

LEGISLATIVE COUNCIL

ORAL HISTORY PROJECT

At Sydney on Tuesday 9 February 2016

The discussion commenced at 11.00 a.m.

PRESENT

Mr David Blunt
Dr David Clune
The Hon. Michael Egan

Dr CLUNE: Can you tell us how you became a member of the Legislative Council?

Mr EGAN: Like a lot of things in politics, there was an enormous amount of luck involved. I had been a member of the lower house from 1978 through to 1984. I was elected on my fourth attempt: I lost in 1971, 1973, 1976 and then was elected during the "Wranslide", re-elected in 1981 and lost by 269 votes in 1984. If I had been able to identify those voters, I think I would have screwed their necks, but if you had asked me three years later, I would have given them all a very expensive gift because they did me a great favour. If I had not lost in 1984, I probably would have become a junior minister in the Wran/Unsworth Government, but I would most certainly have lost in 1988 when a whole swag of Labor members went out—Terry Sheahan, Rodney Cavalier, Ken Gabb—never to return. Because I lost in 1984, I was offered a job by Barrie Unsworth who became leader of the Government in the upper house just after that election. When he became Premier, I took his place in the upper house.

That was all sorted out at the ALP conference when Neville Wran resigned. It was quite unexpected, and people often—especially journalists—say Unsworth was foisted on the Labor Party by the party machine. No such thing happened. The favourite of the party machine was Laurie Brereton, who was expected to be Wran's successor. But, as the resignation took place at the party conference, all of the major players, members of Parliament, union chiefs, anyone who was of any significance in the party and all the delegates—almost 1,000 in total—were present for those three days. It was a bit like an American presidential convention where someone was virtually drafted from the floor. Unsworth was not a candidate when Wran resigned. That was mid-afternoon. By the adjournment of the conference later that night, Unsworth had virtually been imposed upon the parliamentary party, not only by the parliamentary members but by most of the conference delegates. It was something I had never seen before and have not seen since. A mistake was made by the party machine, which realised that Unsworth was going to be the leader. The party president, John McBean, announced on the radio on the Sunday morning that Unsworth was going to be the new leader and, therefore, it looked as though the machine was imposing Unsworth on the party. That was not the case at all. The machine was responding to what had happened at the conference. That weekend John Johnson, who was then the President of the upper house, said, "What are you doing?" I said, "What do you mean?" He said, "Well, there is a vacancy in the upper house." He said, "I have spoken to Unsworth and he reckons you should take his place". So I was appointed by the party to take his place. The rest is history.

Dr CLUNE: What were you expecting when you became an MLC and how did the reality meet the expectation?

Mr EGAN: To begin with, it was a very unhappy few years. There is nothing worse than being an upper house backbencher in government, a bit better being an upper house member in opposition, but in government, really, there is not a lot you can do. The membership of the upper house in those days was not a membership that I fitted in well with and they did not fit in with me either. There were some very good members. There were some who I thought were a waste of rations. They knew that and I knew that they knew that. We did not get on very well. So for a few years it looked as though I might just be looking around for something better to move on to. I did not actually anticipate that I would stay there for the rest of my political career, but then it all changed when I became Leader of the Opposition in the upper house after the 1995 election.

Dr CLUNE: How effective was the Council as a house of review when the Government controlled both Chambers?

Mr EGAN: Not very effective at all, and I do not think it is now either.

Dr CLUNE: Having come from the Legislative Assembly to the Legislative Council, what were the changes that you noticed?

Mr EGAN: You certainly got an opportunity to speak more in the upper house. As a young member in the lower house it used to infuriate me: you would spend a lot of time preparing speeches that you never got to give because the job was to get the legislation through. You would be all ready to go then the whip would come and tap you on the shoulder and say, "Sorry, son. We have got to put this to a vote now." Then, of course, on occasions when you had not prepared anything on a bill, you knew nothing about it, you would get a phone call from the Whip or they would run into you in the library and say, "What do you know about potatoes?" I would say, "Not much. I eat them, but nothing other than that", and he would say, "Well, there is a potato bill on in 15

minutes and we have to fill up half an hour. Go and talk on it." So that was infuriating too. That happened a few times. As a backbencher in the lower house, you do not get much of a chance to be a legislator. When you get elected to Parliament you come in thinking that you are going to be a legislator, you are going to make important speeches and contribute to the parliamentary votes, and you do not really get much of a chance at all, whereas in the upper house, you can.

Dr CLUNE: One of the important developments in the Council was the establishment of the committee system. Did you have any involvement in establishing that?

Mr EGAN: Yes. When Unsworth became Leader of the Government in the upper house, it was about to become full-time. That was part of the arrangement when the Labor Party allowed upper house members into the party caucus. The agreement was that they would become full-time and get a full-time salary. That was to happen halfway through that first term of Unsworth's leadership in the upper house.

I can remember talking to Unsworth about what would happen in the upper house and he said, "What are we going to do with these people?" I said, "We perhaps should get Senator Michael Tate up to talk about the committee system in the Senate." He said, "Okay, we will do that." We actually had a couple of day's seminar with the Labor upper house members and we asked Michael to talk about the committee system, which he did. So we then proceeded to establish a committee on committees, which Barrie got Ron Dyer to chair. So that was the beginning of the committee system—it was basically an initiative of Unsworth at my suggestion.

Dr CLUNE: What was your approach to your role as Leader of the Opposition?

Mr EGAN: I had one objective and that was to get into government. I suppose on a daily basis, particularly at question time, my goal was to infuriate Ted Pickering, who was leader of the Government, which I often did with success. Obviously, in opposition you are probing, you are looking for weaknesses, you are looking for areas that you can embarrass the Government on, get some favourable publicity. We were a pretty effective Opposition in the sense of being there to oppose. It certainly was not a forum for us advancing anything positive. You could spend, not only in Parliament but also in the media, weeks and months developing policies. We would release them and if you were lucky you would get two square inches on page 15 of the *Sydney Morning Herald* and generally nothing in the *Telegraph* or the *Australian*, or the *Financial Review*. Likewise you could make a contribution to parliamentary debate which you would spend a lot of time preparing and nobody heard it, nobody saw it.

When I first got elected in 1978 in the lower house the *Herald* was still devoting a page every morning after the Parliament sat to covering what was said. Now that did not last much beyond 1978. The *Herald* always in those days had a journalist sitting in the gallery the whole time that Parliament was sitting. That went by the way. So I did not really see the Parliament during that period of Opposition as a place where you would waste too much time having great debates about serious matters of public policy when you were basically trying to embarrass the Government.

Dr CLUNE: Was there consensus at times? Did you talk to Ted Pickering about certain things?

Mr EGAN: Yes. Ted and I actually got on quite well in the end. There were occasions, particularly during Committee stages, when you could tell that things were going off the rails and I would get together with one or two of the crossbenchers who were playing an important part in a particular debate and someone from the Opposition and we would settle on something, go back into the House and someone would move it. That happened when we were in Opposition and Government as well. But those occasions were few and far between.

Most of the stuff that goes through Parliament is supported by both sides. When I was Leader of the Opposition I made many speeches simply saying, "The Opposition supports the bill", full stop. I could not work out why you would get up and say we support the bill and then go on about this and that. I did that on countless occasions. Most pieces of legislation that go through Parliament are supported by both sides. Of course, there are always issues where there will be a fundamental difference between the Opposition and the Government. That is what Parliament is about.

Dr CLUNE: What was your approach to running the House when you were in government?

Mr EGAN: Getting things through the Parliament. One of the things I liked when we were in government was question time. I still miss question time but it was not so good towards the end because they

sort of gagged me—they put in this five-minute answer rule. I still enjoyed it but I used to like it more. Obviously there were dorothy dixers and, generally speaking, you might have a scripted response to those but you cannot really prepare for all of the questions without notice. If you try to give a scripted answer to those it looks silly—you never really answer the question and you can end up saying things you do not want to say. I mean I have seen many people answering a question from a written script and then get half way down and they realise they are reading something that they do not really want to say. It is also very confusing if you have got advisers sending you pieces of paper and you cannot focus on what things are being said. I would have advisers there because occasionally I would ask them a question. They would have the question time folders and if the information was there they would give it to me, but only at my instigation. You see lots of ministers with stacks of folders that they would take into question time. It is madness, it is crazy.

Mr BLUNT: I recall in question time when you were in government that you would frequently counsel the Opposition that they should have a question time committee.

Mr EGAN: It was just a bit of fun.

Mr BLUNT: Did you in fact have a question time committee in opposition?

Mr EGAN: Yes, we did. Everyone does; that is the point: to ensure you are not wasting question time and that you have good questions to ask. However, sometimes I thought their questions were so bad that I would goad them by telling them they needed a question time committee. Mind you, I have observed question times for a long time—in Canberra, here and other jurisdictions—and it strikes me that very few oppositions know how to ask a question. They always ask the type of questions that enable a half-decent minister to belt it for six. The hardest question to answer is the single, short question. If you get a question that is eight, seven, six, five, four or three parts you pick the easiest part to answer and you belt that. Everyone forgets about the other parts. The only time I remember getting out of my chair and wondering what the hell I would say was when I was asked a single, short question. Fortunately, I said that I would take it on notice. Other than that, I was never embarrassed by any question.

Dr CLUNE: How did you find the crossbenchers to work with?

Mr EGAN: Generally speaking, they were pretty good. At one stage when I was leader I had 13 crossbenchers to deal with. In a sense, I think that was easier for me to handle than it is for the current Government. I had to get six of those 13 to support me on anything that we wanted through if it was controversial. And, generally speaking, I could either get the six that were, so to speak, on the Left to vote for us or the six or seven on the Right. So you played them off like that. But these days I understand the Government is terrified of putting up legislation because of the role that the Shooters play, which I think is silly. I cannot work out why you cannot put legislation up and have it defeated and why it allegedly reflects badly on the Government.

Some crossbenchers were very good; some used to make me tear my hair out. Some were intelligent about things, some were just stupid. There were one or two who I thought were almost brain dead. Of course, there were one or two whom I had a fierce, hostile political reaction to—a personal political reaction. I mean I could never get on with Lee Rhiannon given her ideological and political background, so I did not have much to do with her. I found Ian Cohen a very good man to deal with. The Niles were also good to deal with. You knew where they were coming from and you could always rely on them if they gave you an undertaking. There were one or two whose names I will not mention where it was like talking to a brick wall.

Dr CLUNE: Did you have special briefings for the crossbenchers?

Mr EGAN: We did. I was not part of each briefing on each bill but we certainly arranged that. I used to meet with them every week, only for about 10 minutes, just to take them through what we would be doing that week, seeing if they had any issues of concern. Those meetings used to go well. I would occasionally brief them personally on a bill but generally that would be delegated to either the particular ministers or sometimes even the departmental advisers.

Dr CLUNE: What do you think were your main achievements as a member of the Legislative Council?

Mr EGAN: As Treasurer, I think my most significant achievement was fiscal consolidation. We paid off the general government net debt, which I think left us in very good stead in the last decade. Apart from financial management, we did a number of things. One of the things we agreed to immediately on coming to government and then implemented was all the national competition reforms, and that mainly fell to me. We corporatised all of our government businesses and we entered the national energy market. That meant we had to do a lot of things. We reformed the electricity industry, and basically I did that. At one stage we had 27 county councils that were the distributors and retailers. We now have three. Pacific Power was the monopoly generator. We broke that up and entered the national electricity market. Many people also forget what we did in the rail sector, like selling FreightCorp, which I had a lot to do with.

One of my most significant achievements, as far as I see it, was tort law reform. The HIH scenario was a major crisis where the insurance system was about to fail. If it had not been fixed then it would have almost been impossible for businesses to operate. You will not deal with a business that cannot get insurance. That was the predicament that Australian firms were facing. It was okay in areas such as motor vehicle and home insurance because it is actuarially very easy to price a product. However, with things like professional indemnity, negligence and all of that, the courts kept extending the law of negligence and the duty of care. That meant that insurance companies could not price their product because they had no idea what a court might decide in five or 10 years when a matter came before it.

Of course, with HIH there was incompetence and fraud. More importantly, there was a fundamental problem that had to be fixed. The HIH crisis brought that to a head. I campaigned vigorously for the royal commission, which at first the Federal Government was against. I was finally successful in forcing it to hold a royal commission. But, more than that, I was trying to convince it that to fix tort law we needed not only to introduce legislation to amend the common law—in other words, codify the common law—but also that there was no purpose in doing that unless the Trade Practices Act was also amended because otherwise there would be jurisdiction hopping. It took me quite some time to convince the Federal Government that I was not playing politics and that there was a real problem that needed to be solved.

Finally, the Federal Government agreed to have a ministerial meeting, which was chaired by Helen Coonan as the relevant Federal Minister and involved representatives from all the other jurisdictions. It became apparent by 11 o'clock that morning in Canberra that we were basically in agreement. We had about 100 public servants sitting in a small room. I said to Helen Coonan, "I think we have agreement here, let's go and write a communique." The public servants nearly had kittens because they were expecting a four or five-year detailed study. I said, "No, we have agreement in principle." We adjourned to a side room and Michael Coutts-Trotter, who was then my chief of staff, sat behind a computer and Helen Coonan and I stood beside him and dictated the communique. We then went out and announced it, and everything followed from that. It was a great lesson in how politicians should sometimes take the initiative when the public servants would have them die from analysis paralysis. It took about another 12 months. We commissioned Justice Ipp to do a report, and that formed the basis of substantially the same legislation in all jurisdictions.

I played a part as Treasurer in the workers' compensation and third-party motor vehicle reform process, but that was mainly John Della Bosca's work. He did a great job. He was a very good minister and very underrated. They were quite separate from the tort law reforms, although they went in the same direction.

Dr CLUNE: In terms of Parliament and the House, what were the major changes over the term of your career?

Mr EGAN: Well, I think staff started to take over the role of members of Parliament more and more. When I say "staff", I do not just mean political staff; but staff of the Parliament. When I was the chairman of the Legislative Assembly Public Accounts Committee we had only part-time staff assistance. We had a stenographer part time, and if we needed any policy advice then we would generally second a person from somewhere. Other than that, the Public Accounts Committee was not well resourced. I think it was better off that way because it meant that, as the chairman, I wrote the reports. So they were shorter, they were more to the point and there was no bureaucratise. They got covered by the media. You could pick a report up and flick through it and you knew what it said. These days parliamentary committees produce tomes, which no-one ever looks at. It is just ridiculous. I think the upper house in those days had a staff of about 20. How many do you have now?

Mr BLUNT: Forty.

Dr CLUNE: In terms of personalities, who were the members of the Legislative Council who you remember the most?

Mr EGAN: I think one of the most able was Doug Moppett, a National Party member of the Legislative Council. I had a lot of time for Doug. He was one of the old school Country Party people who never spoke with more than notes on the back of an envelope. In fact, when I was elected to the upper house, for a Country Party member to read a speech was just not on, and they certainly never read a question. Some of the Country Party members were marvellous; some were horrific. There were two clear factions when I joined the Parliament.

Ted Pickering was obviously a character. On the Labor side, Paul Landa was a one-man band in the upper house in Wran's first term. He had some support later on from Jack Hallam. Of course, the House did not sit for very long. We used to assemble at four o'clock and we would probably be out by 7.00 p.m. Very often there were no questions. But Landa still was on top of everything. He was a character and a personality. There are fewer and fewer characters in Parliament these days than there were in the 1950s, 1960s and 1970s. I do not know what that says about the world—perhaps we are all now more serious.

Certainly the nature of the press gallery has changed. Up until the 1970s, and perhaps even the early 1980s, the job of a journalist was to be in the non-members bar in the afternoon; and the job of a press secretary was likewise. These days you hardly see any of them in the bar; they are all sitting behind computers. In those days they were all after stories and the bar was the place where you got them. So the characters of the press gallery are no longer there. There have been a lot of good journalists in the press gallery, and a lot of not-so-good ones. There have been a lot of good members of the upper house and a lot of people who were, as I said earlier, just a waste of rations.

Dr CLUNE: When we were talking earlier you mentioned that Barrie Unsworth was impressive.

Mr EGAN: Yes, everything Barrie does is impressive. When he became Premier, Barrie almost lost the seat of Rockdale, but within a few months his ratings as Premier were sky-high. Even when he lost in 1988, his personal approval rating was 64 per cent. Now there are not too many politicians these days who have ratings like that. Unsworth was in a position to win if he went to the polls in mid-1987. All of our research was indicating that we could win then. He stepped back to allow Bob Hawke to go; and then, once the Hawke Government was re-elected, there was almost no chance that the State Labor Government was going to get re-elected. If Unsworth had won in 1987, or even if he had managed to win in 1988, he would have become I think quite a phenomenon, because he was in many ways a non-politician. He was not the normal sophisticated, slick politician. What you saw with Barrie was the real thing. Barrie could not ever put anything on; he was just Barrie.

Dr CLUNE: Do you think the Council was more effective as a house of review when you left Parliament?

Mr EGAN: I do not think so. No, because it is a bit like the Senate. The Senate, which was supposed to be a States' house, became a party house. If it is to be a house of review then it has to be non-partisan, and that is not the way that things developed either here or in the Senate. I suppose one role the Council does fulfil is that, by having some time between legislation going through the lower house and going through the upper house, it provides opportunities for the public, the media, interest groups and others to scrutinise legislation and to kick up a fuss if they want to get things changed. I do not really think that the Committee stages of legislation work as they should, or could—but that would mean that you would have to have an ethos of non-partisanship. It does not exist in the Australian environment; it does more so in the United Kingdom.

Dr CLUNE: What are your thoughts on the Legislative Council committee system?

Mr EGAN: I know what I would do to make the committee system more effective. I do think committees can be very effective—sometimes they are, but not often. I cannot remember the last time I took notice of a report of a parliamentary committee. They escape media attention, and that obviously sometimes has a lot to do with the media. I think the committees have become bureaucratic. I would insist that every parliamentary committee have its reports written by its chair. That would mean that they would be shorter and more to the point. They would not be academic tomes; they would be more practical responses to issues and problems.

Mr BLUNT: At the outset, did you ever think that the Government's resistance to the Council's assertion of its power to call for State papers would end up before the High Court?

Mr EGAN: I certainly expected that it would end up before the courts at some stage. I did not anticipate that it would go all the way to the High Court but I knew it would end up before the courts. That was one of our objectives—to get it before the courts. You might recall that the House suspended me, and I refused to leave. You could feel the electricity in the building. The media generally did not listen to the upper house but immediately the gallery filled with media. Everybody left the Chamber except me. I was sitting there. That was because the Crown Law officers had told me that to get the matter before the courts I had to be assaulted; the Usher of the Black Rod had to put his arm on me. Warren, being a very gentle man, did not do that. He stood in front of me, with his rod over his shoulder and said, "Mr Egan, I have to escort you from the Chamber." I just sat there and said nothing. He stood there for a while and for a while longer. You could feel the tension growing and growing. Finally, Max Willis adjourned the House. I knew that I had to sit there because if I left I would not get back in.

Then the House reassembled. I do not know whether, in the meantime, Max or the Clerks had had a discussion with the Cabinet Secretary or the Crown Law officers. I do not think they did, because they did not mention it to me. The next time Warren came up I leant forward. I was concerned because I thought, "If I tell him he has to touch me that might negate the assault." But I had to take the chance and say, "Warren, you've got to touch me", which he did. Then he escorted me outside onto the pavement.

Mr BLUNT: Were you surprised that he escorted you out to Macquarie Street rather than to just outside the doors of the Chamber?

Mr EGAN: No, I was not. That enabled me to win my dollar damages!

Mr BLUNT: Before you were suspended there were a number of proceedings in the House. The matter went to the Privileges Committee and came back to the House. Various motions were moved and so on.

Mr EGAN: There was the Lake Cowal mine issue, the Water Board, Fox film studios, and the veterinary laboratories. The interesting thing is that the Government was not embarrassed by the production of documents in any one of those matters; we were still opposed to tabling them, though.

Mr BLUNT: During the debate on one of the censure motions John Hannaford, as Leader of the Opposition, moved a motion. Speaking on it, you said.

I therefore find it strange that this House of Parliament, the Legislative Council of New South Wales, to whom the Government is not responsible in the sense of the Government's existence depending on its support, should try to hold an individual member of the House, a member of the Cabinet and a member of the Executive Government, responsible for a decision of Cabinet and then try to impose a penalty on that member.

Would you like to elaborate or reflect on that statement in light of what happened in the court proceedings?

Mr EGAN: No, I think it stands on its own. The nature of responsible government means that the Government cannot be responsible to two different entities that have different views. The courts will wake up to that one day. Just because the courts have decided one way, does not mean that in 10 years, 15 years or 20 years down the track they will not change their minds. They changed their minds on excise duties three times during the last century. They change their minds all the time.

Mr BLUNT: What then led you to challenge your suspension from the Chamber—first in the New South Wales Supreme Court, where it went to the Court of Appeal, and then, subsequently, the High Court?

Mr EGAN: The Opposition was claiming that the House had an untrammelled power to insist on the tabling of anything it wanted tabled. That, to any government, was completely unacceptable—particularly the tabling of Cabinet documents. If Cabinet documents have to be tabled then the whole notion of Cabinet government falls down. Cabinet cannot work unless it can do so confidentially. Cabinet has to take collective responsibility for everything; there is argument going backwards and forwards as ministers have to be able to say their piece. They have to be able to think aloud sometimes. You cannot put constraints on what can be said, but that would happen if it all becomes open to the public.

Our first concern was to make sure that the Cabinet processes worked properly and were not upset by everything having to be revealed in the public arena. Also, to a lesser extent, we were concerned—I was concerned—about organisations dealing with government and having to do so in the knowledge that some of their commercial intellectual property would become public. That is not the way businesses work. Why should government be the only institution that cannot deal confidentially with business?

Mr BLUNT: What, then, was your response to the judgements of the High Court and the Court of Appeal in the subsequent case, *Egan v Chadwick*?

Mr EGAN: We were happy that we established that Cabinet documents were exempt. I thought the courts got it wrong on legal professional privilege. Courts often get things wrong. There is not much you can do about it. I remember when I became Treasurer we had a case between the Australian Taxation Office [ATO] and the Treasury Corporation, which involved some hundreds of millions of dollars. It went back well before my time. The matter came to the Federal Court and we won, I think, 3-0. Then the ATO decided to appeal it and it went to the High Court and we lost 3-0. I could never work out how we had two benches of eminent judges and they both unanimously came to different views. The law is a lucky dip. They can get it wrong. I choose to believe that Professor Anne Twomey is right and the High Court and the Supreme Court were wrong. One day I will be proven right. I might not be alive when it happens.

Mr BLUNT: Was there any particular animosity at the time—these were fairly highly charged matters to get to the High Court—with the Leader of the Opposition, the President or the other players?

Mr EGAN: No. We got on well. We each played our part.

Mr BLUNT: You have mentioned Professor Twomey. Both you and Professor Twomey have questioned the efficacy of the order for papers process as a mechanism for holding executive government to account. Are there any reforms that you would like to see made in this area?

Mr EGAN: Yes. It is just ludicrous that there can be a call for papers that involves sometimes hundreds of thousands of pieces of paper. No-one is going to go through them. In fact, on almost every occasion when papers have been tabled they have just sat in a room somewhere. On one particular occasion I recall the papers were examined for a total of about 10 minutes. Why did the then Opposition move for tabling of papers and then not look at them—what was the purpose? That is not the way you scrutinise government. It is just stupid—just ridiculous. As I say, in the almost 20 years it has been happening, I can remember only one occasion on which there was some political consequence, and I do not think that went very far either. That was in relation to tabling of papers by Ian Macdonald on Mount Penny coal leases. It was about whether a document should have been included and why it was not included. All it means is that you have many public servants for weeks on end assembling all these documents that just gather dust.

Mr BLUNT: In the second case, *Egan v Chadwick*, the Court of Appeal held that the Legislative Council does not have the power to order the production of documents which record "the actual deliberations of Cabinet". Can you describe the decision-making process within government to decide whether or not a document was to be classified as recording the actual deliberations of Cabinet?

Mr EGAN: No, I cannot, because I was never involved with that process. I would be very surprised if ministers ever were. I assume that it is a decision made by the head of the Cabinet office. It is a bit like freedom of information [FOI] applications—ministers do not get involved in those. Generally there is a freedom of information officer within each agency and they determine FOI applications; likewise on this matter. It is not a matter that ministers get involved with. So I assume it would have been Roger Wilkins in our day. I do not know whether he would delegate that responsibility to one of his officers—he probably would—but it did not come near the elected government.

Mr BLUNT: In 1999 after the so-called tablecloth ballot election you issued a media release. You subsequently gave a paper at a conference setting out a set of reform proposals to the system of election to the Legislative Council. How effective were the reforms to the system of election that were ultimately elected in 1999 and what are your thoughts on possible future reforms?

Mr EGAN: The changes that were enacted were mainly to the mechanics of the elections. The major changes that I was proposing were to the composition and functions of the upper house: a smaller membership and a higher quota; a three per cent threshold to be elected; a joint sitting to resolve deadlocks on bills. Not only

did I propose it but I consulted very widely on it with the Opposition—both the Liberal Party and the National Party, and had the support of both. That was essential, because it would have required a referendum. I was very confident that with the support of the Labor Party, the National Party and the Liberal Party, particularly given the nature of the proposal, that it would be very popular and would be carried. The opposition came from the Left in my own party, which saw a smaller sized House as meaning fewer from that faction could get elected, and also from a group in the Liberal Party.

Despite her initial support, Kerry Chikarovski finally changed her view and pulled the plug on the whole thing. The Liberal Party withdrew its support, which had been very, very strong. Deputy Opposition Leader Barry O'Farrell had been negotiating with me on behalf of the Liberal Party. The National Party had its director, Paul Davey, negotiating with me and we all agreed on a proposal. It was all ready for me to take it to Cabinet. Chikarovski pulled the plug and that was the end of that. So there is a proposal sitting there waiting for support from intelligent people. It would be a much more effective upper house if those proposals were adopted. It would not be playing the political game of trying to stymie the Government all the time. It really would have a role of examining legislation, scrutinising legislation, operating the committee system rather than trying to defeat the Government all the time. That is why the upper house does not work as a house of review, because it has got a political objective, a party political objective, to harass the government. That is human nature. You have got to understand original sin when you try to reform any sort of institution. How does this play out, the imperfections of mankind? So you have got to get the structure right.

Mr BLUNT: Of course those proposals you have just been talking about are proposals to reform the Legislative Council. You have also been on record over the years stating your opposition to the existence of bicameral legislature—that "hostile upper houses are the antithesis of the principles of responsible government"—and you have spoken in favour of abolition. Do you still hold that view and when would you like to see renewed debate about that question?

Mr EGAN: That is bit of an ambit claim and I know that will never happen, but the upper house can be reformed, as the Senate can be reformed. Again, it would require a referendum, but neither the Senate nor the New South Wales upper house operate effectively as houses of review because they are party houses, and that requires fundamental change in their structure so they work as they should. The New South Wales upper house, as I said in that speech, used to pride itself on how few times it amended legislation. That was when it had no legitimacy as an elected body. The attempt to democratise the upper house, I think, actually resulted in a lessening of democracy. That is what I keep telling my British Labour Party colleagues about the House of Lords. I saw a House of Lords debate in July. I was very impressed with it. It was a very good debate and all the contributions were short. Australian Parliaments have got themselves into this state where everybody thinks you have got to speak for 20 minutes or more. I keep telling people you can make a great two minute speech and a really bad 20 minute one. I used to get annoyed if colleagues read speeches that had been written by a staffer. I never supplied any speeches to anyone. I thought that was a really stupid thing for people to do. We had one member of the upper house who used to accumulate pages of written material and then would read every last word to the House, even if it took two hours. It was just a joke.

Mr BLUNT: In conclusion, I thank you for your time, for the quality of your reflections and the contribution that you have made to this project. On behalf of my predecessors, speaking for myself and on behalf of all the staff of the department of the Legislative Council, despite the controversial nature of some of what you have said today, I do, in a heartfelt way, thank you for your contribution to the institution of the Legislative Council over the many years you served in this place with great distinction. I also thank you for the entertainment that you provided during question time. Thank you for the legacy that you have left as a member of the Legislative Council, as a Minister and as Treasurer of the State.

Mr EGAN: Thank you. It has been a great pleasure.

The discussion concluded.