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# The Pitfalls of Participatory Democracy: A Study of the Australian Democrats' GST

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This article analyses the operation of participatory democracy within the Australian Democrats, with reference to the development of the party's 1998 Goods and Services Tax (GST) policy and its subsequent application to debate in the Senate. The study extends beyond an evaluation of the formal participatory mechanisms codified in the party's Constitution, to their operation in practice—revealing the tensions faced by a small participatory party within a competitive electoral system. Difficulties include the primacy of the parliamentary party in everyday political decision making, and the importance of leadership and strong personalities, which sit uneasily with the formal democratic power accorded to the membership. The study also highlights a key debate applicable to all parties: whether parliamentarians represent the membership, party activists or the electorate, and how these levels of representation may be reconciled.

A product of the 'new politics' movement of the late 1970s, the Australian Democrats have strived to offer progressive policies to the electorate and present novel opportunities for individual political participation. In contrast to the organisation of the major parties, the membership is intended to be the driving force behind the party: formulating policies, selecting office bearers, pre-selecting parliamentary candidates and determining the party leadership. A continual rhetoric of democratic participation has provided electoral appeal in the sense that the party is portrayed as one not compromised by outside interests but rather a party that 'genuinely seeks and talks about policy outcomes' (Kernot 1997, 8). However, by encouraging diverse opinions and membership involvement, the Democrats have also been labelled 'fairies at the bottom of the garden', emphasising their reputation as political novices without a clearly defined constituency or ideology (Ward 1997, 116). The party's history is marked by disorganisation and numerous instances of infighting, causing significant electoral damage.

Nevertheless, despite 27 years of turbulent politics, numerous leaders and several political scandals, the Democrats have managed to survive as a force in Australian politics—a competitive electoral system historically dominated by the major parties. How has this struggle for survival affected the organisational principles

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and participatory ethos of the Australian Democrats? Has the party managed to uphold the participatory principles espoused at its creation? Or as authors such as Michels (1962) would anticipate, has the pressure of electoral politics necessitated a change in the party's organisation—away from membership involvement in key political decisions to hierarchies of leadership?

### **Existing Research: Participatory Democracy and the Democrats**

Although the emphasis on participatory democracy (particularly in policy development) is one of the Democrats' unique features, it has largely been an area of academic neglect (Warhurst 1997a, 15). Apart from Johns (2000), Warhurst and Tate (1998), Ward (1997), Warhurst (1997a) and Sugita (1995), few authors have addressed the party's democratic processes, let alone its internal organisation. Rather, the majority of studies have focused on the Democrats' electoral support (McAllister 1982; Forrest 1995; Bean and Papadakis 1995), campaign performance (Forrest 1987; Sugita 1997a; Warhurst 1997b; Bartlett 2000; Coorey 2002) and ideological position (Papadakis 1996; Lees 1998).

This article analyses the Australian Democrats' policy formulation process, with particular reference to the development of the party's 1998 Goods and Services Tax (GST) policy and its subsequent application to negotiations in the Senate throughout 1999. The study extends beyond an evaluation of the formal participatory mechanisms codified in the party's Constitution, to their operation in practice—revealing the tensions faced by a relatively small participatory party within a competitive electoral system: the primacy of the parliamentary party in everyday political decision making, and the importance of leadership and strong personalities, which sit uneasily with the formal democratic power accorded to the membership. The study also highlights a key debate applicable to all parties: whether parliamentarians should represent the membership or the electorate, and how these levels of representation may be reconciled. An examination of political decision making within the Australian Democrats is particularly relevant at a time when the future of the party is under considerable doubt. Both Warhurst (1997a, 17) and Lohrey (2003, 64) have suggested that the long-term survival of the Democrats depends upon their position within Australian politics, particularly in relation to other minor parties such as the Greens. This paper engages with Warhurst's and Lohrey's arguments by analysing the impact of internal democracy on the position of the party, and the difficulty of aggregating individual opinions to form coherent policy platforms.

### **Study Methodology**

In constructing a study of the Australian Democrats, I sought to address both the institutional and behavioural factors that influence intra-party democracy. Institutional factors were explored through an extensive analysis of the formal rules, procedures and organisation of the party. However, an effective analysis of intra-party democracy also necessitates examination of political participation and behaviour. To achieve this, in-depth interviews were conducted with six current and former Democrat senators,<sup>1</sup> which constitute the bulk of the study's data, providing insights and comments previously unavailable. Although the interview structure

<sup>1</sup> Although all senators were approached, only six agreed to be interviewed.

was open and flexible, several topics were explored with all senators: policy formulation and application to legislation, the relationship between the parliamentary and executive arms of the party, the senators' role in representing the membership and the electorate, leadership, factions and ideological position. In addition, informal interviews were conducted with party members and office holders, and several branch meetings and the 2003 National Conference were observed.

The interview material provided by senators was augmented by a separate analysis of members' attitudes, with data obtained by systematically examining members' letters and discussion in the party's *National Journal* from 1997 to 2003. The *Journal* presents comment on issues of significance raised by members from around Australia. Interviews were not used to gauge the views of the membership because of the difficulty of obtaining access and a geographically representative sample.

The qualitative approach adopted in the study enabled an examination of the individual experience of political participation in an internally democratic party, and the subjective meaning attached by individuals to those experiences (Devine 1995, 138). In particular, this included the significance accorded to intra-party democracy and its compatibility with electoral success, which differed markedly between Democrat members, within both the parliamentary party and the rank and file. A qualitative analysis was also more appropriate to the nature of the data collected. The general secrecy surrounding the internal operation of political parties creates difficulties in accessing complete records of official documents, necessitating a greater emphasis upon unofficial sources such as interviews and newspaper reports, and presents a significant barrier to the comprehensive quantification of data for evaluation.

### **The Formal Organisation of the Australian Democrats: Democratic Ethos, Party Structure and Policy Development**

Drawing from the participatory foundations of its forerunner the Australia Party, the Democrats embraced the ideals of consensus, rational debate and citizen participation in political decision making.<sup>2</sup> The party's participatory ethos is still reiterated in party literature and widely accepted by political commentators (Stock 1994; Sugita 1995; Warhurst 1997a; Warhurst and Tate 1998; Johns 2000). 'Ownership' of the party is constitutionally vested in the membership, which determines party policy, selects parliamentary candidates, office bearers and party leaders by postal ballot. Participation in party activities is widely encouraged, and members are eligible to seek election to the party office or pre-selection as a parliamentary candidate.

The structure of the party reflects an attempt to decentralise power by reducing political decision making to an individual level. The formal division of the party into national, State and local tiers facilitates participation, creating an opportunity for the active debate of policy and party matters within local branches. However, the degree of meaningful participation possible is dependent upon place of residence, as some branches and State divisions are far more active than others (Ward 1997, 116).

Given the predominantly national focus of the Democrats (Ward 1997, 118), the most accessible form of participation open to members is the voluntary postal ballot, which is also the cornerstone of the party's policy development process. Ballots to adopt or change policy can be initiated in one of three ways: either by

<sup>2</sup>For discussion of the history of the Australia Party and its contribution to participatory politics in Australia, see Warhurst (1997c).

decision of the National Executive, one Division, or petition by five Branches or 50 members. Policy drafts and suggestions may come from any member, but are more commonly formulated by working groups and National Conference workshops, led by a handful of dedicated members, and influenced quite heavily by parliamentarians (Cherry 2003). All draft policies are published in the *National Journal*, circulated to all members and accompanied by supporting statements. Drafts are debated in subsequent issues of the *Journal* until a ballot is called for members to choose their preferred policy.

However, voting in policy ballots is optional, and it is in this area that the party experiences its lowest rates of participation, averaging around 12% of members over the last decade (Australian Democrats 2003a, 21). Similarly, average participation in constitutional ballots has been low (13%), in contrast to the election of party leaders (46%) and National Executive members (21%) (Australian Democrats 2003a, 21). Beyond indicating that participatory mechanisms are under-utilised, the much higher participation rates in the election of *people* rather than *policy* may be attributed to a lack of knowledge amongst members or disinterest in the policy topic (Cherry 2003). It may also be indicative of a general culture of apathy within the party, whereby the ratification of policy drafts, like their formulation, is left to ‘someone else’ (Stott Despoja 2003).

Low membership participation throughout the party’s history has necessitated a dialogue of membership rights and responsibilities. Although the party’s small size aids participation and organisation, the resource base is ultimately quite small and often lacking. Consequently, the responsibility of members in a participatory party is heavily emphasised. Party literature stresses that participatory democracy is a two-way process: if members want to have extensive rights with respect to electing office bearers and creating policy, they must be prepared to support this process by contributing ideas and time of their own. This is a rhetoric that has continued throughout the party’s history: ‘within the party all members have clear rights and a duty to participate in National, State and Branch activities—let’s have no “helpless spectators” here’ (*National Journal* November 1978, 5).

By separating the party into three distinct ‘arms’, the Constitution creates a system of ‘checks and balances’ (Stott Despoja 2003) between the party membership, executive and parliamentary party. Complementing the pivotal role played by the membership in creating and endorsing policy, the National Executive, elected biannually by party members, performs an organisational and administrative role, coordinating the day-to-day operation of the Democrats. Although the executive does not generally determine the policy direction of the party, it is regarded as representative of the views of the membership if emergency policy decisions are required.

Entrusted with the everyday interpretation and application of party policies and objectives, the parliamentary wing of the Democrats has the potential to exert the greatest degree of political power. However, parliamentarians remain formally accountable to the membership in several ways. Each parliamentarian is pre-selected by members as a candidate at every election. If members do not like the actions of a particular senator, they may choose not to endorse their candidature at the next election. However, given the length of the Senate term, this is a particularly weak mode of accountability as opportunities to vote are limited. Parliamentarians are also under a constitutional duty to adhere to party policy except in cases where policy conflicts with individual conscience, and are notionally held in check by the possibility of disciplinary action brought by the National Executive on behalf of the membership for actions deemed to be against the ‘party’s interests’.

Despite the Democrats' efforts to establish a system of participatory democracy through constitutional provisions, it must be acknowledged that policy formulation does not occur in a vacuum. As the GST case study illustrates, when placed in the context of the Democrats' balance of power position in the Senate, the political reality of policy development (encumbered by time, financial and organisational constraints) creates significant challenges for the operation of participatory democracy within the party.

### **A Case Study of Participatory Democracy: The Goods and Services Tax**

Despite the Democrats' limited capacity as a minor party to initiate legislation, the 1999 GST negotiations presented an instance where party policy was directly applicable to debate in the Senate. The implementation of a GST was certainly not a new political issue, having been floated unsuccessfully by the Coalition in the 1993 federal election. The issue re-emerged during the first term of the Howard government in the broader context of taxation reform, driven strongly by business groups that succeeded in placing the GST on the 1998 election agenda (Warhurst, Brown and Higgins 2000).

It was in this light that the Democrats commissioned a review of their taxation policy. Although initiated by the executive arm of the party rather than the rank and file, the review largely followed the Democrats' formal policy development process. Throughout 1997 and 1998, interested party members and the Democrat Executive participated in a lengthy period of debate known as the 'travelling GST circus', designed to provide information to members on taxation so they could make an informed vote, by way of distributing background papers, promoting discussion in branches, initiating policy workshops and encouraging contributions to the *National Journal* (Lees 2003; *National Journal* July 1999, 3–4). The consultation period was followed by an indicative ballot on the general principles of the taxation policy.

Based upon feedback received from the indicative ballot of objectives, the draft taxation policy was officially balloted in June 1998. Although the draft policy did not specifically mention the 'GST', it did contain a proposal for 'tax to be levied on the provision of services as well as on the production of goods' (Item 7(b); *National Journal* June 1998). As is standard Democrat practice, several letters of comment were included with the ballot. Although these letters addressed other aspects of the tax debate including land tax and research and development, no letters were published regarding the somewhat more controversial implementation of a GST, an omission unusual for a publication designed to present contentious issues to the membership.

The GST ballot took place just before the federal election was called on 30 August 1998, and counting continued well into the campaign. The timing of the ballot and the salience of the GST as an election issue (Bean and McAllister 1999) placed considerable pressure upon the Democrats to deliver a timely taxation policy stance to the Australian public. The Coalition and Labor had released their tax packages a month earlier amidst lively debate between the major parties and key business and welfare groups.<sup>3</sup> Adopting divergent positions, the centrepiece of the Coalition's

<sup>3</sup> For discussion of the role of key political actors in the GST debate, see Warhurst, Brown and Higgins (2000).

reform package was the imposition of a broad GST; whereas Labor promised income tax cuts without a corresponding consumption tax (*The Australian* 28 August 1998).

Consequently, a strategic decision was made by the National Executive to release the party's taxation policy position through Meg Lees' speech to the National Press Club on 18 September 1998, only several days after the vote of the membership policy ballot had been counted. The results indicated that members supported the Democrats' tax policy almost in its entirety. In particular, item 7(b) was approved, which to the party's leader at the time, Meg Lees, meant in essence that the ballot 'said "yes you can tax services", [which] opened the way for us to support what the Liberals had planned' (Lees 2003).

Nevertheless, the party's position caused significant confusion amongst media commentators. As Senator Bartlett (2000, 87) explained, the party did not support the entire Coalition GST package, but was willing to consider a GST with modifications that made it fairer for lower income earners, including an exemption for food and reduced tax cuts to high income earners (*Australian Financial Review* 5 October 1998). For the *Weekend Australian* (19 September 1998) this meant that the 'Democrats Offer PM GST Hope', whereas for the *Sydney Morning Herald* (19 September 1998), the Democrats' 'veto on food' was deemed to have 'crippled' the GST.

The decision to subvert the standard process by publicly releasing the Democrats' taxation position before releasing the results of the policy ballot to members may have alienated and angered many of the party's rank and file, creating the impression that the taxation policy was being hijacked by the parliamentary wing. Although the December *National Journal* subsequently carried a statement that all policy items except 17(c) were successfully endorsed,<sup>4</sup> no voting figures were officially published. Members were left to rely on information leaked to the media. It was reported by the *Sydney Morning Herald* (16 October 1998) that the results of the ballot were very close, with only the minimum of 50% of voters supporting taxing goods and services. Resentment would have been further compounded by confusion over the Democrats' position on the GST, caused by divergent media accounts.

After the election, in which the Democrats returned to the Senate with the balance of power, the party began the process of negotiating a GST package with the government. Whilst the Democrats' policy ballot had officially sanctioned support for a tax on goods and services, the specifics of the package were formulated by the parliamentary party, driven by the leader, based on comparative evidence collected in Senate Committee hearings over several months (*Weekend Australian* 22 May 1999; Lees 2003). Negotiating with the government forced the Democrats to make a number of concessions to reach a final compromise—most notably, the Democrats' election promise of 'no GST on food' had to be scaled back to include only basic foods (*The Advertiser* 21 April 1999). However, the Democrats' success in establishing a Senate inquiry to scrutinise the taxation legislation facilitated an extended process of consultation with key interest groups (*Illawarra Mercury* 16 October 1998) and ensured a level of executive accountability through the request and production of Treasury impact statements on lower income earners (*The Australian* 11 November 1998). Both these outcomes were consistent with the Democrats' core principles of participatory democracy and open government (National Constitution section 3.11).

<sup>4</sup> Relating to federal/State fiscal relations, 17(c) had little bearing on the main GST debate.

The Howard–Lees deal gained the narrow support of the Democrats’ National Executive, by a 9–8 vote (Cherry 2003). However, there was fundamental disagreement amongst the Senators as to whether the final GST package was consistent with the party’s balloted policy. Although the legislation was passed in the Senate, Senators Bartlett and Stott Despoja crossed the floor to vote against the bill. The GST negotiations were criticised in two main respects. The first was dissatisfaction with the way in which the policy had been balloted. The ballot paper was regarded as unnecessarily complicated and confusing. The fact that the words ‘goods and services tax’ did not appear in the ballot was considered by Senator Greig (2003) as ‘wilfully misleading’. Consequently, the democratic validity of the ballot was questioned, with the reality that only 4 or 5% of members had voted, passed by a ‘slim majority’ (Greig 2003).<sup>5</sup> Such low participation could be attributable, in part, to the ambiguity of the ballot paper. However, more disturbing are the allegations that the process was manufactured to minimise the controversy surrounding the taxation policy, by deliberately omitting specific references to the GST in the policy document and supporting statements prior to balloting. These allegations point to the importance of disseminating information to members before any ballot can be considered democratic. It is pertinent that the ballot be easy to understand, which poses a difficulty for democratic referenda on topics that are technical or require a high degree of specialist knowledge. However, it is essentially a subjective judgement as to the specificity and depth of communication required to ensure an informed choice. Finally, the representative quality and democratic nature of such ballots can also be questioned if so few members actually vote.

The degree of discretion exercised by the parliamentary party (particularly by the leader) in the implementation of the taxation ballot came under sustained attack from within the party. At issue was the argument that members should have been consulted as to the form of the negotiated GST package. This dissatisfaction was reflected in July 1999, when more than one hundred members signed a petition to spill the Democrats’ leadership. Motions were also put forward during the election campaign by the NSW, ACT and VIC divisions attempting to return certain aspects of the GST to a ballot of the members (*National Journal* October 1999). These motions were rejected by the Democrat National President John McLaren as self-destructive and damaging to the party’s election platform: ‘we are not going to open up that can of worms right in the middle of a national debate on that very issue’ (*The Age* 10 October 1998). In the context of an election, the possibility that the party would have had time to consult is slim indeed, given the cumbersome nature of postal referenda. Nevertheless, opinion as to the actions of the parliamentarians remained divided within the party—reflected by members’ letters published in the *National Journal* following the ballot. Another leadership spill was launched in February 2000 but Lees was re-elected uncontested as leader with 81% support from those voting. Even today, the GST remains a very sensitive subject within the party due to the lasting tensions and dissension the legislation caused.

#### Four Lessons from the Case Study

A number of important observations can be made from the Democrats’ approach to the GST: the prominence of the parliamentary wing in the everyday activities of the

<sup>5</sup> As noted, no official participation statistics were published.



party; the tensions faced by parliamentarians as representatives of both the membership and the electorate; the impact of participatory democracy on the Democrats' ideology and political positioning; and the difficulties created by factions and strong personalities. Each observation is discussed below.

### *The Primacy of the Parliamentary Party*

The GST negotiations highlight a significant tension within the party over the primacy of the parliamentary wing in the everyday workings of the Democrats. It has been noted by academic commentators that the parliamentary party occupies the principal position in the organisation of the Australian Democrats, despite the constitutional predominance given to the role of the membership. The parliamentary party is the focus of media attention and has staff and financial resources often superior to the organisational arms of the party (Abjorensen 1991; Ward 1997, 123–4; Warhurst 1997a, 12). This resource imbalance has culminated in the common practice of employing office holders as parliamentary staffers (Cherry 2003). Although arguably increasing efficiency and communication between the two arms of the party, this practice has the potential to undermine the party's separation of powers, in addition to amplifying the influence of staff members in parliamentary negotiations.

Furthermore, the parliamentary party must apply the policies, objectives and principles of the party to legislation at hand. However, both current and former senators acknowledge that in the majority of instances the party has no policies that are directly applicable to legislative debate.<sup>6</sup> This results from the party's balance-of-power position in the Senate, where the party must respond to and alter legislation rather than issue its own directives (Sugita 1997b, 157). Consequently, although Democrat senators are formally 'guided by a very strict set of policies' (Stott Despoja 2003), the reality is that in everyday matters parliamentarians exercise a great deal of discretion in applying party policy—referring not to detailed policies but rather the 'principles of the party' (Stott Despoja 2003), 'underlying philosophies' (Greig 2003) and the 'vibe' of the party membership (Cherry 2003).

Given the degree of informal power that the parliamentary wing possesses in everyday legislative matters, a great deal of faith is placed in Democrat parliamentarians to adhere to the participatory ethos of the party, and consult or refer to the views of the membership. As Stott Despoja (2003) comments:

There is a belief, albeit a non-constitutionally recognised one, that the party room is supreme . . . I don't have a problem with the notion that I'm the person that they've selected to go into the parliament to make that final decision . . . but by the time I reach that point I should have consulted with my members, I must be accountable to my members, I must be conscious of party policy, conscious of what the President of the party says.

This level of consultation is not always possible, considering the pressures of time and the workload of senators, not to mention the organisational impediments to ascertaining the view of the membership by means additional to the current postal ballot. The impracticality of such a process would have been impossible to circumvent, particularly in a process of negotiation such as the GST, which comprised a

<sup>6</sup> See Ward (1997, 125–6) for the comments of Senators Bourne and Allison.

series of stages each of which would have necessitated a separate ballot of members (Lees 2003). Further, the democratic link between the parliamentary wing and the membership 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. Given that the Democrats have been described as having no distinct ideology (see Sugita 1997c, 135), differing interpretations of policy and objectives may be the source of significant strain on the operation of intra-party democracy.

*Tensions between Representing the Membership and Representing the Electorate*

The rights and responsibilities of Democrat parliamentarians are based upon two seemingly contradictory principles enshrined in the party's Constitution. The first, participatory democracy, bestows formal powers upon the membership to initiate, formulate and ratify party policy. However, this principle coexists with a commitment to the individual conscience of parliamentarians, who have a right to depart from party policy and vote according to their conscience or duty to the electorate if they so wish (National Constitution section 11.3). To whom should Democrat senators be primarily accountable: the membership or the electorate? Here there is a clear contrast between senators' perceptions of their representative roles. Whilst Stott Despoja (2003) is a firm advocate of accountability to the membership, Senator Murray (2002a) has strongly argued that parliamentarians should not be rigidly bound by members' views, as their first responsibility is to the electorate.

Although these principles have the potential to conflict, they do so very rarely in practice. Over the last five years, conscience votes have been invoked in only five instances: over the republic model, tax reform, Internet gambling and elements of the euthanasia and stem cell debates. The GST legislation represents the only instance in which votes were contrary to balloted policy (Australian Democrats 2003a, 42). There are two main reasons for the parliamentarians' cohesion. Despite divergent views as to representation, senators nevertheless identify with and adhere to the broad objectives of the party. As Greig (2003) notes: 'we're not a united team of seven, we're seven independents who share common values'. Similarly, Cherry (2003) explains that 'in 99 times out of 100 the senators will get it right in terms of what the party would want because we're Democrats'. The second reason is the lack of balloted policy directly applicable to debate in the Senate, thereby dampening any conflict.

Conflicting levels of representation become a greater issue in the context of electoral positioning. A difficulty lies in the perceived ideological difference between the party membership and the party's voter base. Electoral research has documented the rather indistinct socio-economic characteristics of Democrat voters, who tend to be younger, more educated, non-religious and perceive the party to be further Left in the political spectrum than voters in general (Bean 1997, 81–2; Bean and McAllister 2000). However, the sociological and ideological relationship between Democrat voters and members has not been explored. At the last federal election, despite the fact that 36% of Democrat voters gave their second preference to the Coalition (AEC 2002), Senator Cherry (2003) doubts that 5% of Democrat members would do the same. On the ideological spectrum, Democrat members are regarded by parliamentarians as 'centre to centre-left' and concerned with social and environmental issues, in contrast to voters, who are 'centre to centre right' (Greig 2003).

It would appear that maximising electoral success is not easily compatible with internally democratic processes, if the views of the membership are substantially different from those of voters. Despite the early rhetoric within the party that membership supremacy is a positive virtue, the direct electoral benefit of intra-party democracy is questionable: ‘the perception that a Democrat Senator is, or might be putting a few thousand members before millions of voters switches voters right off’ (Murray 2002a). It is somewhat ironic that a party that expounded intra-party democracy in policy development as a safeguard against vested interests now faces a similar charge of being hijacked by an unrepresentative membership.

The proposition that the ideological orientation of voters and members differs is reminiscent of the law of curvilinear disparity, which postulates that voters will take the most moderate line on issues, whilst active party members, driven by ideological principles, are the most ideologically extreme (May 1973). Parliamentarians, dependent on the electorate for re-election, must be aware of and cater to voter opinions and consequently fall between the two groups (May 1973, 148–9). Although the structure of the Australian Democrats guards against the formation of internal hierarchies, formal accountability heightens the tendency towards curvilinear disparity, as party leaders have a greater incentive to conform to the wishes of party activists. However, as the GST study indicates, the Democrats’ membership is ideologically diverse, thereby complicating May’s hypothesis.<sup>7</sup> Given the party’s indistinct social base, and that electors vote for the Democrats for a diverse range of reasons beyond ideological location (Bean 1997), to categorise Democrat voters into a single, homogeneous group representing a particular section of the political spectrum is problematic and overly simplistic. Pragmatically, Democrat parliamentarians have been able to cater to the diversity of Democrat voters by spreading the party’s emphasis over a range of policy issues (Greig 2003).

### *Ideology and Political Positioning*

The inherent necessities of electoral competition compel a party to present a coherent and well-defined ideology or policy platform to the electorate.<sup>8</sup> Hence, the extent to which intra-party democracy affects the ability of the Democrats to deliver a clear message to voters is worthy of analysis. The GST presents one such example where contention as to the political direction of the party caused significant internal instability and prevented party unity.

Identifying the ideological character of the Democrats has proved a challenge for political commentators. Some have argued that the Democrats do not possess any coherent ideological integration (Aitkin 1977; Brugger and Jaensch 1985, 100–2; Maddox 1991, 311–2). Others, notably Sugita (1997c, 138) argue that the Democrats do have an ideology, reflecting a combination of social liberalism and postmaterialism. Despite disagreement between commentators, there is a great deal of consensus amongst Democrat senators as to the underlying philosophies of the party, particularly between Senators regarded as ideologically opposed. Both Senators Stott Despoja and Lees felt that the party stood for ‘social justice, accountability and

<sup>7</sup> For discussion of the effect of ideological diversity on the law of curvilinear disparity, see Kitschelt (1989).

<sup>8</sup> For the requirements of competitive democratic theory, see Schumpeter (1942) and Schattschneider (1942).

sustainability' (Stott Despoja 2003; Lees 1998, 46). However, it could be argued that the Democrats' ideological principles are so broad that they do not adequately define the views of the membership and direction of the party in any useful way, especially when the same party policies and objectives were used by Lees and Stott Despoja to justify divergent positions during the GST debate.

Throughout the GST negotiations, significant criticism was made of the discretion accorded to the senators, highlighting contention amongst members as to the party's place in Australian politics. Best known for 'keeping the bastards honest', the Democrats are unique in that their reputation in the electorate is not formed by the ideological character of their policies, but upon their balance-of-power position in the Senate (Stock 1997, 214). Based upon the work of parliamentarians, the Democrats' electoral 'image' sits uncomfortably with the Democrats' participatory ethos, and creates an underlying tension 'between what our current generation of voters expects of us and what our current generation of members demand of us: between being a Senate watchdog and being policy makers and policy leaders' (Kernot 1997, 9).

Throughout the party's history there has been debate within the membership and executive as to the party's political positioning and attitude to legislative negotiation. In 2002, Democrat Campaign Director Jack Evans expressed concern that the party was perceived by the public as a 'party of the minorities', and argued the need to represent 'the majority of Australians' as a realistic alternative government (*National Journal* February 2002, 7). The party seems to have split into two distinct positions: encompassing those who are willing to compromise with the government to make alterations to policy and target the mainstream vote; and those who see this compromise as a rejection of the party's original interests. The former approach was used to justify the parliamentary party's 'fair and reasonable [GST] compromise' (*National Journal* July 1999, 4). The latter was used by critics of the taxation package to dismiss it as a departure from the party's constitution: 'those with the power are able to avoid the application of rules when it suits them' (*National Journal* October 1999, 16). As one member commented, 'the main problem is that we seem never to have had an explicit debate about our positioning in the political spectrum . . . this lack of dialogue has led to several huge disagreements within the party, often between the Parliamentary wing and the members' (*National Journal* August 2002).

Over the years, a pragmatic balance has been kept between these two tensions. As Sugita (1997b, 162) documents, in instances such as the 'Sports Rorts' affair and the 'Fairfax Inquiry', Democrat parliamentarians have used their Senate position to incorporate party values and policies into legislation through amendment. Mechanisms for executive accountability have been negotiated, a practical manifestation of the party's 'keeping the bastards honest' mantra. Similarly, the success of the Democrats in establishing a Senate inquiry into the GST not only promoted executive accountability but also reopened a dialogue and consultation with key community and interest groups.

However, even if the Democrats develop a clearly defined ideology, an emphasis on the centrality of voters and electoral targeting may obscure the fundamental issue in contention—the respective roles of Democrat parliamentarians and membership in the creation, interpretation and application of party policy. This relationship will remain strained until the essentially pragmatic, rather than consensual, nature of everyday political decision making is acknowledged.

*Personalities, Factions and Leadership*

Despite division based upon electoral positioning, comments from senators indicated that any factions or tendencies in the party are currently built around personality lines. As Senator Greig (2003) noted:

In my experience the factions are based more around personality than policy. The factions that evolved last year were really based around those people who were comfortable and happy with party processes and those who weren't.

However, these differences of personality also reflect the way in which the party should be run and, in turn, how it interacts with the government:

It was personality, but it was also a different approach to things as well. Meg and Natasha do have a slightly different approach to things. The National Executive representatives, who tended to support Natasha's line, tended to be people who felt that party room should be much more strident in its opposition to government positions and much more governed by the rigid application of detailed party policy. (Cherry 2003)

The Democrats are not immune from the factional politics inherent in other Australian political parties, particularly when personal ambition and uncollegial behaviour cannot be controlled by the party's disciplinary mechanisms (Warhurst 1997a, 12–13). The most recent departure from the party was former leader Lees, who criticised the Democrats for becoming a 'personality club', based upon 'a faction, or a group that's formed around a personality, who basically have come to a way of thinking that unless you get everything then it's not worth it' (Lees 2003). For a small party with limited resources that relies heavily on personal contacts, personality differences cause problems in the efficient daily operation of the party, particularly in the parliamentary party, hindering working relationships between senators (Cherry 2003). A prominent instance of souring relations occurred in 1991 when a no confidence motion was carried by the parliamentary party against Senator Powell after her romantic involvement with a colleague was alleged to have clouded her professional judgement (Ward 1997, 127).

However, it is difficult to determine if factions within the party, whether based on policy or personality, extend beyond the parliamentary party in any structured way. In the aftermath of the GST deal, it was evident that the party membership divided in its support of Lees and her agreement with the Howard government. Whilst the West Australian, Victorian and Queensland State Divisions formally endorsed the GST deal, NSW voted against it, indicating some formalised factionalism at the Divisional level (*Australian Associated Press* 30 May 1999). Whether these factions extended beyond State executives is unclear—as at the same meeting at which the Victorian Council approved the GST deal, a membership petition was circulating to oppose it (*The Australian* 7 June 1999). It is more probable that factions form around active and notable individuals within the party who are able to mobilise members around an issue or personality, rather than within pre-determined institutional groupings such as Branches or Divisions. The NSW and SA oppositional groups were led by well-known party figures: former leader John Coulter in SA and Divisional Executive member David Harcourt-Norton in NSW, who both gained significant media publicity in opposition to Lees' deal (*Courier Mail* 25 May 1999; *Sydney Morning Herald* 25 June 1999).

The Democrats cannot escape an emphasis on personality when it comes to the parliamentary leader, who occupies the most fundamental position in the Democrats' organisation. Throughout its history, the party has relied on high-profile leaders to promote electoral recognition (Bean 1997). The leader holds the primary role in the party room, chairing meetings and providing general direction and guidance (Cherry 2003). Depending on the style and personality of the leader, he or she holds significant power within the party, which at face value seems inconsistent with the principles of democratic organisation. However, that power is kept in check by the constitutional requirement that the membership elect the leader, and the right given to members to spill leadership positions by petition and ballot. Whilst this does conform to democratic principles, it creates a significant amount of tension in the everyday operation of the party, particularly if the members' choice is not necessarily that of the party room. Considering the high leadership turnover, the current system of membership election creates a source of great electoral instability (Murray 2002b).

Strong personalities within the Democrats create something of a paradox. High-profile leaders are necessary for electoral success, and have been attributed to raising membership figures, particularly in 2001 after Stott Despoja became leader (Australian Democrats 2002). However, the popularity of leaders may cause significant tensions in the party room, as was demonstrated by Stott Despoja's subsequent resignation in 2002. Further, if members align on particular issues based on personality, there is a risk that internally democratic procedures could be abused, as the Democrats' policy process relies upon rational debate to make policy decisions, not upon allegiance to a particular senator.

### **Conclusion: Balancing Pragmatism and Principle**

The GST case study suggests that whilst intra-party democracy is evident in the formal opportunities granted to members for participation, in practice they tend to be under-utilised. Opportunities for individual participation exist, but are limited by the dislocation between the formal balloting process and the deliberation required to make an informed policy vote. Whilst the party is democratic in theory, low membership participation and apathy means that it is less so in practice.

With respect to the everyday working mode of the Australian Democrats, the study has revealed a delicate balance between the perceived role of the parliamentary party and the membership. This is evident in the struggle for the party's position in the Australian political spectrum, between those in the party who advocate the place of the parliamentary party as negotiators and those who feel that parliamentarians should in essence relay the policies and principles determined by the membership. The tension is not evident in the everyday practice of policy development, rather the broader theoretical debate as to the 'philosophical soul of the party' (Murray 2002a), as in practice there is little policy that corresponds with the legislative agenda. Thus, the party has managed to achieve a working balance between the parliamentary party and the membership simply by operating as two distinct organisations: the membership formulates 'official' party policy and the parliamentary party formulates 'everyday' policy.

Democracy is theoretically secured by the formal separation of powers between the membership, executive and parliamentary party. In practice, this separation becomes a double-edged sword. When the formal separation of powers can be

circumvented, for example when the National Executive is influenced by the leader, political decisions can be made with more efficiency. However, when the separation of powers functions to restrict the actions of the parliamentary party, democracy is vindicated, but usually at the cost of internal uproar and consequent electoral damage.

Whilst intra-party democracy is an honourable ideal and quite easily translated into formal regulations and party rules, it is very difficult to achieve successfully in practice. Establishing a successful working relationship between the parliamentary party and the membership not only requires a foundation of democratic rules and structures that encourage meaningful membership participation, but the goodwill of individuals to adhere to these democratic processes. Despite the historical recurrence of many of the themes discussed, considering the longevity of the Democrats in Australian politics, such a balance is possible to achieve on numerous issues over a long period of time. However, as the GST illustrates, this balance has come under significant internal strain through low membership participation, minority control of decision-making processes, and a lack of communication and information sharing. This is compounded by the need to respond to an externally created agenda and address the salient issues that arise during dynamic election campaigns under constant time pressures. Consequently, doubts remain as to whether the Democrats can maintain a successful working relationship between parliamentary party and membership in the future.

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