Australia's Representation Gap: A Role for Parliamentary Committees? *

Ian Marsh

Now it has a majority in both Houses, the Howard government will be able to pass all the measures it desires. Will this mean that the government can more effectively tackle difficult longer-term issues like salinity and water management, nursing home funding or lifelong learning?

In a new study, David Yencken and I argue that it will not. Preparing public opinion for action on longer-term issues requires a significant change in approach.[1] There are fundamental problems both in the way parliament and the executive works and in the density of the links between these institutions and the wider community. Basically, we argue the incentive structure that is at the core of our familiar two party, adversarial system hampers rather than facilitates the development of public opinion. We also argue the links between the political system and the community have weakened to a degree that jeopardises policy-making capacity. There is now a representation gap between the formal political system and the Australian community.

For evidence of both failings, we need look no further than the recent election campaign. The rhetoric and promises of the party leaders had almost nothing to do

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* This paper was presented as a lecture in the Department of the Senate Occasional Lecture Series at Parliament House on 26 November 2004.

1 *Into the Future: the Neglect of the Long Term in Australian Politics.* Melbourne, Australian Collaboration/Black Inc., 2004.

with the big issues that face the country. For example, the ageing of the population has wide-ranging fiscal and institutional implications. Who will pay for the hospital system, medical care, nursing homes and pensions as the baby boom generation passes into retirement? How will delivery systems be reconfigured to accommodate these pressures? How will the education system be reconfigured to allow re-skilling? Or take environmental sustainability. The Murray-Darling Basin is one of the most important water catchment and agricultural regions in the country. The problem of salinity has been recognised for years. In the face of continued inaction, it grows worse.

The gap between policy needs and political rhetoric has been recognised by a wide range of community organisations. These include the Business Council which last year conducted a major long-term review of Australia's outlook. It concluded much more needed to be done to prepare the community for the uncertainties ahead. The Productivity Commission has recently added its voice with its call for attention to challenges facing the health, education, nursing home and pensions systems as well as for a wider debate about Telstra privatisation and greenhouse issues.

Prime Minister Howard has himself acknowledged that there is a problem. After a leaked Cabinet submission thwarted consideration of higher education funding changes, he observed: 'We have got to have a capacity in this country to have a sensible discussion about long-term policy issues without everything being distorted and blown out of the water by misrepresentation.'[2]

What is the ultimate ground for effective policy making? We argue there is only one—an informed public opinion. Political processes should aid the development of a broad consensus if such is possible, at least on priorities and directions. The more an informed public recognises the significance and priority of an issue, the wider the range of actions available to governments and the better the outcome for the whole community. An informed public also allows governments to respond more rapidly and realistically to exigencies. Of course governments must sometimes confront their publics. But mostly they need to work by persuasion.

Why have our political leaders been unable to generate public understanding of longer-term issues? We argue the cause lies in the way the present system engages public opinion. The basic problem concerns the way longer-term issues come before the public. This happens through the parliament. When political leaders bring matters into parliament, fake adversarialism typically takes over. If the Government declares a contentious issue to be white, and public opinion is divided or uncertain, the Opposition almost invariably declares it to be black. Yet in government, the Opposition may often have supported a similar approach (e.g. both major parties on a consumption tax). This is not because the Opposition front bench is perverse or malevolent. It happens because, when public opinion is divided or uncertain, rewards accrue to leaders who champion contrasting alternatives, even if they are hollow or only manufactured for political impact.

The present political incentive structure is the culprit. It rewards sharp distinctions. This encourages the major parties to create differences even when they don't exist or

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2 *Sydney Morning Herald*, 16 October 1999.

to exaggerate them when they are minimal. Or it encourages parties to try to manufacture issues that shift debate away from matters of real longer-term significance towards those that offer most advantage in the struggle for office. Hence the rise of wedge tactics.

When Australia's political parties were divided ideologically, there was merit in an adversarial structure. It ensured that sharp distinctions in the parties' approaches would be clearly communicated to the public. Now there is overlap and convergence between the major parties. The political system has not adapted to this development.

One key problem concerns the transparency of the policy development process. Issues only come to the parliamentary arena after the government has decided what to do. This means that its prestige is implicated in the successful passage of its proposals. This encourages posturing and attention to electoral advantage. Electoral incentives invariably trump arguments based on merit and prudence. There is no setting for a prior phase of inquiry in the parliamentary domain where the scope for even partial consensus between the major parties could be explored. There is, in other words, no scope for a 'contemplative phase' in public debate.

This is despite the high degree of common ground between the parties about broad strategies. Take policy developments after 1983. The major changes introduced after that time all enjoyed bipartisan support. These included financial deregulation, floating of the exchange rate, an independent Reserve Bank, competition policy, tariff reductions and change to the IR system, although Labor did not go as far as the Coalition wished.

Tacit bipartisanship is not a base for effective policy making. On the contrary, it has perverse consequences. A gap between elite and public opinion creates a climate that is very congenial to populism, as exemplified in the rise and fall of One Nation. Populist surges introduce new pressures on the major parties. It encourages them to distort debate and to conceal important but difficult issues. As a result, opportunities are lost for building public understanding of longer-term issues such as the environment, Indigenous disadvantage, globalisation, or continued economic reform. Is it any wonder public opinion remains divided and uncertain about action on these fronts? Hansonism may have passed but the public uncertainty and distrust that provided the base for its mobilisation is alive and well.

For most of the twentieth century Australians were well served by the two party adversarial system. This reflected the social reality: a community in which socio-economic class was the primary determinant of political orientations and allegiances. But over the past couple of decades, these attachments have been overlaid by a variety of cross cutting influences. These include gender, attitudes to the environment, regional loyalties, religious affiliation and so on. The community is now much more differentiated and pluralised. Voters are also generally better educated. Via the media, they are subject to a wider array of opinions and images. As a consequence, political loyalties are much more fluid. But the formal political system has not changed to accommodate these developments.

As a result, a representation gap has opened up between the formal political system and the community that it nominally serves. A number of developments have

combined to create a particular problem concerning longer-term issues. The major party *organisations* once contributed critically to their identification and resolution. Debates at party conferences were then real events. They provided the opportunity for new agendas to be promoted and for the leadership to connect with the party's activist vanguard. Since the dominant interest groups (trade unions with Labor and business with the Liberals) were closely linked to one or other of the major parties, their perspectives were also well represented. The major parties were also once critical linkage organisations. In the 1950s and 60s, mass memberships reflected the tie between the parties and their supporters. Mass membership was symptomatic of visceral voter loyalties.

All these conditions have now changed. Mass memberships have collapsed. Party conferences are stage-managed. Australians no longer have visceral political loyalties. Interest groups no longer link closely to either party. Activists join social movements not the major parties.

The federal election of October 2004 bucked the trend of a drift in voter support towards minor parties and independents. There were apparently some gross misjudgments by the Labor leadership. For its part, the Senate result partly followed the (temporary?) suicide of the Democrats. But no serious commentator or participant, not least the Prime Minister, regards this outcome as marking a durable shift in underlying public sentiment towards the major parties.

If we want to improve the management of longer-term issues, what is to be done? Political parties have historically been critical transmission belts for two-way communications between the community and the formal political system, particularly about long-term issues. Prime Minister Howard has lamented their diminished base in the community. Speaking at the centenary dinner of the Australian Women's National League, the Prime Minister commented: '(The political parties) are becoming too narrow ... they need to find ways of relating more comprehensively to community concerns.'

Reviving the major parties is not the solution to the representation gap. They played strong linkage roles in a very different social environment. Then, Australian society was broadly divided on class lines, and socio-economic class was the principal determinant of political attitudes and loyalties. These days have long since gone. They are unlikely to return. Economic status remains an important source of social cleavage but it is criss-crossed with all the other divisions noted earlier. Australian society is now much more diverse. This is a positive development to which the formal political system needs to adapt.

There are a number of steps that need to be taken covering research and technical analysis as well as public and interest group engagement. In relation to research and technical analysis, our report identifies a variety of institutions in other countries that focus on longer-term issues. For example in the UK, the Parliamentary Office of Science and Technology undertakes assessments of new scientific and technological developments and promotes parliamentary and public awareness and debate. Think of the debates here on stem cell research or genetically modified foods, or the current discussion of abortion rates and hazards. Discussion of all these issues needs to be based in an understanding of the underlying scientific evidence. Of course, this will

not and should not determine the outcome. But clarity about the factual base may limit or undermine the scope for wild and irrational claims. New Zealand has a Parliamentary Commissioner for the Environment who performs a similar role in this important policy area. Another example in a different issue area comes from the United States. Here the Congressional Budget Office (CBO) plays a role something like our old Economic Planning and Advisory Council. But there is a critical difference: the CBO reports to the Congress, not to the Executive. This is the right reporting relationship if technical analysis is to inform public opinion. An agency reporting to the executive will always be under pressure to conceal or obfuscate politically difficult findings.

There is a precedent in Australia for transparent reporting on longer-term issues—this is the basis on which the Productivity Commission now operates. The government has recently funded a defence-oriented think tank—the Australian Strategic Policy Institute. Again, a reporting relationship to parliament would add to the status of its reports and would aid their dissemination.

In general, we have well developed economic reporting arrangements in Australia but substantially under-developed social and environmental reporting. Other countries have quite well established systems, institutions and indicators. We need more extensive and transparent reporting frameworks in Australia where appropriate with the results disseminated through the parliament.

Research and technical analysis is an important part of the remedy. But perhaps the most important and most difficult aspect involves managing the politics of longer-term issues. In essence, a ‘contemplative phase’ in public debate is required. This would improve the chance for these issues to be considered on their merits. This phase would need to occur prior to the parties making their detailed policy decisions. There is only one institution in the political structure with the necessary formal standing and authority to create this capacity. This is the parliament. It is the only institution capable of achieving an immediate, comprehensive and direct impact on public, interest group and official opinion. It provides the only setting where the scope for political consensus can be explored.

Within the parliament, the Senate, the House of Representatives and the joint committees constitute a prime setting for routine review of strategic issues. Committees are the right institutions to introduce new strategic issues to the political agenda and to engage interest groups and the broader community in their consideration. They provide a forum where official, novel, sectional and deviant or marginal opinions can be voiced. Bureaucrats, ministers, interest groups and independent experts appear on an equal footing.

The parliament can also stimulate the formation of broader public opinion through its varied processes and deliberations. The theatre of parliament creates the cameo dramas that communicate the significance of these issues to a broader public. This is now mainly fostered through rituals such as Question Time and Urgency Motions that have lost their original purpose. The political drama needs to be refashioned to contribute positively to the development of sectional and public opinion.

The present committee system provides basic infrastructure, but many of its features fall far short of what would be required. To amplify parliament's contribution to the broader policy making process, its committees would need to have enhanced standing, roles and powers. The present system is inappropriately structured: committees are insufficiently focused. The present committees work on a shoestring and their staffing is totally inadequate. The incentives for committee work are weak: those with ministerial ambitions may be fearful of taking an independent line. Finally, the use of latent parliamentary powers, particularly in the Senate, to gain attention for committee findings and recommendations is hugely underdeveloped.

Developing the role of parliamentary committees on longer-term issues would be a radical step, since it would involve new parliamentary arrangements outside the immediate authority of the government and the immediate influence of the major policy departments. Those used to adversarial approaches may find an attempt to explore the scope for even limited consensus between the major parties impractical or worse. The idea of routinely probing the scope for even limited consensus between the major parties, at least on guidelines and principles, might instinctively be rejected as giving too much away. Yet this is one key promise of these changes. Of course consensus will be limited, often partial and often unavailable. This is at it should be. But the notion that we are stuck with present ritual adversarialism staunches any possibility of imagining an alternative approach.

In sum, an assessment of the neglect of longer-term issues by the Australian political system is also a study of the way in which the present structure of politics is implicated in Australians' capacity to choose. The current political system does not provide the setting for sustained review and analysis of long-term trends. There are inadequacies in research, in technical analysis, and in public engagement and consultation. Australia needs to invest in each of these areas if it is to have the capacity to respond to new contingencies and persistent trends in an effective way.

An informed public opinion is the ultimate foundation for wise political choice. There is not now sustained concern for public education, involvement and debate. There is minimal capacity for constructive discussion of strategic issues in parliament. There is little capacity to make transparent the bipartisanship that is so patently present between the major parties. There is little capacity to engage interest groups in the consideration of strategic issues. The net result is a political structure at odds with our real situation and our real needs. The familiar competitive two-party system is now itself a principal obstacle to the capacity of Australians to exercise wise policy choice.

Question — Can you give us an assessment of the likelihood of any of the existing political parties adopting this idea?

Ian Marsh — Well that is the crunch issue. We do say in this study that it is just possible that enlightened self-interest, rational argument, could have some impact, although we are not too hopeful. But one can't rule those things out.

In their ultimate form, these proposals cut across the structure of power in a very fundamental way. Of course there are a number of steps short of the full development of these ideas that could be taken. There's no reason why committees shouldn't get to work on some longer-term issues and try to use this form of enquiry as a vehicle for building some understanding of interest group attitudes. But ultimately, in a fully developed form, the changes I have discussed would involve a shift of power from the executive to the legislature. This could only come about, if at all, when two conditions are met. First, a minor party or minor party coalition needs to recover a balance of power position in the Senate. Second, this party or party coalition needs to have a sufficient following amongst electors to be able to deny one or other of the major parties government in the lower House. In other words, the constitutional changes required to create a more democratic and participatory system will only result from a continuing drift of voters away from the major parties.

In this context, you could imagine a situation in which the minor parties trade a preference deal in the lower house for some kind of change in the structure of power. The last election put that kind of possibility some distance from us. And we are ultimately talking here about very significant constitutional change. But the power structures that are involved are determined by convention, not by the written constitution. The key conventions that underpin the two party system in its present form are confidence, ministerial responsibility and collective cabinet responsibility. All of these could be modified by votes on the floor of the parliament. But for this to occur you would need to have a change in the composition of the Senate and a continued drift to minor parties amongst electors.

The underlying conditions in the Australian community are right for that sort of development, but as the Australian people have shown time and again they will not tolerate parties that squabble internally. The outcome for the Democrats was disastrous in the last campaign. A very good political brand has been really seriously damaged. I don't know whether it's recoverable.

So, the short answer is, I don't put much store in wise judgement prevailing. I do think that there is a possibility that some steps in the direction of more open policy making might be taken. The Government does face some very difficult issues in the next wave of so called micro-economic reform. If you think about what's going to be involved in changing the health system, the education system and so on, these touch political sentiment on a very acute nerve. They are also surrounded by very strong interest group coalitions. So getting action in those areas is going to be much tougher that the first round of micro economic change, where there was bipartisanship and interest group support. As the emerging pressures crystallise, the Government may decide that it is in its interest to start moving to some degree down this path. But, as I say I don't have any expectation of the ultimate change occurring until some new minor party or some alliance of minor parties returns the Government to a minority position in the Senate.

Question — You've suggested one possibility for the form of a parliamentary committee system, but I don't quite have a handle on how you are envisaging that might happen. It seems as though you're suggesting that they would be more akin to

independent enquiries. I'm wondering also how you would see the differentiation between Senate and House committees.

Ian Marsh — I did some work some years ago on the committees established by Mrs Thatcher in 1979, when she came to office in the UK. There was then a very significant revamping of the House of Commons committee system and I followed quite closely the work of those committees from 1979 to about 1986 or 1987, and I've kept an eye on the British development since. What was very striking about the work of those committees is that when you picked issues outside the immediate jousting between the parties; when in other words you picked longer-term issues, issues at the agenda entry phase if you like, issues like stem cell research or genetically modified foods, to take a couple of past ones, or like salinity, or the Hogan report on nursing home funding; you picked an issue that was not yet within partisan contest, parliamentarians were very good at coming to a consensus between themselves about what might be done. So I'm very optimistic that if committees were given inquiries in these areas, they would function very effectively in their approach and analysis.

I think one of the problems in this country is that there is a lot of overlap between Senate and House committees. We only have a very limited number of MPs. The House of Commons has 600, creating a much larger pool for setting up these kinds of activities. If you were seriously thinking about the committee system you'd be looking at perhaps some more joint committees or some at least tacit rationalisation of roles between the two houses. In the 1901–1909 period, this was how the system worked.

In terms of funding and staffing, in the UK there is a parliamentary commission that determines the budget of the parliament. The Treasurer or the Chancellor doesn't do that. It's most unlikely in the present climate that that would happen in Australia, but again things that seem most immutable under the pressure of events can change. The key point to make is that underlying volatility in the Australian electorate is very large. The underpinnings of the system are very loose and very volatile and very open to effective political entrepreneurs to move in and champion change. So I think we shouldn't take the last election result as a harbinger of the future world.

Question — I was wondering if you would like to comment on what might be the implications for the committee system, particularly in the Senate, of the recent election. It seems to me that there is a very important place for interest groups at the moment, while you don't have a great ideological difference between the parties. There seems a lot of potential for interest groups to engender interest among the public in their need to be better informed about crucial policy issues and maybe pressure coming from the electorate onto the parliament to do something.

Ian Marsh — If you think about the way agendas have developed in Australia in the last 20 or so years, there is a common pattern. The social movements have proved very adept at building public momentum, at creating events, at getting on talk-back radio, all that kind of thing. They build up sufficient pressure in the community sphere and finally press the major parties into adopting one of their agendas and moving it into the formal political system. That's been the pattern on women's issues, on the environment, and across the whole slew of new policy developments over the last 20 or so years. Unfortunately, what that does is keep the advocates of new agenda at a very considerable remove from the formal political process. It's symptomatic of the

disjunction between Australians and what happens in this building, which is the front edge of the formal political system. Allowing these social movements and interest groups some point of access to the formal system in a transparent setting is critical, and that's one of the roles that committees could play. If you look at the campaigns that the social movements and interest groups have run, they typically involve coalition building. This is how you build public momentum. We saw with Brendan Nelson's effort to change higher education arrangements in this country, the very considerable limitations on the ability of the present administrative and bureaucratic system to engage in that kind of tactic. Yet in a diversified environment, coalition building is a core tactic for effective policy-making. So we need to build capacities within the formal political system—to understand where interest groups stand on issues, to gauge if you need to redefine the issue, or if you could change their alignment if, for example, you provided compensation—there are a myriad of ways that politics enables accommodation to occur between actors who have different views about the way things should go. That's what needs to be opened up, and that's what needs to be given a much more structured base in the formal institutions of politics. And that I think is a critical role that parliamentary committees could play.

I think you mentioned the Senate in your question. The Senate in the Fraser years, when the government last had a majority, nevertheless was not a pushover for the executive. Whether the present batch of senators are as activist as some of their predecessors we will see over the next few months. I would like to make this point about the Senate. It is potentially a very very powerful house. It is co-equal with the House of Representatives. We had a visitor from the United States last year who did a study of the way voting patterns had gone in the Senate, and what particularly struck him was that in the House of Representatives, Labor and the Coalition threw these terrible epithets at each other and called each other every nasty name that they could lay their hands to. But in the Senate, most measures went through by bipartisan support between the government and the nominal Opposition, which was symptomatic of the extent of tacit bipartisanship there. But it also belies the very important capacity of the Senate to be a house of minorities and a very powerful house of review. If you look back to the 1901 to 1909 period, before the emergence of the two party system that is now familiar, that is exactly the role you see the Senate playing. It was the arena from which new strategic issues moved into the formal political system. The Senate's formal constitutional powers would enable it to renew that role, if only there was the will amongst its members.

Harry Evans — If I could add to that, to say that the pressure groups and interest groups and lobby groups around the country are already showing some signs of waking up to the fact that the people they now have to put pressure on are government backbenchers in the Senate on Senate committees, rather than the minority in Opposition parties. I think one of the directions of that pressure will be not to close off the avenue they have into the political system via committees. I think the various groups around the country value that channel they have into the political system and one of the pressures they'll be putting on government backbenchers in the Senate will be not to have that channel closed off or restricted. We will see.

Question — I would like to know whether you see a role for think-tanks in this new order of things. Let me say why I ask this. It seems to me that social movements are not the force they once were in defining the political agenda, but think-tanks are

becoming very influential. For example, the Bush administration's decision to go to war was heavily influenced outside of the legislative system by a group of selected advisors with very strong positions in things like the American Enterprise Institute, and the Hoover Institution. I was wondering whether these think-tanks could contribute well to the new order.

Ian Marsh — We don't have the same activist think-tank environment in Australia that exists in the US, where the division of powers between the Congress and the Executive really create wonderfully fertile environment for them to develop. But even in the UK there has been an enormous flowering, and there are nine or ten significant think-tanks, that have budgets of a few million pounds are able to recruit staff and generally follow through on issues. We don't have that in Australia. I think one of the keys reasons is that we don't have a strong philanthropic sector that could be a funding source. The Australia Institute, for example, works on a shoe-string. The major organised think tanks in Australia are the new right group, the Centre for Independent Studies, the Institute of Public Affairs. There's no question, that think-tanks are playing a much more prominent role in contesting issues in the public space. The media are the main way they can feed views into the system. There is very little capacity in the formal system for these views to get registered or developed or exposed or explored in any depth. So yes, I definitely think this kind of committee infrastructure would provide a very important entry point for think-tanks to air their views. But that said, it seems to me the key issue here is not more research, not more rational analysis, but rather getting public opinion engaged and building public understanding and public willingness to move on longer-term issues. Public opinion plays the same kind of role in politics as money in market exchanges – it's like cash in a market. Public opinion is the coinage of exchange, and to my mind the central problem concerns the disjunction between the way the formal political system impacts on public opinion and what is really required to build public understanding of issues. So think-tanks are very important agents in providing some of the bullets in that process, but getting awareness of issues in the broader community and building momentum on issues is really to my mind the critical step in the equation.

Question — I was a little surprised at what I understood to be your pessimism about the prospects of parliamentary committees looking at long term wider issues. Can I put to you a different assessment, and that is that where a government has a majority in both houses, it may regard it to be to its political advantage to see parliamentarians working on less controversial long term issues, rather than short term issues, which are likely to embarrass the government, and are the sort of issues that are looked at when the opposition has control of the committee system. So in fact the prospects may be enhanced by the current political environment.

Ian Marsh — That's exactly the answer I should have given myself. That is exactly right. Let's hope that proves to be the case. Busy back benchers don't cause problems for ministers, so this could be a very useful stimulus to this kind of outcome.