

Comment by Michael C H Jones

In reality New South Wales is the economic heartland of Australasia which includes New Zealand and the South West Pacific Island nations as far East as Samoa. It remains the financial engine room and has a far greater diversified trading and investment relationship with China and other Asian nations in the Indauspac Maritime Economic Community than any other State of Australia despite the resources boom and massive iron ore and coal exports from Western Australia and Queensland.

Sydney is where Australia's international reputation stands or falls - as former Prime Minister Paul Keating once said outrageously "If you are not living close to Sydney then you are camping". Sydney and New South Wales are the New York and California of this region. Sydney is Shanghai and Canberra is definitely not Beijing. Melbourne may or may not be Philadelphia or Nanjing and/or Hangzhou?

Therefore the consequences of the NSW State Election in late March 2011 are extremely important for the future of Australia and the region. If the more pessimist pundits are correct the likely result may be around 50 seats Liberal with 15/20 seats National and Labor obliterated to as low as 20 seats with perhaps up to 10 Independents. Barring an extraordinarily abysmal Liberal/National Coalition Government this will mean a decade at least of non-Labor rule re three terms or 12 years 2011-2023. In the context of the recent Victorian State Election result, a Liberal Party victory, a very substantial sea change has arrived in Australian governance.

Incoming Premier Barry O'Farrell faces the mother of all torments in policy formulation. Few Ministers of talent and a Bureaucracy totally despondent, a State on the financial edge, home-prices still relatively astronomical, infrastructure with a 20 year backlog emasculating Greater Sydney as a genuine international city, and economically debilitating COAG relationships just to mention some of the key longer term challenges.

In many respects Australian Federation from 1901 has been a "conspiracy" against New South Wales and Sydney with a virile animosity from other States. Whether it was the breaking of the union movement in the strikes of the early 1890s, the fearsome number of casualties from the First World War, the economic and social sufferings of the Great Depression, and the American "Love-In" from the Second World War, the philosophical guts and entrepreneurship of the NSW Labor Party was dissipated from the expulsion of Premier Jack Lang to a watery brew of winning elections by spin and fraud via the elitism of monopolising government positions. Will this change under Barry O'Farrell? He certainly has a very big political mountain to climb.

The Chamber's interest will obviously be focused on the new government's international economic relations whether through Canberra or direct by overseas representation as outlined by Barry O'Farrell in his 2010 Lowy Institute address. The design of ministerial portfolios will be crucial especially ending the traditional National Party mortgage on trade related responsibilities.