

LEGISLATIVE COUNCIL

ORAL HISTORY PROJECT

At Sydney on Tuesday 16 July 2013

The discussion commenced at 10.10 a.m.

PRESENT

Mr David Blunt
Dr David Clune
The Hon. John Hannaford

Mr BLUNT: Mr Hannaford, thank you for joining us today, and accepting the invitation to come and share your recollections and reflections on the establishment of the modern committee system. I have thought for some time it is a good idea to look at the opportunities that oral history provides to record the reflections of former members in relation to the work they have done in the House generally and on what the Legislative Council was like in the past. To get started, what was the Legislative Council like when you were first elected in 1984?

The Hon. John HANNAFORD: I think that in 1978 we started the transition to an elected House so that brought me in at the final phase of elections in 1984. There had been a mixture of elected members and a remainder of appointed members. We were still coming out of the push by the Wran Government for reform of the Upper House. There still existed a concern that the Council would be abolished, consistent with long time Labor policy. In the Liberal Party we were going through the travails of reform of the selection of candidates, influenced by the memory of what might best be described as almost manipulated selection of Upper House candidates. The whole concept of a democratic institution was still in the throes of being developed. The Senate had already established reasonable committee processes. We were influenced by the unicameral system in Queensland and the way in which such absolute power had the potential to corrupt the democratic process. So we had all those elements coming together. Certainly within the Liberal Party as I was standing for preselection, which was about two years before the election, there was a strong desire to ensure that we did not embrace the Queensland option, that there had to be appropriate checks and balances.

The New South Wales Upper House was referred to as a club, an ineffective institution. Unless it was made an effective institution, then it would be almost impossible to resist the pressures to abolish it. Within the parliamentary Liberal Party there was a desire amongst some, particularly in the Lower House, to have the Upper House abolished - and elements of that still remain to this day. I think if at that time it had been left to a free vote of the Lower House members, they would have happily supported the abolition of the Upper House. All of those elements were in play. Lloyd Lange, as the leader of the Opposition in the Council, had made a speech advocating reform of the Upper House in terms of its relevance and that was part of initiating that debate.

In the preselections for the Liberal Party that led to my election in 1984, the issue of developing a strong relevance for the Upper House to try to sustain its existence was an essential ingredient for all of the candidates. Those who came into the Parliament with me in 1984 wanted to see a change and knew that something had to be done in order to be able to sustain the Council. We had to resist the Labor Party's strong policy that it should be abolished and also elements we were aware of within the parliamentary Liberal Party keen for abolition. I think it would be fair to say that within the Liberal organisation there was no strong support at that time for its abolition. So that is the background.

Dr CLUNE: You mentioned candidate selection manipulation. Did you mean within the Liberal Party or for the whole Council under the old system?

The Hon. John HANNAFORD: There were urban myths—perhaps they were realities—that the process of selecting Liberal Party candidates was open to manipulation. Some suggested that it might have been. I have no idea what the processes were within the Labor Party, but they certainly were not regarded as edifying within the Liberal Party. Whether it was true is something I am not aware of. It certainly was a myth and myths can affect reputations and certainly affect the body politic. That is why there was a fairly strong level of support for trying to drive—certainly within the Liberal Party—reform within the Legislative Council and to make certain that it was sufficiently relevant to the community so that it would be very difficult for a Government to be able to abolish it.

I was quite amazed at the high level of ignorance of, firstly, the existence of the Legislative Council and also its role. In the lead-up to the 1988 elections I had been invited by a community organisation, which I will not name but which has branches in almost every city and country town, to come around and talk to them about the Upper House. I remember having a discussion with Labor MLC Johnno Johnson about it. He said to me, "John, why are you bothering to talk to them? They're a constituency that's almost welded on to you." I replied that it was not just about the elections but actually about the Upper House; that it was a matter of making certain that there was an understanding that there was an Upper House. It was the case that people just voted a ticket. They did not really show an awareness, as they do with the Senate, of the significance of Upper House voting. I do not really think there was an understanding of the relevance of Upper House voting until all of the Independents came in and we had the tablecloth ballot paper in 1999. There was then an understanding of how you could manipulate the voting in order to maximise the numbers in the Upper House. It took 15 years to get there but I always took the view that it was going to take time.

What was the Council like when I arrived? I do not think that there was in the early part of my period a strong sense of the power of the Upper House to exercise discipline and control over the Government. But then political issues arose which altered that focus. The one that particularly comes to mind is the issue involving the judges and the establishment of the Judicial Commission. You might recall that opposition really started to coalesce; there were a lot of community interest groups involved. There was a lot of theatre in the Upper House, but it identified the extent to which the Council could, in fact, actually try to influence the agenda.

I think after that there were a couple of other issues that arose during that period because we had some independent influence in the House on the legislative agenda. It became reasonably clear that a government no longer had the ability to totally control the House even though it might have had the numbers. So there was a focus on the Upper House and I think there was community awareness amongst organisations—interest groups—that if you had lost the debate with government then you may be able to influence the debate in the Upper House. That started from that 1984 to 1988 period and then dramatically developed from the elections after that.

Mr BLUNT: How did the Council change after the Coalition came to office at the 1988 election?

The Hon. John HANNAFORD: You had to focus on how you governed. We had to put in processes to negotiate with the crossbenchers. I think I did a lot of the negotiating for the Government, even though I was not a Minister until 1990, on a lot of the critical issues. We had to put in place better communication measures between the Upper House and the Lower House Ministers, and we had to understand that the process could take time. Did we fully appreciate that? No. I do not think the Government through to the 1991 election fully came to grips with the need to take time.

It was a government that was driven by aspirations for reform. It was focussed more on reform than the process of community involvement in governing. A consequence was that the Government effectively lost the 1991 election. A part of that, I think, was because it had not developed appropriate relationships with the crossbenchers and that further deteriorated between 1991 and 1995. In reality, the art of governing changed and there was a need, even for the crossbenches, to develop benchmarks for behaviour. Some of them took the view that the Government had the right to govern but there had to be accountability.

If they were going to oppose something, what were the principles the minority on the crossbenches were going to use to oppose? It was a question of trying to get to understand those. I think from 1988 to 1991 the Government was still too much focussed on an agenda of reform and had not completely come to grips with dealing with a new dimension. It was easier to focus on an Opposition, but not easy to understand how to deal with the crossbenchers. I do not think the Government of that day did it very well. But it was an interesting period in terms of negotiations. I think the largest area of negotiation was over the Education Reform Bill. That went for ages—masses of negotiations, trying to provide an ability to negotiate with a Minister who was a focus of community antagonism. How do you get significant legislative change through, dealing with the principles of the reform, whilst dealing with the principals of that crossbench group who were being very solidly lobbied by a well-organised group? I think that Bill was a period of massive learning for the crossbench.

Dr CLUNE: There was also the Industrial Relations Bill where John Fahey actually went into the Legislative Council to try to defend his legislation.

The Hon. John HANNAFORD: It was the experience out of the Education Reform Act that led him to insist that he wanted to be in the Upper House. There were a lot of differing views as to whether that should have been but it occurred. I will not comment on the wisdom of it. However, I think when it comes to negotiating changes in a legislative package it is always better if the principal Minister can be out of the cauldron and not under immediate pressure as it allows time for objective consideration. One of the pressures always on Ministers in the Upper House, and particularly the leader, is that they are also driving and managing legislation. They have to be on top of all of the issues, able to objectively look at the issues and make judgement calls. The issue in the Upper House is before the Minister who is also driving the agenda. You cannot really be seen to say, "Look, I want to stop and I want to think about this. Let's take a breather." With significant pieces of legislation sometimes time out is beneficial. I would never be an advocate of Ministers coming into the Upper House to deal with that sort of situation in a very volatile environment, a very confrontational environment. There are a lot of lessons that need to be learnt about managing a Parliament in that sort of an environment.

Mr BLUNT: Do you have any comments or reflections as to how the challenge of negotiating with the crossbench was handled by the Government that followed in 1995, particularly during the time that you were Leader of the Opposition?

The Hon. John HANNAFORD: From my perception, they developed a much closer relationship with the crossbenches. I suspect it is a skill that is developed within the Labor Party, dealing with union negotiators and the art of negotiation. The skill of compromise underpins the life of an industrial negotiator, something that is not often within the experience of Coalition members. I think that the Labor Party did it very, very well. It was able to govern, I think, much more effectively. I think also it had learnt from the experiences of the previous Government. As an Opposition, they had from 1988 to 1995 the opportunity of experiencing how to deal with crossbenchers who are able to undermine a government or who try to mitigate a government's agenda. Once you have had the opportunity to learn that, you can apply it when you come into government. I think that the ALP applied it quite well. It gave the crossbenches more resources to deal with that situation. The art of negotiation, I think, was more significantly applied by Labor.

Mr BLUNT: Mr Ian Cohen made an interesting observation in his valedictory speech before the last election. He talked about sitting on the crossbench, with you on one side and Jeff Shaw on the other, speaking to dozens and dozens of amendments in Committee - speaking directly to crossbenchers, seeking to persuade them on the floor of the House of the merits of your argument or Jeff Shaw's argument - and being placed in the situation of having to make a call when a division is held on each of those amendments. I found that a fascinating observation because I get the impression that today when we go through that same process, decisions have already been taken elsewhere as to what position would be taken by the crossbench on a particular amendment or a particular vote. Those decisions are being made in negotiations with parties outside of the House. Do you have any comments?

The Hon. John HANNAFORD: I certainly know that in my experience the art of debate on the floor was vital on many issues. In certain areas—critical areas—yes, deals had been done with certain members of the crossbench, but you could work on the basis that if you put up a good argument then there was a chance that you might be able to change the vote. I got that impression from things that crossbenchers said to me. So you had to be prepared to debate—articulate an argument—on the floor. It may well be that things have changed today, that everything is being negotiated outside the House—that would not surprise me.

We have moved from crossbenchers having influence in 1988—the Government had not really learnt how to deal with that—through to Labor in 1995 and it is still going on as a learning process. The Government had a better understanding in 1995. From then to 1999 I got the impression that a lot of issues had been bedded down before they actually got to the floor of the Chamber. It would not surprise me if over the ensuing years governments had got to the stage where they were not going to bring things into the Parliament until they were fairly certain as to what the position was going to be.

Dr CLUNE: In the Coalition period from 1988 to 1995, do you think the outcome in terms of legislation was better than if you had the numbers in the House?

The Hon. John HANNAFORD: I think so. In that situation you do not get the extreme positions and it means that a government has to look at governing to the middle ground. I think that the enthusiasm of some Ministers and the enthusiasm to drive agendas got tempered and we looked for what might be a more moderate reform. If a Government without a Council majority wants to drive a significant agenda then it has to be prepared to do a lot more work in conditioning the community and therefore conditioning the crossbenches.

I think that in the period 1991 to 1999 community interest groups understood how to manipulate the crossbenches, so that there was a lot of minority interest issues that were able to be driven. An Opposition will perhaps seek to exploit that for two reasons: one, to destabilise the Government; but, two, to try and engender political support coming towards the next election. That is a factor which I think is a significant issue in terms of stability and good government - that you end up governing to the interest of lobby groups rather than governing to the interest of the community. I could name a couple of crossbenchers, but I will not, that significantly pandered to minority interest groups and tried to drive those particular interest groups' agendas into legislative reform. It did not make the process of governing easy.

I took the view that if you put the arguments on the record, then it means that you have an opportunity of going out and explaining to the community just exactly what has gone on. Major organisations do, in fact, look at the *Hansard*—they want to know what has gone on, why have things happened—and I took the view

that a government must be prepared to articulate the position that it stands on. You might win, you might lose, but at least know why you are doing something and articulate it. Again, it affects the process of government.

I can recall some Ministers saying, "Never introduce a measure into the Parliament if you think that you are not going to get it through the Upper House". I lost the argument but I took the view that a government ought to be articulating the issues that it wants to pursue. So if you believe that there is a need for legislative reform, put it out there and see what happens. If you lose then at least people know what you were going to do.

I can give you an example of something that it was said we would not achieve. The Keating Government had introduced the 5 per cent to 9 per cent superannuation scheme, which had the potential to cap public sector liabilities. I went to the Premier because looking at State liabilities, as a result of an ageing public service, the debt was going to be monumental unless something was done to control it. I said, "You have now got the opportunity. Don't criticise the Federal Government as the Federal Opposition is doing. Embrace it and then use it". Supporting Keating meant that you were, in fact, cutting off massive benefits to the public service and the expectation was the Labor Party would oppose it and so would the crossbenches. The Premier said, "Right, you can go for it". Michael Egan was the shadow Treasurer and surprised everybody; he came out and said, "We are going to support it but it is not going to be retrospective, it is going to be prospective". If we lost on that we still got the game. Well, we were happy to lose that. After that, all of the governments across Australia moved to implement that sort of reform and brought the national debt slowly under control compared with what it used to be. It was the catalyst for very significant financial reform of public sector finances nationally.

It was an example of where I took the view that you should identify where you want to go and articulate it so the community will know what you are doing. But if you do walk away from something because you think you might lose it because of the crossbenches, effectively you are not going to be seen to be standing for very much. Should you pursue something if you think that you will lose it? Yes, you should. Were there things that should have been pursued during the 1991 to 1995 period? Yes, there were, in my view, because you have got to be seen to be standing for something. Keep in mind also that in the 1991 to 1995 period the Government did not control the Lower House. I think there is still a learning process to be gone through for governments in how to govern when you do not control either the Lower House or the Upper House.

Mr BLUNT: What was your attitude to creating a modern committee system for the Legislative Council?

The Hon. John HANNAFORD: Coming into the Parliament as I did in 1984, the view was that it had to happen and the Senate was the model. It was never, I think, articulated in the policies of the Coalition leading up to an election. I do not think that there was an Upper House policy. If there was, I do not recall it. But in what might be described as the leadership group within the Upper House there was a view that we were going to move and fairly quickly on trying to implement a Senate-style committee system. When we came into Government I was given the task by the Upper House Leader, Ted Pickering, of drafting proposals for a set of policy committees. With the assistance of the then Clerk, Les Jeckeln, we drafted a letter to the Premier with proposals for five Upper House policy committees modelled on the Senate system.

I still remember the discussion with the then head of the Premier's Department, Gerry Gleeson, about the concern of allowing such committees to exist, the danger that could arise from allowing them to occur and the cost that might arise as a result. The compromise was that two committees would be funded. That is how we ended up with the State Development Committee and the Social Issues Committee. Subsequently, the Carr ALP Government introduced one of the other proposed committees, the Law and Justice Committee. I think I made comments on my retirement along the lines that I suspect the same approach was made to the then head of Premier's Department for support and funding and they got one of the three that they were after.

The underlying thinking in my mind, and I suspect in the mind of the leadership team, was that policy committees were a tool to be available to government to drive debate on significant issues which were going to be difficult to manage. It was the issue I referred to earlier of taking time to govern. If you had major reforms that you wanted to pursue, to take the community along you would use the committee process. The example of that was the very first reference which was made by Minister for Family and Community Services Virginia Chadwick to the Social Issues Committee on adoption reform. Both Virginia and I had had a very strong view as to what should be happening in that area, which we had for some significant period of time in Opposition. But there were a lot of very entrenched interests that would be not happy with the reforms. Keep in mind that I had adopted children and there were other Members with adopted children and they all had very strong views about

reform. We took the view that one of the very first things that should be done was to send the adoption issue to the Social Issues Committee so that we could engender a community debate. If you won the community debate and you got appropriate recommendations that reflected the community attitude then you would get reform - and that was what happened. I regarded that as a big breakthrough in the establishment and operation of committees. But the concept has not been, I think, utilised extensively by Government during my period.

Dr CLUNE: When you were drawing up the guidelines for these committees did you think at the time about giving them a self-referencing power?

The Hon. John HANNAFORD: Yes, and the view was no. The view was that there had to be some government guidance as to what ought to be the agenda and it should be government that tries to use the committees to develop very significant policy initiatives. I do not think the State Development Committee, to the best of my recollection, ever really achieved that agenda of significant policy reform. But certainly the Social Issues Committee has been useful. Law and Justice I think has been useful, but I do not think Government has understood the way in which these committees could be used to gauge and to funnel community ownership of reform.

Even with the adoption reforms I was headbutted by people for years afterwards as a result of those changes. I came to realise that the way we proceeded there was absolutely right and that the level of headbutting would have been even more monumental if there had not been an opportunity for people to vent and to understand all sides of the picture. When all views are out there and people understand differing sides then you can meld out of that a way forward. That was, in my view, the greatest benefit which would come out of policy committees. Reform is driven by the momentum which is within the community. If it is done well by the committee, led well by the committee, then the sense of that direction can mellow radical reform or can identify the extent to which reform ought to go but provide a staged process by which it can be achieved. Or it can identify that absolutely nothing should be done.

Dr CLUNE: I am interested that you said you did not think the State Development Committee was quite as significant as the others. What is your assessment of the committee and how it worked or why it did not work?

The Hon. John HANNAFORD: I was the first chair of the committee. We started out by looking at contracting and coastal development, which were two significant issues. I think they were two significant issues that were heavily politicised at the time. That committee took on very politicised issues and therefore was not able to operate in a way in which I envisaged. But it did have the impact of taking the heat out of the debate on coastal development. You might remember the Labor Party's campaign against the then National Party leader Wal Murray when they claimed he was going to concrete beaches up and down the coast. It is interesting that it was based upon a document which had been released by the previous Government, the previous Premier, on coastal development. That was a document that was out there and was going to see massive development all along the coast. That was picked up by the new Government. It became a significant political tool used against us. The Committee was brought in, in a sense, to try to take the heat out of the issue. I think it did take the heat out of the issue. There was a fair amount of reform as a result of it and also a lot of reform in the contracting area. Yes, reform occurred.

Keep in mind my philosophy was to take on significant issues which would be difficult for a government to manage. The committees ought to take those issues, take them into the community and formulate a way forward. That takes time, however. You have to be looking today at what might be an issue that you want to deal with in 18 months' time. If governments want to react immediately they will not make much use of committees.

Mr BLUNT: In due course you became Minister for State Development. Obviously, as Minister you had a whole range of responsibilities and pressures. How significant were the Legislative Council's committees for you, particularly the State Development Committee? Did they have responsibilities?

The Hon. John HANNAFORD: It is a criticism of myself that the State Development Committee did not have responsibilities. I think that was a significant failing on my part. As the Minister for State Development I identified five areas that we needed to drive as a policy agenda. We are going back to 1990. I identified then that education exports would be a critical policy area for the economy, and that one of the great advantages that New South Wales and Australia would have is in education exports. Nobody had ever debated it at that stage. But education was not a State Development matter; education was an Education Department matter. The

Education Department did not want to know. Perhaps what we should have been doing is taking that policy agenda item to the State Development Committee and saying, "Right, how do we implement this policy?" I think we could have changed the face of the economy on education exports possibly 10 years ahead of when it actually was. Education exports did not really become a significant issue until the early 2000s. The standing committees still have a role because when governments develop a strategy how do they implement it? I think there are lots of areas where the committees could be used to take up particular long-term agendas and work with the community supporting and developing policy to advance those agendas.

Dr CLUNE: You said the State Development committee looked at issues under your chairmanship that were very politicised. Was there bipartisanship on the committee? Was the committee politicised, or could it stand back?

The Hon. John HANNAFORD: I think it would be fair to say that it was not politicised, but that was because of the nature of the people who were on it, that they were trying to find a solution. I think there might have been a dissenting committee report in relation to one of them but that was pursued for political reasons, because of the political dynamics of that period. I think Brian Jinks was the secretary of the committee. It was his craftsmanship of the report and the recommendations that I think got the report through. You see, basically it is the skill of the writer in those committees which is so very important.

Dr CLUNE: But aren't you selling yourself a bit short? The chairman has to bring the members along and persuade them as well.

The Hon. John HANNAFORD: Yes, the chairman has a role. I do not think we have ever had a problem with a committee through the activities of chairs. I think they have all generally operated quite well. But then I think that is because members also want the committees to work well.

Dr CLUNE: Max Willis said that as Chair of Social Issues with the adoption reference he adopted the attitude that he was not going to be heavy-handed. He just let members talk and a consensus naturally formed among them.

The Hon. John HANNAFORD: Yes. That is his management style and it was appropriate for that particular reference. If you had tried to drive any agenda, it would have made the outcome of the inquiry quite difficult and quite different. We got legislative reform and there have subsequently been other committee reviews of it. That committee on that particular subject is almost a perfect example of the utility of the committees. I do not think there would have ever been reform in that area if it had not been for the committee undertaking that inquiry.

Dr CLUNE: You moved the motion for the general purpose standing committees. Could you tell us about that?

The Hon. John HANNAFORD: Yes. That came back to dissatisfaction with the way in which the estimates committees were operating. John Hatton had already set up estimates committees in the lower House. The leadership team in the Upper House took the view that they should be Legislative Council estimates committees. There needed to be a better ability to examine the administration of government. To the time that I left Parliament, I have to say that I am not quite confident that we had yet got to understand how to use those committees. I do not think that shadow Ministers, in particular, had got to understand how to use those committees. I recall a particular provision which allowed individual Members to come and sit in on committees and to question public servants, but not to have a deliberative vote. I do not think we have used that particular provision much.

Mr BLUNT: It has been used very sparingly, yes.

The Hon. John HANNAFORD: It is interesting that I did not articulate my philosophy in the debate completely, I do not think. You would get a better government, better oppositions and better transitions of government if there was a more comprehensive understanding of how departments actually operate. You would get that if there was, rather than questioning of the budget in a political point-scoring manner, a critical scrutiny of the way in which the bureaucracy actually operated. People think that Ministers control their departments; they do not. The department heads control the department. A Minister is meant to set a policy agenda. A lot of Ministers, I think, go in thinking they are going to take control of the department and become the departmental head. There is not a good understanding of governance in transition to office. Ministers have to learn.

I took the view that if we could actually use the general purpose standing committees to look at very critical departmental operations and understand how departments operate that would have a salutary impact on administration. It would perhaps significantly assist government to drive reform agendas and it would also assist in enabling better understanding of how governments work. I do not think a lot of politicians actually understand how government departments work and even the system of creating budgets or budget controls. You could take particular areas of the public sector and ask questions and get to understand them and try to help governments. An opposition might think that it is about scoring against the Minister, but it is actually about getting the public sector to be more accountable.

When I was a Minister I had departmental heads saying to me that it was only through getting prepared for estimates committees they actually got to understand what was happening in some areas of their own departments. Having to focus on what might be questioned, they had to get to understand their own departmental operations. That is understandable because of the size of government. It is what conditioned me in thinking of a role for the general purpose committees.

Dr CLUNE: You were thinking it could be almost a nursery for a shadow Minister to learn about a department and be prepared when the day came to take over?

The Hon. John HANNAFORD: Absolutely. They should be wanting to understand all the operational procedures of the department. Many things at that time were not in the public domain, such as a better understanding of expenditure within the department and where there is room for improvement within agencies. But our general purpose committees did not sit for very long. They were still very much politically driven, if my recollection is correct. With a lot of them, the Ministers were turning up. That was never the intention. This was supposed to be about looking at the administration of government, not looking at the policy of government.

You might recall that in my speech I made it very clear that these were not policy committees - although a result of looking at the administration of government might be policy changes. But it was actually to look at how policy was being implemented and, if there were problems, why those problems were arising. It was a tool that governments could use, but committees became more of a focus for destabilising government and confronting the Minister rather than being a tool for Parliament to oversight the administration of government. If there was a controversial area of administration, then you could have the relevant people come in and answer to the Parliament. If it was done that way, with the Minister sitting out, then they might well be able politically to drive reform or improvements and be responsive to what was being articulated.

Mr BLUNT: There is one example I can think of where one of your former colleagues, Dr Pezzutti, was chairman of the general purpose standing committee that had responsibility for the Health portfolio. I remember, I think over a couple of years, the Minister and the department heads would come to the initial estimates hearing and then time and time again the department head would be called back for supplementary hearings but there was not necessarily a single hot political issue that the committee was exploring. It was generally exploring the administration of the enormous Health Department.

The Hon. John HANNAFORD: I was Minister for Health at one stage and I think it was drawn to my attention that, apart from in Russia, the New South Wales Health Department was the largest unitary health administration service in the world. It was massive - and I had both Health and Community Services at the one time. Again it comes down to understanding how to use the general purpose committees and developing a clear philosophical or policy approach to their role and use. When I retired they really had not got bedded down. Better administration of government and an appropriate use of the Parliament in the administration of government is what I had in mind. I noticed when I reread my speech I spent some time emphasising that these were not policy committees. They were committees that were intended to look at the administration of government, out of which policy decisions might ensue.

Dr CLUNE: You got your resolution for the general purpose standing committees up in spite of the Government. Jeff Shaw, as Leader of the Government, opposed it strenuously.

The Hon. John HANNAFORD: The Government had a very strong policy position against, if my recollection is correct. But they also knew that they did not have a single extra vote to support them. This was about accountability of government. I think it was also about the time when we had started calling for papers and so there had been a series of steps that were being taken to say that the Government was accountable to the

Parliament. Remember that the Government had been fighting tooth and nail against this whole concept that the Government and Ministers were accountable to the Upper House.

Dr CLUNE: It was one of Jeff Shaw's objections that there were not enough members to serve on all the proposed committees.

The Hon. John HANNAFORD: I have to say in hindsight that he might possibly have been right. I think that had there been fewer committees we might have had a better understanding of the way in which they should work and a better policy framework around the role of the committees. I do not know what the committees have done in the last decade, but I sense from what I have read in the papers that they have not achieved the objective of looking at areas of administration that are the subject of controversy and dealing with them. Again, it is the art of politics. You take advantage wherever you can, but in terms of these committees they ought to have been looking at what actually was going on within the administration of the agency. Yes, a Minister is responsible for it, but a Parliament ought to be saying that if the policy is unsound then you run a policy debate. But if the policy is sound and there are problems, then what is happening in the administration of government that is leading to a breakdown in the administration of policy? And making certain that the agencies of government understand that they are not just answerable to the Minister but they are ultimately answerable to the Parliament.

If members of the committees fail to provide appropriate respect for the people who appear before them then they will get back what they have exhibited. During my period I saw certain members of Parliament exhibit disrespect. If you exhibit disrespect then you cannot expect respect to be reciprocated. It is an understanding of what is your role. If you want the Parliament to gain respect you should not just use the committee process as a political tool. It is always a two-edged sword. If you have used it as a blunt instrument then expect that either it will be used as a blunt instrument against you or neutered when the opportunity arises. You are better off trying to use the committees to entrench the authority of the Parliament. I am not quite certain that we have got there yet with the general purpose committees.

Dr CLUNE: Perhaps we could talk about your personal experiences in terms of committees?

The Hon. John HANNAFORD: I have to say that for me the most important event was the adoption reforms. We got the policy committees up, and in a significant area reforms were achieved which I do not think would have been otherwise. If you look at the issues the Social Issues and Law and Justice Committees have looked at, areas of significant social reform are areas where you will be able to achieve reform with the least disruption if you have carried the community with you. I remember Neville Wran once saying that it is the role of a Premier to lead but also to make sure that you are never so far ahead that you have left everybody behind. In areas of social change you have to take the community with you, and these committees are the way in which you can do that. Some people accuse me of social engineering. Social change is, in fact, social engineering. But you have to understand the community and the community issues that need to be addressed.

I think the only comment about Members I will make is that every committee member I ever spoke to or worked with actually tried to make the committees work. I do not exclude anyone from that. I do not have any recollection of anyone who sought to disrupt the work of the committees because I think most of them actually understood that if you have an effective committee system it enhances the reputation of the Upper House. Do I think the same view was held by members of the Lower House? No. I still think that many members of the Lower House would have liked to have seen these committees go; that they were an impediment, in their view, of the sole right of Ministers to govern. Some in the Assembly saw them as a further argument for getting rid of the Upper House, but not so with Upper House members. They took their duties very seriously.

Mr BLUNT: Have you any thoughts on how the committee system could be improved?

The Hon. John HANNAFORD: My greatest disappointment was that we were never able to resurrect the Public Works Committee. I regard that as a missed opportunity but, again, governments want to be in control of public expenditure on capital works. Government is able to make decisions about significant public works years ahead, but many of these public works are highly controversial. If there was a capability to look at major public works and allow for significant community input, I think a lot of the controversy around those public works would be dissipated and possibly some of the public works might be reconsidered. I use the example of the desalination plant. Had all the facts about that been aired and had there been greater transparency there might have been the opportunity to walk away without the government being politically tied into it. We might

have got better results out of things like the airport rail line. We might have got some things that never happened. For example, the debate in the 1990s on a very fast train to Melbourne. There was a fairly strong level of support within the Government to look at that quite seriously, but a Minister who was absolutely totally opposed to it because his department wanted to have tilt trains. We now have no VFT and we do not even have tilt trains. There is currently debate about second airports again. I know what happened back in the nineties because I was the Minister responsible for the third runway. I think that if you actually had a parliamentary committee that had all the reports, significantly different decisions would be made and the politicisation of that decision-making would be significantly dissipated.

I am talking about, in terms of public works, the big expenditures and the debate on the need for them. The Greiner Government went through massive political disruption in putting in the M2 tunnel to Epping. Had that been the subject of a committee inquiry I think there would have been an opportunity to vent community feeling. The Carr Government would not have gone through the pain it went through with the M5 extension and the issue over stacks. I remember that the people connected with the design and construction of it came to me and said, "We don't understand why the Government is building only two lanes when we could actually build three lanes for only a minimal amount of additional expenditure." But the Government had, by way of policy, tied itself into two lanes and politically it could not move. Had a public works committee looked at that, you might have got a better outcome and we would not now be talking about the need for almost a duplicated M5—and perhaps you would not have got the decisions about tolls.

Dr CLUNE: A Public Works Committee was set up in the 1990s.

Mr BLUNT: Briefly, but it never really took hold. It was a Lower House committee and political events overtook it.

Dr CLUNE: It did not have the power of the old Public Works Committee, where by statute everything over a certain amount of expenditure had to be referred to it.

The Hon. John HANNAFORD: I remember the Public Accounts Committee had a referral on the Port Macquarie Hospital when I was Health Minister. Again, that sort of thing should have been the subject of a public works committee inquiry. A better understanding of what was going on in that particular contract might have resulted in it being different. It certainly could have seen a significant change in the way in which governments administered public works contracting arrangements. That was 1990 and here we are in 2013 still talking about the shape and structure of public-private partnerships. So 24 years later we are still trying to learn. I suspect that had there been a parliamentary public works committee looking at that—looking at it dispassionately and not trying to score political points out of it—we possibly would have got better public administration in that area much earlier.

Dr CLUNE: We have reached the stage I think where the scrutiny of the executive function has more or less devolved to the Upper House; the Lower House basically is a partisan House and for various reasons it probably has to be. However, an Upper House—particularly as the Council is now constituted—is well suited to scrutiny of the executive.

The Hon. John HANNAFORD: It comes back to what you mean by that. If it is meant to be the scrutiny of Ministers, then it will lead to politically partisan committees because the aim of them will be to try to break and bring down a Minister. But if it is to scrutinise the administration of the executive, which is the public sector, then I think that would make the public sector much more accountable. For the last several years, I have had a role, although not a public one, in the federal sphere where public servants very strongly respect the oversight of the Parliament of federal administration. It tempers significantly public sector administration.

I am not quite certain that we are at that same level in the State sphere. I think the committees still see themselves as a tool in the political area, rather than understanding that they are committees of the Parliament and that it is the Parliament exercising an oversight of the administration of government. If you look at what are the tools for oversight of the administration, there is the Auditor-General and the Ombudsman and then the Independent Commission Against Corruption. However, none of them except the Auditor-General has the ability to trigger policy changes and each of them deals reactively with maladministration.

The Parliament is able to look not just at maladministration but appropriate administration. What is going on? Are there areas where things really need to be done the way they are? Is there a way to improve the administration of government rather than say it is solely the role of the Minister to drive improvement? I think

that there is space for the Parliament to be able to say, "We have got a role in understanding the way in which policy is administered and how it can be improved".

I will give you an example. I had the responsibility for prisons and without the need for legislative fiat we drove massive reform in the administration of prisons. I am told by one of my Opposition colleagues that there is a book out saying that more reform was driven in the prisons in my three years than had occurred in the century beforehand - much of which for political reasons was wound back. Nobody has looked at prisons to understand what goes on in administration. How do you deal with social issues within a prison environment? What are the appropriate approaches? Yet law and order has always been a political battleground. Childcare has been an ongoing issue back to the days when I had the responsibility for it in 1990 and it would go back into the 1980s. I think that there is room for massive reform in some of these areas if there was a better understanding within the Parliament of what actually goes on. The Parliament has never seen that as its role. Nobody in Parliament has said, "Let us try to understand the administration of government." The focus has always been on the Minister. I think that has been a significant failure of understanding of the use to which the Parliament should be using its committees.

Mr BLUNT: Is any structural reform required to achieve that aim? Do we need to tweak the resolution establishing the general purpose standing committees, for instance, or is it about the understanding that members have of the opportunities that are available?

The Hon. John HANNAFORD: I think it is the latter, actually having a clear understanding of where they fit in with the structure of the governance of the body politic. I do not know whether we do much in that regard. I had discussions at one time with Prime Ministers Hawke and Keating about trying to set up within the academic sphere a centre of public sector governance. I tried to get Prime Minister Howard interested. We were looking at engendering an interest in having an appropriate centre which would provide a forum for skills development both for public servants and primarily for politicians to understand public sector governance better. Sydney University set up a centre with Geoff Gallop as its first head. I had a hope that out of this governance facility we would get Members of Parliament to better understand how budgets are formulated and administered, what is the structure of governance within the public sector, and what is the role of the Parliament and its committees in that governance. I think just about everybody who gets elected has no understanding of that; they have got to learn it. But you learn by experience not by discussions and frameworks. I had a discussion with a previous Clerk, John Evans, about doing this, but it is still not there. Politicians learn by the experience of their failures. I think it is something that we have still got to do, so that when we create institutions such as parliamentary committees we understand the framework within which they have been established and within which they should operate.

We went through a lot of steps during that period of 1995 to 1999 of putting in place appropriate governance frameworks for the accountability of the administration and Ministers to Parliament - more particularly, to the Legislative Council because the Lower House did not want to know. I am not quite certain that a lot of people still understand the concept of that governance framework that has been put in place. If you are going to have a call for papers, it does mean that people actually need to be taking notice. But that again comes down to the fact that there has got to be an understanding that even staff within Ministers' offices are public servants that are answerable to the Parliament; they are not answerable to their Minister only, they are ultimately answerable to the Parliament. I know in relation to that issue the Parliament has set up a committee to look at it. Because the parliamentary inquiry process is a politicised process I would have sent that off to ICAC to undertake an investigation. It has got the skills to undertake that investigation and then to report back to the Parliament so that the House could act appropriately in dealing with a failure to respond to the Parliament.

Mr BLUNT: Is there anything else that you wanted to talk about before we conclude?

The Hon. John HANNAFORD: If the committees are going to go forward there needs to be a governance framework articulated. In the period 1995 to 1999 when I was Leader of the Opposition and responsible for driving a lot of that, it was within a framework and I do not think anybody has actually written about or stated what was the framework, how it should be exercised and what has been achieved. Looking back at it, those objectives were never articulated. Even in the setting up of the policy committees, there was never a speech in Parliament. There were reasons for that, but they were party political reasons.

You do not set committees up for political opportunism; you set them up to operate within the accountability role of Parliament. If the understanding of the purpose is there, then one might well want to do a review. What was the governance framework and what were you trying to achieve out of the establishment of

these committees? Then look at something like a performance audit. Have you achieved the objective? If you have not, why not? We have never actually had clearly articulated policy objectives. It is easy to say that in hindsight but a lot of this was being driven by individual politicians who were trying to achieve reform. None of these were policy positions that were being driven by government and therefore you did not have the assistance of the administration to prepare speeches to help focus on stated objectives.

If I am correct, a lot of what we have done here in the past 20 years with committees has started to be picked up in other States. They have been modelling things on what has happened here, yet there has never been a comprehensive statement of the way in which the committees are a tool in good governance of the public sector. You have got the framework through the general purpose committees. I said in my speech on establishing them that it is about looking at the administration of government, out of which may come policy improvements. You have got those tools and you have also got policy committees. Again, it is a question of debate around these issues so that governments get a better understanding of committees and how you can use them to improve governance.

The discussion concluded.