

## CONCEPTUAL DEBATES ON POLICY PROCESS AND LAW MAKING POLICY IN THE AUSTRALIAN PARLIAMENT

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### 1. Introduction

Policy making is a vast and complex process that involves different institutions and individuals in its different phases. Different aspects of policies are dealt with by different institutions within its policy community. The paper concentrates its analysis mostly on the issues of policy process and explains them by the practical examples of Australian policy making process. It illustrates the major conceptual debates on policy process, which includes relation between ‘government’ and ‘governance’, coordination between ‘networks’ and ‘governance’, difference between ‘top-down’ and ‘bottom-up’ models of policy process. It also highlights the debates on policy choices and explains the role of ‘policy communities’ and ‘policy networks’ in the policy process. With a brief background on these conceptual issues, the paper emphasises on the Australian national policies and seeks to analyse the role of Parliament House in the policy making process as the ‘policy house’ of Australia. The overall process is then analysed with the contemporary theories of policy process.

### 2. The Conceptual Debates on Policy Process

Policy making is a vast and complex process that involves different institutions and individuals in its different phases. Different aspects of policies are dealt with by different institutions within its policy community

#### 2.1. ‘Government’ and ‘Governance’

The ‘government’ and the ‘governance’ are equally essential in the policy process. Governance is the process as well as a system where individuals and groups manage their common affairs, whereas government is a part of the whole process. Government is often called an agent of the governance process. However, how the government should be treated within a governance process depends on the type and the role of the government that is prevailing in the governance process.

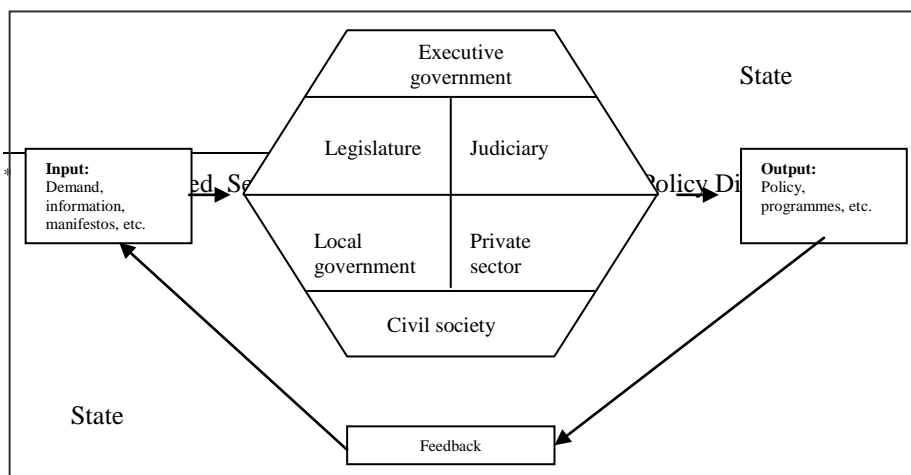


Figure 01: Governance Process and the Government within the State

The definition of *governance* by itself elucidates the difference between government and governance. Governance is the initiation of activities, management of resources, organisation of individuals by the groups, communities, institutions, branches of states through social, political, administrative and economic arrangements to achieve a common goal. Thus, governance includes the three branches of state that is the legislature, judiciary and the executive. The executive is often called the government. However, these branches of state sometimes overlap depending on the policy and system of government. For example, some executive like Magistrates work as the part of judiciary and the members of the legislature works as the executive.

There are lots of structural and conceptual differences between the both. Governance is the whole processes and there are governing agents other than the government, for example, local government bodies and the civil society. Figure 01 shows the different actors within the governance process. Effectiveness of governance depends largely on the type of government. Governing capacity of the government produces governance and at the same time a good government may evolve from a good governance process. Even theoretically, formal government may become insignificant if self-governance within the civil society is developed. Hence, governance and policy process are inter-linked while government is just a part of the whole system.

## 2.2. 'Networks' and 'Governance'

*Networks* are the interdependent actors involved in service delivering and governance is the coordination and management of those networks. Governance is characterised in different forms. Some denote governance as social-cybernetic system, to some it is public management and one

popular form of governance introduced in Britain is 'self-organising networks'. Networks are the special purpose bodies that deliver services and coordination of these networks is based on mutual trust and interdependence. Governance in this process is more decentralised than the delegation process of local government system.

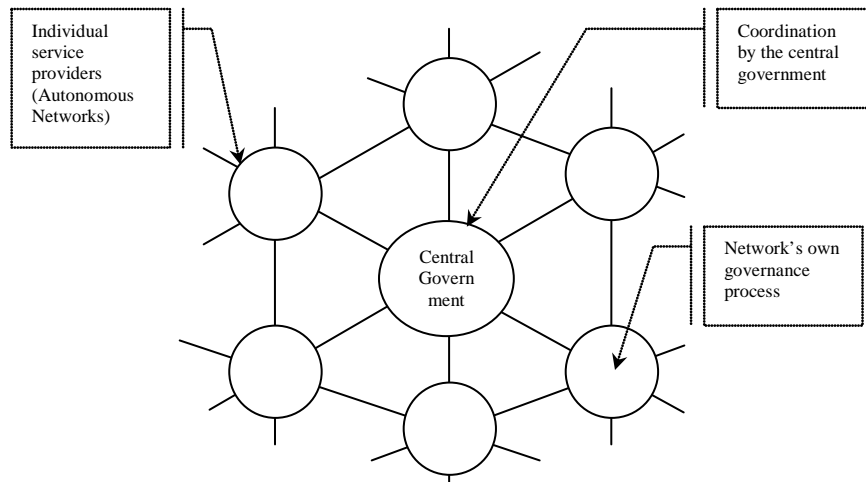


Figure 02: Networks and Their Governance

The governance is to some extent limited in this process as the networks are self-organising and self-governing. In this process the government acts as a coordinating actor among the various state and non-state actors of social system. However, the autonomous bodies left little scope for the government to deal with. Autonomous networks are controlled by self-responsibility, trust and reciprocity. There are individual governance systems in each network and they are governed and coordinated by the central government. Thus, central government acts as the governor of self-governing networks. In other words, it is the governance of governances.

### 2.3. 'Top-down' vs. 'Bottom-up' Models

Different views in accumulating the different stakeholders into the policy-making process have made the distinction between top-down and bottom-up approaches of policy implementation. Top-down approach lets the central government to set an agenda and then involves the field level actors in the implementation process. On the other hand, the bottom-up approach ensures the active involvement of the field-level network of multitude actors in the policy process. However, neither of these approaches is absolutely right nor wrong, moreover they are applicable to different policy environments.

The primary point of disagreement between these two approaches is their initial focus. Top-down approach's initial focus is on a central decision making body (e.g. central government). Bottom-up approach initially focuses on the operational level network of multitude actors (e.g. local government, private sector). Though the top-down approach is criticised for ignoring other actors, however, some theorists of top-down approach encourage integration in the policy implementation process, not actively in the policy making process.

Thus, the process of policy making and implementation is also different in these two theories. Top-down approach starts with a policy design or goal and then sets the activities to accomplish that objective. However, in bottom-up approach the local level stakeholders interact with each other to find out a best solution for their problem. Government is sometimes seen as a coordinating actor of the whole process, not as the controlling authority.

Furthermore, the debate continues about the separation of policy making and policy implementation too. Top-downers first make a policy and then set the second phase as policy implementation. Bottom-up approach sees policy-making as an integral part of policy implementation. However, there is debate about the significance of this distinction. These two approaches are suitable for two different policy environments. Top-down approach can be applicable where there is a central policy prevailing and more importantly, where there is a need for national coordination. Bottom-up approaches suites well where many interactive actors are involved. Involvement of government and bottom level stakeholders can be put on a scale where the degree of dominance of the two will depend on the nature of the issue and its surrounding environment. Thus, a two-way approach that involves both local level actors (to come up with their own ideas about their own problems) and central government (to coordinate) in the policy process can help minimise this policy debate.

#### **2.4. Debates on Policy Choices**

The '*Garbage Can*' model of Cohen, March and Olsen<sup>1</sup> was a breakthrough in the theoretical debates on policy choices. The unconventional model disconnected problems, solutions and decision-makers from each other where specific decisions do not follow an orderly process from problem to solution, but are outcomes of several relatively

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1 See Cohen, M.D., March, J.M. and Olsen J.P. (1972). "A Garbage Can Model of Organizational Choice" *Administrative Science Quarterly*, Vol. 17, No. 1. (Mar. 1972), pp. 1-25.

independent streams of events within the organization.<sup>2</sup> Later on, Kingdon and Sabatier contributed the '*Policy Stream*'<sup>3</sup> and '*Advocacy Coalition Framework*'<sup>4</sup> with alternative models of policy choices. To Cohen *et al*, organisation determines preferences through actions rather than act on the basis of preferences. Kingdon, being more explicit, suggested that problems are identified through their indicators (e.g. government report and data), different events (e.g. disasters) and feedbacks of current programmes. To him, ideas are floating like a 'primeval soup' when some float to the top of the agenda and others fall down. According to Sabatier, problems are identified and prioritised by the opinions of pressure groups (advocacy coalitions). Hence, in identifying and prioritising the problems, the difference between the three theories is with their explicitness.

The major similarities between the theories of Cohen *et al.*, Kingdon and Sabatier are that they focus on how organisations find out alternative solutions to different problems and how policies are taken for problem hierarchy with limited time and resources. On the other hand, the major differences are that all these theories have different views on sorting problems and prioritising solutions. These models can be analysed by their approaches to different aspects of policy process, i.e. problem identification and prioritising, finding solutions, participation, etc.

In distinguishing the solutions, the theorists are more reciprocal. According to the Garbage Can model, some problems are attached with solutions and others are solved in a given time with the interactions and combinations of organisational choices, accessible problems, and available solutions looking for problems and emerging importance. Organisation acts on trial-and-error basis and learns from its past activities. Sabatier makes a similar approach saying that policy coalitions learn from the experience of change and readjust their policy ideas. However, Kingdon liked the 'solution-attached-problems' of Garbage Can model; however, he suggested that recognition and definition of problems (stated above) affect outcomes significantly. From the participatory points of view, all these theories signify a pluralist approach. According to Kingdon, policy process

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2 Daft, R.L., and Weick, K. E. (1984). "Toward a model of organizations as interpretation systems". *Academy of Management Review* Vol. 9, No. 2, pp. 284-295.

3 See Kingdon, JW, (1995) *Agendas, Alternatives and Public Policies*; second edition, New York: Harper Collins College Publishers.

4 See Sabatier, P. (ed.). (2000). *Theories of the Policy Process*. Boulder, CO: Westview Press. and Sabatier, P. (1988). "An Advocacy Coalition Model of Policy Change and the Role of Policy-Oriented Learning Therein". *Policy Sciences* Vol.- 21 (1988), pp. 129-168.

works in the environment of policy communities and takes into account the national moods, organised political forces, fragmented minority groups, etc.<sup>5</sup> Sabatier refers to the dominance of elite opinion in the decision-making process.<sup>6</sup> However, the multiplicity of advocacy-coalitions in the policy subsystem gives an idea of *policy community* as denoted by Kingdon.

Another distinction between Kingdon and Sabatier is that Kingdon composed three separate streams of policy process, i.e. problem, policies and politics. On the other hand, Sabatier disagrees in putting 'agenda setting' separate and suggests a comprehensive *system* of process where different subsystems interact with each other. Cohen *et al.* sketched a metaphor of policy process with their Garbage Can model and by analysing it; Kingdon suggested a more elaborated model with specific emphasis on different stages of policy process. Though, Sabatier tried to tie all the ideas to make a comprehensive theory of policy process. More interestingly, all these theories are made to be applicable in a decentralised *pluralist environment*, where government interacts with other actors of policy communities.

The theories as denoted by Cohen *et al.*, Kingdon and Sabatier are more likely to be suited in a pluralist environment of parliamentary democracy like Australia's than a centralised government system. Many different aspects and ideas of these theories can be found in both US and Australia type policy process where the government has to deal with all the ever-growing problems with its limited resources and time frame in accordance with the *policy communities*. However, these theories are less effective in centralised decision making process mostly seen in autocratic governments and rarely in Australian and US systems too.

Such as the Garbage Can model, every country has its problems looking for a suitable solution. On the other hand, countries have some readymade solutions waiting for problems to be occurred. For example, reserve army to face enemy. Sometimes the government tries to solve new *brand-less* problems by putting them in existing solution cans till a new and more suitable can is made. For example, Howard government is defending SARS virus with existing health service dismissing the demand for any new institution.

Comparable to the policy stream model, countries like Australia identify their problems through different indicators (e.g. inflation rate),

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5 Kingdon, *ibid.*

6 Sabatier, *Ibid.*

events (e.g. Bush-fire) and feedbacks (e.g. Governor General issue). Floating issues like ageing, unemployment supersedes one another to be the top to the decision makers' eyes. Policies are made in accordance with the national moods, organised political forces and other fragmented agents of policy communities.

Advocacy coalition is mostly common in a parliamentary government where different political parties and their subgroups make a policy subsystem (e.g. ALP, ALP at ANU). Elite groups are always influential in the decision making process. Businessmen and top-level lobby groups try to influence the policy to their way. However, the real world does not always follow the theories. Decisions are sometimes made centrally both in Presidential and Parliamentary systems, for example, the decision of Iraq War by US and Australia. Some features like the emergence and identification of problems are almost universal to any kind of government system whereas others like the participation process are different in different government systems. However, in a broader sense, these theories are applicable to both parliamentary and presidential systems as long as the system is decentralised and pluralist in nature.<sup>7</sup>

## 2.5. 'Core Executive' and the Cabinet

The concept of 'core executive' gives a complete understanding about the institutional and procedural network, which is often *represented* by the 'cabinet'. The cabinet plays the pivotal role in bridging the two policy processes- political decision making and administrative implementation. However, the role of the cabinet could not be performed without the active support of its linked divisions, institutions, procedures, people and networks. So, the concept of 'core executive' elucidates the whole picture of cabinet's role in the policy process.

The main role of the cabinet is to work as the central hub between the legislative and executive parts of government. Among the others, the major role includes: *firstly*, to deal with the policy issues and provides policy directions, *secondly*, to coordinate different ministries, divisions and linked agencies to synchronise the development process, *thirdly*, to budget and allocate the resources among the development alternatives, and *fourthly*, to manage domestic and international crisis and disputes including inter-ministerial conflict and even war. However, most of these roles played by the cabinet are done within the frame-work of the core executive. *Core executive* is the central network of the government that includes the prime minister, ministers and their advisors, secretaries, senior officials and

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7 See Cohen et al, *ibid*.

personnel, surrounding committees, linked institutions and procedures to coordinate the whole administrative and policy process (see figure 03).

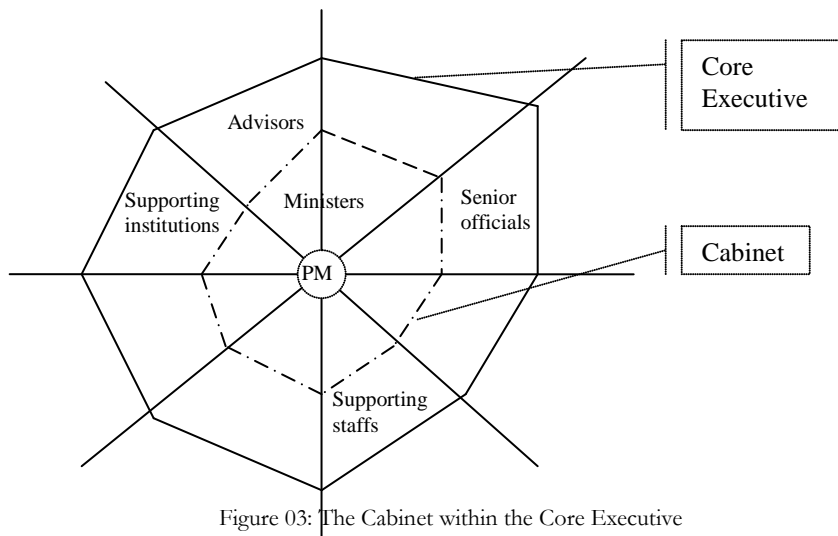


Figure 03: The Cabinet within the Core Executive

It can be argued that the core executive functions as the central network in the governing process with broad political and administrative role whereas cabinet plays the pivotal role as the supreme axis in the policy process.

## 2.6. Interest Group and 'Issue Groups'

Pressure group is the assemblage of individuals who are legally organised to influence the policy of the government in a local or international level to achieve a common goal. Based on the professional involvement, level of access to the government, work area and type of interest, pressure groups can be categorised in different varieties. *Issue groups*, however, are distinct from these varieties as their type of establishment and focus is different.

Based on the area of profession, pressure groups have four major varieties:

- *Producer groups*: Organisations of individuals who are involved in the production functions of the mainstream economy. Workers (trade unions, e.g. Australian Council of Trade Unions) and employers (e.g. Business Council of Australia) both form these groups.
- *Welfare state client groups*: Organisations of representing individuals who receive benefits from different activities of a welfare state, which include



health, housing and education. People suffering from diseases (e.g. dumb people's union) or particular beneficiary groups (e.g. aged pensioners' union) are also involved in this category.

- *Welfare State Provider Groups*: Organised by the people involved in providing the services of the welfare state. These groups include health and education providers (e.g. Medical Associations) and other welfare agencies.
- *Other Professional Groups*: Organised by the rest of the professional groups (e.g. Lawyers Association, Association of Chartered Accountants).

Issue groups are considered distinct from the pressure groups. Unlike the pressure groups, the political formation of the issue groups does not take into account the professional involvement of its members. Members of any pressure group can join the campaign of an issue group. A pressure group is more like a narrow-focused organisation with members of common background (e.g. businessmen, doctors) whereas an issue group is more like a broad-focused campaign with members of different background having a common agenda (e.g. environmentalists movement of Green Peace).

Keeping the issue groups distinct, pressure groups, however, can also be categorised as *insiders* or *outsiders*, *sectional* or *promotional* and local, national or international on the basis of their level of access to the government, type of interest and work area.

## 2.7. 'Policy Communities' and 'Policy Networks'

*Policy communities* describe the interactions of people with a common background playing distinctive roles with a common interest in a particular policy field. Policy networks are the 'webs of relationships' among different groups and individuals within the policy communities. Thus, policy communities and policy networks are interrelated within the interactive and interdependent subsystems of policy process.

Policy communities are made up with groups and individuals on a particular policy issue who help and depend on each other to accomplish their common interest. In a particular policy process, pressure groups interact with government officials, hires lobbyists and consultants, ministers deal with group leaders, officials work for the pressure groups, group leaders work in the advisory committees- thus, a number of groups, institutes and individuals interact with each other and together they form a policy community. This may include the members of pressure groups, government officials, ministers, lobbyists, consultants, journalists, and interacting individuals of a common policy field.

The relationship between the policy communities and policy networks is unresolved. To some thinkers, network is the main concept in policy and communities are the different types of network.<sup>8</sup> To others, policy network is the *linking process* within the community.<sup>9</sup> A policy network consists of direct or indirect interactions among the groups and individuals. So, communities are the group of actors with common interest and networks are the interactions among those actors within the same policy field.

**2.8. ‘Pluralist’ Theory of Interest Groups**

*Pluralist theory*, one of the mostly discussed mainstream theories of interest groups and social movements, is based on the representative notion of power structure and policy- making process. According to the theory, counteracting interest groups within a representative power structure ensure the balanced policy process. However, changing conditions of the world politics and economy, emergence of corporate power holders, existence of the powerlessness of people, etc. have made this theory partial or incomplete to implement at this time.

The main elements of pluralist theory are the dispersed political power, open decision-making structure and representative interest groups. According to this theory, power is not centralised and the decision-making bodies are open to take any suggestions/influence from the interest groups. In such an open structure, the ‘kaleidoscope of shared interest’ among the democratic citizens provides the basis of the organisation of such interest groups. According to Madison, in this representative national structure, interest groups should be separated to counteract with each other to maintain the power balance.<sup>10</sup>

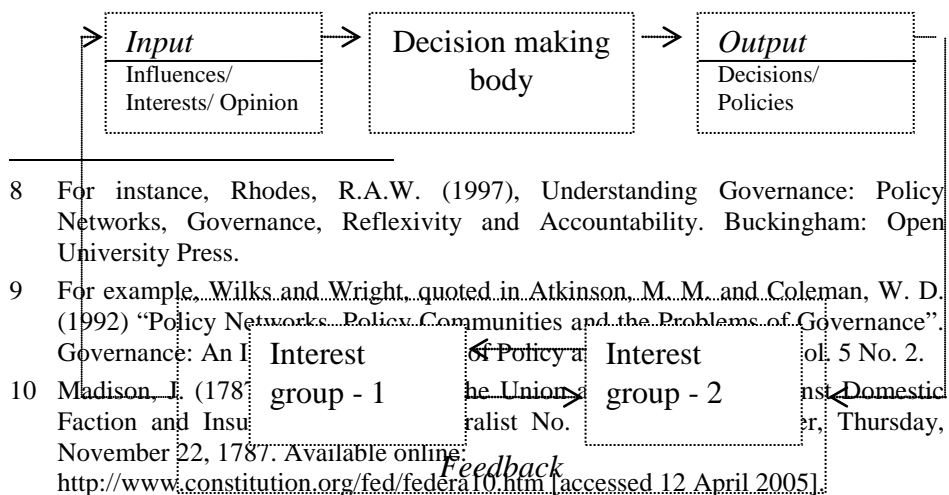


Figure 04: Structure of Pluralist Theory

Pluralist theory is criticised for its *ceteris-paribus*<sup>11</sup> preconditions of application. Firstly, it is applicable for the interest groups of a particular society with a given political structure and tradition, but is not applicable to other societies. Secondly, it does not explain the role of powerless or lower socio-economic status people who stay outside the political process. Thirdly, the theory is based on the notion of representative power structure, which does not take into account the different ways by which power is exercised. For example, the influence of the 'haves' and 'haves not' are not the same. Even two pressure groups may have different level of ability and resource to influence the policy. Fourthly, the theory becomes less effective as the state officials (bureaucrats) now have more autonomy over the policy process. Finally, with the emergence of corporatism, the role of pressure groups has entered into a new dimension where a single company or group of companies can exercise enormous power creating social inequalities. Pluralist theory cannot address these problems.

A socio-political theory is made in the context of a particular space and time frame. Pluralist theory could efficiently analyse the non-ideological American politics of its time, but for today's society it is incomplete. However, it left a good political base of thought for its subsequent theories like public choice and others.

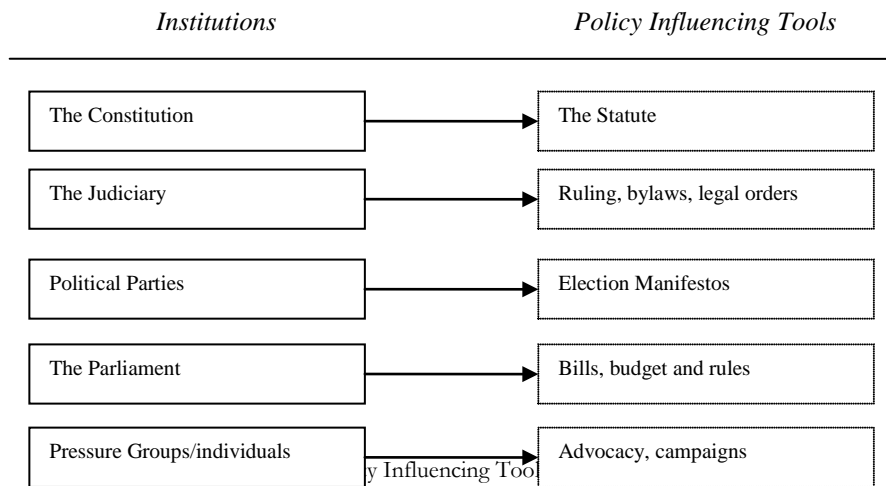
### **2.9. Actors of Policy Process**

Policies are made and run by a multifaceted policy community; among others, which also includes the constitution, the parliament, the judiciary, political parties, government institutions and pressure groups. In this section the role and interactions of these institutions/individuals in a nation's policy-making process will be discussed. In brief, the constitution provides a greater image and goal of the nation, the judiciary makes and enforces laws, political parties provide in general policies with their election manifestos, the parliament makes the specific

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11 Latin, which means other things, is equal.

rules and regulations addressing different issues of policy and the judiciary enacts and in a very functional level, the government agencies operate the policies with an ongoing interaction with other actors of the policy community e.g. the central bank drives the monetary policy of the country (see figure 05).



While there is a wide spectrum of policy actors, the policies in a nation are generally driven by two major influencing actors, i.e. the constitution and the political parties. Though these actors do not directly execute any policy, the first one provides the legal outlet of the process and the second one directs the process.

### 3. Policy Processes in Australia

In Australia, parliament is the only place to make national policies. ‘A new Commonwealth law can only be made, or an existing one changed or removed ... by or in accordance with an Act of Parliament’.<sup>12</sup> However, political parties play the major role in formulating and influencing policies.

#### 3.1 Political Parties in the Policy Process

Successive political parties’ election manifesto becomes the government policy for the nation for that particular regime. Liberal and National party’s coalition manifesto became Australia’s national policy when they were elected.<sup>13</sup> The manifesto provided broader policy guidelines for the nation. For example, the Coalition’s economic policy stated that the “...venture capital tax concession will be extended as part of a major programme by the Government to boost investment in venture

13 Liberal and National Party of Australia. (2001). Securing Australia’s Prosperity in “The Howard Government: Putting Australia’s Interest First, Election 2001”. Melbourne: Liberal and National Party of Australia.

capital".<sup>14</sup> This clearly indicates an explicit policy initiative that addresses that national economy and the government keep in mind this motto when they make the budget and/or other policy initiatives. However, the government cannot implement such financial decisions with their executive power and such policies/rules have to be done through the prescribed parliamentary procedures.

Different political parties develop their manifestos in different ways. For example, Liberal Party has the *Advisory Committee on Federal Policy* and the *Federal Finance Committee* to develop party's organisational objectives.<sup>14</sup> The committee makes the policy paper through a consultation process with its local party offices. Though there is no specific rule to conduct survey or negotiate people on different issues to put their interest in the party manifesto, the good side of such policies is that the parties take into account the people's reaction into their manifestos to win the election and when such documents become the national policy document after the successive election, these reflect people's appeal.

### 3.2 Parliament in the Policy Process

The Parliament of the Commonwealth is made up of two houses- the House of Representatives and the Senate and both houses are directly elected by the people of Australia.<sup>15</sup> Any bill or legislation must be agreed to by both houses. Issues can be raised in any house except those relating to public expenditure. The financial issues involving public expenditure, like budget, are proposed to the House of Representative and after the approval of the House; it is submitted to the Senate for approval.

The Commonwealth of Australia was formed in 1901 through the federation of six states under a single constitution. The then British Empire joined together with the 'constitutional convention' and developed the Constitution of Australia, which was approved later by the people's vote. This provides the legal structure of the organisation of executive, legislature and judiciary and thus can be treated as the fundamental architect of Australia's policy process. Though the document does not provide any specific instruction, it's the legal mandate for other institutions to do their respective job in the whole policy process. Since Australia is a federation, joining together several political entities, it has nine

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14 Liberal Party of Australia. (2003). Our structure: Organisational and Parliamentary Wings. Available online: <http://www.liberal.org.au/about/structure.htm> [accessed: 09 July 2003]

15 Senate, (1999). *Electing Australia's Senators*, Senate Brief No. 1, July 1999, Parliament House, Canberra.

parliaments—the Federal Parliament in Canberra and one in each of the six states and the two mainland territories.

Under the Constitution each state retained its own parliament and some of its original powers and a new Federal Parliament was established with exclusive power to make laws on national matters such as defence, trade and immigration. On some matters, such as taxation and social welfare, both the Federal Parliament and the states could make laws, but when there is a conflict between the laws, the federal law prevails.<sup>16</sup> The federal system of government provides a safeguard against misuse of government powers, with a division of powers between regional and national governments.

All proposed laws (bills) must be passed by both houses. The Senate's law or policy-making powers are equal to those of the House of Representatives except that it cannot introduce or amend proposed laws that authorise expenditure for the ordinary annual services of the government or that impose taxation. The Senate can; however, request that the House of Representatives can make amendments to financial legislation and it can refuse to pass any bill.

### **3.2.1 . The House of Representatives**

The House of Representatives is one of the two houses of the Australian Federal Parliament, which is sometimes called the 'people's house' or the 'house of government'. It has 150 Members where each Member represents an electoral division. The boundaries of these electorates are adjusted from time to time so that they all contain approximately equal numbers of electors—because of the distribution of Australia's population they vary greatly in area.<sup>17</sup> Members are elected by a system known as preferential voting, under which voters rank candidates in order of preference. Each House of Representatives may continue for up to three years, after which general elections for a new House must be held. Elections are often held before the end of this period. The main political parties represented in the House are the Australian Labour Party, the Liberal Party of Australia and the National Party of Australia.

After each election the frontrunner (single or coalition of parties) that has the most Members in the House becomes the governing party. Its leader becomes Prime Minister and other Ministers are appointed from

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16 Senate. (2003). *The Senate: A Short Description*, Canberra, Commonwealth of Australia.

17 From a few square kilometres to over two million square kilometres.

among the party's Members and Senators. To remain in office a Government must keep the support of a majority of Members of the House. The first and essential task of the House is to pass new laws and make amendments or changes to existing laws. Any Member can introduce a bill in the House, though most of them are introduced by the ruling party. To become law, bills must be passed by both the House of Representatives and the Senate. They may start in either house but the majority of bills are introduced in the House of Representatives. Members at the House may present petitions from citizens and raise citizens' concerns and grievances in debate. They may also raise issues of concern with Ministers and government departments.

The House has a comprehensive system of standing committees. The *Investigative Committees* carry out inquiries on matters of public policy or government administration. They take evidence from the public and report to the House with recommendations for government action. The *domestic or internal committees* are concerned with the operation of the House, for example, Procedure, Privileges, Members' Interests. There are several joint committees on which both Members and Senators serve together, for example, the Public Accounts and Audit Committee.

### **3.3. The Senate**

The Senate is one of the two houses of the Australian Federal Parliament, which consists of 76 Senators— twelve from each of the six states and two from each of the mainland territories. It has virtually equal power to make laws with the other House of Parliament, the House of Representatives. It is elected by proportional representation, so that its composition closely reflects the voting pattern of the electors. Under the Constitution, each state of the Australian federation, regardless of its population, has an equal number of senators. This weighting of parliamentary representation in favour of less populous states was designed to ensure that their views were not neglected.

The proportional system of voting used to elect senators ensures that the composition of the Senate more accurately reflects the votes of the electors than the method used to elect members of the House of Representatives. Proportional representation also makes it easier for independents and the candidates of the smaller parties to be elected. In recent decades this has meant that the government party usually does not have a majority of votes in the Senate and the non-government senators are able to use their combined voting power to reject or amend government legislation. The Senate's large and active committee system also enables senators to inquire into policy issues in depth and to scrutinise

the way laws and policies are administered by ministers and public servants. The Senate is thus a house of review and a powerful check on the government of the day. Detailed analysis of election results makes it clear that many Australians deliberately cast their votes in Senate elections with this review role in mind.

### **3.3.1. Deadlocks between the Houses**

The Constitution provides a method for resolving deadlocks, which might arise in the event of a disagreement between the houses. If the Senate twice fails to pass a bill from the House of Representatives, under certain specified conditions, the Governor-General may simultaneously dissolve both houses, in which case elections are held for all seats in both houses. This double dissolution procedure is the only exception to the rule of fixed terms for senators. If the deadlock persists after the elections, the Governor-General may convene a joint sitting of the two houses to resolve the matter.

## **3.3 Making Law in the Parliament House**

### **3.3.1. Initiation of the Proposal**

Financial legislation or act can be initiated by the political party's election manifesto, administrative requirements or pressure groups' demand. The proposal, even budget, has to be approved by the Cabinet or Prime Minister and then the respective ministry/department prepares the formal bill. Bills are drafted by the Office of Parliamentary Counsel in accordance with the respective department. The Parliamentary Business Committee of Cabinet determines the programme of bills to be introduced for each parliamentary sitting period.<sup>18</sup>

## **3.5. In the House of Representatives**

House of Representatives acts as a decision making body and it debates on the proposals/laws, makes necessary amendments and puts them for voting. All the members of the house get the chance to contribute to the decision. For example, the budget is processed by the House like any other financial legislation. The Treasurer presents the bill to the house with Governor-General's consent and it begins the parliamentary debate known as 'budget debate'. The bill has to be approved by the house to be placed formally in the Senate.

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18 House of Reps, *ibid.*



### 3.5.1. The Senate's Role

Though the Senate hears the budget speech from the Senate Minister at the same time the House does, the bill has to be formally transmitted to the Senate. By the time the bill is formally presented, the Senate go through all the details of the bill. And then, after debate and negotiation, the bill is passed in the Senate by vote.

### 3.5.2. Disagreement between the Houses

If the Senate disagrees with or passes a bill, with any amendment that the House of Representatives does not agree, and if after an interval of three months the same disagreement occurs with the bill, the Governor-General may dissolve both houses simultaneously and may arrange for new election. There have been six double-dissolutions since the establishment of the Commonwealth. And if the newly elected parliament faces the same disagreement again, the Governor-General calls for a joint sitting of the Senate and House of Representatives to solve the disagreement. This also happened in the parliament once in 1974.

### 3.5.3. Role of Parliamentary and Other Committees

Including the Parliamentary Committees, there are committees that influence the policy process. For example, party committees, government committees or inquiry commissions. The Parliamentary committees can be appointed by one or both houses and can consist of members from one or both houses. They can conduct inquiries into specified matters which include taking submissions, hearing witnesses, sifting evidence, discussing matters in detail and formulating reasoned conclusions.<sup>19</sup> The committees scrutinise the policy issues like government activities, expenditure, etc. For example, the current *Senate Standing Committee on Economics* is working on the 'Structure and Distributive Effects of the Australian Taxation System'.<sup>20</sup> Thus, the committees can influence both pre and post policy (e.g. budget) process too.

### 3.5.4. Role of Treasury and the Reserve Bank of Australia

Australia's economic policy is also derived from the two prime financial institutions, the Treasury and the Reserve Bank of Australia. The functions of Treasury are to monitor the fiscal policy that includes effective government spending and taxation arrangements, ensuring sound

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19 Parliament House. (2003a). Committees in the Parliament House Website. Available online. <http://www.aph.gov.au/committee/index.htm> [accessed: 10 July 2003].

macroeconomic environment and to advice on policy processes and reforms that promote a secure financial system. On the other hand, the Reserve Bank of Australia examines the monetary policy of the country that includes setting the interest rate in the money market, ensuring stability of the currency and thus keeping the inflation rate suitable, etc.

### **3.5.5. Pressure Groups and Individual Participation**

Pressure groups and individuals can contribute to the economic policy of the nation through parliamentary public hearings, formal petitions, meetings and negotiations. Parliamentary committees organise public hearing in and outside the parliament house and people can express their views on different issues with them. The most direct involvement is with the *petition* where a person or group may request the House of Representatives to take any action, or introduce/change parliamentary legislations. There are evidences that Ministers have taken decisions in response to the petition.<sup>21</sup> The Ministers, committees and the political parties organise various consultation programmes with the different stakeholder and pressure groups, such as business group, consumer group, etc. Thus, apart from the voting right, people can contribute to and influence the policy-making process.

In short, this is the economic policy-making process in Australia, which evolves and develops in and around the parliament house. Policies can be initiated in or by the government (e.g. cabinet, ministries, and departments) or by the opposition (e.g. MP's) with or without the influence of different stakeholders and pressure groups. The policy is prepared as a draft policy proposal by the respective department in conjunction with the Parliamentary Counsel. Even the parliamentary committees or government appointed commissions can propose policy advices. The proposals then go through both the House of Representatives and Senate and become an executable policy.

## **4. Reviewing the Process with Theories and Concepts**

### **4.1. The Actors of Policy Making Process**

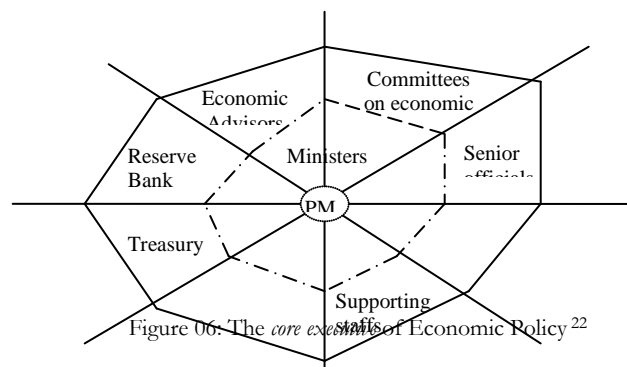
The policy making process in Australia is described in this section with an analysis of its direct and indirect actors and their respective roles.

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21 House of Representatives. (2002b). Making Decisions: Debate and Divisions in 'House of Representatives Info sheet', No. 14, April 2002, Parliament House, Canberra.

#### 4.1.1. The Core Executive

Core executive is the central network of Australian government that includes the prime minister, ministers and their advisors, secretaries, senior officials and personnel, surrounding committees, linked institutions and procedures to coordinate the whole administrative and policy process. The economic policy, as described above, is made in direct interactions of the core executive, among others that include the Prime Minister's cabinet, Reserve Bank of Australia, The Treasury and the parliamentary committees (e.g. *Senate committee on Economics*).



The core executive makes the economic policy as a draft proposal to the parliament. For example, the Treasurer presents the Budget to the House of Representatives as a representative of the *core executive*. However, the frontier of core executive is sometimes overlapped and unclear; for example, The Prime Minister John Howard represents both the core executive and the legislature in the policy process.

#### 4.1.2. Interest Groups and Participations

Pressure groups operating in the economic policy-making process are, as has already been observed, divided into three major categories; producer groups, welfare state client groups and welfare state providers groups. Producer groups are the organisations of individuals involved in the production functions of the mainstream economy; both Workers (trade unions, e.g. Australian Council of Trade Unions) and employers (e.g. Business Council of Australia). *Welfare state client groups* involve organisations of representing individuals who receive benefits from different activities of a welfare state including health, housing and

<sup>22</sup> Modified from Ahamed, Syeed. (2003). Government and Governance, unpublished seminar paper presented to 'Graduate Programme of Public Policy', Australian National University, 26 March 2003. Canberra.

education and even people suffering from diseases (e.g. dumb people's union) or particular beneficiary groups (e.g. aged pensioners' union). *Welfare State Provider Groups* are organised by the people involved in providing the services of the welfare state that include providers of health, legal advice, education, etc (e.g. Medical or Lawyer's Associations). Issue groups, the broad-focused campaign with members of different background having a common agenda, are also involved in the policy advocacy process.

Pressure groups in Australia can influence the policy process through party involvement, meeting, protesting movement and petitions. The parliamentary committees organise public hearings on different issues and encourage petition submission. As the petition can also be signed by one person, the participation in the process is not limited for groups, rather open to individuals too.

#### **4.1.3. Policy Communities and Policy Networks**

Policy communities in the economic policy are made up of groups and individuals on the field of economic policy-making, who help and depend on each other to accomplish their common interest. In the economic policy-making process, for example, pressure groups interact with government officials, hire lobbyists and consultants, ministers deal with group leaders, officials working for the pressure groups, group leaders working in the advisory committees, thus a number of groups, institutes and individuals interact with each other and together they form a policy community. Policy networks act as the 'webs of relationships' among these groups and individuals within the economic policy communities.

### **4.2. The Structure of Policy Process and Participation**

#### **4.2.1. Deviated Westminster Model and Accountability of Policy Process**

'The essence of Westminster model is majority rule'<sup>23</sup> and Australian policy structure is now inheriting a deviated and modified version of the *mother country's traditional* system. The concentration of executive power is prevailed with multi-party political system where coalition cabinet is not rare. The cabinet can be controlled by the parliament, as the Senate does not represent the absolute majority of governing party as seen in the House of Representatives. The Cabinet has to depend on Senate for approval of its financial bills and it is not rare that the Senate oppose the Lower House's bill, which caused six double-dissolutions of the houses so

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23 Lijphart, A. (1984). *Democracies. Patterns of Majoritarian and Consensus Government in Twenty-One Centuries*, New Haven, Yale UP, pp. 1-18.

far. Unlike the House of Lords, the Senate of Australian parliament is treated as the most powerful upper house in the world except the United States.

The policy process is more accountable in Australian parliamentary system. The House of Representatives has the majority's rule, which is elected through a *preferential voting* system. The 'first past the post' system of Senate election has been changed into a *proportional representational* system in 1948. The equal representation of each state to the Senate secures the interest of small states and the proportional representation system allows the political parties to be represented in the Senate according to the percentage of votes they carry. This safeguards the policy process from the dominance of one-party. However, there are exceptions as the Cabinet can take decisions like 'Iraq War' without national consensus as expense of war is usually passed in the budget by the Senate with criticism to avoid the double-dissolution.

#### **4.2.2. Executive Federalism and Flow of Information**

The policy process in Australia has an executive federalist system where the Commonwealth has a consultative decision-making process and the *executive* of each state is coordinated by the central Cabinet. For example, when the budget is made, the Cabinet consults with the States about the revenue-expenditure shares for *fiscal equalisation*. In this process, states like Queensland and New South Wales pay more taxes and states like Tasmania receive more funds.

The flow of information in such process follows both top-down and bottom-up approaches. For example, when the government wanted to increase the university fees by thirty percent, they took the decision at the executive level and left the agenda for the local level universities and administrations to implement that. On the other hand, through privatisation, state governments and pressure groups a bottom-up approach of information flow is also seen. However, the economic policy process is dominated by the top-down approach as the Parliament and the Cabinet with their supporting organisations play the pivotal roles.

#### **4.2.3. Decision Making in Pluralist Environment: The Garbage Can Model**

The decision-making process enjoys a pluralist environment with a participatory parliamentary system. However, the government has to prioritise different problems and demands to solve them with its limited

resources. As described by Cohen *et al.*<sup>24</sup>, the government responds like the Garbage Can model, where some problems are attached with solutions and others are solved in a given time with the interactions and combinations of organisational choices, accessible problems, available solutions looking for problems and emerging importance.<sup>25</sup> For example, on the one hand, Australia has its reserve army to face enemy and on the other hand, 'sometimes the government tries to solve new *brand-less* problems by putting them in existing solution cans till a new and more suitable can is made. For example, Howard government is defending SARS virus with existing health service dismissing the demand for any new institution'.<sup>25</sup>

## 5. Conclusion

Policy in Australia is made in a complex pluralist environment with a participatory executive federal system. It involves people's participation through different ways, which includes different means from individual petition to pressure group activism. The core executive is surrounded by a policy community, which involves the Treasury, Reserve Bank, other financial institutions, committees, experts and individuals. This community operates a policy network, which can be treated as a *federal network* as it also involves the actors of policy community from different actors. This participation process is guided by the constitution and steps like equal and proportional representation system of the Senate have made the process more rational. Though there are examples of isolated decisions like Iraq War, the general policy process is safeguarded by the participatory parliamentary system. Issues like preferential voting in the House of Representatives and proportionate representation in the Senate can be a good lesson for many developing countries who are still suffering from the domineering democracy caused by the 'first past the post' system. Thus, with some distortion and deviation, Australian policy-making process can be judged as a replica of participatory and accountable process of policy process, which in many ways maintains the balance between the theoretical structure and practical dynamism of the whole process.

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24 Cohen et al *ibid.*

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