

SPEECH TO HEADS OF AGENCIES ASSOCIATION

17 February 2014

BUT IS IT POLICY?

INTRODUCTION

Thank you for the opportunity to address you today. I have chosen as my topic the issues of governance and policy implementation

For as long as any of us can remember, politicians have described every election they face as the most important in a generation. It has become a cliché.

However, consistent with the cliché, I will argue that this is one of those elections.

And it is so because the need for government action is great and yet the cookie jar is empty.

As such, the way we govern and the policies we need to implement should be at the forefront of voters' minds as they make their decision on March 15th. That is why I have chosen to focus on these two issues in my remarks today.

In my mind, the fault-lines in the campaign are clear.

The old argument of capital vs labour – so much a part of the political landscape last century – is falling away and being replaced by a new paradigm of development and growth vs protest and stasis.

We are faced with three BIG PICTURE questions

1. How can we realise the potential of our citizens – particularly through education reform – and how do we care for those in need?
2. How do we create jobs – now and for the future?
3. How do we manage our natural resources like forestry and mining – while maximising the value of our natural heritage.

And encompassing all of these:

What is the proper role of government, specifically in better connecting public services for the public good and in removing unnecessary regulation?

ON GOVERNANCE AND LEADERSHIP

Our most successful periods of economic and social advancement in this state have, not coincidentally, been periods marked by good governance.

It is my contention that good governance requires an astute mix of:

- politics by consensus – particularly on issues that require a shared understanding of the goals we want to achieve; and
- strong leadership when we need to cut through and chart a course to achieve those goals; and

From time to time, one of these aspects of good governance takes a more central role.

After the Dismissal in 1975 and the industrial battles of the early 1980s, Hawke judged - properly I believe - that the country was ready to come together. His 'bringing Australia together' theme might sound a little corny now, but in 1983 it struck a chord with the electorate.

Politics by consensus was the key to generating a package of tax reform measures in the mid-1980s and the advent of the Accord, the social compact that brought forward the concept of the "social wage".

However, when it came to ramming it through against rent-seeking interests, it was Keating's 'cut through' style that was needed.

I would argue that the key to the success of the Hawke-Keating partnership – and in fact the whole Government - was the clever use of consensus and strong leadership as needed - supported by an attuned public administration.

In a small state like Tasmania, these varying styles tend to be brought into sharp relief in the way premiers have managed the relationship with Canberra.

Consider our longest-serving Premier – Robert Cosgrove.

A somewhat wry entry on Cosgrove in the *Australian Dictionary of Biography* reads:

“Cosgrove’s style of leadership lulled the Opposition and the Legislative Council into underestimating his intellectual ability and strength of character.”

Maybe, but I think the secret of Cosgrove’s success was his ability to strategically position Tasmania in the wider politics of the federation.

Against pressure from the mainland states, Cosgrove refused to support a High Court challenge to the Curtin Government’s uniform taxation proposals - in return, he received a bigger grant for Tasmania.

He found novel ways of reaching consensus. It was Cosgrove who proposed the states' referral of rights to the Commonwealth as an alternative to costly constitutional litigation.

Menzies liked Cosgrove. Cosgrove nurtured the relationship, built up political capital and cashed this in when he needed it.

It is no coincidence that Cosgrove's expansion of primary and secondary schooling facilities in Tasmania mirrored Menzies' national push to widen the reach of higher education.

The Cosgrove model works well – most of the time. But sometimes, in a small state like ours, you need to rattle the cage and flex some constitutional muscle.

Occasionally that might mean holding out for a better deal, as Doug Lowe did with Malcolm Fraser in the late 70s. It was a strategy that saw Lowe returned to office, with a better deal from Canberra.

But you need to be careful. It is a judgment call. An art versus a science.

Robin Gray had so many battles with Bob Hawke that Hawke once said he had greater trust in Joh Bjelke-Petersen. That particular relationship was sour for years and I think Tasmania got the short straw as a result.

Sometimes we need to recognise when to back off and accept what's on offer.

The Harradine compensation monies that benefitted Tasmania in the short term exacted a much higher price when it came to future financial dealings with Canberra.

In a small jurisdiction like Tasmania, successful leadership in dealing with Canberra requires a certain “nimbleness”, to set political loyalties to one side and to choose one’s battles wisely.

I was most surprised to hear then premier Bartlett stating with pride that he was the **first** premier to sign up to a particular deal (he got his deal, much less than other premiers) – much better the approach of Premier Giddings who later **held out** for a better deal (she got it, better than other premiers).

The lesson - to play a consensus game with Canberra –is to build and nurture relationships across the aisle, and to call in favours – but only when you really need them.

In summary – an astute mix of consensus politics and strong leadership.

There is a cautionary note: consensus can be a two-edged sword, if not connected to leadership. And it can be used as an excuse for not exercising leadership.

The idea that we need to gain 100 per cent acceptance before anything is approved is a recipe for ensuring nothing gets done at all.

Then premier Bacon's foray into consensus politics led to the *Tasmania Together* program –an attempt to have everybody's ideas treated equally, without there being any guidance as to what the government's position or interest was. That program has now dissipated.

The risk in seeking total approval is that it offers to the naysayers an equal place at the table and a foothold on which to launch a protest offensive. All one has to do is say NO and suddenly one is in a position of power.

An activist who is passionate about a cause will take full advantage of such a circumstance; the emotion of the activist can sway those less attuned to the issue. "As long as you agree with me, there will be no problem"

Moral persuasion now has a seat at the table. At the same time the silent majority, who probably do not agree with the cause, remain silent, leaving it to others to prosecute their case on their behalf. There is no better example of this than the current debate on forestry.

There is a further element to this lack of any direction - i.e., an "I must follow them for I am their leader" construct.

We end up with a government service that is paralysed and in fear of being sued for making a decision.

“Best not to make one at all – lets set up a committee”, and a system that relies on consultants – who I might say are very good at gouging – to provide the direction we are unable or incapable to determine ourselves.

The NBN rollout, the merger of Aurora and Transend, the so-called forestry agreement, building a hospital, the Macquarie Point redevelopment, are prime examples of this approach.

Enough of that for now – in the remaining moments I would like to focus on some of the policy issues I think the incoming government, regardless of political persuasion, needs to consider.

Paul Keating once said that leadership was about two things: courage and imagination.

He was right: good policy does require imagination.

Recognising that there is an issue, and knowing what to do about it.

ON EDUCATION

To many of my supporters and critics alike, I am seen primarily as a great champion of our resources sectors. That is true but it is not my only passion.

Our greatest challenge is in education.

Schools must have a degree of autonomy over how they operate. For that to occur, they must have critical mass, otherwise the kids suffer.

For the record, I don't believe there is any evidence that suggests lowering class sizes below 25 makes a major difference in educational outcomes.

I support giving principals greater autonomy over resources. But at the moment, are they qualified to cope? I think an incoming government should establish a dedicated diploma course in school management for principals, as a prerequisite to becoming a principal - so they can fulfill a wider set of duties. I mean – how many principals are adequately informed about property management, industrial law, negotiating skills and the like?

Labor has announced a policy on secondary education and early years investment. These are worthwhile policies and I will argue for them.

But beyond sensible new investments, we need a more radical shift in education policy. One that takes us beyond classroom sizes, teacher autonomy, or culture wars about what our children are taught.

Academy and trade should not be seen in a hierarchical way, with one being dominant over the other. Too often, trade subjects are starved of resources because it does not suit the academic goals set by schools.

Tasmania requires competencies in both, with basic subjects common to both – e.g., numeracy and literacy

In a jurisdiction like ours, we need to scour the world for best practice.

There is no shortage of proven ideas.

The 'Leader in Me' program in the United States is a three-year initiative to turn around under-performing schools. It's a program that challenges the gifted but embraces the so-called 'silent failers'. We should embrace it here.

We must embrace new technologies to assist in the delivery of proper outcomes.

New technologies will enable an outreach into rural and regional communities with programs that to date have not been offered.

This has been the hallmark of the so-called 'flipped' classroom trial in the United States. Early evidence from these trials confirms what we all intuitively know – that the virtual classroom enables a broader outreach, and connects better with the 'ipod generation'. Homework is often done at school with more time is dedicated during normal hours to projects and interactive class discussion.

The point I am making is that more money is - in isolation - not the answer. Yes we do need more resources – and I have signed the ‘Gonski Pledge’ – but looking at new class models and improving teacher quality are still, in my view, the key to getting us up the education league table.

ON CONNECTING PUBLIC SERVICES FOR THE PUBLIC GOOD

I find it exceeding strange to observe the continuing parochial arrangements surrounding hospital services. There are obvious synergies to be gained by the three major hospitals operating in concert - rather than in competition - with each other. In fact I have been told the hospitals still cannot effectively communicate with each other electronically and share data.

Others have commented on the benefits of a single procurement arrangement. If the university can do it, then it is not beyond the wit of man to establish a similar model for our hospitals. Such a move would be a more effective use of the taxpayers’ dollar, and can lead to more effective patient care.

While on the topic of communications, one is left bemused by the news last year in the aftermath of the Dunalley conflagration that the police radios could not communicate with the SES radio network, and that it will take years to fix.

And how is it that Aurora could spend over \$60m on an IT system that was purchased off the shelf and then modified so it couldn’t work.

Or the \$5m that is being spent on the Aurora-Transend merger

Such examples show the power of silos overriding the common good. And make it difficult to look the taxpayer in the eye and say – All is OK – because it isn't.

ON THE REGULATORY ENVIRONMENT

I have been a trenchant critic in the past of what passes for our planning laws. They have done little to assist, and much to hinder, the economic wellbeing of this state. The inordinate delays in gaining approval to do things are enough to drive investment from the state. And we are not in the enviable position of saying NO to investment.

Building regulations could do with a complete overhaul. I am not a fan of a single statewide planning scheme. We need a more sophisticated approach than that.

If we want to encourage and foster innovation, then we must step away from the desire to have everything conform. We must be prepared to take risks. It is only through an open approach that innovation and growth can occur.

The red awnings are a case in point.

The various developments on the Hobart waterfront have had the desired effect of replacing apple-sheds with...well, apple-sheds.

So..No Opera House for Hobart. No room for a Jorn Utson, Zahar Hadid, or a Santiago Calatrava.

But it goes further than that.

The regulations surrounding our access to our parks system requires a radical rethink. As an example of an absurdity, allow me to advise on the requirements laid down for a tourist operator ferrying passengers to Maria Island.

He can drop them at Darlington, from where, under their own steam, they can ride a bicycle to Chinaman's Bay. However, if he dropped them at Chinaman's Bay, then he has to provide a tour guide for every 10 passengers. Needless to say, he does not drop them at Chinaman's Bay, and the tourists are denied that experience.

ON JOBS AND THE ECONOMY

Time does not enable me to reflect long on one of the most important topics in this election, which is JOBS

We are a mixed economy, and the government is but one player. An important one to be sure - but only one. I do not believe it is incumbent on anyone other than the investor to determine whether a project is viable or not. Only the investor understands the nuance of that investment.

Suffice it to say that jobs are a product of investment, and the government's role is to provide a fertile investment climate. Backing winners is all very well, but in a real sense that is not the government's job.

I reflected on this matter in my 2011 Report, *Tasmania – Constraints and Opportunities*.

CONCLUSION

I hope I have given you a sense of what I think is important in this election and where I stand on a number of issues.

Let me finish by responding to those that have asked the question – Julian, why are you doing this? Why are you running again?

For a start, those who ignore history are doomed to repeat it. With knowledge comes a little wisdom and I feel a lack of it in much of the political debate at present.

But maybe the best way to answer this question – why am I running again - is to quote from the eulogy of the former premier Albert Ogilvie.

At his funeral in 1939, the eulogy said of Ogilvie that he had “demolished the signs of ancient days and aroused a modern outlook”.

The task of modernising our economy, our society, our education and health systems, wasn't just a challenge for Ogilvie's contemporaries.

It remains an ongoing project.

There is so much to do, so much that can be done, and there is not a moment to lose.