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Opening Up the Policy Process

Ian Marsh

The tax debate has placed the Senate in an unfamiliar relationship with the executive. On the one hand, there are the habits and practices of governance of roughly the past 80 years. Throughout this period, the executive has enjoyed almost unchallenged power. The rituals of Parliament have positioned the Opposition as an alternative government rather than as legislators. This is implicit in the description of the system as adversarial politics.

On the other hand, in the current tax debate, substantive parliamentary policy influence has been tentatively renewed. The Senate is the key institution. It has the necessary formal power and seems likely, for the foreseeable future, to lack a majority party.[1] What does this mean for the Australian political system? Does it hold in prospect destructive conflict, frustration of the electorate's will, policy gridlock, sectional pay-offs and lowest common denominator policy compromises? Or does it offer the opportunity to strengthen the policy-making capacity of Australia's political institutions?

In what follows, a case for seeing this as an opportunity to renew necessary policy-making capacities is outlined. The argument develops through several steps. First, the central contribution of party *organisations* in the classic two-party system is sketched. Second, the causes of the progressive atrophy of these organisational contributions since the 1980s are explored. Third, the pluralisation of values and attitudes in the Australian community over the past 20 or so years is described. Finally, the potential to renew necessary policy-making capacities through the Senate is considered. Precedents for such a role are reviewed and some contemporary requirements explored.

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[1] On the Senate's formal powers and the theoretical background see John Uhr, *Deliberative Democracy in Australia*, Melbourne, Cambridge University Press, 1998; also Marian Sawer, 'Representing trees, acres, voters and non-voters: concepts of Parliamentary representation in Australia', forthcoming.

The 'classic' two-party system

The Labor Party was the first mass party in Australia, emerging on the parliamentary stage in the 1891 NSW state election.[2] Its electoral success precipitated the progressive consolidation of non-Labor groups. This occurred in 1909 when the Deakinites linked with the Free Traders to constitute what has become the modern Liberal Party.[3]

A hegemony of only two (later three) parties was a remarkable achievement.[4] The sources of the encompassing power of the major parties provide a perspective on current dynamics and possibilities. Party ideologies then attracted, broadly, one or other half of Australian society. The initial fervour of activists subsequently congealed into strong party identification, in which socio-economic class and religion were also significant factors.[5]

If ideologies provided the rationale for encompassing parties, the party *organisations* provided the institutional means. They provided machinery through which hitherto independent groups and activists could be integrated into political processes. The trade unions and business were the major groups.[6]

Organisations also functioned to set agenda. This was evident in the two great periods of strategic agenda development in Australian politics prior to the 1970s—1901 to 1909 and 1945 to 1950. The Labor Party, with its nationalisation and welfare agenda, was the primary party of change. Yet Sir Robert Menzies, in reconstituting the Liberal Party in the 1940s, renewed its Deakinite legacy in endorsing the post-war extension of the welfare state and managed economy.

Labor's internal processes were influential in determining the agenda for the parliamentary party. Its structure gave the trade unions special status and its national executive for many years exercised considerable influence over the parliamentary

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[2] Bede Nairn, *Civilising Capitalism, the Beginning of the Australian Labour Party*, Carlton, Vic., Melbourne University Press, 1989.

[3] Summarised in my *Beyond the Two Party System*, Melbourne, Cambridge University Press, 1995, especially chapter 1, 'The formation, structure and impact of the two party regime', and chapter 10, 'Governments and Parliament'; also Alfred Deakin, *Federated Australia, Selections from Letters to the Morning Post, 1901–1910*, Carlton, Vic., Melbourne University Press, 1968.

[4] 'What makes political parties so indispensable is the aggregating and representational functions that they fulfil.' Clive Bean, 'Parties and elections', in Brian Galligan, Ian McAllister and John Ravenhill, eds, *New Directions in Australian Politics*, Melbourne, Macmillan Education, 1997, pp.102; also Peter Mair, *Party System Change: Approaches and Interpretations*, Oxford, Eng., Clarendon Press, 1997.

[5] Ian McAllister, 'Political parties in Australia: party stability in a utilitarian culture', a paper prepared for *Political Parties and the Millennium: Emergence, Adaptation and Decline in Democratic Societies*, Brunel University, March 1998; V. Burgmann, *In Our Time, Socialism and the Rise of Labour, 1885–1905*, Sydney, Allen and Unwin, 1985.

[6] On the Labor Party, see L.F. Crisp, *The Australian Federal Labor Party, 1901–1951*, Melbourne, Longman Green, 1955; on the Liberal Party, see Katharine West, *Power in the Liberal Party*, Melbourne, Cheshire, 1965; also Gerard Henderson, *Menzies' Child, the Liberal Party of Australia, 1944–1994*, St Leonards, NSW, Allen and Unwin, 1994. Other organised interests, such as returned servicemen, were also active in federal politics.

party. Resolutions of its biennial conference were binding.[7] The party's ideology made the parliamentary party the servant of the broader Labor movement.

For its part, the Liberal Party (in its various forms) was defender of the status quo, and this was reflected in its organisational structure. As a powerful theme was state rights, the state organisations preserved their relative strength and the national organisation lacked disciplinary powers. Business groups, which were the principal source of funds, were integrated into the party directly through a federal committee and indirectly at the state level.[8]

In sum, the 'classic' two-party system rested on particular organisational and electoral foundations. Organisationally, it involved the mobilisation of activists and interest groups through party forums. Party conferences and committees allowed activists and interest groups to influence the formation of the strategic political agenda. Electorally, it was based on a broad division of the community into supporters of one or other of the major groups. The party label or brand provided a sufficient cue for the formation of opinion by most electors on most issues. This allowed strategic policy development to be (largely) internalised within the major parties and muted the need to seed the broader 'education' of public opinion.

Recent developments have undermined, if not destroyed, these foundational features of the two-party system.

The systemic gap in interest integration and opinion framing

Major party organisational change in the past couple of decades has basically excised interest integration. Over the same period, the capacity of party labels to cue public opinion has diminished. These developments have been caused by the coincidence of at least four factors.[9]

1. *Economic globalisation.* Economic globalisation required a new national economic strategy. Manufacturing industry could no longer be developed to serve only domestic markets. Economic globalisation, new technologies and a new role for service industries required new capacities for economic adaptation and adjustment. Needs-based, nationally determined wages were seen to introduce dysfunctional rigidities and inflexibilities. Both major parties have been obliged progressively to redefine their policy stance, which has had ideological, organisational and arguably electoral consequences.

   At the ideological level, differences between the major parties have blurred as their approaches to economic strategy have converged. After 1983, both major parties broadly adopted the neo-liberal economic agenda. Thereafter, electoral

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[7] Crisp, op. cit.; Dean Jaensch, *Power Politics*, 3rd edn, St Leonards, NSW, Allen and Unwin, 1994.

[8] West, op. cit.; Jaensch, op. cit.

[9] Paul Kelly, *The End of Certainty*, Sydney, Allen and Unwin 1992; John Edwards, *Keating, the Inside Story*, Melbourne, Viking Books, 1996; Stephen Mills, *The Hawke Years: the Story from the Inside*, Melbourne, Viking, 1993; Dean Jaensch, *The Hawke-Keating Hijack*, St Leonards, NSW, Allen and Unwin, 1989.

considerations, not ideological dispositions, determined which parts of this agenda would be championed or resisted in public.

In recasting its agenda, the Labor Party parliamentary leadership has often found it expedient to by-pass formal party forums. Conferences and councils have become stage-managed affairs. The organisation now rarely exerts influence on policy issues.

For its part, the Liberal Party has turned from being defender of the status quo to being the principal advocate of economic change.[10] In the process, it has largely jettisoned its Deakinite wing and thus weakened its encompassing capacities.[11]

Electorally, ideological convergence has arguably been one of the factors eroding the standing of the major parties. Federally, the number of electors casting a first-preference vote for other than the major parties in the House of Representatives has doubled from around 10 per cent in the 1970s to around 20 per cent in 1998. Over the same period, the proportion voting for other than major parties in the Senate increased to 25 per cent in 1998.[12] Further evidence of the weakening role of the major parties is provided by trends in party identification, for so long the sheet anchor of the stability of the Australian political system. The number of Australians without a party identification has increased from roughly 2 per cent in 1967 to around 18 per cent in 1997. Further, the number acknowledging only weak identification has increased from 23 per cent in 1967 to around 37 per cent in 1997. Thus over half of the electorate have no or only weak identification with one or other of the major parties.[13] This is a particularly significant trend if party labels are relied on as a primary cue for citizen attitudes.

2. *Agenda setting.* Since the late 1970s, the major parties have lost their agenda-setting roles. The major parties have been displaced by the social movements that have emerged in the post-1970s period. Every significant extension of the political agenda in the past decade or so has originated with one of the social movements, not the major parties.[14] The womens, environment, gay, Aboriginal, consumer, multicultural, so-called 'new right', republican and other movements are all organised independently of the major parties.

   This development is symptomatic of a significant change in the role of major party organisations. Agenda development no longer occurs primarily in party forums, and activists are detached from especial allegiance to one or other party. Internal processes have not provided the forum for testing strategic acceptability

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[10] See for example, the (albeit unofficial) National Commission of Audit, *Report to the Commonwealth Government*, (R. Officer, Chair), Canberra, Australian Government Publishing Service, 1996.

[11] Ian Ward, 'Leaders and followers: reforming the Liberal Party', *Current Affairs Bulletin*, November, 1994.

[12] Ian Marsh, 'Political integration and the outlook for the Australian party system', in P. Boreham, R. Hall and G. Stokes, eds, *The Politics of Australian Society: Political Issues for the New Century*, Melbourne, Addison Wesley Longman, forthcoming, 1999.

[13] McAllister, 'Political parties in Australia: party stability in a utilitarian culture', op. cit., p. 9.

[14] See chapter 3, 'Setting and implementing the political agenda', in my *Beyond the Two Party System*.

or for initiating opinion formation. The initiative has moved elsewhere. Activists have framed public opinion through public campaigns, and the resultant media attention. The success of these campaigns has significantly widened the national political agenda by pressuring the parliamentary leadership of the major parties to adopt new agendas, and has raised the importance of public opinion formation and diminished the influence of major party organisations.

3. *Interest integration.* The major party organisations have been unable to manage interest integration, with interest groups organising and campaigning outside party arenas. The general proliferation of interest groups has simply overwhelmed older patterns. Peter Drucker has described the contemporary United States as a 'society of organisations', a description that is equally applicable to Australia.[15]

4. *Organisational roles.* Changes to party organisational orientation and staffing have diminished the organisational capacity of the major parties. Party managers are much less likely to be organisational loyalists, and are much more likely to be professionals in public opinion polling, and marketing and advertising techniques. Direct marketing, polling and media advertising and packaging promised to make organisational policy development activities unnecessary and the associated membership base dispensable. Clever marketing, focused on the parliamentary leadership, could, it was imagined, sufficiently compensate for weakened party identifications amongst electors. Indeed, conferences, large memberships and internal policy development processes came to be seen as constraints on the political leadership. Liberation from them allowed the parliamentary leadership to reach out directly to electoral opinion. Sophisticated marketing techniques seemed capable of delivering the required outcomes in mass opinion formation.[16]

In combination, these four factors have progressively resulted in the major party organisations largely jettisoning their roles in interest integration and opinion framing. Instead, party leaders now mostly rely on a direct reach to public opinion via elections and a direct reach to interest and cause groups via such activities as summits. The Howard Government's approach to the goods-and-services tax (GST) provides strong evidence of the strengths and weaknesses of a direct reach to public opinion.[17]

A direct reach to public opinion by the leadership of the major parties is clearly one viable approach to building public opinion, but it is subject to a number of constraints. It is extremely risky politically, as the last election demonstrated. Electoral pressures will push the leadership of the rival party into almost certainly opposing what is proposed, irrespective of the merits of the issue or the party's own past policies (for example, Labor on the GST in 1985). This creates a public debate in which one side

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[15] See, for example, F. Gruen and M. Grattan, *Managing Government, Labor's Achievements and Failures*, Melbourne, Longman Cheshire, 1993; G. Singleton, *The Accord and the Australian Labor Movement*, Carlton, Vic., Melbourne University Press, 1990.

[16] Stephen Mills, *The New Machine Men*, Ringwood, Vic., Penguin Books, 1986.

[17] Ian Marsh, 'The GST and the policy making system: is there a gap in strategic capacity? How might it be closed?', paper prepared for conference on *Tax Change in Australia*, Centre for Public Policy, University of Melbourne, February 1999.

declares black whatever the other asserts is white. This outcome, almost inevitable in our wholly adversarial structure, is dysfunctional from the point of view of building electoral understanding about real choices and options, and from the perspective of mobilising support from interest group coalitions.

Further, the last election occurred 24 years after the proposal for a GST was first registered on the public agenda through the Asprey report of 1974. In the interim, there were three other attempts to introduce this measure—a push by then Treasurer John Howard in 1981, the Tax Summit of 1985, and the Fightback campaign of 1993. The adequacy of the tax system was an issue in the 1983, 1984, 1987 and 1990 elections. It is hard to believe that this protracted period of public exposure had no impact on public opinion.

But must we always wait decades to settle major issues? Must we accept the political hypocrisy that adversarial politics imposes on the major parties? Must we accept this as inevitable, part of the nature of things, and of no consequence from the perspective of public confidence in the political system? Is there no better way of introducing major strategic issues to the Australian people? Is there no better way of testing the scope for even partial bipartisanship, engaging interest groups and beginning the process of seeding public opinion?[18]

Think of the issues currently or potentially on the agenda: reconfiguring the welfare system, drugs, Aboriginal reconciliation, a reorientation to Asia, euthanasia, the republic, developments in Indonesia.[19] The system has so far demonstrably failed to institutionalise interaction between protagonists or to raise the level or quality of attention in broader community forums.

Change in the role of the major parties leaves a worrying gap in policy-making capacities, a gap arising from the inability of our political system to explore contested issues in a strategic phase. A strategic phase in opinion formation is critical. It allows longer-term shared interests among citizens and interest groups to be recognised.[20] The political system needs a capacity to routinely engage interest group and broader opinion in a strategic, 'framing' phase.

Such a phase in opinion formation can lay the groundwork for subsequent action in an 'operational' phase.[21] This phasing of policy development is recommended in relevant scholarly literatures and routinely practiced in business and voluntary organisations and institutions throughout Australia.[22] Yet in the much more important political

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[18] John Hewson, 'Yes Minister, there's no debate', *Australian Financial Review*, 26 February 1998; John Stone, 'Some modest proposals', *The Adelaide Review*, December 1998, p. 14.

[19] On the welfare system see, for example, Gosta Esping-Anderson, *Social Foundations of Postindustrial Economies*, Oxford, Oxford University Press, 1999.

[20] Donald Schon and Martin Rein, *Frame Reflection: Towards the Resolution of Intractable Policy Conflicts*, New York, Basic Books, 1996.

[21] D. Yankelovitch, *Coming to Public Judgement*, New York, Syracuse University Press, 1992; Robert Reich, ed., *The Power of Public Ideas*, Cambridge, Mass., Harvard University Press, 1990.

[22] Dennis Turner and Michael Crawford, *Change Power*, Warriewood, NSW, Business and Professional Publishing, 1998, especially chapter 5, 'Engagement'; Doug Stace and Dexter Dunphy, *Beyond the Boundaries, Leading and Recreating the Successful Enterprise*, Sydney, McGraw Hill,

domain, where our shared aspirations are articulated, our common purposes are constituted and our common interests are realised, the capacity to focus public and interest group opinion on emerging issues has substantially diminished, despite the increased need for strategic capacity arising from the pluralisation of Australian society.

The pluralisation of Australian society

The proliferation of interest groups and social movements is arguably the single most significant change in the character of post-war domestic politics.[23] It is hard to overstate the degree to which Australia has become a group-based community. The array of organised actors on any issue is legion. These groups vary enormously in size, budgets, political skills, organisational sophistication and campaigning capacities, but the major ones are as effectively organised as any of the major political parties.

The social movements articulate new patterns of political differentiation. There are at least nine major movements: environment, ethnic, consumer, Aboriginal, women, gay, peace/Third World, animal rights and the 'new right' or neo-liberal movement. All represent a concern at some level of generality below, or different from, that of socio-economic class. In turn, these groups have stimulated imitators advocating new issues (for example, euthanasia, legalised heroin, a republic) or defending traditional approaches (for example, shooters' rights, the monarchy, anti-abortion, anti-euthanasia and so on).

So the image of the contemporary Australian community as a kind of vast silent majority with a noisy fringe of pressure groups is fundamentally wrong. Talk of a 'new class' as some alien sectional minority is fundamentally wrong. The idea that Australian society has been taken over by a politically correct discourse is fundamentally wrong. Images of a silent majority, of political correctness and of a new class may all be useful rhetorical ploys in the political game. But as pictures of social reality, they do not square with the facts. The pluralisation of Australian society is the fundamental fact—and the proliferation of interest groups and issue movements is its organisational expression.

Environmental concerns, Aboriginal rights, the new role for women, new protections for consumers, and so on, are now all government responsibilities. This expanded agenda spawns more new issues as developments in one area have consequences in others. Think, for example, of the emergence of biotechnology. Policy trade-offs are now more complex, and protagonists need to share perspectives. The grounds for supporting or opposing particular developments among relevant interests can be fluid. Dialogue, deliberation and interaction are all required—but in settings in which benefits and costs can be clarified, issues can be redefined in more encompassing

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1996, especially chapter 5; David A.Garvin, 'Building a learning organisation', *Harvard Business Review*, July 1993, pp. 78–91; Peter Senge, 'The leaders new work: building learning organisations', *Sloan Management Review*, Fall 1990, pp. 7–23; John Kay, *Foundations of Corporate Success*, Oxford, Oxford University Press, 1995.

[23] Peter Drucker, *Post-Capitalist Society*, New York, Harper Business, 1993; Sidney Tarrow, *Power in Movement*: *Social Movements, Collective Action and Politics*, New York, Cambridge University Press, 1994.

terms, and compensation strategies can be explored. This is the problem with summits on issues. They can be effective as the capstone of a more embedded process, but otherwise they are too short for the necessary development of views. Further, in our more complex world, new issues are abundant, as noted above. Externally, our political environment remains uncertain and our regional linkage requires a fundamental development of public attitudes and orientations. Thus the need for capacities to frame and develop public and interest group opinion has actually increased. This is the context in which the role of the Senate deserves fresh appraisal.

The Senate and community representation

The Senate was constituted as a 'strong' house by Australia's founders. The immediate stimulus was fear by the small states of domination by their larger cousins,[24] but more deeply, this particular constitution of power has deep roots in liberal traditions—majorities should rule, but not heedless of collective minorities. Protections for minorities need to be entrenched in the structure of power.[25] The principal collective minorities at the time of Federation were the states.

State identity continues to be a potent force in Australian politics, but it has been joined by cross-cutting sources of sectional or minority identity. Think of labour movement supporters, small business champions, or the women's, gay, Aboriginal, multicultural, or republican movements. These and many other organisations are the sites through which, and from which, the opinions, aspirations and interests of a newly diversified and pluralised Australian community are refracted and framed.

Australia's founders created, and intended to create, a distinctive constitutional structure—looking to Britain for ways to institutionalise 'strong' government and to the United States for ways to institutionalise collective minority rights. Strong government was necessary to realise aspirations for nation-building and equality of opportunity between citizens from vastly different initial conditions. Collective minority rights were essential protections against illiberal majorities. This resulted in our distinctive constitutional settlement—made up of two virtually co-equal federal houses.[26] One might speculate that this arrangement institutionalises exactly the aspiration for collective fairness that is such a rich element in Australia's political culture.[27]

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[24] Brian Galligan, *A Federal Republic*, Melbourne, Cambridge University Press, 1994; Helen Irving, *To Constitute a Nation*, Melbourne, Cambridge University Press, 1997; J.A. LaNauze, *The Making of the Australian Constitution*, Carlton, Vic., Melbourne University Press, 1972; Alfred Deakin, *The Federal Story*, Melbourne, Robertson and Mullens, 1944.

[25] Uhr, op. cit.; also Campbell Sharman, 'The Senate and good government', *Papers on Parliament* no. 33, May 1999, pp. 153–170; Geoffrey Brennan, 'The unrepresentative swill feel their oats', *Policy*, Summer 1998–99, pp. 3-9. On earlier uses of Senate power see L. Young, 'A disproportionate amount of power? Influence of minor parties in the 1993 Budget process', *Legislative Studies*, vol. 13, no. 1, Spring 1998, pp 1–17.

[26] Richard Mulgan, 'The Australian Senate as a house of review', *Australian Journal of Political Science*, vol. 31, no. 2, July 1996, pp. 191–205.

[27] For an American contrast see Louis Hartz, *The Liberal Idea in America*, New York, Harcourt, Brace, 1955.

The potential of the Senate as a forum for minority representation was displayed in the first ten years after Federation. In this more pluralised world, no party enjoyed an absolute majority in either chamber. The main parties, Alfred Deakin's Protectionists, George Reid's Free Traders and the newly formed Labor Party, needed to reach accommodations with each other to form governments and to pass legislation. A variety of hotly contested strategic issues needed to be resolved in setting the economic and social foundations of the Australian Federation. Tariffs and wages were the most divisive issues, but others such as old age pensions, nationalisation, the construction of national railways, and the establishment and role of the Post Office, were also prominent. Joint or Senate select committees were established to investigate each of these issues, to establish the options for handling them and to build awareness in key constituencies.[28] Findings were debated in both houses, and since the government could not be assured of a majority, debate on particular issues was decisive.

In the first ten years, the Senate used its powers regularly against governments.[29] It functioned as the house of minorities it was intended to be, using its committees to gather information and to build opinion among senators. The committees became the key institutional mechanism for investigating strategic issues. There were frequent disagreements between the houses, particularly on tariff issues. Disputes between the chambers were fierce, but accommodations ultimately were reached. Indeed, these cameo dramas became an occasion for public learning. The site of contention was not party conferences or internal party committee processes, but parliamentary committees and debates within and between the houses. The political drama constituted the setting in which the educative role of political investigation and deliberation was more fully realised.

Indeed, committees are the only mechanism available to express the investigative capacities of parliamentary institutions and they provide essential foundations for parliamentary deliberations.[30] They are the only mechanism through which the scope for even partial bipartisanship between the major parties can be explored.[31] In the more confined, but more plural, political world of nineteenth century Britain, and in the more democratic Australian colonies, before the genesis of mass politics, committees were a primary means for investigating contested issues.[32] The legislature

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[28] Marsh, *Beyond the Two Party System*, op. cit., pp. 294–297.

[29] Surveyed in Geoffrey Sawer, *Australian Federal Politics and Law, 1901–1929*, Carlton, Vic., Melbourne University Press, 1972.

[30] Writing in 1867, Walter Bagehot identified a number of functions for the House of Commons that extended well beyond 'watching and checking ministers of the Crown'. These included 'expressive', 'teaching', 'informing', and 'elective' functions. (*The English Constitution*).

[31] The power of bipartisanship is clearly displayed in the 1980s. Floating the exchange rate, financial deregulation and the reduction of protection all attracted bipartisan support (e.g. John Button, *As It Happened*, Melbourne, Transaction Books, 1998). By contrast party U-turns under electoral and/or interest group pressure are evident on, for example, GST and Telstra privatisation.

[32] 'After 1820 … Select Committees were used with a regularity and purpose quite without precedent. It is difficult to overestimate the importance of this development. Through session after session, through hundreds of inquiries and the examination of many thousands of witnesses a vast mass of information and statistics was being assembled. Even where (as was uncommonly the case) the official enquiry was in the hands of unscrupulous partisans, a sort of informal adversary system usually led to the enlargement of true knowledge in the end. A session or two later the counter-partisans would secure

and its committees have always contributed to interest group integration and to community education in the very different political system of the United States.[33]

Building a consensus about strategic issues, about the options for handling them, and building public understanding of the benefits and costs of alternative courses of action, and perhaps about how winners can compensate losers, are all challenges we face anew in becoming a flexible and adaptable community. The tax debate points to the means for renewing interest integrating and opinion framing capacities in a strategic phase—that is, through the Senate and its committees. It illustrates the capacity of parliamentary structures to mobilise expert, bureaucratic and interest group opinion, to attract publicity, and perhaps to contribute to the formation of a majority coalition for action. In the classic two-party system, these roles were mostly located in the major party organisations.

The tax debate has emerged at the wrong end of the policy development process. It illustrates what should be happening in the initial phase rather than the legislative phase of the policy process. For a deliberative process to occur in this earlier phase of policy development, when departments are beginning to consider an issue, the Senate committee system needs to be able to intervene at this point. I have explored these issues in detail elsewhere.[34] Staff support for committees needs significant strengthening. The capacity of committees to challenge the executive may need to be refurbished. Clashes between the Senate and the executive at appropriate moments in the policy development process, far from occasioning hand-wringing, might be welcomed for their contribution to the broader development of opinion throughout the Australian community.

Of course, the risks in such developments must be acknowledged. The combination of a strong executive and minority rights imposes distinctive behavioural norms on participants. Above all, protagonists would need to be willing to compromise, and to display qualities of moderation in the parliament or in its backrooms, that they might not choose to display to their more ardent supporters. But such are the familiar ways of democratic politics.[35] In the mutation envisaged here, the major parties might even occasionally combine to discredit unpalatable opinions or to make public that bipartisanship on broad strategy that is now mostly tacit.

Protagonists for majoritarian, winner-take-all conceptions of government now, as in the past, will see only instability in the further development of the Senate's role.[36] On

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a counter exposition of their own. All this enabled the administration to act with a confidence, a perspective and a breadth of vision which had never hitherto existed. It had also a profound secular effect on public opinion generally and upon parliamentary public opinion in particular. For the exposure of the actual state of things in particular fields was in the long run probably the most fruitful source of reform in nineteenth century England.' Oliver MacDonagh, *Early Victorian Government, 1830–1870*, New York, Holmes and Meir, 1977, p. 6.

[33] Arthur Maass, *Congress and the Common Good*, Cambridge, Mass., Harvard University Press, 1983.

[34] Marsh, *Beyond the Two Party System*, op. cit., chapter 9, 'Parliament and policy-making'.

[35] For example, procedural norms in the US Congress.

[36] 'Undue power shows Senate reform needed', Editorial, *Weekend Australian*, 28 November, 1998, p. 18; 'The Senate needs to be reformed', Editorial, *Sydney Morning Herald*, 8 February 1999; 'The tyranny of minorities', Editorial, *Herald-Sun*, (Melbourne) 25 November 1998; Helen Coonan, 'The Senate: safeguard or handbrake on democracy?', Address to the Sydney Institute, February 1999. For

the contrary, I believe underlying electoral trends may progressively precipitate a significant mutation in our familiar two-party system. The Senate, armed with a clear sense of its potential policy-making contribution and with appropriate capacities, is the principal potential agent of regime change in Australia. The minor Senate parties have most to gain immediately from a change in the structure of policy making.[37] But the major parties, too, may ultimately come to see gains in a structure that holds in prospect improved opportunities for all participants to advance their policy agendas.

Australia has a strong tradition of fairness along with a rough-and-tumble political style. As we adapt to the changed world economy and to our own changing aspirations as a people, the need to change the structure of politics may increasingly be forced upon us. These things do not happen easily or quickly—many societies require revolution and insurrection to achieve new distributions of political power. Yet in the 20 years from 1890 to 1910, the new Australian union was successfully crafted and a compact that provided the framework for its economic and social development in the subsequent 80 years was constructed.

Are we in such a phase once more? Trends in voting and weakening party identification affirm the possibility.[38] There are at least three more federal elections between now and 2010. By then, I think, we will be well on the road to a more open and transparent political and policy-making system. There will doubtless be much turbulence, uncertainty and perhaps instability in the process—the two-party system is too deeply embedded in our habits and routines, and too many able people have a stake in its preservation, for change to be simple or easy. Nor should it be. These are basic issues touching the kind of people we are and might aspire to be. Just because of this, however, we will ultimately be best served by a mutation of the two-party system and the emergence of a more plural alternative. Liberal democracy, not economic rationalism, is after all the crowning ideal of our time.

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an overview, see Hugh Emy, 'The mandate and responsible government', *Australian Journal of Political Science*, vol. 32, no. 1, 1997, pp. 65–78.

[37] Ian Marsh, 'Liberal priorities, the Lib-Lab pact and the requirements for policy influence', *Parliamentary Affairs*, vol. 43, no. 2, July 1990.

[38] The development of multi-party politics in New Zealand, devolution to Scotland and Wales and possibly the English regions, the possibility of an MMP voting system in Britain, and the possibility of constitutional change in Canada all point to regime movement in the countries closest to Australia in political culture and institutions.