

Borbidge Sheldon Election Review

and

Report and Recommendations

28th May 2015

Terms of Reference

'to conduct a review of the LNP's 2015 state election campaign, the performance of the LNP government and party organisation over the previous parliamentary term and other matters which impacted on the outcome, and to make such recommendations as considered appropriate.'

Messrs Bruce McIver & Gary Spence
President and Deputy President of the Liberal National Party
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Dear

Following the January 31 2015 election loss, you invited us *'to conduct a review of the LNP's 2015 state election campaign, the performance of the LNP government and party organisation over the previous parliamentary term and other matters which impacted on the outcome, and to make such recommendations as considered appropriate.'*

We have completed the task and submit to you the *Review Report and Recommendations*.

The sentiment expressed to us through submissions, conversations with supporters, former and present members of parliament is for both the parliamentary party and the organisational wing to listen to the grass roots and voters, build on the sound policies implemented in government and regain the trust of the people so that the party will succeed at the next election.

There is goodwill to the party and we wish you and the membership success with your progress into the future.

Yours sincerely

Rob Borbidge AO

Joan Sheldon AM

1. Overview

1.1 The Review's purpose primarily, is to reflect on the loss of the January 31 2015 state election. It considers too, matters that refer to the Liberal National Party (LNP) and its membership. The views contained in member's submissions, other communications and our own political and party experiences have guided our thinking and are contained in the report and the recommendations below.

1.2 To each member who took the time to make a submission either by email or letter or spoke privately with us - thank you for your thoughtful and considered insights and recommendations. In all, between 600-700 communications were made to us. Each submission was read, salient points and recommendations extracted and views weighed in the balance in the context of the totality of the comments expressed and our own political and party understandings.

1.3 Our recommendations are forward-looking and do not seek to apportion blame.

1.4 The LNP was forged by the rank and file membership on the 25th July 2008 as a strong, competent and forward thinking grass roots party. Since then and over the ensuing seven years the party has experienced highs and lows - the joy of winning government and the disillusionment of election defeats. Along that journey, the party has become a competent corporate entity in which members can take pride. At this juncture of the party's development and following the loss of the election it is timely to reflect on the processes and policies where the party may improve its organisational and campaign processes and better serve the membership.

1.5 The overwhelming election win of 2012 led to hubris and a false sense of security consolidating an energetic and reformist government leadership team but without parliamentary experience. The huge influx of inexperienced new MP's and a leader without parliamentary background contributed to a lack of corporate history in the conduct of parliament and the party room.

1.6 Broad based disappointment has been expressed with the campaign and the election defeat. Undoubtedly, the leadership of the government contributed to the election loss including:

- the breaking of the promise that public servants had 'nothing to fear';
- the perception of arrogance arising from not listening to the people;
- pursuing the large scale privatisation of assets to which the majority of voters opposed or had serious reservations;
- the alienation of key stakeholders in the decision making process; and
- the two year discordant relationship with the organisational wing.

1.7 The campaign itself, the responsibility of the central campaign committee had inherent problems such as failing to:

- address the perception of the Government's arrogance and to turn this weakness into strengths;

- promote the government's considerable achievements in fixing "labor's mess' and growing the state's economy;
- launch an attack program to rebut the deceitful and untruthful propaganda of the party's opponents;
- engender confidence with local campaign committees; and
- manage the expectation that the party with its large majority would hold government at the poll.

1.8 Based on our experiences, we know that leadership is both important and difficult and should not be underestimated. The political tactics of importing a leader from outside parliament without parliamentary or state leadership experience and policy knowledge carried inherent risks which were not immediately apparent and in the short term worked well.

1.9 While criticisms can be levied at the style of government it is without doubt that much was achieved from 2012 to 2015. Campbell Newman made a significant commitment to the LNP in resigning as Lord Mayor of Brisbane to contest the premiership from outside of parliament. His contribution to the conservative politics in Queensland should be recognised.

1.10 Real progress was made in addressing the State's economic crisis, making Queensland safer, cutting red tape, improving basic services in health and education, sustaining the environment etc. Across all portfolios there were substantial improvements in service delivery and performance and it is one of the tragedies of the 2015 campaign that we failed to get this message across to Queenslanders.

1.11 The Springborg/Langbroek parliamentary team will build on the policy achievements in government and have learnt from the experiences that alienated voters, the organisational wing and membership. A positive open door partnership is being pursued with Queenslanders based on sound policy, integrity and trust. Its relationship with its organisational wing is now being built on one of consultation, collaboration and respect.

1.12 The criticisms in this report should not detract from the fact that Queensland was left a far better place than that the LNP inherited when it came to office in 2012.

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The Review Report and Recommendations

1. Parliamentary party and organisational wing relationship

1.1 A long held practice of the LNP drawn from its antecedent parties is that the parliamentary party and the organisational wing 'walk in lockstep' in the best interests of the party as a whole and its Queensland constituency.

1.2 The overwhelming election win of 2012 led to a changed dynamic where the leadership team of the parliamentary party in a sense of hubris isolated itself from the organisational wing. The primary consequence of the breakdown was the lack of consultation on policy or political party or campaign matters for the best part of the crucial first two of the government's term.

1.3 The relationship between the two wings of the LNP is the single most important issue that must be addressed to ensure that a trustful relationship is sustained into the future. We recommend the preparation of and agreement to a compact that defines the role and responsibilities of the parliamentary and organisational wings ensuring that goodwill, a constructive, harmonious and positive working relationship prevails into the future.

2. LNP in government

2.1 During the first year of the Newman government, it acted quickly with a fast moving cross portfolio reform agenda to 'fix labor's cross portfolio messes' and the inherited long term budgetary chaos of debt and deficit.

2.2 People desired 'labor's mess' fixed but wanted stability and minimum incremental change. They were not in a fast reforming mood and saw the LNP as an opportunity for an inclusive and consensus government. A number of crucial decisions made during the early life of the government came at a huge political cost.

2.3 It is a simple fact that no government can function without the co-operation of the public service. The decision to sack 14,000 public servants and the manner in which the issue was handled poisoned relations with the people who were needed to embrace and implement the government's reform agenda and surprised and shocked voters. It was contrary with the promises or assurances given prior to the 2012 election. Just as the public service and unease in the voting population helped destroy the Goss government, history was about to repeat itself.

2.4 There were errors in policy and political judgment such as the members of parliament pay increase, changes to parliamentary committees and MPs resignations. In addition there were other distractions that unsettled voters. These served to fuel the impression of arrogance - a perception which had been around the government from its earliest days.

2.5 Over the term, the opinion emerged that the government predominantly was focused on the south-east corner. Regional communities and the grass roots members in the provincial cities, regional and rural electorates came to the view that although regional cabinets were held in selected cities and were represented by members of parliament in the party room, the south east corner was favoured.

3. Government decision making

3.1 The government's haste to implement the reform agenda and the 'can do' approach left little room for other views or 'listening to' supporters, voters and even the grass roots of the party. External new ideas or friendly criticism was unwelcome.

3.2 The former government in its reforming zeal and decision making processes alienated almost every key interest group across the state. The good policy work done for many stakeholders was lost by the 'lack of listening' or a dismissive arrogant approach which ultimately resonated at the poll.

4. Policy and Reform Agenda

4.1 Budgetary reform and privatisation of large scale assets were the prime policy foci. These were Commission of Audit recommendations and were adopted by cabinet and the party room.

4.2 The policy fixation over the term was to secure a mandate at the 2015 state election to privatise specific large scale assets to pay down debt, to build new infrastructure to increase productivity and create jobs. It had supporters and detractors but credence was wasted with policy changes from sale to lease and lease arrangements from 99 years to 50 years with a 49-year option subject to compliance with strict conditions.

4.3 Notwithstanding the budgetary crisis the urgent economic and social infrastructure needs confronting the LNP government left by the former Labor government, any proposal for large scale asset disposal was fraught with risk. Queenslanders had proved at the 2012 state election they held an inherent caution about privatisation and when coupled with the union's deceitful and ruthless campaign of opposition, the strategy of seeking a mandate to sell or lease major assets was 'a brave decision'.

4.4 The party itself was not engaged in the decision making process for the campaign policy agenda generally or the privatisation of large scale assets which were a decision of cabinet following the Commission of Audit. Many LNP policy committees were not properly engaged in setting the election policy agenda. Policy proposals came from Ministerial offices with little understanding of the vote driving the issues. The policy process was protracted and delayed and policies were not properly tested prior to the campaign.

4.5 The '*Strong Choices*' program was the principle campaign policy. External polling during the election indicated that the privatisation of major assets was not a strong negative with any groups other than those strongly committed to voting Labor, and non-greens minor party voters. Exit polling however, indicated that the plan to sel/lease the state's asset was the main reason given by 64 per cent of respondents for their protest vote.

4.6 The privatisation policy from the time of the recommendations of the Commission of Audit was announced, was undermined by a fierce and ruthless union led guerrilla war. It was a major mistake not to address the untrue propaganda populated through the union membership, via social media, rallies and protests to mainstream voters over more than two years.

4.7 The former LNP government's non privatisation reform agenda, on the other hand, was one of achievement in each portfolio. Its legacy is one of policy support for the private sector and well resourced departments with balanced budgets and service delivery efficiency.

4.8 Emphasis on the four pillars of tourism, resources, agriculture and the construction industries in 2012 worked well after years of neglect by the previous Labor government. Over the term, however, the view of the government emerged that the new industries, the scientists, the researchers, the innovators and the arts were sidelined or even excluded.

5. Election timing

5.1 The calling of the election during the Christmas/New Year holiday period was a serious mistake and voters resented it. Primarily, the reasons given for the calling of the early election included:

- The means of providing the state with certainty and avoiding the loss of momentum due to drawn out election timing speculation;
- The performance of the federal coalition and the resumption of federal parliament on 9 February; and
- A belief that an early election would take the opposition by surprise and diminish the willingness of the union movement to campaign over the holiday period.

5.2 The early election re-enforced the perception that the government was arrogant.

6. Central campaign committee and the campaign

6.1 Members in their submissions and supporters conveyed to us dismay with the poor quality of the campaign and failing to engage with voters on policy matters of social conscience. Disappointment was expressed with the campaign and about the defeat of first term LNP government after years in opposition.

6.2 The central campaign committee (including the leaders of both the parliamentary party and organisational wing) should take responsibility for the election loss, policy mistakes, the mechanical flaws and general unresponsiveness to local campaigns that impacted on the outcome.

6.3 The central campaign committee did not explain to the public that unpopular decisions were needed to 'fix labor's mess' and the 'can do' approach was needed. Despite the negative polling, there was no change in tactics - a quick survey of the membership would have given a true and accurate reading for the urgent need for strategic change.

6.4 Members have the view that the central campaign committee allowed the campaign to be referenda on the former premier, the style of government and controversial policies, rather than an opportunity for voters to endorse a government that could acknowledge it had done much to improve the state, re-invigorate the economy and improve government frontline service delivery.

6.5 Rampant throughout all electorates was the campaign of deceit and untruths propagated by the Australian Labor Party (ALP) and the unions on cuts to frontline services; selling schools and hospitals; and taking away penalties in nurses awards. There was no fight-back, no attempt to contradict or rebut the blatant untrue ALP propaganda. It should have been said that the ALP and its union mates would say and do anything to get into power. Voters should have been reminded that the ALP had more lessons to learn. Sustained rebuttal would have cut through but without it the voters believed our opponents.

6.6 Prior to and during the campaign the central campaign committee failed to emphasise and advertise the considerable achievements in all portfolios and utilise the ministers (health, education, small business, environment etc.) associated with these achievements. This is what members and supporters wanted to offset the party's opponent's negative propaganda and blatant deceit and untruths.

6.7 Members in submission and supporters in conversations with us alike reflected alarm and despair that the LNP did not rebut the blatantly dishonest ALP print, electronic, flyer and social media advertising campaigns. There was no counter attack which allowed the ALP to define the LNP. What the party stood for was lost in the mire of labor deceit and untruths.

6.8 A negative campaign would have been welcomed reminding voters of 'labor's messes.' This could have been in a compare and contrast style particularly in view of the LNP government's significant achievements; or a 'don't risk it' strategy combining graphs of debt under Labor and the reform and plans of the LNP to contain the debt; or health waiting lists etc.

6.9 Members were not enamoured with the advertising campaign having views ranging from 'below standard' to 'weak without a counter punch'. The significance

of the surf boat advertisements was lost on many voters and lacked local value particularly in the rural and regional electorates.

6.10 The billboard 'making your community stronger' had little to no electoral appeal as there was no reference to the local candidate. The absence of a consistent message or advertising on jobs and third party endorsement such as screened at the campaign launch (Cochlear) concerned both candidates and members.

6.11 Under the campaign strategy, it seems that all seats were deemed targets. It is our experience that a target seat campaign is a critical tool to winning 'must hold seats' and the LNP had several in this category.

6.12 During the campaign with one or two exceptions, the party was without support from community groups. The LNP should actively address the lack of community organisation support through networking and developing closer relations with those that are in the wider community and affinity with the party's philosophy and policies.

7 Local Campaigns

7.1 The principle that all politics is local was discarded, usurped by a centralised presidential style of campaign, and tightly controlled by the central campaign committee staff with minimal input from local campaign committees. With the exception of one or two well organised campaigns, there were no genuine local policy initiatives other than those approved by the central campaign committee.

8. Polling

8.1 An early issue confronting the LNP was the strong expectation amongst voters that the LNP would win - although with a decreased majority. It was a force that drove voting behaviour, encouraging a protest vote. This circumstance showed up in both internal and external opinion polls between elections and at the Redcliffe and Stafford by-elections.

8.2 The expectation of an LNP win was a settled view in the community of which the party was aware for several months leading to the 2015 state election. Yet, there was no strategy to communicate to voters that the reform measures to fix 'labor's messes' had the political cost of the possibility of losing the election and ending policies and programs to drive investment in Queensland's infrastructure and economy.

8.3 Tacit acknowledgement came during the election with television advertisements that a 'hung parliament' was a possibility but these did not communicate clearly that the LNP could lose the election or the risk if it did lose. These advertisements were too weak and too late. A strong message was required that there was a real possibility that the election would be lost meaning a return to

an ALP government that had failed to pay doctors and nurses properly and borrowed to pay recurrent expenditure.

8.4 Party polling confirmed that the Premier's image was a significant problem prior to and during the election. It is surprising that in view of both longitudinal and overnight polling available, that campaign tactics were not switched to turn the former Premier's vices into virtues or at least neutralise them.

9. Preferences

9.1 The 'just vote 1 strategy' was ineffective and made worse when coupled with the expectation that the LNP would win. Combined, the effect was to drive votes to the party's opponents.

9.2 Polling indicated a consistently high independent and minor party vote and their reported intention was not to preference the LNP. It is surprising that in the face of this information that the LNP persisted with and insisted on the just vote 1 strategy. Polling suggested that the party needed a flow of preferences and the vote 1 strategy was inappropriate.

9.3 The party's major opponent framed their pitch for preferences in the negative protest framework of appealing to voters to put the LNP last. This had the effect of putting the ALP somewhere closer to first and worked with the mood of the electorate.

9.4 In the end preference flows made the difference between winning and losing. The LNP finished first in 51 seats - losing nine - ten seats due to the lack of a flow of preferences. If the party had been open to the distribution of preferences, the outcome of the election may have been different.

10 Vetting process and preselections

10.1 Applicant review, better known as the vetting processes for applicant endorsement, has emerged as a community concern. Whilst no process can be perfect, the LNP introduced ahead of the 2013 federal election additional procedures following the experiences with some former members of parliament. These new procedures seek to reduce the political risk to the party requiring that all applicants for endorsement provide a series of official records including:

- State and national police records
- Taxation records
- Driver's license and traffic records - if applicable
- Military record
- Financial details

10.2 The party too, should take into consideration the applicant's standing and record in the party, understanding of the party's philosophy and policies and if necessary crosschecked with the specific state electorate council (SEC) executive.

11. The LNP

11.1 Members were disillusioned with the campaign, the defeat of the party at the January 31 state election, and feel that over the past three years there has been the loss of connectivity between central headquarters (CHQ) and the grass roots. At this time, morale is low and members feel neglected, but their belief in the party, its philosophy, its values and what it stands for is enduring.

11.2 Members overwhelming desire is for the party to regain its ethos of 'listening to' the grass roots. Members recognise that unlike its major opponent that is dominated by the unions for policy, funding and campaign support, the LNP is a well managed successful corporate entity totally reliant on its membership and supporters for policy and funding with its leadership team resolute in its belief of the party.

11.3 Executives who represent the party units at state executive must be mindful that they are the member's conduits for information to and from such fora.

11.4 The party's convention and council could be made more 'friendly' with increased interaction between members of parliament and delegates and shadows/ministers present and engaged in their portfolio resolutions.

11.5 It would be timely, that now out of government that the CHQ organisational structure be reviewed to improve efficiency with emphasis on communications, policy development, and service delivery to members so that it is ready for any political circumstance that may arise.

11.6 It is our belief that now is the time for:

- the CHQ to nurture the grassroots and the grassroots to shape the character of the party following the election defeat;
- for the membership base to be widened;
- for party units to be empowered;
- for the gender balance in executive roles improved; and
- for the desire to reinstate the party in government reignited by regaining the confidence and trust of the people so that they can accept the party's goals and policies as being good and right for them.

12. Social Media

12.1 Social or digital media is emerging as a game changer medium and an opinion maker due to its immediacy. The party's social media is not in the space where it can offset its opponent's diversity.

12.2 There are members with skills in the use of social media and it would be wise to utilise these.

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Recommendations

1. *The Borbidge Sheldon review report and recommendations must be released to party units at the same time it is given to the state executive and made public thereafter.*
2. The review committee notes the actions taken by the parliamentary party to address the lessons learned from the 2015 election defeat.
3. The review committee notes the over-riding need to improve the relationship between the parliamentary and organisational wings of the party and recommends:
 - The parliamentary party members retain the right to select their leader from within their own ranks.
 - A compact be established to define the relationship between the parliamentary and organisational wings of the party.
 - That the compact be prepared by a party member nominated by the parliamentary leader who should be a previous parliamentary leader of the LNP, the liberal party or the national party, a party member nominated by the state president who should be a former president of the LNP, the liberal party or the national party and one other, jointly nominated by both.
 - That the compact be agreed to by the parliamentary party and the state executive and signed by the parliamentary leader and the party president.
4. That the state executive address as an urgent priority meaningful connectivity and communications with the grassroots membership.
5. That the LNP *Integrity Paper* should be updated and implemented and all candidates should be required to acknowledge and accept its requirements. That the LNP in government or opposition be required to adhere to the principles which include:
 - broken promises will not be tolerated by the public;
 - corruption and lack of accountability will not be tolerated;
 - the institutions of state must be respected.
6. That major policy issues proposed by the parliamentary party where possible be subjected to debate at either the state council or the state convention or, if found to be urgent, be considered by the president's committee/state executive for comment.
7. That a party platform detailing the party's principles and policies be finalised for distribution to members as a matter of urgency.
8. That the president and the state director, in the LNP Annual Report indicate that the administrative, organisational, financial and policy responsibilities as required under the LNP's constitution has been complied with.

9. That the central campaign committee be restructured to include party policy and decentralised representatives as determined by the president and parliamentary leader.
10. The position of campaign director should be separate from the state director and report to the state president.
11. The review committee notes that a limited number of federal issues impacted adversely on the state campaign, in particular the controversy over the awarding of knighthoods, the GP co-payment and the defence pay issue and recommends:
 - That close consultation be established between the central campaign committee and the federal leadership to minimise adverse impacts on state campaigns of federal issues and that a liaison unit be established between central headquarters (CHQ) and the federal leader's office.
12. That a central campaign strategy allow increased decision making for local campaigns.
13. That state elections be avoided during the month of January as it is a recognised holiday period.
14. The review committee notes with concern:
 - The absence of a marginal/target seats campaign at the 2015 state election and recommends that the strategy be reinstated for future state elections,
 - the absence of a negative advertising campaign, the want of the central campaign committee to exploit the weaknesses of the prime opponent, and
 - the lack of third party endorsements in support of the party's policies and actions in the campaign.

It is recommended that such strategies be included in future state election campaigns.
15. Sitting MPS, recontesting the poll should be permitted to handle PVA's for his/her electorate, whilst candidates PVAs should be managed by the central campaign.
16. It is essential that booth advertising material should arrive prior to prepolling; booth signs should be of a size that enables them to be easily and safely transported.
17. The centralised banking system and the campaign funding/ budgeting process should be reviewed specifically to provide party units with increased financial control and campaign committees with the latitude to make funding decisions - whilst maintaining the link to CHQ budget/systems/agreements. It recommended that:
 - That the treasurer report to state convention or council, as a matter of urgency, on measures that can be implemented to provide SEC's with greater responsibility for their funds and budgets.
18. The Just Vote 1 strategy should be reviewed to ensure that it is applicable to the political and election circumstances.

- 19 The review committee notes the enhancements to the applicant review process for the endorsement of candidates and recommends that the processes be monitored to ensure they are robust to meet any issue that may emerge.
- 20 Plebiscites should be the preferred method for the selection of candidates.
- 21 That the CHQ organisational structure be reviewed to improve efficiency with emphasis on communications, policy development, membership services and the delivery thereof.
- 22 That the gender balance of the state executive be a consideration of members when electing persons to roles on this body.
- 23 That all appointments made by the state president or the state executive be subject to confirmation by state council.
- 24 That the composition of the president's committee be widened to include the parliamentary leader or his nominee.
- 25 That members of state executive recognise the responsibilities associated with their dual roles of governance and communications to and from party units and ensure they act as conduits of information.
- 26 That a membership customer relations manager be appointed.
- 27 A permanent strategic research office should be established in CHQ to undertake electorate and policy research.
- 28 A membership development strategy should be developed to grow the membership which should include the introduction of online membership applications.
- 29 A new category of family membership should be introduced.
- 30 State convention or state council resolutions be categorised to reflect the three levels of government so that the responsible minister/shadow/councillor or other office holder may be present for the duration of the debate.
- 31 State convention and state council attendance by the parliamentary leader and members of parliament be required unless in extenuating circumstances.
- 32 Meetings of the LNP state council and state convention and shadow cabinet meetings should be held, where practicable in regional centres as well as the capital city.
- 33 That ministers/shadows meet regularly with party policy chairs and their committees and attendance or otherwise conveyed to the parliamentary leader and the state president.
- 34 That CHQ prepare a data base of membership expertise as a resource for MP's and policy committees.
- 35 That the LNP establish an independent review of its social media strategy and its effectiveness compared to our political opponents.
- 36 That social media training should be introduced for MP's, senior staff and party members.
- 37 That an ongoing social media strategy be developed.
- 38 That members of parliament and candidates not be directly involved in the soliciting of funds.

39 That the LNP consider the full public funding of election campaigns and the banning of trade union and corporate donations.

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