Unless there is a rapid and sharp turnaround, the Party will be unable to support future election campaigns or draw viable Members of Parliament and leaders from its membership.

Critically, this membership profile means that already the Party cannot respond to the campaigning challenges placed upon it. At the election in 2011 at many polling booths across NSW there was no one handing out Labor how-to-vote cards. In many seats, a lack of Labor volunteers meant that effective campaigning could not be achieved. Modern campaigning techniques still rely on committed, energetic and numerous volunteers. These were simply not available in many seats across NSW at the last election. Senator John Faulkner summarised it when he said, "it's hard to win a campaign if you can't staff a booth."

Whilst volunteers, family and friends have always been important in working in campaigns, nothing can take the place of skilled and committed Party members. The loss of members in recent years has meant that many campaign teams have been unable to operate effectively for a number of elections. At the 2011 election, this reached a crisis point.

Small and shrinking branches have also created other problems for NSW Labor. Preselection processes can and have been easily manipulated in many seats across NSW because of the shortage of members. The dissolving of Branches and the ageing of the membership also means that Members of Parliament are unable to be in close contact with their own communities through their Branches.

Quality of State Parliamentary representation

The Labor Party has traditionally been characterised by strong, vigorous and demanding branches, full of passionate and committed members who are both questioning and supportive of their elected Members of Parliament. As the health of our branches has faded, so has the strength and quality of our Parliamentary representation. That made it easier for the electors to turn away from many of those elected representatives. The smaller swings suffered by hard working and highly respected local members such as David Harris in Wyong, Verity Firth in Balmain, and Steve Whan in Monaro, demonstrates that quality in local representation matters. Unfortunately, the voters felt that quality was lacking in many parts of the State.

The lack of quality amongst sections of the Labor caucus in the NSW Parliament led to behaviour that was personally destructive and eventually electorally disastrous. Several Members and former Members spoke of clearly inappropriate behaviour amongst the caucus, including disloyalty to Party leaders, continual leaking against the interests of the Government, and bullying and abuse. More than one reported a toxic environment in the Parliamentary party that meant many MPs or Ministers did not speak up on issues out of fear of being leaked against or punished in some way. It is not naïve to insist that trust and loyalty should characterise the relationships in a caucus and Cabinet. In recent years, it appears that too often these qualities were in short supply.

A number of submissions opined as to the causes of the decline in quality of representation. Several pointed to the abuse of the N.40 rule, and in particular, its overuse in the preselections leading up to the 2003 State election. Others spoke of the system of factional patronage that resulted in clearly inappropriate supporters and friends being chosen for safe seats. This centralised intervention power devalued membership and allowed factional elites to take on excessive power. This impacted on the independence of the caucus and the common loyalties caucus members have traditionally felt towards their colleagues. Others made the point that all factions were guilty of such manipulation and the delivery into Parliament of unworthy candidates.

Few submissions or conversations undertaken by the review saw the existence of factions as the driving cause of this outcome. Appropriate factional discussions and negotiations have long brought stability to NSW Labor. They become a problem when they take on a character and demand a loyalty above the first and primary loyalty every party member and Parliamentary representative owes to the Party. Recent changes to how the Party Office operates and the abandonment of factional meetings in the NSW State Parliamentary Labor Party are evidence of a growing maturity in relation to this issue. It is clear that the lessons of the 2011 election defeat are starting to be learnt by our party leaders.

Changing leaders

Any Australian political party that has three leaders in two years will find it difficult to convince an electorate to vote for it. This is amplified when two of those leaders have been deposed by the Leader's own party after months of intrigue, leaking, disloyalty and factional brawling. The three Premiers who served the Party in the last four year term were passionate intelligent, highly capable men and women with high ideals and the highest levels of integrity. All were naturally gifted political leaders. When asked to respond, at stages the public warmed to each of them. The public

could not comprehend, however, how or why the Premier's own Party would tear two of them down and give the final one an impossible task.

Almost more than any other issue, the leadership problem that the Party experienced in its last four-year term showed it to be a self indulgent group out of touch with the general public. The thought that repeatedly changing the NSW Labor Leader could change Party's political fortunes was simplistic and was ultimately rejected by the electorate.

Policy mistakes during the campaign

Much was made, during the campaign and in some analysis since, of two decisions taken by the Government in December 2010. One was the final decision to proceed with the part privatisation of sections of the electricity industry, and the other was the related decision to prorogue the Parliament. Several who commented to the Review described them as foolish and clumsy decisions taken under pressure by the Government leadership group. Both received widespread and overwhelmingly negative media attention at a time when Christmas and the summer holidays traditionally tend to divert public and media attention from matters political. It is impossible to measure the impact that the decisions had on the election outcome, but it is clear that they ensured that the Party's preferred campaign strategy had to be sidelined. All the polls, internal and publicly available through 2010, pointed to a thumping defeat. It is likely that if these decisions had not been taken or had been handled differently, defeat would still not have been avoided. It is arguable, however, that these decisions meant that the campaign was unable to claw back support that would have ensured that NSW Labor may have won some of the seats that were, eventually, narrowly lost.

Infrastructure failures

Several commentators have raised the failures in infrastructure delivery over the last four to six years of the Government as critical to understanding why the Labor vote fell so dramatically. The Governments of the four Premiers over the past 16 years had strong records in infrastructure spending. Hospitals and schools across the State were rebuilt and substantial funding was channelled into the Pacific and Hume Highways, port facilities, and other projects. Capital budgets were set at the upper limits of what the AAA credit rating would tolerate. Despite this spending, the failure to complete or even commit to viable transport plans in the last years of the government clearly had an impact on the electoral result. The failure to complete the M4 East or widen other motorways such as the M5, weighed heavily on the Government. More critical was the 'stop-start' nature of the Government's rail plans

from 2005 to 2010, during which time at least four different rail plans were confidently revealed to the public before being shelved or sidelined.

Clearly, transport and congestion around Sydney were critical issues in the campaign. The failure of the Government to develop and follow through with policies to address these issues appeared to have a major impact on the final election outcome. Responsibility for these failures goes back longer than the last four years of the Government.

How NSW Labor can prevent this historically low primary vote being repeated?

Rebuild the Party

Most who spoke to the Review made clear their view that there was an urgent need for the Labor Party to reform and rebuild. A number of comments reflected that passion: "to win back Government you first have to fix the Party," "rebuild or die," and "strengthen the party and you strengthen a Labor Government." Many pointed to the wide range of reforms recommended in the National Review Report that followed the 2010 Federal election. Those reforms, designed to rebuild the Party, are detailed and comprehensive, and worthy of consideration. In particular, a growth strategy supported with training and funds is essential to see membership numbers return to viable levels. One submission suggested that NSW Labor hasn't had difficulty in the past in attracting new members- it's keeping them that has been the problem. To keep those members who do join, the Party needs to change so that members are empowered by having a say in policy development and in the election of Party Officials. The use of primaries in preselecting Labor candidates is strongly endorsed. Their time has come, as other models are no longer viable due to the weakened state of the Party. Finally, the National Review suggests that the Party needs to engage more strongly with like-minded community organisations through an outreach organisation. This is essential if the Party is to reconnect with the society it serves.

The State Parliamentary Labor Party must play a significant role in a re-engagement with the Branch membership by speaking to and meeting with party members, visiting duty electorates, answering their communications as a priority, and engaging with party members in policy forums.

Choose better Parliamentary candidates

Whilst many candidates elected into the State Parliamentary Labor Party over the last 16 years have been outstanding in their commitment, integrity, and ability to represent the Labor Party and work for their local communities, a significant number of others have been of lower quality. It is a privilege to represent the Labor Party in an election and it should be a rare honour to be elected into any Parliament. The Party has to ensure the candidates we put forward are of the highest quality. The shrinking membership base and factional patronage of recent years has meant that this has not been achieved. One who provided evidence to the Review said that, "In the past, sleaziness had been rewarded. Honesty has to be the way of the future."

The level of scandal and poor Ministerial performance of the past 4 years is evidence of this problem. It should be acknowledged that Premier Kristina Keneally took steps with the support of the Party Office to refresh and revitalize the caucus team over the period leading up to the 2011 election. The cataclysmic defeat also helped to ensure that the caucus over the next five to ten years will be a completely different group.

The trial and adoption of the Primaries model for preselections outlined in the National Review will go some way towards ensuring that NSW Labor engages in a more creative way with the community when it comes to choosing candidates. Hopefully the proposed trial will become widespread and result in more Party and community engagement and better candidates.

A number of submissions and views presented argued strongly for early preselections. Labor branch members don't understand, and hate, the delays in calling of preselections. They want their candidate chosen as early as possible so that they can get on with the campaign. Accordingly, early preselection should be the rule and not the exception.

But the Party will need to go further. The National Review Report clearly recognises the need for the ALP to re-engage in the life of the wider community. The Labor Party was always part of and reflective of the communities it lived in. That has been lost in recent decades and needs to be reawakened and redefined for today's society. Involvement of community groups in the life of the Labor Party is essential. It is from their ranks that we will draw many of our future activists, members, and potentially, parliamentary representatives.

The State Parliamentary Labor Party leadership and Party Office will have to go into the community to seek out people who are good community representatives and ask them to join the ALP. There is a strong history of this process in the NSW Branch. Premiers Wran and Carr both actively sought out quality community leaders and attracted them into the Party where they often became very successful candidates and MPs. Kevin Greene, the recently defeated Member for Oatley, is a good example. Kevin was widely known and admired in his community when approached to join the Party and possibly stand for Parliament. After pre-selection and subsequent success at the 1999 election Kevin went on to have a successful Parliamentary and Ministerial career. The Party needs to replicate that model.

Reduce centralised preselection intervention

It is clear from the evidence presented to the Review that there is deep and long-standing controversy in Party over centralised preselection intervention. Over many

years the N.40 rule has allowed the Party to appoint favoured candidates to generally safe Seats in Parliament thereby guaranteeing careers and cementing factional and personal patronage. What should have only ever been an emergency measure became the accepted way of doing business between the factions and power brokers in Party and the Party Office. Whilst there have been problems with preselections due to branch stacking or shrinking membership, abuse of the N.40 rule was seen to create more difficulties than it solved. It led to the appointment, generally in safe seats, of a number of candidates who should never have held public office.

While some form of emergency intervention power may be necessary, it should only be used in the rarest of occasions, when a preselection or primary is simply not possible. The unscrupulous use of N.40 to impose preferred candidates must end.

Avoid Scandal

It is clear that the level and number of scandalous events that engulfed Party in the last four years had a major detrimental impact on the electoral fortunes of Party at the 2011 election. Scandal and personal controversy had a corrosive impact on the public standing of the Government and the morale of the caucus and wider party. It is pointless to blame the media, as some have done, for the attention given to these events. Most were newsworthy, especially in the political climate that existed in NSW in recent years. In any case, for someone elected into public office to complain about the public attention given to them is a futile argument. Media interest in the behaviour of public officials exists, and that is warning enough for those officials to behave in an exemplary manner. Too many in the Ministry and Labor caucus over the past four years ignored that warning.

Seeking to codify and enforce good and appropriate behaviour amongst adults elected into public office may seem contradictory or condescending but recent events have proved that it is necessary. NSW Labor should develop better vetting mechanisms for all candidates. It is the duty of every person seeking public office in the Labor Party to act with integrity, decorum and honesty at all times. These principles must come above self- or factional interest. The duty to not embarrass the Labor Party must be accepted by all preselected candidates. In recent years it has become mandatory for elected MPs to complete a Police check. Before they are preselected, all Labor candidates should also be put through detailed financial, behavioural and police checking so that those with problems in their private lives that may become controversial later can be identified, counselled, or if necessary, prevented from being preselected.

In striking commentary, one MP who gave evidence said that “once you’re elected, no one tells you anything!” and another stated that there was a culture in the caucus of “Don’t ask, don’t help.” The caucus leadership must act to turn that culture around and develop a more open and supportive environment. The efforts by the current State Parliamentary Labor Party leadership team to engender a more collegiate atmosphere in the caucus should be developed and strengthened.

Reinvigorate the ‘McKell Model’

Many of those who provided input to the Review referred to the historical and practical success of the ‘McKell Model’ in balancing the needs of the State Parliamentary Labor Party, the union movement, and Party membership, to ensure good outcomes for all three. The model is based on mutual respect, good communication, compromise and an inherent belief that the interests of the Labor Party should come first. The model, or something like it, served the Party well in Government for decades. Several who made submissions to the Review pointed to the 2008 State Conference where this model broke down in the face of the Electricity debate. In the ensuing chaos NSW Labor lost a successful Premier who, it was expected, would have led us to the 2011 election. This ushered in the subsequent three years of instability.

Whether a compromise on electricity privatisation was possible is for others to say but clearly the debate and the result breached longstanding co-operative relationships that had helped ensure that Labor in Government had been stable and highly successful. It rests upon the shoulders of the leadership of the Party, State Parliamentary Labor Party, and Unions, to develop a new model that will heal any continuing rifts and avoid any future repetition of the events of 2008. It needs to provide a mechanism to resolve disputes and develop ideas. Submissions to the Review suggested a ‘Council of Elders’ or some form of ‘New Accord’ should be developed. Others suggested that a ‘State Policy Forum’ which brings together Shadow Ministers, Trade Unions and the Rank and File, could be used to achieve this end. Successful political relationships are based on mutual respect and good communication. All three parties should develop formal and informal mechanisms to ensure both are achieved. Enhanced dialogue can only have positive results.

Good Policy Development

After 16 years in Government it can be difficult to appear fresh and engaged in the policy challenges of the day. The policies that brought the Government to power in 1995 were developed in the late 1980’s and early 1990’s. The world has changed irrevocably since then and the policy initiatives that will bring the next Labor Government to power are before us. The party at all levels, the union movement and

the State Parliamentary Labor Party must be hungry for new ideas that reflect the needs of NSW citizens and look to the future.

The Party has always attracted people to its ranks by its policy positions and the fact that ordinary members felt that they could have an input into policies that would be introduced in Government. The party needs to recapture that belief. The NSW Labor Party must begin a process of redefining what we believe in, especially when it comes to progressive issues where we have lost support to the Greens. We commend the commitment by the new Leader of the Opposition to engage in a detailed and comprehensive policy review process based on an ongoing conversation with the NSW community.

The effectiveness of the campaign techniques used by NSW Labor in the 2011 State Election given the political environment faced by its candidates

It is not possible to sugar-coat NSW Labor's result at the 2011 State Election. However, in facing arguably the most difficult campaign environment in Party's history, both the central campaign team and local Labor campaigns developed and utilised a range of new and innovative campaign techniques. From submissions and interviews, it is clear that Party's candidates and campaign team recognised that the political circumstances demanded a different style of campaigning.

Local Campaigns

In key seats, NSW Labor ran extremely localised campaigns. They aimed to draw the sharpest possible contrast between popular and well-established local Labor MPs and candidates, and relatively unknown Liberal candidates hoping to coast to victory on the state-wide swing. While the Liberal and National parties framed the election as a referendum on the NSW Labor Government, local Labor campaigns sought to encourage voters to make a choice about who was best for their electorate.

Tactics

The 2011 campaign also saw the introduction of a new model of campaigning, driven by the NSW Party Office, which reflected the changed circumstances brought about by the introduction of spending limits for NSW elections. This new campaign model consisted of:

1. Emphasis on volunteer mobilisation and phoning;
2. Demographic Micro targeting;
3. Systematic contact with voters identified as undecided.

This marked a distinct shift away from the NSW Labor campaign model of recent elections. At the 2007 State Election, Labor campaigns relied on paid mail and television advertising to engage swinging, middle-ground voters, and gave volunteers roles mainly in letterboxing and handing out how-to-vote cards.

2007 NSW Election	2011 NSW Election
<p>Targeting at Census Collection District (CCD) Level- 100-300 households.</p> <p>Emphasis on raising and spending large amounts on Advertising and Direct Mail.</p> <p>Campaign Directors were often given campaign insight training and support. Candidates were given media training.</p> <p>Doorknocking by candidates. Volunteers provide logistical support and staff booths on election day.</p>	<p>Targeting at individual Household level through identification of swinging voter.</p> <p>Emphasis on volunteer and candidate one-to-one contact with voters.</p> <p>Entire volunteer teams in key seats given training and provide input into campaign strategy.</p> <p>Volunteers play a key role in having meaningful and repeated conversations with voters.</p>

Volunteer Mobilisation

With spending caps and a campaign plan that aimed to identify individual swinging voters, party members and volunteers were the most valuable asset local Labor campaigns had at this election. NSW Labor reached out to all ALP members to generate volunteers and staff a central phone bank inside Party Office. At the same time, local campaigns in key seats ran volunteer phone banks using online Electrac software and mobile phones provided by Party Office. The central phone bank was very successful, particularly in the last 72 hours. Submissions and interviews reported that party members involved in this one-to-one phone campaigning felt like they made a real difference to the result. Reports also suggest that volunteer training was often (but not always) provided by individual campaigns and/or Party Office, and was also highly valued by party members and volunteers. While many of the MPs and candidates interviewed said they were initially sceptical, all said that their experience in the campaign led them to believe that this new campaign model was effective and should be continued into the future. The campaigns that most successfully implemented this model achieved results that dampened state-wide and Legislative Council swings.

Micro-targeting

More information collected by volunteers allowed Party Office to make statistically accurate predictions about other swinging and former Labor voters in their electorate. This proved useful as a supplement to general research, but worked more effectively with well-trained campaigns that delivered accurate and reliable information.

Systematic Contact and final 72 hours

The Campaign team put additional resources into ensuring local campaigns planned an extensive 72-hour finish to the campaign. Whilst it is always difficult to quantify the impact of these efforts, the Party research did indicate a late swing to Labor which would give encouragement to the Party and local campaigns to adopt this approach at future elections. MPs and candidates stressed that it was a range of contacts, including traditional street stalls, train stations and mobile offices, which most effectively reinforced their message when speaking to undecided voters: "Each contact reinforced the other."

Community Campaign Strategy

For the first time, NSW Labor made a significant investment in ethnic media advertising, based upon comprehensive research in ethnic communities across NSW. Organisations like Subcontinental Friends of Labor and Chinese Friends of Labor were very active, and in many cases were integrated into local campaign teams in key seats with significant culturally and linguistically diverse (CALD) populations. These organisations worked with Party Office on advertising and media strategies, and provided training to Labor supporters from CALD communities to facilitate campaigning.

Labor-Green Contests

While the Green vote at the 2011 NSW Election failed to reach the expectations of many, including published polls, Party gained the seat of Balmain from Labor and registered a high vote amongst under 40s (14%), and even higher numbers for voters under the age of 30.

Greens negotiators had indicated early in the campaign that Labor would not receive Greens preferences. Because of this, we were able to scrutinise many of their policies. Throughout the campaign NSW Labor held the Greens to account on a range of issues, including energy in the Hunter, foreign policy, and their stance on selective schools. In the key Labor-Green contests in the seats of Balmain and Marrickville, effective local campaigns emphasised the progressive credentials of Labor candidates and did not hesitate to challenge Greens policies. This built on the successful inner-city Labor campaigns of the 2010 Victorian State Election and contributed to relatively strong results in these seats.

Preference flows

In an election where the Labor primary vote was so low, the decision of the Greens not to preference Labor in the vast majority of seats made a significant impact. The table below lists seats where the Coalition's winning margin was smaller than the Green primary vote. In the seats in bold, enough Green preferences flowed to Labor to ensure that the remaining Green vote wasn't enough to overturn the result. The non-bolded seats are those where there were enough Green preferences left to change the result.

	Coalition lead	Green primary
Blue		
Mountains	3592	7647
Campbelltown	2462	2677
Coogee	6225	9449
East Hills	494	2105
Granville	2183	2325
Monaro	1740	3524
Newcastle	1878	6510
Oatley	440	3970
Rockdale	2741	3877
Strathfield	3473	5805
Swansea	871	3845
Wyong	2175	4894

While the extent to which this applied to such an unpopular Government is arguable, this analysis suggests that across the state, the exhaustion of Green preferences is costing NSW Labor seats.

Electronic Advertising

Given the limited strategic options available to the campaign, the electronic advertising was reasonably effective. The positive message was effective and fitted in with the overall strategic message. The effort made by the campaign team to utilise translations to advertise with different CALD communities was an innovative and effective campaign tool. Negative advertising targeting the Leader of the Opposition fitted in with the tried-and-tested model Labor Campaigns have used at the State level for many years. Given Labor is now in opposition, this traditional form of advertising used to define our opponents will have to be revisited. Overall, the Party's electronic advertising backed up the central campaign strategy in an effective manner.

Research

Research commissioned by the Party was accurate and insightful. The tracking report provided an accurate reflection of the mood across the State. The individual seat research was also accurate.

Co-Located Offices for the State Campaign

It was suggested by numerous interviewees that the co-location of the Premiers and Party Office for the duration of the campaign led to better cohesiveness between the two. Given that we now find ourselves in Opposition and therefore with even less resources, consideration should be given to this occurring for the 2015 election.

Changed Campaign Finance Laws

The Party Office and local campaigns adapted well to the recent change in legislation that impacted campaign financing. For some campaigns the restrictions led to more of a focus on voter mobilisation. This focus proved highly effective, as we highlighted earlier in the review.

Results

Received campaign wisdom has traditionally stated that the most a candidate can contribute to their primary vote, above the Legislative Council Labor vote in their electorate, is 2%. At the 2011 election, many candidates in key seats vastly exceeded this number, albeit in a situation where the Labor vote in the Legislative Council was exceptionally low. Despite narrowly losing his seat, former Minister Kevin Greene polled over 12% above the Legislative Council vote in his electorate of Oatley. A number of other key seat campaigns achieved similar results- in the electorates of Canterbury, Monaro and Maroubra this differential was above 10%.

Seat	Labor candidate	LA vote	LC vote	Difference	Result
Oatley	Kevin Greene	42.13%	29.89%	12.24%	Lost
Canterbury	Linda Burney	47.18%	35.20%	11.98%	Held
Monaro	Steve Whan	40.96%	29.06%	11.90%	Lost
Maroubra	Michael Daley	44.34%	33.04%	11.30%	Held
Kogarah	Cherie Burton	44.21%	34.75%	9.46%	Held
Liverpool	Paul Lynch	51.43%	42.35%	9.08%	Held
Heffron	Kristina Keneally	41.23%	32.57%	8.66%	Held
Wyong	David Harris	40.06%	31.47%	8.59%	Lost
Toongabbie	Nathan Rees	41.19%	32.86%	8.33%	Held
Marrickville	Carmel Tebbutt	38.11%	29.95%	8.16%	Held
East Hills	Alan Ashton	40.84%	32.95%	7.89%	Lost
Balmain	Verity Firth	30.16%	22.32%	7.84%	Lost

If Labor's performance in the Legislative Council had applied across the board, there would now be 11 Labor MPs in the Legislative Assembly. Submissions and interviews from across the labour movement agreed that the vigorous implementation of the new campaign model was a significant factor in avoiding this outcome.

How the National Review Report applies to the NSW Branch

As referred to earlier in this Report, the National Review that followed the 2010 Federal election is a detailed and comprehensive blueprint for reform of the Party. The Report, written by former Premiers Bob Carr and Steve Bracks and Senator John Faulkner, proposes 31 recommendations to grow the Party membership, deepen Party's connection with the community, and open up the Labor Party to greater participation from members. Based on extensive consultation and broad terms of reference, the Review analyses the current parlous state of the ALP across Australia and discusses in great detail many of the issues that were raised in the consultation for this post 2011 State Election Review.

The National Review Report is a thoughtful and considered analysis that deserves strong support from the NSW Branch. The National Review's 31 recommendations suggest widespread reform, including steps to survey Party membership, the setting and support for membership growth targets, the adoption of a community organisational model, the training of the membership, and the introduction of Party building activities. The Review stresses the need to engage Party members in ballots for a range of positions and in policy development. It also suggests reform to conference representation rules and the pre-selection rules that apply to candidates, including support for Primaries. Finally, through a number of recommendations, the National Review Report suggests the need to engage strongly with the wider community.

It is not necessary for the 2011 Campaign Review to reconsider the recommendations of the National Review. It is our view that the recommendations should be seriously considered by NSW Labor. Many of these reforms, if instituted, will go some way towards resolving the problems that led to the shocking State Election result in 2011.

Collated Recommendations

1. *Considering the scale of the loss suffered at the 2011 election, NSW Labor should give serious consideration to the recommendations of the 2010 National Review Report, as it offers a roadmap for party reform in NSW.*
2. *That NSW Labor endorse the trial and eventual adoption of Primaries in State preselections.*
3. *That NSW Labor endorse early preselections prior to the 2015 State Elections.*
4. *That NSW Labor commence a program of identifying and recruiting appropriate community leaders into the Party so that they can stand as ALP endorsed candidates.*
5. *That NSW Labor moves to reform the N.40 rule and reduce centralised preselection intervention.*
6. *That NSW Labor develop detailed candidate vetting mechanisms including those that consider police checks and detailed financial and behaviour vetting.*
7. *That the State Parliamentary Labor Party leadership endorses regular ongoing formal and informal education for all caucus Members including ethics education.*
8. *That the State Parliamentary Labor Party leadership takes steps to develop more collegiate caucus relationships.*
9. *That NSW Labor take steps to develop a new co-operative model of consultation between the Union leadership, State Parliamentary Labor Party and Head Office through a new accord or the development of the State Policy Forum.*
10. *That NSW Labor establish a policy development model that involves Party members.*
11. *That NSW Labor endorse and support the efforts by the Leader of the Opposition to engage the NSW community in a wider policy development process.*

12. *That NSW Labor continue to implement and expand the 'grassroots voter contact' campaign model first utilised in key seats in the March 2011 election, with its focus on volunteer mobilisation, demographic micro-targeting, and systematic voter contact.*
13. *That NSW Labor make a greater investment in training, not just for candidates and campaign directors, but also for volunteers and party members.*
14. *That NSW Labor support and assist with the development of affiliated organisations such as Subcontinental Friends of Labor, Chinese Friends of Labor, and Rainbow Labor.*
15. *That consideration be given to NSW Labor forming a permanent campaign phonebank headquarters where volunteers can engage in this successful model of campaigning on a constant basis.*
16. *That the Leader of the Opposition's team and the Party Office be co-located for the 2015 State Campaign.*
17. *That the final 72 hour campaign which applied at the 2011 State Election become the template for closing out a campaign in future elections.*
18. *That campaign and volunteer training used before the 2011 State Election continue to be offered on an ongoing basis, particularly for new Party members.*
19. *That the NSW Branch builds on its successful campaign model to hold onto the seat of Marrickville against the Greens and use this as a template to defend against the Greens at all levels of Government.*

Contributors

The Review Committee received submissions from a number of branches, party units and individuals, and heard from a number of party members at a meeting of the Central Policy Branch. In addition to this, the review conducted interviews with the following people:

- The Hon. Kristina Keneally MP, former Premier of NSW;
- The Hon. Nathan Rees MP, former Premier of NSW;
- The Hon. John Robertson MP, Leader of the Opposition;
- Linda Burney, Deputy Leader of the Opposition;
- The Hon. Luke Foley MLC, Leader of the Opposition in the Legislative Council and former Assistant Secretary, NSW ALP;
- Tanya Mihailuk MP, Member for Bankstown;
- Ryan Park MP, Member for Keira;
- The Hon. Walt Secord MLC, former chief of staff to the NSW Premier;
- Verity Firth, former NSW Minister;
- Steve Kamper, Labor Candidate for Rockdale;
- Rodney Cavalier, former NSW Minister, author and Labor historian;
- Senator John Faulkner.
- Michael Lee, President, NSW ALP;
- Sam Dastyari, General Secretary, NSW ALP;
- Chris Minns, Assistant Secretary, NSW ALP;
- John Graham, Assistant Secretary, NSW ALP;
- Courtney Roche, Country Organiser, NSW ALP;
- Mark Lennon, Secretary, Unions NSW;
- Harish Velji, Subcontinental Friends of Labor;
- Ernest Wong, Chinese Friends of Labor;
- John Utting, UMR Research;
- Bill Holmes, Maher & Holmes Advertising; and
- Charlie Tannous, Diverse Communications.

The Committee would like to thank everyone who contributed to this process.