POLICY ANALYSIS IN AUSTRALIA
International Library of Policy Analysis

Series editors: Iris Geva-May and Michael Howlett, Simon Fraser University, Canada

This major new series brings together for the first time a detailed examination of the theory and practice of policy analysis systems at different levels of government and by non-governmental actors in a specific country. It therefore provides a key addition to research and teaching in comparative policy analysis and policy studies more generally.

Each volume includes a history of the country’s policy analysis which offers a broad comparative overview with other countries as well as the country in question. In doing so, the books in the series provide the data and empirical case studies essential for instruction and for further research in the area. They also include expert analysis of different approaches to policy analysis and an assessment of their evolution and operation.

Early volumes in the series will cover the following countries:

- Australia • Brazil • China • France • Germany • India • Israel • Netherlands • New Zealand • Norway • Russia • South Africa • Taiwan • UK • USA

and will build into an essential library of key reference works. The series will be of interest to academics and students in public policy, public administration and management, comparative politics and government, public organisations and individual policy areas. It will also interest people working in the countries in question and internationally.

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POLICY PRESS at the University of Bristol
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<td>ABARE</td>
<td>Australian Bureau of Agriculture and Resource Economics</td>
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<td>ABC</td>
<td>Australian Broadcasting Commission</td>
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<td>ABS</td>
<td>Australian Bureau of Statistics</td>
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<tr>
<td>ACCI</td>
<td>Australian Chamber of Commerce and Industry</td>
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<td>ACEF</td>
<td>Australian Council of Employers Federations</td>
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<td>ACMA</td>
<td>Associated Chamber of Manufacturers of Australia</td>
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<tr>
<td>ACTU</td>
<td>Australian Council of Trade Unions</td>
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<td>AFDO</td>
<td>Australian Federation of Disability Organisations</td>
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<td>AGPS</td>
<td>Australian Government Printing Service</td>
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<td>AIDA</td>
<td>Australian Industries Development Association</td>
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<tr>
<td>AIG</td>
<td>Australian Industry Group</td>
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<td>AIMA</td>
<td>Australian Institute of Multicultural Affairs</td>
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<tr>
<td>ALP</td>
<td>Australian Labor Party</td>
</tr>
<tr>
<td>AMWU</td>
<td>Australian Metal Workers Union</td>
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<tr>
<td>ANU</td>
<td>Australian National University</td>
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<td>ANZSOG</td>
<td>Australia and New Zealand School of Government</td>
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<td>APS</td>
<td>Australian Public Service</td>
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<td>ASTEC</td>
<td>Australian Science and Technology Council</td>
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<tr>
<td>AUD</td>
<td>Australian dollars</td>
</tr>
<tr>
<td>BCA</td>
<td>Business Council of Australia</td>
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<tr>
<td>BCG</td>
<td>Boston Consulting Group</td>
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<tr>
<td>BIE</td>
<td>Bureau of Industry Economics</td>
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<tr>
<td>CAI</td>
<td>Confederation of Australian Industry</td>
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<tr>
<td>CAPPAPA</td>
<td>Canadian Association of Programs of Public Administration</td>
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<tr>
<td>CCC</td>
<td>Crime and Corruption Commission (Western Australia)</td>
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<td>CEDA</td>
<td>Committee for Economic Development of Australia</td>
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<td>CGC</td>
<td>Commonwealth Grants Commission</td>
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<tr>
<td>CIS</td>
<td>Centre for Independent Studies</td>
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<tr>
<td>COAG</td>
<td>Council of Australian Governments</td>
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<tr>
<td>CPD</td>
<td>Centre for Policy Development</td>
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<tr>
<td>CRC</td>
<td>COAG Reform Council</td>
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<td>CSIRO</td>
<td>Commonwealth Scientific and Industrial Research Organisation</td>
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<tr>
<td>DURD</td>
<td>Department of Urban and Regional Development</td>
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<tr>
<td>ESD</td>
<td>ecologically sustainable development</td>
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<tr>
<td>EPAB</td>
<td>expert policy advisory body</td>
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<td>EPAC</td>
<td>Economic Planning Advisory Council</td>
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<tr>
<td>FSRB</td>
<td>Financial Sustainability Review Board</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>GST</td>
<td>Goods and Services Tax</td>
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<td>HECS</td>
<td>Higher Education Contribution Scheme</td>
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<td>IAC</td>
<td>Industries Assistance Commission</td>
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<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>IC</td>
<td>Industry Commission</td>
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<td>IGR</td>
<td>Intergovernmental relations</td>
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<td>IILG</td>
<td>Independent Inquiry into Local Government</td>
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<td>IPA</td>
<td>Institute of Public Affairs</td>
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<tr>
<td>IPART</td>
<td>Independent Pricing and Regulatory Tribunal</td>
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<td>LGA</td>
<td>Local Government Association</td>
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<tr>
<td>LGAT</td>
<td>Local Government Association of Tasmania</td>
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<td>LGAQ</td>
<td>Local Government Association of Queensland</td>
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<td>LNP</td>
<td>Liberal and National Parties</td>
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<td>LTCS</td>
<td>Long Term Strategies Committee</td>
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<tr>
<td>MBA</td>
<td>Master of Business Administration</td>
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<td>MCA</td>
<td>Minerals Council of Australia</td>
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<td>MDBC</td>
<td>Murray Darling Basin Commission</td>
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<tr>
<td>MHR</td>
<td>Federal Member of the House of Representatives</td>
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<td>MPA</td>
<td>Master of Public Administration</td>
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<td>MPP</td>
<td>Master of Public Policy</td>
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<tr>
<td>MRRT</td>
<td>Mining Resource Rent Tax</td>
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<tr>
<td>NASPAA</td>
<td>National Association of Schools of Public Affairs and Administration</td>
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<tr>
<td>NATSEM</td>
<td>National Centre for Social and Economic Modelling</td>
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<tr>
<td>NCC</td>
<td>National Competition Council</td>
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<tr>
<td>NCP</td>
<td>National Competition Policy</td>
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<td>NDIS</td>
<td>National Disability Insurance Scheme</td>
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<td>NPM</td>
<td>New Public Management</td>
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<td>PAC</td>
<td>Policy Action Causes</td>
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<td>PC</td>
<td>Productivity Commission</td>
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<td>PCO</td>
<td>Privy Council Office</td>
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<tr>
<td>PM&amp;C</td>
<td>Department of Prime Minister and Cabinet</td>
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<tr>
<td>PM</td>
<td>Prime Minister's Office</td>
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<td>PMSEC</td>
<td>Prime Minister's Science and Engineering Council</td>
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<td>PMSEIC</td>
<td>Prime Minister's Science, Engineering and Innovation Council</td>
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<tr>
<td>PSB</td>
<td>Public Service Board</td>
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<tr>
<td>PWC</td>
<td>PricewaterhouseCoopers</td>
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<td>QLGRC</td>
<td>Queensland Local Government Reform Commission</td>
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<tr>
<td>QTTC</td>
<td>Queensland Treasury Corporation</td>
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<tr>
<td>RBA</td>
<td>Research-based advocacy</td>
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<tr>
<td>RCAGA</td>
<td>Royal Commission on Australian Government Administration</td>
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<tr>
<td>RCT</td>
<td>Randomised controlled trial</td>
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<td>RSPT</td>
<td>Resource Super Profit Tax</td>
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<td>SPPs</td>
<td>Special Purpose Payments</td>
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<tr>
<td>SSS</td>
<td>Size, Shape and Sustainability</td>
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<tr>
<td>TAI</td>
<td>The Australia Institute</td>
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<tr>
<td>TCI</td>
<td>The Climate Institute</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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UNSW University of New South Wales
WALGA Western Australian Local Government Association
WEL Women’s Electoral Lobby
YR@W Your Rights @ Work
Australian states and territories; Australian governments from 1972; and map of Australian states and territories

Australian states and territories

ACT  Australian Capital Territory
NSW  New South Wales
NT   Northern Territory
QLD  Queensland
SA   South Australia
TAS  Tasmania
VIC  Victoria
WA   Western Australia

Australian governments from 1972

1972  ALP, Prime Minister Gough Whitlam
1975  Coalition, Prime Minister Malcolm Fraser
1983  ALP, Prime Minister Bob Hawke
1991  ALP, Prime Minister Paul Keating
1996  Coalition, Prime Minister John Howard
2007  ALP, Prime Minister Kevin Rudd
2010  ALP, Prime Minister Julia Gillard
2013  ALP, Prime Minister Kevin Rudd
2013  Coalition, Prime Minister Tony Abbott
Map: Australian states and territories

Source: Australian Public Service Commission publication Nethercote, J. (2003) Australian experience of public sector reform, Canberra: Australian Public Service Commission. This material is licensed for reuse under a Creative Commons BY Attribution 3.0 Australia licence.
Notes on contributors

**Tracey Arklay** is a Research Fellow at the Institute for Social Science Research at the University of Queensland. Her next appointment will be at Griffith University. Her current research is in the areas of policy advice, policy capacity, intergovernmental relations and disaster management. She has also written on state politics, parliamentary research and political biography.

**Stephen Bell** is Professor of Political Economy and former Head of the School of Political Science and International Studies at the University of Queensland. His teaching and research interests focus on questions of governance and institutional development, with special reference to the politics of economic policy, on which he has published broadly, most recently, in terms of banking reform and financial crisis.

**Rae Cooper** is Associate Professor and Associate Dean in the University of Sydney Business School. She has written extensively on trade unionism, industrial relations policy and women’s work. Most recently, she has undertaken research on flexible work, organisational practices and national policy frameworks. She is associate editor of the *Journal of Industrial Relations* and is a co-author of *Employment relations: theory and practice* (McGraw–Hill Education, 2013).

**Kate Crowley** is Associate Professor of Public and Environmental Policy at the University of Tasmania. She is widely published on green politics and environmental policy, and has chaired a number of advisory councils. Her recent books include *Minority government: the Liberal Green experience in Tasmania* (Australasian Study of Parliament Group, 2012) and *Environmental policy failure: the Australian story* (Tilde University Press, 2012).

**Simone de Souza** is Research Lecturer and Deputy Director of the Centre for Local Government at the University of New England. Her current research interests focus on the empirical analysis of local government, especially the determinants of financial sustainability.

**Michael Di Francesco** is Senior Lecturer in Public Sector Management at The Australia and New Zealand School of Government, and Honorary Senior Fellow in Social and Political Sciences at the University of Melbourne. He has held advisory appointments at the New South Wales Treasury, International Monetary Fund and World Bank, and has written on budget reform, public management policy and executive politics.

**Brian Dollery** is Professor of Economics and Director of the Centre for Local Government at the University of New England. His research focus is in economics,
finance and the structure of local government. Recent books include *Funding the future* (Federation Press, 2013) and *Councils in cooperation* (Federation Press, 2012).

**Bradon Ellem** is Professor of Employment Relations in the University of Sydney Business School. He is co-editor of the *Journal of Industrial Relations* and an associate editor of *Labour History*. He has written extensively on industrial relations policy, trade unionism and geographies of work, most recently, examining the Pilbara iron ore industry.

**Alan Fenna** is Professor of Politics at The John Curtin Institute of Public Policy, Curtin University. He publishes on Australian and comparative federalism, economic policy, and social policy. His books include *Australian public policy* (Pearson, 2004), (as co-author) *Comparative federalism: a systematic inquiry* (University of Toronto Press, 2015) and (as co-editor) *Government and politics in Australia* (Pearson, 2014).

**Anika Gauja** is Senior Lecturer in the Department of Government and International Relations, University of Sydney. She researches the democratisation of party organisations. Her books include *The politics of party policy: from members to legislators* (Palgrave Macmillan, 2013).

**Susan Goodwin** is Associate Professor in Policy Studies at the University of Sydney. Her focus is social policy, gender and community participation. Her books include *Social policy for social change* (Palgrave Macmillan, 2010), *Schools, communities and social inclusion* (Palgrave Macmillan, 2011) and *Markets, rights and power in Australian social policy* (Sydney University Press, 2015).

**Darren Halpin** is Associate Professor, Reader in Policy Studies and Head of Sociology at the Research School of Social Sciences, Australian National University. He is co-editor of *Interest Groups and Advocacy* and Foundation Series Editor for the book series *Interest Groups, Advocacy and Democracy* (Palgrave). His books include *Groups, representation and democracy* (Manchester University Press, 2010) and *The organization of political interest groups: designing advocacy* (Routledge, 2014).

**Brian Head** is Professor of Policy Analysis at the University of Queensland. He has also held a number of senior roles in government. He is widely published on public policy, public management, social issues and environmental policy. He has won funding for projects on research utilisation, wicked problems, policy innovation, natural resources issues and social programme evaluation.

**Patrick Hurley** is an honours graduate in Government and International Relations from the University of Sydney. He currently lives in London and works for a documentary film company.
Michael A. Kortt is Senior Lecturer in the Southern Cross Business School at Southern Cross University. His publications have appeared in Administration & Society, Local Government Studies and Public Finance and Management. His principal research interests are in local government economics and public administration.

Carmen Lawrence is Winthrop Professor and Director of the Centre for the Study of Social Change in the School of Psychology at the University of Western Australia. Her research interests include the psychology of climate change and energy use. She was formerly Premier of Western Australia and held ministerial portfolios in both state and Federal governments. She is currently Chair of the Australian Heritage Council.

Ian Marsh is an Adjunct Professor at the University of Tasmania and at the Regulatory Institutions Network, the Australian National University. He is widely published. His most recent book (with Raymond Miller) is Democratic decline and democratic renewal: political change in Britain, Australia and New Zealand (Cambridge University Press, 2012). His current research involves the impacts of parliamentary committees and 19th-century political culture.

John Phillimore is Professor and Executive Director of the John Curtin Institute of Public Policy, Curtin University. He worked in government for many years as a senior adviser to several state government ministers. His current academic interests include federalism, social policy, higher education and technology and innovation policy.

Ruth Phillips is Associate Professor in the Social Work and Policy Studies Programme at the University of Sydney. Ruth’s core research areas include social policy, global social policy and the third sector. She is co-author of Social policy for social change (Palgrave Macmillan, 2010) and editor of the journal Third Sector Review.

Scott Prasser is currently senior adviser to the Federal minister for education & training and Adjunct Professor in the Key Centre for Ethics, Law, Justice & Governance at Griffith University. He authored Royal commissions and public inquiries in Australia (Lexis Nexis, 2006), co-authored (with Kate Jones) Audit commissions: reviewing the reviewers (Connor Court Publishing, 2013) and co-edited (with Helen Tracey) Royal commissions and public inquiries: practice and potential (Connor Court Publishing, 2014).

Peter Shergold AC is the Chancellor of the University of Western Sydney. After obtaining his PhD from the London School of Economics and Political Science, he became a senior academic in Economic History at the University of New South Wales. He subsequently had a distinguished career leading several major agencies in the Australian Public Service from 1987 to 2008. Professor Shergold now serves on several corporate and not-for-profit boards, and he also chairs the National Centre for Vocational Education Research, the NSW Public Service Commission Advisory Board, and the Higher Education Standards Panel.
Jenny Stewart is Professor of Public Policy in the School of Business, University of New South Wales. Her research has focused on the role of values and information in public policy, and on the use of case studies in policy analysis. She is the author of The two Canberras: essays on public policy (Ginninderra Press, 2011), Public policy values (Palgrave Macmillan, 2009) and Renegotiating the environment: the power of politics (Federation Press, 2003).

Ariadne Vromen is Associate Professor in Government and International Relations at the University of Sydney. She is a political sociologist and has ongoing research interests in political engagement, digital politics and campaigning, and evolving Australian political organisations. She is co-author of Powerscape: contemporary Australian politics (Allen & Unwin, 2009).

James Walter is Professor of Politics at Monash University. His books and articles cover the fields of political history, leadership, biography, political ideas and the research–policy interface. He is currently completing a history of the Australian premiership, and is engaged in a comparative study of policy deliberation in different historical periods.

John Wanna is Professor and the Sir John Bunting Chair of Public Administration in the Australia and New Zealand School of Government, and Professor in the School of Politics and International Relations, College of Arts and Social Sciences at The Australian National University. He was appointed editor of the Australian Journal of Public Administration from 1995 to 2014.

Ian Ward is a Reader in Politics at the University of Queensland, where he teaches political communication and Australian politics. His research interests are largely focused on political parties and politics and the media. He is the politics editor of The Australian Journal of Politics and History.

Patrick Weller AO is a Professor in the School of Politics and International Relations at Griffith University, where he has held a chair since 1984. He is the author/co-author/editor of some 36 books on Australian politics and comparative institutions, including Can ministers cope? (Hutchinson of Australia, 1981), First among equals (Allen & Unwin, 1985), Malcolm Fraser PM (Penguin, 1989), Australia’s mandarins (Allen & Unwin, 2001), The governance of world trade (Edward Elgar, 2004), Cabinet government in Australia, 1901–2006 (UNSW Press, 2007), Westminster compared (Oxford University Press, 2010), Inside the World Bank (Palgrave Macmillan, 2009), Learning to be a minister (Melbourne University Press, 2010) and Kevin Rudd, twice prime minister (Melbourne University Press, 2014).

Chris F. Wright is Postdoctoral Research Fellow at the University of Sydney. Chris received his PhD from the University of Cambridge and his research covers various aspects of labour market institutions and regulation. His work has been published in Governance, West European Politics and the Journal of Industrial Relations.
Editors’ introduction to the series

Professor Iris Geva-May and Professor Michael Howlett,
ILPA series editors

Policy analysis is a relatively new area of social scientific inquiry, owing its origins to developments in the US in the early 1960s. Its main rationale is systematic, evidence-based, transparent, efficient, and implementable policymaking. This component of policymaking is deemed key in democratic structures allowing for accountable public policies. From the US, policy analysis has spread to other countries, notably in Europe in the 1980s and 1990s and in Asia in the 1990s and 2000s. It has taken, respectively one to two more decades for programmes of public policy to be established in these regions preparing cadres for policy analysis as a profession. However, this movement has been accompanied by variations in the kinds of analysis undertaken as US-inspired analytical and evaluative techniques have been adapted to local traditions and circumstances, and new techniques shaped in these settings.

In the late 1990s this led to the development of the field of comparative policy analysis, pioneered by Iris Geva-May, who initiated and founded the Journal of Comparative Policy Analysis, and whose mission has been advanced with the support of editorial board members such as Laurence E. Lynn Jr., first co-editor, Peter deLeon, Duncan McRae, David Weimer, Beryl Radin, Frans van Nispen, Yukio Adachi, Claudia Scott, Allan Maslove and others in the US and elsewhere. While current studies have underlined differences and similarities in national approaches to policy analysis, the different national regimes which have developed over the past two to three decades have not been thoroughly explored and systematically evaluated in their entirety, examining both sub-national and non-executive governmental organisations as well as the non-governmental sector; nor have these prior studies allowed for either a longitudinal or a latitudinal comparison of similar policy analysis perceptions, applications, and themes across countries and time periods.

The International Library for Policy Analysis (ILPA) series fills this gap in the literature and empirics of the subject. It features edited volumes created by experts in each country, which inventory and analyse their respective policy analysis systems. To a certain extent the series replicates the template of Policy Analysis in Canada edited by Dobuzinskis, Howlett and Laycock (Toronto: University of Toronto Press, 2007). Each ILPA volume surveys the state of the art of policy analysis in governmental and non-governmental organisations in each country using the common template derived from the Canadian collection in order to provide for each volume in the series comparability in terms of coverage and approach.

Each volume addresses questions such as: What do policy analysts do? What techniques and approaches do they use? What is their influence on policy-making in that country? Is there a policy analysis deficit? What norms and values guide the work done by policy analysts working in different institutional settings? Contributors focus on the sociology of policy analysis, demonstrating how analysts working in different
organisations tend to have different interests and to utilise different techniques. The central theme of each volume includes historical works on the origins of policy analysis in the jurisdiction concerned, and then proceeds to investigate the nature and types, and quality, of policy analysis conducted by governments (including different levels and orders of government). It then moves on to examine the nature and kinds of policy analytical work and practices found in non-governmental actors such as think tanks, interest groups, business, labour, media, political parties, non-profits and others.

Each volume in the series aims to compare and analyse the significance of the different styles and approaches found in each country and organisation studied, and to understand the impact these differences have on the policy process.

Together, the volumes included in the ILPA series serve to provide the basic data and empirical case studies required for an international dialogue in the area of policy analysis, and an eye-opener on the nuances of policy analysis applications and implications in national and international jurisdictions. Each volume in the series is leading edge and has the promise to dominate its field and the textbook market for policy analysis in the country concerned, as well as being of broad comparative interest to markets in other countries.

The ILPA is published in association with the International Comparative Policy Analysis Forum, and the Journal of Comparative Policy Analysis, whose mission is to advance international comparative policy analytic studies. The editors of each volume are leading members of this network and are the best-known scholars in each respective country, as are the authors contributing to each volume in their particular domain. The book series as a whole provides learning insights for instruction and for further research in the area and constitutes a major addition to research and pedagogy in the field of comparative policy analysis and policy studies in general.

We welcome to the ILPA series Volume 6, Policy Analysis in Australia, edited by Brian Head and Kate Crowley, and thank the editors and the authors for their outstanding contribution to this important encyclopedic database.

Iris Geva-May
Professor of Policy Studies, Baruch College at the City University of New York, Professor Emerita Simon Fraser University; Founding President and Editor-in-chief, International Comparative Policy Forum and Journal of Comparative Policy Analysis

Michael Howlett
Burnaby Mountain Professor, Department of Political Science, Simon Fraser University, and Yong Pung How Chair Professor, Lee Kuan Yew School of Public Policy, National University of Singapore
Analysis of public policy has formed the core of my working life. I feel fortunate to have been involved in many of the key changes in policy development processes that have taken place over more than 40 years. I’ve watched, participated – even occasionally influenced – from vantage points in academia, public administration, corporate boardrooms and the not-for-profit sector. I’ve practised and preached. From that variety of perspectives I warmly welcome this well-edited book which, through its varied contributors, reflects thoughtfully on many of the important dimensions of policy change and innovation.

A generation ago, in 1987, I moved from academia to the public service. I was Head of the Department of Economic History at the University of New South Wales: I became Head of the Office of Multicultural Affairs (OMA) in the Department of the Prime Minister and Cabinet (PM&C). I relocated the short distance from Sydney to Canberra, but I quickly began to understand that I had travelled between two different worlds. Over time, learning by doing, I came to look at public policy with different eyes. I found few books to guide me on my journey.

Even as an Associate Professor I had sought to influence government decisions, particularly on migration issues. In truth, my approach to political persuasion was pretty ineffectual. As an academic I wrote scholarly papers on the economic consequences of immigration to Australia and tested hypotheses on the influence of racial and ethnic discrimination on labour market outcomes. As a consultant I provided advice to governments through papers on settlement and multicultural issues that were commissioned by the Ethnic Affairs Commission of New South Wales, the Australian Institute of Multicultural Affairs and the Commonwealth Department of Immigration and Ethnic Affairs. As a community advocate I worked on a voluntary basis for the Federation of Ethnic Communities’ Councils, writing and lobbying – and even, on occasion, publicly protesting – in support of a more liberal migration regime.

In 1984, at the height of fierce public debate on Asian migration, I co-edited a volume on *The Great Immigration Debate*. It was quite successful, going through a number of editions and being recorded as an audio book. In the process I locked policy horns with a far more distinguished economic historian-turned-commentator, Geoffrey Blainey. None of my involvement had much impact on government policy, although perhaps my participation in public debate helped me to be considered for the position at OMA. Then again, perhaps no career public servant wanted the job. No matter: I joined the Australian Public Service (APS) for three years which, in no time at all, became two decades. In that time I headed seven government agencies, including PM&C. It was, I felt, a career that had purpose. I loved it.
Since leaving the APS and returning to university life (albeit only as a Chancellor), I have reflected at length on the theory and practice of policy analysis. I think a great deal about how it may be possible to enhance the quality of government decision-making. Inevitably, my evolving views have been heavily influenced by my own experience. My musings have been those of a practitioner who, in a triumph of hope over experience, still believes in the power of empirical investigation to create evidence-based policy – in spite of the fact that not infrequently in the past I have found myself contributing to policy-based evidence. I continue to view a mandarin’s covert exercise of influence largely from a utilitarian and instrumentalist rather than a theoretical perspective. Moreover I perceive the skill requirements are more in the nature of administrative craft and managerial mystery than political science.

Regrets, I have a few. I count myself fortunate to have led OMA in drafting the National Agenda for a Multicultural Australia in 1989; contributing to framing public policy around the legislative response to the Mabo High Court decision on native title in 1992; to setting the intellectual groundwork for a values-based, non-prescriptive Public Service Act in 1996; to establishing and managing the Jobs Network in 1997; to widening the range of higher education options available to students in 2002; and to formulating the development of a comprehensive Australia–Indonesia Partnership for Reconstruction and Development in response to the tragedy of the Asian tsunami in 2004.

Triumphs of policy, of course, often turn to dry dust in one’s hands. Against the political odds, and after some years of quiet endeavour, I was able to garner sufficient support to persuade Prime Minister John Howard in his final months in office in 2007 to accept the virtue of a market-based emissions trading scheme. It was, I argued, the best way to address the risks of anthropogenic climate change in the most cost-effective manner. Yet the recommendations of the Task Group on Emissions Trading (the so-called Shergold Report) were effectively rejected by the incoming Prime Minister, Kevin Rudd, perhaps because they were seen as representing too conservative and cautious an approach to what was briefly the world’s greatest moral challenge. After years of political machinations there is still no Emissions Trading Scheme in Australia. The Report now survives somewhere deep in the National Archives as an archaic piece of policy analysis, forgotten except by aficionados of political trivial pursuit. Unlike Roman heroes, those engaged in public policy do not need to have a slave whispering in their ear to remind them that they are mortal. Memento mori could be the appropriate motto for departmental secretaries.

The sorry fact is that every little triumph I enjoyed was matched by a commensurate and counter-balancing failure. In spite of my growing ability to frame issues, set agendas, present evidence, give frank and fearless advice, identify alternative options and foresee unintended consequences, the policies I administered were often very different from the ones that had initially been put forward to Ministers. Conceptual and analytical skills, the intellectual capacities extolled by public service executives, were often not enough. Not a few of my
policy suggestions, set out carefully in briefs, never saw the light of day. The fact is that the corridors of power often come to dead ends: alternative routes turn out to be blind alleys. Public policy is hotly contested from many different perspectives, often leading to risk-averse procrastination or deadlock. Politicians only have so much political capital they can waste on what they perceive to be bureaucratic flights of fancy. Public servants, after all, do not have to worry about being re-elected. Just because a policy is elegant does not mean that it is persuasive.

I left the APS more than seven years ago. Today I am quite often invited to speak on my experience at public service forums. I like to imagine myself as an enlightened older statesman but I have to admit that the most popular talk I present to students of the Australia and New Zealand School of Government (ANZSOG), which goes down particularly well as an accompaniment to post-prandial drinks, emphasises my failures. The adversities that I’ve suffered in developing and delivering public policy are far more interesting than my successes, generally more humorous and nearly always more educative.

Policy shortcomings, I’ve discovered, can be attributed to a multitude of causes. These include the inability to mount a persuasive argument for change; a lack of substantive evidence, either of the dimensions of a problem or the means to address it; the tendency for reform initiatives to travel along the well-worn track of past endeavours, rather than heading in a more innovative direction; a reluctance to put in the relentless hard grind necessary to win broad stakeholder support; the inability to countenance, frame and negotiate compromise positions; and – too often forgotten after the press release has been issued – the failure to execute policy to time, cost and public expectations. Good policy is not just a result of sound analysis. It is equally dependent on managing effectively the risks of implementation. Policy development and programme delivery are two sides of the same coin.

Of course, there is a danger in going public about one’s weaknesses in policy analysis. When I reflected – in the Foreword to another book – on the manifold failures to which I had contributed in Indigenous affairs, *The Australian* gave my *mea culpa* headline attention and the distinguished Aboriginal leader, Noel Pearson, only half-jokingly suggested that I should be called to explain my epiphany before a Truth and Justice Commission.

I remain convinced that learning from one’s mistakes is a key ingredient of leadership. Perhaps, though, if I’d have read this book I’d have committed fewer errors. Certainly I wish that this insightful collection of essays had been available to me when I entered the APS. Together the array of authoritative contributors provide the first systematic overview of policy analysis in Australia. The book, too, is all the better for bringing comparative experience to bear on the arguments presented. As Secretary of PM&C it was enjoyable, occasionally, to meet with my counterparts from Canada, the UK and New Zealand and chew the fat on our experience of the varieties of Westminster. I doubt if we would have avoided all the errors that we imagined we had made but perhaps we would have better understood why we had committed them.
Many of the chapters confirm the discoveries that I made, all-too-slowly, as I stumbled to master the vocation of public service. First and foremost, and as I came to proclaim repetitively at the annual inductions of graduate recruits to the APS, policy analysis is not a linear process. Verona Burgess, the perceptive public service journalist who continues to write in the *Australian Financial Review*, and who had the misfortune to attend far too many of these presentations, once mildly chastised me for always describing the whole wide world of public policy as being iterative in character. Yet my utterances, if predictable, were also true. Public policy analysis is fiercely contested – behind closed doors, in Parliament and in the public arena. Often there has been strident debate about the goals and objectives of policy, even when the arguments have been hidden from view. It is not just the answers to problems that are fought over: on occasion there is even a greater divergence of views on how to articulate the correct questions. Politics is a world in which opportunities have to be seized, differences resolved, compromises negotiated, financial implications reduced … and, not surprisingly, delays suffered.

This book bears testimony to the variety of state actors who now contribute to public policy. There are good chapters, both from academics and practitioners, on the important role of senior public servants working in all three tiers of Australian government. Yet no matter how persuasive the analytical judgement of a professional administrator, ministerial advisers – attuned to the short-term political realities that confront their political masters – will often view the world from a quite different perspective. Sometimes they will demand faster action, but at other times counsel caution; on many occasions they will vigorously argue out the issues, but on other matters they will skilfully (but inappropriately) exercise their role as gatekeepers to try and protect Ministers from seeing advice or considering approaches with which they disagree; occasionally they will be held publicly accountable but often their actions are hidden by the cloak of ministerial responsibility.

Public policy, however, is far more than a battle between apolitical public servants and political advisers for the attention of their Minister. Sources of influence have widened and, consequently, so has the complexity of decision-making. The roles of a cacophonous medley of noisy advocates are also assessed in this book: parliamentary committees and public inquiries, expert advisory councils, consultancy companies, think-tanks, business associations and industry and union lobbyists. In addition, not-for-profit, non-government organisations give voice to the cultural, environmental, social and economic interests of civil society. As the ‘third sector’ is increasingly paid to deliver outsourced government services so its potential ability to influence rises, although too often it finds its autonomy constrained by contractual restrictions.

At the same time, slowly but by no means surely, citizens themselves are also gaining a more significant role in policy formation, both through the largely untapped potential of digital democracy and as a result of the roll-out of consumer-directed care programs. Individuals – those with a disability, health patients and
aged care recipients – are being given varying degrees of freedom to design and manage their own service provision.

Public policy, then, is a complex intermediation between a widening heterogeneity of state actors with different perspectives. Evidence – as knowledge – is brokered and negotiated, framed and re-framed. The role of public service mandarins, from my perspective, should not be to seek to outmanoeuvre the ‘boy scouts in the Ministers’ offices’ or the industry ‘rent seekers’ who they often perceive to stand as an impediment to good public policy: rather it is to facilitate an evidence-based outcome that respects the divergent self-interest of conflicting and sometimes countervailing viewpoints. A cross-jurisdictional ‘whole-of-government’ perspective is often elusive: so, too, are ‘win-win’ outcomes across sectors. The skill of a senior public servant should be founded on an understanding that public policy is appropriately a result of the application of political power to ‘evidence’, in a manner which can give rise to a variety of alternative outcomes. Facts may be objective but policy analysis is not.

This does not mean that there is limited value in taking a systematised approach to our understanding of the nature of policy analysis. Indeed, such a structured perspective on the role that diverse institutions play in analysing and influencing policy is highly beneficial. I am pleased that the task views such complexity in a positive fashion. Monopoly is rarely a good thing and in the manufacture of public policy it is unequivocally bad. No longer can initiatives be assumed to be best when they emerge solely from a confidential discussion between Ministers and the public sector agencies that they administer. Ideas need to be contested and policies debated. The key is to understand how outcomes are achieved and, through that realisation, to devise more effective ways to design and deliver good policy.

By throwing the spotlight of academic enquiry on the murky and ambiguous nature of policy formation, and by identifying the disparate perspectives of an assortment of players, this book serves an important purpose. Collectively, the authors provide both a positive and normative assessment of the nature of policy analysis. The editors understand that multiple sources of informed advice are healthy in a participatory democracy, whether they find their origins in political ideology or technical expertise. Diversity, for all its challenges, is recognised as a good thing.

Policy Analysis in Australia, then, is an important book. I enjoyed reading it. I found it helpful in expanding my lines of enquiry and challenging my assumptions. I learned from it. I feel confident that other readers will benefit in similar ways.
Preface

This volume is the Australian contribution to the International Library of Policy Analysis series (Policy Press), edited by Michael Howlett and Iris Geva-May. Each volume surveys the state of the art of policy analysis following the structure of Policy analysis in Canada (Dobuzinskis, Howlett and Laycock, 2007). Each explores national policy settings and regimes within and beyond government.

The Canadian volume aspired to ‘lay the foundations for a more systematic understanding of policy analysis in Canada, and thereby contribute to the enhanced practice and utilisation of analytical work undertaken within both governments and those organisations that wish to influence public policy’ (p 3). It implicitly differentiated the Canadian experience from that of the US.

The series provides country-specific studies that allow us to go beyond generalisations about policy systems and processes. Each volume provides basic comparative data and empirical material for further research and pedagogy in the field of comparative analysis and policy studies in general. The Australian experience contrasts with the experience in a range of other democratic countries (primarily in Europe, North America and East Asia) in the series.

The Policy Analysis series shares ground with the ‘power, institutions and actors’ approach, with its focus on understanding the institutions and organisational actors that produce policy ideas and analysis for the ‘real world’ of policy deliberation. It is hoped that this will be of interest to practitioners and to scholars concerned with the nature and quality of policy ideas.

We would like to thank our contributors, the series editors, Peter Shergold for his thoughtful Foreword and participants at the 2013 workshop on ‘Policy Analysis in Australia’, held in conjunction with the annual conference of the Australian Political Studies Association, for their useful insights.

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Brian Head
Kate Crowley
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Policy analysis in Australia: context, themes and challenges

Kate Crowley and Brian Head

Introduction

This chapter introduces the Australian contribution to the International Library of Policy Analysis series (Policy Press) edited by Michael Howlett and Iris Geva-May. *Policy analysis in Australia* provides a broad range of perspectives on the location, scope, challenges and quality of policy analysis in Australia. It accounts for the diverse sources of policy analysis and advice, both within and outside government, and the diverse institutional settings in which analysis and decision-making are undertaken. Unlike books that critically assess Australian policy development and policy outcomes in different fields (eg social, economic or environmental policy), this volume focuses on the nature and quality of the various organisational processes and locations for the production and distribution of policy ideas and policy analysis. It considers the policy capacities of the various organisations and forums in which policy development, deliberation and review are undertaken. In a variety of circumstances, both within and beyond government, policy analysis is treated as the ‘application of intellect to public problems’ (Pal, 2006, p 14).

This chapter provides an overview of the various contexts for ‘policy advising’ and policy capacity within and beyond government in Australia. We discuss some of the key forms of policy analysis, in both academic and practitioner contexts. We distinguish a number of broad approaches to the academic study of policy, recognising that much scholarly work is directed towards education rather than towards policy practitioners and debates about policy options. We also identify the main themes covered by the expert contributors to later chapters of *Policy analysis in Australia*. These themes include: the evolving challenges for policy-advising and policy inquiry processes within the public sector (at three levels within the federation); the diversification of sources of advice, including the growing role of ministerial advisors, consultants, think tanks and media-enabled channels of opinion; the strengths and weaknesses of parties, trade unions, business associations and community organisations in developing and disseminating policy advice; and the role of scholarly research and teaching within these broad policy processes.
Explaining policy and policy analysis

Policy analysis techniques

The provision of ‘policy advice’ is common to all systems of government, but the nature of advisory systems is highly variable and depends on several political and institutional factors (Craft and Howlett, 2013). For example, the main sources of advice, and their influence and legitimacy in the political system, will vary in accordance with how public institutions, non-governmental organisations (NGOs) and forums for democratic discussion have evolved in different countries. Historical traditions across national boundaries also vary in terms of the professional skills of analysts and advisors, and the techniques used in considering policy options. For example, in the US, a specific approach and methodology for conducting ‘policy analysis’ gradually evolved over several decades, and became reinforced through graduate training programmes (Meltsner, 1976; Radin, 2000; Bardach 2005). While noting that there are important alternatives to this mainstream view, especially the constructivist and communicative approaches (see Fischer, 2003; Fischer and Gottweis, 2012), the dominant US approach has largely been characterised by two important dimensions: one concerning the conception of the policy system; the other concerning the analytical techniques recommended for policy analysis.

First, the policy system, at least since the 1950s (see Lerner and Lasswell, 1951), has been conceived as involving several stages: identifying problems, clarifying objectives, consulting stakeholders, selecting and debating solutions, implementing programmes, and reviewing programme effects. The utility of the stages theory (or policy cycle) has been much debated in terms of its ambiguous status as a descriptive, normative or heuristic account of the policy process. Some of the Australian debates are summarised in Edwards (2001), Everett (2003), Bridgman and Davis (2003), Howard (2005) and Colebatch (2006a). Second, the analytical techniques for ‘policy analysis’ deployed in the US are generally strongly quantitative, privileging economic cost–benefit analysis and/or the use of randomised controlled trials (RCTs) in evaluation. To some extent, this emphasis reflects the intention of analysts to influence policy choices, rather than to reflect on the various processes that underlie debate. By contrast with the US, the term ‘policy analysis’ is less widely used in Australia and does not necessarily have this strong association with positivist and quantitative methods. In the US, policy analysis has become an area of applied professional employment, with graduate training in ‘policy analysis’ widely available for several decades (Radin, 2000). However, in Australia and many other countries, providing policy-analytical advice has not been seen as a distinctive professional role to the same extent (see Chapter Seventeen).

It is common in policy studies to make a distinction between studies of policy (the academic-explanation focus, describing policy practices and explaining past policy developments) and studies for policy (the applied-professional focus, producing
briefings and options analyses intended to assist practitioners or influence decision-makers). The policy work produced in public bureaucracies, think tanks and stakeholder organisations are mainly in this second camp. In the US, there is a substantial body of work with an applied-professional focus in which the needs of practitioners are central and specific analytical techniques are prominent. In Australia, there has been less orthodoxy about the analytical methods and professional skills required for applied policy work, though economic approaches are important and programme evaluations have recently gained more ground. In Australia, the academic study of policy has produced a wide range of historical and contemporary explanations of policy developments, but academic policy studies have seldom been heavily engaged in practitioner-oriented analyses of current options.

It is not quantitative methodology that has captivated Australian academic policy studies, but a range of other, predominantly qualitative, approaches including:

1. **institutionalist accounts** of policy structures and processes, more recently including governance-oriented accounts that consider networks and policy communities;
2. **case-study accounts** of policy and policy change, including the role of ideas, stakeholders and leaders in policy development and debate, comparative cases, implementation studies, and so forth;
3. **political-economy accounts** of economic processes, and the power structures and constraints that shape the context for broader policy development, including debates about economic rationalism;
4. **interpretivist and experiential studies** of policy work, focusing on the perceptions and practices of policy actors inside and outside government; and
5. **normative, critical and deliberative theories** of the policy process that emphasise the significance of civic inclusion, participation, communication and transparency for the quality of decision-making.

First, institutionally framed analyses have arguably been predominant in the academic study of policy development and the politics of policy change (across economic, social and environmental policy domains). As public policy studies gradually became more differentiated from public administration (Spann and Curnow, 1975; Weller, 1980; Wanna, 2003), policy studies remained anchored in a political science approach to the exercise of power and authority by governmental and interest group actors. This orientation was evident in the 1974 essays in *Public policy in Australia* (Forward, 1974) and Emy’s (1976) text on *Public policy*, and reached a more systematic level beyond the late 1980s as the demand increased for textbooks that combined internationally recognised policy frameworks with Australian policy examples and institutional contexts (see Davis et al, 1988; Bell and Head, 1994; Parkin et al, 1994; Fenna, 2004; Althaus et al, 2013).

Second, case studies of policy change have been regularly undertaken by a wide range of scholars, often drawing upon the ‘power, institutions and actors’ approach in political science to explain such change. Three tendencies have been
noteworthy, namely: (1) studies of the policy consequences of regime change (i.e., new policy directions attempted following a change of government) (e.g., Head and Patience, 1989; Aulich and Evans, 2010); (2) studies of policy reform in specific fields such as environmental policy (e.g., Dovers and Wild River, 2003; Crowley and Walker, 2012); and (3) studies of specific policy crises, failures, and fiascos (e.g., Botterill, 2001; McConnell et al., 2008; Lewis, 2010). Case-study material is also prominently used in the postgraduate education of policy students.

Third, political-economy accounts of power and policy choices have developed from a strong base in studies of industry-sector policies, especially the ongoing debates on industry assistance policies (e.g., Glezer, 1982; Warhurst, 1982; Capling and Galligan, 1992; Stewart, 1994; Cockfield and Botterill, 2012) and broader economic policy issues that have been fundamental to growth and redistribution (Bell and Head, 1994; Bell, 1997, 2003). The question of how ‘economic rationalist’ policy frameworks were rapidly, if unevenly, accepted on both sides of politics as the orthodox position has also been analysed, debated, and recently revisited (Pusey, 1991; Miller and Orchard, 2014; Stokes, 2014).

Fourth, Colebatch (2006a, 2006b, 2009 [1997]) and others have pioneered an internationally significant interpretivist or constructivist strand of policy studies that gives prominence to how policy actors interpret their roles and contexts, frame problems, and pursue options (Bacchi, 1999, 2009), and how policy actors’ work is embedded in social practices that are both rule-bound and interpersonal. A particular theme has been the nature of ‘policy work’, examined from the viewpoint of individual actors, rather than in terms of rational or evidence-based systems (Colebatch, 2006b, 2014; Colebatch et al., 2010). There are clear links between this work and the interpretivist school in Europe (e.g., Hajer and Wagenaar, 2003; Colebatch et al., 2010; Hoppe, 2010) and in the US (e.g., Fischer, 2003). It has been claimed that the Australian version of constructivism in policy studies is ‘pragmatic’ rather than doctrinal (Boswell and Corbett, 2014).

Finally, Australian political theorists have argued that policy analysts should appreciate the theoretical underpinnings of applied policy studies (Goodin et al., 2006), balancing analytical techniques with a ‘reflective’ understanding of the hidden assumptions underlying policy intervention studies – for example, welfare economics, public choice, and social interests (Bobrow and Dryzek, 1987). Stewart (2009) argues that values underlie all policy debates, and that these normative and ideological assumptions need emphasizing. These messages are very consistent with the substantial literature centred on feminist policy issues in Australia (e.g., Sawer, 1990; Bacchi, 1999; Chappell, 2002). Dryzek (2010) has also argued that the normative aspects of democratic inclusion should be taken more seriously in designing better frameworks for considering major social and environmental policy challenges, highlighting the importance of participatory deliberative processes.
Policy analysis in Australia

The field of policy studies is well-established in Australia. Policy and administration ‘is now a relatively mature field, with a number of journals, a strong professional association, representative scholars in almost every Australian state and territory, and a national school, the Australia and New Zealand School of Government’ (Ahmed and Davis, 2009, p 212). Policy studies, they argue, has evolved over the past century from studies of government to governance, shifting from the analysis of public administration as an apolitical, bureaucratic activity, to public policy today as politicised, contested and highly complex. The analysis of policy has lagged behind government practice, such as the reflective assessments of the reform programme of the Whitlam Labor government in the 1970s. By the time policy studies emerged as a distinct field in the 1980s, the economic reforms of the Hawke Labor government were well under way. Australian policy directions were fundamentally reoriented by economic rationalism, prompting critical policy scholarship and institutional reflection throughout the 1990s (Hede and Prasser, 1993; Considine, 1994; Bell and Head, 1994) as the public policy agenda became realigned along Anglo-American free market lines. Pusey (1991, p 227) sparked controversy by claiming that the new paradigm had largely eclipsed the older social welfare paradigm.

Other policy analysis approaches emerged by the end of the 1990s, with some scholars shifting away from the study of actors and institutions towards the study of stages in the policy process and policy design options (Ahmed and Davis, 2009, p 220). Others rejected the rationalist emphasis upon policy stages, and either persisted with the study of actors, institutions, strategies and case studies (Fenna, 2004; Considine, 2005), albeit with a wider ‘governance’ emphasis, or explored more individualist and constructivist interpretations of public policy (Colebatch, 2006a, 2006b; Bacchi, 2009). In Australia, as elsewhere, there is a growing embrace of post-positivist policy analysis.

Although the formal discipline of public administration was partly displaced by the emergence of public policy within the discipline of political science, the managerial and accountability concerns of public administration have remained very much alive. This is reflected in the strength and standing of the key journal, the Australian Journal of Public Administration. As government hollowed out from the 1980s and as ‘new governance’ networks emerged, it was inevitable that Australian policy analysts would become focused upon performance, capacity, pathways, coordination, accountability and service delivery. Concern with policy failure and the incompetence of governments in prosecuting their policy agendas is a strong theme, with new challenges concerning the role that policy analysis can and should play in improving performance (Banks, 2014).

While there is a healthy scepticism in Australia about the utility of rationalist approaches to policy design, at the same time, there is an increased concern to improve the efficacy of public policy settings. Australia is therefore at the crossroads identified by De Leon and Vogenbeck (2007, p 3): ‘complex public problems, a
commensurate increase in analytic charters and policy analysts within and beyond government, but a general abandonment in political circles of rational, analytic thought’. Despite the distaste for rationalist interpretation by many scholars, it is likely that the new priority accorded to improved policy processes and design, evidence bases, and implementation processes will persist in the mix of analytic approaches. Similarly, the decentring shift from government to governance has not led to a wholesale abandonment of analysis of (or concern with) the role of the state, and leading Australian scholars have pioneered the ‘resilient state’ thesis (Bell and Hindmoor, 2009).

**Locating policy analysis and advice**

Although the preoccupations of policy scholars have moved on from analysing the impact of neoliberal principles on public policy, the contributors to this volume affirm the continued influence of this ideational shift over the last three decades (see also Miller and Orchard, 2014). They show that neoliberal reform has extensively changed not only the character and capacity of the public sector itself, but also the advocacy capacity, organisational form and policy-analytic capacity of the non-government sector, with serious implications for the activities of network governance. The authors show that the diminished policy capacity of government is now paralleled by an increased expectation of policy analysis expertise and evidence-based argument from the non-government sector, and from associations, inquiries and bodies beyond government. The authors here follow the *Policy analysis* series by identifying: a complex advisory landscape with a diminished capacity within government; complex policy-advising contexts beyond government; and political parties and NGOs that are struggling with political and procedural demands for policy analysis.

**The ‘policy-advising’ context**

Patrick Weller provides an overview in Chapter Two of the ways in which the role of the policy professional has changed over the last 40 years, and describes the contemporary policy context in Australia as more complex, connected, technologically supported and politicised than ever. Over that time, governments, reformist governments in particular, have successfully wrested control over policymaking away from the professional public service, with the implication that an awareness of political demands is now strongly factored into the policymaking environment. The policy advice roles now extend well beyond public service boundaries, with a doubling in the number of federal ministerial advisers over the two decades after 1983 (Tiernan, 2007, p 22) and a greater role for non-government actors. The themes that Weller identifies, such as politicisation, greater complexity and broader contestation in policy advising, resonate with subsequent contributions. The theme of enhanced political control over policymaking sits in contrast to the theme of the federal government exercising greater policy
control over the states, while failing to invest in its own substantive policy analysis capacity, as argued by John Wanna in Chapter Five. Chapter Four extends Weller's discussion of policy capacity in several challenging contexts, noting in particular the impacts of economic liberalism from the 1980s and the increased complexity of both policy problems and sources of policy advice in the contemporary era of network governance.

In Chapter Three, Alan Fenna situates policy advising within an economic context, arguing that one cannot make sense of policy analysis in Australia without an appreciation of the economic challenges that have faced governments over the last 40 years. The seminal work identifying the impact on the federal policy-advising elite of an economically rational policy mindset was Michael Pusey’s (1991) *Economic rationalism in Canberra*. More recently, Miller and Orchard (2014, pp 3–4) have claimed that the ‘deep-rooted dominance of neoliberal thinking’, pursued in bipartisan fashion by governments since the 1980s, will need to be challenged if there is to be any return in Australia to the ‘universalist foundational values of social democracy’. By contrast, Fenna identifies the positive and substantive role that policy analysis and advice played in drawing attention to Australia’s structural and economic weaknesses, and in justifying the country’s adoption of economically rational policy framing. He argues that the critical commentary and analysis provoked by this policy direction has overlooked the fact that Australia has largely overcome its earlier difficulties and transitioned into an open, resilient, competitive economy.

In Chapter Four, Brian Head observes that economically rational structural reform and the deregulation of the Australian public sector was part of a powerful ideological backlash against ‘big government’ that greatly impacted on public sector policy capacity. Efficiency drives, downsizing, job losses, contracting out, commercialisation and privatisation were all consequences of governments’ central preoccupation with efficiency, effectiveness, productivity and economic growth. More broadly, ‘economism’ has become the prism through which major policy challenges in Australia are now seen, interpreted and addressed. The more traditional ‘control’ strategies of law and regulation have been less fashionable, but the new approaches have failed to cope with complexity and inherently ‘wicked problems’. There is serious concern that the policy capacity of Australian government is being diminished, particularly at the lower levels, at a time when policy contexts and challenges, both domestic and international, are more turbulent and complicated. Research suggests that the staff in Australian policy units need more specialist content knowledge, more direct policy analysis training, greater focus on strategic thinking and greater familiarity with the research literature. Head finds that ‘analytical, administrative and relational’ capacity requires adequate investment in reliable, comprehensive data, in analytic and evaluative skills, in management and coordination capacity, and in consultation and reporting practices.
Analysis and advice within government

Australia has a federal political system that greatly complicates both policymaking and analysis. In Chapter Five, John Wanna explores federal government policymaking over the past century, noting how the early tradition of ‘limited government’, which constrained the role of the federal level of government (the Commonwealth), has been circumvented. Both the powers and the sources of revenue of the federal government were constrained until the onset of the Second World War, when it began to invest in policy domains that it had previously ignored, and, critically, when it seized control of income tax administration from the states. Commonwealth powers have been further expanded on the basis of successful referenda put to the citizenry, by High Court interpretations and by employing Section 96 ‘special purpose’ payments. As Head observes in Chapter Four, the institutional context of policy advice and policy coordination in Australia is greatly complicated by increasing federal dominance and the policy bargaining and coordination required with the states.

Wanna notes the evolution of federal–state relations through the phases of ‘coordinate federalism’, ‘cooperative federalism’, ‘coercive federalism’ and, more recently, ‘pragmatic federalism’, which recognises the intergovernmental politics of policymaking. Having greatly expanded the scope of its policy reach, and taken power away from the states, Wanna argues, the federal government has failed to invest adequately in policy analysis, as is evident by its ad hoc policy interventions that are punctuated, eclectic and pluralistic. He queries whether the federal government’s more recent policy analysis, drawing on both internal and external sources, is really designed to determine optimal courses of action, or, rather, he suggests, is intended to cloak and provide justifications for decisions already taken. The theme of tensions in federal–state political and policy relations is central to many of the chapters in this volume, but particularly to those that deal with policy analysis and advice within government.

In Chapter Six, Phillimore and Arklay describe policy analysis within state and territory governments. They note that because the Commonwealth government has become fiscally dominant and greatly expanded its policy ambition and reach over the last century, many policy areas that were previously the sole preserve of the states are now concurrent areas of policy development and implementation in the federation. Intergovernmental relations and institutions are therefore crucial in Australia, and deserve more detailed study. Similarly, the policy capacity of the states and territories has been insufficiently analysed since the 1980s. Instead, attention has been attracted to analysing themes and issues such as the rise of new public management, central agencies, market-based influences on policy and the centralising trend in Australian federalism. However, the authors observe that the states still provide or oversee most of the essential services and have a greater capacity for policy implementation than the federal government, as recent federal crises in programme administration have shown.
While the federal and state governments are subject to the same common forces, such as the expansion in policy domains, the modernisation of policy advisory structures and the impact of economic reform and policy harmonisation, key differences remain in terms of policy advisory capacity. The states are largely without independent advisory think tanks; they lack financial control over their own policymaking arenas; and their decision-making style is more personal, informal and idiosyncratic. States have tended to adopt planning as a rational policy design tool in periods of Labor governments. They have used crises to justify reform, and conservative governments have used Commissions of Audit largely in a partisan fashion to justify policy reversals or to support unpalatable decisions. Policy capacity at state level will remain constrained, the authors conclude, because of path dependence, political circumstances, fiscal pressures, dependence on the Commonwealth, lack of talented policy personnel and a tendency towards policy imitation not learning.

The literature on the policy capacity of Australian local government is preoccupied with fiscal constraints. This overshadows other challenges, such as intergovernmental dependencies, limited sovereignty and the tensions inherent in local governing between being responsive to the community while efficiently delivering services on behalf of the state (Brackertz, 2013, p 4). In Chapter Seven, Dollery et al explore local policy capacity in a structural sense as the ability to organise and efficiently operate processes of implementation and service delivery, a task that is complicated by the diverse nature of Australia’s almost 600 local councils. The operation of local government has, indeed, been constrained by fiscal pressures, prompting a series of state and national inquiries into financial sustainability that have been followed by a spate of state-based reports into structural reform. There is capacity for policy analysis of local government in these circumstances, but also in the reports of state and federal departments, independent commissions, tribunals, associations, and regional bodies, and through consultancy reports and the conduct of academic research. However, the capacity for policy analysis by local governments themselves is less certain as it is dependent on the contingencies of the behaviour of elected representatives, and the administrative, technical and policy skills of local government staff in highly diverse local areas.

The capacity for informed policy analysis in Australia is impacted by intergovernmental politics, heightened politicisation, the strictures of neoliberalism, constitutional capacities and constraints, policy pragmatism, and idiosyncratic decision-making. In Chapter Eight, Carmen Lawrence, the respected former premier of Western Australia who held ministerial portfolios in both state and federal governments, provides some wide-ranging reflections on the role of policy advice. She describes most policies as, in reality, large-scale field experiments conducted without much in the way of supporting evidence and often without follow-up to check whether they worked. There is no process of seamless cooperation between researchers and public policy specialists, but, instead, messy struggles over ideas, values and interests, often following sustained agenda-setting activities by self-interested parties. There are varied sources of legitimate
policy advice, from officials, other jurisdictions, advocates, think tanks, academics, commissions, committees and inquiries, but these are often swept aside by a media frenzy over the ‘problems of the day’. Community mobilisation and support, media-driven community fear, the role of political ideologies, and the buying of influence through well-funded lobbying, advertising and campaign donations can all eclipse the role of evidence in policymaking. However, community mobilisation and support have also been critical to key policy successes, such as the adoption of the women’s policy agenda in Australia in the 1970s, the National Disability Insurance Scheme in 2013, and the building of bipartisan support for legalising gay marriage.

Policy analysis beyond executive government

While policy analysts are invariably drawn to consider prominent or contentious issues that play out dramatically in the media, the policy analysis contributions of parliamentary committees, advisory bodies, think tanks and consultants have remained relatively unnoticed in Australia. Stewart and Prasser (Chapter Ten) suggest that this may be because the assumption that expert policy advice is an important element of policy capacity is a rationalist one, and rationalism itself is currently greatly contested.

However, Marsh and Halpin argue in Chapter Nine that parliamentary committees can and do work very effectively in a policy advisory capacity, bridging interests and government actors in key policy domains. They provide a platform through which emerging issues and grievances can be constructively aired, they can make a positive contribution to the legislative process, and have set the agenda for significant policy developments and change. The Australian federal Parliament has House Committees, Senate Committees and Joint Committees with oversight and/or investigatory roles, some of which work as single-subject committees, while others work more broadly as standing committees. The role that such committees play in policy analysis varies: from scrutiny and review, to investigation, to the appraisal of legislation. The Australian Parliament mirrors party politics by operating in an adversarial manner, and committee work can offer a means of either ameliorating this, where members work well together, or, indeed, exacerbating partisanship, for example, by the inquiries of a hostile Senate.

The Senate Select Committee on Superannuation (1992–2003) shows how effective a committee can be in reaching bipartisan consensus, with approximately one third of its recommendations accepted, one third rejected and the balance either partially accepted or referred to other authorities (Hooper, 2006). Measuring the influence of policy analysis is always difficult, but the impact of committees can be seen in achieving bipartisan agreement, or in helping to determine policy outcomes, as well as in procedural improvements, for example, by designing inclusivity into oversight and review processes. Members of Parliament are also better informed by participation in committees before voting on legislation.
If parliamentary committees play a policy analysis role that remains understudied in Australia, so, too, do expert advisory bodies. In Chapter Ten, Stewart and Prasser review bodies that are established and funded by government that provide independent advice on an ongoing basis, drawing on the expertise of members who are largely external to the normal departmental/public service structure. There is clearly a role for such bodies to supplement departmental advice, and so to enhance the policy capacity of government, as shown by the examples of the Productivity Commission, the Australian Law Reform Commission and the Australian Science, Technology and Engineering Council, which the authors analyse. The policy advisory landscape changes in response to shifting government priorities, of course, with the establishment and the axing of expert advisory bodies over a period of time, such as in the areas of intergovernmental relations, wages, economic planning, industry policy and, more recently, climate change. The effectiveness of such bodies can be measured in terms of longevity, agenda setting, deliberation and information, policy influence (including influence on the tenor of public debate), and policy outcomes (including the adoption of recommendations). The Productivity Commission has been uniquely successful in terms of its longevity and policy impact, maintaining its pre-eminence, the authors observe, through the broadly consensual nature of economic analysis in Australia. However, change rather than continuity has more often been the hallmark of Australia’s policy advisory landscape, as expert advisory bodies have come and gone with changes of government, and as independent and partisan think tanks and consultants have risen in prominence in the era of outsourcing and contestability.

In Chapter Eleven, Vromen and Hurley review the proliferation of think tanks in Australia and the increasing reliance by government departments upon consultancy reports. There is limited literature exploring the think-tank phenomena in Australia, with few recent studies considering these issues (‘t Hart and Vromen, 2008), and only scattered literature on consultants. In their chapter, Vromen and Hurley observe that the growth of think tanks and consultants has been fuelled by the increasing reliance by government on external sources of advice, but has also been facilitated by new network-based, cross-sectoral patterns of policy governance (Rhodes, 1997). Their roles are somewhat distinctive in Australia, with think tanks bundling together expert analysis with advocacy and contributions to public debate, whereas consultants are more typically hired to undertake research evaluation and policy advice. Think tanks and consultants vary in scale, operational style and partisanship, and in the degree to which they are preoccupied with safeguarding and extending their budgets. Think tanks are distinctive in their use of media-centred channels for disseminating ideas, whereas consultants can also promote new policy ideas based on research reports that they have undertaken. However, the latter are often not publically available, unless they are leaked and thereby stimulate public debate.

The policy analysis undertaken by parliamentary committees, advisory bodies, think tanks and consultants, as Vromen and Hurley observe, occurs in a mediatised
political environment where the delivery of a report to government is only part of the task of influencing policy. They remind us that ‘broader publics’ also need to be persuaded. Influence at this ‘meta policy level’, in Majone’s (1989) terms, is distinct from the notion of influence at discrete policy stages or cycles; it is the overarching influence of ideas, conceptualisations and advocacy on the development of public policy. In Chapter Twelve, Ian Ward returns to the themes raised by Carmen Lawrence in Chapter Eight by exploring why it is that Australian public policy scholars have not displayed any deep understanding of the effects of the media on the shaping and execution of public policy.

There has been virtually no attention paid to the role of the media in public policy by policy scholars in Australia. Ward demonstrates in his review of the basic policy texts that the media are barely featured. The task of establishing how the media play a major role is complicated by this lack of research scholarship. Ward also stresses the need to focus on the media’s role in creating discursive space for public debate, rather than simply asserting its influence over policy, noting that in the era of network governance, policy is devolved to sub-arenas. He suggests that an important question is why some of these issues become the subject of discussion and debate and not others, acknowledging the well-appreciated gatekeeping role played by the media. The answer is invariably permeated with politics. However, the media’s key role in the ‘new era of audience democracy’ is in providing the arena for prioritising, framing and, indeed, perhaps even for settling, but most certainly for dramatising, issues of public policy. The idea that an issue may escape its political or policy masters and be settled in media debate is not a notion that sits well with scholars of rational decision-making and policy stages, but it does suggest that a mediatisation (Esser and Strömbäck, 2014) of public policy has transformed policy formation processes.

 Parties and interest groups in policy analysis

The implication of a mediatised policy environment is that stakeholders, including political parties, business associations, the labour movement and the community sector, will employ dual policy analysis and strategic policy communication strategies where the battle for ideas is a public one. In Chapter Thirteen, Anika Gauja argues that one of the key roles of parties, as aggregators and articulators of citizen opinion in representative democracies, is to develop policy proposals. Party scholars generally agree on this role, but there is little work in this area in Australia. Gauja compares policy development in the Australian Labor Party (ALP), the Liberals, the Nationals and the Australian Greens,¹ and finds that it falls well short of the democratic ideal. Policymaking is largely obscured or muted by political realities, with analysis and debate taking a secondary role. There are tensions between differing arenas, the parliamentary and extra-parliamentary party organisations, and the local branch meetings, various policy working groups, and party conferences. The Liberal and National Parties prioritise parliamentary party control of policy. The ALP draws, in theory, on membership involvement, but is
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dominated by the unions, while the Greens offer the most direct involvement to members. It is not atypical for Australian parties, as in other countries, to regard their own members’ views as out of touch, amateurish or even extremist, and to instead prioritise the work of ‘experts, think-tanks and research organisations when formulating policies’ (Whiteley and Seyd, 1998, p 114). Each of the major parties is officially linked with a partisan think tank, but, for various reasons, these are not influential sources of policy advice. In all cases, the parliamentary party is the most influential in policymaking, routinely operating beyond regular intra-party policy processes. Further tensions in party policy processes include whether the party is in government or not, how it deals with coalition, how well it resources policy analysis, and the extent to which it feels the need to involve the membership in policy as a salve against the trend of declining memberships.

While policy analysis within parties is largely political, for business associations, it is largely utilitarian. Business associations are subscriber-based voluntary bodies that offer membership services, and provide individual firms with the benefits of collective lobbying power. In Chapter Fourteen, Stephen Bell argues that the contemporary centrality of policy expertise and evidence-based argument within government operations has driven the research-based advocacy and lobbying efforts of business associations. Policy analysis is thus an avenue for exerting influence or political power, affirming the dual ‘policy analysis–strategic policy communication’ strategy in the mediatised political environment, but this is managed in a collective way that limits the exposure of individual firms. Bell observes that this exercise of instrumental power can powerfully supplement the ‘structural’ dimensions of business power, described as business’s control over economic resources and the investment process on which governments, and the wider society, depend (Fuchs, 2005). He notes that the rise of neoliberalism in Australia has greatly diminished the insider status of business associations, making necessary the shift towards research-based advocacy in order to gain policy leverage. The business voice in politics had been fragmented and disorganised until the early 1980s, when business organisations restructured to meet the new challenges. Unlike other business associations, only the influential Business Council of Australia engages in ‘blue sky’, research-based policy advocacy on national issues, aimed primarily at policy elites.

If political parties have had to adjust to declining memberships and business associations to the rise of neoliberalism, trade unions have had to adjust to both, and have had to confront their declining influence over policymaking processes. In part, this relates to changes in the national arbitration system, the abandonment of centralised wage fixing and the lack of close state–union relations under the most recent Labor governments. In Chapter Fifteen, Cooper et al consider the policy influence rather than the policy capacity of Australian unions. They note that there is little scholarship concerning labour movement policy analysis, either of policy or for policy, in Australia. They argue that as policy actors, unions were ‘core insiders’ in the policymaking process under the Hawke–Keating Labor government (1983–96), ‘outsiders of necessity’ under the Howard conservative
Coalition government (1996–2007) and a hybrid of ‘specialist insider groups’ and ‘outsider groups of choice’ under the Rudd–Gillard Labor governments (2007–13). Post-2013, with the election of the Abbott conservative Coalition government, they are again ‘outsiders of necessity’, working independently of the policy process in order to enhance their influence (Grant, 2004). Policy analysis is nevertheless an important activity, with the Australian Council of Trade Unions, for instance, conducting research, running inquiries and developing submissions, policy-oriented papers and reports. However, unions are struggling with the collapse of their former structural and ideological advantages, and with the emergence of new ‘policy analysis–strategic policy communication’ challenges.

If political parties and trade unions are all struggling to prove their policy capacity, the community sector has, along with many others in Australia, including business associations, firmly embraced policy analysis as a necessary ‘companion’ activity to its tradition of policy advocacy. However, in Chapter Sixteen, Goodwin and Phillips identify a policy ‘analysis–advocacy’ tension for contemporary non-government policy actors as they tread the politically fraught path between seeking public funding and pursuing public policy change.

The community sector has increased its research capacity in response to the demand by government for evidence-based policy options. However, this legitimisation of policy analysis has occurred in the context of the de-legitimation of other forms of advocacy. This finding has broader implications, the authors argue, for the democratisation of Australian policy processes. For example, there was a distancing by the conservative Howard government (1996–2007) from NGOs associated with new social movements, affecting not only social policy organisations, but also environmental, feminist, migrant rights and youth peak organisations, which found themselves ‘outsiders of necessity’ for over a decade. Despite this, strong relationships developed between community sector organisations and the public sector bureaucracy, which came to appreciate community sector policy analysis after having lost some of its own policy capacity. Consequently, there was significant growth of ‘policy-analytical capacity’ in the community sector over an extended period. Policy research, undertaken by policy researchers, policy officers, policy units and research units is now a core organisational activity within the community sector, with the dual aims of providing evidence-based advice while still seeking policy influence.

**Academic research and teaching about policy**

Policy academics in Australia have played notable roles in advising on policy reforms as diverse as post-war reconstruction, universal health care, the social and economic reforms of the 1980s, and, in recent times, climate change and the adoption of carbon pricing. Much of this advice has come not from public policy scholars, but from applied economists who have gained notable influence, such as Ross Garnaut, who helped usher in carbon pricing under the Rudd–Gillard governments (Beeson and Stone, 2013). Governments have occasionally
turned to academics to help them shape major reform proposals where specialist expertise was lacking in the public sector, but also where incoming governments were sceptical about the impartiality and creativity of the public sector after years of serving others. The advice and guidance of academics was notable in instances such as the design of Medicare in the 1970s and the Higher Education Contribution Scheme in the 1980s (income-contingent loans); academics have also been influential in such areas as preventive health, housing, social services, vocational education and welfare reforms.

The concluding chapters consider the role of Australian universities in providing policy analysis instruction, and of academic policy researchers in contributing to contemporary policy debates. In Chapter Seventeen, Michael Di Francesco surveys the way in which skills for policy analysis have been integrated with educational curricula in Australia. Following Geva May and Maslove’s (2007) criteria, Di Francesco finds a comparatively weak level of professionalisation of policy work in Australia, a relatively low but increasing level of institutionalised policy analysis, and a distinctive, deep-seated qualitative research tradition. Institutional and policy-based case-study analysis has predominated, he concludes, as is evident in the major Australian policy texts and practitioner-oriented instructional approaches. In Chapter Eighteen, Head and Walter consider how influential policy researchers have been in Australia, as analysts, advisors and commentators. Head and Walter find that, notwithstanding the research focus in Australia on the policy process, there has been an enduring interest in identifying policy solutions and advocating policy change.

Conclusions

While there is no readily accepted concept of a policy analysis profession in Australia, the authors of the present volume, Policy analysis in Australia, have identified a diverse advisory landscape within and beyond government. The contributors show that the neoliberal reforms and policy debates since the 1980s have facilitated a dramatic transformation of advisory capacity across levels of government and beyond. Intergovernmental politics, constitutional capacities and constraints, ‘mediatised’ policy processes, heightened politicisation, policy pragmatism, and idiosyncratic decision-making were also found to impact.

The activity, role and influence of policy analysis can be difficult to interpret in these complex circumstances. The focus of scholarly policy studies has broadened to address these complexities. Alongside the traditional focus on institutional and political contexts, there is now a greater attention to the interplay between the ideas and perceptions of actors, their networks, their stakeholders and their organisational resources. There are still classic instances where analysis demonstrates how a few key individuals can prominently influence policy, but the general trend is for more dispersed foci in policy analysis involving multiple players and arenas. Beyond the sphere of government agencies, in NGOs, associations and political parties, policy analysis was found to be an important
activity alongside policy advocacy as a means of influencing and persuading not just decision-makers, but also the broader public.

Analysing the work of policy advice and advocacy has gained increasing scholarly attention in Australia. However, much more research is required to map policy work and policy influence, especially in such fields as local government, parliamentary committees, advisory bodies, think tanks, consultancies, the media, political parties and the community sector. *Policy analysis in Australia* identifies not only the location, scope and capacity of applied analysis for policy across Australian jurisdictions, but also the most significant avenues for future scholarly policy research.

**Note**

1 Australia’s four largest parties are the ALP, the Liberals (the ‘major parties’, generally alternating between government and opposition), the Nationals as the perpetual Coalition partner with the Liberals, and the Greens as the third/balance-of-power party (see Chapter Thirteen).

**References**


Part One
The ‘policy advising’ context
Policy professionals in context: advisors and ministers

Patrick Weller

Introduction

New governments came to power in Australia in 1972 and 2013. There was a distinct contrast between the ways that the advisors prepared for a change of government in each case. In 1972, few senior departmental secretaries had worked with anything but a Liberal–Country Party (Coalition) government. The Public Service Board (PSB) was ill-prepared for machinery-of-government changes. Within a week, the secretary of Prime Minister and Cabinet (PM&C) felt overwhelmed by the rush and what he saw as ‘ragged arrangements’ and lack of due process. In 2013, PM&C had detailed briefing folders on process and policy that they could present to the victorious prime minister the day after the election, regardless of which party won (Weller et al, 2011, pp xiv, 74–5). The processes were more professional; the attitude was bipartisan.

To understand the role of the policy professionals in government today, the best strategy is to ask what their role was 40 or more years ago and then what it is now. The two changes of government provide points in time on which the accounts can be based. By that process, we can identify what has changed, what has continued and where the differences have been. To achieve that purpose, this chapter will start with a comparison. What sort of advisory system did the incoming governments find in 1972 and 2013 and how satisfied were they with it?

The Australian advisory system in 1972

When, 40 years ago, the Whitlam government came to power, there were several key characteristics of the advisory community. The government was still heavily involved in service delivery, with Post and Telegraphs the largest-employing civilian departments. From the beginning of the Commonwealth government in 1901, its main responsibilities were the running of big programmes. It took over the postal services and ran the customs systems that it had inherited from state governments. Seventy years later, these departments still employed the majority of federal public servants, they were still scattered around the country and head offices remained in Melbourne, not Canberra. Ministerial oversight was constant. One Postmaster General had an electoral map behind his desk to check in which
electorate proposed new post offices fell. It was the Whitlam government that was to argue that business enterprises should not be run as ministerial departments and that decided to corporatise them into what eventually became Australia Post and Telstra.

Other functions of government were comparatively recent. An education office had been nurtured in the Department of PM&C and was only hived off into a Department of Education and Science in 1966. A single department of Aborigines, Environment and the Arts, headed by the most junior minister, was indicative that these were only just emerging concerns as the federal government expanded its activities in fields that either had been exclusive state responsibilities or that had not been recognised as government responsibilities anywhere. Whitlam created the first separate Departments of the Environment and Aboriginal Affairs. Major features of the Australian system included the following:

- The Australian Public Service (APS) was organised in silos. Although the Commonwealth Public Service existed, for most employees, their careers were contained within a single department. The government still believed that under the terms of the Constitution, all ministers had to have their own department; therefore, 27 ministers required 27 departments. There were, for instance, five separate departments in the defence area: Defence, Army, Air Force, Navy and Supply. Even if the minister of defence was nominally the superior, he had little direct powers over the service ministers. The five departments were only merged in 1973. Not until 1987 was the dictum of ‘one minister, one department’ challenged. There were ways found to appoint several ministers to the same department.

- The public service was a career, starting from the bottom. One early Public Service Commissioner argued that if school leavers wanted to enter the professions, they should go to university. If they wanted a public service career, they should join the Post Office. The telegram boys were, he suggested, the pool from which future departmental heads should be taken. Telegram boy to permanent secretary was still possible and even regarded as desirable in a ‘career service’; the last two who rose from that origin became secretaries in the 1970s (although it is true that both had benefitted from a university education, undertaken as returned soldiers). Nevertheless, in the 1970s, there were secretaries without degrees. Tenure remained; it was hard to remove staff. If the government wanted to replace a secretary, it either had to find him another position or it could abolish the department from under him. It still had to pay his salary, though, even while he was on ‘gardening leave’.

Graduates within the APS were still sparse. No graduates had been employed until the 1930s. An upper quota was established later (as a means of encouraging graduate employment and thus setting a target) but was almost never filled. In the 1960s, the PSB created an Administrative Trainee scheme for graduates; it was still a novelty. The trainees were posted out to departments for work
experience before being given a substantive post at the end of the year. Only the Treasury and Foreign Affairs had their own recruitment schemes for graduates.

- There were no women secretaries. Indeed, only one was appointed in the 20th century: Helen Williams in 1985. In 1972, that absence was not surprising; there were few senior women in the APS. The marriage bar that required women to resign when they got married was only removed in 1965. Married women had only been able to hold permanent positions for seven years by 1972. (Only two women had been ministers before 1972, neither of them in a senior position.)

- The rhythm of government was different. It had to be slower, requiring more support, more people: the fourth division, as it was called. Technology determined what could be done in a world without computers, email, yellow stickers or mobile phones. Typing pools created and retyped documents. Photocopiers were cumbersome; the prints were often wet and faded. If officials wanted a minister’s signature, an officer flew around the country with documents for the minister to sign. Telex machines were common, needing someone to ensure that there was a recipient in the office at the other end to maintain the confidentiality of secret documents. If a minister was away from home, riding around his property, for instance, then there was nothing to do but wait.

- Briefing notes were written down the line and then annotated as they rose through the ranks; officers agreed, queried, challenged or supplemented the advice that was given from below. Ministers could see what the more senior officers thought or how they covered their backs if the brief was ‘courageous’ (which then, of course, did not have the Yes Minister connotation). Second and third drafts sat on the files as the advice was gradually worked out.

- Coordination was primarily financial through the Treasury, then a single department. For staffing, the PSB ruled with an uncompromising and autocratic hand. The two did not necessarily agree on anything. The Forward Staffing Estimates and the Forward Financial Estimates worked on different programmes and timescales but neither was prepared to concede to the other. The PSB reached the zenith of its influence in the late 1960s under Sir Frederick Wheeler (ironically, by 1972, secretary to the Treasury); it insisted on its independence and its approval was needed before any senior position could be created or redesignated, approval that was only given after long ‘due process’. Indeed, the PSB held up Whitlam’s ambition for a strong department of urban and regional development for months by refusing to agree to the classification of senior staff that the departmental secretary, backed by the prime minister, wanted. The Treasury also saw itself at the core of government and was to fight consistently against what it saw as bad Labor policy. (Ironically, it was a Liberal prime minister who, frustrated by what he saw as a lack of cooperation and a refusal to provide all the relevant data, chose to split the Treasury and hive off a Department of Finance in 1976.)
By contrast, PM&C had yet to develop a serious advisory capacity. Allen Brown, secretary from 1949 to 1958, had tried to move in that direction, but his successor, John Bunting, had few ambitions there, preferring a more process-based means of exerting influence. Under Prime Minister Gorton, the split of PM&C into a Cabinet Office and a Prime Minister’s department had given the abrasive Lennox Hewitt, as secretary of the Cabinet Office, a strategic position at the elbow of the prime minister, but his style of working, with Gorton’s disorganisation, saw the experiment dropped when Gorton fell. In 1972, the department had reverted to Bunting’s facilitative style, with little of the policy clout that Whitlam was to desire.

- Advice was provided on the basis of experience from a small group of highly experienced operators who had dominated the APS for a decade and who were used to being listened to. They had confidence in their own judgements. Then, a Treasury secretary could say:

> There were those who believed in econometric forecasting; it was held to be the ultimate in precision. So far as I’m concerned it was all a lot of bullshit. The plain fact is we tried to thrust in the right direction, the right direction being the directions your hunches led you to adopt. (Quoted in Weller, 1989, p 215)

Those ‘hunches’ were based on 35 years’ experience and on available trusted information, such as it was.

- Advice from the APS was largely uncontested. The permanent secretaries were the ministers’ principal advisers, the people who were likely to have the last word before a meeting or a delegation. They could not attend cabinet on behalf of their minister, but they could do almost everything else. The monopoly on information was significant. Only the Treasury had a model of the economy. When governments were uncomfortable with their advice, as Labor was to be in 1974, the ministers had nowhere else to turn and had to rely on the calculations of a few key advisers who could access the data. There were no think tanks or consulting firms to provide alternatives.

- Ministers, at the end of a 23-year reign, relied heavily on the APS for everything. No minister in 1972 had ever been in opposition. They had mostly entered Parliament while Sir Robert Menzies ruled for 17 years; they has been promoted to a cabinet used to governing. There were some highly competent ministers, but many were just accustomed to a service from the APS that provided advice and the management of everything. That situation could make advisers complaisant too; they expected to be heeded and were accustomed to their advice being taken. A Labor government, suspicious, energetic, inexperienced, sometimes doctrinaire, was to be a shock to their view of the world.

In general, we need to be careful not to look back with a false nostalgia to the ‘great days’ of the APS. Let two departmental secretaries who joined the service around this time remove those dreams. In their retrospectives, they painted a
different picture. Roger Beale commented that they used their personal power ‘in a way that was imperious rather than democratic’:

Those great men of the post-war public service were also greathaters and great players of time-wasting self-indulgent bureaucratic games. Inter-departmental warfare was rife and personal feuds carried over decades abounded. Anyone who drafted letters for Wheeler or Hewitt would have understood the disregard they felt for one another and the way it was allowed to spill over into public administration. (Beale, 2012, p 2)

Ric Smith, a former secretary of defence, recalled:

As for the turf wars between departments they were tough and real. Differences in policy, or – more often – over who had the right to advise on policy in particular areas were fiercely fought in meetings at all levels and in vitriolic correspondence that often went to ministerial levels and were only ever partially settled at the Commonwealth Club…. They generated not just paper-based hostility but in many cases lasting personal enmities, some of which can still be found in relationships between people whose names remain well known in this town. The term ‘whole of government’ which we hear so much about today was then, I think unknown. It was all sadly wasteful of much energy and effort. (Smith, 2012, p 33)

The year 1972 was, in many ways, the time when the advisers would have felt the most powerful. Thereafter, everything was to change, not only under Labor governments, but also under their successors, who proved to be as suspicious of the power of senior advisers and as determined to impose their views on how the country should be governed. It was, indeed, a Liberal who could state in 2000 that the last 30 years had been an ‘institutional struggle between the democratically elected government and the public service for control over the public service. And in that struggle the elected governments have won’ (cited in Weller, 2001, p 81).

The diagnosis might have been overdramatic, but it served a useful purpose for reformers. Note also the references to elected governments. This was not, in essence, a partisan issue. Labor and Liberal governments wanted a responsive public service; neither looked back with nostalgia to the model of the 1960s where, as they saw it, immovable senior officials thwarted elected governments with the justification that they were there to give impartial and fearless advice rather than implement elected government policy.

However, it was not only ministers who were dissatisfied. Over the next 20 years, much of the push for change and for more explicit responsiveness actually came from within the APS as a new breed of public servants argued that ministers,
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not the APS, were the guardians of the public interest and that policy advising could not operate without an awareness of political demands.

The Australian advisory system in 2013

Few of the characteristics of the advisory system in 1972 remain unchanged. In 2013, the environment looked very different:

- The government delivers few large programmes. Many of the responsibilities that existed in 1972 have been corporatised or partly sold off. Australia Post and Telstra are the consequences of a long process of corporatisation and privatisation. The Commonwealth Bank and Qantas were sold off. Even the Commonwealth Employment Service, once regarded as a function that only the government could deliver, is now provided by a series of private and non-profit agencies under contract to the government. Defence is now the largest employer but, even then, many activities, such as security at bases and catering, are delivered by contract. The government delivers less directly to citizens. Indeed, when it seeks to get involved in overseeing big programmes, even those actually undertaken by private companies, its capacities and competence is often challenged. Its focus has changed.
- Almost all senior officers are graduates. Increasingly, departmental secretaries have postgraduate qualifications, often from leading overseas universities. The level of education has massively improved. Almost all departments have their own graduate entry schemes and it has become increasingly competitive to win a position.
- However, equally, the idea that once graduates have joined the public service they will be there for life has gone too. There are far more senior officials recruited from other positions: state governments, business, universities or other institutions. Lateral recruits, the search for opportunities and contract employment have all undermined the notion of the public service as an exclusive career. Nor do graduates necessarily see an appointment as a lifetime commitment. A stint in the Treasury as a graduate is seen as great training for the banking industry. Lobbyists and consulting firms attract many of the brightest to their more freewheeling, and better-paid, ranks as they are used more and more when financial stringency prevents the APS actually employing more staff.
- Much of the discrimination against women has disappeared. At times, up to a third of departmental secretaries have been women, though the actual ratios vary from time to time. It remains, however, true that the top departments, PM&C, Treasury and Defence, have yet to be headed by a woman. Finance got its first woman head, Jane Halton, only in 2014. There are now more women at the second level than ever before.
- The standing of senior officials has changed. Tenure has disappeared and permanent secretaries became departmental secretaries. Initially, they kept their
tenure but were not guaranteed continued standing as a head of a particular department. Then, even that was eroded, and in exchange for a rise in pay, they were put on a form of contract. The prime minister appoints all departmental secretaries. They have terms of up to five years and can be removed at any time (a condition endorsed by the courts when one secretary challenged his dismissal) (Weller, 2001). They clearly manage their departments ‘under the minister’, as the new Public Service Act states.

- The traditional anonymity has vanished too. Where, once, few people knew who they were, now they can be required to appear before committees of Parliament and interrogated over the management of their department. In cases where issues are highly sensitive, the MHRs (Members of the House of Representatives) and senators can often be aggressive, sometimes unfair, in the aspersions they cast. Public servants must remain respectful in the face of provocation. Further, the notion that ministers take both blame and credit for the actions of their departments has disappeared (if, indeed, it ever really existed). Department heads will be blamed for departmental shortcomings. When secretaries received annual bonuses for good performance, these bonuses could be threatened too, even where the departments were following the government’s wishes.

- Technology has changed almost everything: the reliance on typing pools, the need for carbon copies, the travelling around the country and the idea that ministers can ever be out of contact have all but disappeared. Yellow stickers remove the in-house comments (a real loss for historians). Mobiles keep ministers in contact all day and night. Access to data is faster. In many ways, this should improve policymaking because information is so much more readily available. However, it also massively increases pressure. The 24-hour media wants answers to every rumour and must be constantly managed. A lack of response is seen as insensitivity and arrogance. Unsubstantiated stories and impressions can make a sensible and sound policy appear a disaster. Where, once, a minister had to be briefed perhaps once or twice a day when some issue was running, now the media pressure is all the more constant.

- There is far more coordination, both of necessity and values. The concept of ‘whole of government’ initiatives would have been strange in the 1970s. The idea that departmental secretaries could be regarded as a team who had regular meetings would have been regarded with derision in those days of bitter bureaucratic battles. No more. While it would be ingenuous to suggest that all the senior staff see the world in a similar way, there are greater expectations not only that they may be moved around from one department to another, but also that they should see the ‘bigger picture’. A combination of interconnected policy arenas and globalisation make the environment less parochial, and the need for coherence that much greater.

- The centre of government now maintains greater controls, not only because it must (to answer the 24-hour media demands), but also because it can. Where, once, prime ministers who were out of the country had only spasmodic contact
and little capacity to control daily events, now the interaction can, if they
choose, be frequent and detailed. Email and mobiles, even in the air, mean that
no one is out of touch. (It is fascinating to think what an autocrat like Billy
Hughes would have done as prime minister with modern technology; he tried
to run the country while he was overseas for 15 months but the technology
was not up to it. Instead, he just ignored cabinet. In modern times, he could
not spend that time overseas, but, even then, he could still run it while he
was away if he chose.)

• Ministers now have ministerial staff and advisers, and greater connections
with the policy world outside. The advent of ministerial staff can be traced
to Whitlam’s office. He wanted alternative advice that saw things through
his eyes; he did not trust the public servants to be responsive. The numbers
grew over the decade; now, several hundred work for federal ministers. Not
all are policy advisers; some provide general support, diary services and other
routines. However, enough are policy advisers that they can make a real
difference. They work in Parliament House at the elbow of the ministers
while the departmental secretaries are away in the departments. They derive
their power from the ministers. When the ministers depart, so do they. They
may be public servants on secondment – indeed, ministers are well advised to
have on their staff someone who knows the department they head – but more
often they are not. They are political partisans, putting a political perspective
on all the advice, sometimes without the department knowing what was said.

The relationship between department and advisers can be fraught, but it can
also be constructive and complementary. Advisers remove the need for public
servants to make political judgements; there is someone else to do it. They can
act as an intermediary with the minister if needed to put a case. They can also
produce alternative schemes and build contacts in the community with the
party, with stakeholders and with networks about which the public servants
know little.

• That becomes particularly important when the rapid expansion of expertise
is appreciated. Once, the public servants had a stranglehold on reliable
information. They no longer do. Every set of figures can, and is, challenged
within minutes of being announced. There are a number of bodies outside
government with the capacity to present alternative policy analyses. Banks,
universities and consulting firms have models of the economy. Non-
governmental organisations (NGOs) can access the data provided online by the
Australian Bureau of Statistics and develop their own estimates of the impact
of government policy or the consequences of trends.

The changes of technology, the speed of communications, the demands for
immediate answers and the growth of ministerial staff have all led to the most
prominent consequence for policy advising: it has inevitably become more
contested. As a departmental secretary commented: ‘I have to fight for my spot
at the table’ (quoted in Weller, 2001, p 105).
The comparatively closeted environment of the advisers of 1972 has been burst open onto a more open and global scale. There is no doubt that the great mandarins of the 1950s and 1960s would still flourish because they were talented, but the competition is greater, the colleagues are better educated, the ministers are more suspicious and, often through their staffers, more demanding, while the pace is much greater and the information is more widespread.

A decline in capacity?

Has the Australian government lost the capacity to undertake policy analysis over these 40 years? The question is raised, in part, by complaints that the APS’s mistakes are now given more attention, in part, by comments that the pressures on its staff are greater than ever and, in part, because some of the dedicated research bureaus no longer have the analytical capacity or nominal clout that they used to have. Yet, the proposition seems unlikely: it is easy to exaggerate past capacity and to see only the woes of the present. Remembering that the APS only employed its first graduates in the 1930s, it is perhaps remarkable that it was able to develop distinguished documents such as the White Paper *Full employment in Australia* in 1947. If the more modern mandarins would perhaps be careful to avoid the comment that they relied on intuition, at times, it must be true.

Indeed, given the external capacity to develop analyses, the argument that the government needed a monopoly on information is no longer tenable. However, nor has there obviously been a decline in capacity. The current fad for ‘evidence-based policy’ (usually seen as quantitative measurable policy information) implies that evidence was not used in the past. That underplays the contribution of senior officials such as Ian Castles and Mike Keating, who used their position as head of the Department of Finance to improve the quality of analysis. Keating was scathing of those who thought that ‘the plural of anecdote is data’. The proposition is also essentially untestable because of the debate on whether modern pressures have made advice worse. More stressful certainly. More staff to develop analysis would be welcomed. However, is it worse than it was when policy talent was so much thinner (as in the 1950s)? Probably not.

Perhaps more to the point is the question of whether ministers make different use of the analysis that is now available.

Advising ministers

If the circumstances in which policy advisors work have changed, and their monopoly on advice has been eroded, the basic challenge for ministers has not altered. It is certainly true that the speed of political events has increased and ministers can no longer live in silos. However, they remain the link between the policy and the political world. They have to determine which policies can best tackle the issues thrown into the political arena or how they wish to change the world they find. The role of the minister is not, and never has been, to develop
ideas *ab initio*, though some might like to imagine that they can do that. Rather, their role is to choose from among solutions, wherever they come from. In so doing, ministers must also choose in which areas they wish to be active and take initiatives; they cannot do everything.

A British minister once argued there were four types of decision:

1. Major political decisions in which ministers must be involved, and obviously so if they go to cabinet. These will be the party policy issues, often based on political values.
2. Decisions rising out of parliamentary debates and deputations. As part of the representational aspect of politics, the ministers will be aware of what is happening.
3. Technical decisions usually made by public servants with the confidence they know the minister’s mind.
4. Decisions that involve the application of rules, usually taken by public servants without ministerial involvement.

As Boyle (1980, pp 7–8) comments, ministers ‘will never have the time, let alone the knowledge, to turn all category three decisions into category one decisions’. How far ministers choose to go into these categories will be a matter of choice and capacity.

What was true for the UK remains true in Australia. Ministers may be given briefs on a wide range of issues. In 2008, the defence minister received over 4,600 briefs; between its three ministers, the Defence Department generated over 8,000 briefs in the one year. Some may have been short and for information; others were complex and required a decision. Ministers and senior advisers need to arrange which decision will be taken at which level. Ministers need to choose where they will be involved. Discretion and selection are inevitable as policy professionals need to decide not only what should be done, but also who needs to know and what is likely to be politically sensitive. Obviously, the demands for policy analysis will differ from category to category and from one circumstance to another. The precise requirements will depend on location and content. There can be no one way to do policy analysis to meet the different demands. Determining what to do is as much art as technique.

Certainly, there are no longer neat distinctions or roles between public servants and ministerial staff. Craft and Howlett (2012, p 92) cite a comment that I made 25 years ago, suggesting that for analytical purposes, it was possible to distinguish between political advice and policy advice:

By policy is usually meant technical and professional alternatives or the outcome of ‘objective’ or rational analysis. ‘Political’ is taken to refer to consideration of the likely electoral or media consequences of a course of action. The former is seen as substantive while the other is often regarded as more self-interested. (Weller, 1987, p 149)
They suggest that the situation has now become more complex. It was messy then, too; the analytical distinction was designed to tease out what different players did, not to proscribe. Public servants would do the policy analysis; ministerial advisers (still quite a new phenomenon in 1987) would provide political analysis. In Canada, the Privy Council Office (PCO) made the point more epigrammatically. In defining the contrast between the Prime Minister’s Office (PMO) and the PCO, they argued that the PMO was partisan, politically active and operationally sensitive, while the PCO was non-partisan, operationally active and politically sensitive (PCO, 1977). However, at different times, they would cooperate in the analysis of policy proposals and the provision of advice. One Australian minister explained that he only read briefing notes when he had his staff and departmental advisers sitting around a table. Then, as he read and questions were raised by the brief, he could ask the questions on the spot to whoever was best able to answer them. It saved him time. As more players have an input into the advice, and as advice is more openly contested, the easy distinctions between players, form or content become blurred.

One condition remains unchanged: in those areas where ministers are involved, and where there is a difference of opinion between minister and advisers, ministers will have the last word. Ministers can always decide to become involved unless legislatively forbidden from doing so. Policy professionals give advice; so do ministerial staff. Of course, ministers may always accept that advice; they may take no initiatives. They may become entirely reliant on the solutions presented by departmental professionals. The right to decide may only be the right to endorse. It remains the essential ministerial power.

**Ministers and advice: melding politics and policy**

Ministers want policy advice and do not care from where it comes. By themselves, good ideas are not enough. In itself, a good analysis goes nowhere. A whole series of actors may need to be persuaded, and any differences in approach will usually be fought out, long before the analysis reaches the ministers. Ideas and analyses need policy entrepreneurs to take the good ideas and shepherd them through the advisory process. Then, the ministers will determine what use they want to make of them, whether to initiate new directions, defend past practices, refute alternative scenarios or win political battles.

Even the best pieces of policy analysis are hostage to political fortune. Scotton and Deeble’s (1968) ideas on medical economics appealed to Whitlam in opposition and grew into Medibank. The findings of the Royal Commission into Australian Government Administration or the Intergenerational Report of Treasury have, if only gradually, set some of the terms of debate, but, even then, only selectively. Even Bruce Chapman’s Higher Education Contribution Scheme, a proposal that seemed to be readily accepted from outside the process, actually needed defenders, promoters and additional ideas (Edwards, 2001) before it went through the advisory system into legislation. It needed advisers to keep
the minister interested, and advocates to overcome the objections of the Taxation Office. Although, in retrospect, many claim that they were responsible for good policies (and ministerial narcissism in claiming sole personal credit for an initiative is all too common), in reality, few policies can have single parents.

Ministers like evidence – sometimes. The appeal to evidence-based policy is a good device for trying to distinguish current technique from earlier practice. However, they always did like evidence, though. Some of the greatest public servants started as cadets in the Bureau of Statistics, and never forgot the need for evidence, or its limitations. In these terms, nothing much has changed over the past 30 years (see Weller and Grattan, 1981; Tiernan and Weller, 2010). However, evidence and analysis are not neutral. Where ministers have decided what they want to do, as a consequence of their political values or pressure from their electors, as a means of satisfying party supporters, they will seek evidence to support their decision so that they can justify the policy in public. They do not need the evidence in order to make the decision. Carbon taxes, mining taxes and ‘stopping the boats’ are not policies where ministers are open to persuasion; they are commitments, and they want to know how to fulfil them, not ask whether they should undertake them. That is part of the political process that advisers understand.

Policy analysis remains contingent and value-laden in the eyes of ministers, even if the econometric techniques have improved and the time horizons have shortened. Nor is it ever likely to change. The world of policy analysts is not the world of partisan politics. The world of policy advice is closely linked to partisan concerns.

Indeed, that is recognised by the modern policy professional. In the early 1990s, there was a series of attempts to ‘evaluate’ policy advice (Uhr and Mackay, 1996; Weller and Stevens, 1998). What constituted good advice? How contingent was it? A task force visited a number of capitals, in some of which there was bemusement that anyone thought the question was worth asking. A number of case studies were commissioned to explore what happened in particular instances. In the end, there was no template that could be developed to argue that ‘do it this way and you have good policy’; such promises of key skills were easy to offer but not possible to fulfil. The team concluded that advising was an art, not a science, because of the contingencies that must be involved (PAPW, 1995, p 9).

Let a minister have the final say about the climate in which policy analysis, with all its assumptions and estimations, evidence and values, must seek to thrive:

The least helpful part of the job is the inability to show uncertainty or consideration. The fact that none of the decision making process is public is because the idea that decisions aren’t born fully formed like Venus means that there is uncertainty. If there is uncertainty, there is doubt and if there is doubt there is the potential for failure … so it goes on. That’s a shame because most big decisions are made on balance. This might be the right way to go or this might be the right
way to go; with all the information I’ve got I think on balance I’ll go with this one. But the way we are expected to present in public and in the media is this is the only possible answer and there are no doubts about this and it is the 100% right thing to do. (Quoted in Tiernan and Weller, 2010, p 306)

So, contingency, ‘on balance’ decisions and choices are what constitute the policymaking world. Few policies are so obvious that they are uncontested. Ministers apply their own logic, based on values, circumstances, feasibility and saleability. Nothing is certain in terms of delivery. That uncertainty must be the central point in analysing the world of the policy professionals. No policy analysis, from any source, either 40 years ago or now, could or can provide ministers with certainty.

References
THREE

The economic context of policy analysis in Australia

Alan Fenna

Introduction

One cannot make sense of policy analysis in Australia without an appreciation of the economic challenges that have faced Australian governments over the past 40 years. Those challenges, and the resulting preoccupation with economic reform, have dominated public policy and been central to analysis and debate. A conjunction of cyclical and structural problems in the Australian economy over the two decades from the mid-1970s to the mid-1990s forced a re-evaluation of the policy framework that had guided the country’s development since the beginning of the century, and that had, in some respects, embedded itself in the Australian way of life. That re-evaluation came in the form of a historic shift towards economic liberalisation in both the regulation of the private sector and the operation of the public sector. No aspect of public policy was immune, as economic reasoning established a presence in policymaking across all domains.

Much of the changed approach to the operation of the public sector can be summarised in the term ‘New Public Management’ (NPM) – adopted earlier and more enthusiastically in Australia and New Zealand, it has been argued, than elsewhere. If this, indeed, represents a case of ‘Antipodean exceptionalism’ (Rhodes and Weller, 2001, p 230), the reasons lie in a particular convergence of economic conditions in Australia and New Zealand. These two countries exhibited peculiarities of economic development that created a distinctive compound crisis in the 1970s and 1980s. While Australia was far from alone in the economic difficulties it faced in this period, and in the general direction of the policy response (Brennan and Pincus, 2002, p 78), there was a distinctly local flavour that reflected distinctive local conditions.

These profound and pervasive policy changes were built on a substantial amount of policy analysis. At the same time, the changes were highly contested and sparked an ongoing debate about the merits of what generally came to be known as ‘economic rationalism’, later subsumed under the term ‘neoliberalism’. In addition, they provided substantial grist to the academic mill, with scholars being interested not only in prescriptive debates about ‘what should (or should not) be done’, but also in more analytic questions of why and how things were being done. Thus, this chapter distinguishes between policy analysis, policy
advocacy and policy study. Here, policy analysis is taken as meaning research and the evaluation of challenges and options to advise government; policy advocacy is understood as normative or prescriptively oriented attempts to persuade governments and the broader public; and by policy study is meant empirically based but theoretically informed accounts of policy events and experiences to interpret and explain for academic purposes. While policy analysis and policy advocacy are both prescriptive, the first is, to use economists’ language, ‘positive’, while the other is normative and ideological in nature. At the same time, the chapter also notes that, in practice, the line between these different modes is often far from clear and the scholarly study of policy is often quite ideological in nature.

The economic background

In common with most other advanced industrial economies, Australia experienced a set of macroeconomic challenges from the early 1970s through to the early 1990s that profoundly affected thinking about the optimal role and extent of government. In brief, the crisis of the Keynesian welfare state fuelled calls for an approach to public policy that liberated market forces and fostered wealth creation. There was little distinctive about the Australian experience in this regard. The vicious problem of simultaneously rising unemployment and inflation and ensuing deficits was widespread in Western democracies. What was distinctive about the Australian (and New Zealand) experience was the way in which this crisis overlapped with and exacerbated a structural crisis in the political economy of these two primary-product-exporting countries and the way in which that compound crisis disrupted long-established policy frameworks.

Beginning in colonial Victoria in the mid-19th century, and then extended nationally after Federation in 1901, Australia followed a development path that: relied on extensive public infrastructure investment; promoted industrialisation through protective tariffs; and secured public support through immigration restrictions, centralised wage determination (the Arbitration system) and pioneering social policy (Butlin, 1959; Butlin et al, 1982). Dubbed the ‘Australian Settlement’ (Kelly, 1992), this put in place a ‘fortress Australia’ framework that governed development for much of the 20th century (Castles, 1988; see also Fenna, 2012). In particular, it fostered the development of: a domestically oriented manufacturing sector; a highly unionised, high-wage economy; and heavy reliance on government business enterprise across a range of major infrastructure and utility industries. Over time, it became a system of ‘protection all round’ as the Country (now National) Party succeeded in extending some equivalent degree of government support to rural industries.

This system flourished in the post-war years, with Australia enjoying low inflation, full employment and expansion of the manufacturing sector (Macfarlane, 2006, ch 1). However, the import–substitution industrialisation model fostered and entrenched an economically inefficient structure of small-scale and typically derivative production operations that did not – and generally could not – compete
in global markets. Sustaining Australia’s ongoing need for capital and a range of industrial goods therefore depended on the continued overseas demand for Australia’s primary products.

That demand slumped after 1974, and for the next 30 years, Australia faced the prospect that the foundation on which the country’s standard of living rested was crumbling. Australia’s terms of trade seemed to be becoming less and less favourable; indeed, Australia seemed to be suffering a secular deterioration in its external economy that had begun a century ago and had no end in sight. Thus, from the late 1970s and through the 1980s, the entire orientation of Australian public policy was called into question by the dual crises of macroeconomic malaise and structural decline. This was more acute in Australia than elsewhere because under the auspices of the General Agreement on Tariffs and Trade (GATT), other countries had been moving away from protectionism and did not have the system of centralised wage fixing that prevailed in Australia. The structural crisis became manifest in a series of worsening current account deficits and reached its peak in 1985 when a particularly sharp decline in the value of the Australian dollar elicited the warning from the Treasurer that Australia was in danger of becoming a ‘banana republic’ (Kelly, 1992, pp 196–97; see also Walsh, 1995).

The policy response

These pressures drove a re-evaluation of Australia’s development strategy and the gradual abandonment of a range of what were coming to be seen as obsolete or increasingly untenable policies or modes of governance. This re-evaluation encompassed both the way in which the private sector was regulated and the scope and methods of public sector operations.

On the first aspect, the process began in the early 1980s, gradually picking up momentum until it became a comprehensive programme of ‘microeconomic reform’ – meaning the liberalising of product markets across (almost) all sectors (IC, 1998). The aim was to let competition and price signals operate to increase economic efficiency and reduce costs, and thereby increase competitiveness, productivity and wealth. The first step was the abandonment of fixed exchange rates for the Australian dollar (‘floating the dollar’) in 1983. This was seen as a radical step at the time. It was followed by successive overlapping liberalising measures: the partial deregulation of the financial sector; the historic decision to phase out tariff protectionism; and the incremental shift away from centralised wage fixing. In one decade, the main components of the policy framework that had guided Australian economic developments since Federation were swept aside.

On the public sector side, the process took the form of a more businesslike approach to public sector management and the adoption of a more orthodox approach to fiscal and monetary policy. Corporatisation and privatisation of government business enterprises (Aulich and O’Flynn, 2007) and NPM, including competitive tendering and outsourcing (Alford and O’Neill, 1994), were the order of the day. By the mid-1990s, the privatisation and ‘marketisation’ of government
business enterprises and attempts to mitigate problems of natural monopoly were formalised in the intergovernmental agreements known as ‘National Competition Policy’, committing the states – who controlled the main network utilities – to a broad programme of liberalisation. Meanwhile, both sides of politics accepted the principle of running budget surpluses and paying down debt when conditions permitted and using monetary policy in a more disciplined way to ensure price stability – in part, by devolving more independent authority to the Reserve Bank.

A striking feature of this radical reform of Australia’s established policy regime was the fact that, at the national level, this radical liberalisation was instigated and carried out by the Labor Party. Labor held office in Canberra for 13 years – under the premierships of R.J. Hawke from 1983 to 1991, and then P.J. Keating from 1991 to 1996. The centrepiece of Labor’s political and economic strategy in the 1980s was the ‘Accord’ signed with the Australian Council of Trade Unions (ACTU). This took advantage of the country’s centralised wage-fixing system to implement a nationwide system of wage controls in exchange for a range of ‘social wage’ benefits. As part of that quasi-’corporatist’ approach to policymaking, the government also engaged in high-profile tripartite summits – one over macroeconomic policy; one over tax reform – and established a number of tripartite advisory bodies. In addition, the Labor government also experimented with a number of interventionist sectoral ‘industry plans’ designed to help manage the transition (Capling and Galligan, 1992; Ryan and Bramston, 2003).

While Australia was hard hit by the recession of 1990 and recovery was slow, the degree of economic success enjoyed since provided vindication of the policy reorientation. Australia managed to sail through the Asian financial crisis of 1997, the bursting of the ‘dotcom’ bubble in 2000 and even the global financial crisis of 2008/09 without lapsing into recession. To date, this has amounted to a quarter-century of uninterrupted economic growth – something never experienced before, not even during the halcyon days of the post-war boom.

Policy analysis

Central to the liberalising initiatives of this period was an accumulation of policy advice from the government’s own agencies or public inquiries. Australia had long wrestled with the question of protectionism, notably, in the Brigden Inquiry (Committee on Economic Effects of the Tariff, 1929). However, expert discontent surfaced in the 1960s, including: the Vernon Report (Committee of Economic Enquiry, 1965); the development of a critical stance from within the government’s own tariff agency (see also Rattigan, 1986; Tariff Board, 1967); and the Green Paper on rural policy (Harris et al, 1974). In 1974, the Tariff Board became the Industries Assistance Commission; then, in 1990, simply the Industries Commission; finally, in 1996, the Productivity Commission (PC, 2003; see also Chapter Ten, this volume). This progression saw it become the government’s pre-eminent policy analysis agency just as it became steadily more oriented towards
free trade and free markets, focusing on the loss to general welfare caused by subsidising local industries, especially manufacturing.

Much more direct links to policy seemed to flow from reports in the late 1970s and 1980s addressing major aspects of ‘microeconomic policy’, for example, the Campbell Report recommending deregulation of the financial system (Committee of Inquiry into the Australian Financial System, 1981). Another milestone was the Garnaut (1989) report pushing for free trade. These recommendations were underpinned by academic research claiming that the Australian economy had languished thanks to the historic policy framework of protectionism (Anderson and Garnaut, 1986; Gruen, 1986; cf Dowrick and Nguyen, 1988; Kemp, 1991; Fenna, 2012, pp 104–6; McLean, 2013, pp 205–9). Later, the FitzGerald (1993) report urged Australia’s governments to run regular budgetary surpluses as a crucial ingredient of successful macroeconomic policy. This contributed to a bipartisan emphasis on ‘fiscal conservatism’ that had begun under the Hawke government. Furthermore, in the same year, the Hilmer Report provided the analytic basis for the dominant policy focus of the 1990s, National Competition Policy (Committee of Review of the Application of the Trade Practices Act 1974, 1993).

Running in parallel was a secondary stream of policy analysis, alternative but sometimes complementary, which was supportive of a more interventionist approach to managing the manufacturing sector’s transition to a more open economy. This also arose from governmental or quasi-governmental sources. The need for policies to assist in and ameliorate ‘structural adjustment’ was flagged in the Crawford Report (Study Group on Structural Adjustment, 1979) and became a much greater focus of interest once the Labor Party was returned to office in 1983. Labor created a high-level advisory body, the Economic Planning Advisory Council, later Commission (EPAC), intended to supply policy analysis more sympathetic to the needs of beleaguered industry. However, EPAC’s orientation soon proved quite conventional. Under the umbrella of its quasi-corporatist approach to policymaking, the Labor government also sponsored policy analysis favouring sectoral interventionism from the union movement (ACTU and TDC Mission to Western Europe, 1987) and a joint industry body, the Australian Manufacturing Council (Pappas Carter Evans and Koop/Telesis, 1990). These and other reports (Committee for Review of Export Market Development Assistance, 1989) were based on the premise that Australia needed a concerted focus on diversifying export performance away from a primary reliance on commodities and towards manufacturing – and ideally towards ‘elaborately transformed manufactures’.

Policy advocacy

The economic challenges and policy re-evaluation of the 1970s and 1980s provoked an outpouring of commentary. These, often strident, contributions were distinctly more normative and ideological in nature. Some were researched, analytic and generally scholarly in style, though nonetheless conviction-driven;
others were closer to the pamphleteering end of the spectrum and clearly polemical. The touchstone concept of this debate was ‘economic rationalism’, or simply ‘neoliberalism’ as it came to be known. Neither term was used with a great deal of analytic rigour – which, given the rhetorical character of this literature, was not surprising (Coleman and Hagger, 2001).

The debate was launched by provocative manifestos for reform from free-market enthusiasts (Kasper et al, 1980). While many of these proposals were consistent with those advanced from more traditional policy analysis, the spirit of their manifestos was one of unabashed ‘libertarianism’. Of particular concern was the perceived power of trade unions and the privileged status accorded to unions under the Arbitration system (H.R. Nicholls Society, 1986). Prominent free-market think tanks, such as the Institute for Public Affairs and the Centre for Independent Studies, have gone on producing a steady stream of advocacy publications along the same lines.

By the end of the 1980s, the Coalition parties had resolved firmly in favour of the consistently market-oriented policy approach that some members had been seeking for some time – popularly referred to as the victory of the ‘dries’ over the ‘wets’ (Hyde, 2002; see also Colebatch, 2012). The opposition Coalition parties reached an apogee of economic rationalism with the release of their comprehensive election manifesto Fightback! Taxation and expenditure reform for jobs and growth (LNP, 1991). More typically, though, the Coalition parties prudently reserved their most public efforts at policy analysis for after they had been elected. Characteristic of this period was a succession of ‘Audit Commissions’, beginning with New South Wales in 1988 and culminating in 1996 when the Coalition was elected at the national level. Typically, these Commissions were established as soon as Coalition parties took up office following a period of Labor government, and they quickly detected major fiscal challenges that appeared to demand tough restructuring of the public sector (Laffin and Painter, 1995; Jones and Prasser, 2013). They provided ‘policy analysis’ of a very partisan and pre-emptive kind.

These reform arguments, and the actual reform achievements of the Hawke–Keating governments, provoked an inevitable response. Much of that was played out in an exchange of volleys between the two sides. Books with titles such as Shutdown: the failure of economic rationalism (Carroll and Manne, 1992; see also Horne, 1992; Vintila et al, 1992; Rees et al, 1993; Langmore and Quiggin, 1994; Edwards, 2002) were countered with titles such as A defence of economic rationalism (James et al, 1993; see also King and Lloyd, 1993; Moore, 2001). Economic rationalism was accused of exercising a malign influence in fields as diverse as psychology, law and education (eg Marginson, 1992; Spigelman, 2001; Plastow, 2010). It was also seen as having devastated the welfare state (Jamrozik, 2001; cf Fenna and Tapper, 2012).

Other contributions sought to combat economic rationalism in a more measured and researched fashion, focusing in particular on the perceived need for more of the interventionist industry policies that the Hawke government had dabbled in (Emy, 1993; Stewart, 1994; Quiggin, 1996; Bell, 1997; Marceau, 1997;
Argy, 1998). However, the heat eventually went out of the debate as it became increasingly clear that Australia was enjoying a remarkable recovery from the 20-year crisis, and with little evidence of economic rationalism’s allegedly scarifying consequences. Critics had been quick to assert that ‘the drift to “economic rationalism” … did not rectify Australia’s poor economic performance’ (Wanna, 1994, p 226), or, more bluntly, that ‘neoliberal policies have failed Australia’ (Bell, 1997, p 248), but it was not long before those judgements began to look decidedly premature.

**Policy study**

The twin crises and governmental responses to them also provided enormous stimulation to the scholarly analysis of policy. This included attempts to:

- characterise Australian development patterns;
- theorise the role of government in Australia;
- understand the surprising role of the Labor Party in managing the transition to a more open and liberalised economy; and
- generally come to grips with the process of transformation that was taking place.

With ‘neo-Marxist’ theories of the state enjoying a global intellectual currency at the time, an important strand of Australian policy study in the 1980s revolved around the analysis and application of class-based and political-economy theories of economic development and governmental action (eg Head, 1983; McEachern, 1991). Later, the role of government began to be reinterpreted through a variety of neo-institutionalist frameworks (eg Capling and Galligan, 1992; Head and Bell, 1994).

Characterisation of the Labor Party focused on two questions. One was the nature of its apparently innovative policymaking style – notably, the turn to corporatist-type policymaking, as exemplified by the Accord (Matthews, 1983; Gerritsen, 1986; Boreham, 1990). As the continuing decline of the manufacturing sector and the historic decision to abandon tariff protectionism were central to the historic change in policy regime over this period, it is not surprising that ‘industry policy’ became a major focus of research (Ewer and Higgins, 1986; Capling and Galligan, 1992; Bell, 1993b). These studies included attempts to test the claims of various theories of the state in explaining this policy sea change (notably, Bell, 1995). Various other efforts to theorise this general question followed (Goldfinch, 1999; Nevile, 2002; Ahlquist, 2011; Cahill, 2013).

The second question was how could a left-wing party, a party of labour, turn itself into a champion of ‘economic rationalism’? For some authors, the answer was that it had sold its soul (Jaensch, 1989; Maddox, 1989; cf Johnson, 1989). One aspect of that question hinged on the proposition that the Labor Party had abandoned its post-war Keynesianism, that it had abandoned its commitment to ‘full employment, in favour of a more orthodox approach (eg Battin, 1993; Bell, 2000; cf Fenna, 2010). More dispassionate analyses highlighted the limits on the government’s capacity to ‘manage’ the economy (Wanna, 1994, 2002) and the general pressures for convergence in policymaking between the political
Policy analysis in Australia

parties (Head and Patience, 1979; Head, 1985). They also noted the differences that nonetheless still distinguished Labor policymaking (Head, 1989) from what could have been expected from the conservative parties.

Garnering much attention was one study purporting to show that the shift to a new policy regime was the result of neoclassical economists colonising the Canberra bureaucracy. The proposition was that Canberra had been ‘swept by a locust strike of economic rationalism’ with the locusts having been spawned by ‘the restrictive … neoclassical economics curriculum that swept through the economics departments of Australian universities from about 1947 onwards’ (Pusey, 1991, pp 1–2; cf Bell, 1993a). According to this view, economists in the public service had changed Australia from ‘the model social democracy of the world’ to a barren land of laissez faire. Rather by contrast, a comparative analysis of Australia and New Zealand highlighted the degree to which reform had proceeded in a moderate and measured way in Australia, theorising that the Labor Party’s close ties to the labour movement served as the kind of political ballast absent in New Zealand: ‘the bargained Australian Labor approach meant that “economic rationalism” never really gained more than rhetorical primacy’ (Easton and Gerritsen, 1996, p 24).

Perhaps most notable among this literature was the attempt to create a grand historical narrative around the ‘fortress Australia’ development model that seemed to have become something of an economic liability (Castles, 1988). This proposition focused on Australia’s particular ‘economic vulnerability’ as a small economy heavily reliant on commodity exports. It gave rise to a range of theoretical and evaluative questions concerning the political dynamics of choices made at Federation and the implications of those choices (Fenna, 1996, 2012).

**Boom without bust**

By the early 2000s, the economic situation was looking very different from the doom and gloom scenario that had taken such a strong hold from the mid-1970s: growth was continuing unabated; unemployment was steadily falling; and inflation – the bane of macroeconomic policymaking in the 1970s and 1980s – appeared to be dead (Edwards, 2006). Current account deficits had not gone away, but the accompanying anxieties had. Perhaps most gratifying, external shocks that might have derailed the Australian economy in the past – notably, the 1997 Asian financial crisis and the ‘dotcom’ bust of 2000 – were shrugged off. This resilience in the face of external challenges seemed to vindicate the microeconomic reforms of the preceding two decades. Similarly, analyses suggested that the 1990s’ productivity revival underpinning much of the strong economic performance had its origins in those reforms (Parham, 2004) – though conclusive evidence remains elusive (McLean, 2013, p 238). Meanwhile, with a little help from asset sales, continuing growth enabled the Coalition government (1996–2007) to eliminate the debt accumulated by the Commonwealth as a consequence of the
early 1990s’ downturn and thus to deliver on its commitment to fiscal prudence (Fenna, 2007). To compound this macroeconomic good fortune, Australia experienced a spectacular reversal of its structural difficulties. After languishing for 30 years, the country’s terms of trade were launched on a dramatic upward path by the global resources boom. No longer did the difficulties of the 1980s and 1990s look like just the latest instalment of a long-term decline. Moreover, with the rise of Asian industry, there was downward price pressure on mass-produced manufactured goods, not primary products (Macfarlane, 2002). Any urgency, perhaps any desirability, and certainly any possibility of achieving the 1980s’ holy grail of switching Australia’s historic export profile from primary to secondary products was wiped out. Deindustrialisation proceeded apace as the ‘Gregory Effect’ (Gregory, 1976) of an inflated exchange rate made it even more difficult for local manufacturing to be internationally competitive. Otherwise, Australia seemed indeed ‘the lucky country’: unemployment decreased further; purchasing power rose; and tax revenue flooded in.

When the global financial crisis hit in 2008, precipitating a recession in the economies of the Western democracies (Garnaut and Smith, 2009), Australia was well situated to respond with the archetypal Keynesian countercyclical policies of low interest rates and a ‘stimulus package’ based on deficit spending. This was an opportunity that the incoming Labor government seized with both hands (Eslake, 2009; Fenna, 2010). Australia’s great good fortune was that the Chinese government chose to do likewise and the underlying strong demand for Australia’s primary exports continued. Australia was one of the very few Organisation for Economic Co-operation and Development (OECD) countries to avoid recession.1 There was little suggestion, however, that this apparently timely exercise in Keynesianism was a repudiation of the consensus around fiscal and monetary prudence that had been established over the preceding decades. From the outset, commitments were made to returning the budget to balance as quickly as feasible. The difficulty of delivering on that commitment, however, turned out to be daunting (Daley, 2013).

Australia has experienced an unprecedented period of economic growth – ‘the longest unbroken period of economic expansion of any developed country ever’, according to Garnaut (2013, p 5). This qualifies the current period as the Australian economy’s ‘third golden age’ (McLean, 2013, p 228). While the earlier golden age of the post-war boom seemed to confirm the wisdom of Keynesianism and the mixed economy, this recent period has suggested rather the opposite. While a strong causal relationship is hard to prove, the association between the new policy paradigm and economic success is evident to most commentators. Some argue that ‘economic rationalism’ has not gone far enough: has Australia succumbed to a ‘reform fatigue’ that is contributing to declining productivity and competitiveness? Another question is whether, as part of pervasive national ‘complacency’, Australia’s astonishing good fortune in the mining exports boom has also been its misfortune. Governments have either failed to capture the windfall
rents or squandered what they did manage to capture, while allowing the new conditions to plunge the country back into the resource dependence of a ‘quarry economy’ and the longer-term vulnerability which that carries with it (Conley, 2009; Cleary, 2011; Garnaut, 2013; McLean, 2013: 230; cf Edwards, 2014). Economic rationalism may have extensively reshaped Australian public policy, but it has not done away with the country’s fundamental economic dilemmas.

Conclusions

Policy analysis in Australia has been dominated by the challenge over recent decades of dismantling a set of policy frameworks and norms that had been in place since the early years of the 20th century. The compound economic crisis that began in the mid-1970s and lasted until the early 1990s led to a search for efficiency and economic sustainability whose impact was pervasive. The tendency that came to be labelled ‘economic rationalism’ sought to reorient public policy in favour of market forces and public sector efficiency. To a large extent, it was successful – both in the sense that policies were changed and in the sense that those changes had the desired outcomes. Nonetheless, Australia remains a mixed economy, the Australian welfare state remains as large as ever (if not larger) and the global financial crisis showed that Australian governments can and will engage in old-fashioned Keynesianism. However, protectionism, centralised wage fixing and the extensive public ownership of trading enterprises are gone. The values of economic efficiency and market forces have become firmly established in Australia’s policy culture, across the governmental, business and academic sectors.

Note

1 Using the standard definition of two successive quarters of negative gross domestic product (GDP) growth. Australia did record negative per capita GDP growth, but a growing population prevented this from registering as a contraction in aggregate GDP.

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Policy analysis and public sector capacity

Brian Head

Policy bureaucrats, working in diverse public sector agencies, have been the main providers of public policy analysis and advice in modern Australia. In recent years, however, this central role has been seriously challenged on several fronts. This chapter examines: the policy advice capacities developed and exercised by government; the key processes at national level for policy development in Australia, including intergovernmental forums; the rise of alternative (non-government) sources of policy analysis and advice; and the likely future requirements for addressing complex policy issues in an era of uncertainty and fiscal constraint.

Introduction

Within public sector agencies, the policy function comprises analytical, administrative and relational roles, which, in practice, are closely connected. The analytical roles include examining policy options, estimating the costs and benefits of various options, and evaluating current programmes. The administrative roles include managing projects in policy development, coordinating policy alignment across public agencies and reporting on programme performance. The relational roles include testing the acceptability of policy choices, undertaking stakeholder consultation and mediation, and adjusting to the political priorities and financial constraints of government. Within the public policy function, these roles have evolved gradually over many decades, with corresponding adjustments in the skills and attributes required of public policy managers.

As governments expanded their capacities in the 1970s and 1980s to meet ambitious new policy development challenges, public agencies became more professionalised through merit-based recruitment of highly qualified staff, including data analysts and policy advisors (Encel, 1970; Spann, 1979; Kouzmin and Scott, 1989). However, the long-standing role of public agencies as the key providers of trusted and independent expert policy advice became increasingly contested, owing to a powerful ideological backlash against ‘big government’, high taxes, regulatory constraints on business and the public-choice theory critique of bureaucracy as self-serving (Sawer, 1982). Subsequent debates about the core roles and functions of the public sector led to five main outcomes during the 1980s and 1990s. First, improving the efficiency of public agencies became the focus of repeated waves of restructuring, downsizing and the tighter specification of agency goals. Second, many government enterprises were sold as commercial
entities to the private sector, for example, in transport and energy infrastructure, financial services, and information services (Colley and Head, 2013). Third, market competition was introduced in many areas of publicly funded service provision, with a wide range of firms bidding for contracts to deliver human service programmes and to provide corporate support services to public agencies themselves. One result of privatisation and outsourcing was that public sector employment was reduced, with many lower-paid jobs being shifted to the private sector and the community sector. Fourth, governments increasingly chose to seek policy advice from a wider range of sources beyond the core public service, including ministerial advisory staff, consultancy firms and think tanks (see Chapter Thirteen, this volume), industry lobbies, and various other stakeholder groups (see Chapters Fourteen, Fifteen and Sixteen, this volume). Finally, the trend towards contract employment at the senior executive level of the public service, and the trend towards sacking many senior executives following a change of government, led to concerns about the politicisation of the public service; this appeared to undermine the long-standing professional expectation that a neutral public service would expertly implement the policy priorities of the incumbent government, no matter which parties may happen to hold office (Mulgan, 2007, 2008; Podger, 2007).

In short, since the 1980s, Australian governments have grappled with structural reform and the deregulation of the public sector, with the aims of not only boosting the efficiency and effectiveness of government itself, but also of promoting economic productivity and national well-being. Given the central preoccupation of government and the media with economic growth strategies, it is not surprising that the language and principles of economic calculation and efficiency came to shape the policy debates within government. These neoliberal economic principles came to dominate the public sector reform process in the form of New Public Management (NPM) doctrines, which advocated business efficiency processes and contractual models for service delivery. From the mid-1980s, NPM approaches were increasingly embedded within new paradigms for policy design, and were central in the ongoing debates about the nature and extent of ‘economic rationalism’ in Australia (Head, 1988; Pusey, 1991; Stokes, 2014; see also Chapter Three, this volume). The policy frameworks and instruments utilised for what became known as the ‘microeconomic reform’ agenda (Keating, 1994; Carroll and Painter, 1995; Freebairn, 1998) also tended to wash through into how social and environmental issues were addressed. For example, ‘economism’ and contractualisation became evident in the application of market-based incentives to natural resource management (eg competitive tenders and grants for the improvement of biodiversity conservation in local areas). It was even more evident in human services, where outsourcing created new markets in service delivery (such as the Job Network) (Considine et al, 2011). Moreover, the rationales for major recent investment programmes in childcare, education, training, and disability services have been cast primarily in terms of contributions to national productivity and human capital. More generally, critics
of neoliberalism voiced concerns that economic efficiency had begun to displace other goals and values, such as fairness and social equity in policy design (Argy, 1998; Miller and Orchard, 2014); whereas the neoliberal orthodoxy emphasised that only economic growth could provide the resources necessary for social redistribution programmes.

In recent decades, Australian governments have tried to address many complex social, economic and environmental policy challenges. Their capacity to achieve successful outcomes has been much debated, and major concerns have been raised in relation to three factors. First, there has been a serious concern – voiced by many critics of public sector downsizing and outsourcing – that the policy capacity of government itself might have been diminished since the 1980s and 1990s owing to the large-scale relocation of expertise to non-government service providers and consultants. Moreover, the policy and programme experts within agencies tended to become less valued as the demand for contract managers increased to deal with outsourced services. This concern has been echoed in a number of countries, including Canada (Peters, 1996; Bakvis, 2000) and other Organisation for Economic Co-operation and Development (OECD) nations (Painter and Pierre, 2005; Lindquist and Tiernan, 2011; Tiernan, 2011). Access to a wider range of policy expertise could be a net benefit to government, depending on the extent to which the quality of internal (public service) advice has already been developed and protected.

Second, the international context has been turbulent, with Australian policymakers consistently facing external shocks and international instability. The global context has been marked by major conflicts linked to economic resource security, together with other large-scale threats such as financial crises, pandemics, natural disasters, terrorism and cybercrime (OECD, 2011). These major shocks have generated increased needs for preparedness and international cooperation, implying an urgent need to strengthen policy coordination and regulatory capacity.

Third, there have been recent concerns that complex domestic policy issues may require fresh alternatives to the current orthodoxies of markets and hierarchy. The latter two approaches are based on: (1) neoliberal economics (ie reliance on private investment, market competition mechanisms and voluntary codes of industry conduct); and (2) enhanced law-and-order policies (ie tougher measures to control crime and manage security threats). In other words, the complex problems may require public leaders to: look for new approaches involving new methods to negotiate shared goals among diverse stakeholders; establish new multi-level policy agreements within the federation; and promote joined-up approaches that would link initiatives across several related policy spheres (Peters and Pierre, 2005; Moore and Hartley, 2008; Head, 2010). To the extent that a perceived decline in policy capacity was demonstrated to be real and enduring, new questions began to arise about how to revitalise and refresh that capacity.
Institutional context of policy advice and policy coordination

In Australia, the public policy advisory systems, and their corresponding processes for programme implementation, are deeply shaped by the federal structure of government (on the federal, state and local levels, see Chapters Five, Six and Seven, this volume). Some federal agencies have a clear constitutional mandate to pursue national objectives unimpeded by any need to engage with state governments (eg in macroeconomic policy, trade policy, defence and foreign affairs, immigration, banking regulation, and social security payments). The strategic policy role of the federal government has become increasingly dominant, owing to its very high level of control over total public revenue collection. Most of the key programmes in human services (such as health and education) have historically been state responsibilities, but with the expansion of federal fiscal power, these have become areas of shared funding, policy overlap and potential conflict. Thus, one important characteristic of Australian federalism since the 1970s has been the proliferation of policy and funding agreements between the federal and state levels. Arrangements for redistributing federal revenue for the use of states in their own programmes have been a key focus of political and bureaucratic negotiation (Fenna, 2010; Robinson and Farrelly, 2013).

Policy bargaining between the federal and state governments is now entrenched in a very large number of portfolio areas. Much of this bargaining occurs through ministerial councils, organised on a broad portfolio basis (eg education ministers), but the peak organisation is for ‘first ministers’. The Council of Australian Governments (COAG), chaired by the prime minister and attended by state premiers, territory chief ministers and the head of the local government association, was formed in the wake of a series of Special Premiers Conferences on reform of the public sector and federal–state responsibilities from 1990 to 1992. Since then, COAG has played a vital role in formulating national strategies in many key policy reform areas, such as competition policy (Painter, 1998), and in determining the priorities and performance outcomes that are to be met in social programmes and in natural resource management.

The COAG reform agenda has sometimes been very full. For example, in 2011, COAG identified five broad themes as priorities for all the ‘first ministers’: economic and social participation; a strong competitive economy; sustainability and liveability; better health services and systems; and progress in overcoming indigenous disadvantage. COAG decisions are implemented through various national agreements and partnerships that address large challenges, such as health reform, water management or disability services. These agreements typically include principles, strategies, outcome measures and, in many cases, federal incentive payments to the states for meeting service targets (Fenna, 2012). This system can therefore aptly be described as performance federalism. One of the innovative features of Australia’s performance federalism was the COAG Reform Council, established in 2006 by the Howard conservative government, and continued by the Rudd–Gillard Labor governments. Its role was to enhance
independent performance reporting in relation to the achievement of outcomes under the various intergovernmental agreements (COAG Reform Council, 2012), and it provided robust and critical advice (O’Loughlin, 2012). However, it was disbanded in June 2014 by the Abbott Coalition government, ostensibly as a cost-reduction measure, but also in the context of a promised review of the fundamentals of federalism.

The structure of intergovernmental financial arrangements, a hotly contested topic for many decades, has undergone periodic change. The general pattern – increasingly detailed conditions and prescriptions – has occasionally been interrupted by attempts at simplification. For example, the Intergovernmental Agreement on Federal Financial Relations (IGA), commencing in 2009, set out overarching objectives and principles for financial relations, together with an attempt to reduce and consolidate the number of financial grants (COAG, 2008; Carroll and Head, 2010). Just as important was the move towards monitoring programme outcomes (rather than the amount of spending). This focus on outcomes can provide state governments with more freedom to innovate, allowing some flexibility in the choice of programme instruments required to achieve the agreed targets within their own jurisdiction. However, the underlying centralist tendencies are beginning to re-emerge, with a growing number of ‘partnership agreements’ (somewhat like the old special-purpose payments) containing a number of input controls, as well as stipulated outcomes.

Policy coordination capacity is required not only between the federal and state levels of government, but also within each jurisdiction. The traditional solution has been for two central agencies in each government (the Treasury function and the prime minister’s or premier’s strategic policy department) to work together to set the policy and budgetary priorities for the government in support of the cabinet process. The other main tasks of central agencies are to serve the needs of senior ministers in policy leadership, facilitate cooperation across all public agencies to ensure a coherent approach, monitor progress in achieving major milestones and ensure that consultation occurs with the most significant stakeholder groups. In these ways, central agencies seek to ensure conformance with the agreed policy direction, provide coordination for implementation, and monitor levels of support for achieving the policy outcomes set by ministers. The federal Department of Finance has also acted as a change agent to improve the efficiency and effectiveness of public expenditure, and has played a special role in encouraging more systematic use of programme evaluation in the public sector (Sedgwick, 1992; Halligan, 2011).

One of the most highly valued processes for developing policy in complex areas has been the traditional issues paper, followed by a draft policy paper (or Green Paper), and a final White Paper embodying government policy. When well-managed, this policy development process allows for various rounds of input from stakeholders and expert commentators. However, the scale and pace of change in recent decades has led to the creation of additional, more specialised, public agencies to handle complex policy inquiries. These bodies take different forms.
On the one hand, there is a long tradition of establishing ad hoc commissions of inquiry into crises, tragedies, scandals and disasters. While there may be policy implications, the underlying purposes include symbolic assurance to the general public that the issues are taken seriously and that remedial action will be taken where possible to mitigate harm in future. Examples include: the commission of inquiry into emergency service responses to the Victorian bushfires of 2009; the commission of inquiry into the management of the Queensland floods in 2011; and the royal commission into the sexual abuse of children in institutional care. Other commissions of inquiry may have a primary intention to embarrass political opponents, such as various inquiries into the conduct of trade unions. Sometimes, the government seeks a specific kind of solution, and hand-picks the inquiry chair and committee members for this purpose, as with the Bracks inquiry into the motor vehicle industry in 2008 and the Warburton inquiry into the Renewable Energy Target in 2014. In exceptional cases, a senior public servant has presided over major policy taskforces that have included non-government experts, such as the Shergold review of emissions trading models in 2007 and the Henry review of taxation in 2008/09.

Other specialised bodies with high policy relevance have been established by legislation to provide independent expert advice on matters referred to them by government. The best example at the federal level is the Productivity Commission (see: http://www.pc.gov.au; see also Chapter Ten, this volume), which has evolved from its initial niche area of industry policy to become a trusted advisor across a range of social, economic and environmental policy. It also hosts the database for the ongoing reporting on COAG-endorsed initiatives, such as the ‘closing the gap’ initiative for indigenous disadvantage, and the annual reporting on the efficiency of human service delivery programmes in all jurisdictions. Victoria has also established a specialised body to undertake competition and efficiency inquiry functions at a state level (see: http://www.vcec.vic.gov.au).

The policy capacity of government departments and independent advisory bodies is complemented, and sometimes challenged, by external audit and review bodies. Of special relevance to policymaking are the audit offices at state and federal levels, such as the Australian National Audit Office (ANAO). Their traditional role in providing critical assessments of financial probity and efficiency has more recently been expanded to encompass reviews of programme performance, allowing a more robust evaluation of programme clarity, organisation and achievements. Departments are required to provide all relevant information for these reviews and to respond to audit recommendations. The ANAO also conducts wider reviews on key themes, such as effective cross-agency agreements (ANAO, 2010). It also plays an educative role by publishing ‘better practice’ guidelines on topics ranging from audit and accountability, through to managing risks in system innovation and programme implementation (see: http://www.anao.gov.au/Publications/Better-Practice-Guides). Following the debacle of the federal ‘roof insulation’ programme in 2009, and several public inquiries in later years, the programme implementation guidelines were revised to reflect the need
for greater clarity in roles and accountability, improved stakeholder engagement, and cross-agency communication (ANAO, 2014).

Other advisory and regulatory bodies with statutory independence include economic regulatory bodies, such as the Australian Competition and Consumer Commission (ACCC), which promotes competitive markets and protects consumer interests (see: https://www.accc.gov.au), and other bodies that oversee the prices charged by former government business enterprises with a natural monopoly, for example, electricity, water and public transport companies (see, eg, the NSW Independent Pricing and Regulatory Tribunal: http://www.ipart.nsw.gov.au).

**Policy capacity for evidence-based decision-making**

The key elements of policy capacity – analytical, administrative and relational – are developed through long-term patterns of investment, training and mentoring. Public agencies typically develop their own distinctive requirements, configured to their specific needs in service delivery, regulation or policy coordination. Some public agencies have policy units with specialised roles in conducting policy negotiations and providing policy briefing papers for senior management and the minister. Other agencies believe that they cannot afford the ‘luxury’ of specialised policy units with well-trained analysts and substantial bodies of performance and evaluation evidence. Nevertheless, for those leaders and public agencies that wish to build policy capacity, the key elements for an evidence-based approach are clear: reliable and comprehensive data; analytical skills for examining trends and options; evaluation skills to analyse costs, benefits and effectiveness; project management and cross-agency coordination processes; stakeholder consultation; and reporting on programme performance. All of this occurs in the context of government priorities, political debate and considerable doubts about whether solutions can ever be sensibly derived merely from the technical analysis of data.

Public servants engaged in various aspects of policy work do more than contribute to a policymaking production line, as implied by the linear ‘policy cycle’ process model. Policy-analytical work is undertaken in the shadow of procedural and legal rules, but much of the work requires skills in adaptive interaction and project management (Gill and Colebatch, 2006; Gleeson et al, 2011). Australian and international findings confirm that policy units often contain a high proportion of generalist staff (rather than content specialists) and that policy staff: often have little direct training in policy analysis skills (mainly learning ‘on the job’); largely focus on short-term issues (the urgent and immediate rather than long-term strategic thinking); and have limited familiarity with research literature (Head, 2013; Head et al, 2014). Practical skills and experience in interpreting, arguing and persuading are as highly prized as rational, analytical calculations or the capacity to undertake regression analysis. No doubt these factors are highly variable across different organisations and jurisdictions, and the nature and quality of policy advice is therefore variable.
This raises complex issues about policy learning, the quality of policy advice and their relationship to policy capacity. On the one hand, it is commonly found that a high level of job turnover applies in policy units, and some governments take pride in recruiting senior managers from other sectors, such as business, to challenge bureaucratic routines and to repeatedly restructure public agencies. However, this discontinuity, whether planned or accidental, can also be damaging for policy learning because time is not given to learning from past successes and failures, corporate memory is undervalued, and the effectiveness of new structures is seldom considered (Pollitt, 2007, 2013; Wettenhall, 2011). Presumably, there are significant ‘political’ aspects to deciding what to preserve and what to overlook. These systemic or structural concerns are typically ignored in everyday discussions of how the quality of policy advice may be judged. The ANAO (2001) developed some checklist criteria based on matters such as using the official template for briefing notes, meeting timelines, the clarity of expression, the insightful analysis of options and so on. However, the audience for departmental policy advice is ultimately qualitative, namely, the judgements made by senior agency executives and the ministerial office. One of the roles of senior management is to mediate these potential differences of outlook and emphasis, and to provide middle managers with insights about how to pitch the policy analysis in terms of technical detail, political feasibility, costs/benefits and so on (Waller, 1992).

Government departments are largely responsible for gathering and processing administrative data to manage their own programmes and report on performance, and they are also expected to undertake evaluation activities to demonstrate programme effectiveness and value for money. Federal requirements for a more systematic approach to programme evaluation commenced in 1988 (Sedgwick, 1992, p 42), whereas state-level requirements are more recent and less systematic, owing to limited funding. Individual departments often lack resources for capacity-building and sophisticated data analysis. However, in the economic policy arena, the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), attached to the federal portfolio on agriculture for some decades, has made distinguished contributions to policy-related research. In the human services area, knowledge gaps have been filled by the rise of specialised public sector research-based organisations (see Chapter Eighteen, this volume), such as the Australian Institute of Health and Welfare (AIHW), the Australian Institute for Family Studies (AIFS) and bodies jointly funded by the federal and state governments, for example, the Australian Housing and Urban Research Institute (AHURI) and the National Centre for Vocational Education Research (NCVER).

The federal government recently conducted several reviews into the capabilities of agencies and of the public service as a whole. A report by the Advisory Group on the Reform of Australian Government Administration, *Ahead of the game* (AGRAGA, 2010), found that the federal agencies were competent but needed to lift their capacity to respond to the tough challenges of rapid external change and higher community expectations. The report found that the public service should increase its capabilities in strategic policy (AGRAGA, 2010, pp 20–2).
number of Capability Reviews were instituted, one of which found that in the Department of Immigration and Citizenship:

Evaluation and knowledge sharing was commonly observed, both internally and externally, to be an area requiring significant improvement. No structured process exists for sharing knowledge and the department is highly reliant on informal networks rather than more systematic approaches to evaluation and knowledge discovery and sharing. Of particular concern is the inconsistent approach to capturing, sharing, and incorporating lessons learned from crises or even ongoing business activities. (APSC, 2012, p 13)

The resources and incentives to provide evidence-based advice, and to undertake evidence-informed decision-making, diverge widely across portfolios and across the various levels of government. In general, officials and leaders in lower-level jurisdictions and lower-status agencies may have insufficient resources to undertake systematic policy and service development initiatives without major support. In the Australian federal system, the national government is best placed to invest in large research and information systems. Heinrich (2007, p 274) observes that success in such matters ‘requires long-term investments in developing not only the technical and methodological capacity for such an undertaking but also in building strong relationships based on mutual appreciation and understanding between researchers and policy makers’.

**The rise of alternative sources of policy advice**

The public service gradually lost its monopoly on the provision of expert policy advice to governments over several decades. The contestability of policy advice was championed by the advocates of marketisation in government, so that there would be a market for policy ideas complementing the enlarged market for services. Within the government sector, the number of ministerial advisers grew substantially from the 1970s. The commissioning of reports and policy advice from consulting firms became frequent from the 1980s. At the same time, industry lobby organisations became more professionalised, a process stimulated by federal ministers requiring authoritative submissions encompassing industry perspectives. Research centres attached to universities also expanded (see Chapter Eighteen, this volume). The proliferation of think tanks (see Chapter Thirteen, this volume) and advocacy organisations in recent decades is probably linked to the low cost of entry for policy communication in the Internet age. The massive growth in the circulation of information and opinions relevant to policy has been driven by the information and communications technology (ICT) revolution, through diverse media channels. In short, there have been increases on both the demand side and the supply side for alternative forms of policy advice.
In organisational theory, the point has long been recognised that making effective use of information has two organisational facets, internal and external, and that it is difficult to bring these processes together:

The difficulty of coping with the information-rich environment is compounded by the fact that most information relevant to top-level and long-run organizational decisions typically originates outside the organization, and hence in forms and quantities that are beyond its control. This means that the organization must have an ‘interface’ for ingesting such information selectively, and for translating it into formats that are compatible with its internal information flows and systems. (Simon, 1973, p 271)

The major government departments now face more complex challenges in having to develop their capacity to harvest and synthesise relevant information from these diverse sources, and take account of wide-ranging stakeholder interests and opinions. Under these conditions, three kinds of risks arise. One risk is that rigorous evidence might become a smaller component of the relevant information presented to decision-makers, in turn, posing difficulties for finding clear indicators for the quality of advice. Second, the risk of politicisation may become more troubling if the policy space is increasingly occupied by advocacy coalitions, and if public servants are being recruited to promote the dominant policy paradigm centred on national economic growth and public sector reform (Aucoin and Bakvis, 2005, p 191). A third risk is that accountability may become diffused when advice has many sources and voices, and when many private and public actors are involved in the delivery of programmes, making it harder to assign responsibility to specific actors for the effective provision of solutions.

Conclusions: challenges for innovation, collaboration and policy capacity

Strong arguments have been made that NPM business models and traditional ‘control’ strategies are too narrow to manage the networked governance required for the many complex issues facing modern governments and citizens (Pierre and Peters, 2005; Héritier and Lehmkuhl, 2008; Head and Alford, 2015). Tighter coordination and tighter accountability might deal with some aspects of crises, such as disaster management and national security, but a wider range of frameworks will be required for tackling complex social issues such as new models for human services and community development (Botsman and Latham, 2001), addressing environmental challenges, and overcoming the entrenched disadvantages faced by indigenous Australians.

Some of the senior strategists in the federal public service have clearly perceived the need for innovation. Their perceptions are reflected in a number of review documents – such as Connecting government (MAC, 2004), Tackling wicked problems
(APSC, 2007), *Ahead of the game* (AGRAGA, 2010) and *Empowering change* (MAC, 2010). The national policy reform process has some heroic achievements, which are regularly honoured in the speeches of senior officials (Lindquist et al, 2011). The old and new frameworks continue to evolve in parallel, with their underlying tensions unresolved; rather, they have been layered and patched to meet emergent issues and crises.

The traditional issues of competence, communication and accountability have been re-emphasised as a result of inquiries into programmes that were seen to fail, such as the coordination problems highlighted by the Royal Commission into the home insulation programme (Massola, 2014). However, the criteria for determining policy failure are contentious: programmes may have been well-crafted but poorly implemented; programmes can achieve their stated goals but have additional unintended effects; and programmes can be competently managed but become politically unpopular (Bovens et al, 2001, p 20). The positive contribution of evidence-based analysis will depend on specific organisational and political situations, and the impact will be linked to matters of policy design, the choice of effective tools and methods, administrative and relational capacity, and stakeholder support and understanding. Policy oversight has also become much more difficult in complex service contracting environments. Thus, the role of ‘policy capacity’ is linked to many factors beyond analytical capacity, and includes the capacity to forge strategic relationships with ministers, other public agencies and external stakeholders. Importantly, ‘policy capacity’ draws attention to the need for strategic foresight and longer-term considerations, going well beyond the competent management of immediate programmes (eg OECD, 2010, ch 4). The skills and competencies of senior officials have expanded to meet the practical and professional challenges of navigating this complex relational environment (Hartley et al, 2015).

In attempting to increase the capacity of Australian governments to manage complex policy challenges, financial and performance management frameworks have been established to clarify policy goals and increase accountability in a multi-stakeholder context (Van Dooren et al, 2010; Head and O’Flynn, 2015). The favoured regulatory and contractual instruments of the NPM paradigm are still dominant: downsizing, outsourcing, marketisation and functional separation between policy, regulation and service delivery roles. Nevertheless, some agencies are slowly learning that for some of the large ‘wicked’ problems faced by governments, solutions are unlikely to emerge from functionally based, bureaucratic organisations. Institutional processes and network mechanisms are gradually being adapted. In the Australian federal system, national problems often require intergovernmental negotiation to forge agreed strategic directions, and COAG will therefore endure but it will need better focus (Menzies, 2013). The new economic, social and environmental problems demand policy and governance innovations. These challenges have stretched the policy capacity of managers and leaders to design, implement and evaluate new approaches and to
manage new risks. Therefore, the availability of a wider range of expertise and sources of policy advice may have advantages in the long run.

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Part Two
Analysis and advice within government
Introduction

This chapter explores Australian federal government policymaking over the past century, analysing its development and tracing particular trends, patterns and distinctive approaches. The chapter begins by identifying the traditions of ‘limited government’ that marked the birth of the federal level of government (the Commonwealth) from 1901, including the constitutional provisions and constraints it operated under and the various ways in which it eventually attempted to circumvent these in order to undertake a broader national policymaking role.

It then explores the institutional arrangements established to give expression to federal policy appetites, and the willingness of the federal level to engineer institutional adaptation as political, economic and social circumstances changed. Finally, the chapter explores the eclectic frames and theoretical underpinnings of these policy approaches, linking them to broader Australian political values and the scholarly/intellectual disciplinary fields that informed specific choices and forms of intervention. Australia’s relatively belated encounter with formal policy analysis and evaluation methodologies has remained embryonic and largely perfunctory. The Commonwealth has struggled to take seriously the requirements of rigorous policy analysis and evaluation in its own spheres of responsibility, yet has been prepared to impose stringent top-down reporting requirements on the policy implementation of states and territories in the quest for performance results.

Constitutional restraints and evolving federal powers

At nationhood, the Commonwealth of Australia was established essentially from scratch by British statute as a new dominion government in January 1901. It commenced as a ‘virtual government’ without an explicit colonial lineage (and without any exclusive territory initially), but it inherited a range of colonial legacies, institutional-administrative conventions and operating procedures from its various state constituents, as well as some public agencies and official staff. For the first 30 to 40 years of the 20th century, the Commonwealth had relatively limited policymaking roles and appetites (perhaps, to a degree, even self-imposed) – complying with the logic of ‘coordinate federalism’ within a minimalist federal
model espoused by the Founding Fathers. Australia’s original cabinet and seven departments were miniscule, and over the first decades, they rarely strayed into policy activism (the largest agency was the postmaster’s department, followed by the audit office, although the defence organisations gradually expanded). Some basic federal laws, the siting of the national capital city and defence capabilities formed its initial preoccupations, followed by public banking and pensions. However, it eschewed areas in which it could have been more actively involved. For instance, although the Commonwealth had policy and legislative responsibility for ‘external powers’, it developed almost no foreign affairs capabilities (leaving it largely to the British government). This heritage affected both the initial Commonwealth pattern of limited policy development before the Second World War, and then paradoxically spurred the much more activist trajectory in the post-war period through to the current century.

From the outset, the Commonwealth was hampered by the constitutional constraints imposed upon it and the limited formal powers granted by the political leaders and constitutional jurists of the former colonies. The new federal government was never conceived of as the equivalent of a unitary-style national government with proactive preoccupations, and it was given limited sources of revenue (customs duties mainly), although revenue-raising capacities were a concurrent power. It also had very few exclusive powers (principally, exclusive power over its own territories and the ‘seat of government’ [then still yet to be determined], its central parliamentary and judicial institutions, its public service, and over customs, excise and bounties). Not much else was exclusively the policy domain of the Commonwealth (Sawer, 1975). Section 51 of the Constitution listed a string of relatively specific concurrent and sometimes parallel powers in which the Commonwealth had an ability to legislate if it so chose (as did the states), and only if the laws were inconsistent did the Constitution provide that the Commonwealth prevailed (eg both jurisdictions regulated marriage and quarantine for decades without striking inconsistencies and so both policy and regulatory functions operated within valid legal frameworks). However, Commonwealth policy powers could be further curbed (or expanded) by High Court interpretations in deciding constitutional cases brought before it. From the 1920s to the 1940s, the Commonwealth desired to build merchant ships in Australian shipyards to form an Australian mercantile navy, but it had to circumvent the Constitution after losing a High Court case in 1926 (Cwth v Aust Shipping Board) and after subsequent legal advice considered that the Commonwealth was debarred from engaging in shipbuilding for general commercial purposes and that it could not exercise the requisite ‘national interest’ powers in peacetime. The Commonwealth subsequently undertook creative policy action at the end of the Second World War and indirectly commissioned ships that were first ordered by and then sold on to private operators (but heavily subsidised by the Commonwealth) for almost three decades from the mid-1940s. Shipbuilding by the Commonwealth was an early initial attempt to escape the policy straitjacket placed on the federal government by the colonial premiers and justices at Federation (Beeson, 1997).
By the onset of the Second World War, a number of contextual factors changed the Commonwealth’s policy responsibilities forever (Commonwealth of Australia, 2001). Emergency powers and the imperatives of national security saw the Commonwealth invest in policy areas that it had largely ignored until then (e.g., industrial production, regional development, communications, more extensive use of public companies and controls on private banking and commerce). In 1942, the seizure of the administration of income tax from the states (in effect, becoming an exclusive power by executive fiat) changed the Commonwealth’s financial powers and its increasing ability to influence areas of public policy that were largely within the purview of state and territory jurisdictions. Following the work of an influential parliamentary committee on social security, a successful referendum in 1946 further expanded the Commonwealth powers in the domain of social services, extending welfare benefits to child endowment, the unemployed, widows, the sick and disabled, housing and homes for the aged, pharmaceuticals, and other medical benefits (Kewley, 1973, pp 173–373). Suddenly, the ‘power to fund’ expanded the Commonwealth’s policy visions exponentially, although successive governments in the 1950s were slow to realise the full potential of this power. For instance, under Section 96 of the Constitution, special purpose payments (SPPs) could be made to states on whatever terms and conditions the Commonwealth stipulated, which were an obvious mechanism to enhance Commonwealth policy influence. Yet, throughout the 1950s, SPPs remained relatively low at around 17–20% of total Commonwealth grants to the states, and only began to increase from the mid-1960s (finally approaching 50% by 1976 and again touching that quantum in the 1990s). These extra-constitutional funding powers enabled the Commonwealth not only to sponsor policy initiatives at its discretion, but also to intervene in areas outside its main constitutional heads of power, to shape the spending patterns of the states and to exercise additional influence through coordination.

So, by the 1970s, the Commonwealth was funding roads and basic infrastructure, public housing and aged-care facilities, public hospitals and some private ones, universities and other aspects of education, industry restructuring, drought relief, and special events (e.g., Expo88 and the Sydney Olympics 2000). More importantly, the Commonwealth was gradually assuming primary responsibility for policy design and attempting to oversee programme delivery. Not all commentators welcomed the increased policy presence of the Commonwealth in either existing areas of state responsibility or new policy areas opening up as time went on (see Patience and Scott, 1983). At the end of the long post-war economic boom principally driven by mildly Keynesian demand management policies and presided over by conservative governments, one critical commentator was able to complain: What the federal government has in fact done is to centralize all of the determining powers of government – the power to raise money and control the economy, the power to stimulate industries and import migrants, the power to finance road-building or high-rise flats – while
at the same time refusing to acknowledge responsibility for any of the effects of its policies. It is left to impoverished state and local governments to educate the children encouraged to migrate here, to cope with the federally-induced problems of rural depopulation and urban sprawl, and to patch up the deficiencies in the federal patchwork of social services. (McLaren, 1972, p xi)

From the 1960s, much of the more recent policy history of centralisation occurred through the new policy lens of ‘coercive federalism’ (the Commonwealth insisting on getting its own way and complaining if frustrated) (see Fenna, 2012). The Commonwealth government had long jettisoned ‘coordinate federalism’ and ‘cooperative federalism’ in favour of the unilateral exercise of its funding leverage (Galligan, 1989). Yet, as Phillimore and Arklay argue in Chapter Six (this volume), the states still possessed much local jurisdictional autonomy and administrative discretion – they still operated the schools, hospitals, police and law enforcement services, local infrastructure, land management and urban planning, and most regulations and licences. Subsequently, both conservative (Liberal–National) and industrialist (Labor) governments have come to recognise that to achieve ‘national’ policy goals, they have to work with/through the states and territories. This emergent but highly complicated pattern of intergovernmental relations (arguably unintended in nature, although some have subsequently termed it ‘pragmatic federalism’; see Hollander and Patapan, 2007), has served to convert many traditional policy areas into ones of implicitly ‘shared responsibility’, simultaneously blurring jurisdictional accountabilities, inciting buck-passing and contributing to the ‘blame game’ (Brown and Bellamy, 2007; Anderson and Parkin, 2010). Such policy ‘sharing’ has been driven more often than not by financial levers rather than detached policy analysis or direct experiences (Keating and Wanna, 2000).

Particularly after the advent of special premiers’ conferences (1990–91) directed primarily at the promotion of microeconomic reform (Carroll and Painter, 1995), and the subsequent initiation of the Council of Australian Governments (COAG) from December 1992, the Commonwealth has been active in playing a lead role in devising so-called ‘national policy frameworks’ and brokering with state governments over sectoral policy goals (see the COAG website at: http://www.coag.gov.au/). It has used these collaborative heads of government forums to champion priority reforms, including: National Competition Policy; the ‘mutual recognition’ of regulatory schemes; the reform of utilities; a succession of five-year health reform and mental health strategies; dental care; school funding; childcare; and the recently announced National Disability Insurance Scheme (disability care). These national policy frameworks were largely directed by the federal government over selected areas of state responsibility, again using the levers of SPPs but incorporating performance partnership agreements, specified performance targets and requirements for results reporting. National policy frameworks were usually intended to assign additional resources to policy
areas while bringing greater uniformity and consistency of policy approaches across the country (if complied with, they represent a creeping form of national harmonisation). Previous Commonwealth governments established a special oversight agency in July 2006, the COAG Reform Council (CRC), as a grand arbiter of intergovernmental compliance tasked with monitoring progress against these partnership agreements and national policy frameworks (although even its initial chairman questioned the wisdom of imposing central conformity, preferring instead to allow states to enjoy local discretion and operational autonomy; see McClintock, 2013). A subsequent conservative Abbott government announced the abolition of the CRC (as recommended by its National Commission of Audit Report [2014]), believing that it was unnecessary and that its work could be done within the existing executive agencies (although less independently).

**Institutional arrangements to develop and implement federal policy goals**

With only a handful of miniscule departments at Federation, the Commonwealth was slow to expand its own portfolios (rising from just seven to 11 departments between 1901 and 1932, and from 13,000 to 22,000 public servants, with the vast majority still employed in the Post Office), preferring instead to establish various statutory corporations, statutory authorities or public enterprises (crown entities) to administer discrete activities and influence policy areas (but usually outside the public service). Earliest among these was the Commonwealth Bank, the Australian Broadcasting Commission (ABC), marketing and irrigation boards, public broadcasting, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), and capital planning commissions, although the Commonwealth’s reliance on such bodies was noticeably less than that of the states (see Spann, 1973, p 202). The resort to creating statutory bodies expanded dramatically in the decades after 1945, extending the Commonwealth’s influence into many essential industries (air travel, coal, aluminium and resource development, industries development, hydro-electricity, TV and telecommunications, insurance, coastal shipping, and even whaling). Some of these bodies were jointly operated between the Commonwealth and state partners (and sometimes even involved international partnerships), especially where locational factors were crucial or the Commonwealth was uncertain of its constitutional powers. Moreover, the Commonwealth sought to have policy influence by investing in public companies (owned solely or jointly by government); relevant examples include companies responsible for wireless, oil refining, merchant shipping, migrant and Aboriginal hostels, airlines and aged-care standards. In most of these specific areas of Commonwealth involvement, the intentions of the national government were not concerned with nationalisation, but with ensuring a close alignment with national interest priorities.

Gradually, however, the Commonwealth increased the number and purview of its own ministerial departments to expand its own executive policy capacities.
and advise ministers on policy options. By 1950, there were some 23 departments mostly with relatively specialist functions (eg repatriation, civil aviation, trade, territories); this number increased to 25 by 1966 (plus occasional additional transfers of functions and titles between departments). The Whitlam government (1972–75) further increased the number of separate portfolios to 37 (including the creation of 18 new departments) in a rash of new enthusiasm to tackle what they regarded as neglected areas of policy (eg Tourism; Urban and Regional Development; Media; Science; Aboriginal Affairs; and Northern Development). However, following a major reconsolidation into ‘mega-departments’ in 1987 (Gruen and Grattan, 1993, p 44), the number of Commonwealth portfolios stabilised at around 18–20 (Davis et al, 1999), although many of these have multiple policy components (eg Families, Housing, Community Services and Indigenous Affairs; or Infrastructure, Transport, Regional Development and Local Government; and later Sustainability, Environment, Water, Population and Communities), and frequently some departments still seemingly overlapped at times. By the 2000s, the Commonwealth’s ‘own use’ spending on its policy departments and agencies constituted around one third of federal budgetary outlays. Some of these departments became proficient at analysing and assessing the financial costs of policy (eg Treasury and later Finance, and, to a lesser degree, Prime Minister and Cabinet), and providing contestable advice to cabinet and ministers, initially ‘shrouded in the mystique of confidentiality’ but gradually becoming more open to scrutiny (Weller and Stevens, 1998, p 579).

In addition to these institutional support structures, Commonwealth governments have established specialist advisory bodies and independent commissions to feed ideas into public debate and inform policy considerations in government (Marsh and Stone, 2004). From the 1960s, the government set up commissions to investigate and make recommendations on social welfare, cities, industry assistance, the environment, an updating of the Constitution, Aboriginal and Torres Strait Islanders, resource assessments, and health and health services. It established a central bank in 1955 and gradually enshrined its policy independence. The Hawke government (1983–91) used the Economic Planning Advisory Commission not only to provide policy advice, but also to build consensual platforms with peak industry and union bodies on economic restructuring and to assist with stakeholder and community consultations. The federal government has also funded think tanks and lobby groups to assist with their research capabilities and policy advocacy functions, and sometimes de-funded them when it found them too partisan or critical.

The modern-day Productivity Commission has earned itself pride of place (see also Chapter Ten, this volume), not only by contributing detailed economic assessments of industries and labour markets, but also through investigating at the government’s request social and lifestyle problems (eg gambling and problem gambling, the provision of aged care and disability care, local government services, teacher quality on educational outcomes, and the capacities of the not-for-profit sector) and contentious policy issues (parental leave, superannuation,
carbon emissions policies, climate adaptation and executive remuneration). It enjoys this unique position and enviable reputation largely because it is a lone independent player in these sectors and in public debate, and advocates rigorous ‘evidence-based’ methodologies even if from a largely economistic mindset. In addition to various advisory commissions, federal governments have established specialist research units over the years (often within portfolio structures) to advise relatively publicly on topics such as agriculture and resource economics, transport economics, industry economics, labour market research, demographics, housing need, and social security.

Australian governments have also felt the need to review their own operations and the capacities of public administration more generally to assess their performance and suitability for effective policy delivery. Over recent decades, these semi-independent influential reviews have focused on staff promotion and transfers (Bailey, 1944–45), graduate recruitment into the public service (Boyer, 1958–59), broader administrative and managerial/business reviews (Coombs, 1974–76; Bland, 1976; Reid, 1982–83), the efficiency of government (Block, 1986–87), statutory provisions and flexibilities (McLeod, 1994), and community engagement potentialities (Moran, 2010). Many of these reviews replicated similar undertakings conducted in the UK, Canada or the US.

Institutional structures necessarily involve constraints, and, as such, create path dependencies and risk institutional misalignment and inertia (Brennan and Castles, 2002). To combat some of these concerns, the Commonwealth has not been shy in abolishing agencies or reconfiguring their design and purview. Thus, ministerial departments and executive agencies have regularly been recalibrated organisationally to reflect new policy directions (eg the defence services, social security, home affairs, Centrelink, corporate services regulators and multicultural and ethnic affairs) and, at times, entirely abolished (eg Urban and Regional Development; Housing and Construction; Aboriginal Affairs; Administrative Services). Statutory commissions have similarly been repeatedly refashioned (eg CSIRO, the ABC, AusAID, various educational and curriculum boards, and film commissions), privatised (Commonwealth Bank, Telstra, Serum Laboratories) or abolished (eg the Social Welfare Commission, Public Service Board, ATSIC, Murray Darling Basin Commission and the National Water Commission). Mostly, these organisational restructurings have been motivated by priority changes, changes in policy scope or approaches, transformational redesign or renewal, institutional failure, ideology, exercises of executive power, and rebranding and presentational concerns.

**Frameworks for policy development and the weak tradition of policy analysis**

The Commonwealth has generally been eclectic in its adoption of guiding policy frames, and often articulated or recognised them only retrospectively. In the early years after Federation, ‘social liberal’ governments (Sawer, 2003) were
motivated by creating some residual social security schemes for the disabled and aged pensions and maternity allowances, but this momentum was then curtailed by the war effort in the First World War and its aftermath. The Commonwealth expediently took over state debts in 1910 and 1929, and following a series of intergovernmental agreements, gained some additional powers of fiscal regulation. The Loan Council (formed in 1927) and the Commonwealth Grants Commission3 (1933) further expanded its ability to regulate on fiscal matters. In the post-Depression era, Commonwealth policies embraced state activism in the development of secondary industry (textiles, shipbuilding, automotive, weapons manufacture), communications and transportation (railways, aviation, shipping, space exploration, broadcasting), and later urban provision and city development, but the Commonwealth’s approach was usually more facilitative rather than seeking outright ownership and control. Influenced heavily by Keynesian thinking on full employment and demand management, post-war reconstruction saw the Commonwealth greatly expand its social security responsibilities, as well as statistical-analytic skills (especially assisted by comprehensive computerisation). Arguably, the Commonwealth’s increased interest in a myriad of human services and ‘new dependencies’ (social security, migration and demographics) gradually kindled an interest in the analysis of policy sectors and in the formal review of broad policy settings (Kewley, 1973; Mendelsohn, 1983; Regan, 2014). However, politics more than policy analysis shaped these ad hoc interventions.

Overall, as the 20th century wore on, the Commonwealth’s main policy approaches (and guiding philosophies on public policy) were captured by the term ‘punctuated ad hoc interventionism’. It was occasionally informed by programmatic agendas in policy sectors (Dowding et al, 2013), but usually not, and involved episodic spurts of policy activism, with pragmatic initiatives devised by the political executive with the assistance of public service advice and political parties. In introducing social policy adjustments or ‘new policy’, governments would follow a tried and tested pattern of: announcing an initiative usually pre-emptively (possibly a ministerial project or an aspect of the governing party’s platform); devising a system of distributional rationing often based on ‘means testing’, probably monitoring to some degree the deployment and costs of implementation; before finally making any desired adjustments (and then repeating the process) (see Graycar, 1977; Brennan, 1994). Policies that were regarded as ‘good ideas’ were retained and built on incrementally; others were significantly revised or quietly discarded when an opportune moment appeared or a change of government occurred.

Beside the predominance of politics in the policy process, bureaucratic traditions implied a predilection for regulatory solutions. It should also be remembered that from the 1910s to the 1960s, most of the federal public service (and statutory authorities) were staffed at all levels by returned soldiers who were conditioned to follow orders and serve within command hierarchies, and were themselves highly regulation-driven and rule-bound. Such regulatory public service cultures displayed a preference for bureaucratic delivery modes (resulting in comparatively
high levels of public sector employment), where strict conformities were enforced in benefit provision and in the application of entitlement criteria (Commonwealth of Australia, 2001). The Commonwealth became the ‘means-tested state’ *par excellence* (targeting its distributions to the ‘deserving poor’), where only those deserving of assistance were provided with benefits taken from consolidated revenue (and benefits were never hypothecated or collected on a community insurance basis) (Castles, 2002). To ensure that no one was receiving benefits to which they were not entitled, in the 1960s and 1970s, federal government inspectors undertook surveillance to see if welfare claimants were married or cohabiting – an invasive practice that remains one of the enduring images of the Australian residual welfare state (see Jordan, 1981).

Yet, the Commonwealth was not averse to adopting policies of social engineering, human selection and reshaping social behaviour – perhaps a legacy from the colonial penal settlements and the later mass migration programmes based on labour market needs and the potential economic contributions of families and individuals. For decades, migrant entry was based on racial grounds and the selected work skills of individuals and families, with applicants closely assessed before being considered eligible for settlement. Aboriginal children were made wards of the state and separated from their communities to be educated or become servants to white families, while remote indigenous communities were largely neglected. Compulsory arbitration was imposed on all industrial disputes and pay claims, and award wages were determined by industrial jurists sitting in arbitral courts, with award pay rates tied to male breadwinners for generations. A complex matrix of minimum wages was governmentally decreed and statutorily enforced, while poverty measures were calculated down to the last dollar for determining social benefits and subsistence. For decades, women could only access social programmes through male partners (except with widows’ pensions and old-aged pensions). These social engineering interventions (to effect a ‘workingmen’s welfare state’) were later expanded through federal investments into secondary schooling and retention rates, general access to university education, vocational education programmes, and skills training for trade qualifications (in some cases, with compulsion if unemployed and with personal co-contributions required for those choosing to study). From the 1970s and 1980s, governments gradually adopted the policy frameworks (and rhetoric) of ‘nation-building’ to deliver not only infrastructure, telecommunications, community land-care and environmental programmes, but also social policies, equal opportunities, health provision, mass education and the enhancement of cultural capital in communities (see Kelly, 1994; Wanna and Weller, 2003).

The particular policy values motivating and underpinning these emergent policy approaches enjoyed long historical legacies. They drew their inspiration from various sources, such as: ideas current in Australia’s 19th-century settlement society; Antipodean adversity and the paucity of early infrastructure (‘developmentalism’); the persuasive ideas of influential political thinkers/ideologies from the UK and US; together with notions of novel political pragmatism (‘state experimentalism’).
shared with other comparable democracies (such as New Zealand). Important values included those of: colonial and social liberalism; economic development and growth; the sanctity of property and the value of labour; national security; desires for social order and routine (but without authoritarianism); egalitarianism and opportunity; fairness; and, even later, concerns with access and equity, diversity, and human rights (see Yeatman, 1998; Wanna and Weller, 2003; Stewart, 2009). The technical expertise and scholarly underpinnings that informed Australian policy approaches developed over time: beginning with practical expertise in social statistics, public law and constitutional law; expertise in the fields of public administration and later public management; then the growing sophistication of statistical analysis and economic modelling; the concerns of ‘welfare economics’ and Keynesian economics, with its ‘mixed economy’ nostrums; social policy and social work perspectives; project management rigours from civil engineering, accounting and actuarial skills; and, later, ‘economic rationalism’, neoliberalism and ‘new institutional economics’ or behavioural economics. However, historically, these fields of expertise often had to be brought in from outside (via universities, research institutes or from consultants) or were established and nourished in expert specialised agencies (such as ABS (the Australian Bureau of Statistics), ABARE (Australian Bureau of Agriculture and Resource Economics) and CSIRO (Commonwealth Scientific and Industrial Research Organisation), and within the portfolios of Social Security, Works, Treasury, Attorney General and Trade). More recently still, multidisciplinary policy analysis has become the new norm in departments and agencies, with highly trained and specialised staff working in taskforces on identified policy problems that cross the boundaries of multiple agencies (MAC, 2004).

However, on the converse side, successive Commonwealth governments were reluctant to adopt formal or centralised planning as a policy frame, and many governments rejected planning initiatives outright. So, for example, real estate markets and speculative property booms determined the size and shape of cities, not integrated planning requirements, with the result that many cities persistently had poor infrastructure, congestion and urban sprawl. Similarly, economic development was driven by private investment decisions (foreign and domestic) rather than by indicative planning engineered by governments to underpin growth (compare the recommendations of the Vernon Committee in 1965 [Committee of Economic Enquiry (Australia), 1965] or the thrust of the Howard government’s Going for growth report of 1997 [Review of Business Programs, 1997]). Successive governments were well aware of the problems of unplanned growth and the constraints on their capacities to address policy issues but either felt powerless to act effectively or were not motivated to act at all. Instead, government policy responses remained punctuated, eclectic and pluralistic.
Emergence of a Commonwealth interest in policy analysis

In essence, the routines and disciplines of policy analysis were slow to manifest themselves in the Commonwealth. There was only a limited interest in taking policy analysis seriously and employing its diagnostic disciplines consistently and comprehensively across policy sectors. Occasional reviews of policy sectors or looming policy issues occurred, often headed by outside experts but with significant input from public servants (e.g., Asprey, Mathews, Henderson, Campbell, Martin, Wallace, Sackville). The principal incentives associated with the political process were directed towards framing policy ideas and developing policy formulation, not detailed analysis of options and implications. Policies, such as Medibank (and its later offspring Medicare), higher education funding, urban development, childcare, disability care and renewable energy schemes were ‘rolled out’ hopefully and optimistically: their design was largely political, and the implementation was tailored to administrative processes. Without a robust tradition of policy analysis, policy proposals were not diagnosed beforehand or much evaluated afterwards.

Nevertheless, there have been some areas of Commonwealth policy responsibility that have been more strongly guided by policy analysis. Many reviews and systemic changes to social security (a core area of federal responsibility since the 1946 referendum change) have come about through detailed policy analysis of beneficiary provisions, poverty traps, gender implications or better ways of ensuring income support to people in need (based on internal research units, frequent reviews and specialist departmental journals; see Regan, 2014). For instance, the shift of child support (endowments) and family allowance payments away from tax concessions (fiscal welfare), which had largely advantaged male breadwinners, to direct cash payments to women and carers (social welfare) was an important social policy reform taking some decades to eventually implement, but it was driven by policy analysis rather than political motivation (see Mendelsohn, 1983, pp 168–70). A similar story can be told in relation to the introduction of a mandated child support scheme – compulsory maintenance from non-custodian parents (Edwards, 2001, p 57). The decision to revoke the policy requiring low-income earners and students to anticipate their likely income as a means of calculating their government benefits (and fining recipients for over-claiming) was driven by analysis of the difficulties of estimating part-time income, the unintended punitive nature of the policy and the hardships caused to individuals. However, these major changes in policy design tend to be the exceptions to the norm that policy is seen as both a means and an end in itself by Commonwealth governments, rather than a set of propositions to test and evaluate.

Despite the stated intent of many federal governments to conduct regular evaluations, most areas of Commonwealth public policy remained poorly evaluated, if at all. One consequence of this myopia was that the Commonwealth could rarely determine whether its policies were successful or not; nor could it explain why they may be effective or not. Certainly, there was little public
transparency shown towards policy evaluation or performance measurement until the late 1970s, and, even now, that is patchy and often inconclusive (Wanna et al, 2010, pp 252–80). Most departments and their programme managers may well be able to collate some indicators of activity and busy-ness within programme (certainly for internal purposes and occasionally for public consumption), but they are not yet able to identify whether the programme is demonstrably achieving its aims or objectives. This is a poor state of affairs for those interested in policy analysis and effective outcomes.

Gradually, however, scholarly and practitioner interests have developed in policy analysis focused on Commonwealth programmes. Most of this initial interest dates from the late 1970s, after substantial expansions in Commonwealth programmes and spending, and after university-trained graduates were much more numerous within the bureaucracy. It was also immediately following the ‘Great Society’ policy reforms in the US and the raft of evaluation studies that those programmes encouraged. An influential parliamentary committee report was scathing of the lack of hard policy analysis evident at the Commonwealth level and recommended that departments and agencies engage in more robust and transparent methodologies and provide evaluation reports against benchmarks (see the Baume Report [Parliament of Australia – Senate Standing Committee on Social Welfare, 1979]). After that, both scholars and practitioners began to explore the dimensions of evaluating policy advice and analysing good policy options (Uhr, 1991; Uhr and Mackay, 1996; Weller and Stevens, 1998; Edwards, 2001). From the 1980s, the National Audit Office began to conduct efficiency audits, and then performance audits, of a limited sample of Commonwealth programmes (up to 50–60 per annum), but these mostly remain focused on evaluating processes, not outcomes or impacts. Also around this time, an Australian Evaluation Society was formed, with chapters in most states, holding conferences and seminars, and producing newsletters and other publications. The concerns of public servants and evaluation practitioners were focused on the (internal) rigours of the decision-making processes adopted by governments, including: the quality and reliability of data; the expertise of staff and analysts; the analysis of problems or identification of objectives; the financial implications of policy proposals and accurate costings over the longer term; stakeholder consultation and acceptance; and ways to incorporate the evaluation of the achievements. Some officials took the view that policy analysis was a primary function involved in weighing conceivable options and making comparative judgements; others took a more pragmatic view that governments should start by assessing the problems they faced directly and then seek to make adjustments at the margins using quality inputs and processes (Waller, 1992, 1996; Podger, 1996). Interest also grew in ‘policy management reviews’ and joint management reviews, which could examine both policy design and operational delivery issues (Weller, 1996; Weller and Stevens, 1998). More recently still, practitioners have turned their attention to the rigours of ‘evidence-based policy’ approaches (Head, 2008; Banks, 2009; Kay, 2011),
hoping that ‘evidence building’ and the use of different ‘lenses’ or perspectives through which to judge evidence will improve policymaking.

Often, these concerns about the quality of policy advice were translated by central agencies into codified bureaucratic compliance procedures which demonstrated (supposedly) that various requirements or steps had been adhered to procedurally and in presentation (eg policy work assessments, consultation strategies). Such orchestrated regimes have usually lasted for relatively short periods of time until the political attention span shifts to other priorities, or the level of internal/external scrutiny of advisory processes becomes diminished. Recent examples of compliance procedures within the federal public service are expressed in the formal cabinet submission process in the form of environmental impact, regulatory impact and family impact statements accompanying cabinet submissions.

Finally, to conclude, these recent initiatives in evaluative techniques suggest an awakening interest in the exactitudes of policy analysis. However, whether this interest is genuinely one of discovering the optimum course of action, or is merely designed to cloak and provide justifications for decisions already taken, remains an ongoing subject of debate. It should also be remembered that the predominant form of policymaking by the Commonwealth remains essentially politically driven: Commonwealth policies are generally expedient and pragmatic, contingent, and occasionally experimental in nature, leaving a legacy of policy announcements and implementation strategies that may not have been systematically analysed at the time they were conceived. The Commonwealth has tended to impose stricter reporting requirements on states and territories when they have received federal funding for agreed purposes than it often imposes upon itself. This factor is a consequence of the Commonwealth enjoying an asymmetry of power in the federal compact that was, many would argue, never intended at the time of Federation.

Notes

1 Although the Audit Act was the fourth Act passed by the new federal Parliament, coming into effect on 1 January 1902, the Audit Office focused mainly on compliance auditing (checking and verification functions) until the late 1970s, when it gained efficiency auditing powers and could use these special audits to investigate policy results.

2 The exception at the Commonwealth level was that the Post Office was administered for much of its existence as a government department (under the Post-Master General) despite being a separate government enterprise.

3 The Commonwealth Grants Commission was established to provide special grants to disadvantaged states, that is, to increase funding to claimant states, not to reshape their policy preferences.
References


Introduction

Understanding policy analysis within state and territory governments (state governments hereafter) in Australia presents quite a challenge. State governments are part of a federation in which the Commonwealth government is fiscally dominant and has greatly expanded its policy ambition and reach over the past century. As a result, many areas of government activity that were previously the sole preserve of state governments have become concurrent areas of policy formulation and implementation (Fenna, 2012). This involves bilateral and multilateral negotiations and relations between state and Commonwealth leaders, ministers and officials. Determining the precise role of states individually or collectively in such shared policy areas is inherently difficult.

Relatedly, intergovernmental relations (IGR) are ‘notoriously opaque’ (Painter, 1998, p 71) and generally resistant to study, and, as a consequence, they have been neglected relative to the fiscal and judicial dimensions of federal systems. This is particularly true of Australian federalism. There have been very few detailed studies of the inner workings of intergovernmental institutions such as ministerial councils (one exception is Jones, 2008) or even the better-known peak bodies such as the Council of Australian Governments (COAG).

Separately, there has unfortunately been little analysis or even description of policy processes within state governments over the past 15 years, beyond the comparative work of Galligan (1986, 1988), Birrell (1987), Painter (1987), Peachment (1995) and Spoehr and Broomhill (1995) and state-specific studies (eg Davis, 1995; Costar and Economou, 1999; Spoehr, 1999, 2005, 2009, 2013; Crowley, 2012). Australia is not unique in this relative lack of focus on sub-national governments (on Canada, see, eg, McArthur, 2007, pp 238–9). This absence of attention to state-level policy can be explained by a combination of factors. First, many of the trends at sub-national level – in particular, the introduction of New Public Management (NPM), the rise of central agencies (Halligan and Power, 1992) and the turn towards market approaches – have also occurred at the national level, which has tended to receive most attention. Second, the centralisation trend in Australian federalism has naturally led to a focus on the federal government, a fact made more understandable in light of the introduction of competition and
regulatory harmonisation processes that have served to reduce the differences in government policy and practices between the states. Third, the Labor Party was in government in all states for most of the period between 2001 and 2010. These governments displayed a similar brand of incremental, mildly progressive reform that contrasted with the major policy changes in the preceding 20 years. Where state-level analysis was undertaken, it invariably focused on political leadership (Wanna and Williams, 2005; Althaus, 2008) and party politics (Cavalier, 2010; Clune and Smith, 2012) rather than policy per se.

Yet, states remain important policy actors. Most public servants work for state governments. The states still provide or regulate most of the essential services, including the supply of electricity and water, health, education, police, prisons and public transport. Local knowledge and sensitivities matter in politics and in policy. Recent implementation difficulties arising from federal policy responses to the global financial crisis have further supported claims that the states are often better equipped to manage and deliver these within their jurisdictions (Althaus, 2011).

Nor is it true that there have been no developments of note in policy analysis and processes at state level, or that there are no differences between the states. Indeed, the differences that exist, combined with a lack of state-focused academic policy research, provide further reasons as to why it is difficult to generalise about policy analysis at the state level. In this chapter, we draw on personal knowledge and observations, as well as on findings from the literature. We begin by looking at similarities and differences in state-level policy analysis compared to the federal level. We then look at commonalities and differences between the states themselves, before drawing some conclusions.

**Policy analysis at Commonwealth and state level: similarities and differences**

The Australian Constitution designed a federal system where full responsibility for policymaking, implementation and administration was assigned to each level of government in particular policy domains, with each level expected to execute its tasks autonomously (Fenna, 2007). Although significant policy overlap and concurrency has occurred, this ‘dualist’ or ‘coordinate’ design feature has meant that both levels of government have been subject to very similar trends and influences in policy. In many respects, therefore, they have responded to and initiated changes in similar ways at similar times, although the leading and lagging governments have changed over time.

**Common trends**

Halligan (1988, p 58) notes three general developments that have had an impact on policymaking systems at both the Commonwealth and state level: growth in government functions; the modernisation of administrative structures and management processes; and fiscal stringency. Arising from these developments,
we can identify three broad periods of change since the mid-1970s, each lasting roughly 10 to 15 years (see also Pollitt and Bouckaert, 2011). While these periods relate primarily to changes in public administration and management, they had clear impacts on policymaking processes and analysis as well.

The first period, commencing in the 1970s under Labor governments in South Australia (SA) and federally, witnessed an extension in the government’s role from economic and industry support functions in the post-war era to also include ‘human services and cultural management – in fields such as education, welfare services, the arts, community health, urban and environmental planning, multiculturalism, Aboriginal affairs and women’s affairs’ (Parkin, 2003, p 105). These new fields inevitably required the creation of new sources of policy advice and institutions, often in the shape of specialised units or taskforces, linked to a minister’s office or department. Some were preceded by or initiated major public reviews that then led to new policy directions. Many of these changes were made by newly elected Labor governments following long periods of conservative rule.

Accompanying this shift in government’s reach were ‘fundamental and widespread changes … in … administrative systems’ (Painter, 1986, p 194). At the state level, these changes were led by SA and New South Wales (NSW) and spread to all states, eventually culminating in Queensland following the election of a Labor government there in 1989. The changes included significant revisions to the traditional career public service, including: the demise of seniority and the opening up of employment to graduates, professionals and women; new budget and financial management practices overseen by Treasury departments; the introduction of corporate planning and NPM; and extensive machinery-of-government changes, with a reduction in the autonomy of statutory bodies in many cases. Of particular note was the development of new systems of policy coordination, priority setting, review and oversight (Painter, 1987; Davis, 1995). These occurred both within departments and, most significantly, through greatly enhanced powers for prime ministers’ and premiers’ departments, accompanied by reformed cabinet processes and central coordination and control, including the formation of a cabinet committee system in which a budget or economic review committee became the most important. There was also the assertion of much greater political direction over policymaking through both the introduction of ministerial advisers and changes to the contracts of senior departmental officials to increase responsiveness to ministerial direction in return for greater managerial control and flexibility at departmental level.

From the late 1980s and especially the early 1990s, a second reform period can be identified. The federal Labor governments led by Bob Hawke and Paul Keating (1983–96) had already undertaken major economic liberalisation and applied economic analysis to a wide array of policy areas, assisted and influenced by policy advisers and officials with an economics background (see Chapter Three, this volume). By the early 1990s, budgetary pressures arising from a national economic recession and severe financial losses from government enterprises in three states (see Peachment, 1995) led to further market-based public sector reforms at
both the federal and state level. The election of a number of conservative state
governments explicitly committed to a strong market ideology, commencing with
NSW in 1988 and then Victoria (1992), SA (1992) and Western Australia (WA)
(1993), accelerated this trend (Spoehr and Broomhill, 1995), which proceeded
further when the Howard Coalition government took power nationally in 1996.
Deregulation of industrial relations, and corporatisation and privatisation of
government enterprises, became commonplace. Contestability and contracting
out of policy advice and service delivery were also undertaken. Programme
budgeting and accrual accounting were consolidated, with new financial and
public sector management legislation being passed in many jurisdictions.

A significant development was the agreement in 1995 between the
Commonwealth and all states to adopt the National Competition Policy (NCP),
which: implemented competitive neutrality provisions between private and
government businesses; led to reforms of public monopolies; rationalised the
regulatory and pricing frameworks of water, gas and electricity utilities, as well
as the road transport sector; established access regimes to facilitate the sharing
of infrastructure; and amended laws that hindered competition. These reforms
(which became primarily the responsibility of the states) were undertaken in return
for significant financial support to the states from the Commonwealth (over AUD4
billion over 10 years from 1995 to 2005), dependent on states achieving reform
milestones as judged by a new institution, the National Competition Council. In
addition to the NCP, this period of ‘collaborative federalism’ in the 1990s resulted
in policy and institutional innovations in several other sectors, aimed principally
at achieving national consistency in the business regulation of sectors including
food, road, rail, environmental protection, occupational licensing and credit
unions (Painter, 1998). While harmonisation was not completely achieved in all
sectors, policy differences between the states were reduced and, in many fields,
policymaking was removed from being the sole preserve of state governments
and transferred instead to independent, regulatory and policy advisory bodies,
overseen by ministerial councils consisting of commonwealth and state ministers
in some instances.

From around 2000, a third period saw both levels of government retreat
somewhat from a primary focus on economic liberalisation and reform. Terrorism
and security issues took centre stage, while a prolonged drought also occupied
increasing attention. The election of Labor governments in all states led to greater
(if temporary) concern with issues such as climate change, water, sustainability
(Crowley and Coffey, 2007) and human capital. At the same time, there was
a reconsideration of the NPM-inspired reforms of the 1980s and 1990s, with
concern being expressed at a perceived loss of public sector policy and strategic
capability. A shift towards network governance, greater community consultation
and whole-of-government approaches to policy problems and service delivery
began to influence all levels of government. However, there was no major retreat
from the essentially centralised structures of policy advice and coordination within
governments.
Differences

Despite these similarities, there were – and remain – important differences between the two levels of government in relation to policymaking and analysis. One very significant development at state level that was not emulated at Commonwealth level was the introduction of state strategic plans. This is discussed in detail in the next section.

A major institutional difference between the states and the Commonwealth is the lack of independent policy or research agencies at sub-national level. The Commonwealth has several of these statutory agencies, with substantial budgets and numbers of research staff, akin to government ‘think tanks’. These include the Australian Bureau of Agricultural and Resource Economics and Sciences, the Australian Institute of Criminology, the Australian Institute of Health and Welfare, the Australian Institute of Family Studies and the Productivity Commission (t’ Hart and Vromen, 2008, pp 140–3). Such agencies do not exist at the state level, although state governments are partners with the Commonwealth in the National Centre for Vocational Education and Research and the Australian Housing and Urban Research Institute. Partial exceptions are state economic and competition regulators, which were established in the wake of the NCP in the 1990s, such as the Essential Services Commission in Victoria and the Economic Regulatory Authority in WA. These bodies are primarily economic regulators but they also conduct inquiries on economic issues, which have important policy consequences.

Another difference between the levels of government is the relative lack of dominance by economists in policymaking units within state government departments (excluding Treasury). Perhaps reflecting the smaller size of their public sectors and the labour pool from which they can draw policy analysts, generalists rather than specialists are more commonly found at the state level in comparison with the Commonwealth, where specialist expertise, in particular, in economics, is more highly valued (Harwood and Phillimore, 2012).

The smaller size of government departments at the state level makes for more personal and informal contact between ministers and department officials. This can potentially lead to more idiosyncratic decision-making not subject to the scrutiny or routines of cabinet or its committees. However, the existence of a small decision-making group of key ministers during the Rudd government (2007–10) that curtailed cabinet discussion and involvement shows that this is not a purely state phenomenon (Crabb, 2011).

Commonalities between the states

State plans

The most striking common policy development in the past decade at the state level has been the introduction of state strategic plans (see McMahon and...
Phillimore, 2013 [on which this section is based]). These applied strategic planning to the whole-of-government and jurisdiction-wide context, and followed the introduction of corporate strategic plans in individual departments and agencies during the previous decade as part of the NPM trend. Commencing with Tasmania and Victoria in 2001, every state government in Australia had adopted a form of state plan by the end of the decade.

Interestingly, each state’s plan was created largely in the absence of open cooperation or acknowledgement of any other state’s plan as a model. However, anecdotal evidence points to at least a casual level of policy learning resulting from premiers, their senior personnel and departmental staff mingling and informally exchanging views at COAG and other meetings.

The state plans demonstrate a number of similar structural features and policy areas for attention. First, the key strategic goals distil the core concerns of state governments in an administrative, policy and political sense. These normally include: economic growth; infrastructure; health; education; community safety and well-being; and environmental sustainability. Second, almost all plans break the key strategic goals down further into outcomes that have both measurable and reportable targets for performance – although these can range in number from 10 to over 200 targets. Third, the plans are used specifically to provide policy direction and act as an organising device for individual agency budget allocations, programmes and performance measures. Some states established cabinet oversight committees and performance targets for senior personnel to promote alignment and strategic fit between agency priorities and activities and the overall strategic policy direction set by the government.

A fourth common feature is that most plans involved community consultation and public engagement as a part of the initialising design and continuing monitoring processes, although they operate with varying degrees of comprehensiveness and ‘bottom-up’ or ‘top-down’ orientation. A final feature is the crucial role of the core executive of government. Apart from Tasmania, which had an independent statutory body managing its plan, the administration of state plans is conducted by the Premier’s Department with the direct involvement of the premier (and their personal staff) in the key decision processes.

State plans have at least three functions: the first is as a means for managing at a strategic level and, in particular, for facilitating cross-government policy and operational coordination; the second is as a means for monitoring government and state performance through measuring, auditing and reporting outputs and outcomes; and the third is as a means for marketing the achievements of the government. These three functions are not necessarily consistent or complementary, and the balance between them varies across jurisdictions and over time. For example, the marketing aspect of state plans can dominate – especially initially – as core executives seek to manage their media image and use public resources to promote the government, which can lead to public and media cynicism. Indeed, in virtually every case, the introduction of state plans was associated with the election of either a new government or the appointment of
a new leader, and these leaders were keen to use the plans as a way of marketing themselves and their government’s new directions and achievements. However, the most effective plans achieve a balance between all three functions – too much emphasis on any one element causes problems in either the performance or perception of the plan, or both.

As state plans originated under Labor governments for most of the 2001–11 decade, they could be seen as inherently partisan Labor vehicles, with an emphasis on top-down planning, rather than as neutral instruments. However, since around 2010, while some states abandoned their plans, the new Coalition government in NSW adopted its own plan, and the Liberal National Party government in Queensland began its own state plan process. So, it may well be that this form of whole-of-government policy and planning process is set to continue for some time yet under both sides of politics. Its substantive impact on policy outcomes remains to be properly evaluated, however.

**Audits and inquiries**

Another trend found across state governments has been their repeated use of crises to justify contentious policy reforms (Colley and Head, 2013, p 866). As noted, NPM set the agenda for a wave of reforms, which included the privatisation of government assets as a response to increasing debt. To justify this policy direction and to shed responsibility for potential cost-saving measures, sub-national governments have tended to look outside of government and appoint ‘experts’ to report back and to justify their particular economic strategy (Colley and Head, 2013).

One mechanism – the appointment of a Commission of Audit – has been particularly popular. Since the late 1980s, there have been 14 Commissions of Audit conducted in Australia. Twelve of these have been at the sub-national level and all but one (in SA) were appointed by conservative governments, usually immediately upon their election. It is argued that they are both a recent and ‘very much an Australian phenomenon’ (Jones and Prasser, 2013, p 4). The justification for these commissions remains contentious. Some claim that they are needed because of declining capacity in the public service. Commissions of Audit, it is argued, provide an alternative voice, a new vision and an opportunity to consider new policy ideas (see Jones and Prasser, 2013). Critics contest that they are politically motivated, appoint partisan commissioners and are used to enable (usually) conservative governments to reverse previous policy decisions, support unpalatable decisions or break election promises (see Quiggin, 2013, p 3).

Commissions of Audit are not the only examples of state governments using public inquiries led by outside experts to drive policy change. All states use a combination of planned and post hoc inquiries, often as a reaction to scandals and disasters. A series of government financial scandals in the early 1990s in WA, Victoria and SA led to major inquiries and subsequent policy and administrative reforms (Peachment, 1995). Since the turn of the millennium, inquiries following
major bushfires (Victoria, WA, ACT), floods (Queensland), deaths in hospitals (Queensland) and child protection failures (WA, Victoria, Queensland), to name just a few, have led to structural and policy reforms in a number of states. More recently, significant natural disasters have impacted on many regions across Australia and have been followed by a government-appointed inquiry or review (eg Comrie, 2011; Keelty, 2011; QFCOI, 2011). While recommendations are generally followed, this is by no means certain. In WA, for example, a review recommendation to close down a major public hospital in the inner city (to release funds and staff for a new suburban-based hospital) was overturned by an incoming government, which later struggled to achieve the timely roll-out of the new hospital infrastructure in the face of budget constraints and a rapidly growing population. In NSW, the recommendations of a major report on electricity reform led to severe political turmoil in the ruling Labor Party that eventually led to the downfall of the premier (Cavalier, 2010).

**Intergovernmental relations**

A further significant influence on all state government policymaking is federalism and IGR. As noted earlier, despite centralisation, states remain important policy actors. In areas such as disaster management, biodiversity, land management and mineral regulation, they have extensive experience that is enhanced by local knowledge. Even in areas with a more explicit federal policy focus such as competition and business regulation, the states have been enthusiastic participants (Keddie and Smith, 2009, pp 68–9). While centralising trends are irrefutable, the need for locally sensitive policy initiatives and service delivery remains, and the states have a natural advantage in these areas (Keddie and Smith, 2009, p 68; Althaus, 2011; Milligan and Tiernan, 2011).

Australia’s complex system of IGR, first attempted by way of an intergovernmental body in 1913 (Radbone, 1982), has been described as ‘dense and tangled’ (Painter, 1996, p 102). While the Constitution provides little in the way of guidance in managing IGR, and, indeed, has been a source of contestation at times, a considerable architecture has built up to support governments across all jurisdictions. Such mechanisms include ‘[m]inisterial councils, senior officials’ meetings, Secretariats and … central agencies, line departments, and state leaders’ meetings’ (Menzies, 2013, p 383). This list provides but one illustration of the complexity of the intergovernmental policy communities that operate within the Federation. Together, they manage the essential policy routines that are necessarily beyond the scope of any one minister and jurisdiction. It is at such forums that policies are negotiated and documents readied for cabinet deliberation and where long-term agenda items are considered and the impacts of electoral commitments are debated (Davis, 1998, p 155). It is by no means a simple process, and an ongoing challenge is integrating competing policy ideas and priorities (Tiernan, 2011, p 343). Leadership at both the political and administrative level is a crucial determinant of success.
The priority given to IGR depends in large measure on the prime minister of the day. The federal Labor governments of Hawke and Keating required the support of the states to push through much of their microeconomic reform agenda. Cooperation and collaboration were therefore emphasised, although not always achieved (Davis, 1998, p 148; Painter, 1998). In contrast, Prime Minister John Howard (1996–2007) was a self-described ‘nationalist’. Centralising tendencies flourished under his watch and IGR was downplayed, perhaps understandably given the partisan political impact of the predominantly Labor state governments during his tenure. COAG met irregularly during this period, with only four meetings between 1996 and 2001. The states were often sidelined and felt disempowered as policies were increasingly pursued through the use of measures like conditional funding (Menzies, 2012, p 58). Some policy actors went so far as to suggest that ‘there are no state functions left’ (Garnaut, quoted in Keddie and Smith, 2009, p 69), with the Howard government seeking increased control in the state policy domains of health, education, industrial relations, water initiatives and local government funding.

Such dire predictions regarding the future of IGR were set aside on the election in 2007 of Labor under Kevin Rudd, who promised ‘a new model of cooperation’ that would end ‘the blame game and buck passing’ between and with state governments (CEDA, 2007). Rudd promised to reduce inefficiency by removing the unnecessary duplication of policy and the overlap of services. He increased the number of COAG meetings to four per year and held them outside of Canberra for the first time. Spurred by the states, COAG agreed to an ambitious COAG Reform Agenda, overseen by a series of working groups consisting of state and federal officials, reporting to a Commonwealth minister, on a range of policy areas. Most significantly, he signed an intergovernmental agreement on federal financial relations that created a new, simplified architecture of block grants, accompanied by a large increase in Commonwealth funds, in return for the states participating in a system of performance monitoring and reporting (Fenna and Anderson, 2012).

Prime Minister Rudd’s expansive COAG Reform Agenda ultimately strained state policy capacity, and created a new set of problems in the intergovernmental dynamic as the states attempted to cope with a vastly increased workload (Harwood and Phillimore, 2012; McQuestin, 2012, p 17). Furthermore, as the Commonwealth government was faced with new political issues and COAG reform slowed, centralist attitudes began to reassert themselves, with the prime minister threatening takeovers of public hospitals (run by the states). ‘Normal service’ resumed in the form of public posturing, behind-the-scenes negotiations and the announcement of compromise outcomes at subsequent COAG meetings.

The states vary in the time, resources and attention they pay to IGR. Smaller states invariably have fewer resources to invest and may need to rely on others to do the heavy lifting in IGR negotiations. Leadership on federalism issues may vary between states depending on the issue at hand (Phillimore, 2013, p 234). For example, Victoria led the push to establish the COAG Reform Agenda while
SA took the initiative on emissions trading. However, in all states, IGR issues have become more important and especially during the period of the first Rudd government (2007–10), more formal and centralised processes were put in place in all jurisdictions to deal with the increased workload and pressure arising from the COAG Reform Agenda (Harwood and Phillimore, 2012).

However, trends in IGR are rarely linear or predictable. The personal preferences of prime ministers, combined with the regular churn induced by frequent elections across nine separate jurisdictions, can wreak havoc on intergovernmental relationships. Recently signed agreements can be cast aside as new leaders and different priorities are accommodated (Menzies, 2012, p 53). Despite these tensions, observers have noted that inside the meeting rooms and away from the media spotlight, political leaders are generally pragmatic and understand the importance of working together for the national interest (Menzies, 2012). A variety of forums have been created to assist this process.

The most significant forum is COAG, which was established in 1992 when IGR and federalism reform were receiving significant attention as the avenue for pursuing microeconomic reform (Painter, 1998). COAG has a series of sectoral ministerial councils, and in 2006, under the Howard government, it established an independent, jointly appointed, COAG Reform Council (CRC) to report on the progress of the COAG Reform Agenda and funding agreements. COAG lacks formal legal or institutional standing, and control lies firmly with the prime minister, who decides the timing, sets the agenda and chairs the meetings. Nevertheless, it remains an important avenue for deliberation and discussion among the country’s heads of government and senior policy personnel (Anderson, 2008). COAG is where many key national reforms are negotiated and where financial arrangements and policy cooperation between the states are agreed and sought (Gallop, 2012, p 43). Its efficacy has been questioned in recent times, however. The Abbott Coalition government suggested that the federation may need recalibrating, for example, by the states taking back more responsibilities and COAG and IGR taking lesser roles (Abbott, 2014). The CRC was abolished in 2014 as part of this reconsideration, accompanied by federal funding cuts to the states.

The Council for the Australian Federation (CAF) was established in 2006 as a meeting of all state leaders, without the prime minister. Inspired by its Canadian equivalent, two premiers from SA and Victoria drove CAF’s creation (Menzies, 2012, p 55). CAF provided the states with an exclusive forum to discuss and deliberate on policy ideas and federal initiatives and to come up with a strategy on how to deal with them before they met with their federal counterpart. The timing was no accident: Labor was in power in all states, facing a Coalition government at the national level. Many states were led by a ‘second generation of reformist state Premiers’, who followed the first wave of reformist premiers in the early 1990s (Painter, 1998) in demanding more input in policies that concerned their jurisdictions (Menzies, 2012, p 58). CAF set itself an ambitious agenda around leadership, engagement with the Commonwealth on areas of
national importance (notably, climate change, human capital and regulatory harmonisation) and facilitating agreements with the Commonwealth. It was to provide a counterbalance to the centralising power of successive federal governments. However, upon the election of the new federal Labor government in 2007 and the election of a new cohort of state premiers, CAF’s role and significance declined.

While the centrality of COAG in intergovernmental deliberations has waxed and waned in tune with prime ministerial priorities and policy ambitions, COAG and, to a much lesser extent, CAF have helped forge a new level of dialogue and policy expertise among officials working on IGR at the state level, and have assisted in making Australia more internationally competitive through a variety of reforms. From the early priorities centred on microeconomic reform, in recent times, COAG has facilitated new agreements in health, early education and training, and indigenous disadvantage, as well as formalising a more streamlined approach to regulatory reforms across the Federation (Menzies, 2011; COAG Reform Council, 2013).

Differences between the states

Political leaders tend to be pragmatic, with an interest in getting the best deal for their jurisdiction (Hollander and Patapan, 2007, p 290). Relations between Australian states could be described as one of friendly competition. Whether in sporting matches with rival states or in attracting new businesses, state governments vie to win. Differentiation is often the name of the game. State governments provide incentives to encourage business to their state – whether in the form of industry assistance or funding for big-ticket sporting events. Premiers have the promotion of their state’s interest as a core duty, or they risk retaliation at the ballot box. The issue of ‘state’s rights’ frequently permeates debates and is used to protest not only against Commonwealth intrusion in areas considered a state’s traditional domain, but also against the unwelcome actions of other states.

Policies in one state can have flow-on effects. One historical example occurred in 1976 when the Queensland government legislated to remove death duties. While other states initially voiced their dismay, the impact of this policy decision was quickly felt across neighbouring jurisdictions as thousands of people relocated to Queensland (Wanna and Arklay, 2010, p 379). Soon, other states had little option but to dismantle their version of the tax. In contrast to tax competition, there are also more positive examples of policy learning and imitation by other states. Twomey and Withers (2007, p 15) provide several instances of policy innovations introduced by one state that were then taken up by other jurisdictions.

A new form of interstate competition has been the introduction of an extensive system of benchmarking and performance management reporting (Fenna and Knüpling, 2012). Commencing with the annual Report on Government Services (ROGS) in 1995, such measures became more significant under the CRC, which, from 2008, advised COAG on the progress that states had made in
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jointly reaching agreed targets in a range of policy areas such as early childhood education, indigenous housing and competition and regulation reform. Following an example first set by the NCP, payments are made by the Commonwealth to the states on recommendation from the CRC, both to facilitate reform and as a reward depending on whether or not they have achieved their stated targets. This system can also drive policy reform within states, as central agencies (Treasury in particular) use ROGS and CRC reports as tools to question departmental efficiency and effectiveness and to drive policy change. However, if Commonwealth funding declines or stops, enthusiasm for such monitoring processes declines accordingly, as evidenced by the recent demise of the CRC.

Policy expertise varies across the Federation. In areas where the Commonwealth does not care to intrude, or where a state has a natural advantage because of geography (eg tropical health malaria prevention policies in Queensland), or has invested in the professionalisation of their advisory staff (as in the case of Victoria with federalism and human capital reforms during 2006–08), state policy capacity is evident.

Each state’s population and economic profile differs, meaning that no one policy response necessarily suits every jurisdiction. Economic patterns also differ as some industrial sectors prosper and others decline, leading to different state positions on trade or on manufacturing as opposed to resource industries. However, all state governments focus on economic growth and several have been prone to developmental ‘boosterism’.

Policy priorities can and do vary, for a range of other reasons. For example, jurisdictions with northern climates – WA, Queensland and the Northern Territory – refuse to adopt daylight saving. Other differences may depend on fiscal capacity – WA continues to restrict poker machines, for example, which are a major source of revenue in other states with less access to the mining royalties that WA enjoys. Interest group pressures can be influential. The NSW Labor government (1995–2011) rejected privatisation of its electricity utilities due to opposition from its trade union base, despite leading figures in the government advocating the measure (Cavalier, 2010). However, unions do not always succeed. Fiscal pressure led the Queensland Labor government to accede to a privatisation programme in 2010, despite union opposition.

Historical path dependence also plays a part as it is not easy to ‘start afresh’ in many policy areas. Comparative budget analysis has shown that Queensland, for example, has traditionally spent less on education over many years (Marshall, 1989, p 58). However, the same state made a concerted effort to reshape its image and budget priorities from the late 1990s, with a series of large investments in new technologies and research infrastructure as part of its ‘Smart State’ initiative (Althaus, 2008).

Other policy differences are more difficult to explain. WA, under a conservative state government, has led the nation in introducing ‘independent public schools’, a system allowing greater principal autonomy over staffing and budgets in government schools. The NSW conservative state government has rejected this
same system, despite it being praised and supported at the national level by the newly elected Coalition government (Knott, 2014).

Conclusions

In all cases, a combination of path dependence, ministerial dynamics and preferences, party ideology, interest group pressure, bureaucratic capacity, and simple luck and circumstances help explain the policy patterns, decisions and styles across the states. More detailed case studies are clearly required to fill out the story told here.

In future, we may expect in-house policy capacity to continue to face pressure as state budgets are cut and state governments find it more difficult to compete with the Commonwealth and private sector for the best and the brightest. This is particularly likely if the states continue to cede ground to the Commonwealth in control over policy fields due to increasing fiscal dependence. Policy imitation is likely to continue, although the extent to which this will occur through active and organised learning is less certain. The use of external inquiries and experts in response to policy and operational failures and media exposés is also likely to provide a regular impetus to policy analysis in states across Australia.

References


Policy analysis capacity and Australian local government

Brian Dollery, Michael A. Kortt and Simone de Souza

Introduction

Australian local government plays a pivotal role not only as a major element in the democratic structure of the country (Brackertz, 2013), but also as a significant economic entity in its own right. As the third tier of government in the Australian federation, local government accounts for more than AUD10 billion in taxation, employs in excess of 192,000 people across eight different state and territory systems, and provides an essential range of local services vital to national well-being (Australian Government, 2010). However, despite its importance, comparatively little scholarly attention has focused on local government; it has always been the ‘poor cousin’ of its national and state counterparts in terms of the analytical attention that it has received in the academic literature (Dollery et al, 2006a). This is regrettable for various reasons, not least because local governments across all states and territories face daunting problems that require urgent attention.

At least three factors have combined to place contemporary Australian local government in a difficult position. In the first place, intensifying financial pressures mean that the status quo simply cannot be sustained indefinitely. Given these pecuniary pressures, and the political imperatives to maintain the level of current service provision, existing arrangements have only been maintained at the cost of steadily depreciating physical infrastructure, leading to the growth of a massive local infrastructure backlog (Byrnes et al, 2008; Dollery et al, 2013).

Second, changes in the respective enabling legislation governing the different Australian local government systems have seen an extension of the role of local government and growing complexity in its relationships with state and federal governments (Dollery et al, 2006b). Moreover, differences in the functions and responsibilities of the various state and territory municipal systems have widened over time, and the state government oversight mechanisms are now often quite dissimilar, diminishing the prospects of a uniform national approach to local governance (Dollery et al, 2010). An uneven devolution of additional functions to local government within and between the different states and territories further complicates an already disjointed network of intergovernmental relations (Australian Government, 2010).
Third, state and territory governments across Australia remain concerned over the operational efficiency of municipalities, particularly small regional, rural and remote councils (Dolley and Crase, 2004). This concern has engendered a heavy emphasis on forced municipal mergers as the primary engine for more cost-effective local services. Thus, during the 1990s, South Australia, Tasmania and Victoria all underwent episodes of compulsory council consolidation of differing degrees of intensity. Similarly, over the past decade, forced amalgamations have occurred in New South Wales (NSW), Queensland and the Northern Territory (Dolley et al, 2012). Western Australia (WA) attempted forced mergers in the Perth metropolitan region but finally conceded defeat in early 2015.

Against this background, it is easy to appreciate the pressing demands placed on policy analysis and public policymaking in the context of Australian local government. This chapter considers the capacity of academic, government, industry and independent policy analysts and the institutional foundations for policy analysis in Australian local government at the national, state and local levels. Given the distinctive character of Australian local government, and its fundamental importance to the everyday lives of Australians, it is essential to have an ongoing, informed and vigorous debate on how best to formulate, implement and monitor local government policy. Thus, policy analysis has a vital role to play.

A voluminous literature exists on governance capacity and the related question of policymaking capacity in local government. For example, Polidano (2000, p 810) has distinguished between ‘policy capacity’ (ie ‘the ability to structure the decision-making process, coordinate it throughout government, and feed analysis into it’), ‘implementation authority’ (ie ‘the ability to carry out decisions and enforce rules, within the public sector itself and the wider society’) and ‘operational efficiency’ (ie ‘the ability to deliver services … efficiently and at a reasonable level of quality’). Along analogous lines, Grindle (1996) has proposed a somewhat broader fourfold typology to characterise local government capacity, including policymaking capacity (incorporating institutional capacity), technical capacity, administrative capacity and political capacity. Here, we are chiefly concerned with policy capacity as Polidano (2000) defines it.

This chapter is divided into five main parts. The first section provides a synoptic description of Australian local government and its main problems by way of background. The second section considers the policy environment surrounding Australian local government. The third section examines policymaking and policy capacity in Australian local government. The fourth section proposes a stylised model of policymaking in Australian local government, using structural reform through forced municipal mergers as a salient example. The chapter ends with some brief concluding remarks.

The nature of Australian local government

Australia has a federal system of government comprised of a national government, eight state and territory governments, and almost 600 local government entities
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spread over the various local government systems (McLean, 2004). Local government is not recognised in the Australian Constitution and thus exists as a creature of the relevant state government ‘exercising its [limited] powers by delegation from the state and under the state’s supervision and authority’ (Twomey, 2012, p 144). The origins of local government pre-date the establishment of the Australian Federation in 1901, with its genesis in the form of the 1830s Road Boards and Roads Trusts. This function, together with waste collection and disposal, still forms a significant proportion of the overall functions of Australian local government.

Scholars of federalism have attributed numerous benefits to the multi-tiered model of government compared with unitary systems with a single governmental authority (see, eg, Oates, 1972). The principal argument resides in 'the hope that state and local governments, being closer to the people, will be more responsive to the particular preferences of their constituencies and will be able to find new and better ways to provide these services' (Oates, 1999, p 1120). More recently, arguments in support of federalism have emphasised the innovative capacity of democratic laboratories (Bednar, 2011) and yardstick competition (Boadway and Tremblay, 2012).

However, almost all multi-tier systems of government exhibit a degree of vertical fiscal imbalance as a consequence of the fact that central governments typically collect most tax revenue, and Australian federalism is no exception. This has numerous ramifications, not least the fact that national governments usually possess greater revenue relative to expenditure needs than lower tiers of government, including local government. In Australian federalism, vertical fiscal imbalance, together with an absence of constitutional recognition, has placed local government in an invidious supplicatory relationship to higher tiers of government. This has not only severely constrained the scope for local government policymaking, but also meant that local government as a whole, and especially smaller local authorities, has typically been unable to develop high-level and effective policymaking capacity (Dollery et al, 2006a).

In common with several other federal countries, the structure, powers and responsibilities of the different Australian state and territory local government systems are determined at the state rather than the national level. From a policy analysis perspective, this substantially increases the complexity of Australian local government because, with state and territory governments establishing diverse legislative and regulatory frameworks for their respective municipal systems, significant differences have arisen between local government systems. However, while local government systems may diverge between jurisdictions, most of the major functions of local government are relatively similar across the different states (Dollery et al, 2006a).

In contrast to many other advanced countries, such as Britain, Canada, Japan and the US (Stewart and Smith, 2007), but in common with New Zealand, Australian local government undertakes a relatively limited range of functions, concentrated mainly on ‘services to property’. Unlike many other local government systems, it
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provides comparatively few ‘services to people’, such as education, fire protection and police, which, in Australia, are the primary responsibility of state governments rather than local councils. By contrast, local government environmental spending now outstrips spending by state and national governments (Thomas, 2010), reflecting the growth in recent decades of local environmental responsibilities (Crowley, 1998; Kennedy et al, 2010).

The chief responsibilities of Australian councils centre on the provision of local infrastructure, such as local roads, local recreation facilities, town planning, development approvals, health and community and cultural services, and local services, such as the management of sewage and storm water, and solid waste disposal. However, over the past few decades, the range of services provided by Australian local government systems has increased (Dollery et al, 2006b). Service provision now often embraces some community facilities (such as libraries and recreational amenities), some community services (such as childcare centres) and some strategic roles (including local economic development, tourism and urban renewal). In addition, some services traditionally delivered by federal and state governments have been devolved to local authorities, such as some community health services, pollution regulation and regional airports.

Australian local government is funded through a combination of property taxes (known as rates), fees and charges for services, intergovernmental grants, developer charges, and various other minor sources (Dollery et al, 2006a). On average, local authorities raise around 91% of their own revenue, with rate income constituting 36% of local revenue, and grants and subsidies comprising about 9% (Australian Government, 2010, p 12, Table 1.5). In international terms, this represents a high degree of financial self-sufficiency. However, these averages mask a high degree of variation between councils, with marked differences between urban, rural and remote councils, as a result of substantial variations in population size, rating bases and the capacity to levy user charges.

Australian local government is characterised by great diversity in many other respects. For example, in 2010, population size varied from just 735 residents in Wiluna Shire Council in WA to 1,006,936 people in Brisbane City Council. Similarly, population density differs greatly, as evidenced by Burnside in South Australia, with 1,630 residents per square kilometre, and Flinders Council in Tasmania, with 0.45 residents per square kilometre. In recent years, the larger cities have attempted to play a larger role in fostering economic development, and also in some niche areas such as sustainability policy and climate change adaptation (see Betsill and Bulkeley, 2006).

The immense variation between local government entities in all Australian local government systems makes it not only difficult, but also unwise, to try to draw generalised conclusions regarding the capacity and performance of local government authorities. For example, while large councils often possess superior policy capacity compared with their smaller cousins, this is by no means always the case, especially when groups of small councils collaborate in terms of policymaking capacity through regional alliances and the like. Similarly, whereas
larger councils often find it easier to recruit high-level policy skills compared with their regional, rural and remote counterparts, numerous non-metropolitan local authorities nonetheless enjoy good policy capacity.

The policy environment of Australian local government

It is widely recognised that Australian local government is facing severe financial pressures. In general, local government has responded to this financial challenge by cutting back on investment in local infrastructure rather than by reducing the provision of local services. This has resulted in an escalating infrastructure backlog that has been well-documented in a series of official state and national public inquiries, including the following:

- South Australian Financial Sustainability Review Board (FSRB, 2005) *Rising to the challenge*;
- Local Government Association of Queensland (LGAQ, 2006) *Size, shape and sustainability*;
- Western Australian Local Government Association (WALGA, 2006) *Systemic sustainability study*;
- Queensland Treasury Corporation (QTC, 2008) *Financial sustainability in Queensland local government*;
- NSW Independent Pricing and Regulatory Tribunal (IPART, 2009) *Draft review of the revenue framework for local government*;
- PricewaterhouseCooper (PWC, 2006) *National financial sustainability study of local government*; and

Taken together, these documents present a wealth of research into contemporary Australian local government, which not only provides analytical insight into the complexities of modern local government, but can also inform public policymaking. It is thus important to briefly consider the key themes that have emerged from these inquiries. In the first place, all Australian local government
jurisdictions are stricken by acute financial distress, and the primary reason for this ongoing financial unsustainability is a large and escalating infrastructure backlog. However, it needs to be borne in mind that, quite apart from the external pressures affecting local councils, Johnson (2003) has argued that local authorities are also partly responsible for their own financial difficulties. This is especially true in terms of ‘revenue raising’, where councils have been reluctant to set rates, as well as fees and charges, at realistic levels.

Second, the degree of financial distress differs significantly between councils, with the problem of financial distress being far more acute and prevalent among rural and remote municipalities. Third, the empirical findings from this body of work are not only broadly consistent across the different state jurisdictions, but also robust in relation to the alternative technical specifications adopted in each inquiry. Furthermore, it is also possible to identify at least one common public policy theme that emerges from these state-based inquiries. Not surprisingly, the common theme running through these reports is the critical need for local government to improve its asset and financial management capacity.

In response to this public policy challenge, several reports propose – across all state jurisdictions – the introduction of long-term financial planning, agreed approaches towards asset depreciation and the need for uniform record-keeping and financial practices. Unfortunately, state and federal policymakers have largely ignored the implementation of these recommendations. The partial exception has been that many state jurisdictions have made incremental changes to enhance asset and financial management practices by requiring councils to prepare long-term financial plans. However, it is far from clear whether the state governments in question have acted independently or in response to the recommendations put forth in the relevant inquiry. For instance, while the NSW Independent Inquiry into Local Government (IILG, 2006) recommended long-term financial planning, and the NSW government enacted the Local Government Amendment (Planning and Reporting) Act 2009, which established an Integrated Planning and Reporting framework requiring local councils to prepare a minimum 10-year Community Strategic Plan and a four-year Delivery Program, it is unclear whether the introduction of this Act flowed directly from this recommendation.

Further to these public inquires, there has also been a recent spate of state-based policy reports that have specifically revisited the issue of structural reform in local government. For example, in April 2011, with the help of Australian government funding, the Southern Tasmania Council Association (STCA) appointed an Independent Panel to examine the structure of local government in the Southern Tasmania regional area. In its final report (STCA, 2011), entitled Independent review of structures for local governance & service delivery in Southern Tasmania, the Independent Panel called for the creation of a Greater Hobart Council. This recommendation has not been implemented. Furthermore, in 2011, the Property Council of Australia engaged private consulting firm Deloitte Access Economics (DAE) to consider structural reform in Tasmania. In August 2011, DAE (2011) released Local government structural reform in Tasmania, which recommended the
consolidation of 12 Greater Hobart councils into a single local authority. No official response to this recommendation occurred.

In June 2011, a review of Perth metropolitan local government was announced by the (then) WA minister for local government to be conducted by the Metropolitan Local Government Review Panel. The MLGRP (2012a) released its *Towards more effective local governance: draft findings report* in April 2012. The draft report recommended drastic structural reform of Greater Perth local government, which presently consists of 20 councils, through three possible models: (1) 10 to 12 councils centred on ‘strategic activity centres’; (2) five councils based on a ‘central area’ and ‘sub-regions’; or (3) a single metropolitan council. The MLGRP’s (2012b) *Final report of the Independent Panel* recommended the 12-council model. In July 2013, the WA government formally endorsed the MLGRP’s amalgamation recommendation. However, in early 2015 the WA government backed down on forced mergers in the face of stiff opposition.

In May 2012, the NSW government established an Independent Local Government Review Panel (ILGRP) on governance models, structural arrangements and voluntary boundary changes for local government. In April 2013, the ILGRP (2013) published *Future directions for NSW local government: twenty essential steps*, which made various recommendations, including a programme of radical amalgamation in the Greater Sydney metropolitan area. Its final report was handed to the NSW government in early November 2013. At the time of writing, whereas the final report has been released to the public, the NSW government had not yet responded officially to its recommendations.

In addition to these inquiries, Australian local government has attracted attention in relation to, first, the considerable effort that has been invested in the public policy debate over amalgamation. For example, empirical evidence on amalgamation has been assessed in the academic literature, as well as in some consultant reports. In *Councils in cooperation*, Dollery, Grant and Kortt (2012) provide a detailed evaluation of this work. With some exceptions, such as Soul’s (2000) empirical analysis of the relationship between council size and per capita service costs in NSW local government, and the Australian Centre for Excellence in Local Government’s *Consolidation in local government* (ACELG, 2011), the literature is overwhelmingly pessimistic on the efficacy of amalgamation as a means of improving local government efficiency.

Second, an embryonic empirical literature has arisen around the question of financial sustainability, which has been considered in detail by Dollery, Kortt and Grant (2013) in *Funding the future*. Recent work in this field by Drew and Dollery (forthcoming) has centred on the empirical investigation of the statistical relationships between council characteristics and council fiscal sustainability ratios, which has yielded fresh insights for local government policymaking.

How should we interpret the ‘state of play’ of this body of contemporary policy analysis on Australian local government? It seems clear that whereas the deliberations of the national and state public inquiries have indisputably shed precious light on structural reform through amalgamation and on financial
sustainability in local government, much work remains to be done in relation to the policy and planning capacities of local authorities, as well as their service delivery capacities. In particular, there is a pressing need for Australian researchers to carry out empirical investigations using state-wide data sets comparing merged and non-merged councils for a given council consolidation programme in a specific Australian state local government system. Some initial work has been already done (Drew et al, 2013a, forthcoming). However, in common with the broad thrust of empirical studies in other countries, to date, Australian researchers have focused largely on the effects of amalgamation on the efficiency and cost characteristics of amalgamated local authorities, rather than on any changes in administration, management, policy, planning and technical capacities as judged by residents through resident satisfaction surveys and similar instruments.

In addition to these considerations, Australian policy analysts could apply empirical analysis to some of the tools routinely employed in the analysis of Australian local government. For example, in all Australian local government systems, policymakers use existing classification systems for categorising different types of local council. Thus, the Australian Classification of Local Government (ACLG) contains 22 groups of council, while the NSW government has its own classification system, which uses only 11 of these 22 categories. In neither case has any empirical research been undertaken to determine how best to classify councils and which characteristics to employ. Empirical research could evaluate which characteristics are most relevant for classifying councils, and for understanding broader issues of policy, planning and management capacities.

**Policymaking and policy capacity in local government**

Policymaking in relation to Australian local government occurs at the federal, state, regional and local levels. At the federal level, Commonwealth local government policy analysis and policymaking takes place predominantly in Australian government agencies, such as the Productivity Commission, the Department of Infrastructure and Regional Development and the Commonwealth Grants Commission, where such analysis has a long tradition and is highly developed. In addition, representative bodies from local government also play a national role in the policy debate, such as the Australian Local Government Association (ALGA) (which represents all state and territory local government associations), the Local Government Managers Australia (LGMA) (which represents management) and Engineers Australia (EA) (which represents engineers, including those employed in local government), although their policy analysis capacities are largely limited to lobbying activities.

State policymaking takes place primarily in state Departments of Local Government, but also in other state agencies, such as Treasury Departments, as well as specialist bodies, like the Independent Pricing and Regulation Tribunal (IPART) in NSW. Each state has its own Local Government Association (LGA), with a policy unit whose policy capacity varies widely between different LGAs.
As we have seen in the case of several public inquiries, state LGAs often augment their limited policy capacity by commissioning work from commercial consultants, which can provide the technical modelling capacity that LGA policy units typically lack. Similarly, there are active branches of the LGMA in each state, which arrange state and regional conferences to debate policy questions.

Policy analysis in Australian local government also occurs in regional bodies, such as Regional Organizations of Councils (ROCs), Regional Development Australia (RDA), regional development corporations, county councils and the like. While valuable policy work is produced in these forums, they usually concentrate on lobbying activities. Policy analysis and policymaking in Australian local government also occurs within each of the numerous local authorities themselves, but with varying degrees of sophistication. In general, within individual municipalities, the focus tends to fall on how federal and state policy initiatives might impact on the local authority in question, as well as on how best to implement new policy regulations.

As we have seen, important aspects of policy analysis in relation to Australian local government occur through the work of commercial consultants, especially large companies such as DAE, but also a host of smaller consulting entities, which prepare numerous reports and policy papers on local government for all levels of government. The quality and technical sophistication of this policy analysis varies widely.

Finally, some policy analysis takes place within the Australian university sector by both individual scholars concentrating on various aspects of local government, and dedicated research centres. The latter group varies widely in its focus. For example, most of the research undertaken through the Australian Centre for Excellence in Local Government is aimed at the broad mass of practitioners in Australian local government and largely attuned to specific current matters of practical interest to elected councillors and professional managers in local government. By contrast, the work done through the Centre for Local Government at the University of New England typically employs empirical modelling and seeks to contribute to the scholarly literature, especially focusing upon the modelling of structural reform and its relationship to financial sustainability.

In terms of policy capacity, local government has two distinct dimensions. In the first, the policy capacity of local government is, in part, derived from the democratic legitimacy and sound decision-making ability of the elected representatives comprising local councils. While little, if any, definitive empirical research has been undertaken on this particular question in the Australian local government sector, anecdotal evidence suggests that local government policy capacity may, in part, be hampered by political infighting between councillors and factionalism driven by competing political ideologies. In these circumstances, a dysfunctional council affected by infighting and factionalism would not only interfere with the smooth running of a local council, but could also result in ‘policy paralysis’ (Dollery et al, 2011, 2013).
A dysfunctional local council could erode public confidence in its elected officials, which, in turn, could diminish collaborative partnership arrangements between local community groups and local government. Any reduction in collaborative partnerships could adversely influence the policy capacity of local government, especially where local councils rely on community consultation – and local knowledge – to help inform the policy development process (Dollery et al., 2012, 2013). A WALGA (2006) *Systemic sustainability study* emphasises the importance of council unity and effective leadership at the local level. It emphasises the importance of local government ‘leadership capacity’ by observing that ‘the experience, competence, and passion of elected members’ is essential ‘to represent the desires and aspirations of local communities’ (WALGA, 2006, p 2).

The second dimension of local government policy capacity resides in the administrative, technical and policy skills of local government staff. The importance of this dimension – especially in terms of designing and implementing local government policy – cannot be overstated. In this respect, Dollery et al. (2006a, p 148) have remarked ‘that larger councils tend to have greater levels of administrative and other expertise, in part due to the fact that their size permits the employment of special skills that cannot be readily acquired by smaller municipalities’. However, the authors hasten to add that while this argument has considerable appeal, partnership arrangements between small councils may be able to achieve the same outcomes in terms of securing the requisite specialist skills and experience. The WALGA (2006) *Systemic sustainability study* emphasises the importance of local government employees having the necessary skills and experience to ensure the efficient operation of councils. Indeed, a lack of requisite in-house skills and experience can stifle innovation and strategic thinking, which, in turn, can limit local policy capacity, and therefore policy design and implementation.

**The pattern of policymaking in Australian local government**

In contrast to other national and provincial polities, Australian local government has adopted a highly formulaic approach to local government reform, particularly in the realm of structural reform, which almost invariably hinges on compulsory council consolidation. Indeed, over the past few decades, the interstate similarities in terms of local government reform processes have made it possible to develop a ‘stylised model’ of Australian local government policymaking.

In essence, the following pattern is typically followed in Australian local government policymaking. In the first instance, a state minister for local government typically initiates a policy debate by pointing to local authority performance, including a lack of policy capacity, and complaining of generic problems in local government; often, these are centred on financial sustainability in local government. An ‘independent’ inquiry is then launched to investigate these problems and make recommendations. The inquiry usually releases a discussion paper, which is followed by public consultation and then the publication of an
interim report with policy recommendations, often involving forced council amalgamation, followed by further consultation. A final report is normally released several months later, after a process of purported public consultation. The final report typically simply reiterates the earlier policy recommendations in the interim report. The final report is then presented to the minister for local government. The extent to which policy recommendations are subsequently enacted in actual policymaking depends on broader political factors that extend beyond the confines of local government per se.

It is instructive to consider a recent Australian state local government reform process in the light of the stylised model just outlined in order to test its descriptive accuracy. In August 2011, the NSW minister for local government convened a long-term strategy workshop (‘Destination 2036’) in Dubbo, with mayors and general managers gathered from all NSW local authorities. At the workshop, the minister stressed the severe financial challenges confronting NSW local government. The main outcome lay in the establishment of the ILGRP, which we noted earlier. The ILGRP was charged with considering potential governance models, structural arrangements and boundary changes, and making policy recommendations for reform.

In November 2012, the ILGRP (2012) released a discussion paper entitled Better, stronger local government: the case for sustainable change in which the ILGRP set out its views, inter alia, on structural reform and financial viability. Public feedback was sought on the discussion paper. In April 2013, the ILGRP published Future directions for NSW Local government: twenty essential steps as its interim report (ILGRP, 2013). Future directions considered 20 elements of NSW local government and made various policy recommendations in terms of these elements, including the radical compulsory consolidation of numerous Sydney metropolitan councils and the creation of county councils from the dissolution of existing small county councils, largely on the grounds that there existed too little revenue and insufficient skilled staff to maintain the current 152 councils in NSW. The ILGRP then travelled across NSW engaging in public consultation on Future directions. After these deliberations, the ILGRP subsequently prepared a final report that it handed to the minister in October 2013. At the present time, the NSW cabinet is still considering the final report and its recommendations.

Conclusions

Viewed in comparative terms, Australian local government is unusual in the international context in two main respects. In the first place, it undertakes fewer functions than its US, UK, Canadian and most other Organisation for Economic Co-operation and Development (OECD) cousins, focusing largely on a range of functions concerned chiefly with services to property. Second, relative to most other advanced nations, Australian local government policymakers have relied very heavily on structural reform through forced amalgamation as the main
weapon in their policy arsenal aimed at improving the operational efficiency of local authorities and enhancing financial viability.

The comparatively heavy emphasis on compulsory council consolidation in Australian local government and its concomitant objective of ensuring ongoing financial sustainability in local government has absorbed the attention of Australian policy analysts and policymaking at all levels of government and in the university sector over the past few decades. A vigorous debate has ensued on the efficacy of forced mergers as a means of improving council performance and enhancing council fiscal viability, which continues to the present time. This has dominated policy attention and absorbed much of the comparatively limited policy capacity in Australian local government to such an extent that it has served to inhibit local policymaking per se. For example, as we have seen, while the bulk of public inquiries and scholarly literature has grown increasing sceptical of compulsory amalgamation as a panacea for the financial ills of local government, this scepticism has yet to reveal itself among Australian state policymakers concerned with local government.

While the deliberations of these public inquiries have undoubtedly shed valuable light on the effects of forced amalgamation on financial sustainability in local government, much remains to be done. In particular, there is an urgent need for Australian scholars of local government to conduct empirical investigations using state-wide data comparing amalgamated and non-amalgamated councils for a given amalgamation programme in a specific local government system. Empirical studies of this kind would substantially enhance existing understanding of Australian local government performance among policymakers and thereby improve policymaking capacity. Some preliminary work has been done in this regard (see, eg, Drew et al, 2013a, forthcoming). In common with the bulk of empirical work elsewhere on local government, Australian researchers have focused overwhelmingly on the impact of amalgamation on the efficiency and cost characteristics of post-amalgamation local government rather than on its effectiveness as gauged by constituents through resident satisfaction surveys and similar instruments. This requires urgent research attention if policymaking in Australian local government is to move beyond its current preoccupation with structural reform and financial viability.

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Reflections on policy advice in Australia

Carmen Lawrence

Introduction

Any investigation of public policy necessarily canvasses questions of what governments do, why they do it and what difference it makes. This means examining not only who and what influences government activities, but also who devises policies and on what evidence. It means asking how we (collectively) decide which problems are worth worrying about and which to ignore. There is, inevitably, a great deal of uncertainty in judgements about which policies will be the most effective in producing desired outcomes and which policies will appeal to and be accepted by voters. In reality, most policies are really large-scale field experiments conducted without much in the way of supportive evidence and often without follow-up to check whether they worked.

It is certainly clear that this process is not one of seamless cooperation between researchers and public service policy specialists responding to coherent requests from elected representatives who are alert to the needs of their communities. Rather, policy emerges from a messy struggle about ideas, values and interests, often following sustained agenda-setting by self-interested parties. Or, it may emerge from moral panics stoked (perhaps even engineered) by politicians or the media (Lawrence, 2006). The idealised model of meticulous, evidence-based policymaking driven by clearly enunciated values is the stuff of fiction.

In practice, the content of policies may derive from a wide variety of sources, including: analyses by government officials of what has happened in other jurisdictions (and seems to work) and what appears to have worked in the past; what social change advocates, partisan ‘think tanks’, consultants and paid lobbyists argue will work to solve identified problems (with varying degrees of evidence to back their claims); what the community appears to believe will be effective (as deduced from opinion polls and focus groups or the gut instincts of politicians); academic research; systematic analysis by policy specialists in the public service; the recommendations of commissions, parliamentary committees and specially convened inquiries; but as much as anything by what Davies et al (2000) have described as GOBSATT (Good Old Blokes Sitting Around Talking Turkey) – and, in most places, for much of the time, it has been blokes.
On any given day, the news headlines will point to at least one major problem that is said to deserve the attention of government to develop and implement appropriate policy remedies. On the day I began writing this chapter (2 September 2013), a headline in the *Sydney Morning Herald* directed readers’ attention to rising suicide rates – ‘Suicide becoming a cultural epidemic’ – and reported the opinions of experts and advocates calling for better mental health policies. Several weeks later, most media outlets were focussed on the out-of-control bushfires incinerating various parts of the country and were canvassing policy options to reduce damage to property and loss of life. At the same time, several fatal incidents involving unprovoked ‘one-punch’ assaults by drunken young men led to a steady stream of recommendations from the public and from health experts about how to deal with ‘alcohol-fuelled violence’. These ranged from restricting the hours alcohol can be sold to increased penalties for such offences. A spike in deaths from shark attacks in Western Australia around the same time provoked a rapid – and hotly contested – response from government: to catch and kill sharks in the vicinity of popular surfing and swimming beaches.

In addition to these outbreaks of media and public attention to the ‘problem of the day’, there are also regular demands from advocacy and interest groups for governments to act to solve various social and economic problems, sometimes real, sometimes imagined. Less often, carefully considered, evidence-based and long-term policy solutions are recommended by disinterested analysts. Over time, such demands and recommendations may – or may not – translate into new or amended policy. What happens will depend on a wide variety of factors and not just evidence of the problem or the availability of a possible remedy and the resources to implement it.

My approach to examining the process of policy development and advice derives largely from my own experiences and observations. Over the last four decades, I have had the opportunity to scrutinise policy development from a number of angles – as a political activist and lobbyist, as a public servant engaged in policy research, as an active member of a political party (including in executive positions), as a legislator, and as a participant in government appointed bodies responsible for policy advice. All of these experiences have shaped my ideas about how public policy is formed in Australia, how we collectively make decisions about which problems are worth worrying about and how to solve them. As a political activist, and a founding member of Women’s Electoral Lobby (WEL), my task (with others) was to define the problems indicative of the inferior status of women in Australia, devise appropriate policy solutions and seek to persuade those responsible for policy decisions that the policies were defensible and likely to prove effective, as well as being politically appealing. As an active member of my local branch of the Australian Labor Party and then as an official in the Western Australian state branch of the party at a time when decisions about party platforms, priorities and policies were still in members’ hands, the expectation was that we should assess and vigorously debate the merits and the ideological fit of a range of policy ideas for inclusion in the party’s platform.
Once elected to the Western Australian Parliament, my participation in various committees and inquiries enabled me to explore, with the assistance of expert and community consultation, policies relevant to subjects such as child sexual abuse, discrimination against people with disabilities and traffic management in suburban settings. In taking on ministerial responsibilities, including health and education, and hence the development and implementation of policies, some of the harsher realities of ‘doing policy’ became more evident: the public pressure and blinkered self-interest of many groups; the budgetary constraints; and a media usually less interested in policy than in ‘gotcha’ political scraps. Even more difficult, in many ways, was the task of devising policy from opposition, with few resources and restricted access to the government data needed to craft and evaluate policy in areas as diverse as indigenous affairs, the environment, the arts, industry, innovation and technology. My most recent experience, as a member of a national panel commissioned to recommend changes to school funding to reduce inequality in educational outcomes, showed what can be done with adequate resources and strong political backing.

In each of these roles, access to good advice and suggestions about policy were critically important – although not always easy to obtain. Nor was it inevitable that carefully crafted policy would survive the political process, whether in a lobby group or a cabinet. Sometimes, the final product bore little resemblance to the initial conception. At other times, hostile and noisy public reaction resulted in inelegant retreat.

**Community mobilisation and support**

One of the experiences I found most instructive, particularly in relation to community-driven policy, was as a founding member of the WEL, established in the lead-up to the 1972 national election. It had the explicit purpose of devising and publicising a policy agenda to improve the status of women, an objective that had been largely ignored by the major political parties in Australia. A significant element in the ultimate success of WEL (Sawer, 2008) was that it was part of a global, highly visible and energetic campaign to redesign the roles of women; women were urging change and were ready to campaign publicly and work hard to achieve that change. In addition to recruiting such women, WEL deliberately and effectively solicited media interest, including by conducting high-profile interviews with all the candidates for the election, and assessing and publicising the results in the major daily newspapers as a mock racing form guide that categorised every candidate from least to most recommended – ‘risky’, ‘plodder’, ‘promising’ and ‘winner’.

In the event, the publicity surrounding the organisation ensured that politicians fell over themselves to be seen to cooperate in completing the survey and to court the women’s vote by endorsing the agenda. Today, this sounds commonplace; at the time, it was novel and attracted considerable interest from the media. The survey was validated by social scientists and taken seriously because of its obvious rigour.
The election slogan, ‘Think WEL before you vote’, was also clear and appealing and the key campaign demands – equal pay, equal employment opportunity, equal opportunity in education, free contraceptive services, abortion on demand and free 24-hour childcare – were easy to understand and communicate. While such public notice may not be a sufficient condition for generating desired policy outcomes, it is clearly a necessary one, especially when the proposed actions are opposed in some sections of the community, as this agenda was.

The programme was remarkably successful and it is reasonable to argue that many of the reforms introduced by the Whitlam government (1972–75) would not have been possible without the detailed policy agenda devised for and by the newly politically mobilised women of Australia. The government acted quickly: reopening a national wage case; intervening in favour of the principle of equal pay for work of equal value; subsiding oral contraceptives and lifting the ban on advertising them; appointing a women’s adviser to develop a set of principles to inform the government’s programme for women; introducing equal pay and maternity leave provisions for women in the public sector; signing and ratifying a number of United Nations (UN) declarations on the employment, political and civil rights of women; appointing a record number of women as judges, arbitration commissioners, career diplomats and members of statutory bodies; legislating to establish the supporting mother’s benefit; and establishing community health centres and women’s refuges. There were some disappointments: the pre-school and childcare programmes were compromised in their design by the responsible minister’s conservative stance on the employment of women with children.

However, in many ways, this was a textbook community campaign for policy change, similar to two more contemporary examples: the highly visible – but so far unsuccessful – push to legislate for same-sex marriage; and the more successful ‘Every Australian Counts’ campaign, which has secured a commitment from all political parties in 2013 to implement a National Disability Insurance Scheme (NDIS) (although it is yet to be fully implemented). As Mike Steketee (2013) wrote in the online site Inside Story:

The campaign developed a momentum that carried everything before it, pushing aside the multitude of other priorities jostling for the attention of politicians, rolling over the objections of Treasury and Finance officials whose job is to discourage governments from spending money, sweeping up conservative premiers reluctant to give an even break to a Labor prime minister, and even taking with it Tony Abbott, who had built his reputation on opposing Labor taxes but agreed with barely a moment’s hesitation to an increase in the Medicare (health) levy from 1.5 per cent to 2 per cent to fund the scheme.

Like the WEL campaigns, both the gay marriage and disability insurance campaigns were built on identifying conspicuous injustice and establishing cooperative working relationships between the various (sometimes competing)
groups interested in the policy agenda in question. They also deliberately sought and engaged significant support within the wider community, soliciting influential backing from MPs of all political persuasions and skillfully using relevant research in support of their views. As a result, and in contrast to previous efforts to raise the profile of disability support as a pressing issue, the NDIS campaign effectively garnered sustained public attention and the push to legalise same-sex marriage, which now enjoys bipartisan support, is almost certain to be – eventually – successful.

Exploiting community fears

However, there is a dark side to the effects of community mobilisation on policy development. A potent and instructive example is the ubiquitous ‘law and order’ campaign – one of which I experienced as a state premier. Typically, such campaigns push for increased policing and harsher custodial sentences for various crimes. Many of these campaigns seem to stem from community pressure, although it is difficult to disentangle real community activism from the effects of media crusades, which exaggerate and distort the prevalence of serious crime. Among the distorting lenses is the common media practice of reporting every crime story without any contextual information about trends in serious crimes or the real risks of victimisation. Indeed, even when the media are provided with such information, they may reject it. Professor Findlay, from Sydney University’s Institute of Criminology, in an interview with a talkback host was asked why judges in New South Wales were sentencing fewer people to jail for shorter times. When Findlay told his host that he was mistaken on both counts and that statistics had been released that day which showed that the reverse was true, the talkback host retorted that ‘the stats didn’t matter because that’s not what the public believe’ (Totaro, 2003).

As a result of what seem like continuous fear-laced campaigns on law and order, people now have exaggerated perceptions of the risks of assault, murder, child abuse and robbery. Fear of crime, and particularly the fear of victimisation, has increased, as has the perception that crime rates are rising. Australians, like those of many other nations, routinely overestimate their chances of becoming the victims of crime. In general, studies show that there is no consistent relationship between actual and perceived crime trends in Australia’s states (Weatherburn et al, 1996; Indermaur and Roberts, 2005). One survey (Weatherburn and Indermaur, 2004) examined people’s beliefs about trends over the previous two years in six common offences: while the actual frequency of the offences was either stable or decreasing, the majority of people believed that every category of crime had been rising.

Such perceptions predictably lead to further demands for action from governments, who have responded by ramping up the law-and-order ‘auctions’ designed to demonstrate that they are definitely not ‘soft’ on crime. Ministers under attack from political opponents or vocal critics act as if they believe they have
no alternative but to ‘talk tough’: unless they bow to ‘penal populism’ (Roberts et al., 2003), they will lose power and, with it, the chance to make valuable changes to society. It is true that politicians often face a dilemma: you either promise what people want, even when their fears are not well based, and get yourself elected, or promise them what they really need and start looking for a new job.

As an example, my own state of Western Australia was the first to introduce a form of mandatory sentencing initially popularised in the US. An account by a local criminologist (Roberts et al., 2003, pp 54–5) describes the events leading up to the introduction of that legislation:

The general background from the late 80s to the early 90s in Western Australia was one of growing disdain for rehabilitation and intolerance of juvenile crime. The push toward a simplistic view of offenders and the effectiveness of punishment was to a considerable extent fuelled by a popular ‘talk back’ radio commentator, culminating in a rally before Parliament House in August 1991. The rally attracted 20,000 people and provided powerful ‘copy’ in a debate now largely in the hands of the media. The tinderbox was primed and simply awaiting the spark. The spark is typically a case involving an archetypal (middle-class) innocent victim, offender (lower-class recidivist) and a terrible crime…. Just such a case provided the spark to the tinderbox in Western Australia in late 1991.

On Christmas Day 1991, a young family was driving home after visiting relatives. The family comprised the father, mother (heavily pregnant with her second child) and young child. The vehicle was hit by a young aboriginal offender in a stolen car who was being pursued by police. The resulting crash killed all members of the family, except the father. The offender was a 14-year-old with a lengthy criminal record. Media coverage was intense and included pictures of the crash scene strewn with Christmas presents.

The Christmas and New Year’s period in Australia is typically a festive time with many social occasions. The Premier of the state was away (overseas) and the crisis ensuing from the Christmas day tragedy was borne by the acting Premier and his Cabinet. On the sixth of January, the acting Premier announced that ‘Western Australia’s hard core juvenile criminals will be subject to the toughest laws in Australia under measures approved by State Cabinet today.’ Further details promised mandatory minimum terms of imprisonment for repeat juvenile offenders, particularly for offences involving violence. Despite serious flaws now evident in the proposed strategy designed to achieve selective incapacitation, the legislation was introduced in Parliament. The proposed act was largely unworkable. Recognising the limitations of the legislation, the Labor Party attached a ‘sunset clause’, which effectively terminated the legislation after two years (in 1994).
Not only was the legislation flawed; it was also ineffective. Research by the Western Australian Crime Research Centre showed not only that car theft was actually in decline in the period leading up to the enactment of the law, but also that it actually increased after the laws were enacted. The ‘toughest laws in Australia’ were of absolutely no use in reducing the rate of motor vehicle theft (or violent juvenile crime). I was the absent premier referred to and I failed to act to reverse the decision. This salutary tale illustrates all of the key elements of the ‘law and order’ scourge: the sustained scare campaign by the media targeting marginalised groups; the hysterical public (and opposition) response; a tragic spark; and panicked political leaders rushing to legislate without careful consideration of the likely consequences.

Buying influence

While community mobilisation may result in the adoption of policies, both good and bad, it is also clear that parties with commercial interests are assiduous in seeking to influence policy decisions to their own benefit – through well-funded lobbying, advertising and campaign donations to the major political parties. Cool calculation, as much as moral panics, can capture the policy agenda.

In Australia, where we have more or less equal voting power among citizens, there is a far less equal distribution of the power to influence government decisions between elections; not all enjoy the same chance to participate in policy development. Part of this inequality stems from the unhealthy relationship between political parties and those who donate to their election campaigns. Australia has a mixed system of public funding of election expenses (based on the size of the party vote) and private donations (partially disclosed). Although data on sources of party revenue are compromised by limitations in the disclosure provisions and difficulty in categorising the type of donor, it seems that an increasing proportion of donations come from large individual, corporate and institutional donors – so-called ‘plutocratic’ financing – as opposed to ‘grass roots’ sources, such as membership dues and donations from party members and supporters (Tham, 2010). While I know of no comparable Australian research, surveys of major corporate donors in the US (some of whom also donate in Australia) show that their decision to donate does not arise from charitable impulses or civic duty – they expect a return for their money. A Business Weekly/Harris Poll surveyed 400 senior executives from large public corporations, exploring their reasons for donating to political parties. Over half nominated securing access to lawmakers to ensure consideration of matters affecting their businesses as the main reason. A further 27% indicated that gaining access was at least part of their rationale, while a disquieting 41% said that at least part of the reason they made political donations was in the hope of receiving ‘preferential consideration on regulations or legislation benefiting our business’ (Bonus and Regan, 1997, p 34). The promotion of these special interests may be inimical to good public policy, especially if other, contrary, views are not given the same access or weight. Former
US Senator Paul Simon (2000) observed that ‘anyone who has been a candidate for major public office and says “Campaign contributions don’t affect you” is simply not telling the truth’, and that ‘the financially articulate have inordinate access to policy makers’.

The substantive problem is the possibility that such donations might purchase influence, or, at the very least, might open doors that are closed to others less well-resourced. Reliance on donations may create a strong inducement for political parties to bias their policies towards business and high-income earners who provide the bulk of the funding, thus conspicuously undermining the promise of democracy that we all share equally in political power.

The power to influence policy decisions, agendas and the circumstances in which policy decisions are made resides disproportionately with those who have the ear of government, however it is secured. One of the most obvious features of national political life is the steady stream of lobbyists – individuals and organisations – who turn up in the corridors of parliaments around the country seeking to influence the policies and decisions of their representatives. Lobbyists are so named because of the historical practice of petitioner waiting in the lobbies and corridors of Westminster in order to accost MPs and try to persuade them to take up petitioners’ causes. Today, the process has become much more formal and well-funded – and much less visible. Some lobbyists are clearly motivated by their own or their shareholders’ interests; others by a desire to achieve particular outcomes that they believe will be of benefit to the society or some more narrowly defined sectional interest. Most people would regard such contact as a legitimate and basic right in any democracy as politicians need to be aware of the needs and wants of various sectors of the community and to be exposed to a range of policy ideas. However, it is disturbing that some are much more equal than others in this process of persuasion and, worse, that a system of private lobbying, especially when it is linked to substantial campaign donations, may increase the likelihood of clear corruption. Some – mainly business – groups are able to devote substantial resources to the task of lobbying and to purchase access to ministers and senior public servants. They wine and dine MPs and provide them with ‘corporate hospitality’ as part of carefully crafted lobbying built on personal contacts and expensive ‘information’ campaigns. Additionally, no proper public record is kept of these proceedings.

However, the promotion of these special interests may be inimical to the public good, especially if other, contrary, views are not given the same access or weight. When access to ministers and MPs is sold, as it now so often is as part of campaign fund-raising, there is a very real possibility of corruption. Well-funded lobbying and generous campaign donations distort decisions on government policy: those who can afford the flights to Canberra, the permanent lobbyists and the hospitality may well drown out other less well-funded voices. There is every likelihood that, without constant public scrutiny, political decisions will be deformed to favour party financiers, especially those who follow up with targeted lobbying to further their own objectives – so-called ‘corruption as undue influence’. It is
clear that candidates and incumbent politicians do respond to these campaigns and they do help shape policy discussions and decisions (Tham, 2010). Such lobbying may go well beyond ‘influence peddling’. As was revealed following a Crime and Corruption Commission (CCC) investigation in Western Australia, corporate funds and expertise were funnelled (without full disclosure) into the campaigns of those local councillors and residents who supported the developers behind controversial coastal housing and tourism projects. Similar inquiries into corruption in NSW have linked ministers with planning policies and decisions favouring developers and mining interests.

Even when the actions of lobbyists fall short of corruption, it is clear that some people and groups are in a very privileged position to change legislation or administration through lobbying. Since we are aware of only a small proportion of the lobbying that goes on, there is a reasonable suspicion that a great many more decisions are being shaped without our knowledge and without the interest groups having to face public scrutiny of their claims and arguments. There has been no systematic attempt in Australia to monitor just who is wielding such influence – who gains access, in whose interest and with what level of expenditure they pursue their policy objectives – although there have been attempts to uncover such influences on specific policies and there are times when the influence peddling is unashamedly blatant.

In investigating climate change policy, Pearse (2007) found that some of the major corporate players (and donors) from carbon-intensive industries were effectively ‘embedded’ in government, boasting that they had a direct hand in writing cabinet submissions and ministerial briefings on climate policy. Organised as the Australian Industry Greenhouse Network, they apparently referred to themselves as the ‘Greenhouse Mafia’ and, according to Pearse, claimed that they ‘reverse-managed’ the greenhouse ministerial committee to thwart the environment minister: effectively stopping planning for an emissions trading scheme; preventing Australia from ratifying the Kyoto protocol; preventing the introduction of laws that would have allowed greenhouse emissions to trigger federal environmental approval processes; and watering down the Mandatory Renewable Energy Target. Their handiwork may well be on display again more recently in the decision to appoint senior business figure and known climate change–denier Dick Warburton to head a review of that same 20% Renewable Energy Target.

**Political ideology**

In general, despite recent pressure from some sources to reduce the size of government, it appears that most people still expect those governments to develop policies that are then explained to the electorate and implemented, and that generally these policies arise from and are informed by the values and ideologies of the major political parties and politicians. While this expectation is not likely to be fully met because policy development is not systematically derived from
political parties’ values and ideologies, the role of ideology in agenda-setting and policy development should not be underestimated.

Policy development is an inherently political process and political attitudes (if not coherent ideological principles) influence what is considered to matter, what deserves attention, what priorities are assigned to various problems and how issues are presented for public attention. For example, if a party is sympathetic to the view that ‘you get what you deserve and deserve what you get’, it is not going to be much interested in reducing inequalities in wealth and income or seeking to reduce disadvantage and discrimination. If ‘choice’ overrides an interest in reducing inequality, then that party will probably be more interested in providing variety in educational options than reducing the gaps in achievement between children, and it will be more interested in allowing people to ‘choose’ their doctors than in providing equal access to quality health care for everyone regardless of income. If a party assumes that economic growth is the overwhelmingly pre-eminent goal, then it will probably place the quality of work experience, work safety and environmental and heritage protection as subsidiary issues, or even as obstacles to the bottom line. Despite the fact that ideology is important in shaping policy agendas, it is also important to recognise that much policymaking is now somewhat disconnected from political parties’ values and ideologies and that the process now appears more fragmented and ad hoc than in the past. Principled policy positions may be abandoned in the face of conspicuous, if not majority, opposition, particularly when that opposition originates from vested and well-funded interests. Two examples – the mining tax and the private health insurance rebate – serve to illustrate how these tensions play out in policymaking.

The mining tax

While the positions of the major political parties in Australia have converged on many issues (notably, in the treatment of asylum seekers who arrive by boat), it is still possible to discern the outlines of their ideological roots in their policy choices. The protracted debate over the desirability of legislating to tax the ‘super-profits’ of the mining industry during the recent mining boom was inherently ideological and revealed the allegiances of the major political parties, as well as the power of the corporate sector to influence public policy. The federal Labor government argued that at a time of surging minerals prices, the existing state-based royalty regimes were not capturing sufficient value for the owners of the resource – the people of Australia – and that, therefore, a resource tax should be levied. They also argued for a more equally distributed benefit from the resources ‘boom’, noting that while some parts of economy had benefited from the surge in resource prices, others had suffered, and that the demand for resources had pushed the Australian dollar higher, hurting farmers, manufacturers, tourism and the international education sector, as well as pushing up the cost of living for everyone. Revenue from the resource tax was earmarked to assist industry
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and small business, as well as for general government purposes beneficial to the wider community. It was, essentially, a redistributive measure.

With their allies from the mining and resource companies (mainly large multinational companies), the conservative parties (the Liberal–National Party Coalition) and the major business lobbies vehemently opposed the tax and campaigned vigorously against it. They argued that it would place onerous imposts on the miners, reduce economic growth and undermine the free market. They mounted a vociferous, well-funded and, at times, acrimonious campaign to ‘axe the tax’.

It has been argued that the toppling of the prime minister (Rudd) was a by-product of this campaign. In any case, one of the first acts of his successor was to make major amendments to the tax that favoured the major multinational resource companies so that, eventually, the revenue it raised was negligible. With the subsequent election of the conservative Coalition government in 2013, the tax is poised for abolition. Either way, the careful, systematic analyses of the best design of such a tax and the real costs and benefits of the policy outlined in an earlier Treasury tax review (the Henry Tax Review) were rendered irrelevant.

Nor was the opinion of the wider community apparently significant: polling showed that approximately half those surveyed supported the tax and a smaller proportion (round 30%) opposed it (even following the campaign to discredit it), but this public support did not appear to carry any weight against the corporate interests (Essential Polling, 2012).

Medicare and private health insurance

One of the most enduring ideological divisions in Australia, and one that has powerfully influenced public policy over decades, is evident in decisions about funding health care. As federal health minister during a contentious debate about the role of private health insurance in 1994/95, I observed the ideological and the self-interested positioning of the major players, a combination of private health insurers, private hospitals and sections of the medical profession all pressing to increase the number of people with private insurance, an outcome from which they would directly benefit.

Australia was one of the last of the developed nations to introduce universal health insurance (now known as Medicare) perhaps because, as one of the architects of the policy, Richard Scotton (2000, p 9), put it, ‘Universal health coverage in Australia was the outcome of a prolonged struggle at many levels’. The struggle continues, albeit in more muted form than the original, often shrill, debate about the respective roles of the public and private sectors in both the funding and delivery of health care. Historically, the Labor Party has emphasised the need for the provision of publicly funded health care and universal health insurance paid for out of general taxation revenue and a hypothecated levy, while the conservative Coalition parties have consistently repudiated the idea of universal health insurance in favour of a strong and robust private sector. For
30 years, the central plank of conservative ideology has been a commitment to supporting private health insurance through taxation rebates.

Once implemented by Labor governments, Medicare was very popular with the electorate and the conservative parties moved to support it – at least in general terms. However, the conservative Howard government again focused on the need to arrest the decline in the proportion of the community who held private health insurance (an inevitable and expected outcome of universal health insurance) by introducing a series of measures, the most expensive of which was a 30% rebate on private health insurance costs. They argued that this measure would cut the cost of private health insurance and increase the number of those holding such insurance, thus benefitting the health system overall by reducing pressure on public hospitals. Critics maintained that this was not necessarily the case, and that the money the government spent on the 30% private health insurance rebate (estimated to be around AUD5.56 billion in 2012/13) would produce better results if invested directly in the public hospital system. While the rebate was initially rejected by the Labor Party, they later committed to retaining it, fearing a backlash from the now-increased number of people who held private health insurance and anticipating organised resistance from the private hospitals, medical practitioners and insurance interests, committed to retaining the rebate.

The evidence now available suggests that the anticipated benefits were not realised. Since 2002, premiums have risen steadily above the inflation rate, at an annual average rate of 6.5%, accounting now for 6.1% of household disposable income, up from 4.6% a decade ago. Over the same period, private hospital earnings have increased (before interest and tax) at the rate of 10% per year, while insurers’ earnings rose by 16% per year over the same period. A report by the Industry Commission (1997) undertaken shortly after the introduction of the rebate found that premiums had risen ‘at rates well above the rate of inflation in recent years’ and faster than health-specific indices. That continues to be the case. Health funds have continued to demonstrate a ‘pass-through’ attitude, as Richard Scotton describes it, rather than a strong bargaining approach.

The major benefit claimed for the policy – that it would take pressure off the public system – has also not been realised. There is evidence (Lu and Savage, 2006) that the newly insured did not reduce their use of public hospitals for the most serious and complex illnesses and procedures, waiting times in public hospitals did not decline and, furthermore, while some people who would formerly have been treated in public hospitals shifted to the private sector, the resources went with them to the less-efficient private hospitals. Due to this decline in overall efficiency, the loss of skilled practitioners, the increased risk profile in the public system and budgetary restraints, the policy may actually have increased the pressure on public hospitals. Experts in health policy predicted all of these outcomes – and were ignored. However, the policy is now so embedded in the system that it would take an extremely ‘courageous’ minister to remove it.
Conclusions

Policies and policy agendas derive from a complex (and sometimes baffling) interaction between ideology, evidence, political manoeuvring for short-term advantage and special interest pleading by various representative bodies and corporations, especially those traditionally favoured by the major parties and the sources of most of their campaign funds (business lobbies and the trade unions). Community sensitivities and fears and the deliberate exploitation of those concerns play a pivotal role in determining which ideas are translated into policy (Lawrence, 2006). In turn, the climate of opinion that influences these selections is powerfully influenced by media constructions of the issues, and the politically beneficial images and attention-grabbing characteristics of policy ideas themselves. Disinterested advice based on careful research often comes a poor last.

References


Part Three
Policy analysis beyond executive government
Introduction

Committees are an under-studied aspect of parliamentary life and the policy process. There has been no comprehensive review of the Australian system since 2007 (Halligan et al, 2007). Yet, as registered in activity and output, committees occupy a significant proportion of the time of Members of the House of Representatives and Senators. For example, in the 43rd Parliament (2010–13), there were 15 House committees, 24 joint committees and 20 Senate committees. Twenty were single-subject select committees but most were standing committees with ongoing oversight and investigatory roles. These committees together issued 712 reports, averaging about 237 each year. These ranged from short statements to quite lengthy reviews.

This chapter offers a preliminary appraisal of committee activity – in particular, their actual and potential significance in the political and policy development process. For evidence, the chapter draws on recent academic analyses of committee work, including public engagement and outreach, and on a sketch of reports issued during the 2010–13 Parliament. It concludes that the present system is much weaker than that in several other contemporary Westminster parliaments (Britain, New Zealand and Scotland). In these other parliaments, there has been more attention to the role of committees and to the development of a rationale for independent committees (on Britain, see Kelso, 2009; Brazier and Fox, 2011; House of Commons Liaison Committee, 2012; on Scotland, see Cairney, forthcoming; on New Zealand, see Miller, forthcoming), and the entrenched resistance of the executive in Britain to augmenting committee roles has been documented (Russell, 2011). Parallel efforts are conspicuously absent in Australia – indeed, the largely consensual character of committee reports over past decades has now been displaced by partisanship (Halligan et al, 2007, pp 228–33).

There are, however, sufficient examples of successful inquiries to indicate the positive contributions that committees can make: first, the committee system can create a transparent arena for interaction between interests and the state in key policy domains; second, it sometimes provides a platform through which emerging issues and grievances can be constructively aired; and, third, such
quantitative evidence as is available suggests the committees have made a positive contribution to legislative amendment.

The chapter begins by outlining the roles of committees as developed in parliamentary and other systems, and the evolution of the committee system in the federal Parliament. Second, the chapter summarises recent scholarly findings concerning the impact of committees and includes cameo case studies of several illustrative inquiries during the 2010–13 Parliament. A third section summarises what types of actors gave oral or written evidence to selected Senate inquiries in the period 2010–12. The concluding section briefly summarises our findings.

**Committees in parliamentary systems**

Committees have a deep provenance in parliamentary systems, although their roles vary widely depending on such factors as the constitutional structure and/or the political/party context (for a discussion of committee ‘strength’, see Cairney, 2006). For example, as a result of its constitutionally based sharing of executive powers, the US committee system is exceptionally powerful in the formal sense, exercising substantial influence on appointments, agenda-setting, the budget and interest and media engagement. Over much of US history, this formal influence was manifest in policy, budgetary, personnel and legislative outcomes (Fenno, 1973; Maas, 1983). More recently, the system has been compromised. This is a consequence of a series of political developments that have overturned more consensual practices (Mann and Ornstein, 2006; Packer, 2010; Drew, 2013). This is one symptom of a more general political malaise that, in different forms, is evident in a wide range of Western states (Naim, 2013; see also Dalton, 2004, esp p 206).

Committees in the consensually oriented German Parliament also wield considerable influence and policy impact. This is facilitated by both formal institutional arrangements and the informal norms that govern parliamentary practice (Steinack, forthcoming). In the Scandinavian states, representative commissions play some of the agenda-setting and mobilising roles that are exercised elsewhere by committees of the legislature (Arter, 1982). For example, Ove Pedersen (2006) has described the transformation of the Danish state into what he terms a ‘negotiated economy’.

Turning to the Westminster world, the current British, Scottish and New Zealand systems illustrate the considerable variability that is possible within a Westminster-style institutional setting (see earlier citations). The British committee system is much ‘stronger’ and much more elaborated in its strategic, reviewing and other roles than is the system in Australia. The Scottish and New Zealand committees have also both developed substantial roles in relation to legislation, although the Scottish system has not realised the aspirations of its designers (Halpin et al, 2012; Cairney et al, 2009; Cairney, forthcoming). The New Zealand system has perhaps fallen short of its potential as a point of access for interests (Marsh and Miller, 2012).
The Australian committee system developed slowly, mostly only in the later decades of the 20th century. This story is extensively told elsewhere (Halligan et al, 2007; on the Senate committee system, see Laing, 2011). Notable enquiries in the 1930s covered the banking system and the social services system; the latter surveyed by Castles and Uhr (2007). During the Second World War, a number of committees were established, including social security and post-war strategies. This latter committee helped set the policy agenda for the post-war development of the welfare state and the managed economy (Hasluck, 1970). The expansion of the Senate from 36 to 60 in the post-war period and the adoption of a proportional voting system set the stage for subsequent developments in that House.

As noted at the outset, the Australian Parliament actually hosts three separate systems – the House, Senate and a joint committee structure. The Joint Committees on Public Accounts and Public Works were established early in the life of the Commonwealth Parliament. In 1952, the Menzies government established a Joint Committee on External Affairs. Presumably, partly because of the size of the federal Parliament, few committees were established outside this joint system until 1970. In that year, the number of non-domestic committees jumped from seven to 24. This was stimulated partly by the loss of government control of the Senate and partly by a commitment to committee activity on the part of the opposition (Hocking, 1997). The next big change did not occur until 1987. Following the machinery-of-government changes initiated by the Hawke government, the House established its own comprehensive system.

From 1990, bills in the Senate were automatically referred to committees. This led to a further revision of the Senate system in 1994. A structure based on comprehensive legislative and general-purpose committees was then created. This resulted in paired legislation and references committees in eight broad areas, the former with primarily oversight roles and the latter with an investigatory brief.

Individual committees have undertaken some notable and/or influential and/or suggestive enquiries. For example, a Long Term Strategies Committee (LTSC) was established in the House between 1991 and 1995. Its report includes comprehensive surveys of public policy issues that have since developed as significant strategic concerns: workforce development, population policy, urban settlement, population aging and the information society. However, because the formal policymaking system had no capacity to digest its findings, this committee was subsequently disbanded and has never been replaced (Jones, 2007, pp 395–9; Marsh and Yencken, 2005).

**Committee activity and impacts**

As noted at the outset, the concept of committee impact is elusive. There are many immediate and more distant ways in which influence can occur. In a recent study of UK committees, Russell (2011, p 8) nominates eight forms of committee influence, the first seven of which involve qualitative judgments: contributing to policy debate; drawing together evidence; spotlighting issues; brokering between
actors in government; improving the quality of government decision-making through accountability; exposing failures; and ‘generating fear’. This last refers to the transparent nature of committee hearings and the embarrassment that can be visited on participants. The final form of committee influence, the actual impact of recommendations on policy, can in principle be systematically assessed. How might Australia’s system be judged against such criteria?

There has been no recent comprehensive study of Australia’s committee system, for example, matching Russell’s (2011) on the British system. However, some detailed assessments of committee impacts on legislation, governmental performance and the oversight of programmes and agencies have been undertaken and these are summarised by this chapter. The work of the committees through the 2010–13 Parliament is then catalogued and illustrated here in two cameo case studies. One involves a novel executive–parliamentary taskforce on a contested issue, while the other concerns the contribution of a committee inquiry to the resolution of a contested policy issue. A novel form of committee accountability – estimates hearings – is also noted.

Published studies

Six studies that involve qualitative or quantitative assessment of the impact of Australia’s committees are sketched here. As noted earlier, the Halligan et al (2007) study was the last comprehensive review of committee impacts. Taking the period from 1976 (from which date more comprehensive committee systems progressively developed), they note that some 3,220 reports have since been produced. Due to both the diversity of possible committee impacts and the variability of their internal dynamics, they discount quantitative measures of committee impact in favour of individual case studies. These are extensive and cover impacts in the context of the three primary committee roles: scrutiny and review; investigative inquiries; and legislative appraisal. In each case, they distinguish retrospective from prospective inquiries. It would be impossible in a few sentences to do justice to the richness of their account; however, they do note some individually very influential enquires (such as those on the GST [Goods and Services Tax]), as well as some whose impact fell short of what might have been hoped (eg the work of the LTSC). In this latter case, they note a disconnect between the scope of inquiries and the organisation of the executive branch, a point that might be noted by those who envisage a wider role for committees in agenda-setting. They conclude that ‘the most important effect of the growth of committee work … has been the broadening of opportunities for participation in policy development’ (Halligan et al, 2007, p 238).

Turning to legislation, Vander Wyk and Lilley (2005) have evaluated the way in which bills are handled by Senate committees. They describe the impact of the Selection of Bills Committee that was established in 1990. They conclude that it has enabled the Senate to deal with more bills and to do so more effectively, for example, the capacity of committees to marshal evidence from affected interests
and to publish findings before floor debates means that Senate deliberations are much better informed.

Two assessments review the impact of committees on legislation. Ian Holland (2009) has examined the linkages between committee reviews of legislation and amendments in the Senate during the periods 2003–04 and 2006–07. The government lacked a Senate majority in the former period but, after the 2004 election, regained it in the latter. The committees produced 198 reports, but only 102 (51%) reports involved a recommendation other than that the bill be passed. Bearing in mind that only around 40% of bills are referred to committees, Holland concludes that of all the government bills considered by the Senate, only around one fifth were the subject of any standing committee recommendations for either amendment or administrative reform. Of the 259 recommendations to amend bills, 157 (61%) were agreed to by Parliament either in full or in part. The results also show that of the 120 administrative recommendations, 60 (50%) were partially or fully agreed. So, of a total of 379 committee recommendations, 217 were acted upon by Parliament (57%). In sum, Holland finds that when Senate committees identify a concern regarding proposed legislation, their reports are an effective tool for successfully achieving change.

Holland also contrasted Australian practices with those adopted in the New Zealand and Scottish systems (Monk, 2010). In the latter, bills are referred before the second-reading stage and committees can amend bills with a presumption that the chamber will adopt bipartisan committee amendments. However, 48% of bill inquiries conducted by Australian Senate committees were unable to report until after the bill had already passed through all stages in the House of Representatives. This means that cabinet and government members had already committed themselves to a bill, both in principle and in detail, before it was subject to committee investigation.

Another survey of committee impact involved all committee reports in both Houses during 2001–04, a period in which the government lacked a Senate majority (Monk, 2009a, 2009b; see also Monk, 2012). Some 496 reports were covered. Scrutiny reports (such as those of Estimates Committees) were excluded, as were those that included only a single recommendation (such as Public Works Committee reports). Reports that did not propose new action were also excluded. This reduced the sample to 95. The analysis established that in 60% of cases, at least one recommendation for new action was adopted. Monk’s findings also affirmed others deriving from the UK, namely, that committees are most effective when they reach bipartisan conclusions on contentious matters. Further, Monk suggests that committees are better at scrutinising government policy than they are at building policy from the ground up.

The Australian constitutional structure is unusual in according virtually coequal powers to its two Houses. If more consensual arrangements were to develop, the Senate’s veto over legislation would seem to be critical leverage. Stanley Bach (2003) has explored the extent to which these powers were actually exploited. In the period from 1996 to 2002, the governing party lacked a majority in the
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Senate. He evaluated the opposition’s use of the veto combinations that this potentially created. With less than 6% of the bills passed registering opposition, Bach concluded that resistance was exceptional, not routine. A tacit agreement seemingly preserved the essential norms of the two-party system. In other words, the two major parties have largely agreed to work together privately while indulging in slinging matches publically.

Another study displayed the potential of a senate committee to contribute systematically to the evolution of policy in a complex domain – in this case, superannuation. A select committee was established in 1992 and delivered its final report in 2003. Of the 276 recommendations made by this committee over its life, the government directly accepted 87, while rejecting 72 and partially accepting or referring 113 to other authorities. The committee established a high degree of bipartisanship, with substantial policy expertise, and provided a bridge between this emerging policy area, relevant industry groups, consumers and the wider public. Its work is celebrated in a comprehensive report (Hooper, 2006).

Committee activities, 2010–13

Following the analysis of committee impacts cited previously, this section offers an overview of committee activity during the 2010-13 Parliament according to the type of inquiry: that is, legislation, oversight of programmes and agencies, and inquiries on new and emerging issues. The 15 House committees, 20 Senate committees and 24 joint committees completed some 792 inquiries. This activity is summarised in Table 9.1.

Committee reports vary widely in length and substance, from one page to multi-volume documents. Review of legislation and oversight of programmes and agencies are activities that fit broadly within the norms of the broader adversarial system. Both involve assessments after the executive has determined a course of action. Committee reports may suggest detailed changes or criticise an agency

<table>
<thead>
<tr>
<th>Location and number of committees</th>
<th>Tasks</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>House (9)</td>
<td>Bills</td>
<td>95 (12%)</td>
<td>136</td>
</tr>
<tr>
<td></td>
<td>Scrutiny and Oversight Strategy</td>
<td>25 (3%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>16 (2%)</td>
<td></td>
</tr>
<tr>
<td>Senate (17)</td>
<td>Bills</td>
<td>295 (37%)</td>
<td>408</td>
</tr>
<tr>
<td></td>
<td>Scrutiny and Oversight Strategy</td>
<td>76 (9%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>37 (5%)</td>
<td></td>
</tr>
<tr>
<td>Joint (17)</td>
<td>Bills</td>
<td>36 (5%)</td>
<td>248</td>
</tr>
<tr>
<td></td>
<td>Scrutiny and Oversight Strategy</td>
<td>184 (23%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>28 (4%)</td>
<td></td>
</tr>
<tr>
<td>Total (43)</td>
<td>Bills</td>
<td>426 (54%)</td>
<td>792</td>
</tr>
<tr>
<td></td>
<td>Scrutiny and Oversight Strategy</td>
<td>285 (35%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>81 (11%)</td>
<td></td>
</tr>
</tbody>
</table>
or programme for failing to meet intended outcomes or performance. The data suggest the extent to which this work predominates, with 89% of reports fitting into one or other category: 54% involved the review of legislation, and 35% involved scrutiny and oversight. A further 11% involved strategic enquiries. Strategic enquiries evaluate the need for policy before the executive has itself decided what to do, for example: the feasibility of a national adult dental scheme; the future of food processing; gene patenting; and the future of primary schools. As noted later, this is perhaps the most promising area for committee work.

To illustrate the varieties of committee activity, three brief case studies of committee work from the 2010–13 Parliament follow. The first, involving climate change strategy, represents an executive–minor party collaboration, a role not seen since the first years of the 20th century. The second, on the Murray Darling Basin, involves committees contributing proactively to the resolution of a contested issue. The third, on a proposed mining tax, illustrates committee enquiries as weapons in the wider partisan struggle and also, paradoxically, how enquiries might augment policy effectiveness.

Climate change and a carbon tax

The Gillard minority government faced a major problem in designing a carbon price that was acceptable to its parliamentary supporters – the Greens and the Independents. After the 2010 election, as part of her deal with the Greens, Prime Minister Gillard promised to establish a multiparty parliamentary committee to look at options for emissions control. This was a significant policymaking innovation by the minority government. The membership included the prime minister, two other ministers, two Greens and two Independents; the opposition declined to participate. Advisers were initially included but were subsequently excluded. Save for confidential items, meeting details were published. Stakeholder business and community service sector groups reporting to the committee were also established. The committee met seven times between October 2010 and May 2011 before an agreement was reached for a phased roll-out of carbon pricing (a fixed carbon price that would transition after three years to a permit trading scheme). The legislation introduced in July 2011 followed this agreement and passed the Senate in November 2011 (Crowley, 2013). It was supported and opposed by business groups, and subject to a media offensive by the opposition that dented public support and set the seeds for its revocation by the subsequent Coalition government.

Managing regional affairs

The Murray Darling Basin is Australia’s primary river system, flowing across four states, contributing 75% of the water consumed nationally and supporting a wide variety of agricultural businesses. Its health has been the subject of investigation and advocacy for decades. In 1995, the Murray Darling Basin Commission (MDBC)
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capped the amount of water to be taken from the system and provoked prolonged dispute. In 2010, further proposed cutbacks in allocations provoked outrage by affected interests (Connell, 2012). Subsequently, the House Regional Affairs Committee, chaired by the widely respected Independent MP Tony Windsor, initiated an inquiry, which was highly critical of earlier consultation undertaken by the MDBC. After extensive consultation, the inquiry proposed a bipartisan compromise that was acceptable to all parties, illustrating the potential of inquiries to investigate deeply contested issues and to produce acceptable solutions. This innovation was also a product of minority government. As the Chair observed:

[During the hung Parliament,] the Murray-Darling committee was a good example where all the players – Liberal, National, Labor, independent – recognised that they could have some real input in the decision-making process and so put a lot of hard work into it. Whereas in the past, the government of the day would have had the numbers on the committee and a lot of people felt they were wasting their time going through the process without having a real impact on the outcome.1

From the Resource Super Profits Tax to the Mining Resource Rent Tax

This inquiry illustrates how partisanship has inhibited committee impacts. In all, eight different committees undertook reviews of the proposed resource/mining tax and of the government’s approach towards introducing it.2 There were two substantial enquiries on the conception of the legislation. One Senate inquiry occurred when the mining bill was first introduced and the other explored the later revenue shortfall. Both covered a range of complex issues, including: budgetary impact by contrast with the Resource Super Profits Tax; the likely volatility of revenue; the rationale for the rate at which the Mining Resource Rent Tax was set; the rationale for its restricted coverage of iron ore and coal; the curious decision on state royalty deductions; the ‘uplift rate’; the ‘taxing point’; and the desirability of lodging proceeds in a Sovereign Wealth Fund. All these matters were fundamental to the design and public credibility of the tax. Had the various Senate and House inquiries occurred before its introduction, might some of these problems been avoided? Current executive prerogatives make this unlikely. The tax was introduced by the minority Labor government in 2012, failed to produce anticipated revenues and was repealed by the subsequent conservative Coalition government in 2014.

Participation in inquiries

While it has been more common to examine the influence of parliamentary committees on policymaking, little scholarly attention has been given to the way in which committees engage with external actors and thus not only obtain
information, but also act as a bridge between the formal policymaking system and its publics. At a time when the ‘democratic deficit’ is much lamented, this might be expected to be one of their primary contributions (eg as in the report of the UK House of Commons Liaison Committee, 2012). Indeed, as Leston-Bandeira (2012, pp 265) has noted: ‘The relationship between parliament and citizens is one of the least studied areas in legislative studies yet this is a crucial dimension in understanding parliaments and the role they play in our political systems’.

To quantify participation in parliamentary committee work in Australia, we generated a data set based upon the activities of the committees of the Australian Senate between 2010 and 2012. The data set is based upon information taken from the Australian Parliament’s website, including minutes of proceedings, and information on written and oral evidence (including digital copies/transcripts of evidence where possible). Our analysis covered 16 committees – covering 66 hearings/inquiries – across the 2010–12 period. We did not include committees that pertain to internal workings of the Parliament – for example, privileges or standards – but instead focused on reference committees that were likely to have significant impact upon public policy.

Analysis reveals that 18% of all evidence is oral, with the balance comprising written evidence. This makes sense given that committees are time-poor. Who, though, gives evidence to committees? Perhaps unsurprisingly, the vast proportion of evidence from individual citizens is written, while more than 50% of all evidence from government departments is oral. The latter points to the convention of departments sponsoring bills giving evidence in support of proposals, along with the requirement for department officials to give evidence in the context of parliamentary oversight.

Figure 9.1 shows the distribution of evidence (oral and written) by all types of actors across all hearings. It shows that a few hearings garnered a high level of interest, while most attracted very little. For example, over 1,000 actors gave evidence of one sort or another to the ‘Inquiry into Commonwealth funding and administration of mental health services’ by the Senate Community Affairs Reference Committee in 2011. By contrast the ‘Unauthorised disclosure of proceedings relating to the Committee’s inquiry into Australia’s arrangement with Malaysia on asylum seekers’ hearing had just one piece of written evidence from the clerk of the Senate.

This provides a largely descriptive account of the groups, organisations and individuals who have given evidence to the key committees of the Senate. What, though, does it tell us? Parliamentary committees are one channel through which groups can exert pressure and influence. Viewed from the perspective of ‘lobbying’, evidence-giving could be construed as a one-way attempt to exercise influence. This suggests little prospect for dialogue or new understandings. However, hearings – even those pertaining to bills – often have a fact-finding element that may serve to foster learning among direct participants and the broader community. In this connection, Marsh (1985, p 157) has discussed the way in which the participation of groups in consultations and hearings contributes to their
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Table 9.2: Evidence to Senate committees, 2010–12, by actor type

<table>
<thead>
<tr>
<th>Type</th>
<th>All evidence</th>
<th>Unique actors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>%</td>
</tr>
<tr>
<td>National interest groups</td>
<td>1487</td>
<td>16.96</td>
</tr>
<tr>
<td>Politician or party</td>
<td>46</td>
<td>0.52</td>
</tr>
<tr>
<td>Experts</td>
<td>755</td>
<td>8.61</td>
</tr>
<tr>
<td>Fed/state govt</td>
<td>707</td>
<td>8.06</td>
</tr>
<tr>
<td>Local govt</td>
<td>88</td>
<td>1.00</td>
</tr>
<tr>
<td>Public institutions</td>
<td>54</td>
<td>0.62</td>
</tr>
<tr>
<td>Companies</td>
<td>564</td>
<td>6.43</td>
</tr>
<tr>
<td>Individuals</td>
<td>2880</td>
<td>32.85</td>
</tr>
<tr>
<td>Public comm., boards, etc</td>
<td>3</td>
<td>0.03</td>
</tr>
<tr>
<td>Local interest groups</td>
<td>202</td>
<td>2.30</td>
</tr>
<tr>
<td>International interest groups</td>
<td>21</td>
<td>0.24</td>
</tr>
<tr>
<td>Voluntary associations/NFP*</td>
<td>497</td>
<td>5.67</td>
</tr>
<tr>
<td>Foundations, think tanks, etc</td>
<td>32</td>
<td>0.37</td>
</tr>
<tr>
<td>Unknown</td>
<td>1391</td>
<td>15.87</td>
</tr>
<tr>
<td>Total</td>
<td>8767</td>
<td>100.00</td>
</tr>
</tbody>
</table>

*Not for Profit

Figure 9.1: Actors giving evidence in 64 hearings
‘social learning’. He has advanced the argument that committees – and organised interests giving evidence to such committees – can offer a more discursive arena for organised interests (Marsh, 1985, p 151). Early work focused upon the possibilities and prospects for using Westminster select committees to enhance political learning (Marsh, 1985). This analysis has subsequently been extended to the Australian context (Marsh, cited in Hooper, 2006).

Conclusions

A comprehensive assessment of Australia’s committee experience is overdue, including the role that committee review plays in the development of policy and the resolution of contested public issues. In the absence of such a source, our conclusions can only be tentative and partial. A threshold perspective concerns the frame within which committee activity can be evaluated. This can range from a broader systemic prism to more narrow ‘functional’ assessments. Earlier findings suggest a limited but often significant role for committees in legislative amendment. There are promising examples of other forms of committee impact – for example, in outreach, in pre-legislative hearings and in agenda entry. However, their incidence remains to be systematically assessed, as do the requirements for achieving such outcomes and determining their impact upon public policy.

Broader questions are raised by the preceding discussions. Could committees come to occupy a more prominent role in outreach or more inclusive policy analysis and development? As noted earlier, consensual practices have developed further in other Westminster-style systems. Why has this not occurred in Australia? It would need a more probing investigation to establish findings, but the rise of the 24-hour news cycle and poll-driven politics have arguably colonised parliamentary culture to the detriment of effective committee work. The reasons for this lie distantly in larger structural changes and more immediately in the populist turn. These developments are not, of course, unique to Australia. The infrastructure (principally via the extra-parliamentary party organisations) that once linked the formal political and policymaking system to its supporters and a wider public has progressively leached away. In the meantime, community attitudes have pluralised and differentiated. More issues (such as same-sex marriage, climate change and live animal exports) now jostle for a place on the policy agenda but with no clear party ideology to orient the partisans, save perhaps neoliberalism. In replacing older party organisational infrastructure and in linking the formal political and policymaking system to its publics, is there, as argued by Marsh and Miller (2012), a new role for committees? To date, there is no indication that Australian political elites have ever contemplated this possibility.

Notes


References


Expert policy advisory bodies

Jenny Stewart and Scott Prasser

Introduction

This chapter gives an overview of the evolution of government-established and supported expert policy advisory bodies (EPABs) at the federal level in Australia from the 1970s to 2010. In reviewing these bodies, we seek to answer the following questions about advisory bodies in general and the role of expertise in policy development in particular. First, why were these specialised bodies established outside the formal permanent bureaucracy? Second, what has given these bodies their ‘expertness’? Third, what processes have they employed and how have these processes contributed both to perceptions of their expertness and to their value in policy development? Fourth, what has been their impact on policy; has it gone beyond the specific issues on which they have provided advice and affected the wider debate and agenda? Lastly, what do the operations and perceived success or failure of these bodies tell us about the nature of policy development in Australia and the role of expertise?

To focus our investigation, we have analysed the evolution of three of these bodies in detail: one from the field of economics (the Productivity Commission [PC]); one from law (the Australian Law Reform Commission [ALRC]); and one from science (the Australian Science, Technology and Engineering Council [ASTEC]).

Defining expert policy advisory bodies

Before proceeding, it is important that we define and clarify what we mean by EPABs. They have the following features:

- they are established and funded by government;
- they are ongoing bodies;
- they have a clear organisational form, usually, but not always, backed by legislation;
- they fulfil an advisory function based on research or expertise as distinct from a programme delivery role;
- their members are drawn from outside the normal departmental/public service structure, and are appointed because of their specific knowledge and/or experience;
• they respond to specific ministerial requests for advice (references), but possess freedom to craft their own investigatory methods (some may also investigate areas of their own choosing);
• they have some public processes of investigation with requirements for consultation; and
• they generally release their findings to the general public through reports and discussion papers.

These expert advisory bodies are not ad hoc public inquiries that report on a specific policy issue or problem or seek to investigate an area of maladministration, corruption or the causes of some major natural catastrophe (Prasser, 2006). They should also be distinguished from parliamentary committees, external privately funded think tanks, ministerial staff and general advisory committees representing interest groups and policy stakeholders. These are covered elsewhere in this volume. Rather, this chapter focuses on a very particular type of advisory body that has been established by government, and operates at arm’s length from the normal routines of the permanent public service (although, in practice, these bodies are often aligned with, and supported by, particular departments, as well as reporting to particular ministers).

The need for expert advice in public policy

The role of expert advice clearly belongs to the rationalist rather than the practical–realist view of policy (Colebatch, 2002). It assumes that policy is, to a meaningful extent, a rational process, to which knowledge, research and experience can and should make a significant contribution. It is a view of policy that, while contested from both theoretical and empirical perspectives, remains powerful. The particular aspect of the debate that concerns us here – the relationship between the institutional form of expert advice and government – is a complex one. A number of studies (covering the UK, Canada, New Zealand and Australia) have pointed to limitations in the policy-analytic capacities of governments, although in the case of Canada, there is said to have been some improvement since a low point was reached in the 1980s (Howlett, 2009).

The nature of policy analysis itself may have changed, with an increasing emphasis in recent times on the design of policy processes and the use of performance measurement and monitoring, rather than the bringing together of data, analysis and argument. At the same time, the importance of evidence-based policy continues to be asserted (Productivity Commission, 2010). The need for longer-term forms of analysis, which transcend the imperatives of ministerial priorities and the electoral cycle, has also been noted (Bromell, 2010). Policy problems are more complex than in the past, chiefly because the systems with which they must deal are more closely interlinked, often transcending national boundaries. Many problems are difficult to define, with no clear pathways for intervention (these are often called ‘wicked’ problems; see Head, 2008). The size,
Expert policy advisory bodies

scope and diversity of government, and the layers of institutionalised policy that are already embedded in governing systems, are additional complicating factors. These interlocking systems may change rapidly and unpredictably, requiring immediate response to crisis and (in the longer run) the development of learning and innovative capacities in governance. At the same time, new technologies are evolving more rapidly than ever before, throwing up opportunities but also fragmenting discourse in the public realm. In this environment, the need for what Vickers (1995) called ‘appreciative judgement’, which draws on broadly based experience, is paramount. However, governments also need specialised expertise – in the analysis of disease patterns, weather, ecology, gene technologies and so on. They also have continuing need of skilled administration in health care, planning, transport and so on.

Public servants, the traditional sources of advice to Westminster-based governments, remain in a privileged position. However, no government wants to rely solely on public service advice. Royal commissions and public inquires, as well as less formal sources of advice, have a long history in Australian governance. The rise of ministerial advisers has been well-documented (Maley, 2000). Over the past several decades, in line with the trend towards the outsourcing of many activities previously performed within government, bureaucratic policy advice has increasingly been supplemented by, and, in some cases, replaced by, advice obtained from firms outside government. The public service itself makes extensive use of consultants for both advice and implementation.

Why, then, maintain settled advisory bodies staffed by experts and external to the public bureaucracy? What needs do they meet, and what do they contribute to the making of policy? The independence of advisory bodies is an obvious point in their favour. However, there is a significant tension here. As Dror (1984) puts it, the dilemma is that expert advice must be close enough to governments for the advice to be relevant and useful, but not so close that the advisory bodies forgo their independence, or that their advice risks being seen as partisan, biased or fabricated to meet political exigencies.

For their part, while governments are often prepared to appoint and send references to external bodies, their relationship with them is often ambivalent – independence and transparency (the key values of these bodies) may be more useful at some times than others. The bodies themselves may have to fight for their place in the sun, as they may be perceived as a threat (in Westminster systems) by the departmental bureaucracy. While good policy ideas are always at a premium, the expert body cannot afford to get too far ahead of the game lest it be ignored as being irrelevant. At the same time, in pursuing practical relevance, it cannot become too close to vested interests. Managing this kind of body is a delicate balancing act.

Another key issue is the distinctiveness of the advice that is offered. While there is a view that policy analysis within government itself has declined, there is no consensus in the literature that expert advisory bodies of the type that were common in the 1970s and 1980s should be revived. Writing in 2007, Dobuzinskis
Policy analysis in Australia

(2007) suggested that the fate of the Economic Council of Canada, a body first established in the 1960s but abolished in 1992, reflected a move away from long-term planning in economic matters. In Dobuzinskis’s view, by the 1990s, a consensus had emerged among economists about the superiority of market-based solutions to policy problems and there were many other sources of this kind of advice. Consequently, ‘the void left by the council is noticeable, but it is not as large as one would have thought’ (Dobuzinskis, 2007, p 332).

Interestingly, a revival of high-profile economic advice did take place in Canada in the wake of the global financial crisis. The Economic Advisory Council, established by Finance Minister Jim Flaherty in 2008, was not a body whose advisory credentials derived from its independent research however. Rather, the Economic Advisory Council’s role was to bring economic and budgetary advice, predominantly from the private sector, publicly to the fore in a way that helped the government to boost its economic credentials (see Canada Minister of Finance, 2011, 2014). However, Dobuzinskis considered that in the field of science, there was a continuing need to bring together both expert and deliberative advice. The formation in 2007 of the Canadian Science, Technology and Innovation Council (with a membership drawn from academia, government and business and a mandate to produce both published reports and private advice to government) supports the prescience of this view (Canada Science, Technology and Innovation Council, 2014).

The Australian experience runs somewhat counter to that of Canada, implying that national advisory cultures might be important in shaping the role of advisory bodies. Bodies such as the Australian Bureau of Agricultural and Resource Economics, the Bureau of Resources and Energy Economics (formed in 2011) and the PC have maintained their pre-eminence, arguably because of, rather than despite, the broadly consensual nature of economic opinion. Not all commentators have seen this epistemic convergence in a positive light. Argy (2000) was highly critical of the failure of advisory bodies, dominated by standard ‘laissez-faire’ views of economic management, to fully represent the wider views of those affected by economic decisions. In Argy’s view, while the PC (considered later in this chapter) undertook some processes of public consultation, it did not fulfil the role of consensus formation.

**Expert policy advisory bodies in Australia: issues and trends**

Some time ago, Sue Oliver (1993, p 134) lamented that:

> Australia … has a closed, non-porous policy making system compared with, for instance, the United States and its use of congressional committees. Congressional committees provide a stage for lobby groups and think tanks to bring their ideas, research and advocacy within the political process. No such formal process exists in Australia.
Expert policy advisory bodies

at government level for reaching out for new ideas or, at the very least seeking to achieve co-operation between ... interest groups.

Oliver argued that Australia had a very executive-dominated political system, that governments at both the federal and state level in Australia relied heavily on their departments for their advice, and that decision-making was made behind closed doors, with key interest groups having special access.

We argue that this view is too simplistic, as well as being inaccurate. Australia, at the national level, has long had a complex array of advisory bodies located near the fringes of government, in addition to making extensive use of public inquiries (Banks, 2013; Prasser, 2006). As observed by Dr H.C. Coombs, long time head of the Reserve Bank of Australia and senior advisor to many Commonwealth governments:

although it is the convention ... [that] prime ministers should and almost invariably do rely upon the head of their department and his colleagues to inform and advise them ... [this is] as a rule as much honoured in the breach as in the observance. (Coombs, 1981, p 263)

Further, the Royal Commission into Australian Government Administration (Coombs Commission) highlighted the extensive range of advisory sources that had long been available to government prior to 1972 (Coombs, 1976).

Nevertheless, the election in 1972 of the Whitlam Labor government (1972–75) did see the numbers, range and form of ongoing advisory bodies increase dramatically (Lloyd and Reid, 1974; Hawker, 1975). As Whitlam (1973) explained, their purpose was to provide additional support to the public service, especially in ‘new and uncharted areas’ of public policy. Many of these bodies, such as the Cities Commission (1972–75) and the Social Welfare Commission (1972–75) had a short life. Others proved much longer-lived. The Industries Assistance Commission (which superseded the much older Tariff Board in 1974) survived several changes of government, and ultimately morphed into the current PC.

Change in the advisory landscape is partly a response to new priorities. The Fraser Coalition government (1975–83) appointed the Advisory Council for Inter-Governmental Relations to promote its ‘new federalism’ policy, and the Hawke Labor government (1983–91), elected to promote greater consensus on industry policy and wages, created a range of new agencies for this purpose, such as the Economic Planning Advisory Council (EPAC) and the Australian Manufacturing Council and its associated industry councils. The Gillard Labor government (2010–13) created the Climate Commission in 2011, reflecting its desire to ‘help raise awareness and understanding about the threats posed by climate change’ (Macintosh and Denniss, 2014, p 198).

Advisory bodies are restructured or abolished not only to signal a different policy direction to the previous government, but also to remove members seen to have partisan connections. Hence, in 1986, the Hawke government abolished
the Australian Institute of Multicultural Affairs (AIMA) – a creation of the Fraser government chaired by former Fraser staffer Petro Georgiou. By 1990, AIMA’s functions had been assumed by two new bodies, the Bureau of Immigration, Population and Multicultural Research and the Office of Multicultural Affairs (both operating from within their associated departments). The Howard Coalition government (1996–2007) abolished both bodies in 1996 (Koleth, 2010). The Howard government also abolished the Commission for the Future, established by the Hawke government in 1985, although, in this case, the body concerned had faced decreasing interest and funding over a number of years. The incoming Abbott Coalition government (2013–) abolished the Climate Commission.

Clearly, when governments change, so, too, does the advisory landscape. Characterising and interpreting this complex landscape is, however, a difficult task that few analysts have attempted. The most recent assessment of the activities of advisory bodies is now dated (Prasser and Paton, 1994). Studies of Coalition and Labor governments since then (Singleton, 2000; Aulich and Wettenhall, 2005; Aulich and Evans, 2010) largely ignored these bodies as a distinct institution in the architecture of modern Australian government. So, too, did the survey of the state of the study of Australian politics (Rhodes, 2009), while other surveys of the discipline focus on particular bodies rather than advisory bodies as a whole (Galligan and Roberts, 2007). Certainly, there have been numerous studies of individual advisory bodies or those operating in particular policy areas aimed at assessing their roles and confirming their impacts (Warhurst, 1982; Nieuwenhuysen, 1990; Economou, 1996; Flood, 2004; Jones and Prasser, 2013), but these studies did not aim to draw lessons about what works and why.

If our knowledge of advisory bodies at the national level is thin, it is even more so at the state level. There are fewer of these bodies operating in state administrations, where policy advice is more internalised, and relations between ministers and departments are closer, than at the federal level. External, transparent ongoing advisory bodies such as Victoria’s Competition and Efficiency Commission are the exception rather than the rule. Moreover, given the centralised nature of the Australian federal system, political scientists have tended to focus on the policy actions of the federal government rather than those of the states.

The expert advisory landscape’s evolution

Writing two decades ago, Prasser and Paton (1994) identified 27 ‘policy advisory research bodies’ that were independent of government (ie established as such by statute or by specific administrative arrangements). The grouping included a number of bodies (eg the Australian Institute of Health and Welfare) whose purpose was related to research management and data collection and dissemination. We have already noted the extinction of a number of bodies related to immigration research and employment, education and training. However, the 1994 list also included a number of ‘expert’ advisory bodies – that is, bodies
designed to provide an expertise-based input to policy – which, in one form or another, were to prove durable.

From this group, we have chosen three for closer examination: the PC, ALRC and the Australian Science and Technology Council (ASTEC) and its successor body, the Prime Minister’s Science, Engineering and Innovation Council (PMSEIC).

**Productivity: career of a concept**

The PC was formed in 1998, the result of a merger between the Bureau of Industry Economics (BIE), the Industry Commission (IC) and the EPAC. (Each of the three merged bodies represented a somewhat different function: the BIE was noted for its applied work in industry-related economics; the IC was a descendant of the Industries Assistance Commission (IAC), formed by the Whitlam government to report on tariff and other economic matters; and the EPAC had performed sectoral, representative and research roles). In presaging the creation of the PC, then Liberal leader John Howard noted that the proposed commission would ‘focus national attention on the critical importance of boosting productivity’ (Howard, 1995, p 1). In this sense, the PC’s remit was wide, and in the years that followed, the scope of its inquiries went well beyond the purely economic or industrial (Productivity Commission, 2003). Key reports, for example, disseminated the results of inquiries into gambling in 2010 and into disability insurance in 2012.

However, in terms of the role of the PC, there had been a change of scope related to the earlier role of EPAC. During the Hawke government years, the EPAC had been a quasi-corporatist body, bringing government, business, union, professional, consumer and welfare sectors together in order to generate at least the appearance of consensus in relation to key economic issues and to sustain wider support for the bipartite Accord between Labor and the Australian Council of Trade Unions (ACTU) (Singleton, 1985). The EPAC also had an extensive research agenda, related to economic planning and the research needs of Australia’s three levels of government (under the EPAC Act 1983). The EPAC’s value was that it worked in the service of a consensus-oriented political agenda and it operated outside the reach of the federal Treasury. When the EPAC was absorbed into the PC, its staff were absorbed into a more formally research–related organisation whose connections to government, business and the wider community were indirect and no longer part of its governance structure.

As a Labor government creation, the EPAC was destined not to survive the advent of a Coalition government after 1996. However, the advisory climate had also shifted. The changing role of the state in a globalising world, and the decline of the union movement, meant that the corporatist arrangements that underpinned EPAC had lost momentum. However, the relationship between deliberation, advocacy and research remained a difficult issue for expertise-based advisory bodies.
The career of the PC illustrates some of the dilemmas of seeking evidence and input from stakeholders while remaining true to the values of independence and objectivity (ie the challenge of combining economically credible research and advice with the expertise of those with practical perspectives and interests). In the 1980s, the IC had played a major role in shaping policy towards the manufacturing sector. In this role, it represented and applied the dominant economic rationalist orthodoxy of Australian public policy during this period (Bell, 1993; Stewart, 1994). This particular line suited successive governments, but not the key interests involved. By the later 1980s, sensitive to charges of ideological bias in the IC, Minister Dawkins moved the agency to Melbourne, where, it was thought, it would imbibe more of the real world than in surreal Canberra.

The move away from ‘industry’ and towards ‘productivity’ under the Howard government signalled not just the demise of any form of industry policy, but also the rising dominance of a broader agenda of microeconomic and labour market reform. However, the PC Act mandated the appointment of commissioners from a broader range of backgrounds than in the past, and the PC itself welcomed the more consultative approach that this wider agenda implied (Banks, 1998).

In contemporary terms, the number and range of PC reports demonstrate its continuing relevance. Between 2011 and 2013, the PC was responsible for a large range of commissioned research projects (either under way or completed), including into: export credit arrangements; climate change adaptation; electricity network regulation; default superannuation funds in modern awards; the compulsory licensing of patents, mineral and energy resource exploration; Council of Australian Governments regulatory reforms; the regulation of small business; and a number of others (Productivity Commission, 2013). The PC has remained intact largely because its work remained useful to government. The National Disability Insurance Scheme legislated for in 2013, for example, drew heavily on the PC’s report. However, the PC’s report on problem gambling, championed by Independent MHR Andrew Wilkie, faltered politically before the weight of the opposed interests that it engendered.

The Australian Law Reform Commission

The ALRC was a creation of the Whitlam Labor government (1972–75). Like the other commissions established at this time, the ALRC had a statutory base (initially the Law Reform Commission 1973, then the Australian Law Reform Commission Act 1996), a full time chair, with initially four additional part-time members appointed by the governor-in-council for fixed terms, a number of staff, and an annual reporting process to the minister (attorney–general) and Parliament. Importantly, like the IAC, from its inception, the ALRC had no departmental representative appointed to its board – an important indicator of independence from departmental interference.

The ALRC’s primary function, as prescribed in its legislation, is to provide advice to government, in particular, the attorney–general, on ‘those matters
referred by the Attorney-General’ in order to bring the ‘law into line with current conditions … and meets current needs … removing defects in the law … simplifying the law [and] … providing improved access to justice’ (ALRC, 2012, p 13). It also has a wider community educative function, and research and information-gathering roles.

As the ALRC may conduct inquiries and present reports only on matters that are referred to it by the attorney-general, no referrals mean no interest. On this count, the ALRC would appear to be highly relevant given that it has conducted over 100 inquiries referred to it by successive attorneys-general. Moreover, the topics are wide, concern important and emerging issues of law, and have both political and policy salience in many cases.

The ALRC’s inability to initiate its own references (unlike the New Zealand Law Reform Commission, the Victorian Law Commission and related bodies in the UK) may be seen as a limit on its independence. However, this limitation does have advantages. In terms of process, according to the current president, the ‘ALRC always starts any inquiry with an open mind, full of questions and in search of answers’ (Croucher, 2012, p 7) and its process exemplifies this commendable approach: a commissioner is appointed to head each review; an advisory committee of external experts is formed; initial research is conducted by ALRC staff, often after consultation; an issues paper and call for submissions are released; further consultations lead to a discussion paper and then further consultations; and a final report is then sent to the attorney-general, who determines its public release. This more than conforms to Banks’s (2010) criteria for a good reform process.

Acceptance of its recommendations is one of the ALRC’s key performance indicators reported in its annual reports. In the latest report, the ALRC records that 89% of its recommendations were partially or substantially implemented – exceeding its target of 85% (ALRC, 2012, p 29). This level of acceptance is in line with the past record and indicates that the ALRC, like some public inquiries and other advisory bodies, keeps an eye to framing its recommendations appropriately to what would be acceptable without undermining the rigor of the proposals and or their value. However, the ALRC’s reports can be neglected as there remains no formal requirement for the government to make a response.

**The Australian Science and Technology Council**

The ‘Australian Science and Technology Council’ (ASTEC) – later, the ‘Australian Science, Technology and Engineering Council’ (also ASTEC) – was established in 1975, initially as a think tank, with industrialist Sir Louis Matheson as chairman (Moyal, 2011, p 2). In April 1979, it became a statutory authority under the Australian Science, Technology and Council Act 1978. The ASTEC’s membership was drawn from leading scientists, technologists and engineers and reported directly to the prime minister, an indication of the importance attached to the body at this time. From the late 1970s until the mid-1980s, the
ASTEC produced a number of influential reports, including one on ‘big science’ (ASTEC, 1990). The ASTEC’s influence was less certain when it ventured into the consideration of science, technology and economic activity. A ‘research foresight’ exercise, published in 1996, was considered to have lacked influence because it ran counter to the prevailing climate of economic rationalism (Tegart, 2004).

In 1997, ASTEC changed its name to the ‘Australian Science, Technology and Engineering Council’. Although the new ASTEC was responsible for the same functions as the old body, its place in the science advisory landscape had (from 1992) been superseded by the Office of the Chief Scientist, and by the formation in 1989 of the Prime Minister’s Science and Engineering Council (PMSEC), later (from 1997) the PMSEIC. Although chaired by the prime minister, PMSEC was not located in the prime minister’s departmental portfolio, but in the then Department of Industry, Science and Technology, where its secretariat was located from 1996 (Timpson and Rudder, 2005). ASTEC itself was finally abolished in 1998. PMSEIC proved to be a busy communicative body, producing several reports a year from its first meeting in 1998, although the frequency of its reports subsequently declined. Its ex officio membership (including the ministers for industry and for education) suggested a determination to ensure that science issues gained traction across government (PMSEIC, 2012). However, given its location in the bureaucracy, the extent to which its work carried an independent imprimatur (compared with ASTEC at its height) would appear to have diminished.

The Office of the Chief Scientist appeared to be faring no better. In 2011, the outgoing Chief Scientist Professor Penny Sackett revealed that she had never met with Prime Minister Julia Gillard and had only once had the opportunity to directly brief Prime Minister Kevin Rudd (Harrison, 2011). Incoming Chief Scientist and PMSEIC Executive Officer Ian Chubb observed that PMSEIC needed to become ‘niftier and quicker’ if it were to regain policy relevance (Trounson, 2011). A number of changes were subsequently announced at this time to streamline its work.

Given the importance of science and technology in all modern economies, the trajectory of science policy advice in Australia in the period under review may appear to be puzzling. Rather than building up advisory capacity, successive federal governments have watered it down. Moreover, it is difficult to argue that the functions performed by ASTEC were taken up by alternative sources of advice outside the bureaucracy, such as think tanks. Perhaps the explanation lies in a number of factors: the very ubiquity of science (making it difficult to focus the activities of a single body); the difficulty of assembling top-class researchers, particularly in social science, to support the activity of policy for science (as early noted by Ann Moyal, 1981); and, at the same time, the need for a plurality of approaches when harnessing expert advice for science for policy (Cross, 2003; Jasanoff, 2003). It is also probable that in Australia, as in Canada and New Zealand, an emerging consensus regarding the utilisation of public science for economic competitiveness had defused earlier debates about the role of science in long-term
planning (for a discussion of this issue in relation to Canada and New Zealand, see Halliwell and Smith, 2011).

Analysis

To return to our original questions, governments have a number of reasons for establishing (and doing away with) EPABs. These bodies remain useful in signalling policy and political priorities but, for the same reasons, may be vulnerable when governments change. In asking whether these bodies were ‘effective’, we need to clarify several dimensions – effective in what way, for whom and about what? Longer-lived bodies meet the needs of their key stakeholders (governments) by providing advice that is policy-relevant but also has the imprimatur of independent expertise. However, effectiveness in broader terms must also relate to policy influence. What time frame should be used in assessing effectiveness in this sense? These are issues that have long concerned external advisory bodies, but particularly so in relation to the ALRC and its proposals for changes to law. As one ALRC president stressed: ‘you’ve got to work in five and ten year timeframes in dealing with law reform’ (see ALRC, 2005). Completing a report with recommendations is one thing, but as most ALRC recommendations are about changes to legislation, this takes longer to achieve. In addition, there are other criteria beyond the tick and flick acceptance of recommendations, such as whether a report changed the tenor of debate, put new issues on the policy agenda or informed public debate.

Of the expert advisory bodies reviewed in this chapter, the PC was arguably the most influential and had the highest profile. The PC and its predecessors (the IAC and IC), influenced long-term policy by maintaining a consistent ‘line’ against industry protection. The PC could also claim some direct influence of a number of its reports, most notably, its report on disability insurance (Productivity Commission, 2011; see also Chapter Eight, this volume). This level of influence partially reflected the nature of its work, which had broadened since its IAC days. Governments and oppositions viewed the PC as a means to review issues, to develop policy when they had none and to deflect criticism. The PC reviewed topics that were both politically salient and complex in the policy sense. The PC's 2009 review of parental leave schemes, a continuing issue in the 2013 federal election, highlights this aspect of its role (Productivity Commission, 2009).

In a different field, the role of PMSEIC suggested the overarching role of agenda formation in determining the salience of advisory bodies. Science and technology, at least as a matter for public deliberation, played a diminishing part in the Australian political, bureaucratic and popular psyche in the 1990–2010 decades; hence, policy matters concerned with these issues rarely penetrated the political agenda. Ironically, the most contentious and high-profile issue (climate change) proved too divisive to accommodate within the bipartisan advisory framework.
Conclusions

Rich (2004) has argued that in the US, by the end of the 20th century, the policymaking process as a whole had moved from an ‘expertise-based’ structure to one that more immediately expressed the power of polemical discourse in a war of ideas. The polemical dimension is less evident in Australia, with a stronger role for policy analysis based on expertise. At the same time, in assessing continuing advisory bodies like the PC, the issue is whether they are still needed and relevant given that they are essentially organisational children of the 1970s. The world is now very different, not just in terms of the issues to address, but also in the nature of the policy advisory landscape. Ministerial staffs have grown, public inquiries continue to be appointed and governments prefer to create new bodies to advise on perceived emerging issues (such as climate change) than to entrust the task to existing ones.

There has also been considerable change in the wider institutional environment. Interest groups and peak associations have increased in numbers and resources and can compete with both the public service, other government agencies and, in some cases, universities in terms of the quality of their research. There are also more external ‘think tanks’ and consultancies have proliferated. All of these offer alternatives both to the public service and to permanent advisory research bodies. Nevertheless, advisory bodies have survived in this competitive marketplace due to the quality of their staff and their ability to make recommendations anchored in evidence rather than departmental and government biases. Adroit leadership has also been important. All external permanent advisory bodies have had to manage government sensitivities, and to decide on the level of controversy that they can afford to indulge in, in terms of both public opinion and the government’s ideology. Public inquiries face the same challenges, but as hoc bodies, they have less at stake in terms of seeking to develop a continuing role, securing ongoing funding and dealing with upset departments or ministers.

To summarise, longevity for EPABs is determined by earned respect, and a certain political ‘savvy’ in direction-setting. While it is difficult to argue that EPABs as a group have been independently influential, in the Australian context, they have played an important role in the evolution of policy ideas and in presenting well-worked options for change when the time for change has come.

There is, however, a downside to this mode of operation. When comparing Australia with Canada, the extent to which economic analysis (broadly applied) forms the ruling rationale or episteme of Australian policy advisory bodies is remarkable. While the most open of the economically based bodies (the PC) consults widely, its deliberative role (ie the extent to which its processes must admit and absorb the views of stakeholders in science, business or industry) is minimal. Some would argue that economic expertise must remain its own justification and that a settled policy community of this kind, close to government, has served Australia well. Yet, there are risks in these arrangements. Economic analysis will not solve every problem. Moreover, there will be gaps in the informational
interchange required for strategic policymaking (Stewart, 1994; Marsh and Yencken, 2005), which may leave interest groups with few alternatives to lobbying and the politics of the short term.

Notes
1 However, there are a plethora of little-studied lower-level advisory bodies, boards and councils at the subnational level in Australia.


References


Introduction

This chapter will examine the rise of niche policy analysis organisations in response to the demand for specialised advice that is both external to government and independent of formal organised interest groups. The recent proliferation of think tanks is outlined, factors underlying this growth are considered and the spectrum of think tanks is described. The increasing reliance by government agencies on the reports of consultancy firms, for both policy advice and programme review, is documented and assessed.

Think tanks and consultants have become important channels by which research and policy expertise are brought into the policy process. With the advent of New Public Management philosophies, and despite efficiency dividends, there has been a concomitant hollowing out of policy ideas and knowledge within the public sector (Hood, 1991; Tiernan, 2012). This has left space for the emergence and consolidation of new providers of policy ideas and advice that government often choose to engage with. There are contested definitions in the policy analysis literature internationally, but it is generally agreed that think tanks are non-government organisations that combine strategic research with policy advocacy. An analysis of policymaking that prioritises network governance, and horizontal decision-making among a variety of cross-sector political actors (Rhodes, 1997), suggests that think tanks which bundle together experts with advocacy for new ideas and policy directions are enabled by these new aspects of policy governance. Consultants, on the other hand, are private sector actors who specialise in research evaluation and policy advice services, which are increasingly contracted-out by government agencies that, under New Public Management, no longer house the required level of expertise within their ranks. This suggests that think tanks and consultants both serve the different expert advice needs of governments, but do not provide the same function or act in the same way.

The chapter highlights the increasing diversity of Australian think tanks and the rise of consultants as government contractors in order to demonstrate how we can more comprehensively understand their policy role. Yet, it also highlights the difficulties in studying policy influence, which would need a more sophisticated and nuanced view. Think-tank influence is not always seen directly
in policy outcomes, but there is evidence of involvement in other stages of the policy process, particularly through contributions to policy debates within both traditional and new digital media.

Classifying research: think tanks to private consultants

To date, there is no widely accepted single definition for the term ‘think tank’, and the extensive academic literature is characterised by myriad definitions. Indeed, the search for a single definition as to what is and what is not a think tank is a problematic exercise (eg Weaver, 1989, p 563; James, 1993, pp 492–93; Lindquist, 1993, p 554; Ricci, 1993, p 21; Marsh, 1994, pp 178–80; Stone, 1996, p 9; 2004, p 2; Rich, 2004, p 11). Largely in reaction to the changing nature of research institutes over time, scholars have adapted their definitions to suit the moment and best describe think tanks at their present stage of evolution. Consequently, organisations that typified think tanks in the past may have little resemblance to those that now attract the popular use of the label. Most academic literature is based on case-study analysis of the public positions taken, and research outputs produced, by think tanks, including descriptive state-of-the-field studies in particular countries supplemented by interview or survey evidence. There is very little ethnographic or systematic policy analysis research from within the policy process that evaluates the impact that think tanks may have on decision-making.

By the end of the 1980s, the definition of ‘think tank’ in the academic literature had adapted to the changing nature of policy-oriented research institutes. Following the lead of Diane Stone (1991), scholars adopted a common practice of distinguishing between ‘Old Guard’-style think tanks – that is, non-partisan organisations more inclined towards disinterested research and ‘scientific’ policy analysis – and ‘New Partisans’ – that is, those that combine research with ideologically driven advocacy and the marketing of ideas (Denham and Garnett, 1998; Rich, 2004). While Stone (1991, p 201; 1996, p 18) uses the two terms to distinguish between organisations established pre- and post-1970, their associated meaning extends well beyond a think tank’s date of birth. ‘Old Guard’ encapsulates the traditional think tank style characterised by claims of non-partisanship and objectivity, a scientific method approach, and, in particular, an avid rejection of ideological motivations (Stone, 1996, p 20). Such think tanks, Stone (1996, p 20) explains, aspire to make “‘rational’ and “scientific” contributions to policy and public administration’. Their impartial image is maintained by balancing the ideologies represented in their staff, publications and conferences. This tradition or style is still very much alive and remains relevant to the contemporary study of think tanks.

The difficulty in accepting one particular definition of what a think tank is or ought to be emerges in Stone and Denham’s (2004) global survey of think-tank traditions. They highlight the importance of national institutions and trajectories in organising and dealing with knowledge and information for the policy process. This chapter, however, uses a broad working definition of think tanks as ‘policy-
Consultants, think tanks and public policy

oriented, knowledge-intensive idea producers and processors’. This definition is important because it moves beyond seeing research and evidence production as the chief or even most important output of think tanks, and recognises that advocating for ideas through existing knowledge networks and the media is an equally important function of what think tanks do. There are, however, a few distinct types of think tank, whose incidence, role and importance in any policy domain can be ascertained empirically. The most prevalent of these in Australia are the following four types:

• **Academic think tanks**: university-based or otherwise non-aligned (endowment-driven) organisations that are largely devoted to undertaking and disseminating scientific research, and seeking to provide input in public policy discussions on that basis.

• **Government think tanks**: in-house research and/or strategy divisions, or fully government-funded, yet autonomous, policy research institutes. Most governments have such entities, which are comparatively well-resourced and enjoy a budgetary stability that other types of think tanks often lack. In Australia, for example, this includes institutions such as the Australian Strategic Policy Institute, the Australian Institute of Health and Welfare, the Australian Institute of Family Studies and the Productivity Commission. All enjoy a relatively high degree of autonomy in the way in which they conduct and report their research. Their reports are taken seriously as a contribution to knowledge and policymaking but, at the same time, there is a degree of government influence in setting these institutes’ strategic priorities and annual work plans.

• **Contract research think tanks**: bundles of policy experts conducting ‘on demand’ research, for example, non-profit counterparts of private consulting firms, but on a not-for-profit basis. Many universities contain such entities, some partially established with government funding and competing for funds both inside and outside academia. For example, the Social Policy Research Centre based at the University of New South Wales produces academic research and contributes to policy debates, yet the majority of its funding is from the awarding of competitive government research contracts.

• **Policy advocacy think tanks**: ideologically driven and financially and/or organisationally connected institutes that tend to devote at least as much attention to the dissemination and marketing of ideas as to producing research findings. Australian political party research institutes fall into this category, as do formally non-partisan, but ideologically driven, think tanks such as the Centre for Independent Studies (CIS), the Institute of Public Affairs (IPA), the Climate Institute and the Australia Institute (TAI) (adapted from ’t Hart and Vromen, 2008).

Many recent academic commentators suggest that conservative policy advocacy think tanks have greater influence on Australian governments than more progressive
Policy analysis in Australia

voices for policy change (see Cahill, 2002; Mendes, 2003). The established, mostly neoliberal, think tanks have the tightest connection to international, especially US-based, counterparts (see Beder, 2001), and, as Table 11.1 shows, they are relatively well-resourced. Early on, Ian Marsh (1995, p 79) suggested that conservative think tanks have been influential in policymaking through using their research to formulate ‘agendas concerned with economic liberalisation, privatisation, deregulation, labour market reform and contraction of government’.

Private sector consultants

Other actors increasingly contribute research and ideas to the policy process. More specific attention needs to be given to policy consultants, who are non-government, private sector, profit-driven actors that are nevertheless involved in the policy process through contractual arrangements with government agencies. This differentiates them from government-based policy researchers, non-profit think tanks and other policy research non-government organisations, and academic research institutes within universities that are not guided by contractual constraints and requirements in the research they do. As Prince (2012, p 195) points out:

In reality, such lines are not clearly defined: each of these actors, including consultancies, crosses them in different ways, and many consultants are housed in universities, think-tanks and (for the government department contracting them) foreign bureaucracies. The particular set of dynamics that structure their interventions in the policy process, however, which revolve around being profit-driven and formally independent, mark out their distinctive place in policymaking structures.

Saunders and Walter (2005, p 7) suggest that there has been a growth in both contract-based research centres and consultancies as the Australian public service has increasingly been obliged to outsource research functions. If the academic literature on think tanks in Australia is relatively limited, the existing in-depth research on the use of consultants as policy experts – by either the public or private sector – has been negligible (one exception is Howard, 2006). Prince (2012, p 196) suggests that the available research tends to emphasise the influential and important role of consultants as policy experts (see, eg, Banks, 2009; Dent, 2002; Martin, 2000) rather than place their emergence within the broader scope of New Public Management’s effect on policymaking processes. That is, there is little systematic research into how consultants are brought in as external experts to undertake evaluation work of policy systems that the public sector itself no longer has the expertise, or rather recognition of expertise, to be able to do itself.
Understanding think tanks in Australia

As seen in the previous section, our definition of think tanks is broader than the policy advocacy label that tends to dominate the existing Australian literature and positions think tanks as solely partisan political actors. As shown in Table 11.1, many of the most well-funded think tanks actually take a non-partisan stance and also have a more complex policy advice role with government (eg the Lowy and Grattan Institutes). Table 11.1 provides details on 10 high-profile think tanks active in Australia¹ (revenue data was only included for a handful of the think tanks who make their annual reports and financial data readily available online). We have included data on social media reach as this is becoming an important new space for think tanks promoting their ideas, as discussed in the following section on the marketplace of ideas.

Table 11.1 demonstrates that there is a small group of well-established think tanks in Australia: the CIS, IPA and the TAI are all well-known in policy and media circles. They are all unabashedly ideological, and generally perceived, by their own partisan audiences, as publishing authoritative and influential research. For example, CIS research is spread across the areas of: economic, foreign, social, government, law, region and ideas about liberty. A recent report (CIS, 2012) demonstrates the prioritisation that CIS gives to the promulgation of distinctive libertarian ideas through their regular public lecture and ‘meet the researcher’ series. In 2012, CIS hosted 32 public talks from a range of local and international speakers, including politicians such as former Premier Barry O’Farrell, and Members of Parliament such as Malcolm Turnbull and Andrew Leigh. They released 22 publications² which were a mix of: issue analyses (eg ‘The Henry tax review: a liberal critique’); occasional papers (eg ‘You can’t say that! Freedom of speech and the invisible muzzle’); policy monographs (eg ‘Indigenous education’); submissions to government inquires (on the National Disability Insurance Scheme, Newstart and indigenous education); and their quarterly magazine, *Policy* (CIS, 2012, pp 9–10, 31–2). Until recently, CIS, along with IPA, was seen as the dominant think tank in Australia. While the rise in influence of international conservative think tanks was linked with Thatcherism and Reaganism in the UK and US, organisations such as CIS arguably also became more successful in influencing the policy agenda during the conservative Howard government (1996–2007) on issues of welfare reform, industrial relations and privatisation (Clark, 2012; see also Mendes, 2003). The leader of the Liberal Party, Tony Abbott, now Prime Minister, spoke at the IPA’s 70th anniversary dinner in mid-2013 (Murphy, 2013).

Little is known about the impact of party-affiliated think tanks, such as the Chifley Research Centre (self-described as the Australian Labor Party’s [ALP’s] official think tank) and the Menzies Research Centre (an independent think tank associated with the Liberal Party of Australia), on the policy platforms of their parent parties. It has been suggested that they may be playing an educative and

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¹ Revenue data was only included for a handful of the think tanks who make their annual reports and financial data readily available online.

² They released 22 publications which were a mix of: issue analyses (eg ‘The Henry tax review: a liberal critique’); occasional papers (eg ‘You can’t say that! Freedom of speech and the invisible muzzle’); policy monographs (eg ‘Indigenous education’); submissions to government inquires (on the National Disability Insurance Scheme, Newstart and indigenous education); and their quarterly magazine, *Policy* (CIS, 2012, pp 9–10, 31–2).
Policy analysis in Australia

One of the interesting changes among Australian think tanks in recent years is encapsulated in the changing methods for bringing together policy experts. In the traditional ‘Old Guard’ model, this meant putting people under one roof: both organisationally and physically. The classic US, UK, Scandinavian, German and Dutch think tanks all have a sizable building, significant numbers of permanent staff and a formal bureaucratic-intellectual hierarchy. The new actors – the Grattan, Lowy and Climate Institutes – are all examples of this approach. They are substantial bureaucratic organisations with specialist staff that undertake and promote scientific research and close ties with local universities, yet all have a media-centred view for disseminating new ideas. For example, the Lowy Institute for International Policy, with its large initial endowment from philanthropist businessman Frank Lowy of AUD30 million, is a well-established, successful research institute. It has nine core staff, referred to as ‘Lowy Experts’, and six research associates (five women and 10 men); it also lists 19 Fellows, who are mainly non-resident international experts; and the institute’s work is supported by an active student internship programme. Lowy has also diversified its funding base to the point where half of its annual revenue is from other sources.

Table 11.1: Selected Australian think tanks

<table>
<thead>
<tr>
<th>Think tank</th>
<th>Date est</th>
<th>Annual revenue (2012)</th>
<th>Areas of policy research</th>
<th>Twitter followers (Feb 2014)</th>
<th>Facebook likes (Feb 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre for Independent Studies (CIS)</td>
<td>1976</td>
<td>AUD2.6 million</td>
<td>Public policy and free enterprise economy</td>
<td>1,300</td>
<td>1,900</td>
</tr>
<tr>
<td>Institute of Public Affairs (IPA)</td>
<td>1943</td>
<td>AUD4.0 million</td>
<td>Free market public policies</td>
<td>6,900</td>
<td>4,500</td>
</tr>
<tr>
<td>The Australia Institute (TAI)</td>
<td>1994</td>
<td>Not available</td>
<td>Environment, social policy</td>
<td>3,100</td>
<td>8,900</td>
</tr>
<tr>
<td>The Climate Institute (TCI)</td>
<td>2005</td>
<td>AUD3.4 million</td>
<td>Climate change, environment policy</td>
<td>8,100</td>
<td>4,500</td>
</tr>
<tr>
<td>Per Capita</td>
<td>2007</td>
<td>AUD1 million</td>
<td>Progressive economics and public policy</td>
<td>1,500</td>
<td>180</td>
</tr>
<tr>
<td>Centre for Policy Development (CPD)</td>
<td>2007</td>
<td>AUD470,000</td>
<td>Progressive economics and public policy</td>
<td>4,100</td>
<td>2,400</td>
</tr>
<tr>
<td>Grattan Institute</td>
<td>2008</td>
<td>AUD4 million</td>
<td>Public policy</td>
<td>5,100</td>
<td>1,700</td>
</tr>
<tr>
<td>Lowy Institute</td>
<td>2003</td>
<td>AUD6.5 million*</td>
<td>Foreign policy</td>
<td>23,000</td>
<td>3,300</td>
</tr>
<tr>
<td>Menzies Research Centre</td>
<td>1994</td>
<td>AUD239,000**</td>
<td>Liberal Party-associated policy</td>
<td>359</td>
<td>n/a</td>
</tr>
<tr>
<td>Chifley Research Centre</td>
<td>2000</td>
<td>AUD239,000**</td>
<td>Australian Labor Party-associated policy</td>
<td>1,500</td>
<td>2,600</td>
</tr>
</tbody>
</table>

Sources: Annual reports on organisation website; * from Clark (2012); ** this is the annual grant-in-aid from the federal government, see: http://www2.finance.gov.au/publications/grants/index.html
than the original endowment. This includes a variety of corporate actors from BHP Billiton, to major international banks, to Telstra. It has also won national government contracts, such as AUD4 million in 2011 from the federal Treasury to study the global financial architecture that may emerge from the G20 group (Clark, 2012). Despite large funding investments from a variety of actors with strong political interests, they claim that:

This diversity of funding gives the greatest guarantee of independence, says Michael Fullilove, who took over as Lowy Institute executive director in August (2012). ‘Our mission has always been to inform international policy and to deepen and thicken public discussion about international policy with non-partisan, evidence-based analysis. There is no institute orthodoxy on anything.’ (Clark, 2012)

Yet, this traditional approach assumes extensive resources, and thus a central task for think-tank management becomes safeguarding and extending their budget. New-generation think tanks operate on a different model, enabled by the Internet to limit the debilitating effects of limited funding. They are quasi-virtual organisations: a very small number of permanent staff that manages an extensive network of experts, funders, partners and clients. To some degree, these ‘virtual’ think tanks free-ride on universities, their main recruiting ground for project researchers, which they either do not pay at all or pay on a short-term, contract-only basis for the time and reputation of the experts they mobilise. Examples of this new generation of think tank include Per Capita and the youth-led Left–Right think tank, as well as Catalyst and the McKell Institute, which are mainly funded by unions and are closely linked with the ALP, particularly through their board members. They were both set up at arm’s length from the party to develop cross-factional policy ideas, and facilitate deliberation for and by Labor-affiliated progressives. McKell, launched in 2012 to focus on state-level policy issues, mainly uses project-based funding to commission research projects such as the ‘Homes for all’ study into housing affordability (see Bentley, 2013).

One of the high-profile new-generation think tanks, the Centre for Policy Development (CPD), grew from an association with a progressive blog, New Matilda. It maintains a strong online presence and, to a large extent, has been built around both the charismatic media work of its young inaugural Executive Director Miriam Lyons, and its large research network, which publishes research papers on the website on the core issues of: the public service, a sustainable economy and refugee policy. CPD itself employs only three lead researchers for each of the core issues plus the executive director; 30 Fellows are listed on their site, the majority of whom are tenured academics whose research is not funded by the CPD.
Think tanks, the media and the marketplace of ideas

The media-focused role of think tanks in influencing the policy process is important. What think tanks and consultants both offer is not simply neutral policy research and advice, but ideologically driven, focused research that challenges and promotes the ideas that underpin policy. For traditional think tanks, the delivery of a well-researched report may have been sufficient for having their strategic advice considered in policy deliberations. For the contemporary think tank operating in a mediatised political environment, the values of broader publics also need to be influenced and persuaded. Most think tanks need a well-developed public profile in order to: appeal to ongoing funders and their network; gain authoritative media attention; and communicate the import of their ideas to policymakers through shaping the public agenda.

Ideas are the ‘principal products of think tanks’ (Rich, 2004, p 8). They are the ‘currency’ in which think tanks deal, earning them the alternative moniker ‘idea factories’ (Abelson, 2002; Stone, 2007). However, just like ‘think tank’, the term ‘ideas’ has a diverse range of meanings. In some cases, it is used in a technical fashion, as in how particular policies should be specifically designed or implemented. In other cases, ‘ideas’ is used synonymously with ‘values’. Majone (1989, p 147) argues that there is a ‘dialectic relationship’ between public policy and what he terms “meta-policy” – the ideas, conceptualisations and proposals advanced by policy actors, analysts, academics and bureaucratic experts who share an active interest in that policy’. In rejecting the notion that the production, development and use of ideas is somehow abstract or detached from the actual process of policymaking, Majone finds that meta-policy is an ongoing and integral part of the policy process. Distinct from policy cycle stages, such as problem definition, issue formation and agenda-setting, meta-policy does not refer to a particular point in a linear process. Rather, meta-policy is overarching and applies at every stage of the policy cycle model. It is at this ‘meta-’ level that think tanks seek to have influence.

In Hurley’s (2009) interview-based research, most directors of Australian think tanks had a post-positivist orientation with regard to the role of values within policy analysis – that is, they saw that public policy recommendations will always involve normative components, regardless of their origin. Rejecting the ‘fact–value’ distinction, post-positivists seek to reintegrate values back into policy analysis. The most outspoken proponent of this outlook is John Roskam of the IPA, who, at a panel discussion organised by the Australia and New Zealand School of Government (ANZSOG), proclaimed:

I am explicitly ideological in my position ... I would argue every research question is ideological to some extent ... I accept the notion that the very question you ask is determined by your ideology and by a particular worldview. I am post-modern enough to accept that we have worldviews which influence our opinions and influence the very
Consultants, think tanks and public policy

research questions we ask … I would argue, let’s put our ideological predispositions and our value-judgements right at the top and argue them out. (ANZSOG, cited in Hurley, 2009, p 50)

Think tanks use particular discursive techniques and rhetorical devices to communicate their value positions and ideologies. As Deborah Stone (2002, p 148) observes: ‘metaphors are pervasive in policy language’. Along with symbols, tropes, stories and catchphrases, figurative language techniques are used by think tanks to argue and persuade. These techniques are apparent in the documents that think tanks produce, and were also discussed extensively by many of Hurley’s (2009) interviews. For example John Roskam explained that particular rhetorical devices underpin think tanks’ strategy of simplifying complex ideas:

[Catchphrases] capture in simple terms a complex argument. They make it understandable … for example we’ve done a lot of work on the ‘nanny state’ and the idea of a ‘nanny state’ and government regulation and social regulation has many different aspects to it, but one way is to simply say ‘Nanny state is un-needed, unwarranted regulation of your private lives’. Like all catch phrases it performs many different functions…. We use ‘nanny state’ as a term wherever we think it is appropriate. (Quoted in Hurley, 2009, p 64)

Persuasive discursive techniques are also taken into consideration in the communications strategy that think tanks adopt. For example, John Daley of the Grattan Institute outlined that all communications try to influence policy:

It’s everything from the hundred-page comprehensive paper on ‘this is all the work we’ve done and here are all the results’ to the fifteen-page paper to be read on the plane by a policy-maker to the two-page paper to be read by the senior advisor to the one-page briefing note to be read by the minister/secretary to the eight-hundred-word piece to be published in The Australian. There’s a whole range of writing styles and actually one of the tricks to running a think tank is when you do a piece of work, to make sure that you actually write up the results in all of those different styles to address all of those different audiences. (Hurley, 2009, p 57)

Just as important as tailoring the product to the target audiences is the art of simplification. This was described by Richard Denniss of the Australia Institute as key to achieving influence:

One of the tricks of persuasively using data in the public sphere is to be able to make a complex story simple … the public and the media consciousness respond well to a simple story. They don’t want
a complex story. So if you’ve got good data and you can explain it simply ... people are more likely – not certain – but more likely to treat your finding seriously because they themselves can actually see how you’ve done it. (Hurley, 2009, p 58)

Exemplifying this simplification strategy, Denniss (2009) illustrated his argument about the Australian government’s Carbon Pollution Emissions Scheme in a YouTube video using coffee cups as a visual aid. As noted in the comment from John Daley earlier, the conventional way that think tanks simplify arguments is in the format of easy-to-read policy briefing documents. The IPA, for example, produces a series called ‘FACTS’, tagged as ‘your guide to the numbers that matter’. These publications present the IPA’s position on particular policy issues in eight pages or less, often using a variety of pictures and diagrams. In a sense, think tanks could be regarded as professional simplifiers, adding to their popular image as ‘advertising agencies’ (Jarman and Kouzmin, 1993, p 515). Think tanks try to deploy explicit values and language in a way that will attract support for a particular policy solution at the exclusion of others, and in Australia, they are at the forefront of framing and using discursive techniques in policy debates.

One of the more overt ways that think tanks try to influence public debate, and ‘meta-policy’ in particular, is to focus on their communications strategy. Most think tanks, even with a small number of research staff, now employ a communications expert. Traditional think tanks focused on releasing research reports and then waited to be invited by the media or policymakers for expert commentary. Contemporary think tanks in a mediatised political environment write opinion pieces for national newspapers, debate their views on the Australian Broadcasting Commission’s (ABC’s) ‘Q&A’ and other current affairs shows, and maintain a very active digital media presence. Most of the think tanks listed in Table 11.1 have active web pages, with their publications and media work all readily available. In Hurley’s research, Miriam Lyons of the CPD explained that they used a multimedia approach:

to get the same core facts and research and ideas out through as many different media as possible…. Part of our core motto is ‘making good ideas matter’ and how you make them matter is you make sure that they get out to as many people as possible. (Hurley, 2009, p 65)

The traditional media formats of television, radio and newspapers still provide the largest audience reach for think tanks, and most of them increasingly use social media as an additional broadcast tool. Table 11.1 shows that there is a very wide variance in the successful attraction of an audience using the social media platforms Facebook and Twitter. The Lowy Institute has by far the highest number of followers on Twitter, which they mainly use to advertise posts on their blog, The Interpreter. The ‘Lowy Experts’ and research associates, especially Executive Director Michael Fullilove, who has nearly 9,000 followers, use Twitter in a much
more frequently interactive way, engaging several times a day with messages, retweets and replies. Other active organisations on Twitter include the IPA, and the Climate Institute. TAI is distinctive in its regular use of Facebook to make commentary and foster debate; it also shares news and opinion stories, most of which do not mention their own organisation. Reflecting their more limited resources, most of the ‘new-generation’ think tanks have a smaller audience reach on social media, and several of their senior staff do not even use individual Twitter or Facebook accounts.

**Governments turning to consultants for advice**

While it is well-known that governments increasingly turn to private sector consultants for policy advice, to undertake programme reviews and increasingly to manage public consultations, little is known about the overall influence that this advice has on the outcomes of policymaking. Concrete data on the use of policy consultants by Australian governments are difficult to locate. For example, the Department of Finance and Deregulation (2013) issued a report that presented macro-data on procurement and the use of contracts for goods and services, by all government agencies, in the previous financial year. About 60% of all contracts are for services, and 47% of all contracts are for one agency: Defence. When government procurement is divided into segment type, the largest sub-segment is the 20% of all contract expenditure (and 22% of all contracts made) for ‘Management and Business Professionals and Administrative Services’ – this is where policy consultants contracted by government would fit, but no further detail is given on actual contracts or government agencies. Since a 2001 Senate order, each government agency is required to publish on its website details of any contract awarded for over AUD100,000. However, locating the details is difficult. For example, in the area of social security, the Annual Report of the federal department (formerly Families, Housing, Community Services, and Indigenous Affairs [FaHCSIA], recently renamed Social Services) states that FaHCSIA entered into 141 new consultancy contracts worth a total of AUD14 million. There were also 75 ongoing consultancy contracts during 2012–13, involving total expenditure of AUD7.8 million. Yet, to find any detail on these

<table>
<thead>
<tr>
<th>Consultancy (Australian offices)</th>
<th>Annual revenue (AUD million)</th>
<th>No of staff</th>
<th>Twitter followers (Feb 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deloitte</td>
<td>1,092</td>
<td>6,000</td>
<td>10,400</td>
</tr>
<tr>
<td>PricewaterhouseCoopers</td>
<td>1,470</td>
<td>6,000</td>
<td>9,400</td>
</tr>
<tr>
<td>KPMG</td>
<td>1,120</td>
<td>5,200</td>
<td>2,600</td>
</tr>
<tr>
<td>Ernst and Young</td>
<td>1,125</td>
<td>4,900</td>
<td>3,000</td>
</tr>
</tbody>
</table>

Sources: Deloitte Australia, PricewaterhouseCoopers, KPMG and Ernst and Young websites.
consultancies, the site user is redirected to AusTender and needs to undertake complicated manual searches for contracts (DSS, 2013, ch 16).

Table 11.2 lists some of the largest and most active consultancy companies working with government in Australia. Those listed are often colloquially known in management consultancy circles as ‘the big four’. Deloitte purchased Access Economics, a well-known Australian private consultancy, in 2011. Other well-known consultancies that work with Australian government agencies include McKinseys, Bain & Co and Boston Consulting Group. Note that for most large-scale consultancy companies, the work they do for government agencies is only a small proportion of their overall work (see Prince, 2012; Williams, 2013).

As suggested earlier, the boundaries and differences between what think tanks and consultants offer to policy analysis are sometimes unclear. The argument that think tanks are interested in the producing and processing of ideas can also be extended to some consultants, who increasingly promote new policy ideas with the research reports that they undertake and disseminate. For example, Deloitte label themselves as ‘thought leaders’ and one of their projects for 2014 is titled ‘Building the lucky country’, including the report ‘Positioning for prosperity?’, in which they focus on where Australia will find its next wave of economic growth, beyond the mining sector. It focuses on tourism, international education, gas, agribusiness and wealth management. In a brief video, Deloitte positions itself as a partner with the Australian government and industry in moving this vision of the ‘lucky country’ forward. What is less available on their website is any information on the private, contracted reports that they have completed for government as this kind of policy expertise and research is generally commercial-in-confidence. It is often only when these kinds of reports are leaked to the media that their findings and advice become more widely known and debated.

One example of this is when Boston Consulting Group were contracted by the New South Wales (NSW) Department of Education and NSW Treasury to advise on school and technical education (TAFE) funding models, and to seek around AUD1billion in expenditure reduction – or ‘opportunities’. The 200-page report was delivered in early 2010, but the draft final report, ‘Expenditure review of the Department of Education and Training – initial scan’, stamped ‘Cabinet-in-Confidence’, was leaked to the *Sydney Morning Herald* one week before the 2011 state election that saw the ALP lose control of the government to the Liberal–National Coalition. The report used the Victorian education system as a benchmark, and suggested that there were approximately 9,000 too many staff in NSW schools and that school budgetary responsibilities, including hiring staff, delivering special education for equity social groups, school maintenance and cleaning contracts, should be devolved to principals (see Patty, 2011). It created extensive policy debate and criticism from other education policy network actors, such as the teachers union, the NSW Teachers’ Federation and the NSW Secondary Principals’ Council (Sherington and Hughes, 2012). This example highlights the sometimes-fruited role of governments procuring independent policy research and advice. Private sector consultants are perceived
by other policy network actors not as neutral arbiters of advice, but as biased by their prefigured intention of introducing funding efficiencies. In this example, the Boston Consulting Group report was criticised on a number of grounds, including not understanding the context of education policy delivery in NSW due to benchmarking with Victoria, and for sacrificing broader education and equity goals, such as in the special education area, for the sake of cost savings alone (Patty, 2011).

Conclusions: the influence of think tanks and consultants?

This chapter has presented a broad overview of think tanks and consultants active in the Australian policy process. It has argued that both types have emerged as important arbiters of research knowledge, expertise and policy ideas in Australia. It has also been demonstrated that there is now a wide range of think tanks operating in Australia, from well-resourced ‘Old Guard’ think tanks to new-generation new partisans, all of which are adept at translating ideas at the ‘meta-policy’ level into policy and media attention. New Public Management theories and practices have opened up the scope for the contracting of private sector consultants, and some think tanks, to provide advice to governments. However, these organisations do not act in isolation and are embedded in broader policy networks within distinct issue areas that constrain and facilitate their success and influence.

Future research into think tanks and consultants needs to focus much more deeply on the actual influence of think tanks and consultants in policymaking in Australia. Most of the existing research focuses on what think tanks do as this information on activities is readily accessible from think tanks themselves, which are keen to promote their transmission of ideas. It is much more difficult to undertake process tracing following an idea inserted into policy debates and through the internal policy processes that incorporate the complex debates among policymakers. There is also a black box for researchers wishing to examine the extent to which governments hire and then implement the recommendations of private sector consultants. Broad-based research is needed to study both private sector consultants and the policymakers that they work with in particular policy domains.

Notes

1 We have not included university research contract centres or government research think tanks here as they are variously covered elsewhere throughout this book.

2 These publications are all available at: http://www.cis.org.au

3 ABC’s ‘Q&A’ is a current affairs panel discussion television programme.


References
Denniss, R. (2009) ‘Why emissions trading won’t work’ (Video) [Online], Available at: http://www.youtube.com/watch?v=klduvT BuUEw


TWELVE

Media influence on public policy

Ian Ward

Introduction

It is widely agreed that news media play a central part in contemporary Australian politics (see Craig, 2004; Economou and Tanner, 2008). A great deal of political reporting and analysis canvasses policy issues. However, the role that the media play in policymaking is less well-understood. State- and national-level Australian politics routinely produce issues and events that seem to suggest that governments do directly respond to media coverage of issues. Yet, much of what governments do is uncontroversial. A great many policy decisions go unreported. Against this backdrop, Australian public policy scholars have been reluctant to assign prominence to the media. As is the case elsewhere, they have not displayed any deep understanding of the effects of the media on the shaping and execution of public policy (Wolfe et al, 2013, p 175).

In this chapter, I suggest that our capacity to understand the place of the media in the policy process is frustrated by the different meanings that the terms ‘media’ and ‘public policy’ can each have. Rather than asking about the media’s capacity to influence public opinion or set the policy agenda, attention might be better focused on the public discussion of issues that the media allow and on the incentives and capacities that political actors have to take part. One key to a deeper understanding of the part they play in shaping public policy in Australia lies in recognising that the media – both old and new – constitute an arena in which rival political actors, including government agencies, interest groups, parties and even news organisations themselves, compete to prioritise and frame issues. ‘Going public’ is no longer a last resort pursued by outsider interest groups without direct access to decision-makers and the influence that this confers. ‘Insiders’ treated by governments as stakeholders now also seek favourable media coverage and mount advertising campaigns in an effort to secure their preferred policy outcomes. Just why this is so requires a revisiting of the assumption that policy emerges from relatively stable networks of policy actors. In Australia, as elsewhere, policymaking has devolved to specialised sub-arenas. Indeed, this is just as much an explanation of why many policy matters go unreported as is the lack of resources and available space that confine political journalism. A further key to grasping the importance of media lies in understanding why stakeholder
groups may conclude that they are unlikely to achieve their preferred policy outcomes within the confines of these specialised sub-arenas.

**Which media?**

There are several barriers to answering the deceptively simple question ‘What part do media play in influencing public policy?’ The very question is ambiguous: ‘media’ has no single agreed meaning: ‘Literally speaking anything that communicates may count as media’ (Strömbäck and Esser, 2014, p 11). In Australia, journalists are sometimes referred to as ‘the media’. The term can also refer to ‘transnational corporations, communication technologies, policy and regulatory frameworks, the practices of journalists, gossip columns, the nightly television news’, as well as to subscriber television, advertising, magazines, ‘music radio, the local newspaper and the Internet’ (Craig, 2004, p 3).

Australia has media system mixing commercial and public broadcasting. The Australian Broadcasting Corporation (ABC) (with a AUD1.2 billion annual budget) is a Commonwealth-funded, editorially independent statutory corporation that broadcasts throughout Australia and boasts its largest news operation. ABC editorial policy requires its news coverage to be fair and impartial. Privately owned media are not similarly obligated. Australia has no equivalent of Fox News and commercial television bulletins steer generally away from partisan reporting. However, commercial talkback radio, especially in Sydney, is a populist force and a significant influence on policy. Newspapers can also aggressively crusade for or against particular policies. Hence, Manne (2011, p 5) describes Australia’s influential national newspaper, *The Australian*, as having become ‘an active player in both federal and state politics’.

The question of media influence upon policy is clouded because ‘journalism comes in many forms, from the entertainment driven and celebrity laden to the more serious and politically focused’ (Fenton, 2009, p 3). The changing economic and technological media landscape has seen the rise of ‘infotainment’ at the expense of the serious coverage of issues. The accelerating 24/7 news cycle prioritises breaking news over sustained investigative reporting (Carson, 2013, p 18). Furthermore, recent rationalisation of newsrooms has left news organisations less able to meet the costs required to authenticate, or even to attract an audience for, complex stories. Special fields of journalism do survive, although they are increasingly dependent on public relations (PR) (*Crikey*, 2010). It is noteworthy that dedicated business sections in major newspapers and the business-focused *Australian Financial Review* allow an ongoing public discussion of economic policy. Areas such as social policy have no similar, dedicated coverage. This points to a particular difficulty in establishing the role that media play in policymaking: what goes unreported may be just as significant as what is published.

A further complication lies in the different communication technologies to which the term ‘media’ is applied. Debates about media influence upon the policy agenda date to the latter decades of last century, when mass media,
comprising newspapers, radio and especially free-to-air television, were thought to be influential because of their capacity to simultaneously deliver the same news coverage to, and therefore influence the thinking of, a mass audience. Australia has now entered a still-unfolding new age of political communication characterised ‘by the proliferation of the main means of communication, media abundance, ubiquity, reach and celerity’ (Blumler and Kavanagh, 1999, p 213). A multiplication of channels of communication has been matched by audience fragmentation. Newspaper sales have dwindled. Evening free-to-air TV bulletins can still attract up to 1.5 million viewers Australia-wide, but younger voters especially are abandoning television as a news source. Online and digital social media have emerged as alternative sources of news. By 2014, the Internet had become the main news source for a third of Australians (Department of Communications, 2014, p 24).

Political communication has now acquired an interactive dimension that the old media cannot replicate. Originally, researchers considered mass media likely to influence public policy because they were ‘megaphones’ that amplified the voice of a few and commanded the attention of many. However, Twitter, Tumblr, Facebook and YouTube dissolve the boundary between those who generate and those who consume news. Audiences can contribute to news stories. Social media allow many-sided conversations about social and political issues. Issues are canvassed online, often independently of news media. These developments have diluted the capacity of journalists and media organisations to serve as gatekeepers controlling the public discussion of policy issues. Moreover, new technologies have seen new forms of political expression, and even the aggregation of new interests through platforms such as GetUp! and change.org. Political leaders, parties, public servants and interest groups are all actively exploring the potential of social media. Yet, the rapidity of change and diversity of new media have restricted the capacity of practitioners and scholars alike to grasp the full implications of the changing media landscape. While online social media clearly have a growing importance, there is much we have to learn about their part in policymaking.

In considering their part in policymaking in Australia, Haigh (2012, p 139) argues that the media enable information-sharing and are thus integral to the political agenda. Mostly, scholars who ask whether media can shape public opinion and the policy agenda ultimately have in mind the political ramifications of the public discussion of issues that occurs via the media, both old and new. Schudson (2003, p 29) describes the news media as an amplifier: ‘When the media offer the public an item of news, they confer on it public legitimacy. They bring it into a common public forum where it can be known to and discussed by a general audience.’ Given the different ways in which media are understood, and the challenge that new media present to the gatekeeping role of broadcast and print media, it makes sense to ask not about the influence of media upon policymaking, but about the nature and consequences of the public discussion that media allow, and to which governments, interest groups, politicians, public servants, experts,
think tanks, activists, individual journalists and media organisations, among others, may contribute.

**Public policy as the problem**

Governments often now use focus groups and polling to establish how to best represent policy initiatives. The recent spate of Commonwealth bills with sloganeering titles (Orr, 2006) underscores that policymakers well-understand that how policies are publicly portrayed can be integral to their acceptance and successful implementation. Yet, public policy scholars have been slow to see media as having a central place in policymaking. In Australia, as elsewhere, this idea was ‘met with some scepticism on the part of public-policy analysts’ (Kriesi, 2004, p 104). It does appear to have currency in subfields of policy study: witness education policy studies such as Thomas’s (2006) demonstration of the influence of media representation on education policy reform in Queensland, or Blackmore and Thorpe’s (2003, p 593) account of how education policy and relations between the state, schools and parents were mediated through the print media in Victoria during the 1990s. Yet, it is only relatively recently that Australian public policy textbooks (eg Haigh, 2012; Maddison and Denniss, 2009) have included chapters examining the role of the media in the policy process.

Some texts still pay the media little attention. For example, Wanna, Butcher and Freyens (2010, pp 240–1) acknowledge that ‘public sector agencies are acutely sensitive to the media cycle’ and observe that all have a communications or media relations arm to monitor print, broadcast and social media, and to insert messages about current policy issues in an effort to explain and mobilise public support behind policy initiatives. Yet, their account of the delivery of public services otherwise overlooks how ‘news media have become an influential, external force that shapes … organizations providing public services’ (Schillemans, 2012, p 18). Fenna’s (2004) Australian public policy textbook has an index entry for ‘media policy’ but not ‘mass media’. It lists ‘agenda-setting’ but Fenna does not credit media with a key role in explaining why ‘some problems or events’ become political issues (Fenna, 2004, p 129).

For Fenna (2004, p 3), ‘public policy is about what governments do’. Defining public policy in this conventional way predisposes analysts to focus upon what Kraft and Furlong (2013, p 90) call the institutional agenda – upon those matters that policymakers will give active and serious attention to. A difficulty with this approach is that contemporary governments clearly do a great deal. Each year, the Commonwealth Parliament considers some 200 bills and approves 6,000 pages of legislation. Ministers, departments and agencies issue even more pages of subordinate legislation. State-level governments also issue regulations and legislation on a similar scale (see Berg, 2008; Novak, 2013, p 30). An obvious conclusion to draw is that a great deal of public policy will go unnoticed (except by directly affected stakeholders). Sometimes, policy, as Fenna (2004, p 5) suggests, will be highly visible, discussed in Parliament, raised during elections, reported in
the news media and canvassed online. Nonetheless, much policymaking occurs below the ‘summit of the political system’ (Fenna, 2004, p 5), away from the ‘systemic agenda of which the public is aware’ (Kraft and Furlong, 2013, p 90) and beyond media scrutiny. This may explain why accounts of policymaking may overlook the role of media.

Public policy scholars have long understood that the expanding scope of governmental responsibility and increasing complexity of the issues that governments are now asked to address has seen ‘policy-making in all modern governments [tend] to fragment and specialise’ (Campbell et al, 1989, p 86). As Marsh (1995) demonstrates in his account of Australia as a pluralised polity, the last century also saw a proliferation of the numbers of claimants for ‘a place in the policy process’. In turn, this helped ‘diffuse the focus of political and administrative leadership’ (Heclo, 1978, pp 94–5) and ushered in an era of governance by networks. Within the Australian public service, broader policy networks linking stakeholders and the public sector have emerged, and much authority has devolved to individual agencies (Shergold, 2008, p 14). Consequently, ‘the bulk of government decision-making will usually be handled by a limited number of participants’ within specialised policy sub-arenas (Campbell et al, 1989, p 86). This analysis suggests that it is the institutional agenda of stakeholders and policymakers that will weigh heavily in these sub-arenas, and, accordingly, that the media will have little or no influence.

**Mediatised politics and its implications for policymaking**

If governments take countless decisions in specialised decision-making sub-arenas, mostly without media scrutiny, then a key question to ask is why do some, but not other, issues become the subject of public discussion and debate? Maddison and Dennis (2009, p 2) point out that ‘what we hear described as “policy” on the nightly news is, in fact, a ‘complex process involving a range of players with competing interests, facing an array of pressures’. That complex process is usually permeated by politics. Head (2008, p 5) suggests that even in an evidenced-based regime, policy will potentially be decided by a mix of political judgement, practical and professional field experience, and evidence generated by rigorous scientific and technical investigation. Where technical matters or a public service agency’s experience – the institutional agenda – are overriding considerations, then policy decisions often escape media coverage. However, media attention is likely when political considerations are paramount, or where stakeholders see an advantage in fostering a wider public discussion of an issue.

Australian government departments and agencies employ numerous media advisors and public affairs specialists and, with the ‘growth of public affairs departments’ (Haigh, 2012, p 141), have a considerable capacity to monitor, intervene in and manage the news coverage of policy debates. Interest groups in this era of strategic campaigning will also use PR and even advertising campaigns to steer public opinion (Bennett and Manheim, 2001, p 280). Much political
debate has been transferred from party backrooms into the public arena. More and more, political action becomes public action. This is, Kriesi (2004, pp 184–5) argues (without having Australia specifically in mind), a hallmark of a new era of audience democracy in which public opinion is given political expression, not every three years via parliamentary elections, but near-continuously via polls, focus groups and, now, social media. Clearly, not all issues attract media coverage and ‘different qualities of policy debate may occur on different issues’ (Bennett and Manheim, 2001, p 283). It is also true that the capacity of some stakeholders to secure favourable publicity and thus to frame policy debates far exceeds the capacity of others. Nonetheless, news – and now social – media have become a forum in which policy is publicly debated, and even potentially decided.

Public policy scholars will likely see the suggestion that the media have become an arena in which policy may be decided as problematic. European political communication scholars widely accept that media ‘have become increasingly influential and deeply integrated’ into politics. Political actors who rely upon the media to communicate with other policymakers and to ‘reach out to larger groups in society’ have come to realise that they must ‘adapt to the media and the media’s logic’ (Strömbäck and Esser, 2014, pp 4–8). Mazzoleni and Schulz (1999, pp 249–50) insist that political actors ‘who wish to address the public must negotiate with the media’s preferred timing, formats, language’, and even adapt the content of their communication, which results in a mediatised politics that ‘has lost its autonomy, [and] has become dependent in its central functions on mass media’. From this perspective, print and broadcast media do not merely report politics; they have become an integral, even defining, part of contemporary politics, and thus a forum in which policy decisions may be contested and even settled. This is to take the argument a step further than Australian public policy scholars such as Maddison and Dennis (2009, p 237) do in describing ‘communicating through the media’ as ‘essential’ for ‘modern governments’.

The mediatisation thesis stands apart from another well-established body of political communication scholarship. It finds that, via their capacity to shape public opinion, media can set the policy agenda. Rogers and Dearing’s (1988) widely cited model describes how the gatekeeping choices that news organisations make establish a pattern of news coverage (a media agenda) that moulds public opinion (the public agenda) and ultimately determines those matters that policymakers attuned to public opinion will prioritise (the policy agenda). This agenda-setting model fixes the importance of news media in their capacity to influence those issues that the public regards as important. Although none are Australian, numerous studies exist which suggest that media are able to tell people what issues to think about, if not what to think. However, it is less certain that shifts in public opinion will shape the priorities of policymakers.

Burstein (2010) questions the commonplace assumption that policymakers in democracies are strongly influenced by shifts in public opinion. That policymakers monitor and respond to public opinion is a widely accepted view based both upon a democratic assumption that they should and upon research
findings seemingly showing that public opinion can influence policy, sometimes powerfully so (Burstein, 2010, p 63). However, Burstein argues that this research is often methodologically flawed. The ‘strong effect’ conventional wisdom, in fact, ‘rests upon a weak foundation’ because studies mostly examine ‘issues on which government responsiveness is especially likely’ rather than a genuinely representative sample of public policy issues (Burstein, 2010, p 64). Furthermore, in examining the impact of public opinion, studies have often overlooked the complicating role of interest groups, elections and party competition, which likely leads to ‘overestimating the impact of public opinion on policy’ (Burstein, 2010, p 673).

Although it is central to agenda-setting theory, it may be that the capacity of media to shape public opinion is not the only, or even the central, consideration in understanding the place of media in policymaking. The influence of media may lie elsewhere, namely, in the arena that media provide for rival political actors, interest groups, parties, governments and even news organisations to compete, to prioritise and to frame issues. Davis (2003, p 673) insists that elites, and not the public, ‘are simultaneously the main sources, main targets and some of the most influenced recipients of news’. From this vantage point, the debate of public issues that occurs within the media, both new and old, involves a contest in which ‘opposing stakeholders try to gain public and policymaker support for their positions’ (Miller and Riechert, 2001, p 107).

**Strategic political communication**

Mitch Hooke of the Minerals Council of Australia observes that a profound shift has occurred in policy development in Australia, with a ‘public contest through the popular media’ emerging alongside, even displacing, ‘rational, considered, effective consultation and debate’ (Keane, 2011). There is now some scattered scholarly evidence to support his general point. Australian interest groups are employing more media advisers (Maddison and Denniss, 2009, p 191). Even well-resourced stakeholder groups with direct access to policymakers in Canberra are publicly arguing their case (Zhang, 2010, p 80). For instance, business lobbying can now often involve media campaigns (Warhurst, 2007, p 59). This is consistent with a small, but growing, body of international research suggesting that issue expansion and the strategy of going public are not confined to resource-poor interest groups – that the larger a group’s resources and membership, the more likely it is to pursue media campaigns to influence policymaking (Grant and Maloney, 2007, p 152). This begs the question of why well-connected, established insider groups may nonetheless publicly press their case through the media.

In their account of the media’s part in setting the Australian policy agenda, Maddison and Denniss (2009, p 191) suggest that interest groups pursue the strategy of using the media in order to place pressure on policymakers. This is a familiar and plausible argument. Yet, the public discussion of issues potentially extends beyond pressuring policymakers. The rise of professional advisers to which
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Maddison and Denniss (2009, p 191) point is a clue. Bennett and Manheim (2001, p 282) observe the scientific management of the public discussion of issues in the media and suggest that this is now a commonplace feature of politics in the US. Interest groups with the requisite resources can manipulate the democratic system for their advantage: by stage-managing events for the media to report and analyse; by mobilising public opinion and ‘creating publics’; or by using ‘astroturf’ to fashion the illusion of public support. The purpose of strategic political communication extends beyond pressuring policymakers: it aims to create publics, authenticate political claims and damage opponents (Bennett and Manheim, 2001, pp 282–3).

Often, strategic communication specifically targets other government officials and policy elites rather than public opinion (Bennett and Manheim, 2001, p 281). As Kunelius and Reunanen (2012, p 72) note, media coverage may exert influence on the level of actor relations within policy networks because it ‘directly affects the assumed amount of power an actor has (in the eyes of others)’. It follows from this analysis that the mediatisation of politics and the accompanying professionalisation of political communication has transformed the public discussion of issues in the media, rendering it a tactic that stakeholders will choose in an effort to steer decision-making within policy networks. This argument would seem to apply to Australia, where the same rise in professional advisers is apparent, and where, during the last several decades, the focus of established interest groups seeking to influence policy has shifted from the backrooms and corridors into the media (Zhang, 2010, p 80).

Contesting issues via the media

Ministers invariably have overfull in-trays and busy schedules. One obvious motive that interest groups will have for going public is to generate sufficient media and public attention to elevate their concern to the top of the minister’s agenda: those ‘interested in influencing policy may first need to influence the media’ (Maddison and Denniss, 2009, p 191). However, the reason that ministers have overflowing in-trays points to a further attribute of policymaking and, in turn, suggests a further explanation for why groups will publicly press their case. As Novak (2013, p 44) demonstrates, by a range of different measures, ‘governments in Australia have grown in size over the long run and especially since the second half of the twentieth century’. The sheer volume and widening spread of matters that contemporary governments are now expected to address has given rise to an era of governance by networks. The development and implementation of policy is no longer contained within the formal institutional structures and processes of government itself. As Shergold (2008, p 14) records, ‘more complex institutional structures of governance’ have emerged in Australia. Inevitably, policymaking has devolved to more specialised and often extra-constitutional sub-arenas (see Miller and Demir, 2007, pp 137ff), where interest groups, companies, think tanks and third sector community organisations are represented as stakeholders and
engage directly and routinely with public sector bureaucrats and policy advisors in a collective decision-making process. Ministers at the centre of the processes of cabinet government are unlikely to play a part in policymaking that has been devolved to such specialised policy networks (or sub-arenas) in this way. Where it occurs, the glare of media attention and the associated prospect of public controversy may give ministers a political incentive to intervene. However, most policy decisions are settled without media scrutiny. The very nature of policy networks suggests why. Public policy analysts disagree about the precise shape and role of policy networks; they are differently defined and described. However, a common thread in much of the literature is the idea that since they transcend the formal, hierarchal structures of government, networks need a common understanding of policy problems and agreement about the shared rules of the game. In short, policy networks are sustained by recognition among the various stakeholder groups, experts and public sector agencies forming them that there is a mutual advantage in acting collectively. Hence, they rest heavily upon trust and reciprocity. While a shared understanding exists and stakeholders are able to achieve their desired ends via collective action, policy will be quietly settled within specialised policy networks away from the glare of media attention.

To grasp the importance of the public discussion of policy issues in the media, we need to revisit two long-term continuing trends in Australian politics: the intervention by governments in an expanding range of policy areas and the proliferation of stakeholder interest groups. These developments make it progressively more difficult to sustain agreement within policy networks about the policy agenda and rules of the game. Richardson (2000, p 1008) argues (although not specifically about Australia) that policy networks are less stable, more fluid and less predictable than is often suggested: first, ‘interest group activity begets yet more interest group activity’; and, second, the ‘tendency for closer linkages between policy problems across different policy sectors’ means that ‘stakeholders from other policy communities demand and get entry’. The result, Richardson (2000, p 1008) suggests, is that policy networks are increasingly overcrowded, linked via a messy and unpredictable chain of actors, and assemble actors who do not know each other well. In turn, policy debates are difficult to control and their outcomes are often unpredictable. In these circumstances, established stakeholder groups accustomed to being heard and exerting influence will have an incentive to seek to re-establish their authority. This may explain their propensity to go public, for the public discussion of issues provides an opportunity to frame (or reframe) a policy issue to their advantage.

Public policy scholars have long understood that the way in which an issue is named and framed can dictate in which particular policy arena it will be decided, which evidence will be brought to bear and even the form that an appropriate solution might take. As Haigh (2012, p 140) notes, media frames often suggest necessary actions to address the problem. It seems clear that where policy issues are contested, ‘politicians and pressure groups try to control the shape and tone of debates because they seek to structure outcomes favourable to their political
interests’ (Callaghan and Schnell, 2001, pp 183–4). Haigh (2012, p 139) sees the Australian media as enabling information-sharing. However, Miller and Reichert (2001) contend that the public discussion of issues that occurs in the media is often not a genuine dialogue or sharing between elites. Rather, it is a struggle in which rival groups engage in strategic political communication with the goal of securing public and policymaker support for their particular preferred policy course of action.

In the process, contending parties talk across rather than with one another because their aim is to impose their particular policy frame upon their rivals (Miller and Reichert, 2001, p 111). The public canvassing of issues (now observed in print, broadcast and social media) forms a part of the political communication process whereby elite decision-makers attempt to influence each other (Davis, 2003, p 685). From this vantage point, going public can be seen as a particular form of venue shopping, with the media ‘acting as an alternative venue’ (Wolfe et al, 2013, p 182). Established stakeholder interest groups who judge that they are unlikely to secure a favourable outcome from deliberations within a messy and crowded policy network may well choose to engage in a public conversation through the media with the aim of imposing their particular policy frame upon other network members. This suggests a fresh line of inquiry about the part media play in public policymaking that Australian scholars have yet to explore.

Media influence ebbs and flows

Miller and Reichert’s (2001, p 111) ‘framing cycle model’ allows an additional insight: that the opportunity to shape a public conversation about policy in the media will vary, not because the public discussion of policy matters less at different stages of the policy cycle or because news media lose interest in an issue once it ceases to be newsworthy, but because a winner will eventually emerge in any contest between elites to frame (or reframe) a policy issue. Their model (which is described in Figure 12.1) provides an advance on Davis’s (2003, p 683) suggestion that elites ‘use the news media to communicate with other rival elites’ and allows a nuanced answer to Maddison and Denniss’s (2009, p 181) question ‘Why do some problems attract national attention and others pass without comment?’

Miller and Reichert place little store on whether or not media shape public opinion about policy issues. Rather, they stress that the public discussion of policy in the media is substantially a contest between competing stakeholders – Davis would say political elites – to favourably frame a policy issue, although journalists are clearly involved. The opportunities to do this vary as the public discussion of issues in the media proceeds through different stages. When an issue first attracts media attention, rival stakeholders have every incentive to publicly argue their case, not simply to establish it as a priority for government, but to dictate how it should be framed and thus which evidence should be brought to bear and in which sub-arena it should be decided.
The framing cycle model suggests that once a particular policy frame emerges as dominant, stakeholders content with that frame have little need to pursue further public discussion, and groups opposed have little scope to contest it. That is, there are periods of time in which political elites will pursue a discussion with one another through the media, seeking to strengthen their position, and periods when any difference between stakeholders is likely to be canvassed within policy networks, well away from the media spotlight. The crucial point – one that public policy scholars who do acknowledge the ‘significant, and growing, importance of the media’ (Maddison and Denniss, 2009, p 181) need to consider – is that media have a substantial capacity to influence the shaping of public policy but do not exert a continuing or constant influence.

Figure 12.1: Miller and Reichert’s framing cycle model

Conclusions: media significant or peripheral?

Politics and policy issues are a staple fare of the Australian media diet. Newspapers, television news, talk radio and – especially ABC – current affairs programmes, as well as blogs and online news outlets, all sustain an ongoing public conversation about issues and policies that now spills into, and is amplified by, social media such as Twitter or Facebook. Some policy issues appear newsworthy and attract extensive or sustained publicity. Others draw limited media interest. Sometimes, issues are forensically analysed; in other cases, they are briefly mentioned or treated in a populist fashion to outrage or entertain audiences. Media coverage of public policy in Australia is, at best, uneven. Many policy issues go entirely unreported. Just why some but not other policy measures draw media attention poses something of a puzzle. Maddison and Dennis (2009, p 189) point out that some
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Policy problems will sell more papers. Part of the answer may lie in the different news judgements that journalists and editors make, or in the particular editorial stances that media organisations take. Equally, political events play a part. The ongoing political contest between governments and oppositions and rival parties is likely to secure media coverage of the particular issues that divide them. Random events such as natural disasters or international crises can also propel related policy questions into news bulletins. However, none of these explanations recognises that interest groups attempting to influence policymakers (or public sector agencies wishing to pursue their own preferred policy outcomes) have a real incentive to encourage media interest.

A fuller explanation of why media cover some but not other issues appears to lie in combining two observations: that politics can be an integral part of policymaking, even in an evidence-based regime; and that (as the mediatisation thesis suggests) politics is now substantially conducted in and through the media. Where there is a political advantage to be sought, stakeholders able to do so have an incentive to publicly canvas their policy case in the media. This is obvious in the case of opposition and governing parties, who have every motivation to highlight policy issues in their search for votes. However, the same logic applies to interest groups, even to government agencies. Here, the sheer number and range of policy demands made upon government is also a consideration. As more interests make demands upon government, those specialised sub-arenas or policy networks will grow more crowded and messy. This creates an incentive for stakeholders who fear losing influence (and are equipped to do so) to switch to strategic political communication campaigns that involve utilising social or print and broadcast media to go public.

Political communication scholars have long considered that the place of media within the policy process lies in their capacity to shape public opinion – to set a public agenda that policymakers feel obliged to heed. However, the further and real influence of media is likely to lie in their influence upon political bargaining inside the political system and upon ‘the relationships of groups taking part in policy-making in different policy subsystems’ (Kunelius and Reunanen, 2012, p 58). Public discussion within the news media confers legitimacy upon issues and amplifies the demands of stakeholders, marking them out as matters warranting government attention. Within this mediated public discussion, rivals are able to share information, signal their particular claims, underscore what is negotiable and what is not, and build up a sense of their overall importance. Above all, a public conversation about an issue provides a chance to frame (or reframe) a public policy problem to one’s advantage. However, not all interest groups and stakeholders will have the requisite resources to engage in strategic political communication. Moreover, the window of opportunity to do so is limited. There will be stages during the development of policy, notably, that stage of the policy process when a problem is being identified, when the pattern of media coverage might be expected to influence the policy remedy that ultimately emerges. However,
this same influence is unlikely to extend to the (usually much less newsworthy) technical design and eventual implementation of a policy solution.

Here is the fundamental problem in seeking to understand the impact of media upon public policy in Australia and elsewhere. The public discussion of policy issues in the media can impact directly upon the framing of policy and shape the pattern of relations between different stakeholder members of policy networks. Media are now not bystanders, but part of the contemporary political process and potentially an important decision-making arena. Accordingly, interest groups and government agencies are increasingly equipped to steer the public discussion of issues. There is a very real potential for stakeholders to go public, seeking to establish the primacy of their understanding of a policy problem and to drive out advocacy by the opposing side. Yet, at the same time, much policymaking has now been devolved to subsystems or policy networks, where decisions are often reached well away from media scrutiny. In addition, the policy process itself offers limited opportunities for the media to exert an influence on policy outcomes. At one and the same time, the public discussion of issues in the media is potentially significant and normally peripheral to policymaking.

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Part Four
Parties and interest groups in policy analysis
Policy development in political parties

Anika Gauja

Introduction

Political parties are regarded as a fundamental element of the Australian system of politics and government and an important component of the broader policy process. As aggregators and articulators of citizen opinion, one of the key functions of parties in representative democracies is to develop policy, which is presented to the voters at elections and implemented once a political party assumes elected office. This function is integral to the operation of party government and an important mechanism by which political parties act as intermediaries between citizens and the state – providing the basis for representation, citizen participation in politics and the aggregation of the policy preferences of the masses.

Contemporary Australian parties, however, face several challenges in fulfilling these democratic aspirations. In the last half-century, party membership in Australia has fallen from 4% to under 1% of the electorate (McAllister, 2002, pp 389–91; Sawer et al, 2009, pp 134–5). This loss of members and the corresponding contraction of party organisations have had significant implications for the sources of policy input and the resources for policy development upon which Australian parties have traditionally relied. Beyond this, political parties have always encountered a series of tensions in structuring their policymaking processes, which centre on the question of which individuals and groups should have a voice in the process and the extent of their participation. For example, political parties need to strike a balance between accommodating the views of their members and supporters, and developing policies that will enable the party to appeal to the broader electorate. Parties in government face different policy pressures from those in opposition. As this chapter will show, different parties approach this task (and therefore structure their policy processes) in different ways, but all face similar cultural, strategic and institutional challenges.

The chapter compares policy development in the Australian Labor Party (ALP), the Liberals, the Nationals and the Greens. This selection covers the four largest parties with federal parliamentary representation and provides the opportunity to compare policy development across a range of parties with different ideologies, organisational histories and legislative positions (the ALP and the Liberals as the
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‘major’ parties alternating between government and opposition, the Nationals as the Coalition partner, and the Greens as a third/balance-of-power party).

The chapter is structured around four main questions. How is policy developed within Australian political parties? Who participates in the process and what respective roles do actors play? How do party institutions and parliamentary realities shape the policy development process? What opportunities for policy debate and analysis arise within Australian political parties? After briefly sketching the formal process of how policy is developed (as typically outlined in party rules and constitutions), the chapter will analyse the roles of a number of different actors and groups within the parties, including party members, the party executive, the parliamentary party, affiliated organisations and party think tanks. The role of these actors and the opportunities that are created for debate and reflection will be considered in the context of typical processes and structures for policy development, including policy working groups, the party conference and policy consultations. These formal processes will be contrasted with the day-to-day policymaking opportunities exercised by the parliamentary party and policy announcements made during election campaigns. The overarching theme of the chapter is that while policymaking is one of the central functions of political parties, more often than not, this is obscured or muted by the realities of political parties operating as electoral machines. While there may be policy development opportunities in place, policy analysis and debate often takes a secondary role.

Policy development in Australian political parties?

In all four parties, the local branch is the base unit of party organisation and a potential source of new policy ideas (Cook et al, 2009, p 161). Building on this, formal policy processes tend to follow a typical model whereby party policy is developed over a number of months by local branches, working groups or policy commissions/councils with the input of members and interested third parties before being voted on by the party membership (whether through a conference, representative body or by direct ballot) for inclusion as official party policy to be adopted by, or to guide, the parliamentary party (Gauja, 2013a, p 118). Within this broad sequence, however, each party places a different emphasis on the respective roles of the parliamentary party and the broader (extra-parliamentary) party organisation.

The ALP stands at one end of this continuum, explicitly providing in its constitution that policy ‘is not made by directives from the leadership but by resolutions originating from branches, affiliated unions and individual Party members’ (Part A, Article 7). Policy resolutions are debated and voted on at the party’s triennial National Conference, which is attended by approximately 400 delegates from the various state parties and affiliated unions. The policy process is currently coordinated and mediated by the National Policy Forum, which was established in 2013. Prior to that, federal policy was coordinated through the National Policy Committee – a body appointed by the National Executive and
Policy development in political parties

Policy development in political parties consisting of union representatives, parliamentarians and higher-ranking party officials (Gauja, 2013b, p 60).

Policy decisions in the Australian Greens are arrived at through a process of ‘grassroots democracy’, one of the four pillars enshrined in the party’s Charter and Constitution. The policy process operates according to the principles of consensus decision-making and with the maximum possible participation of members (Article 45.2). In practice, Jackson (2011, p 19) notes that during meetings, delegates sit in a large circle so they can face each other, take regular breaks for further discussion and use alternative dispute-resolution mechanisms to break policy deadlocks and in order to arrive at a consensus decision. Policy is adopted by consensus at the party’s National Conference, attended by delegates from each of the federated state party organisations. The process is mediated by policy working groups, which coordinate suggestions and amendments from members, then feed draft policy back into state parties to be passed before the national ratification process commences (Jackson, 2011, p 167).

As in the ALP, formal policy development and ownership within the Greens is centred on the extra-parliamentary party organisation. All Greens MPs must adhere to the policies of the party, except in circumstances where there is a conflict between the Greens’ national policy and the interests of the parliamentarian’s constituents and/or their conscience (Article 41.2). The structures of policymaking in the Greens are similar to those of the ALP in that policy is formally decided at the local/state level, where delegates are chosen to attend the National Conference to vote on the members’ behalf. However, what distinguishes the Greens is their emphasis on discussion and deliberation (both elements of consensus democracy), an associated aversion to formal voting, and the much smaller size of their conferences and policy gatherings.

The alternate model of policy development, which we see in the Liberal Party and the Nationals, prioritises the role of the parliamentary party at the expense of the extra-parliamentary party organisation. In both parties, the organisational and parliamentary wings of the party are clearly separated, and in the case of the Liberals, the party’s Constitution gives ultimately authority to the parliamentary party for the determination of policy. While the organisational wing is responsible for drafting the Party Platform – ‘the broad statement of Liberal fundamental beliefs and intentions’ – the parliamentary party is responsible for the Liberal Party’s ‘policies, strategies and parliamentary priorities guided by the principles contained in the Party Platform’ (Liberal Party, 2014). The party’s governing body – the Federal Council – may debate policy but its views are not binding on the parliamentary party (Singleton et al, 2009, p 362).

The National Party, like the Liberal Party, divides authority between platform and policy. The Nationals’ Constitution states that while the parliamentary party is expected to ‘consider policy decisions’ of the Federal Conference and the Federal Council (the supreme governing body of the party), it is ultimately responsible for the implementation of the policies of the party. In the event that the parliamentary party acts inconsistently with the policy decisions made by the
Federal Conference or the Council, the leader must provide reasons to the Federal Management Committee (Clauses 27.1–27.3). A Policy Standing Committee is attached to the Federal Council, which is tasked with coordinating and monitoring the development of policy and philosophy (Clause 32.1).

What is clearly illustrated in the formal party rules governing policy development within parties are the different organisational philosophies regarding the appropriate role of the party membership, vis-a-vis parliamentarians, in the process. As discussed later, this is not only a practical reality that parties must face, but also a deeply entrenched divide within democratic theory as to the desirability of intra-party democracy and the appropriate role of political parties (as representative agents and as regards who they ought to be accountable to) in the political system.

Another important point to note is that although the analysis of the parties in this chapter centres on policy development in the federal arena, all Australian political parties are highly federated organisations – comprising networks of state and territory branches and divisions, each with their own separate legal identity, state-based policy concerns (reflecting the federal structure of government in Australia) and separate policymaking processes to deal with state and local issues. These decentralised structures allow for membership participation and decision-making at several territorial levels. The analysis of federal party policy development provided here could also be applied to individual state and territory party organisations.

**Everyday policy development: who participates?**

Although there are distinct structural differences in parties’ formal policy processes, reflecting a broader understanding of organisational democracy and the proper relationship between the organisational and parliamentary wings, in practice, there tends to be a greater convergence in the locus of policy decision-making and the role that is actually played by party members, supporters and elites. This part of the chapter analyses the policymaking role and capacity of several key party actors: members, affiliated organisations, the party executive, think tanks and the parliamentary party. This is done through a discussion of policy development and analysis in several institutional arenas facilitated by the party: branch meetings, conferences and policy working groups. Each of these policy arenas and the processes involved facilitate debate and participation by party members and groups in three different ways: either directly, through representatives or delegates, or through a process of consultation.

**Party members and policy development**

As the variety of formal policy structures show, there is no consensus among Australian political parties as to the appropriate balance between the parliamentary and extra-parliamentary party arms of the party in the development of policy.
This is also reflected in theoretical debate. From one perspective, party members can contribute to their party’s electoral success by injecting new ideas into the organisation and maintaining links with voters. The membership base attached to parties has been regarded as performing an integrating and mobilising role, at least in a normative sense, ensuring closer contact between citizens and ruling elites – achieved, in part, through popular involvement in the creation of party policy (see, eg, Ware, 1996, pp 63–5; Scarrow, 2000, pp 83–4).

Many scholars have claimed that providing a voice to the membership is, at best, a futile exercise and, at worst, a threat to the electoral success of the party (see, eg, Michels, 1962). Policy processes that involve membership participation are seen as time-consuming, and with party members representing an increasingly shrinking portion of the population, their views may be seen as out of touch with the electorate. Notwithstanding the normative desirability of membership influence over party policy, others, such as Whiteley and Seyd (1998, p 114), argue that it is simply contrary to parties’ established practice: ‘party leaderships will consult outside experts, think-tanks and research organisations when formulating policies, but they will rarely consult their own members, whose advice they may regard as amateurish or extremist’.

While the Liberal Party and Nationals have never accorded their memberships a significant role in the development of policy, membership involvement (at least in theory) has been one of the defining organisational features of the ALP. In practice, however, this participation is much more limited. An internal review of the ALP conducted in 2010 noted that members were not participating in the main policymaking forums, such as branches, policy committees and conferences, to the degree that they previously had (Bracks et al, 2011, p 12). While the changing participatory preferences of citizens could be seen as one reason for this declining turnout, intra-party policy structures also have important consequences. Disillusionment with local meetings is common, being described as ‘stultifying’ experiences (Hawke and Wran, 2002, p 5) and ‘not the most exciting events’ (Bracks et al, 2011, p 5). Party conferences, while allowing for membership participation in policy decisions through the election of delegates to represent members’ views and discuss and vote on policy motions, do not offer an opportunity for rank-and-file members to participate directly in this process. As venues for policy debate, ALP conferences:

> have become bland, anodyne affairs where the colour and movement of the Party has been replaced by set piece speeches and consensus voting… Rather than encourage innovation and debate, Party units are increasingly being urged to display ‘discipline’ over ‘diversity’. (Bracks et al, 2011, p 19)

The National Policy forum, established by the ALP National Conference in 2011 as a central forum with a ‘direct link to grass-root policy development through the directly elected members’ (ALP, 2011, p 8) in order to replace the
‘traditional method of policy being prepared by “insiders”’ (Ferguson, 2014), still operates according to the model of representative, rather than direct, policy participation. Of a total of 69 members, 20 are elected by the rank and file, whereas the remaining 61% comprise union and parliamentary representatives (Gauja, 2013b, pp 62–3). The 2011 National Conference also resolved to establish issue-based branches, termed policy action caucuses (PACs), which will receive financial support and resources from the party in the same way as a geographic local branch, and be entitled to convene meetings and policy forums, and to put policy motions to conference (ALP, 2011, pp 12–13). As at March 2014, however, there is no evidence that these PACs have been implemented.

Using the model of consensus decision-making, the Greens facilitate more direct membership participation through more decentralised and autonomous policymaking structures, which focus on the local level. Surveys of Australian Green Party members and activists have found that ‘most organisational activists appear to be active at their local level, and consider this to be their prime form of activity’ (Jackson, 2011, p 103). For those who choose to get involved, the outcomes of decentralised policymaking are often tangible and more immediately visible to local party members, hence producing greater perceptions of efficacy and meaning (Gauja, 2013b, p 93). This enthusiasm differs somewhat from the membership as a whole (including inactive members) – when surveyed, only 55% agreed that members should have the right to be involved in policymaking and 44% felt effective in influencing party policy (Gauja and Jackson, 2013). While comparable surveys are not available for the other Australian parties, studies of policy development with green parties in European democracies and other Westminster systems suggest that, from a grassroots perspective, green parties are more vibrant policymaking organisations than their conservative and social-democratic counterparts (Poguntke, 2001; Gauja, 2013b). Two main organisational factors facilitate this: the structures in place within these parties designed to protect against the formation of hierarchies and to preserve some of the ‘movement politics’ from which green parties evolved (Kitschelt, 2006); and the relatively smaller size of green party memberships – as it is far easier to facilitate meaningful participation in smaller organisations (Sartori, 1987, p 113). The Australian Greens’ membership currently stands at around 9,000 (Gauja and Jackson, 2013), compared to the ALP at 45,000 (Shorten, 2014) and the Liberals at 80,000 (Liberal Party, 2014).

**Affiliated organisations and policy development**

Australian political parties, with the exception of the ALP, do not grant affiliated organisations formal status in policymaking. For example, while the Federal Councils of the Liberal and National Parties provide representation for parliamentarians, state party representatives and representatives from the party executive, no voting rights are offered to representatives from business or agricultural associations. Similarly, the Australian Greens’ National Conference
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is comprised of state party delegates and parliamentary party representatives, with no formal representation for environmental groups. Policy ties to affiliated organisations within these parties are typically looser, and are built upon the basis of overlapping memberships. In the Australian Greens, 65% of party members are also members of another environmental group, including the Wilderness Society (22%) and Greenpeace (20%). An even higher percentage of members (76%) belong to social justice groups, including GetUp (60%) and AVAAZ (32%) (Gauja and Jackson, 2013). Individual organisational ties are also important in the Liberal and the Nationals. For example, Scott Mitchell, the current federal director of the Nationals (a position that holds a corresponding place on the Management Committee and the Federal Council), previously worked as a policy adviser for the National Farmers’ Federation. Current president of the Liberal Party, Alan Stockdale, held a position with the Macquarie Group, and Treasurer Philip Higginson is vice-president of the New South Wales (NSW) Chamber of Manufacturers and a director of the Employers Federation.

Within the ALP, affiliated unions have a formalised role in the party’s policy development process by virtue of the substantial representation they receive at the National Conference. The ratio of union to rank-and-file delegates currently stands at 50:50, which was lowered from 60:40 in 2002. Although their influence at conference has been marginally reduced, the continued dominance of representation at the conference by the unions is still a contentious topic of debate within the ALP, and has been criticised as ‘undemocratic’ given the decline in union membership (Jaensch et al, 2004, p 23; Aarons, 2008; Cavalier, 2010, pp 31–7).

The party executive and policy development

Party executive bodies (eg the Federal Executive of the Liberal Party, the Federal Management Committee of the Nationals, the National Executive of the ALP and the Greens’ Quick Decision-Making Group and National Council) potentially exercise policy influence through their day-to-day management of party activities. This is facilitated by the powers given to these bodies to make ‘emergency policy decisions’ in the period between party conferences or councils, or in instances or where it is ‘impractical’ to consult the party membership, and as the official interpreter of the party constitution, platform and decision of conference (see, eg, ALP National Constitution, Article 7(e); Liberal Party Constitution, Clause 40). In the Australian Greens, ‘quick policy decisions’ are made by a specially convened group, which comprises the national convenor, secretary, treasurer and one representative from each state or territory party. The National Council ratifies the decisions of this group (Australian Greens Constitution, Article 39). Indirectly, executive bodies might also exercise policy influence in their capacity as organisers of party conferences and gatekeepers of the conference agenda (Gauja, 2013b, pp 122–3).
Policy analysis in Australia

Party think tanks

All of the political parties examined in this chapter maintain official connections with party think tanks, which provide a further source of policy ideas and capacity. The Chifley Research Centre is the official think tank of the ALP, which: ‘promotes policy discussion in universities and throughout political and industrial forums; commissions academic research into pressing and long term public policy issues affecting Australia’; and ‘provides strategic policy advice to the Federal Parliamentary Labor Party’ (Chifley Research Centre, 2014). Similar roles are performed for the Liberal Party by the Menzies Research Centre, for the Nationals by the Page Research Centre and for the Greens by the Green Institute (see also Chapter Twelve, this volume).

Despite their official mandates, Australian party think tanks do not play as strong a role in policy development as do many of their European counterparts. Although party think tanks receive public funding under the Grants in Aid scheme administered by the Department of Finance, this funding is relatively modest: both the Menzies and Chifley Research Centres received AUD234,000 each in 2014; the Page Research Centre received AUD89,000; and the Green Institute received AUD87,000 (Department of Finance, 2014). Consequently, party think tanks possess very little in-house capacity: the Menzies and Chifley Research Centres employ the equivalent of 1.5 full-time equivalent (FTE) employees, whereas Page and the Green Institute employ 0.5 FTE employees (Miragliotta, 2013). The policy capacity of these organisations is also weakened by the fact that they: do not receive any official recognition in party statutes or formal integration into intra-party policy processes; retain a separate corporate identity from the party; and, consequently, face hostility from the parliamentary party and/or the party membership – who see themselves as the ‘true’ owners of the policy development process (Miragliotta, 2013).

Parliamentary parties and policy development

Undoubtedly, the most influential party group in the policymaking process (on an everyday basis) is the parliamentary party. For the Liberal and National Parties, the dominance of the parliamentary party is articulated in party constitutions and forms a fundamental part of these parties’ organisational ethos. However, for all political parties, the parliamentary party has the capacity to shape or control policy development outside of regular intra-party processes. Most commonly, this occurs through: the reinterpretation and extrapolation of existing party policy in the course of legislative debate and media interviews; the creation of new policy based on general party principles; and the making of election promises during the course of a campaign.

Policy interpretation is the most common way in which parliamentary parties assume de facto control over policymaking within their respective party organisations. Given the slow nature of intra-party policy development processes
that involve party councils and memberships, and the significant time lag between party conferences contrasted with rapidly changing political circumstances, older party policies are often ‘subject to interpretation’ by the parliamentary party (Button, 2002, p 41). Even though the interpretation should be consistent with party principles, the link between the parliamentary wing and the policy as formulated by the extra-parliamentary party organisation is tenuous because it relies on the assumption that both arms of the party have an equal appreciation of the party’s ideology and objectives. A strategy to accommodate this tension is to reduce the level of detail and increase the generality of official party policy documents in order to recognise the practical constraints that parliamentarians face in responding to dynamic legislative agendas, allowing them greater freedom in interpretation and application. For example, at the 2010 ALP National Conference, party delegates voted to change the party’s policy on gay marriage, but did so under the proviso that the resolution would not be binding on members of the parliamentary party – effectively changing the policy in principle only and issuing no more than guidance to parliamentarians on the issue.

In other instances, parliamentary parties may simply create new policy – even if it is inconsistent with existing party principles. As discussed further later, this is most likely during the periods in which parties are in government. During the period of the Hawke ALP government, for example, deregulation and privatisation, the mining and sale of uranium to France, and the recognition of the independence of East Timor were all policy positions adopted by the government and retrospectively endorsed by National Conference (Ward and Stewart, 2010, p 176; Parkin and Warhurst, 2000, p 32).

Another way in which the parliamentary party, and, in particular, the party leader, creates policy outside of formal party structures is through election promises and manifestos. Although election promises and manifestos are meant to derive from existing policy and general principles, as strategic political tools and campaign documents, their creation is the exclusive responsibility of the parliamentary party leadership. This provides an opportunity for the parliamentary party to advertise and advocate specific commitments on behalf of the broader party that have far greater exposure and arguably more resonance with the voting public than official party policies. Singleton et al (2009, p 354) note that in the ALP, this aspect of policy development is particularly centralised: ‘parliamentary leaders usually have been reluctant to share the design of their speech with other parliamentarians, and speech writers are as important as experts on policy’.

In the Liberal Party, where policymaking is the exclusive preserve of the parliamentary party, questions have been raised as to whether better policy initiatives may, in fact, come from a more inclusive process. In his 2010 review of the Liberal Party campaign and organisation, Peter Reith argued that policymaking in the Liberal parliamentary party was an area that needed to be strengthened. Reith noted that a constitutional clause that called on members of the parliamentary party to consult with party groups (including Divisions, backbench committees and standing committees of the party, such as the Women’s Committee), as well
as the Advisory Committee on Federal Policy, had been routinely ignored and suggested that the continued dominance of the parliamentary party in policy development might not be the best way forward for the Liberals:

The Party will not attract new members if members do not have an opportunity to express their views. The membership is entitled to know that their views are heard at the highest levels of the Party. And the Parliamentary Party needs to hear what members say because the views of a broadly based membership reflect public opinion. It can help MPs keep in touch with real people rather than just the latest poll. (Reith, 2011, p 12)

Once again, this debate highlights the difficulties faced by political parties as policy organisations attempting to incorporate a range of voices, maintain their legitimacy as participatory vehicles, while, at the same time, governing effectively and maintaining their electoral popularity.

Institutional influences on policy development and capacity

Although the conscious structural decisions of political parties play a key role (particularly within the Liberal and National Parties), there are also a number of broader institutional pressures that serve to centralise policymaking within the parliamentary party. These include: the legislative position of a party – whether it is in government or opposition; the distribution of resources (money and staffing) within the party organisation; and the principles that underlie parliamentary politics and representation within the Australian system. This process of centralisation, in combination with declining memberships, has led to policymaking initiatives driven largely by party leaderships that attempt to canvas party membership for policy input and analysis.

Legislative position

The legislative position of a political party (ie whether it is in government or in opposition) influences the distribution of power and influence in the process of intra-party policy development. Given that engaging the extra-parliamentary party organisation in decision-making brings with it the possibility of dissent and difference of opinion, this is easier to achieve in opposition. The Australian Greens have arguably benefitted from this logic – as a party unlikely to govern, they are freer to explore contentious policy options and appeal to their supporters rather than formulate ‘catch-all’ policies. However, as political parties increase their legislative importance and move closer to government or a balance-of-power position, there is a distinct shift in emphasis to the ‘structural requirements of parliamentary politics’ (Poguntke, 2001, p 8), whether this be legislative negotiation in a consensus chamber, considerations of electoral survival or the
associated shift in resource allocation. This changing emphasis has the potential to weaken the parliamentary party’s responsiveness to the broader party organisation and the policy formulated by it. It encourages convergence upon policies seen as popular with the electorate, and also strengthens the sense of discipline both within the parliamentary party and in the party organisation as a whole. As Singleton et al (2009) argue, the Hawke–Keating ALP governments were able to exert continued influence on the policy agenda because of the necessity of party unity to enhance the party’s chances of re-election. In this situation, ‘the extra-parliamentary party was unlikely to challenge the government to such an extent that its chances of regaining office were put at risk’ (Singleton et al, 2009, p 354).

An added tension faced by political parties that must govern in coalition is the need to negotiate policy and legislative positions with other parties in order to achieve compromise and impact. In these parties, strict adherence to the official policies as developed by the membership may not be possible as parliamentarians are faced with the potential conflict between either staying true to the party’s formal position/ideology or compromising on some issues to achieve effective governance.

This is a tension that has plagued the Nationals in their long-standing Coalition with the Liberal Party (Botterill and Cockfield, 2009). While the party asserts that it, ‘more than any other party’, champions the interests of the communities, regions and states it represents, ‘the Party and its Parliamentarians recognise they can achieve more by working together as a strong conservative team’ (Nationals, 2014). In practice, this means that the Nationals’ leadership has been willing to ‘accept policy outcomes seen by some supporters as detrimental to rural industries and communities, in return for preserving the Coalition arrangement’ (Whitford, 2009, p 100). An example is the stringent gun laws introduced by the Howard government in the wake of the Port Arthur massacre in 1996, which banned automatic and semi-automatic rifles. Whitford (2009, p 105) argues that rather than responding to the concerns of National Party members and supporters over the severity of the laws, leader Tim Fischer supported Howard’s policy and travelled the country to ‘sell the legislation to hostile rural audiences’ as opposed to consulting with the membership and communicating party policy to the grassroots.

The distribution of resources

Another institutional driver of the increasing centralisation of policy capacity within the parliamentary party is the nature of resource distribution within political parties. Comparative party scholars have argued that modern political parties are moving further away from civil society and closer to the state (Katz and Mair, 1995). In organisational terms, this is characterised by an increasing dependence on the state to provide material resources and legitimacy in lieu of those once provided by mass memberships and civil society – effectively hollowing out parties and increasing the power of the parliamentary party. Examining
the sources of funding that political parties now rely on, it is clear that the income derived from parliamentary duties (which includes MPs’ allowances to employ personal office staff) clearly outweighs that received from donations and reimbursements for election expenses (Gauja, 2013b, pp 129–30). The asymmetry that this creates is clearly evident in the Australian Greens: the total number of party staff employed by the Greens’ state and federal MPs is 100, contrasted with the 23 staff employed by the Australian Greens’ extra-parliamentary party organisation (Jackson, 2011, p 64).

Previously, when donations to parties and other private sources of income constituted the bulk of parties’ revenue, money was channelled into the party organisation, which was the primary employer of party staff, and it was this arm of the party that funded the development of policy, without any legal conditions attached to the way in which this money was spent. However, as parties now derive the largest proportion of their income from parliamentary activities, this arm of the party is now the largest employer of staff. Although regulations constrain parliamentary expenditure, parties have generally been quite savvy in circumventing these regulations to utilise available staff (see, eg, Ghazarian, 2006, pp 70–1), with the consequences that the bulk of parties’ policy research on a day-to-day basis is undertaken by parliamentary researchers working for ministers and individual backbenchers, rather than the broader party organisation. Even if this does not occur as part of a calculated strategy, staff involvement in policy simply happens as a consequence of parliamentary politics. As Jackson (2011, p 169) observed in his study of the Australian Greens, parliamentarians’ staff ‘did see at least a partial role in policy development for themselves, as they dealt with policy matters on a day-to-day basis when the MPs are called upon to make statements or vote on positions’.

The logic of Westminster parliamentary politics

In addition to these resource considerations, there is a great deal of tension between the political realities of party government and the constitutional and legal design of Westminster parliaments intended to comprise of independent/constituency representatives. This creates a potentially uncomfortable situation in which MPs hold dual responsibilities to the party and the public that may theoretically conflict. In the eyes of the law, parliamentarians are elected as independent representatives, and the law has expressed a strong disapproval with the concept of a party mandate (Gauja, 2010, pp 193–211).

The most significant consequence for party policy development is that it guarantees the autonomy of the parliamentary party from decisions of the extra-parliamentary party organisation in any matters that can be applied to the legislative arena. If parliamentarians are to represent their constituencies, which are defined in Australian electoral law in geographic rather than party terms, they must remain independent in their deliberations and cannot take orders from third parties or external bodies. This includes voting in Parliament in accordance with
party policy, even if it has been democratically formulated by the membership. Although it rarely arises, if an MP crosses the floor on an issue and votes against the wishes of their party, they cannot be expelled or forced to resign from Parliament, even if the MP has signed an agreement not to do so (Orr, 2002).

Opening up policymaking to the wider community

Partly in response to the need to involve a broader section of the population in order to maintain their legitimacy, to compensate for declining party memberships and also to respond to the changing participatory preferences of citizens for more ad hoc and direct forms of political participation (Gauja, forthcoming), Australian parties have developed initiatives designed to draw both stakeholders and the wider population into the policymaking process, opening up policy to influence from beyond the political party. One of the key recommendations of the 2010 ALP National Review was that the party’s policy committees ‘incorporate into their consultative arrangements a series of workshops and roundtables with key community organisations, academics and researchers working in areas of policy innovation’ (Bracks et al, 2011, p 21). The ALP’s current National Policy Forum aims to fill this brief – at its first meeting in May 2013, the National Policy Forum ‘heard from a range of speakers, drawn from universities, think tanks, unions and business’ (McAllister, 2013).

In February 2010, the ALP launched its website and online social hub ‘Labor Connect’, with the aim of creating a ‘new place for Labor supporters and the wider community to connect with each other and participate in current progressive policy debates’. This initiative followed a 2009 National Conference resolution by the party to establish a new category of ‘online supporter’, who was not granted candidate selection rights, ‘but will be fully involved in ALP policy deliberations’ (Gauja, 2013b, p 101). In 2011, party supporters had the opportunity to contribute their ideas to the triennial policy review through a number of online forums, called ‘Think Tanks’, addressing each Chapter of the Party’s National Platform. In government, the ALP also embarked upon a number of consultation exercises, including ‘community cabinets’ and the 20-20 Forum (see Fawcett et al, 2011). While the consultations have taken place under the guise of governmental rather than party policy development, in practice, the distinction is quite blurred – for example, although government initiatives, both exercises were advertised on the party’s website.

Conclusions

Party scholars generally agree that policy development is one of the key functions performed by political parties. Political parties, through their internal policy development processes and the active involvement of their members and supporters, ascertain salient community concerns and combine the views and interests of individuals and groups in society into coherent policy documents and
platforms to present to the electorate. However, as this chapter has demonstrated, Australian political parties fall short of this democratic ideal. In all parties, with the possible exception of the Australian Greens, policymaking and analysis is driven predominantly by the parliamentary party – with party forums such as branch meetings and conferences playing an increasingly marginal role. In the Liberals and National Party, this is predominantly the product of constitutional design, but for all parties, it is also the product of the logic of electoral competition and institutional pressures, such as resource distribution. As the actions of successive governments have illustrated, the policy autonomy of the parliamentary leadership is particularly acute when a party is in government. While this form of policy development may be more efficient and arguably responsive to the general electorate, it raises serious questions about the ability of Australian party organisations to act as vehicles for participation and representation, as well as the quality of policy debate.

References


Introduction

This chapter focuses on how business associations in Australia engage in public policy analysis and how this role has evolved over recent decades. Business associations in Australia are voluntary associations that rely on subscriptions from member firms or subordinate associations to pursue their roles. Such associations range from industry-specific or sectoral associations servicing or representing a particular industry, to broader cross-sectoral or umbrella associations covering a wider range of industries or businesses across the whole economy. Business associations offer information, services and advice to members to help improve company performance and regulatory compliance in a competitive economy. Business associations also operate in the political and public policy arena, and research and monitor political and policy developments of relevance to members. In their policy advocacy role, they also attempt to influence government policymakers, as well as the wider public and the media. Business associations also act as governance interlocutors with governments. They offer policy advice and sometimes assist governments with policy formulation and implementation. They sometimes play a key intermediary role in industry self-regulation schemes (Bell, 1995; Bell and Hindmoor, 2009). Business associations also often work with firms or other business associations or interest groups in pursuing their activities.

For much of the 20th century in Australia, the ‘bread and butter’ work of many leading business associations was derived from service-to-member functions, especially in helping members deal with the complexities of two of the country’s major public policy frameworks: the centralised industrial relations system and the tariff system. These policy regimes have now been substantially wound back, a process that began in the 1980s. Bell (1994) has argued that business associations have since attempted to reorient themselves by expanding member services in areas such as taxation advice, trade promotion and industrial relations, skills and training. Another avenue of expanded endeavour has been to boost public policy capacities, both in policy analysis and in advocacy and lobbying. Firms sometimes engage unilaterally in politics. However, firms often prefer to join together and work collectively under the auspices or leadership of a business association. In policy advocacy, firms may also seek to reduce their exposure to potential
political counter-attack by working collectively and hence more anonymously through an association. Part of the rationale for activism is to exert influence or political power. Lobbying and advocacy in overt politics is usually referred to as the attempt to exercise ‘instrumental power’. Such overt activism can also be a useful complement to the ‘structural’ dimensions of business power, reflected in business’s control over economic resources and the investment process on which governments, and the wider society, depend (Fuchs, 2005). In this arena, governments are sensitive to the need to try and maintain business confidence and, as Offe and Wiesenthal (1980, p 86) have argued, the structural power of business might be ‘exploited and fine-tuned by the operation of business associations’.

An important development in recent decades has been the pursuit of sophisticated forms of research-based advocacy (RBA) by business associations, a strategy reliant on solid research and evidence-based policy analysis. Such a capacity is increasingly important to business associations. Member firms expect their associations to be able to engage with the complexities of public policy. Business associations need to be able to monitor and react to government policy initiatives. At a more ambitious level, sophisticated RBA strategies will aim to proactively shape the public policy agenda. In Australia, RBA was pioneered in the late 1970s and became central to the activities of leading associations, especially the Business Council of Australia (BCA), which was formed in 1983 and represents many of the largest corporations in Australia. Other leading business associations in Australia have used this approach. It reflects an adaptation to wider changes in the political and public policy environment in which policy expertise and evidence-based argument have become more central to government operations and an increasingly important ingredient for successful lobbying and policy advocacy.

There are, however, several problems that confront business associations in the lobbying and public policy arena. Firms face incentives to free-ride. Contributing to collectivist goals and organisation means dealing with classic collective action problems. As Olson (1965) argued, success in this field typically requires selective incentives. This explains the direct service-to-member roles played by business associations in areas such as policy research and advocacy. However, lobbying and especially sophisticated RBA strategies require substantial expertise, analysis and resources, often with an uncertain pay-off.

This chapter explores the rise of policy analysis and RBA by business associations in Australia, focusing initially on the role of the BCA and then on other major national business associations. Issues explored include the challenges of policy analysis, how business associations see their role in this field and how in operating in this arena, they relate to governments and to other business associations and stakeholders.
The rise of research-based policy analysis and advocacy

During the post-war era in the 1950s and 1960s in Australia, national politics and policy formulation were dominated by leading politicians and an entrenched group of senior public servants, the latter of which were usually permanent heads of government departments. These elites operated in a relatively closed policy world, interacting with a select group of private sector interests. This was especially so in dominant policy arenas, such as the centralised industrial relations system and the tariff arena. Geoff Allen, who helped develop the BCA’s RBA strategy as its first executive director from 1983, writes that ‘Australian politics until the late 1970s tended to operate in a closed system of networks, including vested interests and old boy networks, that enabled decisions to be made without serious analysis and public contestability’ (Allen, 2013, p 13). The first signs of disturbance to this relatively genteel policy system occurred in the late 1960s, when a government agency, the Tariff Board, launched a frontal attack on Australia’s protectionist tariff system (Glezer, 1982; Bell, 1993). Under a crusading new leader, Alf Rattigan, the Tariff Board was reacting against special dealing and nepotism, and was essentially using an early version of state-led RBA to confront the vested interests of the tariff regime, especially the manufacturing sector and government leaders who had supported the growth of protectionism. The Tariff Board drew on sophisticated economic analyses and commissioned original research by in-house and external economists to make its case about the costs of protectionism and the need for greater public scrutiny and market-led reform. The Tariff Board also worked with other groups, such as farmers, and with the media to pursue its case in what was an early example of neoliberal-inspired research and policy advocacy.

Manufacturers, who had benefitted greatly from their privileged position within the protectionist regime, were caught ill-prepared. Their response was to use traditional lobbying methods and a good deal of bluster. As one Canberra lobbyist from this era notes, input from business associations was often ‘long on rhetoric and short on economic justification, designed to appeal more to membership than to convince government’ (Sekuless, 1991, p 4). An example was the response in 1971 from the president of the Associated Chamber of Manufacturers of Australia (ACMA), who complained that tariff policy was being ‘led by the nose by theorists’ with their ‘arithmetic cut-off points and other fancy economic theories’ (quoted in Bell, 1993, p 57). The president went on to warn that ‘It is not a threat but merely a statement of fact to suggest that the present government would be out of power in quick time if it monkeyed around too much with tariff levels’ (quoted in Bell, 1993, p 57). In similar fashion, in 1974, ACMA complained that the tariff reductions, then under way, would lead Australia towards ‘the dubious distinction of becoming the world’s first developed nation to regress into a feudal state of peasant farmers, miners and cottage industry workers’.

The problem manufacturers confronted was that the Tariff Board and its successor from 1974, the Industries Assistance Commission (IAC), had lifted the
intellectual argument to a new level not easily matched by manufacturing lobby groups with their limited RBA capacities. In 1975, ACMA responded with one of the first private sector attempts at RBA in Australia. ACMA raised funds to commission the consulting firm W.D. Scott to critique the IAC's tariff reform agenda. This was an attempt to move beyond what ACMA itself had described as a 'reaction rut'. As the *Australian Financial Review* commented: 'ACMA has at last abandoned its habitual stance of sheer complaints and has entered the realm of real argument'. The effort largely failed, however, because the work done by W.D. Scott was quickly and successfully demolished by the IAC in a counter-response (Bell, 1993, p 57). The former chief executive of the Australian Chamber of Commerce and Industry (ACCI), Peter Hendy (2011, p 176), writes that ACMA 'had neither the resources nor the research capacity to confront the change in policy viewpoint towards neoliberal policy prescriptions that began gathering support amongst government bureaucrats and politicians'.

By the late 1970s, business leaders and business associations were becoming acutely aware of their policy analysis and lobbying inadequacies, especially in the new, more sophisticated, policy terrain being forged by governments and government agencies. Other related developments were also important.

Over the decades and certainly since the late 1970s, there was an increased emphasis on policymaking at the federal or national level in Australia. Traditionally, a substantial amount of public policy issues that affected business arose at the state level in Australia. These included key aspects of industrial relations, health and safety, company law, licensing of all descriptions, state taxes, and many others. These issues required research and advocacy by state-based business associations. However, as legislative authority and regulation increasingly shifted to the national stage, so did the need for business influence and research at that level.

Another change was that from the mid-1970s, the themes and arguments of neoliberalism were being promoted within policy circles and within some elements of the business community. This ideational shift was important because it helped produce a new orienting framework for policy debate, endorsing a stronger role for markets and more rigorous forms of economic analysis and advice (Keating, 1993). Hendy (2011, p 174) comments that this change meant that the capacity of business associations 'to influence government through their insider status and personal relationships was diminishing as the policy climate slowly changed in favour of a neo-liberal approach'.

From the late 1970s and particularly during the 1980s, the public service and the nature of public policy debate were also changing. The level of rigour in policy analysis increased and neoliberal themes and the need for economic analysis became more apparent. Policy was therefore increasingly shaped by input from economists in government agencies and departments and also from the wider array of sectoral associations and think tanks (Pusey, 1991; Keating, 1993; Allen, 2013, p 13). Economic modelling and simulations of the micro- and macroeconomy were also being developed, and this also raised the expertise required to enter high-level policy debates. Groups such as the trade union movement and the
environmental movement became more mobilised and effective in these terms in the policy arena. An important strategy was the need to defend policy claims on the basis of the broader public interest, not on the grounds of narrower sectoral interests. As a former senior economic advisor to the federal government, Ross Garnaut (2013, p 59), has argued:

vested interests still sought sectoral advantage, but accepted there was no point in putting forward a policy that could not be supported by rigorous analysis on public interest grounds … to make a case, an interest group required not only a supporting argument from an economist, but also a credible and logical argument that could stand up to professional scrutiny.

In response to these developments, business interests increasingly sought to improve their capacity for policy analysis and advocacy. Beyond ACMA’s efforts noted earlier, an early stirring within the large corporate sector occurred in 1974, when a group of corporate chief executive officers (CEOs) – the ‘big 50’ – led by BHP and several other large companies, held a crisis meeting to discuss responses to the Whitlam Labor government, which was seen as hostile to business. Later, in 1977, a number of business groups including ACMA and the Australian Council of Employers Federations (ACEF) came together to form the Confederation of Australian Industry (CAI). This was an attempt to generate greater unity among business associations and saw the coming together of manufacturing, farming and mining interests under the CAI. The experiment, however, was short-lived as the key groups re-established separate manufacturing, farming and mining associations during the 1980s as sectoral divisions overran attempts at unity. The CAI later merged in 1992 with the Australian Chamber of Commerce to forge ACCI (Hendy, 2011).

Perhaps the most ambitious strategy by a business association during the late 1970s and early 1980s was that pursued by the Australian Industries Development Association (AIDA). This was an organisation based on the involvement of about 30 CEOs, mainly from large firms in the manufacturing sector. In 1978, AIDA reinvented itself explicitly as a research-based policy advocacy association, which was a major new departure. Geoff Allen, the driving force behind AIDA’s approach, recalled during interview: ‘we started down the track of research-based advocacy, and it was the first organisation of its kind to actually do serious economic work and to commission work externally’ (interview, 3 October 2003). Then, in 1979, the corporate-sponsored Committee for Economic Development (CEDA) spun off a new organisation, the Australian Business Roundtable, a body based on a similar US model that brought together about 30 CEOs in a policy forum reliant on company resources.

The business voice in politics remained muddled however, reflecting weak research and policy-framing capacities, as well as long-standing entrenched sectoral divisions and conflicts between established business associations, especially
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over industrial relations and tariff policy. Big business, in particular, was aware of its lack of presence in national affairs and the national capital. Geoff Allen recalls that the business community in the late 1970s was ‘frustrated, nervous and leaderless’ (interview, 3 October 2003). A turning point came soon after the newly elected Labor government’s National Economic Summit in early 1983. Business participation at the summit was described as a ‘business rabble’ by the press, and soon after, AIDA merged with the Business Roundtable to form the BCA. The second president of the BCA noted that the organisation was formed to help make sure that the business community ‘would never again appear so fragmented and disorganized’ as it did at the 1983 Summit (White and Clark, 1995, pp 162–3).

The Business Council of Australia and other national business associations

Unlike other business associations, the BCA’s members are not firms or other associations, but corporate CEOs drawn from many of the largest corporations operating in Australia. The BCA is also unique because it is not a direct service-to-member organisation, nor does it directly lobby governments on discrete firm-level or sectoral issues. Instead, the BCA’s agenda has largely been to engage in ‘blue sky’, research-based policy advocacy aimed primarily at policy elites, focused on selected medium- to longer-term economy-wide issues of ‘national significance’. The BCA’s specialised committees, ad hoc taskforces and special study commissions have also been used to research and promote the BCA’s policy agenda. The aim was to rival the policy capacity of the federal bureaucracy and to help make the BCA’s arguments ‘Treasury-proof’. As Geoff Allen recalls: ‘the industry associations by and large hadn’t adopted a research approach. So, the BCA had a fairly unique role and a fresh and interesting role’ (interview, 3 October 2003). Similarly, Tim Duncan, who worked for the BCA in the early 1990s, notes that ‘the BCA’s strength was that it gave a quality to the public policy debate that had never really existed before’ (quoted in Bell, 2006, p 553). ‘From the start’, argues the BCA (1985, p 8), ‘we declared our intention to get ahead of the game and to create the political agenda, not simply react to it’.

The appropriate articulation or ‘framing’ of issues within the BCA has thus been important. A notable example during the 1980s was the debate on protectionism, an issue that had been central to national debates for decades and one that had dogged the business community, pitting the protected manufacturing sector against the trade-exposed farming and resources sectors. Due to its cross-sectoral character, the issue potentially posed problems for the BCA. A key strategy that helped resolve such tensions, and one led primarily by the BCA’s Secretariat, was to frame the debate as a medium-term ‘competitiveness’ issue. Instead of focusing directly on the divisive tariff question, the issue was subsumed within a broader set of issues about globalisation and national competitiveness. Another prominent example of successful RBA was the BCA’s efforts during the latter
part of the 1980s and early 1990s to move beyond long-established concepts of centralised industrial relations in Australia, shifting the debate towards concepts framed around ‘enterprise bargaining’. The BCA levied members to the tune of AUD2 million to fund the special Study Commission that pushed the new agenda aimed at changing mindsets and prevailing policy paradigms in a frontal attack on Australia’s centralised industrial relations system. The BCA began this campaign in the mid-1980s, and by late in the decade, the discourse of ‘enterprise bargaining’ was becoming increasing ascendant. By the early 1990s, this agenda was being forged into new and innovative policies by the national Labor government.

This effort was probably the high point of the BCA’s policy advocacy. Accounts of business collective action and associational capacity argue that selective benefits, crises and the role of orienting ideologies or new perspectives on policy can help mobilise business interests (Polsky, 2000). Some writers argue that the state is also important in facilitating business collectivism, especially in offering support or selective incentives such as favourable policy inducements (Doner and Schneider, 2000). For their part, governments usually welcome effective business associations, especially if they can aggregate and effectively represent business interests. Bell (2008) argues that such accounts, while useful, also need to take into account the role of business political entrepreneurs, especially the role played by vanguard CEOs, as well as associational entrepreneurs within the associations of business. These business actors were the prime movers in establishing the BCA, in establishing a motivating and consensus-based discursive agenda for business politics, and in mobilising other CEOs, in developing RBA strategies and in spearheading successful policy campaigns. Such associational capacity can also support selective incentives, leadership capacity and the capacity to mediate member interests, especially through the provision of information and as an organisational forum for ongoing deliberation and trust-building among members.

During the 1980s, the BCA was building and exploiting such institutional capacity. The early rewards of its RBA strategy were especially apparent in its big win on enterprise bargaining. The BCA benefitted from a capable Secretariat; it was led by a number of well-established, high-profile CEOs with good links with the Hawke government (1983–91), and it was able to exploit the low-hanging fruit of the new neoliberal reform agenda. Michael Angwin sums up the ‘strengths’ of the BCA model in the following way:

I think the great strength of the Business Council was that it was ‘research based’ … the Business Council had a good model of public policy advocacy … it never set out to influence public opinion, it set out to influence leader opinion. The other strength was … the quality of the Secretariat and its high level of intellectual capability. The Business Council’s strength was that it could over time mostly achieve consensus on tough issues. The other thing was that the Council was patient. It was prepared to work through issues over time. In the area
in which I worked, labour market reform, the Council’s position was that it would take 10 years. (Quoted in Bell, 2006, p 548)

Since the early 1990s, the BCA has remained in the vanguard of national business associations in terms of policy analysis and RBA. Nevertheless, it has encountered a number of problems. As Bell (2006) explains, relations with the Keating (1991–96) and subsequent Howard (1996–2007) governments were not as accommodating as under the Hawke government; indeed, Keating was openly hostile to the BCA. The internationalisation of the economy meant that large corporations were less focused on Australian developments. Leadership also became more challenging, with a weaker Secretariat and higher levels of CEO turnover. Moreover, the key issues on which the BCA could make substantial headway were less obvious.

Other major business associations have also built up their policy analysis capacity. The author conducted interviews with associational CEOs, or with public policy directors, in a number of leading national business associations in late 2013 and early 2014. The associations included Medicines Australia, Australian Industry Group (AIG), ACCI and the Minerals Council of Australia (MCA).

Interview respondents argued that the policy analysis function was an important aspect of the work of their association. Members expected their association to have this kind of capacity and the function was seen as an important resource in supporting research-based policy advocacy and lobbying activities. As a senior policy director in ACCI noted: ‘policy analysis and advocacy is the main reason why members belong to ACCI’. Similarly, the policy director at AIG noted that ‘public policy influences the business environment and our members expect us to represent them in public policy debates … and, more proactively, to shape the development of public policy’. Respondents agreed that detailed policy research was critical to successful policy advocacy. The CEO of Medicines Australia thought that:

To be credible to government and have an influential position and be able to advocate good policy positions … you’re just not going to be able to look credible with government unless you’ve got well-argued positions that are backed up by solid evidence and argument … you actually need the analysis of the data … I think the days where you could take a minister out for lunch, have a quiet word over a glass of wine and the policy position would change, I think those days are rapidly disappearing…. It used to be very unsophisticated.

The AIG respondent similarly noted that policy analysis has to have ‘rigour, respectability and a well-founded argument … it needs to have analytical support … it gives us an entrée and cements our position in the public policy debate if we are rigorous about what we do’. The deputy CEO of the MCA noted that to be credible, the association needed to avoid special pleading:
We look at doing policy analysis that puts the interest of the mineral industry in a broader context … most of our policy analysis is done with a recognition that we need to communicate in terms of the national well-being…. If you’re going to be persuasive, you need to make the case really from an economy-wide perspective.

Respondents argued that the policy analysis function had become more important over time. The respondent from ACCI thought that the function had become more important ‘because the range of issues is becoming more complex … it’s always a challenge to stay on top of all the issues … there are many organisations that have had to substantially beef up their policy resources’. The AIG respondent argued that policy analysis was important because ‘it’s a more crowded field now and I think the level of sophistication about policy arguments has increased’.

A number of associations thought that they were reasonably well-resourced in terms of their policy analysis capacities. ACCI currently employs around 20 analysts engaged directly in policy research, as do other large organisations. The number of dedicated public policy analysts in the associations that were interviewed ranged from five or six to around 20 full-time staff, although there were often overlaps with closely related functions such as economic analysis and public affairs. Across the associations, policy analysts tended to come from a range of backgrounds and disciplines, especially economics and law, often with prior public sector or business experience. However, all business association respondents pointed to the challenges of staying on top of myriad issues and the constant pressure to respond to government initiatives or requests for input. Given such pressures, respondents pointed out that they needed to be selective and to prioritise the issues that they engaged with. The AIG respondent said: ‘we have to prioritise what we’re on about because it’s a bottomless pit’. Another respondent pointed out that a downturn in the industry had forced the association to rationalise its policy analysis activities: ‘what we did was merge the public affairs team with the policy team’. The deputy CEO of the MCA said:

There are always more issues than you can ever fully chase down in an organisation like ours. So people have to straddle a range of issues…. Obviously, in a member-driven organisation, member-funded organisation, you need to be very mindful of keeping everything efficient … [in recent years] commodity prices and industry profitability has meant that companies everywhere are cutting costs. Organisations like ours aren’t immune to those sorts of budgetary pressures.

Some business association leaders commented that working with government could be challenging. As one respondent put it: ‘the federal government bureaucracy is surprisingly inept at dealing with business constituents…. Canberra people just don’t get the real world…. The Treasury, for example, when they are
talking to business, have got rent-seeking in their mind’. The same respondent thought that ‘the top people in the bureaucracy are very, very capable in their fields, but the quality slips quite noticeably below the top’. Another respondent commented that ‘my observation is that over 10 or 20 years, the internal policy capacities in government departments has been whittled away for a range of reasons’. Commenting on a major line department, the respondent said: ‘they’re barely able to even keep normal administrative processes ticking over, let alone have the time and resources to do longer-term policy research’. The same respondent said:

one of the things that’s changed over the last three or four years is that they [government officials] used to have the capacity and time to actually sit with us for half a day and do workshops on policy issues but they don’t have the time to do it now.

Another respondent commented that amid a high-profile policy campaign and stoush with the federal government, ‘I think there was a degree to which people were genuinely taken aback by the lack of knowledge in Treasury about [our] industry…. That, I think, spoke to the fact that there was a degree of intellectual arrogance’. The same respondent also commented:

There are two wings of the economics profession from a Canberra policy sense. There are those that think anyone who’s in business is by definition a rent-seeker and need to be kept at bay. There’s another interpretation, which I tend to share, that no government, no bureaucracy, has all the information they need. Consultation is absolutely fundamental to good policy design.

Despite these concerns, particularly, it appears, with some central agencies, associational respondents commented that their interaction with government often featured requests for advice and input on policy issues. One respondent noted that ‘one of the ways we’ve been actually able to help government is to actually do some policy work internally here … some of the guidelines you now see in government policy papers started out as drafts in this office’. Another respondent noted that governments sought more advice and input prior to and after elections, especially if a new government had come to power. As one business association leader commented, even as far back as the mid-1990s:

the government has been leaning on industry associations a lot in terms of policy development. They have burdened industry with a lot of policies or regulatory proposals, and, to an extent, industry is sinking under the weight of it all.
Associations have little choice but to cooperate. As another business association respondent commented: ‘Our standing and our capacity to access government depend on how helpful we are’ (quoted in Bell, 1995, p 43). Interview respondents in late 2013 and early 2014 concurred with the view that governments continued to make substantial demands on the time, resources and policy analysis capacities of business associations.

Several respondents also raised the issue of how associations dealt with governments. Two broad approaches were outlined: the noisy wheel approach versus the more constructive relationship-building approach – the latter involving contributions to policy debates in a forward-looking manner, and, in doing so, drawing on policy analysis and RBA. As one respondent noted:

While we may get noisy and agitated on particular issues from time to time, we actually keep our powder dry for the big issues, and so we try and build good relationships with governments and be constructive…. The debate is what’s the best model? Are you better off trying to be a part of the solution or part of the problem?

To help boost capacity, respondents said that business associations often cooperate and pool ideas and resources. As it is an association of associations, the ACCI is able to draw on the resources of member associations, especially the state-based business associations. Other associations also reported cooperative policy analysis activity with other associations. In earlier decades, the fragmented nature of the Australian state and long-standing divisions between export and domestically oriented industry sectors, especially over tariff policy, had helped produce a fragmented array of business interests and a fragmented and often competing set of business associations. Writing in the early 1990s, Matthews (1994, pp 197–8) argued:

No single [business] association enjoys a dominant and unchallenged position as the voice of business or the voice of employers. No clearly established division of labour pertains between the various national business groups…. Fragmentation and lack of organisational unity have always been the hallmarks of business and employer representation in Australia.

In more recent decades, starting in the late 1980s, the challenges posed by issues such as industrial relations and ecologically sustainable development (ESD) prompted business associations to search for cooperative solutions (Bell, 1995). This was also an era when earlier policy conflicts over tariff policy and industrial relations were being gradually resolved. Increasingly, business associations come together to form ad hoc coalitions of interest, often working together on policy agendas of mutual interest. Interview respondents reported that cooperative endeavours in policy analysis and research with other business associations are now
commonplace. The respondent from ACCI commented that they were ‘looking for coalitions all the time’. Respondents also argued that gaining valuable input from member firms, and from other associations and interest groups working in similar policy arenas, was important. The deputy CEO of the MCA noted that ‘we can make the high-level, mid-level arguments but often you need to mobilise more fine-grained information and, in some cases, companies will be the only people that have that information’. Similarly, the director of public policy at AIG thought that talking to member firms and ‘working with real businesspeople helps us in our policy work … it can be very illuminating’. During the late 1980s and early 1990s, large firms in Australia expanded their government relations and policy analysis capacities (Bell and Warhurst, 1991). However, from the mid-1990s, there has been a trend for companies to wind back their in-house government relations and policy analysis capacity as part of wider rationalisation and cost-cutting efforts. As Kellow and Simms (2013, p 50) note: ‘companies now employ fewer public affairs staff. Competitive pressures reduce staff to those needed for core business.’ This strengthens the rationale for business associations to help fill this gap, placing more pressure on the resources of business associations.

Associational respondents also reported using outside consultants to help boost capacity and expertise. However, respondents said that they relied mainly on in-house capacity and outsourced only selectively. The CEO of Medicines Australia thought that ‘60% to 70% of what we do is in-house, and about 30% to 40% is external’. Many other associations reported less reliance on outsourcing. Respondents reported using consultants for more specialised work, for example, for detailed economic modelling. The CEO of Medicines Australia thought that, on the whole:

it’s better value for us to keep the in-house capacity and train people in-house. But when we need a specialised skill, like modelling – micro-simulation or modelling – it’s good to get independent, high-powered economic analysis as a backup. Also, sometimes you’ll use external sources because they might have more credibility on an issue than the industry association.

The AIG respondent commented that in using outside consultants, ‘cost is a major issue, another is control’. AIG typically outsources three or four projects a year:

At the moment we’ve got Deloitte Access Economics doing some modelling for us … we can put forward the findings of their modelling and use their reputation to give it a degree of authenticity that we wouldn’t necessarily be able to claim.

Similarly, the deputy CEO of the MCA thought that ‘just the Minerals Council putting out something on its own behalf may not be as persuasive as an independent firm putting their brand on it’.
Conclusions

Policy analysis by business associations in Australia has emerged as an increasingly important function that helps keep members up to date with government policy developments and serves to support associational activity in researching, defining and advocating public policy positions. The chapter has shown how this function has evolved in recent decades. Prior to the 1980s, business interests and associations relied heavily on traditional lobbying methods and closed networks of influence. Increasingly, however, these earlier methods and networks have declined in importance and lobbying and advocacy has become a more crowded and challenging arena. Business associations have responded to changes in their environment by developing and refining their policy research and advocacy practices. High-level policy analysis capacities have become an essential support for effective business advocacy. Business associations are learning to further develop this function through selective outsourcing of expertise when required and by learning to more effectively collaborate with a range of other business associations and interest groups in pursuit of more effective forms of RBA.

References


FIFTEEN

Policy and the labour movement

Rae Cooper; Bradon Ellem and Chris F. Wright

Introduction

How have Australian trade unions attempted to influence public policy development? In analysing union influence on public policymaking during 1983–2013, we identify several distinct patterns of engagement by unions with the policy process during three very different political and policy environments. We see unions as ‘core insiders’ in the policymaking process under the Hawke–Keating Labor government (1983–96), as ‘outsiders of necessity’ under the Howard conservative Coalition government (1996–2007) and as a hybrid of ‘specialist insider groups’ and ‘outsider groups of choice’ under the Rudd–Gillard Labor government (2007–13). While these shifts in unions’ strategic orientation can be understood as responses to changes in the policy and political agendas of respective governments, they also reflect changes in the structure and organisation of – and strategic thinking within – the labour movement.

During the last 30 years, unions’ strategies differed markedly, as did their relationships with governments and their capacity to influence policymaking. Investigating three decades means that the account provided is somewhat schematic, but the benefit is that we are able to emphasise and, to some extent, explain the contingent nature of union orientation and influence. At various times in their history, some unions have sought to exercise influence over very wide areas of public policy. Here, however, we pay particular attention to policy in the field of industrial relations, for example, in relation to the system of wage fixing, but we attempt to incorporate union interventions across a broader policy landscape, such as labour market, economic and social policy.

To explain the nature of union influence over policymaking, we identify distinct, overarching strategic orientations in changing contexts. Among the various political science perspectives on the role of interest groups in the policymaking process, the nature of union engagement over the past 30 years is best understood in terms of the ‘insiders–outsiders’ framework developed by Grant (2000). We argue that while the environment in which unions operate is critical for understanding their strategic orientation, exogenous forces do not, solely, shape union action. Union ‘organisation’ – membership, intra-union relations, political and cultural focus and frames of reference, gender relations, and the like – plays a critical role in mediating union engagement with the policy process. The chapter therefore begins by briefly introducing these framing concepts and then moves...
to an overview of the historical and institutional context. We then examine the nature of influence in each of the three periods of national government we have identified. In concluding, we draw the themes together to consider the role that unions are likely to play in future policymaking.

**Unions and policymaking: theoretical focus**

There is surprisingly little industrial relations scholarship on which to draw for an empirical overview of unions and policymaking given the centrality of the political process (which we set out later) to Australian unions. There are many accounts of the relationship between unions and ‘their’ political arm, the Australian Labor Party (ALP), often concerned with how changing factional and power relationships have shaped labour movement policy formulation (eg Martin, 1980). A distinct body of scholarship on the relationship between unions and the state has tended to focus on how unions have been affected by the structures of market regulation, particularly labour market regulation (eg Howard, 1977). Questions of labour movement analysis of policy or analysis for policy have not been explicitly incorporated into these literatures. Perhaps the closest to this is the scholarship on the corporatist arrangements between 1983 and 1996 and the critical analysis of the industrial relations policies of the Howard government, which was coupled with analysis for policy under the ALP government that would be elected in 2007.

To frame our analysis, we address the gap within industrial relations scholarship by turning to interest group scholarship to explain the particular ways in which unions, as actors in the policymaking process, attempt to achieve their objectives. Scholars such as Lindblom recognise that, unlike business, which can use the threat of withdrawing investment and employment as a ‘punishing recoil’ mechanism (Lindblom, 1982, p 325), unions do not have such inherent advantages to influence government and the policymaking process. While well-organised, strategically placed unions might sanction industrial action to increase their leverage in negotiations with employers over wages and working conditions, the ‘strike weapon’ does not provide a reliable means for even the strongest union to influence the policy process (Lindblom, 1982).

All unions are reliant on political opportunity structures to promote their interests in the policy sphere (Marks and McAdam, 1996, pp 259–63). This reliance may lead to a range of different approaches, depending on union type and their environment, such as attempting to construct shared ideologies or policy agendas with governing parties or the bureaucracy, or adopting a strategy of forging ‘advocacy coalitions’ (Sabatier, 1988) with broader progressive movements or business groups. When unions lack shared agendas or ideologies with policy elites, they must find or create other opportunity structures to achieve their objectives in the policy arena. They might seek to mobilise community support for their policy agendas, or to ‘frame’ or ‘reframe’ key issues within policy debates in ways that are favourable to their interests (Baumgartner and Jones, 1993). For example, in contrast to the ‘efficiency’ arguments often advanced by business and conservative
political interest groups, unions might advance arguments as to the ‘equity’ and ‘voice’ imperatives of labour market policy (Befort and Budd, 2009). Using such arguments, unions in Australia and elsewhere have (on occasion) managed to convince governments that providing workers with decent employment conditions and an input into the workplace decisions that affect them can have benefits for social cohesion and business productivity.

Implicit in these analyses is the status of social actors, in this case, unions, as having varying degrees of influence over the policy process. Grant’s (2000) typology of ‘insiders’ and ‘outsiders’, developed with reference to interest groups in British politics, provides a useful framework for analysing the influence of Australian unions. According to Grant, insider groups need to display three characteristics: be recognised by governments as legitimate representatives of the constituents or causes that they purport to represent; be engaged by governments in formal and informal dialogue over issues relating to their core policy interests; and play by the ‘rules of the game’, that is, make truthful and accurate representations to government and accept the outcomes of policy decisions. Grant makes a distinction between ‘core insider groups’ involved across a broad array of public policy issues, ‘specialist insider groups’ engaged with a narrower range of ‘policy niches’ and ‘peripheral insider groups’ with a marginal influence over policy decisions. In contrast, outsider groups attain this status either out of necessity or by choice. Interest groups become ‘outsider groups of necessity’ if governments exclude them for failing to meet the criteria of an insider group, for example: if they are not perceived as legitimate representatives of their constituents; if they are seen as a roadblock to a government’s policy agenda; or if they do not possess the skills and capacity required of an insider group. ‘Outsider groups of choice’ are those that refuse to play by the rules of the game because they believe that working independently of the policy process (eg as a protest group) enhances their influence, or if they hold reservations that being insiders may involve co-option or a dilution of their interests. While Grant’s broad framework implies that the insider groups are likely to be more influential than outsider groups, this is not necessarily the case and, at times, outsider groups of choice may possess greater capacity to effect policy change than peripheral insider groups (Grant, 2004, pp 408–10).

Unions and policymaking: setting the scene

The relationship between unions and the state inevitably shapes the nature of unions’ public policy interventions, as does the structure of the union movement itself, as we explain later. Both elements, especially the state–union nexus, have had unusual characteristics in Australia. As in New Zealand and some Canadian provinces, systems of compulsory conciliation and arbitration were established in the late 19th century, and in the Australian case, nationally in 1904. These systems recognised unions and used them as agents for the regulation of the labour market – a strikingly different set of arrangements from the more voluntarist basis
of labour market regulation in other countries (Macintyre and Mitchell, 1989). There is, then, a tradition of union–state engagement that pre-dates national policymaking in Australia. Union attempts to shape policy in state and even local governments remained important but space precludes assessing these relationships. We only deal with the national policy arena. (In any case, for some time, there has been a political and judicial trend to enhance national power over the states in industrial relations.)

The national arbitration system was set up just three years after the Commonwealth of Australia had been created, and lasted more or less intact until major policy changes in 1996. For some decades, it was woven into protectionist trade and immigration policies that shaped not only labour markets, but also economic policy and gender and race relations. This system protected white, male workers and their employers from cheap producers overseas by a tariff wall behind which ‘fair and reasonable’ (family) wages would be paid. Women, cast as dependants, were paid about half the male basic wage (Ryan and Conlon, 1975; Castles, 1985; Lake, 1986). Unions were central to this system (Higgins, 1920, p 15). They were the bodies that brought industrial disputes before the tribunals, and the ‘awards’ that resulted from tribunal adjudication and set minimum wages and conditions had the force of law. Through arbitration, then, the relationship between unions, the state and policymakers was important. Much union policy activity was directed towards the preservation of the arbitration system and of the ‘protectionist’ structures around it. Unions relied on the ALP, supportive employers (typically in manufacturing) and judicial precedent to sustain these arrangements. Before the Second World War, there was only one serious attempt to undo arbitration. This came from a conservative government in 1929. Unions and the ALP mobilised against it and the government was defeated in a general election in which industrial relations was the main issue. The prime minister himself lost his parliamentary seat to a union official (Markey, 2013).

After the Second World War, Keynesian full employment policies embedded unions still more thoroughly in the landscape; some well-organised unions fared better than ever. Militant wage campaigns succeeded and their results were generalised across the economy. From the 1970s, under pressure from feminist groups and left-wing unions, regulatory agencies were pushed towards equal pay for the sexes and the gender wage gap contracted. Overall, however, union policy engagement remained reactive and channelled though the ALP. There were exceptions, mostly on the Left, around indigenous issues and international affairs (notably, the peace movement, the Vietnam War and apartheid in South Africa). Very few unions devoted significant resources to researching and formulating policies in relation to broader economic and social issues on their own, neither, in any marked way, did their national confederation, the Australian Council of Trade Unions (ACTU) (Hagan, 1981). Changes to this context came from secular trends in the structure of work and the workforce, and, in the 1980s, the first moves away from arbitration. Combined with new forms of globalisation through the dismantling of trade barriers and the introduction of financial market
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liberalisation, there was a shift in the economic ‘policy paradigm’ (Hall, 1993). In Australia, this meant a shift from regulation aimed at protecting the position of local producers and workers towards regulation aimed at exposing these actors to greater market pressure. These changes placed the prevailing system of labour market regulation under strain.

Given all these policy and institutional changes, there was a marked diminution of union power. On every measure, union power has declined since a high point in the mid-1950s, when union density was over 60% and when most non-managerial employees had their minimum wages and conditions determined by union-based awards and agreements based on the arbitration system. While aggregate union membership continued to grow, reaching a peak of 2,659,600 employees in 1990, density had begun to fall in 1976. Aggregate membership in 2013, the latest available figures at the time of writing, stood at just 1,840,000 employees, a density rate of 18% (ABS, 2013). Award coverage and union agreement coverage have also continued to decline, to be replaced by individual contracts and informal arrangements enhancing what some have called ‘management unilateralism’, a process whereby wages and conditions are largely determined by employer decree (Bray and Waring, 2006; Peetz, 2006; Bray et al, 2014). With membership falling and laws changing, unions were required to do more with less. The decentralisation of wage determination between 1987 and 1996 forced unions to undertake workplace organising and bargaining with ever fewer resources.

In these years, as membership numbers fell, the heartland of unions no longer lay in male, blue-collar work, but was increasingly among women, typically public sector employees, white-collar professional employees and care workers (ACTU, 2011; Cooper, 2012). This re-gendering of both the labour market and union membership did not, in itself, weaken unions. Women are now at least as likely as men to belong to a union and unions consisting mainly of women are among the very few to be growing.

In this rapidly changing context, the structure of the union movement overall and its internal power balances were fundamentally altered. These transformations were both a cause and effect of the changing relationship with the state. In the 1980s, there was an unparalleled rise in the power of the ACTU over (and also arguably for) its affiliates. In the 1980s and early 1990s, the ACTU was representative of practically all unions (whose numbers had been much reduced though an ACTU-led amalgamation drive) and was the union partner with the Hawke government in the quasi-corporatism of the Prices and Incomes Accord (‘the Accord’), the policy implications of which we discuss later. After 1996, there was an equally dramatic unravelling of this arrangement. Not only did the Accord end with the ALP’s defeat, but the new government was also openly hostile to unionism. The ACTU’s power over its affiliates declined as it lost its role in policymaking (Briggs, 2004). The process through which unions engage with and seek to influence public policy has therefore changed very markedly in recent decades.
The ACTU has sought to retain a leadership role among unions and influence policy on their behalf. The ACTU Congress (which meets every three years) and Executive (which meets quarterly) have maintained their long-established roles in developing formal policy positions for individual unions affiliated to the ACTU. The ACTU’s administrative arm has gained greater responsibility for making policy representations on behalf of the union movement, for example, by issuing research papers and making submissions to government inquiries and Commonwealth budget deliberations. ACTU policy officers often produce policy-oriented papers and reports internally. Occasionally, academics and research centres are commissioned to perform this task. It has become increasingly common for the ACTU to hold its own inquiries into issues central to the interests of its members that have resonance with broader public sentiment. For example, in 2012, the ACTU published a commissioned report written by the Independent Inquiry into Insecure Work in Australia, which was chaired by a former ALP deputy prime minister and included a prominent academic and a federal judge (ACTU, 2012). In recent years, the responsibilities of policy officers employed by the ACTU have changed from a relatively narrow focus on industrial issues, to a broader focus on economic and social policy and international affairs.

These established processes are important for understanding how the union movement engages in policy analysis. However, given the dramatic shifts in union influence over policy outcomes and in the policy agendas of government, the question of how unions derive the capacity to wield this influence is a more perplexing problem.

Strategic shift of unions towards policymaking

The dramatic transition of the Australian labour market – and the position of unions within it – is reflected in the changing strategic orientations of unions with respect to the policymaking process. Over the past 30 years, the traditional areas of influence have been undercut and prompted shifts in the nature of union engagement, not least around the question of analysing policy and seeking to influence government decisions. To understand the ways in which unions use the policy process to achieve favourable outcomes for their members in this changing environment, and how and why this has changed over time, it is instructive to analyse the strategic orientations of unions under the three governments of this period, beginning with the Hawke–Keating government.

Unions as ‘core insiders’, 1983–96

The paradigm shift in economic policy that commenced in the 1980s was not exclusive to Australia; similar shifts occurred in virtually all advanced economies. While conservative governments were responsible for liberal market reforms in some countries, in Australia, it was a centre-left Labor government that initiated the paradigm shift. This had critical implications for the standing and influence of
unions. For example, the Thatcher government’s market liberalisation programme was implemented against strong opposition from British unions, who were denied any input into its design and whose membership heartland suffered considerable hardship following its implementation (Wright and Brown, 2014). However, in Australia, ‘social wage’ provisions to protect living standards for workers and their families, which unions managed to negotiate in exchange for supporting economic reform, complemented the liberal reforms of Hawke–Keating ALP government. This was achieved through the Accord, a quasi-corporatist agreement between the ALP and the ACTU that allowed unions a formal and unique role in policy development. While business groups had significant influence over government policy during this period (Sheldon and Thornthwaite, 1999), they were not formally part of the Accord. The conception of the Accord by leading labour movement figures was part of a wider reorientation that involved other strategically vital unions and the ACTU. The peak body became a stronger federation than at any other time (Briggs, 2004).

The Accord was renegotiated on several occasions during the 13-year period of its operation, but addressing the problem of ‘stagflation’ (high unemployment combined with high inflation) was its main initial objective. Uncoordinated bargaining by unions seeking higher wage increases in line with price inflation had been a key contributing factor to stagflation. The ACTU and key affiliates, certainly those in trade-exposed sectors such as the Australian Manufacturing Workers’ Union (AMWU), were motivated to address this problem following the economic recession of 1981–82, when thousands of unionised manufacturing jobs were lost. In return for agreement from unions, initially to moderate wage claims and later to support the reform of wages policy by replacing compulsory arbitration with a system of enterprise-based collective bargaining, the ACTU negotiated favourable social welfare policies from the Hawke–Keating government, including universal health care, compulsory occupational superannuation and tax cuts combined with income assistance for lower-income earners. Unions were also involved in tripartite structures established by the government aimed at facilitating consensus among stakeholders for macroeconomic reform and the restructuring of manufacturing industries to make them more competitive. The Hawke–Keating government even gave Bill Kelty, the ACTU secretary during the Accord, the opportunity to influence monetary policy by appointing him to the Board of the Reserve Bank of Australia. The Accord, then, provided unions with significant and unprecedented influence over key areas of social and economic policy through its operation (Singleton, 1990; Wright and Lansbury, 2014).

While the policy interests of the union movement were rather narrowly focused on arbitration and the wages system prior to 1983, the ACTU became a quintessential core insider group during the Accord years, to use Grant’s terminology. The ACTU’s status was attained by virtue of close political relationships with the governing party. Notwithstanding the influence of unions during this period, with the exception of key policies, such as the introduction of compulsory superannuation, and joint initiatives with the ALP, such as the
Accord Mark I, their role was still not an ‘agenda-setting’ one: the impetus for much of the reforms undertaken during this period came from policy elites within government (Briggs, 1999).

The elevation of union influence in policy networks during the Accord nevertheless had its critics. Left-wing detractors, whose ranks included some contemporary union leaders, claim that the Hawke–Keating government co-opted the ACTU into supporting policies that contributed to the deterioration of union membership and bargaining power and rising income inequality. From this perspective, the Accord represented a missed opportunity for change in work organisation and the labour process that could have led to a new kind of settlement, with highly productive industries and high wages for skilled work (Ewer et al, 1991). Implicit in this critique is that unions may have gained more influence by adopting an ‘outsider group of choice’ orientation. Conservative critics, including business groups representing the services and commodity sectors whose influence increased with the shift towards a more liberal market economy, believed that the Accord gave undue influence over policymaking to union leaders, who, unlike parliamentarians, did not have a mandate to be formally engaged in government policy decisions (eg Moore, 1989). The leaders of the conservative Liberal and National Parties shared this latter view, and it shaped their approach towards engagement with unions upon winning office in 1996. The election of the Howard Coalition government signified not only an end of the Accord, but also a stark shift in the status of unions from core insider to an outsider group of necessity.

**Unions as ‘outsiders of necessity’, 1996–2007**

Following the ALP’s defeat at the 1996 election, the new Coalition government under Prime Minister John Howard rejected the role and status that unions possessed during the Accord years. The extensive access to the offices of ministers and senior public servants ended abruptly and, by contrast, business groups were given greater scope to influence government policymaking. The Coalition continued with the market liberalisation programme initiated during the Accord, but the tripartite structures that the government used to encourage input from unions and other interest groups were dismantled. The Howard government’s hostility towards union involvement in policymaking applied to policy areas central to union interests, such as industrial relations policy, as well as labour market and economic policy. The government made it plain that it had no sympathy for a union presence – not only in policy networks, but also in workplace bargaining (Wright and Lansbury, 2014).

Reflecting John Howard’s view that ‘the goals of meaningful reforms, more jobs and better higher wages, cannot be achieved unless the union monopoly over the bargaining processes in our industrial relations system is dismantled’ (quoted in Cooper et al, 2009, p 341), the entire foundation of the conciliation and arbitration system was attacked by legislation in 1996 and still more markedly
in 2005 after the Coalition gained control of the Senate. Unions faced new restrictions on all aspects of their activities – such as entering worksites, taking industrial action or conducting industry-wide bargaining. Government ministers urged employers to ‘take on’ the unions and to de-collectivise employment relations. This often led to a significant hardening in employer strategy, most notably, in the waterfront, construction and manufacturing industries, but also in white-collar industries, including banking, telecommunications and the public service. By and large, judicial interventions backed the direction of government policy (Cooper and Ellem, 2008). To say that unions were ‘outsiders’ is somewhat to understate matters.

This scenario forced unions to eschew formal strategies of engaging with ministers and senior public servants. Unions aimed to shift the ‘framing’ of public discourse on industrial relations policy. This strategic approach was seen in examples such as the 1998 waterfront dispute and in the union/women’s movement campaign for paid parental leave in the mid-2000s. Unions came to rely more on social movement-type strategies, the exemplar of which was the ‘Your Rights @ Work’ (YR@W) campaign constructed to mobilise members and the broader community against the Howard government’s explicitly anti-union Work Choices legislation of 2005 (Cooper and Ellem, 2008; Ellem, 2013). The YR@W campaign helped to construct industrial relations as the defining policy issue of the 2007 election campaign, with one analysis of post-election polling showing that the union campaign was a decisive factor influencing the Howard government’s defeat (Wilson and Spies-Butcher, 2011). While the Coalition’s ideological antipathy forced unions to become outsiders of necessity, this status allowed them to gain some benefits associated with being an outsider by choice. Working outside of the formal policy process did not enable unions to influence the Howard government’s policy, but it gave them the independence and mobilisation capacity to sway the 2007 election outcome. The critical role of the YR@W campaign behind the ALP’s election shaped the nature of union influence over the policies of the Rudd–Gillard government, especially over industrial relations reform.

_A hybrid strategic orientation, 2007–13_

It is more difficult to clearly categorise the nature of union influence during the ALP governments of Kevin Rudd and Julia Gillard than during the periods of the Hawke–Keating and Howard governments. One reason for this is that the strategies adopted by both unions and the government varied quite considerably across different policy areas. Between 2007 and 2013, we can broadly say that unions pursued a ‘hybrid’ strategy whereby the core insiders approach adopted during the Accord years was partly (but not completely) displaced by the simultaneous use of the ‘social movement’ strategies that had been developed as outsider groups of necessity during the Howard years. Unions became less engaged with economic and social policy issues and more concerned with ‘policy
niches’ related primarily to industrial relations and the labour market, thus moving towards a specialist insider group approach. Unions played no significant role in shaping many of the Rudd–Gillard government’s broad key policy reforms, such as the introduction of the National Disability Insurance Scheme and a pricing mechanism to reduce carbon pollution.

Forces both within and outside of the union movement can explain this lower degree of engagement with key ‘macro’-policy issues. The terrain in which unions worked was radically altered from that of the Accord years. The shift from centralised arbitration to the workplace as the locus of wage determination prompted unions to focus more on the core ‘bread and butter’ interests of their members, such as wages, employment protection and policies that would enhance their work–life balance. Unions had less power to engage with and influence broader policy issues due to, among other things, declining membership density and bargaining reach, rendering them unable to demand a place in social and economic policy networks. Considerable union energy, especially on the part of the ACTU, was consumed early in the Rudd government with negotiation over the form of the new industrial relations policy framework, the Fair Work Act 2009. In this negotiation, unions were dealing with a very different ALP government from the one with which they engaged during the Accord process.

In the context of a sometimes intense anti-union campaign by employer groups (Sheldon and Thornthwaite, 2013), and with a prime minister less steeped in trade union culture than previous ALP leaders, unions struggled to be portrayed as, or to play the role of, anything beyond a specialist interest group. Following from the outsider orientation adopted during the Howard years, and in contrast to their close relations under the Hawke–Keating government, unions also sought to maintain some independence from the Rudd–Gillard government lest they be ‘co-opted’ or captured in the process.

Analysing union influence during this period is further complicated by the changing relationship between the ACTU and its affiliates. In contrast to the strong coordinating role of the ACTU over union policy orientation during the Accord years and over union strategy during the YR@W campaign, its authority diminished somewhat between 2007 and 2013. While the ACTU did help to influence key decisions, such as industrial relations reform, the introduction of statutory paid parental leave and rights for migrant workers engaged on temporary visas, the peak council’s large affiliates often chose to lobby or pressure the Rudd–Gillard government to adopt policies directly concerning employment in the sectors and workplaces in which their members worked. In this work, some unions adopted conventional ‘insider’ strategies, as seen in the AWMU’s close relationship with the industry minister in order to influence changes in automotive industry policy (Wright and Lansbury, 2014). Others chose to adopt a hybrid approach of utilising insider and outsider strategies to pursue their policy agendas. Here, some unions built a close relationship with the governing party and its ministers, but also utilised broader social movement and coalition-building strategies if such approaches were seen as more likely to achieve favourable
policy outcomes. For example, as well as utilising its affiliation with the ALP and lobbying government ministers, the Transport Workers’ Union employed a variety of ‘outsider by choice’ strategies to convince the government to create a new tribunal regulating minimum standards for the road transportation industry, by gaining support from academics, local media outlets and community groups (Kaine and Rawling, 2010). The Australian Services Union used a similar approach to secure government funding for equal pay for workers in the community services sector (Cortis and Meagher, 2012).

Conclusions

In contrast to industrial relations scholarship focused primarily on the relationship between unions and the structures of labour market regulation, adopting an interest group framework enables us to analyse the nature of unions’ engagement with the policy process and the different strategic orientations that they adopt to secure favourable policy outcomes. Given that, as Lindblom (1982) argues, unions do not have the inherent advantages available to business groups to influence the policy process, they must rely on political opportunity structures to promote their interests. One of the key insights from our analysis of 30 years of union policy engagement is that, in certain circumstances, it may be possible for unions to harness these structures to their advantage. This happened in the early 1980s with the establishment of the Accord but, with some limited exceptions in certain policy niches under the Rudd–Gillard government, Australian unions have been unable to repeat this accomplishment.

As the potency of the quasi-corporatist venture unveiled in 1983 declined and as the emerging liberal market ‘policy paradigm’ undercut the power of collective labour market actors, unions faced a crisis not only in their capacity to represent workers in the workplace, but also in their capacity to influence the policy process as an insider group. Under a hostile national government from 1996 to 2007, analysis for policy was all but meaningless due to the changing policy preferences of formerly cooperative employer groups and the repeated electoral failures of the ALP. A shift in the unions’ strategic orientation occurred during this period, exemplified in their successful campaign against the Work Choices regime, which was achieved not through engagement with policy networks, but as outsiders forming ‘advocacy coalitions’ with sympathetic groups. This episode also heralded a shift for unions from criticism of the Howard government’s policies, particularly on industrial relations, to greater engagement with the ALP’s policy development process. This was a more traditional insider approach but one that would prove to be limited as the Rudd government made it clear that, for the most part, unions were only one of the actors engaged in the process of public policy analysis and formulation.

For much of the 20th century, the structure of the arbitration system provided unions with significant capacity to influence industrial relations outcomes, but union engagement in the broader policy process was rather limited. While this
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scenario began to change under the Accord, the subsequent weakening of the arbitration system can be seen as the critical factor that prompted unions to invest more resources into the analysis of government decisions and to seek influence over public policy debate. This engagement was manifested through the use of either insider or outsider strategies depending on the contemporary political context. This implies that the strategic orientations that unions develop are largely reactive to the policy structures established by the government of the day. However, more recent evidence suggests that unions have a notable degree of agency in their engagement with the policy process, as evident in the use by some unions of hybrid strategies that utilised elements of the ‘outsider by choice’ approach to influence the Rudd–Gillard governments’ decisions. The emergence of hybrid strategies within the union movement also reflects the declining capacity of the ACTU to influence not only government decisions, but also the policy positions and strategies of its affiliates. The experience of the past 30 years suggests that, in addition to having a sympathetic government in office, centralised power within a peak body is a necessary condition for unions to operate as a core insider group. With union membership declining, the structure of the union movement changing and the resources of most unions not only diminishing, but being channelled increasingly towards workplace organising, bargaining campaigns and sheer survival, there is very little likelihood of these conditions re-emerging anytime soon, especially under the anti-union Coalition government elected in 2013.

References


Introduction

Non-government community sector organisations have come to assume an increasingly important role in Australian social policy. Not only have they increased and expanded their role as service providers, but many have also increased and expanded their policy capacity. The past two decades have seen the spread of dedicated policy units and policy positions across a range of community sector organisations, many of which were previously predominantly service-focused and/or advocacy-focused. In order to explore this development, this chapter draws on recent research on the nature and scope of policy capacity in Australian community sector organisations. The key focus of the chapter, however, is to explore the movement of the community sector into policy analysis. The discussion relies on making a distinction, seldom made in the literature on non-government organisations, between ‘advocacy’ as a broad concept and ‘policy analysis’ as a quite specific endeavour, involving specific resources, skills and practices.

We suggest that the more focused concept ‘policy-analytical capacity’ (Howlett, 2009), which refers to the capacity within organisations to acquire and utilise knowledge in policy processes, is useful for capturing changes in the sector. The growth of ‘policy-analytical capacity’ in the community sector, however, raises questions about why community organisations are developing policy analysis as part of their core activities. As such, the chapter explores how Australian social policy processes might be affected by policy research becoming more strongly positioned in the community sector. It identifies both key tensions between the traditional ‘advocacy’ role and the contemporary ‘policy analysis’ role of community sector organisations, and the broader implications for the democratisation of Australian social policy processes.

The community sector in Australia

According to Casey and Dalton (2006, p 25), the term ‘community sector’ ‘follows the accepted Australian vernacular as the label for non-government, non-profit organisations working to deliver a range of so-called separate services or to represent the interests of a specified constituency in regard to such services’. The sector
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is diverse and consists of small, local organisations founded in social movement, consumer rights or self-help activities, and more traditional organisations that are constituted as charities. As Mark Lyons (2001, p 34) notes, although the majority of community sector organisations are ‘local in focus and reputation’, the most prominent have national operations, such as the Salvation Army, Mission Australia and the Smith Family, and some organisations conduct activities overseas, such as the Red Cross and World Vision. The sector also includes ‘peak organisations’ or ‘peak bodies’ established to represent member organisations in the policy process, such as the Australian Council of Social Services (ACOSS) and the Australian Federation of Disability Organisations (AFDO).

The dramatic growth of the sector over the past two decades is related to a shift that has taken place in the organisation of the Australian welfare state, whereby governments are increasingly funding non-government organisations to deliver social services (Considine, 2010; Aulich, 2011). For example, in 1995, when the Australian Industry Commission outlined the scope of the sector, it identified some 11,000 ‘community sector social welfare organisations’ that received government funding, and most of the organisations employed fewer than five staff (Industry Commission, 1995). By 2010, the Australian Productivity Commission found that there were around 20,000 government-funded community organisations delivering human services and that total government funding to the sector had increased from AUD10.1 billion in 1999/2000 to AUD25.5 billion in 2006/07 (Productivity Commission, 2010, pp 300–62). While Australia has always had a mixed economy of welfare services, the preference by governments for ‘contracting out’ social and community services to non-government providers (both for-profit and not-for-profit) became entrenched during the 1990s, when governments committed to the establishment of competitive markets for social services delivery. Public sector reforms, drawing on Osborne and Gaebler’s (1992) powerful public policy idea that governments should ‘steer’ rather than ‘row’, recast the role of government as the ‘purchaser’ rather than ‘provider’ of services (Dalton et al, 1996; Davis, 1997; Brennan, 1998; Sidoti et al, 2009). Since then, the marketisation of social and community services has continued apace and Australian governments now outsource service delivery in many social policy areas. Employment services, homelessness services, personal and family services, services for people with disabilities, and so forth are predominantly delivered by non-government providers, the majority of which are non-profit organisations in the community sector.

In addition to delivering social services, the community sector in Australia has also been renowned for its advocacy activities. While not all community sector organisations frame their goals in terms of advocacy, according to Casey and Dalton (2006, p 27), most community sector organisations engage in some advocacy work, defined as ‘an attempt to influence the decisions of any institutional elite on behalf of a collective interest’ (Jenkins, 1987, p 297). Community sector organisations seek to intervene through a range of strategies, including lobbying, activism and political mobilisation and resistance. They also seek to participate in
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Policy processes such as government inquiries and royal commissions, and form coalitions for policy change with other groups in the sector. It is therefore the case that the Australian community sector has had significant policy capacity, in the sense that many organisations in the sector have been oriented towards exerting influence on policy.

Australian social policy processes can be seen as having been relatively open, or relatively closed, to the community sector at different points of history. For example, democratic-participative reforms to public administration during the 1970s and 1980s resulted in the introduction of policy development mechanisms that opened up social policy processes to the community sector (Yeatman, 1990; Fawcett et al, 2010). Mechanisms included a raft of new government advisory bodies, commissions of inquiry and consultative committees in a range of areas of social need (Goodwin, 2006). Such mechanisms formalised the idea that some community sector organisations could (and should) legitimately represent the interests of citizens in the policy process. In response, organisations in the community sector formed new processes and practices to enable their participation, including the establishment and development of new peak bodies (Maddison and Denniss, 2005; Fawcett et al, 2010). At the sub-sector level, individual organisations also engaged in developing skills and allocating resources for advocacy through these kinds of channels.

By contrast, from the late 1990s, social policy processes of both state and national governments became increasingly ‘technocratised’ with the introduction of New Public Management (NPM). The dominant view became that policy analysts with specialist skills located inside government were best placed to make and shape policy to meet social needs. In this period, policy power shifted away from advisory and consultative bodies to specialised policy units within government agencies. While many of the policy analysts located in these units came, initially at least, from the community sector (as they were regarded as ‘experts’ on a range of social policy issues), social policy positions gradually came to be occupied by more generalist public sector policy analysts. In most Australian jurisdictions, the legitimacy of community sector advocacy was also eroded by public choice discourse, which portrayed state agencies as potentially ‘captured by interest groups’. Of course, state capture was only attributed to certain types of organisations: environmental, feminist, migrant rights organisations and some youth peak organisations – generally, those associated with the new social movements. There was a withdrawal of government support as the Howard Coalition government (1996–2007) distanced itself from these types of organisations (Hamilton and Maddison, 2007; Phillips, R., 2007). This created a space, however, for other types of community sector organisations to increase their policy presence and it was in this period that some of the large charities emerged as stronger players in the social policy arena.

In Australia, government-funded community organisations and entities with charitable tax status have not generally been subject to the same kinds of legislative and funding processes designed to restrict advocacy that have been introduced in other countries (Randon and 6, 1994; Phillips, S., 2007). The most explicit
constraint on community sector advocacy in Australia emerged during the period of the Howard government in the form of the so-called ‘gag clauses’ that were written into some community organisation contracts. Some state governments have also deployed gag clauses. These clauses require organisations to seek approval of the funding agency before making public comment. However, opposition from the community sector to such clauses prompted the Gillard Labor government (2010–13) to introduce federal legislation, the Not For Profit Sector Freedom to Advocate Act 2013, on the basis that it supported a ‘strong and independent not-for-profit sector’ (Thomas and Knowler, 2013). The election of the Abbott Coalition government in 2013 has raised concerns that funding and legislative constraints on community sector advocacy will be reintroduced. The immigration minister, for example, argued that taxpayers’ funds should not be used to support civil society participation in advocacy and policy development (Martin, 2014). In addition, the revised service agreements under which the federal government provides funding to community legal centres around Australia that came into force in July 2014 specifically state that organisations cannot use government funds for any activity directed at law reform or advocacy (Seccombe, 2014). Thus, opportunities for community sector advocacy are shaped both by public administration arrangements for participation and by party-political orientations towards the appropriate role of the community sector.

The sense that the Abbott government is less committed than previous governments to including the community sector in social policy processes is evident in the formulation of its proposals to reform the welfare system. Extensive and radical reforms to the welfare system announced in the Federal government’s 2014/15 budget were putatively based on an interim review into welfare payments conducted by a small reference group headed by former chief executive officer (CEO) of the large faith-based non-profit Mission Australia, Patrick McClure. However, the exclusion of the community sector from the interim review process was highlighted by the chief executive of ACOSS, who stated that ‘the experts had not been around the table for the review and the community sector has not had access to the latest government data on the welfare system’ (Ireland, 2014). While opportunities for participation in the final review have been made available (a six-week public consultation period and a series of roundtables with representatives of invited organisations), community sector organisations have also raised concerns about these processes. As Casey and Dalton (2006, p 26) state, ‘in general, the state defines the rules of engagement and creates the institutional contexts that can foster, hinder or suppress participation’ by community sector organisations.

**Policy-analytical capacity in the community sector**

There is now a substantial body of research exploring Australian community sector advocacy. For example, studies have explored the impact of contracting out and project-based funding on the advocacy work of peak organisations (Melville, 2001, 2003; Melville and Perkins, 2003, Maddison and Denniss, 2005). Others have
explored the differences in political party approaches to advocacy, highlighting the ideological dimensions of support for the community sector (Maddison et al, 2004; Phillips, R., 2007). The impact of new modes of governance on community sector advocacy, including the introduction of government–community organisation ‘compacts’ (Dalton and Lyons, 2005; Butcher, 2011), support for ‘partnerships’, and rhetoric around the ‘co-production’ of policy have also been analysed (Casey and Dalton, 2006; Rawsthorne and Shaver, 2008). Yet, with the primary focus on advocacy, broadly construed, little attention has been given to the significant growth of ‘policy-analytical capacity’ that occurred from the beginning of the 2000s. It is this dimension of community sector policy capacity that we now examine.

In her discussion of policy analysis in the community sector in Canada (where it is generally described as the ‘voluntary sector’), Susan Phillips (2007, p 505) defines policy capacity as ‘the ability to provide policy analysis and advice, participate effectively and exert influence in policy development’. Michael Howlett (2009) employs the term ‘policy-analytical capacity’ as an even more focused concept that highlights the relationship between research and policy analysis. The concept ‘policy-analytical capacity’ focuses on the capacity to acquire and utilise knowledge in policy processes. It includes elements such as: the capacity to conduct or access basic research; the capacity to analyse research; the capacity for vertical and horizontal coordination between organisations; and the ability to communicate policy-related messages to interested parties and stakeholders (Howlett, 2009, pp 162–3).

In the Australian context, those engaged in policy analysis in the community sector are often identified, and identify themselves, as ‘policy researchers’ or ‘policy officers’ rather than policy analysts, and are likely to be located in either a policy or research unit. In some organisations, these units and positions are called ‘social justice units’ or ‘social justice research positions’. As early as 1943, the Brotherhood of St Laurence, a large Victorian-based charity with a significant national policy profile, employed a ‘social research officer’ to investigate the causes of poverty and provide policy advice (see: www.bsl.org.au). ACOSS, the peak body for community sector organisations, has employed policy officers to conduct research and analyse policy since its establishment in 1956. A range of other small local organisations and larger charities established policy units in the 1990s. However, it was in the 2000s that it became more common for community organisations to include policy research as a core organisational activity and policy researchers as key personnel. This development was particularly evident in the larger organisations, where the scale and reach of service provision activities grew significantly as a result of government contracting.

The majority of the large community sector organisations in Australia are Christian charities. For example, Mission Australia, a non-denominational Christian charity, is now one of the largest community sector organisations in Australia, employing over 3,000 staff and providing over 500 programmes and services across the country. It also has one of the largest social policy units.
According to its 2013 annual report, Mission Australia ‘provides policy advice’ that is ‘backed up by thorough research’ (Mission Australia, 2013, p 14). It states that it seeks to ‘influence government policy by preparing position statements and policy papers’; by making submissions to government; by engaging with ‘government ministers, parliamentary committees, and government agencies and opposition parties’; by working ‘in conjunction with peak bodies’; by participating in reference and expert user groups; and by conducting and publishing ‘independent research’ on ‘pressing social issues’ (Mission Australia, 2013, p 14). These kinds of statements are typical of how community organisations with designated policy positions represent contemporary policy capacity. Policy functions involve close engagement with government processes and significant research activity. It is specialised work, conducted by in-house research and/or policy professionals.

In 2010, Goodwin and Phillips (2011) conducted a study of policy researchers located in 21 community sector organisations across Australia. The study mapped policy research and analysis activities, policy research infrastructure and policy research dissemination practices. It also captured policy researchers’ perceptions of what was driving the development of policy research in the community sector and perceptions of policy impact. Policy research was defined as ‘research that asks policy questions, explores existing government policies or aims to change government policy’ (Goodwin and Phillips, 2011, p 8). Most of the policy researchers involved in the study believed that their organisations placed a high or very high priority on policy research.

Most participants attributed commitment to policy research to the ‘mission’ or vision of their organisation, which was framed in terms of ‘social justice’. In particular, policy research was regarded as a key mechanism by which community organisations could influence government, and it was therefore seen as a form of advocacy. For example, one policy researcher stated that ‘We research policy to advocate for change, to identify areas where change is needed’ and another referred to policy research as ‘social justice advocacy’ (quoted in Goodwin and Phillips, 2011, p 30). Yet, as we have argued elsewhere (Phillips and Goodwin, 2014), the links between social justice, policy research and advocacy cannot be regarded as straightforward: many of the organisations had social justice missions prior to the development of policy research units, and most of the organisations were previously involved in other forms of advocacy. The value placed on policy research is thus a result of a range of other factors, including the more general privileging of research and ‘evidence’ in the policy context.

In line with Howlett’s definition of policy-analytical capacity, the study found that organisations in the sector provide the infrastructure and support for policy workers to **conduct research** and to **analyse data**. While a range of authors have identified the growing significance of research capacity in the Australian community sector (Keen, 1993, 1996, 2009; Egan, 2008), this work mostly focused on the growth in practice-oriented research rather than policy research. Elsewhere, we have suggested that the burgeoning of community sector practice research can be related to the accountability requirements that accompany
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outputs-based service funding, and that this kind of research often involves service evaluation (Phillips and Goodwin, 2014). Yet, in the context of the community sector, the boundary between policy research and service evaluations or other forms of practice research is fairly porous: the research on practice informs the research on policy, and practice research and service evaluations inform policy analysis. Indeed, policy researchers’ proximity to practice is one of the ways in which the legitimacy of community sector policy research has been framed. For example, policy researchers in the community sector suggest that they are ‘unique’ because of their access to ‘rich sources of data’ and because they are ‘in touch’ with clients and service providers (Goodwin and Phillips, 2011, p 32). Policy researchers also make a distinction between research that is conducted in reaction to shifts in government policy, for example, research on the impact of policy decisions or policy reforms on service users, and policy research that is strategic or proactive, such as research based on organisational plans or research aimed at putting issues on the government agenda. Policy research in the community sector thus has a dual focus that emanates from its relation to service provision.

Howlett (2009) argues that the requirements for policy analysis include a highly trained workforce and excellent information collection and data-processing capacities. It appears that the policy researchers employed in Australian community sector organisations are highly trained and highly skilled. Many have postgraduate qualifications in policy studies or social science research alongside extensive experience working in the human services sector. In addition, some organisations provide access to specialised training, such as in data analysis techniques or training provided by organisations such as the Australian Institute of Public Administration. There is, of course, variable capacity among organisations in relation to training and to technical and administrative support for research, but policy researchers believe that such support is necessary for greater policy impact, particularly in the context of the perceived turn towards ‘evidence-based policy’. As elsewhere, the evidence-based policy movement, which is concerned with systematising the use of social-scientific research for policy and practice (Kerner and Hall, 2009), has impacted on policy analysis in the social policy field in Australia (Marston and Watts, 2003; Nutley et al, 2009; Head, 2013). In addition to creating a demand for more research on social interventions and social programmes, the movement has also altered understandings of what counts as ‘evidence’. As a result, policy researchers in the community sector are keen to ensure that research undertaken is seen as rigorous and credible, with ‘research quality’ related to the choice of methodology, the depth of analysis, the presentation of findings and the skills and qualifications of the researchers (Goodwin and Phillips, 2011, p 34).

Policy-analytical capacity in the sector was also evident in policy researchers’ capacity to form vertical and horizontal relationships and their ability to communicate policy-related messages to interested stakeholders. In terms of vertical relationships, it appears that during the 2000s, policy researchers in some parts of the community sector were able to form strong and positive relationships with government agencies, ministers and bureaucrats. There was a sense that
governments were listening to them and that there was increased inclusion in formal government policy networks. The development of stronger relationships with government, however, is also related to contracting out. As governments moved out of direct service provision, they needed community sector policy analysis. The disbanding of a range of government-delivered social programmes (e.g., the national employment service) meant that they no longer had access to the intelligence necessary for policy formulation that well-resourced community sector policy units had. In turn, in the competitive funding environment, community organisations needed to be visible to decision-makers, and policy research was increasingly regarded as one way of enhancing organisational profile and reputation. While a number of community organisations have been very successful in heightening their visibility through engagement in policy research, there was also a sense that conducting policy research would not necessarily continue to function as a mark of distinction. As one policy researcher explained:

> It is getting harder because the field is more crowded now and more services are making comment and more NGOs [non-governmental organisations] are doing research. And the government requires you to provide more evidence for your position, more arguments than it did previously. (Quoted in Goodwin and Phillips, 2011, p 33)

Indeed, some organisations began to move resources out of policy units and into functions more explicitly focused on profile-building, such as media and marketing units (Goodwin and Phillips, 2011, p 33).

Just as Evans and Wellstead (2013) found in their study of policy workers and policy capacity in Canadian non-government organisations, policy researchers in Australia place a high value on networking and developing formal links across the sector. In some states, networks of policy researchers from across organisations, called ‘inter-agencies’, have been established in the community sector to enable researchers to share issues and approaches and to develop technical skills. Coalitions of policy researchers have been particularly important in the context of major reorientations of social policy, such as changes to income support eligibility, changes in approaches to homelessness and major shifts in housing and health policy. Again, however, the competitive funding environment can work against the development of close horizontal relationships within the sector as individual organisations seek to stake out claims to particular expertise on specific policy issues in order to bid for government contracts, including policy analysis and research consultancies.

There is no doubt that the development of designated policy units and policy positions in the community sector in Australia has contributed significantly to the corpus of knowledge about social issues that can be drawn upon in Australian social policy. Policy researchers disseminate their work widely through publicly available research reports and position papers. They also communicate with academic and industry audiences through conference papers and journal
articles and with government via submissions to public inquiries and ministerial and government agency briefings. Well-resourced and professional media and communications strategies promote research findings to the general public, and these communications are an important way of drawing government attention to social issues. Indeed, the community sector may well be becoming a key locus of social policy research in Australia as its output is increasing in relation to research done by government agencies and the volume of research conducted by social scientists in universities. Adam Jamrozik (2005, p 48) suggests that the authority to ‘define social reality through the identification of relevant issues and interpretations of their findings’ has shifted out of public institutions to practising professionals located in private and non-government organisations such as community services.

In many ways, the shift in the location of social policy capacity to non-government organisations sits well with the advocacy aspirations of the community sector to influence the decisions of institutional elites on behalf of collective interests, particularly the marginalised interests of the highly disadvantaged communities and groups that they serve. Policy research in the community sector is quite consistently linked to social justice or social change. The Brotherhood of St Laurence, for example, describes the role of its large policy and research centre in terms of working for social inclusion: ‘we produce a rigorous evidence base to inform social and economic policy leading to a more inclusive Australia’. Policy researchers across the range of organisations examined by Goodwin and Phillips (2011) also described their work in relation to social justice goals. For example, one researcher explained that their policy research position was ‘created out of a strategic plan for achieving a social justice agenda, not just through advocacy but through evidence-based change’ (quoted in Goodwin and Phillips, 2011, p 31). This linking of research and policy to social justice adds a dimension to the concept of policy-analytical capacity that is probably distinctive to the sector: policy analysis – even policy analysis for evidence-based policy – is explicitly connected to a normative framework concerned with equality and justice. The growth of community sector policy capacity must therefore be seen as a positive development for Australian social policy, even – or perhaps especially – in the context of the government eschewal of a social justice agenda. There are, however, less optimistic features of the expansion of policy analysis in the community sector that are worthy of further exploration.

Policy capacity and avenues for participation in social policy processes

The location of policy researchers and policy analysts in community organisations has broader implications for Australian social policy processes, particularly in relation to how participation is enabled and constrained. Here, we draw attention to four key issues that could potentially constrain the social justice and advocacy aspirations of the community sector.
The first relates to the demand for evidence-based policy. This has been a core rationale for the community sector increasing its research capacity, and one of the drivers for establishing and expanding policy research activities. However, the legitimisation of community sector policy analysis has occurred in the context of the de-legitimation of other forms of advocacy. It appears that, in the current climate, the provision of research and evidence has become one of the few forms of community sector policy engagement acceptable to government. This means that policy activists in the community sector are increasingly compelled to embed their policy messages in ‘research’, noting that it is increasingly likely that governments may dismiss important policy messages on the basis of lack of ‘evidence’. For these reasons, if the de-legitimation of advocacy is to be resisted, rather than seeing policy analysis as the best tool for achieving social justice, it may be better for the community sector to conceive of it as one tool, among a range, for enabling political participation.

The second issue relates to the professionalisation of community sector participation in policy processes. It appears that social policy processes have become more open to policy researchers and policy analysts than they are to services users, community members or citizens. It is important to remember that the democratisation of public administration and the establishment of the community sector rested on a challenge to the dominance of ‘expert’ knowledge, whereby social needs were defined and interpreted for consumers, rather than by them. For this reason, policy analysts in the community sector must weigh up the benefits of presenting high-quality information on behalf of service users (and even service providers) against the risks of closing down opportunities for individual and group participation in policy processes. On the other hand, the challenge for analysts is to re-democratise public administration in terms of the social policy research processes over which they now preside.

The third issue relates to the unevenness of the distribution of policy capacity within the sector. While smaller, locally based and social movement organisations have established policy units, it is the larger charities that are investing the greatest resources in policy analysis and are increasingly positioning themselves as leaders in producing knowledge to direct policy. In addition to the problems associated with governments garnering policy advice from a narrow set of participants (especially when these are also the organisations receiving the bulk of government funding), organisations with large policy units may be overshadowing the policy presence of the peak bodies that function to represent member organisations, large and small, in the policy process. Again, the challenge for policy analysts in the community sector is to realise the mutual benefits of the vertical and horizontal policy relationships that Howlett (2009) identifies.

A fourth issue relates to the position of community organisations as market actors. The non-profit status of community organisations means that they are usually seen to be oriented towards the public good, rather than being ‘in it for the money’ (Davidson, 2009, p 65). However, with the outsourcing of social services to non-government organisations, they can also be seen to be private
actors, championing private interests. In the context of competitive funding, policy capacity becomes more than simply a way to achieve social justice; it also becomes a way to win contracts. This tension has been identified by policy researchers themselves. They question how they can produce knowledge for social policy that is ‘disinterested’ (Phillips and Goodwin, 2014, p 580). This marketisation has therefore had a distorting impact upon the intrinsic value of, and motivations for undertaking, social policy research in the non-government sector.

Conclusions

This chapter has charted the development of policy capacity in the Australian community sector in order to illustrate the significance that policy research has come to assume over the past two decades. The term ‘policy-analytical capacity’ has been useful in capturing dimensions of the shifts that have occurred because it acknowledges the centrality of research in policy analysis. It appears that the growth of policy units and policy positions in the community sector is the product of both push and pull factors. For example, policy research fits with the community sector’s long-standing commitment to advocacy and it also fits with recent governmental demands for ‘evidence’ to inform policy decisions. Similarly, government requirements for community sector accountability have resulted in community service providers developing their research capacity generally, and this may have normalised the employment of professional research staff in community organisations. The contracting out of services by government led to growth in the scale and reach of some community organisations, but community organisations themselves also chose to develop policy positions in order to engage more strategically with government, both to maintain funding and to assert policy leadership.

The implications of the growth of policy capacity in the community sector for Australian social policy processes are significant. The community sector has become an important producer of social policy knowledge, and is increasingly recognised as an important site of research on Australian social issues. This means that the research drawn upon for social policy development is more likely to reflect the experiences and needs of community service users, many of whom are disadvantaged or marginalised. There are, however, a number of issues which suggest that de-democratising tendencies may have accompanied the growth of policy capacity in the community sector. These include the danger of policy analysis eclipsing policy advocacy, the rise of expert knowledge at the expense of community knowledge, asymmetrical policy capacity between large and small community sector organisations, and the distorting impacts of the marketisation of social policy research.

Note

1 Quote from Brotherhood of St Laurence website, available at: www.bsl.org.au
References
Policy capacity in the community sector


Part Five
Policy analysis instruction and research
Policy analysis instruction in Australia

Michael Di Francesco

Introduction

This chapter will survey the way in which skills for policy analysis have been integrated with educational curricula in Australian universities. It considers education for policy professionals in general, but will examine the development and current status of instruction in policy analysis – known in Australia mainly as ‘public policy’ – for public servants in detail. This focal point is important because it recognises the convergence of frictions that mark the rise of policy analysis as a research and teaching field in Australia, and that help to distinguish it in comparative perspective. In particular, the way in which policy analysis has been embedded in university instruction has been dominated by the dynamics of contending role expectations for public servants (‘trade craft’ versus ‘policy craft’) and influenced by conflicting disciplinary knowledge (public policy versus public administration).

The chapter is structured as follows. The next section will background the emergence of policy analysis as a field of study in Australia and trace its development in the context of public service professional education. It will map some of the key defining debates in policy analysis instruction, with a focus on the nexus between theory and practice in pedagogy. This is followed by a detailed survey of the structure and curricula of current policy analysis programmes in Australian universities. Observations in the concluding section seek to synthesise historical and institutional path dependency with the current state of instruction for policy professionals. It argues that there is, indeed, a distinctly Australian approach to teaching policy analysis, one that is firmly grounded in an Antipodean proclivity towards pragmatism.

Explaining development paths for policy analysis instruction

Policy analysis, it is often asserted, is both an academic and a practitioner field (see Botterill and Fenna, 2013). As an academic discipline, it is organised around analysis of policy: it aims to develop models of policy process and interest interactions that help to explain decisions and their making. As an area of practice, policy analysis is directed at analysis for policy: it seeks to apply models of policy
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process and analytical techniques to improve decisions. In both areas, a better understanding of process dynamics is expected to lead to better understanding of policy content (Howlett and Ramesh, 2003).

Far from being a trite restatement of the field’s applied nature, these observations are a critical starting point for understanding how policy analysis in Australia differs from approaches elsewhere and how this has shaped its instruction in Australian universities. In Canada and the US, for instance, policy analysis has been influenced in quite distinct ways by the nexus between theory and practice (see Geva-May and Maslove, 2007 [on which the following discussion draws]). There are three key dimensions along which such differentiation can be explored: the level of professionalisation of policy work; the degree of institutionalisation of policy analysis; and the strength of the pedagogic orientation of policy analysis as a field of study. Each dimension is relevant for explaining and contrasting the Australian experience, and requires some brief explanation.

The first dimension of professionalisation is the extent to which policy analysis has been formalised as an occupational class. The Oxford English Dictionary defines ‘profession’ as ‘an occupation in which a professed knowledge of some subject, field, or science is applied … especially one that involves prolonged training and a formal qualification’. Other features usually mark such occupations: the body of knowledge is standardised by professional associations. Such associations control entry to the profession, and qualifications are awarded by university-level schools. Against these criteria, the professional status of policy analysis is by no means settled (although see Radin, 2000). While the use of occupational titles like ‘policy analyst’ or ‘policy advisor’ is now routine – especially in government – in practice, professional accreditation is not required. This is certainly the case in both Canada and the US. The key point of contrast is that in the US, most universities and schools that teach policy are affiliated with a highly formalised accreditation system – through the National Association of Schools of Public Affairs and Administration (NASPAA) – which oversees standards for policy programmes and defines a core curriculum for ‘professional degrees’. In this way, the NASPAA-type accreditation of policy programmes is a proxy for professionalisation.

The second dimension, the degree of institutionalisation of policy analysis, refers to the demand for policy analysis within government (and increasingly in the non-government organisations that interact with government). Conventionally, this has been gauged by the way in which organisations integrate policy analysis into decision processes, alter structures to formalise policy analysis functions and shift work requirements towards staff trained in analytical skills, historically, economics. The degree of institutionalisation is influenced by a range of structural and rule factors, including the nature of ‘legislature–executive’ relations and the openness of bureaucratic systems. Again, Canada and the US illustrate how these factors can interact in different ways. In the separation-of-powers US, the relative independence of executive bureaus and the strength of the legislature increased receptivity to policy skills quite early, whereas in parliamentary Canada, a much
stronger executive and a centralised bureaucracy was, after a much slower start, the key driver of demand.

The final dimension is pedagogic orientation, or the disciplinary traditions within which policy analysis has been established. Straddling as it does both the academic and practitioner fields, policy analysis is a body of knowledge that has developed within – and often between – competing academic disciplines, most prominently, economics, political science and organisational studies (management and public administration). While it is true that political science is nominally considered the ‘parent’ discipline, policy analysis was, by design, multidisciplinary. Therefore, this dimension covers both the strength of the disciplinary tradition/s and the orientation of research and instructional methodologies. In Canada and the US, policy analysis established itself as an outgrowth of public administration and political science schools, albeit in both contexts with a strong multidisciplinary complexion that reserves a special place for economic methods. In addition, and perhaps because of this last, policy analysis training in the US is distinguished by its emphasis on quantitative research methods and analytical techniques for management and decision-making (by way of example, see Weimar and Vining, 2004).

**Development of policy analysis instruction in Australia**

The three dimensions serve as a useful framework to characterise – and therefore compare – policy analysis as a field of study in Australia. In this section, we will briefly survey the historical and institutional development of policy analysis, and explain how this has influenced the Australian approach to policy analysis instruction and, in particular, training for public service professionals. There are two broad themes that emerge. The first is the ascension of policy analysis instruction as a response to demands to reconstruct education for public servants, principally in terms of modernisation and the shift away from administration. The second is the legacy of the contest between public administration and ‘public policy’ (the preferred label for the field of study in Australia) as the main ‘policy’ sub-field in political science. At least when compared to North American experience, both themes help to explain relatively low levels of professionalisation and institutionalisation, and quite different approaches in pedagogic orientation.

**Characterising policy analysis as a field of study in Australia**

Policy analysis as a university-level field of study in Australia has a relatively short but somewhat eventful history and, not unlike Canada, really only came of age some two decades after its consolidation in the US. Its disciplinary home has almost unquestioningly been political science, although as a sub-field in that area, it has always constituted a small grouping within the academic community. Its chief chroniclers have been universal in their depiction of the Australian study of policy as somewhat diffident (showing a deference to the application rather than
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development of theories) and, above all, highly pragmatic (in the preference for analysis through case and institutional studies). One landmark text noted that ‘[t]he literature [in Australia] is structured around topics rather than around competing paradigms – there are theories within the field, rather than theories of public policy’ (Davis et al, 1993 [1988], p 11). A more recent appraisal suggests that policy analysis in Australia is distinguished by its own normative policy argument approach: the ‘principal analytical tradition is qualitative research’ using ‘thick descriptions’ that are offered as prescriptions ‘critical of government action or inaction’ (Wanna, 2007, p 2). In any case, the latest overview of research methods used in Australian policy teaching confirms the overwhelming preference for qualitative approaches, which suggests neither characterisation is far off the mark (Mamouney and Coffey, 2014). This immediately signals a comparative difference in pedagogic orientation.

There are many very good ‘field of study’ surveys of policy analysis in Australia (Weller, 1980; Wanna, 2003, 2007; Ahamed and Davis, 2009), and the intention here is not to duplicate these accounts. Two context matters should be noted though. The first is that while Australian political science is a ‘complex compound of traditions’ (Rhodes, 2009, p 3), the qualitative methods approach that defines policy analysis is deep-rooted – a product of the British humanities ‘inheritance’ – and US-style positivism has always faced challenges in gaining wide adherence. The second is that the social sciences in Australia, with the notable exception of economics, have tended to play a secondary role in the utilitarian development of Australian universities and the way in which they interact with governments (Macintyre, 2010). In the face of the institutionalised strength of the natural sciences and learned professions, the social sciences have struggled to exercise influence with policymakers – especially bureaucrats – in terms of the perceived relevance of teaching, research and public engagement. Political science was no exception.

One consequence of all this is that the development of policy analysis, and its approach to instruction, has been tied quite closely to the fortunes of its disciplinary stablemate, public administration. Like policy analysis, public administration did not always enjoy the status of an independent field of study in Australia. Its traditional focus on the organisation of government and efficient administration also found it straddling disciplines. In the first half of the 20th century, for example, public administration curricula emerged from diversification in commerce faculties and later settled in political science departments (Scott and Wettenhall, 1980). It concentrated on legal institutions and administrative techniques, was often delivered as diplomas through the founding universities in each state, and relied heavily on part-time (ie practitioner) staff.

Over time, this approach came under sustained attack from very different quarters: it was at once both too relevant (oriented as it was towards training in administrative skills) and not relevant enough (blind to the political role of bureaucratic structures in shaping public policy outcomes). It is in this critique that the contest between the ‘new’ policy analysis and ‘old’ public administration
Policy analysis instruction in Australia came to dominate fields of study and instruction debates, especially for public service practitioners. There were three key phases.

The first of these is associated with the rise of policy analysis – ‘public policy’ – during the 1970s. As presaged earlier, this coincided with the ‘delayed importation’ of critiques of both rational comprehensive planning and impartial public service as articles of faith (see Wanna, 2007). The influential Royal Commission on Australian Government Administration (RCAGA, 1976) neatly illustrates this critique. The RCAGA, which operated during the early to mid-1970s, not only gave a formal platform to question the neutrality and policy bona fides of the public service, but used its research agenda to act as patron to the pioneer generation of Australian policy analysis academics. It was during this period that the emerging disciplinary concerns of policy analysis – policy case studies and policy process explanations – gained greater prominence within existing undergraduate degree programmes in public administration and political science. Furthermore, towards its tail end, some universities such as Sydney, Queensland and Tasmania, which already had long-standing public administration programmes – as well as the more vocational colleges of advanced education, such as Canberra – started experimenting with dedicated graduate coursework programmes, including the Master of Public Administration (MPA) and the Master of Public Policy (MPP) (Scott and Wettenhall, 1980; Hughes, 2005).

The second, tumultuous phase was driven by public sector modernisation in the 1980s and 1990s. This period is marked by the advent of ‘managerialism’ in the public sector: the displacing of administration by management, and the checking of bureaucratic power through the creation of contract-based senior executive services. The changes were historically significant, and they generated vociferous debate about their impact on public service ethos, and, in particular, the weighting of ‘policy’ and ‘management’ in the repertoire of senior public servants (Painter and Considine, 1997). That the dispute split along academic and practitioner lines also underscored how the latter perceived the ‘relevance’ of university policy instruction for public service (e.g., Uhr, 1987; Yeatman, 1987; Keating, 1990; Pusey, 1991). Was instruction for public servants about better policy analysis or the more efficient management of policy? Also, increasingly, should this be informed by a distinctive public sector approach or integrated with conventional business school management programmes? During this period, the MPP began to displace the MPA, and to some it appeared that the Master of Business Administration (MBA) was overseeing the demise of both (Hughes, 1986; Chapman, 1987; Carroll, 1991).

The third, current phase broadly corresponds with the intensification of the shift towards generic management – as exemplified in qualifications like the MBA – but also a realisation by governments that new skills are required to develop and manage policy within increasingly distributed service delivery networks, in part, precipitated by the externalisation of public services during the 1990s. Programme design and policy advice returned to the skills catalogue demanded of public servants, and during the early 2000s, governments were prepared to be more
interventionist to ensure that supply met this demand (for instance, through the creation of the Australia and New Zealand School of Government [ANZSOG], discussed later) (Hughes, 2005; Ahamed and Davis, 2009). However, this period also coincided with the maturation of the ‘enterprise’ university and the increasing importance of credentialism in shaping the higher education market in Australia (Marginson and Considine, 2000). As a consequence, there were noticeable trends towards narrowing undergraduate qualifications (by naming degrees by their specialisations) and diversifying modes of postgraduate instruction (to embrace short executive training). Aspects of both developments can be observed in the current configuration of policy analysis instruction in Australian universities.

**Characterising the content of policy analysis instruction in Australia**

The focus on policy analysis instruction for public service professionals not only reflects the outcomes of the disciplinary contest between public policy and public administration, but also highlights some of the content characteristics of instruction in Australia. To amplify this thematic analysis, this section briefly surveys the development of policy analysis texts used in Australian universities at both undergraduate and postgraduate levels; the aim is to typify an Australian approach to teaching policy analysis and to mark the contours of recent defining pedagogic debates.

Naming the antecedent of anything is always fraught with danger, but there is a general consensus that *Politics and policy in Australia* (Hawker et al, 1979) was the first specialist policy analysis text in Australia. Consistent with the case-study tradition in political studies, it was also one of the many scholarly by-products of RCAGA benefaction, referred to earlier. While many undergraduate texts on political institutions routinely began to include chapters on theories of policymaking and policy case studies (eg Summers et al, 1985), it was not until the late 1980s that the first comprehensive policy analysis text appeared (Davis et al, 1993 [1988]). This traversed the range of orthodox (eg rational comprehensive) and – at the time – newly emerging (eg policy network) explanatory frameworks, and provided a summative portrayal of the field in Australia. This text helped cement the tradition of explication through detailed case studies of topical policy areas.

During the 1990s, policy analysis texts in Australia encountered both a reformatory turn and reconciliation with the rational policy model. In the case of the first, a range of texts appeared that sought either to critically appraise accepted rational definitions of policymaking (Considine, 1994; Colebatch, 1998) or to expose the underlying drivers of policy, such as interests, network actors and values (Fenna, 1998; Yeatman, 1998; Considine, 2005; Stewart, 2009). Around the same time, however, other policy texts sought to recover rational decision-making as ‘prescription’ for policy process (Bridgman and Davis, 1998; Edwards, 2001; Scott and Baehler, 2010). Authorship of these texts tended to include senior public servants, and they were aimed at practitioner audiences at
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both undergraduate and graduate levels, often with the unambiguous intention of presenting policy cycles as a decision tool to structure practitioner engagement with complex policy processes. However, as discussed later in more detail, this approach was also criticised as simplistic and misleading (Colebatch, 2006).

Finally, there is a range of contemporary undergraduate policy texts that seek to steer a middle course (Haigh, 2012; Maddison and Dennis, 2013 [2009]). These emphasise both analytical frameworks for understanding policy dynamics and the ‘real world’ application of policy analysis techniques. These texts also continue to exemplify the case-study lineage as a vehicle for explaining policy models, but they are also representative of a trend back to incorporating ‘practical’ instruction in analytical, decisional and management techniques.

If there is an Australian approach to policy analysis instruction, then, it is self-assuredly derivative and pragmatic: derivative in its openness to assessing the applicability of explanatory models to the Australian context; pragmatic in its use of case and institutional analyses to illuminate policy areas and specific locations of policymaking. However, having said this, there is also a certain level of discomfort with the uncomplicatedness of some policy models taught in Australian universities.2 This can be illustrated by the currency of two recent approaches that have become lightning rods for the content and method of policy analysis instruction. Each of them illustrates the tension between descriptive and normative objectives for policy models and, especially in the context of policy training for public servants, the highly contested role of values in decision-making.

The first of these, mentioned earlier, is the ‘policy cycle’ framework. First published in 1998 (Bridgman and Davis, 1998) and now in its fifth edition (Althaus et al, 2013), The Australian policy handbook has become a staple of undergraduate policy subjects and required reading for graduate courses. Derived from policy process models, it sets out a cycle of steps to structure policymaking – such as issue identification, instrument selection, decision and implementation – and is aimed squarely at practitioners. It is, according to the authors, designed intentionally to have ‘heuristic’ value in structuring process for practitioners (Bridgman and Davis, 2003, p 100). The model’s widespread adoption in universities has been criticised on both pedagogic and paradigmatic grounds, especially as a ‘revival of rationalism’ (Everett, 2003, p 65). More expansive critical analyses came from an ‘interpretivist’ perspective (Colebatch, 2004, 2005, 2006; Howard, 2005). These argued that the policy cycle is an ‘essential policy myth’ to reconcile formal accounts of institutional roles with the messy ‘practical knowledge’ of public servants; the process account per se was not the problem, but rather the absence of an instructional approach that seeks to make sense of participants’ own experience.

Almost a microcosm of this ‘policy cycle’ debate is the dispute over the ‘public value’ approach to teaching strategic public management (Rhodes and Wanna, 2007, 2008; Alford, 2008; Colebatch, 2010). This framework has a high profile because it informs the conceptual approach for the higher-level training curriculum of ANZSOG. Derived from US public policy models
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(most prominently, Moore, 1995), public value theory conceives the role of public service as ‘crafting’ policy to align substantive value, political legitimacy and administrative feasibility; consistent with realist policy models, it emphasises interdependencies within the policy environment. However, critics have disputed the approach’s relevance to local Westminster-based institutions and, as with the policy cycle, they express concerns that it is normative theory dressed up as policy technique (Rhodes and Wanna, 2007). The dispute is again emblematic because it highlights the apparent gap between academic and practitioner knowledge about policy: the nub of the dispute is that practitioners find the concept useful (‘accounts of policy process that are used in practice’) (Alford, 2008; Colebatch, 2010). As elsewhere, the appropriate degree of ‘relevance’ in policy instruction in Australia, despite its inclination towards pragmatism, is far from settled.

Surveying the field: policy analysis instruction in Australian universities

Having charted the broad historical development of policy analysis and the form its instruction took through key milestones in curricula, this section profiles current institutional arrangements for policy analysis instruction in Australian universities. It provides a summary and analysis of instruction in terms of institutional structures, the type and level of courses, and the scope and content of curricula. In doing so, it will also map the ‘market’ for policy analysis instruction. The profile will stratify policy programmes into key segments for ‘professional’ education and training, comprising undergraduate specialisations in bachelor degree programmes (to produce entry-level policy analysts) and postgraduate professional coursework programmes (to educate for mid-career bureaucrats seeking advancement or functional specialist public servants seeking lateral movement into policy areas).

The profile is based on a survey of publicly available university, degree and course information sourced from institutional websites. Data collection for the survey was conducted in October 2013 and therefore reflects institutional and degree structures at that time. The focus is on programmes and schools that are organised using one of the generic field-of-study labels ‘public policy’, ‘policy studies’ or ‘public policy and administration’. In this context, a ‘programme’ is defined as either a course of study leading to a degree or an area of concentration (a ‘major’) within a degree. By necessity, this excludes programmes that may be policy-oriented but which are specialisations within other disciplinary programmes (eg applied policy within, say, law or economics degrees).

Institutional structures

As a point of departure, we can note that the label ‘public policy’ dominates field-of-study descriptions in Australia. From Table 17.1, we can see that over 80% of policy programmes use the term ‘public policy’, and the remainder use either the broader descriptor ‘policy studies’ or a composite label. It is worth
remarking that the Australian National University (ANU) uses different labels for its undergraduate (‘policy studies’) and postgraduate (‘public policy’) programmes, while the venerable social policy unit at the University of New South Wales (UNSW) uses ‘policy studies’ at both levels. Two schools in Queensland – Griffith University and the University of Queensland – use the moniker ‘public policy and governance’. The survey also confirms that ‘public administration’ as a distinct field of study is now very much in the minority of policy-related graduate programme offerings.

Table 17.1: Policy analysis instruction: field-of-study labels

<table>
<thead>
<tr>
<th>Numbera</th>
<th>Public Policy</th>
<th>Policy Studies</th>
<th>Public Policy and Governance</th>
<th>Public Policy and Administration/Management</th>
<th>Public Administration or Public Management</th>
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<td>15</td>
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Note: *Some institutions use more than one label to describe their programmes of study, for example, ‘policy studies’ for undergraduate programmes and ‘public policy’ for graduate programmes.

There are several ways of categorising university programmes. Here, we adopt the tripartite typology used by Geva-May and Maslove (2007) to classify policy programmes in Canadian universities. Based on our discussion thus far, with reference to levels of policy analysis professionalisation and institutionalisation, Australia is arguably closer to Canadian (than US) experience; in any case, one benefit of the typology is to permit more finely grained comparison and contrast.

The first type is programmes wholly or largely within political science groupings. As in Canada, this is considered the oldest model, within which public policy is a sub-field of political science. We can see from Table 17.2 that this is the largest category, comprising some 10 programmes. Most are located in academic units that teach politics, although in a number of cases, these are part of larger social science or humanities groupings. Two of the programmes, however, are attached to units that specialise in aspects of policy studies (Social Research and Policy Discipline at UNSW and the School of Global, Urban and Social Studies at Royal Melbourne Institute of Technology [RMIT] University), and one institution has distributed its (graduate) policy studies programmes across three separate units (University of Sydney). Almost without exception, the programmes offer undergraduate and postgraduate courses. It is, however, worth noting that a number of programmes in the other two types often had their origins in political science departments and, in recent years, have either been merged with business schools or achieved independent standing.

The second type are programmes located within business schools. This is a much smaller grouping of four programmes (see Table 17.3). Unlike Canada, the
location of most of these programmes is not solely a function of the ‘management’ orientation of the programme, nor the sharing of a common core with MBA programmes. More often than not, the arrangements result from unions of convenience. Griffith University’s programme had its origins in a highly regarded politics and policy grouping that has produced some of Australia’s pre-eminent public policy scholars, and the University of Canberra’s joint programmes in public policy and public administration have a pedigree established through its School of Administrative Studies. Monash University’s graduate programme (which can be traced back to the economic-oriented Policy Studies Centre established in the early 1980s) and Curtin University’s more recent public policy specialisation are the two programmes most strongly positioned within business school settings.

The third category is standalone schools of public policy. From Table 17.4, we see that this is a grouping of five programmes, one of which is not a university (ANZSOG). Unlike Canada, the formation of policy schools is not a mainstream approach, but rather a relatively recent development. Like Canada, these institutions present themselves as graduate ‘professional schools’ that aspire to deliver policy analysis training as multidisciplinary programmes. The Crawford School of Public Policy at ANU – the largest concentration of public policy faculty in Australia – has antecedents in the old administrative studies programme and the small multidisciplinary ‘public policy programme’ established in the mid-1980s. Two of the schools are very new (in 2013) creations: the Melbourne School of Government at the University of Melbourne (which subsumes the Centre for Public Policy and its long-standing Master of Public Policy and Management); and the Sir Walter Murdoch School of Public Policy and International Affairs at Murdoch University (the only standalone policy school in Western Australia). The remaining schools are themselves exceptional in this category. ANZSOG is an internationally unique ‘network’ school, created in 2002 by a consortium of governments and universities to deliver public policy and management education to senior public servants. Carnegie Mellon University Australia is an offshoot of that university’s Heinz College of public affairs, unique in the Australian context because it offers master’s programmes in the US tradition of highly structured training in policy-analytical methods.

Table 17.5 provides a summary of current structures and programmes for policy analysis in Australia. In total, there are 18 (from the total of 41 Australian university-level) institutions offering policy programmes. There are five entities that can be classified as standalone ‘policy schools’, of which only three are located wholly within a university. Twelve of the programmes offer master’s programmes in public policy (MPP or similar) compared to seven offerings in public administration or management (the MPA). Coherent undergraduate programmes in policy analysis are offered at 10 institutions.
Table 17.2: Policy analysis programmes (Political Science departments or similar)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Field-of-study label</th>
<th>Organisational unit</th>
<th>Programme type</th>
<th>Practicum (required [R] or elective [E])</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian National University</td>
<td>Policy studies</td>
<td>Department of Politics and International Relations College of Arts and Social Science</td>
<td>Bachelor of Policy Studies (BPS)</td>
<td>See Table 17.4 UG — Australian National Internship Programme (ANIP) (E)</td>
</tr>
<tr>
<td>Deakin University</td>
<td>Policy studies</td>
<td>Discipline of Politics and Policy Studies</td>
<td>Bachelor of Arts (BA) Politics and Policy Studies sequence</td>
<td>Master of Politics and Policy (MPP) UG — Policy Internship (E)</td>
</tr>
<tr>
<td>Flinders University</td>
<td>Public policy</td>
<td>Discipline of Politics and Public Policy</td>
<td>Bachelor of Arts (BA) Public Policy major</td>
<td>Master of Public Administration (MPA) (Policy or Management) UG — South Australian Parliamentary/Cabinet Office Internship (E) PG — Public Policy Internship (E)</td>
</tr>
<tr>
<td>Macquarie University</td>
<td>Public policy</td>
<td>Department of Modern History, Politics and International Relations Macquarie Law School</td>
<td>Bachelor of Arts (BA) Public Policy, Law and Governance major</td>
<td>Master of Politics and Public Policy (MPPP) UG — Social Innovation, Governance and Professional Leadership (R) PG — Internship Project (E)</td>
</tr>
<tr>
<td>Royal Melbourne Institute of Technology</td>
<td>Public policy</td>
<td>School of Global, Urban and Social Studies</td>
<td>Master of Public Policy (MPP) Public policy and management specialisation</td>
<td>PG — Field Project (E)</td>
</tr>
<tr>
<td>University of Melbourne</td>
<td>Public policy</td>
<td>School of Political and Social Sciences</td>
<td>Bachelor of Arts (BA) Political Science major</td>
<td>See Table 17.4 UG — Parliamentary Internship (E) UG — Public Affairs Internship (E)</td>
</tr>
<tr>
<td>University of New South Wales</td>
<td>Policy studies</td>
<td>Social Research and Policy Discipline</td>
<td>Bachelor of Social Research and Policy (BSRP)</td>
<td>Master of Policy Studies (MPS) UG — Social Science and Policy Internship (R) UG — Social Science and Policy Graduates in the Workplace (R)</td>
</tr>
<tr>
<td>University of Queensland</td>
<td>Governance and public policy</td>
<td>School of Political Science and International Relations</td>
<td>Bachelor of Arts (BA) Public Policy major</td>
<td>Master of Governance and Public Policy (MGPP) UG — Internship (E) UG — Policy Practice (E) PG — Internship (E)</td>
</tr>
<tr>
<td>University of Sydney</td>
<td>Public policy</td>
<td>Department of Government and International Relations</td>
<td>Master of Public Policy (MPP)</td>
<td>Master of Public Policy (MPP)</td>
</tr>
<tr>
<td></td>
<td>Policy studies</td>
<td>Faculty of Education and Social Work</td>
<td>Master of Policy Studies (MPS)</td>
<td>PG — Work-Based Project (R) PG — Internship (international students only) (E)</td>
</tr>
<tr>
<td></td>
<td>Public administration</td>
<td>Graduate School of Government</td>
<td>Master of Public Administration (MPA)</td>
<td>PG — Internship (E)</td>
</tr>
<tr>
<td>University of Tasmania</td>
<td>Public policy</td>
<td>Politics and International Relations Programme</td>
<td>Bachelor of Arts (BA) Politics and Policy major</td>
<td>Master of Public Policy (MPP) UG — Parliamentary Internship (E) UG — Public Sector Internship (E) PG — Internship (E)</td>
</tr>
</tbody>
</table>
Table 17.3: Policy analysis programmes (Business Schools or similar)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Field-of-study label</th>
<th>Organisational unit</th>
<th>Programme type</th>
<th>Practicum (required [R] or elective [E])</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Curtin University of Technology</strong></td>
<td>Public policy</td>
<td>Curtin Business School</td>
<td>Master of Management (MMgmt) Public policy specialisation</td>
<td>PG — Consultancy Internship (E)</td>
</tr>
<tr>
<td><strong>Griffith University</strong></td>
<td>Governance and public policy</td>
<td>School of Government and International Relations Griffith Business School</td>
<td>Bachelor of Government and International Relations (BGIR) Politics and public policy major</td>
<td>UG — Work Placement (Political Practice) or Parliamentary Project (E)</td>
</tr>
<tr>
<td><strong>Monash University</strong></td>
<td>Public policy</td>
<td>Governance, Leadership and Organisation Discipline Group Department of Management</td>
<td>Master of Public Policy and Management (MPMM)</td>
<td></td>
</tr>
<tr>
<td><strong>University of Canberra</strong></td>
<td>Public policy</td>
<td>School of Government and Policy Faculty of Business, Government and Law</td>
<td>Bachelor of Australian Politics and Public Policy (BAPPP)</td>
<td>UG — Internship (E)</td>
</tr>
<tr>
<td></td>
<td>Public administration</td>
<td></td>
<td>Master of Public Administration (MPA) Public Policy specialisation</td>
<td></td>
</tr>
</tbody>
</table>

Note: * In the cases of Griffith and Canberra, the respective Schools of Government are large disciplinary groupings of political science and/or public policy and administration faculty located within business schools or faculties.
One final area of interest is the degree of institutionalisation of the ‘teaching–research’ nexus in policy instruction. Other than research productivity metrics, an important – though imperfect – measure for this is the existence of research centres and institutes that act as ‘bridging nodes’ for public policy research and/or policy consultancy. Geva–May and Maslove (2007) note, for example, that these research houses are almost universal for policy programmes in the US, although less common in Canadian universities. In Australia, they are not easy to classify, if only because, in recent years, there has been significant expansion of specialised applied research centres, and because many of these centres are often only nominally attached to and principally staffed by policy schools or political science departments. Acknowledging this, Table 17.5 indicates that at
least seven of the Australian institutions with policy programmes are attached to or affiliated with broad-based public policy research centres. Some specialise in sectoral policy analysis (e.g., the Social Policy Research Centre at UNSW) and others are distinguished by their strengths in advanced quantitative analysis and higher-degree research training (such as Canberra’s National Centre for Social and Economic Modelling and Queensland’s Institute for Social Science Research). In the Australian context, these centres represent very significant research concentrations and some – including those named – have high international recognition, but, by and large, they are not the norm.

Table 17.5: Policy analysis instruction: summary of structures and programmes

<table>
<thead>
<tr>
<th>Standalone Public Policy Schools</th>
<th>Public Policy Programmes within Schools or Faculties</th>
<th>Institutions with Public Policy Master’s and/or Doctoral Programmes</th>
<th>Institutions with Public Administration/Management Master’s and/or Doctoral Programmes</th>
<th>Institutions with Undergraduate Public Policy Programmes</th>
<th>Institutions with Public Policy Research Centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>5</td>
<td>13</td>
<td>12</td>
<td>7</td>
<td>10</td>
</tr>
</tbody>
</table>

Notes:  
- In total, there are 41 higher education providers categorised as universities in Australia, of which 37 are public universities, two are private and two are Australian branches of overseas universities.  
- Includes ANZSOG as a separate higher education provider but recognising that its qualifications are awarded through various partner universities. A number of ANZSOG partner universities also offer separate policy programmes at both undergraduate and graduate levels.  
- Defined as: (a) having broad public policy, governance and management research and/or consultancy objectives; and (b) being attached to or affiliated with policy programmes or schools. The definition excludes many distinguished sectoral policy research centres (e.g., centres for applied economic research, health policy, law, etc.), research centres in universities without policy programmes (e.g., Hawke Research Institute at UniSA), and non-university and non-government ‘think tanks’ (e.g., Grattan Institute). As defined, the research centres are: Flinders Institute for Public Policy and Management (Flinders); Centre for Applied Social Research (RMIT University); Social Policy Research Centre (UNSW); Institute for Social Science Research (Queensland); Curtin Institute of Public Policy (Curtin); Centre for Governance and Public Policy (Griffith); ANZSOG Institute for Governance (Canberra); and National Centre for Social and Economic Modelling (Canberra).

Courses and curricula

Tables 17.6 and 17.7 provide a summary of the key components of policy analysis instruction at both undergraduate and postgraduate levels. Consistent with themes identified in earlier discussion about curricula, we can note three areas where there are significant patterns in instructional approaches in Australia: the clustering of programme content; the emphasis placed on practicums; and the absence of accreditation.

As in Canada – but unlike the US – there is certainly no standard core curriculum, and, in fact, there is significant variation across programmes and institutions. Having said this, there is some clustering of curriculum components. Table 17.7 includes a characterisation of ‘majority programme content’ at undergraduate and postgraduate levels (defined as required content in more than 50% but less than 75% of programmes). This indicates that across both undergraduate and
Policy analysis instruction in Australia

At postgraduate levels, commonalities include primers on government and economic institutions, standalone theory subjects on policy analysis or public policy as a field of study, and the examination of case studies in sectoral policy or public policy process. In addition, and not unexpectedly, at the graduate level, there are usually requirements for subjects in areas like strategic organisational management, policy advocacy and the interpretation and use of evidence and research. However, some programmes are atypical. At the undergraduate level, UNSW and, to a lesser extent, ANU, Canberra and Queensland are exceptional because of a focus on policy-analytical methods (especially quantitative research methods and programme evaluation). At the postgraduate level, the ANU programme is noteworthy as the only Master of Public Policy (MPP) programme offering a wide range of structured sectoral policy specialisations.

Table 17.6: Policy analysis instruction: summary of curricula

<table>
<thead>
<tr>
<th>Masters Programmes with a Practicum</th>
<th>Masters Programmes with Core Methods Component</th>
<th>Masters Programmes with Sectoral Policy Specialisations</th>
<th>Undergraduate Programmes with Core Methods</th>
<th>Undergraduate Programmes with a Practicum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>11</td>
<td>1</td>
<td>3</td>
<td>10</td>
</tr>
</tbody>
</table>

Notes: a Defined as a required sequence of subjects leading to a designated policy specialisation. As defined, sole case is ANU.
b Defined as at least one required subject in applied research or analytical methods. As defined, three cases are ANU, UNSW and Canberra.

Table 17.7: Policy analysis instruction: thematic content of core curricula

<table>
<thead>
<tr>
<th>Majority programme content</th>
<th>Undergraduate level</th>
<th>Postgraduate level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public policy in Australia</td>
<td>Public policy analysis</td>
<td>Using research and information</td>
</tr>
<tr>
<td>Cases in public policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public policymaking theory</td>
<td></td>
<td>Policy and programme evaluation</td>
</tr>
<tr>
<td>Introduction to political institutions</td>
<td></td>
<td>Organisational and administrative behaviour</td>
</tr>
<tr>
<td>Policy and programme evaluation</td>
<td></td>
<td>Economic analysis for policy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minority programme content</th>
<th>Undergraduate level</th>
<th>Postgraduate level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy or workplace internship</td>
<td></td>
<td>Policy or workplace internship</td>
</tr>
<tr>
<td>Using research and information</td>
<td></td>
<td>Quantitative research methods</td>
</tr>
<tr>
<td>Social policy</td>
<td></td>
<td>Public policymaking theory</td>
</tr>
<tr>
<td>Organisational and administrative behaviour</td>
<td></td>
<td>Comparative public policy or governance</td>
</tr>
<tr>
<td>Applied project project</td>
<td></td>
<td>Public sector management or administration</td>
</tr>
<tr>
<td>Economic analysis for policy</td>
<td></td>
<td>Social policy</td>
</tr>
<tr>
<td>Analytical or problem-solving skills</td>
<td></td>
<td>Policy advocacy</td>
</tr>
</tbody>
</table>

Notes: a This shows the range of required subjects for policy programmes at each level. The subject labels are thematic and illustrative of content.
b Majority programme content means thematic content is estimated to be a requirement in more than 50% but less than 75% of policy programmes at each level.
c Minority programme content means thematic content is estimated to be a requirement in less than 50% but more than 25% of policy programmes at each level. Note that ‘policy and workplace internships’ are offered within a majority of programmes at both levels, although usually as an elective.
A second area of interest is the treatment of practicums. Practicums are designed to apply knowledge and skills acquired during studies in a real-world setting, and usually require the completion of an extended applied research report through an internship or work-based project. In some social science disciplines, including political science, practicums are now routinely integrated with Australian undergraduate curricula (see Hindmoor, 2010). Table 17.6 confirms this for policy analysis programmes. The vast majority of master's programmes require some type of internship or work-based project as part of the ‘capstone experience’ subject for professional degrees. Similarly, all undergraduate programmes offer these types of subjects – through government agency or parliamentary internships – although, most commonly, as a restricted entry elective component. (Only in two undergraduate programmes are practicum subjects required: Macquarie University and UNSW.) The pervasiveness of the practicum indicates that in Australia, this applied aspect of policy analysis instruction is now on a par with counterpart programmes in Canada and the US.

One final observation is on the status of accreditation. Professional training is often an aim of Australian policy programmes – and especially for the standalone schools – but there is currently no accreditation scheme for either schools or programmes (nor is there a standard qualifications ‘pathway’ into entry-level policy analyst roles across government; see Adams et al, 2013). There is no Australian equivalent of either the US NASPAA or the much looser Canadian Association of Programs of Public Administration (CAPPA), and, notwithstanding the endurance of the Australian Public Policy Network as an informal association of academics with interests in policy studies, there is no strong university-based initiative to move towards greater standardisation in policy analysis curricula. Also absent is any general external demand for greater standardisation, although the participation by governments in the creation of ANZSOG can be interpreted as one step towards scoping a ‘core curriculum’, at least for the professional training of a cadre of senior public servants (Hughes, 2005). Ultimately, the low levels of formal professionalisation reflect the relatively small size of the policy analysis academy in Australia, in terms of the number of both dedicated policy schools and programmes and of specialised faculty.

Conclusions: ‘policy craft’ or ‘trade craft’?

The aims of this chapter were to survey the development of policy analysis instruction in Australian universities, to map and assess its current structural and curriculum profile, and to identify key defining characteristics that help to distinguish the Australian field in comparative perspective. In Australia, several field-of-study labels are used to define policy analysis but the most common has been – and remains – the less methodologically driven ‘public policy’. This was not by happenstance: the ‘theory–practice’ nexus that characterises the field followed its own trajectory in Australia. Perhaps the most significant factor has been the resilience of the qualitative tradition of the social sciences, although
other dynamics were in play too. Over many years, public policy contended with public administration for dominance as a sub-field in its home discipline of political science; this competition was particularly pronounced in Australia and, perhaps more so than elsewhere, produced a field of study that is perceived very differently by its academic members (who, as researchers and teachers, aspire to relevance through explanatory power) and its practitioner consumers (who, as policymakers and employers, seek relevance through readiness for application). This is neatly illustrated by the contours of past and recent pedagogic debates in policy analysis instruction.

To help place the survey in a broader comparative perspective, the chapter adopted stylised explanatory frameworks used to characterise equivalent instructional approaches in Canada and the US (Geva-May and Maslove, 2007). These identified three dimensions along which aspects of the supply of and demand for instruction in the field of policy analysis could be assessed.

For the first of these dimensions – the level of professionalisation of policy work – we saw that the Australian case displayed, by broad comparison with North American experience, relative weak expression. Public policy as a field of ‘professional’ study in Australia has a number of systemic characteristics: there are very few standalone policy schools; there is a highly dispersed footprint for policy programmes and, in particular, postgraduate programmes; there is no accreditation system for policy programmes and qualifications; and there is little or no formal standardisation in curricula. However, like Canada, there is some evidence to suggest a growing ‘determination to be perceived as more professional’ (Geva-May and Maslove, 2007, p 205), such as the recent trend to establish ‘schools of government’ that balance policy and management, and the near-universal adoption of practicums as a pedagogic device.

Along the second dimension – institutionalisation of policy analysis – Australia displays relatively low but increasing levels of integration within organisational structures and skill sets. The last 30 years or so have undoubtedly witnessed an expansion in government (and non-government) demand for staff trained in ‘policy’, but, as noted earlier, this has not been accompanied by industry expectations about either core competencies or professional accreditation. As some scholars have remarked, the demand for US-style ‘policy analysis’ – which in Australia, tends to be equated with economic methods – is confined to specific parts of government (such as quasi-independent policy advisory bodies like the Australian Productivity Commission) (see Colebatch, 2006). This is also consistent with defining aspects of the history of the social sciences in Australia, in particular, bureaucratic reservations about the relevance of academic policy analysis.

In contrast, the third dimension – pedagogic orientation – yielded some quite distinct Australian characteristics. Raised within a deep-seated qualitative research tradition, both scholarly research and instructional approaches to public policy in Australia have been – and continue to be – strongly oriented towards the use of institutional and policy-based case analysis. This weaves its way through the major texts that have defined public policy teaching in Australia, and also
Policy analysis in Australia distinguishes the most recent practitioner-oriented approaches (and debates) about instructional methods for policy process. To some extent, this orientation may represent more of a disciplinary ‘tendency’ – as we have seen, it is not replicated in standardised curricula – and it certainly, as a portrayal of the field, also sits uncomfortably with some external (government) perceptions of the relevance of teaching and research output.

The policy analysis field in Australia developed in the wake of the consolidation phase in its birthplace, the US. It has been characterised by different loci (and intensities) of disciplinary competition, deep-rooted inherited research traditions, path dependency for the relationship between social science and government, and a relatively small and often fragmented academic community. As a consequence, the field has dealt with the contending objectives for policy analysis instruction – as both explanation and application – in its own ways. There is an inherent tension between teaching for ‘policy craft’ (the skill or art of policy professionals) and teaching for ‘trade craft’ (the skill or art of policy in specific ‘trades’, such as public service). In both comparative and subjective terms, policy analysis instruction in Australia is highly pragmatic; what is not so certain is the extent to which this positioning reconciles that inherent tension.

Notes

1 This is likely one factor that also helps to explain why the transformation to professional status may not be complete, at least outside the US.

2 This perspective is sometimes accompanied by concerns about the apparent absence of research methods – and, in particular, quantitative and comparative methodologies – in policy analysis instruction (eg Mamouney and Coffey, 2014).

3 However, this was not always the case. As part of the expansion of graduate management education in Australia during the 1970s, the Australian Graduate School of Management (AGSM) at UNSW was founded with the explicit aim of providing an integrated curriculum for both the corporate and public sectors.

4 The Crawford School is perhaps the only example of a large ‘critical mass’ policy school in Australia. The school consolidates a number of interdisciplinary programmes and specialised sectoral policy research centres, with particular strengths in applied economic and fiscal policy. Its lineage includes a number of development administration teaching centres, and, as a consequence, it has a significant regional (Asia-Pacific) presence. Crawford has close proximity to the Federal government and, in recent years, received significant Federal funding to establish the nascent Australian National Institute of Public Policy (ANIPP) and the H.C. Coombs Policy Forum.

5 ANZSOG is jointly owned by national, state and territory governments and a consortium of 16 universities. It was established as a graduate programme to deliver specialised education and training for ‘high-potential’ public officials that balanced policy and
management skills, as well as to consolidate what was at the time seen as a nationally fragmented public policy teaching and research effort (BCG, 2001; Hughes 2005). In addition to its structure, the school is distinguished in the Australian context by its strong pedagogic focus on case-based teaching (O’Neill, 2006; Scott, 2013).

The ANZSOG Executive Master of Public Administration (EMPA) is awarded through each of the 16 consortium universities at which ANZSOG students enrol. Strictly speaking, all of these institutions offer the EMPA, but, in reality, only a small number offer a policy programme as we have defined it here.

There is a fourth type of policy ‘programme’. This comprises institutions where there is either no distinct grouping of policy analysis faculty and/or generally no field-of-study label and/or individual policy subjects or policy minors are offered as part of interdisciplinary study sequences in political science or social science. These institutions include: Central Queensland University, James Cook University, Monash University (undergraduate), Southern Cross University, University of Newcastle, University of the Sunshine Coast, University of Sydney (undergraduate), University of Technology Sydney and University of Western Australia.

It is possible that this feature also reflects prospective standardisation associated with the implementation of the new Australian Qualifications Framework (AQFC, 2013). This is not, however, peculiar to any specific field of study.

As a US qualification, the Master of Science in Public Policy and Management offered through Carnegie Mellon University Australia is the only example of a NASPAA-accredited degree available in Australia. In the recent past, some Australian policy programmes (such as those offered by the University of Sydney) have sought international affiliate status with NASPAA. This, of course, contrasts starkly with business and management schools in Australia, which, almost without exception, have or aspire to international accreditation through the business equivalents of NASPAA in the US (Association to Advance Collegiate Schools of Business) and Europe (European Foundation for Management Development).

References


Introduction

Academic researchers are not usually ranked highly in discussions of who wields power and influence. Nevertheless, academics are vitally concerned with mapping the contours of political power, the determinants of public policy and debates over policy reform and improvement. This chapter examines the nature of academic research concerning public policy, and its direct and indirect linkages to policy debates and policy processes. We note several types of policy-related research in the social and economic sciences, and examine the ways in which academic policy advice and research outcomes have been accepted as inputs into the policy process. It has often been claimed that academics and policy practitioners are distinctive communities, and that bridging the gap is extremely difficult. There has also been a widespread debate about why academic work on policy is often invisible to policymakers or is seen as having low relevance to their needs (Cohn, 2007; Head, 2013, 2015). A strong case has been made that expertise and research evidence have distinctive dynamics for academics and practitioners in particular fields. For example, in the field of foreign policy and international relations, Gyngell and Wesley (2007) argue that there has been a disjuncture between the experience-based world of practitioners in the bureaucracy and the international relations theorising of academics. Nevertheless, there has been a notable increase in dialogue and exchange through the growth of foreign policy think tanks like the Lowy Institute.

In this chapter, we consider why academic policy research in Australia has been more influential in some policy areas than others, and how particular academics have become prominent as policy advisors or commentators. The incentives and barriers to academic engagement in contemporary policy debates are outlined, and we conclude by considering how the institutional and cultural gaps between the research sector and policymakers can be most effectively bridged.

Types of academic policy research

Academic contributions to policy analysis divide into two different orientations. As noted in Chapter One, the vast majority of academic writing about public
Policy analysis in Australia has focused on the study of policy processes, whether in relation to the policymaking system as a whole or in relation to specific policy fields of high interest. At a deeper level, important research is also undertaken to explain how policy programmes and paradigms evolve over time. However, these academic explanations of policy systems and programmes have been largely directed at academic peers and university students, whether through publishing academic articles, teaching courses in policy studies or writing textbooks. The impacts of teaching, and the enduring knowledge provided in key texts, are likely to have long-term effects on future decision-makers. The academic orientation to policy analysis reflects the scholarly context of universities, and the perceived scarcity of opportunities for more applied policy analysis. The second orientation in policy analysis is more applied in focus, and more attuned to the interests of policy practitioners: it consists mainly of commentaries on current issues and evidence-based recommendations on policy choices and policy improvements. We show that this orientation is a small but significant component of policy studies in Australia, and is strongly grounded in economic and social evaluation metrics.

While the mix of approaches within academic policy analysis tends to be different in various countries, there have been five main approaches or conceptualisations in Australia, as noted in Chapter One:

1. institutionalist accounts of policy structures and processes, which have remained foundational, including more recent governance-oriented accounts;
2. case studies of policy change, including the role of ideas, stakeholders and leaders;
3. political-economy accounts of the economic drivers and financial constraints that shape policy development;
4. interpretivist and experiential studies of policy work, including examinations of the perceptions and practices of policy professionals inside and outside government; and
5. normative and critical theories of the policy process that emphasise the significance of civic inclusion, participation and communication for the quality of decision-making.

All of these approaches, taken singly or in combination, are capable of generating critical analysis and recommendations for change. Small groups of researchers have aspired to directly influence the policy process by developing their capacities to undertake policy evaluation and to communicate their findings to a range of practitioner audiences. However, while critical approaches to policy studies are common in academia, the motivation and capacity to undertake detailed analytical work (e.g., using statistical analysis techniques suitable for evaluation, modelling and cost–benefit appraisal) are more commonly found in public bureaucracies and consultancy firms. This applied policy work typically uses rigorous approaches to analyse the causal factors underlying the outcomes of policies, programmes and regulatory frameworks. Within academia, this type
of policy work is typically located in specialised research centres, such as the National Centre for Social and Economic Modelling (NATSEM), the Centre for Aboriginal Economic Policy Research, the Melbourne Institute of Applied Economic and Social Research (see Williams, 2012), the Social Policy Research Centre, and the Institute for Social Science Research. The intended audiences for this applied policy and programme evaluation work are the key stakeholders and decision-makers in government, business or the community sector. In some cases, applied policy analysis is channelled into the advocacy and advisory circles within the policy process.

Economic calculus has provided a powerful and persuasive toolbox for the applied strands of policy analysis in Australia, and this orientation has been powerful within the public bureaucracy (Pusey, 1991), as well as in other organisations undertaking policy work. Academic researchers who can deploy these skills are generally more influential with government officials than those using other social science methods. This chapter considers both the academic study of policy and the more applied forms of academic policy analysis, while noting that the former has been the major focus of academic policy research in Australia.

**Historical overview: academic engagement with policy development**

This section sketches the historical context of academic researchers taking prominent roles in government agencies, advisory groups and public inquiry processes, especially in the decades after the post-war reconstruction period and the incremental expansion of investment in the economic, social and management sciences and higher education more generally.

**From the 1920s to 1960s**

The deference to ‘expert’ knowledge that provided the licence for Australian academics to enter policy debate was established in the interwar period. While there were vigorous ideological debates on the Left and the Right, the centre ground was held by ‘new liberals’ – advocates of individual responsibility and enterprise, but with a commitment to state action to promote economic development and to ameliorate adverse or unintended consequences of a laissez-faire orientation to markets (Rowse, 1978; Brett, 2009; Walter with Moore, 2010). They were optimistic about technocratic solutions to social problems. Thus, they called for a new regime of experts to guide Australian democracy, stressing national organisation and national efficiency. Various scientific associations were formed, and the Commonwealth established its own statutory advisory body, reorganised in 1926 as the Council for Scientific and Industrial Research (Macintyre, 2010, pp 14–15). The natural sciences had a certain pre-eminence, but the new liberal advocates of ‘guided democracy’ were social scientists. It was this group that dominated public affairs discussion (especially through the university
extension activities and publications of the Workers’ Educational Association) and that gained a foothold in universities. Its initial advocates, such as Francis Anderson (University of Sydney), Meredith Atkinson (University of Melbourne) and Elton Mayo (University of Queensland), were, at first, preoccupied by the new, interdisciplinary ‘science’ of sociology. However, academic economists who argued for discrete, empirical social sciences soon gained primacy, mentored by R.F. Irvine (University of Sydney), L.F. Giblin (University of Melbourne) and the gifted academic and policy activist D.B. Copland (University of Melbourne), later identified as ‘the entrepreneur of the social sciences in their early phase in Australia’ (Bourke, 1988, p 58).

The close relationships between economists Giblin, Copland, J.B. Brigden (academic and then government economist) and Roland Wilson (academic, government statistician and later secretary of the Commonwealth Treasury) became the pivot of economic thought, policymaking and institution-building in mid-century Australia (Coleman et al, 2006, p ix). In the late 1920s, the interests of Nationalist Prime Minister S.M. Bruce in ‘scientific’ business methods precipitated economic inquiries, commissions and bureaus of economic research staffed by economists, establishing the liaison between political power and the nascent economics profession (Coleman et al, 2006, p 59). The Tariff Inquiry report of 1929, steered by a group including Copland, Giblin, Brigden and Commonwealth statistician C.H. Wickens, established what would become the norm for membership of such inquiries later in the century.

The depression of the 1930s was a factor in the consolidation of economics: Shann and Copland (1931a) published The crisis in Australian finance in early 1931, foreshadowing the Premiers’ Plan adopted later that year, itself drafted by economists and government financial administrators (Alomes, 1988, p 77). Shann and Copland (1931b) responded rapidly to New South Wales (NSW) Premier Jack Lang’s populist attack on the Premiers’ Plan with The battle of the plans, setting the stage for a flood of anti-Lang publications, and articulating the fundamentals of ‘sound finance’. The state and Federal public services, however, remained relatively small; the resort to commissions and inquiries was regular but ad hoc; and figures like Giblin and Copland were active in both initiating and responding to requests by premiers and prime ministers for policy papers. However, it was the advent of the Second World War that spurred both the bureaucratic ascendancy (Encel, 1970, pp 66–79) and the incorporation of academics as consistent contributors to policy deliberation.

Driven by wartime necessity, a national bureaucratic machine began to emerge, overshadowing the semi-detached state administrations (Encel, 1970, p 66). At the same time, academics were recruited to advise on and administer programmes, and to plan post-war reconstruction: ‘By 1942 every economist of note had been seconded to work in the various departments and agencies that directed the war effort’ (Macintyre, 2010, p 32). The Curtin and Chifley Labor governments (1941–49) mobilised the intelligentsia with the promise of harnessing the collective effort needed to manage post-war social reform, hence the emergence of a ‘brains
trust’ in the Department of Post-War Reconstruction under the leadership of H.C. Coombs. Giblin and Copland remained prominent: Copland became Menzies’s official adviser early in the war and later became Prices Commissioner; Giblin chaired a Financial and Economic Committee. Giblin’s protégé, Ronald Wilson, became director of the new Department of Labour and National Service; similarly, other graduates of Giblin and Copland who had been persuaded to enter public service in the 1930s – Mick Shann, H.P. Brown, Jim Nimmo, Dick Downing and Fred Wheeler – were to play significant roles in central agencies, post-war reconstruction planning and the post-war public service.

In parallel, the mysterious Army Directorate of Research and Civil Affairs, headed by Alf Conlon, engaged another cohort of established academics (Keith Isles, W.E.H. Stanner, J.D. Legge, J.K. Murray, Julius Stone and Pansy Wright) and recent graduates who would go on to distinguished public service careers (Arthur Tange, Jim Plimsoll and Ted Hook), as well as others with more controversial futures, such as the young lawyer John Kerr (Sligo, 2013). While its policy impact from within the army is uncertain, it provided another channel for the increasing engagement of academics in politics and government, and the movement of graduates into the public service occasioned by wartime mobilisation. The foundation of the federally funded Australian National University (ANU) in Canberra in 1946, initially as a research-focused institution, indicated the growing importance being attached to expertise that could assist government and enhance national development. Despite the change of government in 1949, when a Menzies-led Coalition defeated Chifley’s Labor administration, with some major changes in the policy agenda (Walter with Moore, 2010, pp 176–208), the enduring fundamentals of the post-war policy framework were hammered out in the vigorous debates of the 1940s in which academics had conspicuous roles.

Many of the academics seconded to service went back to their universities when the war ended; however, many of the young graduates encouraged to enter the public service by their mentors stayed on and became dominant figures in post-war administration. Talented and, in some cases, highly educated (eg Roland Wilson, who had doctorates from both Oxford and Chicago, served as secretary of the Treasury for 15 years), they served Menzies well, paradoxically obviating the need for resort to outside expertise. Menzies’s key advisers were not influential external experts like Copland or Giblin, but his senior public servants (Bunting, 1988, pp 96–127). The Cold War also induced some suspicion not only of academics (suspected of leftist sympathies), but also of the government’s own scientific advisers. The fear that crucial innovations and technologies might be captured by communist sympathisers led to the downfall of Sir David Rivett, who, as director of the Council for Scientific and Industrial Research, had vigorously defended scientific freedom, precipitating its reconstitution as the Commonwealth Industrial and Scientific Organisation (CSIRO), with closer government control of its work and all of its staff subjected to vetting by the national security organisation (Macintyre, 2010, pp 153–5).
The bureaucratic revolution of the 1940s, and the associated incorporation of academics in policy debate, would not be replicated until the late 1960s and early 1970s. It was driven by Gough Whitlam, then leader of the Federal Australian Labor Party (ALP), who sought to reform the party and its policy platform and, after winning government in 1972, implemented an ambitious reform programme. Whitlam's grand plans for addressing contemporary social problems depended on receiving detailed expert advice. While opposition leader, with limited access to policy resources, his private secretary (initially John Menadue and later Race Mathews) began to foster the experts needed for future policy reforms: 'We developed a network of people across most policy areas.... Most were from universities' (Menadue, 1999, p 63). These academic advisers helped Whitlam gain a decisive lead in the policy debates from the late 1960s.

When the ALP won government in 1972, it was sceptical about whether the public service, long accustomed to conservative Coalition government, could adequately respond to its priorities and reform challenges. This scepticism stimulated both its establishment of alternative sources of advice and its commitment to public service reform. Hence, some members of Whitlam's advisory network became incorporated into the new staffing structures, particularly within ministerial offices; some were appointed to positions in the public service; and some remained as occasional advisers or consultants. At the core of the network now was Dr Peter Wilenski, a public servant who, while on leave from his position, had undertaken transition planning for Whitlam, including drafting administrative arrangements, enhanced staffing for the new ministry and ambitious plans for reform of the Australian Public Service (APS) agencies. It was the growth and influence of ministerial staff that gained most public attention. The Melbourne Age spoke of 'an influx of rough-haired young “ideas” men … beyond the control of the monolithic Public Service Board' (28 August 1973). In retrospect, their direct influence on policy was modest, but the impact of competing sources of advice as a means of gingering up debate was significant. At the same time, gender equity had become a major policy issue (Goodnow and Pateman, 1985), with policy reforms promoted effectively by the Women's Electoral Lobby (see Chapter Eight, this volume). Elizabeth Reid, from the ANU, became Whitlam's advisor on women's affairs in 1973, prior to a later career in international development. Under the impact of policy and regulatory reform, a large number of women began to enter the middle and upper levels of the public bureaucracy, as well as leadership roles in the professions and non-governmental organisations (NGOs) (Sawer, 1990).

The 1970s also saw the emergence of a unique federally funded initiative concerned with the structures and processes of government: the Centre for Research on Federal Financial Relations (later the Federalism Research Centre) at the ANU. This centre was led by academic economists, initially Russell Mathews (also a member of the Commonwealth Grants Commission) and Cliff Walsh,
followed by political scientists Brian Galligan and John Uhr. Over a period of 23 years, the centre became a focal point for research and dialogue between senior state and Federal policy bureaucrats and diverse academic researchers concerned with intergovernmental processes and policy arrangements.

Some of the Whitlam government’s most notable policy achievements – for instance, the introduction of Medibank (ie universal health care; see Scotton, 2000) – were dependent on the advice of academics who did not enter government service, but provided advice as needed. Notable examples included health economists John Deeble and Richard Scotton, who were the architects of Medibank. Jerzy Zubrzycki, the foundation professor of sociology at the ANU, was very instrumental in influencing immigration and multiculturalism policy from the 1970s, serving on advisory bodies under Labor and conservative Coalition governments. Others directly entered the public service, such as John Menadue, appointed as secretary of the Department of Prime Minister and Cabinet (PM&C). Pat Troy, an academic at the ANU, became an assistant secretary in the Department of Urban and Regional Development; Wilenski, after having left Whitlam’s staff to become a special adviser to the Royal Commission on Australian Government Administration (RCAGA), undertook several public service and academic appointments before securing (in 1983) a role central to his reform ambitions, Public Service Commissioner. The RCAGA itself, chaired by H.C. Coombs, was another avenue for academic engagement with government (Hazlehurst and Nethercote, 1977).

The Whitlam government’s commitment to policy innovation facilitated the entry into policy processes of an academically oriented, politically engaged group with strong network ties. It was a game-changer in that each subsequent Federal government built on these foundations. These newcomers complemented the work of powerful bureaucratic leaders such as John Crawford, who left an economics lecturing role at the University of Sydney to become a research director in the Department of Post-war Reconstruction in the 1940s, rose to lead the Trade portfolio in the 1950s, joined the ANU as Director of the Research School of Pacific Studies in the 1960s, and became the ANU vice-chancellor in 1968 (Evans and Miller, 1987). Crawford later chaired the Federal government’s Study Group on Structural Adjustment in 1978/79, an important inquiry process that commissioned supporting studies by academic economists such as Peter Dixon and Alan Powell, and that reported in favour of trade liberalisation and lower tariffs.

Coalition governments under Malcolm Fraser (1975–83), at first, professed to repudiate Whitlam’s staffing innovations, but it was notable that Fraser brought key staff from opposition into the Prime Minister’s Office (PMO), including academics David Kemp and Petro Georgiou (initially brought to his attention by former academic, then Liberal MP, Tony Staley). The PM&C had been strengthened as a central policy advice and coordination agency under Whitlam (as suggested by Wilenski, who had recognised that the PMO could not adequately drive policy). Nonetheless, by 1981, it was evident that advisers, including key academics appointed on consultancy contracts, played a significant policy role, including
Cliff Walsh (University of Adelaide), John Rose (University of Melbourne), Owen Harries (University of NSW), John Hewson (University of NSW, working for Treasurer John Howard), David Kemp (Monash University), Petro Georgiou (La Trobe University) and Denis White (Monash University). This was satirised as ‘the return of the eggheads’ (Oakes, 1981). The intention was to marry technical competence with philosophical consistency in the evaluation of policy, rather than to compete with departments. Still, Fraser’s office in particular was a more powerful policy resource than any enjoyed by his predecessors and the names of economic advisers Rose, Walsh and Hewson – along with APS executives such as Ed Visbord and Ian Castles – began to figure prominently in commentary on economic policy.

After 1975, the Federal ALP was determined to avoid the mistakes that had brought down the Whitlam government, and while in opposition (1975–83), it established caucus taskforces both to review its policy agenda and to plan the transition to power. Coordinated by former legal academic Senator Gareth Evans, the discussion feeding into the taskforce reports drew both on informal contacts with sympathetic academics and on former academics who had become opposition staff. When the Hawke Labor government assumed office (1983), it introduced a more formal process for the appointment of ministerial staff (Weller, 1983; Walter, 1986, pp 87–98). Initially, Hawke re-established the practice of appointing bureaucrats in the chief of staff role in his private office (and more generally), and emphasised political experience in other adviser roles – at the time, it was seen as a reversal of the ‘egghead’ trend. Nonetheless, an early survey of Hawke ministerial staffers revealed a startling increase in levels of tertiary qualifications: 89% had at least one degree (cf 65% under Whitlam and 62% under Fraser); 44% had more than one degree (cf 21% under Whitlam and 20% under Fraser; and 8% held PhDs (Walter, 1986, p 119). The expectation of technical competence allied with political sympathy at the minister’s side would not be turned back.

The provision for ministers to appoint consultants, in addition to their staff entitlement, was extended in 1984 and removed from the oversight of the Public Service Board. New ideas about economic reform and the philosophy of New Public Management (NPM) were evident in Finance Minister John Dawkins’ paper on Reforming the Australian public service (Australian Government, 1983). This presaged extensive changes in both the machinery and practices of government. The intention was, on the one hand, for ministers to be able to seek advice from wherever best suited their purposes, and, on the other hand, for the APS to be more flexible and responsive by focusing on policy development and by outsourcing labour-intensive service activities: ‘steering, not rowing’, as the consultants described it. Economic thinking influenced not only the arguments about restructuring the processes of government (NPM), but also the substantive arguments about social and economic policy (Pusey, 1991). Academic economists advising the Hawke and Keating governments (1983–96), such as Fred Gruen, Ross Garnaut, Bob Gregory, Bruce Chapman, Glenn Withers (all from the ANU) and Barry Hughes (Flinders University), were influential in
public debates about the reform process. A major study of social policy at that time indicates the frequent involvement of academics, often as consultants, as key players alongside politicians, public servants, staffers and others in policy initiatives (Edwards, 2001). By the mid-1990s, two trends were evident: a sharp increase in the number of reported consultancies within the APS, from an average annual figure of 702 during 1983–85 to 5,212 in 1993/94; and a rise in the consultancy-to-staff spending ratio (Howard, 1996a, 1996b). Of course, not all consultants were academics: private firms gained the majority of contracts. Nonetheless, consultancies would henceforth constitute an important entry point for academics willing to engage in the policy process.

The Howard Coalition governments (1996–2007) were less conducive to academic engagement, for four reasons: suspicion of academics as self-interested rent-seekers; scorn for an intelligentsia perceived as Labor partisans; a belief that technocratic state intervention had been superseded as market solutions continued to emerge; and a preference for the PMO and other ministerial offices to be focused on politics rather than policy. There were several debates in which Howard drew on conservative academic argument to make a point (eg Geoffrey Blainey’s term ‘black armband history’) or welcomed a coterie of dissident researchers to challenge what was seen as the academic establishment (as in ‘the history wars’; see Macintyre and Clark, 2003), but these were often arguments about cultural identity rather than policy. An initial pledge to reduce staff numbers saw Howard reduce the use of contracted ministerial staff, but private office staff numbers later grew again: by 2006, Howard had the biggest PMO ever seen (47 staff, compared to around 30 under Keating and 20 under Fraser) and the ministerial staff establishment had increased from 294 in 1996 to over 444 in 2006 (Tiernan, 2007, p 111). Such staff were intended to be activists, driving the government’s agenda, rather than experts. It was also the age of partisan think tanks, which seemed increasingly influential in policy debate.

The Coalition in 1996, like Labor in 1972, was suspicious that the bureaucracy had been politicised by 13 years of Labor government. Six departmental secretaries were removed when Howard was first elected, provoking uneasy relations with the APS. There was increased emphasis on the contestability of advice. Howard appointed a cabinet secretary separate from PM&C, who was also responsible for a Cabinet Policy Unit; the new secretary of PM&C, Max Moore-Wilton, came from outside the service. Along with the PMO, these gave him three streams of advice. However, the emphasis on loyalists in such positions meant that policy content and policy analysis gradually came to rely again on the APS departments. Howard’s second appointment as secretary of PM&C, Dr Peter Shergold (2003–08; formerly an economic historian) came from within the service, and proved forensic and disciplined and an enthusiast for the big picture, but concerned that policy advising was informed by evidence, as well as shaped by the political climate. There was, then, towards the end of the Howard era, a renewed emphasis on evidence-based policy and expert input, much supplied through the APS (consultants employed within PM&C, for instance, increased
from 73 in 2005/06 to 108 in 2006/07). There was some capacity for academics to engage with government through departments, and academic research bodies continued to contribute through programme evaluation contracts. However, political preferences could skew research: commissioned reports, for instance, could not refer to ‘poverty’ because ministers did not want to acknowledge this as a policy issue (Saunders and Walter, 2005, pp 4, 8, 14–16); and feminist scholars spoke for many academics dealing with government when they referred to the demand for ‘ideological bilingualism … speaking one language (managerialism and economic rationalism) while thinking another’ (Bulbeck, 2005, p 149).

When Kevin Rudd led the ALP to power again in late 2007, it seemed to indicate an entry point for academics to the policy centre. One of his first initiatives was an ideas summit, Australia 2020, intended to ‘help shape a long term strategy for the nation’s future’ (Davis, 2008). It drew a thousand delegates to Canberra, many of them academics, and its 10 working groups generated many recommendations. Yet, despite some substantive outcomes (eg the national disability scheme and the Henry tax review), the 2020 summit ‘provided a paradigm for much of the activity in Rudd’s term of office…. His rhetoric inspired and enthused voters. And yet … nothing happened’ (Stuart, 2010, p 9). Rudd was constantly searching for ideas, and influential academics once again came to public notice. Ross Garnaut, for instance, was commissioned to advise on market-based strategies for reducing greenhouse gas emissions (Garnaut, 2008). However, much of his recommended scheme in relation to carbon pricing was whittled away in political bargaining, as Rudd and later Julia Gillard sought to appease powerful interests (Beeson and Stone, 2013; Crowley, 2013). More generally, the difficulty was not only that Rudd wanted everything to be funnelled through his office, but also that, having received advice, he wanted to rethink things for himself (Button, 2013). This also tended to apply to ideas commissioned by his ministers. The logjam thus created saw many initiatives founder. It was this sort of chaos that led to Rudd being deposed by his deputy, Julia Gillard.

Given the minority government status of Gillard’s term (2010–13), a pragmatic style was required. Departments both provided and commissioned research. Academic entry points were in the process of being restored. An extensive legislative agenda was pursued, and much of it passed in Parliament. However, she failed in the key role of ‘communicator in chief’ for her cause and, under pressure from a relentless opposition, and with internal destabilisation (by Rudd supporters) within her own party, there were several policy fiascos, leading to electoral defeat (Walter, 2013).

It appears that Tony Abbott’s Coalition government, elected in 2013, shares the former Howard government’s scepticism about academic engagement and a preference for politically sympathetic loyalists, climate-change deniers and ideologically aligned think tanks over professional experts. It does not canvass new ideas, but professes a commitment to ‘business as usual’ (Walter, 2014). The reliance on conservative consultants and the continued outsourcing of research by APS agencies will probably continue to bring selected academics into the
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‘policy tent’. However, the dismissal of science advisory bodies such as the Climate Commission, and widespread cuts in research budgets, indicated that the government would selectively favour types of expertise that closely aligned with its stated mission.

Are there research-intensive policy domains?

Reflecting on several decades of academic social science and its relationships with public policy decision-making, it is possible to discern some policy areas that have had a higher propensity to draw upon and invest in academic research. The comparative analysis of policy fields remains seriously underdeveloped. We suggest some indicative examples in five fields: environment and natural resources policy; health services policy; social security; housing; and vocational training.

In relation to environment and natural resources policy, researchers in the biophysical sciences supply the database concerning underlying trends (eg in pollution, ecosystem health), informing government and the public about problems requiring policy attention. This research base has enabled the production of ‘State of the environment’ reports at state and national levels since the 1990s. However, the debates on policy responses have often been hotly contested, and the development of policy frameworks has required interdisciplinary and integrated policy advice from across the sciences (Dovers and Wild River, 2003; Stewart and Jones, 2003; Ross and Dovers, 2008; Dovers, 2013). Academic researchers in the economic and socio-political sciences have been active in providing advice about the nature of environmental problems, effective policy options and good policy development processes to improve programmes and promote community acceptance of change (Crowley and Walker, 2011). For example, academic experts have been heavily involved in advisory bodies tackling major issues such as: (a) climate change policy responses (eg the Garnaut inquiry in 2008 to recommend an emissions trading framework; the Climate Commission of 2011–13, whose role was to provide authoritative public information on climate change); and (b) the restructuring of water governance in the Murray-Darling Basin, a process that required many years of socio-economic and environmental assessments (Hatton and Young, 2011). Some academics have readily embraced roles as policy advocates, such as Tim Flannery’s work on climate change and Ian Lowe’s work with the Commission for the Future in 1988 and later as president of the Australian Conservation Foundation.

In relation to health policy and systems, the scientific prestige of the health sciences has been very influential in securing large public investments for medical research aimed at mitigating diseases. The National Health and Medical Research Council administers a large research fund, which, until recent years, was not readily accessible to community health researchers. The challenge of combating the HIV/AIDS epidemic in the 1980s triggered a long process of legitimating research on preventive approaches, led by academic researchers working closely with health bureaucrats. The large growth in the incidence and the cost of
chronic medical conditions (especially those, such as diabetes and obesity, linked to lifestyle rather than virus infections) has recently triggered direct funding towards preventive approaches (Baum, 2008). Indeed, the Rudd government in 2008 established a National Preventative Health Taskforce, led by academic researchers such as Rob Moodie and Mike Daube, with a mandate to develop strategies to address alcohol, tobacco and obesity issues. More broadly, academic experts have heavily influenced the issues of health insurance and health system efficiency. The arguments for national health insurance (Scotton and Deeble, 1968) led directly to the Medibank scheme established in the mid-1970s, and later governments contemplating major changes to this scheme have encountered strong popular resistance (Scotton, 2000).

Social security policy has arguably been the largest area for public investment in social research in modern Australia. With Federal responsibility for the income security system since 1946 (established by a constitutional referendum) and with the steady growth of welfare state services through to the 1980s, income support payments and associated social service programmes came to occupy a large proportion of the Federal budget. The Department of Social Security (under various names over this period) developed strong internal capabilities in data collection and options analysis. Contracted research was also sourced in university centres such as the Melbourne Institute of Applied Economic and Social Research, which had played a large role in the Poverty Inquiry (Henderson, 1975). From 1980, a stream of public funding was provided to build additional social research capacities outside the Department of Social Security by establishing a dedicated research programme through the Social Policy Research Centre at the University of New South Wales, referred to earlier. After two decades, this stream of research funding was opened up to limited tender among several university research centres. Under the Hawke Labor government, the Social Security Review of 1986–89 was led by academic Dr Bettina Cass, and entailed substantial collaboration between the Department of Social Security and various external research groups (Bryson, 1994). Specific strategy reviews on policies to address child support, youth allowances, higher education contributions and long-term unemployment were able to draw on academic research and provided entry points for key academics to become involved in working groups closely linked to decision-makers (Edwards, 2001). An independent Federal agency, the Australian Institute of Health and Welfare (AIHW), was established in 1987 to consolidate high-quality information on trends and programmes in these large areas of Federal expenditure, providing key data for academic and government researchers and career opportunities for highly trained social analysts. Two APS departments have also invested in the development of longitudinal data sets – variously concerned with children, youth, households and indigenous well-being – whose management and analysis is largely contracted to university centres.

Housing research has been closely associated with social security and welfare concerns, but state housing authorities have been the main players in post-war housing policy. Hugh Stretton (University of Adelaide) was an influential
commentator influencing these debates, and served on the South Australian Housing Trust. The role of the Federal government became more extensive in the 1970s and 1980s, with Federal grants to address social housing for vulnerable groups (such as temporary accommodation facilities for victims of domestic violence). Research funds accordingly began to flow from Federal, as well as state, agencies. The ministerial council of state and Federal housing ministers began to coordinate research priorities for a proportion of this investment, despite ideological differences over the appropriate role of markets and the private sector in managing housing stress. In the mid-1990s, a consortium of university research centres established the Australian Housing and Urban Research Institute (AHURI); after extended negotiations with government agencies, it became an independent not-for-profit company in 2000, funded by governments, with a mission to promote evidence-based housing policy research and coordinate a substantial competitive pool of public research funds. The AHURI has commissioned dozens of reports each year, amassing one of the most significant archives of policy-relevant social research (Jones and Seelig, 2004).

Research on the vocational education and training (VET) sector has undergone several major changes in recent decades, following the erosion of state monopolies in the provision of technical education and the opening up of the training sector to a very wide range of providers. A national centre to coordinate research and development was established in 1981, which evolved into the National Centre for Vocational Education Research (NCVER), a not-for-profit company owned by the Commonwealth and state and territory ministers responsible for vocational education and training. Its purpose is to provide high-quality independent information on VET. It collects, analyses and communicates VET statistics and survey data, manages a longitudinal survey of Australian youth, manages a competitive research programme, and undertakes commercial consultancies. Academics play significant roles in this research programme. The intended audiences for this work are deliberately diverse: public agencies, training organisations, business associations, skills councils and researchers. The question of research impact has long been a concern for researchers in this area (eg Selby-Smith et al, 1998). The fast-changing institutional context (especially the increasing role of private sector providers) has made the relationship between research and policymaking even more difficult to untangle.

While the varied patterns evident in different policy sectors are not fully understood, a number of interactive factors have served to encourage both the continuing supply and ongoing usage of social research. Three patterns are evident in Australia. In some cases, governmental policy systems come to recognise an issue as having long-term significance – hence, the need for accurate information and advice becomes institutionalised through systems for data collection and analysis; the issue might then become linked to a large programme that requires monitoring and evaluation as circumstances change; and academic research centres develop capacities not only to supply relevant reports on trends and options, but also to participate in expert advisory groups and policy networks. By contrast, in
some other policy areas, the attention cycle is limited: the level of investment in social research may grow rapidly for a period but is not sustained, either because a new government has different ideological preconceptions (eg the rise and fall of research on multiculturalism; see Jupp, 2007; Koleth, 2010) or because the relevant industry sector becomes deregulated and research becomes subject to user-pays and market forces. In yet other policy areas, a sustained campaign of evidence-informed policy advocacy by researchers and practitioners may generate major policy changes, as in the field of early childhood education and care in the decade since 2000 (Head and Stanley, 2007; Wong and Press, 2012). The potential involvement and influence of academic researchers in various fields also depends on the incentives and rewards for undertaking certain types of research.

Incentives and limits of policy-relevant research

The university system in Australia has generally deployed a traditional structure of incentives that reward academic research and publishing in high-status academic journals rather than undertaking problem-oriented applied research directed at practitioners and industry partners. This orientation has been reinforced by a preoccupation with ‘research quality’ in particular disciplines, which translates into status rankings among the universities, nationally and internationally. Research quality, as assessed by academic peers, may be contrasted with the growing demands for research relevance, which might be judged by other criteria such as the extent of engagement with industry or community groups, and the capacity to demonstrate research uptake and learning by third parties.

The range of competitive research funding options available to academics has broadened in recent years. A few traditional sources of research funding remain available for any topic, including theory-driven and basic research (eg ARC [Australian Research Council] ‘Discovery’ projects), while several newer schemes are aimed at encouraging various forms of applied research, requiring an external research partner and a mix of contributions from government, industry or community partners (eg ARC ‘Linkage’ projects; Cooperative Research Centres). Consultancy work has also been used increasingly by academic research centres to supplement their revenues and to build closer links with specific governmental or business organisations.

The growing expectation that academic research projects should attempt to demonstrate ‘value’, from the perspective of external research users, is a double-edged development. On the one hand, accountability for the use of public funds is necessary and desirable, and the involvement of stakeholders could help loosen the ‘ivory tower’ aspects of peer-review systems for judging quality and could help forge productive links with practitioners who are themselves experts in their various fields. On the other hand, it is unrealistic and undesirable to establish a research assessment system which assumes that every project can have an agreed specific impact on external audiences. A debate is needed about what kinds of influence can reasonably be expected from policy-relevant research projects.
Three major complications are worthy of attention. First, there are several diverse audiences or potential users of research: policy bureaucrats; political leaders and their advisors; business and community organisations; and media commentators. Their perspectives are likely to be different. Second, it is often very difficult to attribute influence to a specific research product (e.g., a report or article). International studies have shown that impacts may arise from multiple causes, and programmes of research over a lengthy period might be more significant than a specific component project (Johnson and Williams, 2011).

Third, as Carole Weiss (1980: 381) has argued:

knowledge that derives from systematic research and analysis, is not often ‘utilized’ in direct and instrumental fashion in the formulation of policy. Only occasionally does it supply an ‘answer’ that policy actors employ to solve a policy problem. Instead, research knowledge usually affects the development and modification of policy in diffuse ways. It provides a background of empirical generalizations and ideas that creep into policy deliberations.

Weiss (1979) also made important distinctions between direct and indirect forms of influence, and drew attention to symbolic and political uses of research for partisan purposes. The conclusion to be drawn from these points is that research may be part of the knowledge mix but is seldom capable of contributing in a direct and instrumental way to policy change and innovation. Research may be entwined in the threads of policy argumentation but cannot attain a privileged standing in the robust debates and compromises of everyday policymaking (Head, 2013).

**Conclusion: can the ‘gap’ be bridged?**

Expert knowledge has long provided access to policy circles for academics that wish to play direct and indirect roles. Economists, in particular, have served as policy entrepreneurs since the 1920s. That said, however, academic researchers generally value their independence and wish to preserve their capacity for critique. Their critical commentaries—from industry policy to social and environmental policy—have not always been appreciated by policy advisers and decision-makers. Nevertheless, a growing number of policy-related academics, across a broad range of disciplines, are now seeking to develop closer links with the policymaking process, and to cultivate opportunities for interaction with advisers and decision-makers (Head, 2015). The ‘two communities’ interact but do not merge; the organisational cultures and incentives are distinctive; but considerable work has been undertaken to explore improved methods of communication and interaction. There is an increased level of interest in the role of policy networks, forums, online policy sites and ‘boundary organisations’ in widening the channels for communication and the exchange of ideas (Saunders and Walter, 2005; Cherney...
et al, 2012, 2013). Government agencies have funded some experiments in improved research translation and clearing-houses for research findings.

We conclude that while most academic writing about public policy in Australia has focused on the study of policy processes, there has been an enduring interest in identifying policy solutions and advocating specific policy changes. Academic explanation of policy evolution and policy reform has enriched the teaching of policy programmes, as well as providing publications in academic journals. Understanding the growing opportunities for academic involvement in policy discussion provides a basis for more effective interventions in contemporary issues. More can be done to promote interchange of personnel and of ideas between policy-active academics, public servants and NGOs that might benefit from such exchanges. Policy blogs, such as The Conversation, are becoming more numerous and influential, but blogging has not yet become a mainstream activity for policy academics. Pushed by the competitive pressures to demonstrate ‘relevance’, more policy academics may gain experiences beyond the university sector, and more opportunities may emerge for working alongside professionals in other sectors.

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