

The Spirit of Accommodation:
The Influence of the ALP's National Factions
on Party Policy, 1996–2004.

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Disclaimer

This work has not been previously submitted for a degree or diploma at any university. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

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Abstract

This thesis explores the influence of the Australian Labor Party's (ALP's) national factions on Party policy. The specific emphasis is on policy development during Labor's 1996–2004 period in opposition. Through a total of 88 interviews, predominantly with members of Caucus including Kim Beazley, Simon Crean and Mark Latham, this thesis has been able to examine not only the formal policy development processes but, significantly, also the informal processes within the Party.

The thesis begins with an overview of the national factions' organisation and operations in relation to policy development in both the organisational and parliamentary wings. It concentrates on exploring how the informal processes of the faction system dominate the formal Party structures, and demonstrates how the factional elite control these decision-making forums. The thesis then concentrates on analysing in-depth the factional influences on policies developed within the Immigration, Trade and Family and Community Services portfolios. These case studies were selected because they provoked debate, to varying degrees, in the Party. An understanding of how consensus was reached among the diverse perspectives, particularly between the factions, within the Party is critical to exploring the relationship between the national factions and policy development. The case studies cover a range of policy development modes, and therefore provide ample opportunity to explore factional dynamics in relation to policy formulation under different circumstances throughout the 1996–2004 period.

This thesis utilises Arend Lijphart's theory of the Politics of Accommodation, which was originally developed to explain inter-party negotiations within the Dutch coalition government during the twentieth century. This theory is relevant to the study of the ALP's modern factions because, similar to the Dutch political system, the faction system operates on the power-sharing principle of proportional representation (PR). By applying Lijphart's theoretical framework, this thesis provides a rigorous and comprehensive analysis of the ALP's factional dynamics in relation to policy. It gives an in-depth analysis of the elite control of the faction system in the domain of policy development. It demonstrates that faction leaders resolve contentious policy issues by negotiating in a 'spirit of accommodation' and when the factions adopt a policy position, the unwritten rules of the 'factional game' are applied to ensure the national factions reach a consensus on Party policy. Given that the national factions compete for power and sometimes pursue a different set of policy objectives, this 'spirit of accommodation' appears to be paradoxical; this palliative application of factional power is arguably in contrast to the general perception of faction politics. Through the presentation and analysis of original primary data this thesis makes a valuable contribution to the study of the ALP and factions in general, significantly advancing existing knowledge.

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Acronyms

ACTU	Australian Council of Trade Unions
AGM	Annual General Meeting
ALAC	Australian Labor Advisory Council
ALP	Australian Labor Party
AMWU	Australian Manufacturing Workers Union
AWU	Australian Workers Union
CEPU	Communication, Electrical and Plumbing Union
CFMEU	Construction, Forestry, Mining and Energy Union
CPSU	Community and Public Sector Union
CTFU	Clothing, Textile and Footwear Union
FACS	Family and Community Services
FEC	Federal Electoral Council
FTA	Free Trade Agreement
ILO	International Labour Organisation
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
LOGS	Loyal Old Guard Socialists
MHR	Member of the House of Representatives
MLC	Member of the Legislative Council
MP	Member of Parliament
MWU	Miscellaneous Workers Union
NPC	National Policy Committee
PR	Proportional Representation
PRC	Policy Review Committee
SDA	Shop Distributive and Allied Employees Association
SEC	State Electoral Council
TPV	Temporary Protection Visa
TWU	Transport Workers Union
USFTA	United States Free Trade Agreement
WTO	World Trade Organisation

CHAPTER ONE

Introduction

Labor politics are faction politics.
Political Scientist Dean Jaensch 1989¹

The Australian Labor Party (ALP) is notorious for its factional politics. Since its defeat in the 1996 Federal Election, antagonistic preselection contests between the factions and internal factional power struggles at the State level, Party Leadership challenges in 2003 and factional disagreements over refugee and trade policies have featured prominently in the media. These public feuds have portrayed the national factions as detrimental to the Labor Party.² The term faction “has been employed as a opprobrious epithet”, not only by the ALP’s political opponents, but also by embittered members of the Party.³ For example, former Labor Leader Mark Latham states in his memoirs that “the factional system has deteriorated” and is based “on a corrosive and dysfunctional culture”.⁴ However, this thesis demonstrates that during Labor’s 1996–2004 period in opposition faction leaders resolved divisive policy issues in a “spirit of accommodation”.⁵ This accommodationist application of factional power is in direct counter-point to the general perception of factional influence.

The aim of this thesis is to determine the roles and influence of Labor’s factions on the formulation of national Party policy between the 1996 and 2004 federal elections. It focuses on the modern national factions during a period when Labor was in opposition.

¹ Dean Jaensch, *The Hawke-Keating Hijack: The ALP in Transition*, Allen and Unwin, North Sydney, 1989, p.136.

* This thesis applies the ‘Short Title’ reference system, in which the first reference to a source is given in full and the following references to the same source are in an abbreviated title form.

² See for instance: John Warhurst and Andrew Parkin, ‘The Future of the Labor Party’, *The Machine: Labor Confronts the Future*, John Warhurst and Andrew Parkin (eds), Allen and Unwin, St Leonards, 2000, p.8; Glen Milne, ‘Policy Action not Faction Friction’, *Australian*, 7 August 2000; Gerard Henderson, ‘Eyes Left but sticking to the Centre’, *Courier Mail*, 11 December 2002; Mike Steketee, ‘Fraction too much Faction’, *Weekend Australian*, 16-17 March 2002; Matthew Denholm, ‘Left attacks “Labor Elites” over Trade Deal’, *Daily Telegraph*, 29 July 2004.

³ Harold D. Lasswell, ‘Faction’, *Encyclopedia of the Social Sciences*, Edwin Seligman and Alvin Johnson (eds), vol. 6, MacMillan, New York, 1931, p.51. As Michael Costello argues in ‘A Player who Couldn’t Stand Heat’, *Australian*, 16 September 2005: “Whenever you hear someone suddenly sound from the rooftops about factionalism destroying the Labor Party, be careful. You’ll hear someone who has just lost a factional battle”. The varying views of ‘embittered men’ are discussed in more detail in Chapter Two.

⁴ Mark Latham, *The Latham Diaries*, Melbourne University Press, Carlton, pp.399&414.

⁵ Arend Lijphart, *The Politics of Accommodations, Pluralism and Democracy in the Netherlands*, University of California Press, Berkeley, 1969, p.104.

This chapter begins with a discussion of the term ‘faction’ which highlights why the focus of this thesis is on the development of policies which provoked varying degrees of debate within the Party. This thesis explores the method of policy formulation rather than the substance of policy, and this chapter clearly outlines the scope of this study of Labor’s factions. The informal and at times clandestine nature of factionalism makes researching the operations of the factions inherently difficult and the research methodology is therefore discussed in detail.

The chapter concludes with an outline of each of the following chapters in which the rationale for the choice of case studies is discussed. The policy development modes, level of internal debate and consultation in relation to the chosen policies vary greatly between the case studies. They therefore provide ample opportunity to explore factional dynamics in relation to policy formulation under different circumstances throughout the 1996–2004 period.

Definition of Faction and the Thesis Focus

The term ‘faction’ was first used to describe “the divisions into which [Ancient] Roman charioteers were separated”.⁶ Chariot racing was a commercial enterprise, and was strictly organised into different companies called factions. The public supported chariot factions in much the same way as football teams are supported today. The leading factions in Ancient Rome were the ‘reds’, ‘greens’, ‘blues’ and ‘whites’, the colours that were worn by the charioteers and decorated the horse-trappings.⁷ Sportsmanship was subordinated to the “violent frenzies of money-lust, bloodlust and mob-rivalries” between the factions and among their supporters.⁸ In Latin, the root of ‘faction’ is *facere*, which means ‘to do’ or ‘to act’, and:

factio soon comes to indicate, for authors writing in Latin, a political group bent on disruptive and harmful *facere*, on ‘dire doings’. Thus the primary meaning conveyed by the Latin root is an idea of hubris, of excessive, ruthless and thereby harmful behaviour and conveys concepts such as arrogance, insolence and excessive and ruthless behaviour.⁹

⁶ Lasswell, ‘Faction’, pp.49-51.

⁷ R. W. Moore, *The Roman Commonwealth*, Hodder and Stoughton Ltd, London, 1942, p.10; Lesley Adkins and Roy Adkins, *Handbook to Life in Ancient Rome*, Oxford University Press, Oxford, 1994, p.347. Horse-trappings includes the saddle, stirrups, bridle (reins and bit).

⁸ Moore, *The Roman Commonwealth*, p.11.

⁹ Giovanni Sartori, *Parties and Party Systems: A Framework for Analysis*, Cambridge University Press, Cambridge, 1976, p.4.

A faction thus “arises in a struggle for power” and the term is loaded with pejorative connotations.¹⁰

Anthropologists and political scientists define the term faction as an organised group within a larger body; such a group is motivated by self-interest as it works for the promotion of particular persons or policies and seeks to gain control of the whole. There is a consensus among the authors of the existing literature on factions that, although factionalism is potentially disruptive, it also adds a dynamic aspect to the larger social system that can effectively aid the communication and decision-making processes.¹¹ James Madison argued eloquently that in a free society “liberty is to factions what air is to fire”.¹² Therefore, if liberty is essential to a healthy political life and people are basically creatures of self-interest, the causes of factions cannot, and should not, be removed.¹³ In accordance with Madison’s premise that there will always be factions in a free society, this thesis is not a study on whether factions should exist in the ALP.

The research question of this thesis is whether the national factions in the ALP influence the formulation of Party policy. It aims to determine in which forums, under what circumstances and to what extent the factions were able to assert influence on policy during the 1996–2004 period in opposition. Because, by their very definition, factions can have opposing policy objectives, an understanding of how consensus has been reached on apparently irreconcilable factional positions is critical to exploring the relationship between the national factions and policy development. Therefore, this

¹⁰ Lasswell, ‘Faction’, p.49.

¹¹ See for instance: Richard Rose, ‘Parties, Factions and Tendencies in Britain’, *Political Parties: Contemporary Trends and Ideas*, Roy Micridis (ed), Harper, London, 1964; Paul Brass, *Factional Politics in an Indian State: The Congress Party in Uttar Pradesh*, University of California, Berkeley, 1965; Ralph Nicholas, ‘Factions: A Comparative Analysis’, *Friends, Followers, and Factions: A Reader in Political Clientelism*, Steffen W Schmidt, Laura Guasti, Carl H. Lande and James C Scott (eds), University of California Press, Berkeley, 1977, pp.55-73; Lasswell, ‘Faction’, pp.49-50; Jeremy Boissevain, ‘Factions, Parties, and Politics in a Maltese Village’, *Friends, Followers, and Factions: A Reader in Political Clientelism*, Steffen Schmidt, Laura Guasti, Carl Lande and James Scott (eds), University of California Press, Berkeley, 1977, pp.279-87; James Madison, ‘The Federalist No.10’, *The Federalist Papers: A Collection of Essays Written in Support of the Constitution of the United States*, Fairfield, R. (ed), Doublebay and Comp, New York, 1961, p.16; Raphael Zariski, ‘Party Factions and Comparative Politics: Some Preliminary Observations’, *Midwest Journal of Political Science*, vol. 4, no. 1, University of Wisconsin, Wisconsin, 1960, pp.27-51.

¹² Madison, ‘The Federalist No.10’, p.17.

¹³ Madison, ‘The Federalist No.10’, pp.17-8. While the view that ‘people are basically creatures of self-interest’ can be challenged, it is a position also asserted by the majority of theorists on factions such as Nicholas, ‘Factions: A Comparative Analysis’, p.55; Harold Lasswell and Abraham Kaplan, *Power and Society: A Framework for Political Inquiry*, Yale University Press, London, 1950; Sartori, *Parties and Party Systems*, pp.71-82. Sartori notes that in those countries that have no democratic parliamentary system, the small ruling circle and the groups that challenge it are also referred to as factions. He believes that the term should not be used for both organised cleavages within society and sub-units (such as groupings with a political party). He argues that for the latter the word ‘fraction’ should be used. The debate, while interesting, is outside the scope of this thesis.

thesis provides both an overview of factional influence on policy in the ALP, and an in-depth analysis by including case studies of contentious policies from three distinct policy areas; immigration, trade and welfare. These case studies cover a wide variety of development processes for different policy types, including policy position papers, platform and ‘election’ policies, as well as policy responses to Government legislation, and therefore provide ample opportunity to explore factional dynamics in relation to policy formulation under different circumstances throughout the 1996–2004 oppositional period.

The national factions dominate the entire organisation of the ALP, which includes its State and national trade union affiliations; conferences; local branches; national and State executives; policy committees; municipal, State and national electorate committees; and State and national secretariats. The modern factions are the threads connecting this “jumble of levels, lines and linkages”.¹⁴ Andrew Parkin’s definition of a Labor faction is pertinent here: a faction in the ALP is “an association within the party across various hierarchical levels and organisational components”.¹⁵ Therefore, this thesis explores the policy development processes in both the parliamentary and organisational wings of the Party.

In this dissertation, reference to factional operations in relation to patronage and preselection is only made when these issues are relevant to explain the broader context of factional processes in relation to policy development. Similarly, the thesis evaluates the advantages and disadvantages of the faction system specifically within the context of policy development processes. For instance, it is not intended to contribute to the wider debate about whether the faction system satisfies general expectations of intra-party democracy, but rather explains why there is a consensus among the faction elite that the existing faction system should be maintained and argues that the faction system is effective in delivering policy compromises.

In addition, this dissertation does not purport to be a study of the ideology of factions or their philosophical tendencies. Nonetheless, when examining policy development processes, some discussion of factional perspectives on particular policies is necessary. The labels of the factions in the ALP are based on the Left-Centre-Right trichotomy of

¹⁴ Andrew Parkin, ‘Party Organisation and Machine Politics’, *Machine Politics in the Australian Labor Party*, Andrew Parkin and John Warhurst (eds), George Allen and Unwin, Sydney, 1983, p.23.

the ideological spectrum.¹⁶ In reality, however, the views of the membership within a faction do not consistently correlate to cohesive and consistently pure ideological positions. The blurring of ideological perspectives between the factions is discussed throughout this dissertation and it is important to note from the outset that union interests, personal, State and factional loyalties as well as electoral considerations drive policy debate. The ideological labels do not necessarily explain or reflect factions' policy positions and at times appear merely to identify the competing factions in their power struggles over the ALP just as colours distinguished the competing Roman chariots. However, this thesis also shows that there are enduring dominant tendencies within each of the national factions which correspond with the labels.

Research Methodology

Information was gathered through interview data, secondary sources, observations, and official and unofficial ALP documents.¹⁷ Reports on formal debates, statements and voting positions of the factions can usually be obtained through secondary sources and official Party papers. However, documented data regarding the informal processes involved in policy formulation was scarce because the faction system is not an official structure in the Party; the factions are not formal units within the Party and are not referred to in Labor's constitution. Even for the Party's membership, there are no official procedures for obtaining information on how to join a faction, and the advantages, or otherwise, of factional membership are nowhere noted in a formal sense. There is also only limited information available on the policy development processes in Caucus during the 1996–2004 period when Labor was in opposition. As a consequence, interview data was central to researching the informal processes and the factional dynamics in the Party.

The focus of my research on interview data reflects Fiona Devine's argument that qualitative methods are more beneficial than quantitative measures when attempting to

¹⁵ Parkin, 'Party Organisation and Machine Politics', p.23.

¹⁶ Sartori, *Parties and Party Systems*, pp.71-5. Sartori argues that factions can be "explored along four dimensions: (i) organizational, (ii) motivational, (iii) ideological, (iv) left-and-right" and favours the left/right dimension the least.

¹⁷ The multi-method approach of investigation is often referred to as triangulation and recommended by researchers. See for instance, Raymond L Gorden, *Interviewing: Strategy, Techniques and Tactics*, Dorsey Press Georgetown, Ontario, 1980.

unravel the intricate nature of power relationships.¹⁸ While I interviewed a range of Party members, my focus was on obtaining interviews with the Party elite. For the purpose of this study, the term ‘elite’ refers to:

A group of individuals, who hold, or have held, a privileged position in society and, as such, as far as a political scientist is concerned, are likely to have had more influence on political outcomes than general members of the public.¹⁹

By interviewing faction leaders, information can be obtained about the private negotiations, and the compromises that are reached, between the factions in relation to policy decision-making. While information on private negotiations is obviously difficult to obtain or verify, and subject to personal interpretations by the informant, the interviews with key protagonists revealed essential information on how policy issues were resolved through negotiations that were held in private. Hence, through interviewing those who, to varying degrees, were part of the policy development processes it is possible to explore the internal conflicts, the debates, and the extent of informal consultation that occurred on policy issues.²⁰ Participants were able to state and explain to me their perspective on events and issues, and this made it possible to evaluate policy development in relation to the wider political environment. For instance, the particular reason for Caucus members’ support of a policy could be appraised within the context of their factional alliance, their consideration of the dominant view of their electorate and their personal philosophical stance.

Among the Party elite I interviewed are current shadow ministers and union leaders, and former Labor ministers and shadow ministers, many of whom were prominent faction leaders. Obtaining interviews with those who were in the various shadow ministries during the 1996–2004 period was particularly important as they had first-hand experience with the policy development processes in both the parliamentary and organisational wings. They had occupied prominent positions and within this frame of reference were able to provide an insider’s perspective on both the relevant internal factional politics and the broader political context.²¹ My interviews also included Party

¹⁸ Fiona Devine, ‘Qualitative Methods’, *Theory and Methods in Political Science*, David Marsh and Gerry Stoker (eds), MacMillan, London, 1995, p.148.

¹⁹ David Richards, ‘Elite Interviewing Approaches and Pitfalls’, *Politics*, vol.16, no. 3, p.200.

²⁰ Robert Peabody, Susan Webb Hammond, Jean Torcom, Lynne Brown, Carolyn Thompson and Robin Kolodny, ‘Interviewing Political Elites’, *PS: Political Science and Politics*, September 1990, pp.451-4; Richards, ‘Elite Interviewing’, pp.199-204.

²¹ Ian McAllister, ‘Australia’, *Passages to Power: Legislative Recruitment in Advanced Democracies*, Cambridge University Press, Cambridge, 1997, pp.20-2. According to Ian McAllister, Labor parliamentarians have generally served the Party for a considerable period of time, averaging approximately seventeen years. Many of the Senators have held elected Party or union positions, and

members who were involved in policy development to varying degrees, such as backbenchers, faction convenors, union officials, and some rank and file union and branch members. By interviewing a wide range of Party members, I elicited differing perspectives on the policy development processes during the 1996–2004 period.

A rich body of interview data was accumulated through conducting extensive interviews across the factional spectrum and, where possible, crosschecking this data with observations and with official and unofficial documents. The range of documentary evidence included: Hansard documents; the ALP's 2000 and 2004 platforms; the ALP Constitution; the ALP's public policy papers; Labor for Refugees' reports and policy papers; shadow ministers' press releases; and secondary sources such as media articles and academic analysis. In addition to these public documents I had access to Labor State and Territory Conference resolutions and some 2004 National Conference resolutions. These party documents, in particular, greatly assisted in substantiating some of the interview data. It was uncommon to be provided with internal documents, however, during my interviews I was given permission to view a 'Staff Only' policy draft and draft election papers from Con Sciacca's office and two pages from Simon Crean's work diary. When I was given access to the refugee policy papers produced by Con Sciacca's office I was aware that this unusual access was aimed at placing the writers of the document in a positive light. The document was useful for making comparisons with the 'Gillard Policy', and enabled me to verify both Duncan Kerr and Con Sciacca's claim that much of the Gillard Policy had its genesis in their draft policies produced in 2001.

As objectivity and impartiality are fundamental to the credibility of the research method employed, it is necessary to explain my status in relation to the interviewees. I have been a member of the Queensland Branch of the ALP for more than 13 years and since 2000 have been a member of the Labor Unity faction which aligns with the Left in Queensland. During the 1996–2004 period, although Labor Unity sometimes aligned with the Independents Alliance on Party ballots, it supported the National Right on policy issues at the national level. Because I am a Party and faction member, theoretically at least, I am an 'insider'. The several Presidents of Labor Unity during the 1996–2004 period were at all times aware of my study into Labor's factions, understood

most Labor parliamentarians, in their early career, held a volunteer Party position such as local branch official or delegate to State and/or National Conferences.

that when I attended faction meetings I was also making observations, and were supportive of my research. However, as I am not a factional activist and joined a faction solely with the objective of familiarising myself with the faction system in the ALP, I believe I was able to employ the same level of objectivity as someone who was not factionally aligned. The main advantage of being an ‘insider’ was that it provided me with access to Labor’s National Conferences and to Labor Unity meetings, where I was able to observe the organisational aspects of, and policy debate within, a faction.

Another advantage of being an ‘insider’ was that I was able to demonstrate empathy and establish trust with most of the participants. Subsequently, it was rare for interviewees to have a defensive attitude and many divulged confidential anecdotes that have remained ‘off the record’. The only times that participants queried my factional allegiance were when they wanted to explain their own factional alignment. Often the assumption was made that because I am a university student I would ‘naturally’ be aligned to the National Left. On the rare occasions I was questioned on this issue I was forthcoming about my factional status.

I am not an insider of the Party elite, and was not perceived as such by my informants. This was an advantage during the interviews as questions about policy development processes were answered patiently and sometimes in considerable detail, rather than my interviewees assuming I would, or should, be familiar with those processes. The main advantage of being an outsider in relation to the Party’s policy development processes was that I was able to conduct my research free of limiting preconceptions.

My broadly-based ‘insider’ status was only a slight advantage in obtaining interviews because of the politically sensitive nature of internal faction dynamics. Political scientist Jeremy Boissevain explains: “Because factionalism takes place in a social framework in which unity and consensus is generally regarded as an ideal, it is seen as divisive, a temporary unpleasantness, the details of which should not be discussed with outsiders”.²² According to Hugh Emy and Owen Hughes, the lack of information about and a reluctance to discuss the operations of the faction system create the “presence of an underworld, which is very much a mystery to the uninitiated outsider”.²³ Andrew

²² Jeremy Boissevain, ‘Factions’, *Social Science Encyclopedia*, Adam Kuper and Jessica Kuper (eds), Routledge, London, 1985, p.289.

²³ Hugh Emy and Owen Hughes, *Australian Politics: Realities in Conflict*, Macmillan, South Melbourne, 1991, p.136.

Leigh, member of the Left and author of an article on the New South Wales Left, even compares Labor's factions to the Mafia.²⁴

Despite some initial difficulties I interviewed 74 people, some two or three times, giving a total of 88 interviews. With the exception of Mungo MacCallum, an author and political commentator, all interviewees were ALP members.²⁵ They included interviews with current Labor Leader Kim Beazley and former Labor Leaders Simon Crean and Mark Latham, as well as faction leaders from the organisational and parliamentary wings, federal shadow ministers, federal backbenchers, members of the National Executive, members from the National Policy Committee (NPC), and a few local branch members. The following chart shows the factional ratio of the 73 ALP members interviewed.

Chart 1.1 *Members of the National Factions Interviewed*

	<i>National Left</i>	<i>National Right</i>	<i>Independents Alliance</i>
<i>Shadow Ministers at the time of the interview</i>	12	14	3
<i>Backbenchers Some of whom were former shadow ministers and/or former ministers</i>	9	7	1
<i>Union Leaders who are also faction leaders</i>	3	2	3
<i>Retired federal or State ALP Ministers</i>	2	1	3
<i>Other factionally aligned activists, such as: National Conference delegates NPC members and Party officials</i>	3	6	2
<i>Total</i>	29	31	13

The chart demonstrates that the interviews conducted with shadow ministers reflected the factional ratio at national level. A balanced representation of both the Right and the Left was also achieved in interviews with delegates at the 2004 National Conference,

²⁴ Andrew Leigh, 'Factions and Fractions: A Case Study of Power Politics in the Australian Labor Party', *Australian Journal of Political Science*, vol. 35, November 2000, p.427.

²⁵ Interview with Mungo MacCallum, 21 May 2002.

union leaders and members of the National Policy Committee. The number of interviews with the Independents Alliance reflects its small membership, but, significantly, I was able to interview Bill Hayden, who created the first formal national faction, the Centre Left, which was the forerunner of the Independents Alliance. In addition, about a dozen informal communications were held with members across the factional spectrum at the 2004 National Conference and with members of the Lilley Federal Electoral Council in Brisbane on the condition of anonymity (these are not included in the total of the formal interviews). The interviews with Caucus members are representative of all States and Territories, however there is a Queensland bias as it was more convenient to interview union leaders and federal MPs in my home State.

Given the sensitive nature of factionalism, I was not surprised that in my attempts to contact Party elites for an interview, 'gate-keepers', their personal assistants, were usually abrupt and protective of their employer at the very mention of the word 'faction'. When I mentioned that my study had the support of an 'insider' within the faction elite, my federal member and faction leader in the National Right, Wayne Swan, the 'gate-keepers' became more accommodating. Furthermore, once I was able to cite the names of several senior ALP figures whom I had interviewed it became much easier to obtain other interviews. There were a considerable number of interviews that were agreed to only after several letters and phone calls. For example, two letters and several e-mails were sent to Kim Beazley over a two-year period, and after two refusals, he eventually agreed to be interviewed and then only by e-mail. Initially, it was also difficult to secure interviews with female shadow ministers. However, by explaining that their male colleagues from Caucus had responded favourably, I was able to overcome this problem. The initial responses from those who agreed to be interviewed ranged from policy adviser Bernie Eades' comment, "I [am] loathe to talk to you about factional matters", to Con Sciacca's reply, "I'll talk about anything you like".²⁶

Having the support of 'insiders' such as Wayne Swan led to what David Richards calls a 'snowball effect'.²⁷ Swan was able to introduce me to other shadow ministers who, in turn, asked others to give me some of their time. For instance, Laurie Ferguson encouraged several members to agree to an interview with me. Likewise, in the organisational wing, Joe de Bruyn introduced me to Anne Black, who was in the Right

²⁶ Interview with Bernie Eades, 11 August 2005; I approached Con Sciacca for an interview at the Queensland Branch of the ALP's Conference in Brisbane in June 2003.

and a former member of the National Policy Committee. As my only contact on the Committee at the time was in the Left, the introduction to Black ensured a more balanced and representative view. On the whole, I found the shadow ministers very supportive of my research as many suggested relevant leads for further research and showed an interest in reading the completed work.

My interview technique initially involved the use of semi-structured open-ended questions. While I asked many participants similar questions to allow for crosschecking, I also solicited specific information from some participants in relation to their position within the policy development processes. For instance, when interviewing John Faulkner I explored the role of the Leadership group, as he was Labor leader in the Senate from 1996–2004. Similarly, as Tanya Plibersek had been particularly active in lobbying for the softening of the refugee policy, I focused my questions to her on that policy area. As Lindsay Tanner had written about Labor's factions, he was a valuable person with whom to discuss factions in a broader context. As I gained more experience as an interviewer, I replaced the semi-structured questions with dot-points on the topics I wished to explore further, and as a result some of the interviews became more free-flowing. I usually ended the interviews by asking if there was anything else the interviewee wished to comment on.²⁸ Even after the interview was concluded, some participants continued to discuss pertinent issues.

I asked every participant for permission to tape-record the interview before the agreed appointment. This enabled me to use quotations accurately in my dissertation. It was particularly important to use the recorder as I usually had several appointments in one day when interviewing Caucus members in Canberra. While some were initially reluctant to be recorded, it was agreed the recorder would be turned off when the interviewee wished to speak 'off the record'. Others became more relaxed after I suggested mailing them the sections of the dissertation in which their interview data was used, particularly if they were directly quoted. I received positive comments from those who contacted me after receiving such material.

Time and resource limitations prevented me from travelling to every State and Territory to interview MPs in their Electorate Offices. Therefore, I interviewed as many MPs as

²⁷ Richards, 'Elite Interviewing: Approaches and Pitfalls', pp.199-204.

possible in Canberra when Parliament was sitting. These interviews were conducted in November/December 2003, December 2004 and August 2005. Parliament House in Canberra was a dynamic but somewhat intimidating interview venue. The division bells rang periodically and interviews were often cut short. The noise of the bells made some of the interviews difficult to transcribe. In addition, a significant distraction occurred on 2 December 2003, when Caucus voted on the leadership. My federal member Wayne Swan provided me with access to a desk in his parliamentary office from 1 to 4 December 2003. This provided me with an opportunity to observe not only the long hours worked in shadow ministers' offices, but also the dynamics surrounding the leadership ballot between Kim Beazley and Mark Latham. These observations gave me a rare insight into the cross-factional relationships between Caucus members and their staffs, which subsequently assisted with interpreting some of the interview data.

One constant difficulty was that MPs' schedules were usually full and several interviews were cancelled, some were rescheduled and others were rushed. Overall, I found parliamentarians to be as supportive as time and circumstances allowed. Indeed, a few MPs were very interested in my research and encouraged a second interview, of which I took advantage. Because of MPs' busy schedules, most face to face interviews were 20 to 30 minutes. Some ran for only 10 minutes while others extended to almost an hour. This variation mirrors the experience of more seasoned researchers when interviewing the political elite.²⁹ There were also five e-mail interviews and one phone interview. The disadvantage of these interviews was that little rapport could be developed and it was difficult to ask for clarification of any of the answers. In addition to several informal communications based on the condition of anonymity, five 'doorstop' interviews occurred after the 2004 National Conference and they generally validated my observations.

Most participants wanted to discuss the merits of the various policies and had to be guided back to Labor's factions in relation to internal processes of policy development. A prime advantage of elite interviewing was that faction leaders and shadow ministers (some individuals were both) were often much more open and frank about internal matters than backbenchers and grassroots members. This finding accords with David Richards and Martin Smith's conclusion that members of the elite are "more happy to

²⁸ This technique is suggested among others, by Richards, 'Elite Interviewing: Approaches and Pitfalls', p.201.

divulge their inner thoughts on policies, and are more likely to enjoy the ability to respond to criticism within the public domain and state their case in response to that criticism”.³⁰ At the 2004 National Conference, most union and branch delegates asked to be cited as an anonymous source. Unlike the Party elite, rank and file Conference delegates were generally uncomfortable speaking on behalf of their faction, and were reluctant to have their personal view of events placed on record. Occasionally interviewees simply reiterated the ‘Party-line’, but, generally, participants became more expansive as the interview progressed.

One disadvantage I encountered in the interviews was the apparent need for several of the elite participants to take control of the interview and to assert their “own place in history”.³¹ Simon Crean, former Leader of the ALP, was keen to establish himself as a tough leader in exceptionally difficult times: “I never shy away from doing the hard work. I think that leadership is about standing up to the hard issues”.³² Crean spoke at length about the Party rule reforms, and it appeared as if he wished to ensure that it was recorded that he was responsible for these reforms. Likewise, Michael Costello passionately and doggedly refuted criticisms against Beazley’s policy strategies and, by extension, his own role as Beazley’s former Chief of Staff. Clearly, he was trying to place on the record an interpretation of events that portrayed Beazley and himself in the most positive light.

Hence, I was aware that the generally subjective accounts of issues and events given by most interviewees at times included an element of personal promotion or a particular agenda. During the 2002 and 2003 hostilities between Simon Crean and Kim Beazley supporters, some interviewees made derogatory comments about members in the opposing camp. These remarks were not always made off the record, but only those comments relevant to the policy development process were used and were cross-checked with other interviews and, when possible, official documentation. For instance, Crean’s interpretation that the NSW Right’s agenda was linked with that of Labor for Refugees has been recorded in Chapter Eight, as this was relevant to the development of refugee policy within the Party political context. This data was crosschecked with

²⁹ See for instance, Peabody et al, ‘Interviewing Political Elites’, p.452.

³⁰ David Richards and Martin Smith, *Interpreting the World of Political Elites: Some Methodological Issues*, Paper presented at the 52nd Political Studies Association Conference 5-7 April 2002, University of Aberdeen, United Kingdom, p.8.

³¹ Richards and Smith, *Interpreting the World of Political Elites*, p.2.

³² Interview with Simon Crean, 8 December 2004.

several other sources (See Chapters Six and Eight). Furthermore, in the text, I identify any inherent factional bias by acknowledging the informants' factional alliance in brackets.

Using interviews to obtain information suffers from the disadvantage of interviewees sometimes having difficulty in recalling details of specific events. This problem was particularly evident in the area of welfare policy. The issues surrounding this policy area were not controversial enough for many in Caucus to remember details of the consultations that occurred throughout the policy development processes. For instance, when questioned on the 1997 *Work for the Dole* Bill, Rod Sawford stated: "It was not a major issue, I don't remember".³³ Even the Shadow Minister for Family and Community Services, Wayne Swan, was not clear on all details of the policy development processes concerning social security issues. In contrast Swan's policy adviser, Matthew Linden, was able to provide detail on some of the case studies examined in Chapter Ten. As a result, this chapter relies more strongly on the views of a single individual than the case studies in Chapters Seven to Nine. Nearly all participants remembered some details of the refugee policy development processes and, as the issue had been controversial, every informant had an opinion on the subject.

Another advantage of elite interviewing is that not only are the informants concerned about 'their place in history' (as discussed above), but many of the elite have a genuine interest in Labor Party history, even when they are not the key actors. I noticed this interest and support when I asked insiders to 'fact-check' a chapter.³⁴ Daryl Melham checked a draft of Chapter Five on the policy development processes in Caucus. Melham, who entered parliament in 1990, was able to verify that I had identified the various policy development processes that occurred in Caucus. As Senators usually have an extensive factional background before becoming parliamentarians, a draft of Chapter Four, on the organisational wing, was fact-checked by Senator Ruth Webber. Key players in the respective policy development areas read the case study chapters: Julia Gillard and Duncan Kerr read a draft of Chapters Seven and Eight; Stephen Conroy read a draft of Chapter Nine; and Matthew Linden, policy adviser to Wayne

³³ Interview with Rod Sawford, 9 August 2005.

³⁴ Sharan Merriam, *Qualitative Research in Practice: Examples for Discussion and Analysis* (5th edn), Jossey-Bass, San Francisco, 2002, p.26. According to Merriam, doing a fact-check, or "member check", is recommended to ensure the validity of qualitative research. My supervisors also encouraged this process.

Swan, read a draft of Chapter Ten. The usefulness of these ‘fact-checks’ varied, but they usually led to further inquiries and crosschecking of data.

In short, the research methodology consisted of observing faction meetings and official Party events, sighting official and unofficial documents and conducting interviews, which effectively allowed me to crosscheck information. While it was sometimes difficult to obtain access to the Party elite, the final result was rewarding because the shadow ministers and faction leaders were much more forthcoming than were the rank and file faction members. While acknowledging the limitations of interviews as a research method, in conjunction with other sources, this method was central to obtaining information on the factional dynamics in relation to both formal and informal policy development processes. Through the combined research methods, this study provides new and significant insights into the factions’ roles in, and influence on, policy development in the ALP.

Overview of the Chapters

Chapter Two reviews the literature on Labor’s national factions and situates this study of the relationship between the factions and the Party’s policy development processes within a theoretical framework. The review is selective in that it explores only those studies specifically relating to Labor’s contemporary national factions. The focus is on four themes identified by the authors of these works: management, patronage, ideology and the marginalisation of the grassroots membership. After discussing the research methodology generally employed by these authors, the chapter introduces Arend Lijphart’s pluralist theory of the Politics of Accommodation as the framework adopted for this thesis. In Lijphart’s accommodation model, proportional representation is deemed to be fundamental to power sharing between self-contained factions. The framework is appropriate for an analysis of the ALP’s faction system, as the Party’s decision-making bodies and processes are constructed and conducted on the basis of the proportional representation principle (as discussed in Chapters Four and Five).

Chapter Three also argues that proportional representation was the key impetus for the creation of the modern national factions. This chapter places the modern factions in their historical context. By exploring the different philosophical tendencies of the

national factions and emphasising the three major splits in the Party, this chapter argues that the ALP is inherently prone to factionalism. It highlights how the contemporary factions were created as a by-product of internal rule reform, particularly the implementation of PR, in order to counter the ‘winner-take-all’ mentality that has historically been electorally catastrophic for Labor. After briefly exploring the fracturing of the National Left into sub-factions, this chapter discusses the role and influence of the factions during the Hawke–Keating era (1983–1996).

Chapters Four and Five provide an overview of the operations of the national factions in the organisational and parliamentary wings respectively. They concentrate on exploring how the informal processes of the faction system dominate the formal Party structures, and demonstrate how the faction elite controls the decision-making forums. These discussions highlight the major characteristics of the national factions in relation to policy development, such as how factional loyalty is sustained. The chapters show that factional influence on policy is of a more subtle nature in Caucus compared to the clearly evident factional discipline imposed at National Conference. Many of the aspects of factionalism illuminated by these chapters are discussed in greater depth in the case studies in Chapters Seven to Ten.

Chapter Six situates the development of the policies chosen for the case studies within the broader context of the policy agendas and leadership styles of the three Labor Opposition Leaders: Kim Beazley, Simon Crean and Mark Latham. The chapter’s findings are that the Caucus factions had no role or influence on election policies or policy agendas in this period because power devolved to an inner circle (not based on PR) or the Party Leader. In the main, Caucus portrayed a united front in support of decisions made by Beazley and Latham whereas disagreements were expressed publicly under Crean’s leadership. By comparing these contrasting dynamics, this chapter highlights basic characteristics of factional behaviour, and examines how power struggles affected the refugee policy development processes.

Chapters Seven and Eight explore the development processes of the platform’s refugee policy. Matters of immigration can polarise the electorate and this thesis examines the development of Labor’s refugee platform policy because it was the most contentious issue within the Party during the 1996–2004 period. How refugee policy, particularly boat-people issues, was at the forefront of national debate has been recorded in great

detail elsewhere.³⁵ The Tampa incident, and Beazley's bipartisan approach to it, provoked an impassioned debate which starkly divided the Labor Party.³⁶ How the issue was resolved within the Party through the development of a new policy is of significant interest to this study. The development of the refugee policy for the Party's platform is given more attention in this thesis than the other case studies because of the length and breadth of the debate and the policy's development processes. While platform policy is not normally debated in Caucus, the development of the refugee policy involved both the organisational and the parliamentary wings. The cross-factional division on the issue and the creation of an internal lobby group, dominated by the National Left, provide opportunities to determine whether, and in which forums, the national factions influenced this policy. This case study is of particular interest to this thesis as debate, particularly on boat-people policy issues, began as a cross-factional matter and evolved into a Left versus Right issue.

Chapter Seven concentrates specifically on the development processes of the policy in Caucus, and Chapter Eight analyses the formal and informal consultation that occurred between the Shadow Minister for Immigration and the organisational wing. The case study demonstrates that the factional and sub-factional alignment of the different shadow ministers during the two years of the development process represented a subtle but significant influence on the process of obtaining support for the refugee policy. The role and influence of the factions are highlighted in Chapter Eight as it argues that, despite the lobbying of a cross-factional interest group, amendments to the draft refugee policy were only made when it became a factional concern. This chapter demonstrates how ideological rhetoric remains a significant characteristic of the national factions and serves to sustain factional loyalty.

³⁵Briefly, the incident began on 26 August 2001 when a Norwegian freighter, MV Tampa, rescued a group of asylum seekers in international waters near Christmas Island, an Australian territory. Although the nearest port of call was Indonesia, at the insistence of the asylum seekers, the vessel headed for Australia. Captain Arne Rinnan sought permission to bring them to Christmas Island, but the Howard Government denied his request. The Prime Minister sent SAS troops to secure the vessel. The Government's actions appeared to have the support of the majority in the electorate as the Prime Minister's approval rating soared. See for example David Marr and Marian Wilkinson, *Dark Victory*, Allen and Unwin, Crows Nest, 2003; Mary Crock and Ben Saul, *Future Seekers: Refugees and the Law in Australia*, Federation Press, Annandale, 2002; Mungo MacCallum, 'Girt by Sea: Australia, the Refugees and the Politics of Fear', *Quarterly Essay*, Schwartz, Melbourne, Summer 2002, pp.5-37; Patrick Weller, *Don't Tell the Prime Minister*, Scribe, Melbourne, 2002.

³⁶Rae Wear, 'Political Chronicles: Commonwealth of Australia July to December 2001', *Australian Journal of Politics and History*, vol. 28, no. 2, 2002, pp.242-3.

Ideological rhetoric came into focus in a similar manner in the ‘fair’ versus ‘free’ trade debate that took place at the 2000 and the 2004 National Conferences. Chapter Nine examines the development of the 2000 and 2004 trade platform policies, as well as how the Opposition developed a formal response to the United States Free Trade Agreement (USFTA), as these policies provoked intense factional debate. The platform policies are of particular interest because they highlight how faction leaders arrived at a compromise policy prior to each of these conferences. The chapter finds that the distinctive means of policy development exemplified the ideal method of negotiations detailed in Lijphart’s accommodation model. The case studies on the development of trade platform policies differ from the refugee case study because Caucus was not involved in the former. Examining Labor’s response to the USFTA highlights the complexities of internal and external influences that must be taken into account by the Opposition when responding to a controversial Government policy. A major consideration for the Party Leader, Mark Latham, was the need to accommodate the dominant views of the major faction in the interest of factional unity. These trade case studies demonstrate that although the Left could not outvote the combined numbers of the Right and Independents Alliance, its views were nevertheless taken into consideration in the development of trade policies.

Chapter Ten examines four social security policies in the Family and Community Services (FACS) portfolio which were, to varying degrees, contentious in Caucus. These case studies explore the formulation of amendments to government legislation and some of Labor’s prominent election policies in 2004. This policy area is included in order to provide a clear contrast to the informal and formal development processes utilised to resolve issues relating to refugees and trade. There was generally a consensus on a moderate approach in welfare reform and no factional positions were adopted in this policy area during the 1996–2004 period. Nonetheless, this chapter finds that intense debate, driven by some members in the Left, occurred on some welfare issues, in particular on the concept of mutual obligation. Factional influence was subtle as the shadow minister pursued a moderate direction, which considered the dominant tendencies in the major factions and rejected the extreme ideological perspectives of individuals across the factional spectrum. Chapter Ten argues those electoral considerations and the perspective of the Party Leader were interrelated influences that sometimes overrode any factional consensus on welfare reform.

The final chapter demonstrates that this thesis contributes to the existing literature in several ways. Because this thesis focuses on the 1996–2004 period when the ALP was in opposition it extends the current analysis on the national factions when Labor was in Government. This study not only identifies the circumstances and forums in which the national factions influence policy, but also the extent to which such influence can be asserted. By analysing the policy development processes through Lijphart’s theoretical framework, this thesis provides insights into the nature of factionalism in the ALP. The thesis argues that the Party elite control policy formulation through a factional accommodation model. It demonstrates the paradox of Labor’s factions; although factions pursue separate policy objectives and compete for power in the Party, faction leaders effectively resolve divisive issues in a ‘spirit of accommodation’.

CHAPTER TWO

Analysing Factions: Literature Review and Theoretical Framework

Long before scholars began analysing the phenomenon of power-sharing democracy in the 1960s, politicians and constitutional writers had designed power-sharing solutions for the problems of their divided societies. Political scientists merely discovered what political practitioners had repeatedly - and independently of both academic experts and one another - invented years earlier.

Political Scientist Arend Lijphart 2004¹

Factions have been studied since the 1930s by political scientists, since the late 1950s by anthropologists, and in the past few decades by historians.² In contrast to the factional relationships analysed by many of these academics, since 1981 Labor's internal power-sharing arrangements have been based on proportional representation. Because of this fundamental difference, this chapter takes a selective approach to the interrelated aims of both reviewing the literature and placing the study of factions within a theoretical framework.

The literature review explores only those studies that examine Labor's *modern* national factions, a relatively small sub-set of works that analyse factions in the ALP and an even smaller subset of studies of the ALP.³ Academic interest in the factional dynamics inside the ALP has generally focused on the events and conflicts leading up to the Party's three splits.⁴ John Warhurst and Andrew Parkin, who edited the collection of

¹ Arend Lijphart, 'Constitutional Design for Divided Societies', *Journal of Democracy*, vol.15, no.2, April 2004, p.97.

² Jeremy Boissevain, 'Factions', *The Social Science Encyclopaedia*, Routledge and Kegan Paul, New York, 1985, p.289. Examples of the works of anthropologists and political scientists occur throughout the chapter. Historians have also debated whether the term 'faction' can provide the basis for a useful analytical framework. Studies of the English Reformation examine if factions were fluid or solid, permanent and coherent groups and whether their objectives were exclusively driven by self-interest. See for instance Joseph Block, *Factional Politics and the English Reformation, 1520-1540*, Boydell Press, Suffolk, UK, 1993 and Greg Walker, *Persuasive Fictions: Faction, Faith and Popular Culture in the Reign of Henry VIII*, Scholar Press, Aldershot, England, 1996.

³ Examples of some of the prominent works in the wide range of studies on the ALP are: Warren Denning, *Caucus Crisis: The Rise and Fall of the Scullin Government*, Hale and Iremonger, Sydney, 1982; Ross McMullin, *The Light on the Hill: The Australian Labor Party 1891-1991*, Oxford University Press, Melbourne, 1991; Peter Beilharz, *Transforming Labor: Labour Tradition and the Labor Decade in Australia*, Cambridge University Press, Cambridge, 1994; John Faulkner and Stuart Macintyre (eds), *True Believers: The Story of the Federal Parliamentary Labor Party*, Allen and Unwin, Crows Nest, 2001.

⁴ See for example: Robert Murray, *The Split: Australian Labor in the Fifties*, Cheshire, Melbourne, 1970; Bruce Duncan, *Crusade or Conspiracy? Catholics and the Anti-Communist Struggle in Australia*, UNSW Press, Sydney, 2001; Ross Fitzgerald, *The Pope's Battalions: Santamaria, Catholicism and the Labor Split*, University of Queensland Press, St Lucia, 2003; Brian Costar, Peter Love and Paul Strangio (eds), *The Great Labor Schism: A Retrospective*, Scribe, Melbourne, 2005.

studies on State-based factions, *Machine Politics in the Australian Labor Party*, first identified the need for analysis of Labor's modern factions as a separate topic in 1983.⁵ In 1987, ALP members Clem Lloyd and Wayne Swan wrote the first overview of the national factions, 'The National Factions and the ALP'.⁶ Since these works, studies of the Labor Party have acknowledged the significance of the faction system, and some authors have analysed the contemporary factions under separate chapters or sub-headings.

Most studies of the modern national factions identify four interrelated themes: management, patronage, ideology, and the marginalisation of the grassroots membership - including factionally aligned members. Therefore, this chapter examines the literature in terms of these themes and determines how relevant or useful they are to the study of national factions and their influence on policy development. Irrespective of which themes have been emphasised at different junctures by different analysts, there is a consensus in the literature that the factions during the Hawke-Keating era were organised and disciplined. In other words, the faction system is generally seen as having been a useful tool for managing the Party. But this perception has also led to criticisms that since their institutionalisation, the factions have become more concerned with patronage, have isolated the grassroots membership from decision-making processes, and have caused policy debate to be limited to the factional elite.

This chapter notes that interviewing is often the methodology employed in the existing studies when researching and gathering data on Labor's factions. Another notable characteristic of the literature is lack of engagement with, or development of, theoretical models. By contrast, this thesis explores the value of Arend Lijphart's pluralist theory of 'Politics of Accommodation' for analysing how divisive policy issues are resolved within the ALP. The ALP's faction system is constructed and operates in a similar manner to the political system of the Netherlands on which Arend Lijphart's Politics of Accommodation is based and therefore the theory can be applied to this study.

⁵ Andrew Parkin and John Warhurst (eds), *Machine Politics in the Australian Labor Party*, George Allen and Unwin, Sydney, 1983. Analysis in *Machine Politics* concentrates on how the social and political environment in each State Branch influenced the formation of Left, Right and eventually Centre factional groupings.

⁶ Clem Lloyd and Wayne Swan, 'National Factions and the ALP', *Politics*, vol. 22, 1987, pp.100-10. Their work was first published in 1987 in a three-part series in *The Australian*.

The chapter then discusses the overall rationale for this thesis. The literature review demonstrates that most analyses have presented broad overviews of factional operations in relation to policy, rather than in-depth systematic studies. It also notes that the existing analyses overwhelmingly focus on the factional dynamics during the Hawke–Keating Governments. This thesis explores the operations and dynamics of the modern national factions in a different era, focuses on policy case studies and adopts a specific theoretical framework. The systematic examination of the factions’ relationship with policy development during the 1996–2004 period contributes new details and insights to the existing literature. By employing a theoretical model on factions originally developed to understand the political system of the Netherlands to analyse the factions within the ALP, this thesis provides a rigorous and comprehensive analysis of the ALP’s factional dynamics in relation to policy during Labor’s 1996–2004 period in opposition

Management: The Main Advantage of the Faction System

The faction system is widely portrayed as having been a constructive organisational tool for the Labor Government in the 1980s; Dean Jaensch concludes, the “benefit of disciplined factions is in party management”.⁷ The majority of the literature that examines the national factions during the Hawke–Keating Governments argues that it was the discipline imposed on Caucus by the faction leaders that ensured cabinet could execute a policy agenda without being concerned that Caucus would overturn its decisions.⁸ Similar factional management occurred in the organisational wing, and the alliance of the Right and Centre-Left ensured that, when necessary, the Party’s platform was altered at National Conference to meet the needs of the government. This was

⁷ Dean Jaensch, *The Hawke-Keating Hijack: The ALP in Transition*, Allen and Unwin, North Sydney, 1989, p.168. Studies by social anthropologists have come to similar conclusions. See for instance Ralph Nicholas, ‘Factions: A Comparative Analysis’, *Friends, Followers, and Factions: A Reader in Political Clientelism*, University of California Press, Berkeley, Los Angeles, 1977. Nicholas finds in his study from 1958-61 that some factions found in India develop under conditions of rapid social change and become the means to organising political relations, which helps bring about social order.

⁸ See for instance: Fred Gruen and Michelle Grattan, *Managing Government: Labor’s Achievements and Failures*, Longman Cheshire, Melbourne, 1993, p.15; Jaensch, *The Hawke-Keating Hijack*; pp.168-9; Hugh Emy and Owen Hughes, *Australian Politics, Realities in Conflict*, MacMillan, South Melbourne, 1991; Troy Bramston, ‘The Hawke Leadership Model’, *The Hawke Government, A Critical Retrospective*, Susan Ryan and Troy Bramston (eds), Pluto Press, North Melbourne, 2003, p.68; Michelle Grattan, ‘Caucus and the Factions’, *True Believers*, John Faulkner and Stuart Macintyre (eds), Allen and Unwin, 2001, pp.250-64; Brett Evans, *The Life and Soul of the Party: A Portrait of Modern Labor*, University of New South Wales, Sydney, 2001, p.63; Richard Lucy, *The Australian Form of Government: Models in Dispute*, MacMillan, South Melbourne, 1993 (2nd ed), p. 24

achieved through private negotiations between faction leaders. The result was that conflict in cabinet and Caucus was reduced and did not generally surface at the Party's national conferences.⁹ In these ways, the faction leaders primarily managed the factions in order to protect the cabinet from having its decisions overruled by Caucus or National Conference.

Lloyd and Swan argue that not only did the factions become a vital mechanism for organising the Party but also, "to a much greater extent than any other factional institution, the National Parliamentary Faction Caucuses are closely involved in policy formulation and oversight".¹⁰ They explain that the factions at the national parliamentary level negotiate directly with each other over policy issues. Faction leaders negotiate directly with the Labor Leader and, as a result, agreements are reached prior to policy debate in Caucus.¹¹ In contrast to the widely held view that the faction leaders ensured that cabinet decisions were supported, Lloyd and Swan state that all three factions were able to consistently negotiate their policy objectives and that compromises were reached. For example, they cite how the three national factions "combined early in 1985 to induce Hawke to extricate his Government from an agreement permitting the United States to test the MX missile in waters off Australia".¹² The examples provided by Lloyd and Swan which suggest that, as factional blocs, the Caucus factions were "closely involved in policy formulation" were in fact the exception rather than the rule. In the final analysis, there is a difference in emphasis in the manner in which Lloyd and Swan portray the operations of the factions at the Caucus level during the 1980s compared with other observers. Nonetheless, the anomalies they highlight do show that the factions can on occasion exert pressure on the Prime Minister and cabinet and, to some extent, impose constraints on their power.¹³ Or, as Bill Hayden perceived it, "a leader's authority can be undermined by the power of the factions, especially where he is attempting to exercise some discipline".¹⁴

⁹ Jaensch, *The Hawke-Keating Hijack*, p.168; Lucy, *The Australian Form of Government*, p.2; Ian Ward, 'Factionalism: The Labor and Liberal Parties Compared', *Journal for Students of Year 12 Politics*, vol.17, no. 2, July 1989, p.23; Grattan, 'Caucus and the Factions', pp.251-3; John Warhurst, 'The Labor Party', *Government Politics Power and Policy in Australia* (6th edn), Dennis Woodward, Andrew Parkin and John Summers (eds), Longman, South Melbourne, 1997, pp.175 & 85; John Button, 'Beyond Belief: What Future for Labor?', *Quarterly Essay*, Black Inc, Melbourne, 2002, p.31.

¹⁰ Lloyd and Swan, 'National Factions and the ALP', p.104.

¹¹ Lloyd and Swan, 'National Factions and the ALP', p.104.

¹² Lloyd and Swan, 'National Factions and the ALP', p.104.

¹³ Argued for instance by: Ward, 'Factionalism', p.23; Grattan, 'Caucus and the Factions', p.255.

¹⁴ Bill Hayden, *Hayden: An Autobiography*, HarperCollins, Sydney, 1996, p.31.

Party management was facilitated in the 1980s because proportional representation (PR) was enforced to ensure even the smallest faction had representation in the decision-making bodies. The significance of PR in terms of the creation and operation of the national factions is remarked on to varying degrees in the literature. Lloyd and Swan maintain that in “every respect, the emergence of national factions was a by-product” of proportional representation being implemented for all Party ballots.¹⁵ John Faulkner and Ian Ward, among others, have argued that PR ensures a more conciliatory power-sharing approach between the factions compared to the winner-takes-all mentality prior to 1981.¹⁶ Other authors have drawn upon this analysis as they highlight that the power-sharing approach provided the Centre-Left with the balance of power when it voted on policy decisions.¹⁷

However, the issue of PR raises another question: can the fact that the contemporary factions were created by PR, in stark contrast to the emergence of factions during the Cold War period, reveal more about the very nature of the factions? Chapter Three hypothesises that because the creation of the modern factions was neither driven by traditional ideological divisions nor prompted by the need to assert particular policy positions, their subsequent organisation and solidification were not based on a need to enhance and nurture policy debate. The case studies in Chapters Seven through to Ten demonstrate that this inherent characteristic of the modern national factions is evidenced by the fact that the factions are not ideologically pure blocs and little policy debate occurs within factions (discussed below). The case studies also demonstrate that the method of resolving controversial policy issues between the factions is based on a ‘spirit of accommodation’, reflecting the fundamental power-sharing principle of PR.

Arguably, the greatest achievement of the modern faction system is that organised competition based on PR has mitigated the tendency of factionalism to lead to a fragmentation of the Party – as evident in its three historic splits.¹⁸ Nonetheless, the fact that PR enables smaller factions to have a say has led to a fracturing of the factions. Some commentators, particularly Scott, Tanner, Evans and Leigh, have suggested that

¹⁵ Lloyd and Swan, ‘National Factions and the ALP’, pp.100-10.

¹⁶ John Faulkner, ‘Splits: Consequences and Lessons’, *True Believers*, pp.216-7; Ward, ‘Factionalism’, p.21.

¹⁷ Lloyd and Swan, ‘National Factions and the ALP’, p.101; Jaensch, *The Hawke-Keating Hijack*, p.168; Evans, *The Life and Soul of the Party*, p.64. Evans draws a vague link without further analysis: “All of the factions are less ideological than in the past, since all are dedicated to managing tensions over the spoils of political life”.

¹⁸ Faulkner, ‘Splits: Consequences and Lessons’, pp.216-8.

intra-faction competition over Party positions or preselections has resulted in conflict and has led to splits within a faction, shifting alliances, leadership challenges and general destabilisation.¹⁹ The broader faction theory discusses some of the philosophical reasons for factions dividing into fractions, and suggests that factional unity largely depends on external pressures on the group as a whole.²⁰

As the national factions are widely regarded as a vital management tool, researchers have also become interested in their internal organisation. Some of the authors raise the theme that the national factions are ‘parties within a party’, because they are composed of executives, hold annual meetings, collect membership fees and issue irregular newsletters.²¹ Yet these analysts offer little substantive information about how much policy debate occurs at a faction meeting, and whether each faction prepares policy papers. In order to address this omission, this thesis explores the amount of policy debate which occurs at faction meetings and Party forums, and under what circumstances factional policy positions are asserted. The existing literature also reveals some confusion about whether newsletters and membership fees are part of the organisation at the State or the national level.²² That members pay a membership fee at the State level is significant because the correlation of the State components with the national factions can change over time. The internal organisation and operations of a national faction, as distinct from what occurs within its State components, are often unclear and this matter is addressed in more detail in Chapters Four and Five.

¹⁹ Lindsay Tanner, ‘Labor’s Turbulent Tribes’, *Labor’s Troubled Times*, David Burchell and Race Mathews (eds), Pluto Press, Leichhardt, 1991, pp.10-17; Scott, *Running on Empty*, pp.197-8; Evans, *The Life and Soul of the Party*, p.64; Leigh ‘Factions and Fractions’. See also numerous examples by the contributing authors on State-based factions in *The Machine: Labor Confronts the Future*.

²⁰ See for instance: Harold Lasswell, ‘Faction’, *Encyclopaedia of the Social Sciences*, New York, 1931, pp.49-51; Giovanni Sartori, *Parties and Party Systems: A Framework for Analysis*, Cambridge University Press, Cambridge, 1976, p.76.

²¹ See for instance: Emy and Hughes, *Australian Politics: Realities in Conflict*, p.135; Grattan, ‘Caucus and the Factions’, p.251; Andrew Scott, *Running on Empty*, Pluto Press, Sydney, 2000, p.160. In the broader faction theory, factions in a society cease to be factions and become political parties once they adopt corporate structural characteristics such as frequent meetings, elected leaders and develop a sense of permanence. See Bossevain, ‘Factions, Parties and Politics in a Maltese Village’. This leads to the point made by Giovanni Sartori, *Parties and Party Systems: A Framework for Analysis*, Cambridge University Press, Cambridge, 1976, pp.71-82, that there is an inconsistency with the use of the term ‘faction’. In countries where there is no democratic parliamentary system, the small ruling circle and groups challenging its power are referred to as factions, and in countries where electoral parties have developed political parties the sub-units are also described as factions. Sartori therefore suggests the word ‘fractions’ for the intra-party groupings. However, ‘fraction’ implies that the political party was initially a solid whole, and Chapter Three demonstrates that the ALP was created by different sections in society and has always been prone to divisions.

²² Clive Bean and Ian McAllister, ‘Factions and Tendencies in the Australian Political Party System’, *Politics*, vol. 24, no. 2, November 1989, p.80; Emy and Hughes, *Australian Politics: Realities in Conflict*. For instance, Bean and McAllister as well as Emy and Hughes state that the national factions have membership fees.

Relationships between the State components of a national faction can be complex. Some of the literature explains that alignment at the State level does not always correspond to that which occurs at the national level. Changing factional alliances at the State level and factional drift from the State to the national level can result from a variety of factors, ranging from personality clashes and preselection battles to general power struggles within a Branch.²³ Richard Lucy provides the example of the Victorian Independents voting with the Left at the State level and with the Centre-Left at National Conference and in Caucus.²⁴ Realignments are based on tactical rather than ideological issues and, as Lloyd and Swan point out, the alliances often demonstrate the “ideological flexibility, even lassitude” of the factions.²⁵

In addition to the *Machine* volumes, there are several other studies, based on State-based Labor politics, which contribute to the understanding of the national factions. Fia Cumming’s *Mates* explores the New South Wales Right through a series of interviews that reinforce the fundamental link between factional politics at the State and national level. Graham Richardson’s *Whatever it Takes* provides insight into the organisational styles of the Left and the Right and explains the circumstances which led to the organisation of the Right nationally.²⁶ The NSW Left is the focus of Andrew Leigh’s ‘Factions and Fractions’, which provides significant material on why there are two sub-factions of the National Left in Caucus.²⁷ Because the sub-factions of the Caucus Left remained a significant element in policy debates throughout the 1996–2004 period, Chapter Three provides a brief historical overview of this split.

While there is a consensus in the literature that the faction system manages the ALP, there is little in-depth analysis as to how this control dominates the official structure of the Party, considering that the factional membership has always constituted only a small

²³ See for instance: Lloyd and Swan, ‘National Factions and the ALP’, p.108; Scott, *Running on Empty*, pp.190-7.

²⁴ Lucy, *The Australian Form of Government*, pp.30-1. Scant reference to this aspect of factional politics is made by Evans, ‘The Life and Soul of the Party’, pp.63-4; Emy and Hughes, *Australian Politics: Realities in Conflict*, p.135.

²⁵ Lloyd and Swan, ‘National Factions and the ALP’, p.108.

²⁶ Fia Cumming, *Mates: Five Champions of the Labor Right*, Allen and Unwin, North Sydney, 1991, pp.241-9; Graham Richardson, *Whatever it Takes*, Transworld, Moorebank, NSW, 1994.

²⁷ Andrew Leigh, ‘Factions and Fractions: A Case Study of Power Politics in the Australian Labor Party’, *Australian Journal of Political Science*, vol. 35, no.3, November 2000, pp.427-50. According to Leigh the events in the NSW Left parallel the fragmentation of the Left in other States and he argues that these were caused through disagreements over ideology and the role of the union movement, as well as through personality conflicts and generational differences. For more examples of the fragmentation of Labor’s State-based factions during this period see Warhurst and Parkin (eds), *The Machine; Labor Confronts the Future*, Allen and Unwin, St Leonards, 2000 and Scott, *Running on Empty*.

percentage of the wider membership. Lloyd and Swan's paper provides an explanation as to why the official decision-making bodies are now factional forums and why the faction system runs throughout the Party.²⁸ Since this work was published, all studies have acknowledged that Caucus and National Conference are faction forums where factional influence is asserted on policy positions.²⁹ Many authors touch upon the notion that factional politics dominate preselection for both safe and marginal Labor seats³⁰, as well as election to Senate tickets and internal Party bodies such as committees and the National Executive.³¹ Chapter Four of the thesis explains how the faction system dominates the official structure of the Party, and includes a consideration of the 2002 rule reforms on the internal structure of the Party. While Ian Hundley's article offers a broad critique of Labor's 2002 rule reform,³² Chapter Four concentrates only on the processes in relation to policy development. I concur with Hundley's main conclusion that following the 2002 reforms the faction system continues to dominate the Party, but I extend the analysis by exploring how and why this factional control over the Party is sustained.

Patronage: A Major Criticism of the Faction System

Unlike the generally positive assessment of the faction system's management of the Party, the factions are often criticised the media,³³ and Party members³⁴ for being

²⁸ Lloyd and Swan, 'National Factions and the ALP', pp.100-6.

²⁹ See for instance Jaensch, *The Hawke-Keating Hijack*, pp.168-73; Grattan, 'Caucus and the Factions', 250-64; Gruen and Grattan, *Managing Government*, pp.14-17.

³⁰ See for instance the following on branch-stacking in the ALP: Button, 'Beyond Belief', pp.27-8; Scott, *Running on Empty*, pp.182-4; Barry Jones, *Work in Progress, ALP Victorian Branch*, University of Melbourne Press, Carlton, 1996. The term 'branch-stacking' refers to enlisting members in a branch of a political party for the purpose of channelling the members' votes towards a particular candidate, and is often associated with the recruitment of people with a shared ethnic heritage.

³¹ See for instance: Jaensch, *The Hawke-Keating Hijack*; pp.168-73; Anthony Albanese, 'Organisational Reform in the Australian Labor Party', *The Paradox of Parties*, Marian Simms (ed), Allen and Unwin, St Leonards, 1996, pp.51-5.

³² Ian Hundley, 'Labor Party Reform: Is That All There Is?', *Politics 2, Dissent*, Foundation for Study of Independent Ideas, Summer 2002/2003, pp.11-4.

³³ Greg Sheridan, 'The Power Behind the Politics', *Australian*, 7 July 1987, Retrieved from the Library of the Parliament of Australia, Canberra; Mike Steketee, 'Party's Faithful and the Factions Face Off', *Weekend Australian*, 5-6 October 2002, p.23; Peter Logue, 'Factions May Sink Labor - McMullan', *Australian*, 1 August 1988, Retrieved from the Library of the Parliament of Australia, Canberra; Michelle Grattan, 'Senator Warns of Threat by Factions', *Age*, 1 August 1988, Retrieved from the Library of the Parliament of Australia, Canberra; Michelle Grattan, 'Factions Threaten Future Chances Warns McMullan', *Age*, 15 February 1988, Retrieved from the Library of the Parliament of Australia, Canberra; Milton Cockburn, 'The Force be with Hawke - Not the ALP Faction', *Sydney Morning Herald*, 31 March 1989, p.11; Alan Ramsey, 'Power Wielded for its Own Sake', *Sydney Morning Herald*, 26 March 1994, p.33. (Ramsey is a former ALP staffer.)

concerned solely with the distribution of ministerial and Party perquisites. Dean Jaensch, Clive Cameron and Michelle Grattan argue that, as a consequence of faction leaders providing a stabilising and disciplinary influence, the factions assumed the prerogative to select all key positions within the parliamentary party, as well as to control the distribution of political favours.³⁵ The main criticism of factional control of positions is that this can exclude talented members who are not in a faction or not in the relevant faction at the appropriate time. This point is usually made by individuals who were not able to get the support they needed at some stage in their careers.³⁶ Both John Button and Barry Cohen, former ministers in the Hawke Government, believe that a decline in the quality of the ministry since 1983 is the direct result of rigid factionalism.³⁷ In contrast, Graham Richardson, in his autobiography, *Whatever it Takes*, discusses the pragmatic aspects of gaining numerical superiority and describes how he relentlessly manipulated Caucus to obtain a desired outcome.³⁸ While these

³⁴ Barry Jones, 'The Hawke Government: an Assessment from the Inside', *The Hawke Government: A Critical Retrospective*, Susan Ryan and Troy Branston (eds), Pluto Press, North Melbourne, 2003, p.422; Oral History Interview, Transcript, Michael Schildberger interviews Alan Griffiths, MP (ALP), *The Operation of the Factional System in the ALP*, Parliament Library, Parliament of the Commonwealth of Australia, 4 April 1989, pp.1-2; Neal Blewett, *A Cabinet Diary: A Personal Record of the First Keating Government*, Wakefield Press, Kent Town, South Australia, 1999, p.118; Button, 'Beyond Belief', p.27; Hundley, "Labor Party Reform: Is That All There Is?", pp.11-14; Barry Cohen, *How to Become Prime Minister*, Penguin, Ringwood, 1990, pp.53-8.

³⁵ Jaensch, *The Politics of Australia*, pp.247-8; Grattan, 'Caucus and the Factions', p.252; Clyde Cameron, *The Cameron Diaries*, Allen and Unwin, North Sydney, 1990.

³⁶ Hayden, *Hayden: An Autobiography*; Button, 'Beyond Belief', p.32; Grattan, 'Caucus and the National Factions', p.260. Grattan writes that Barry Jones complained that he could have obtained a ministerial position if Caucus had been given the opportunity to hold an open ballot. Robert Ray, 'The Right Stuff', *Labor's Troubled Times*, David Burchell and Race Mathews (eds), Pluto Press in association with the Australian Fabian society and Australian Left Review, Leichhardt, 2000, p.26; Warhurst, 'The Labor Party', p.178; Fia Cumming, *Mates*, p.27. Graham Richardson states that Barry Cohen was dropped from the ministry in 1987 because he was not "pulling his weight". Nonetheless, similar comments have also come from Labor parliamentarians who are still in government. See for example Peter Logue, 'Factions May Sink Labor-McMullan', *Australian*, 1 August 1988, Retrieved from the Library of the Parliament of Australia, Canberra; Michelle Grattan, 'Senator Warns of Threat by Factions', *Age*, 1 August 1988, Retrieved from the Library of the Parliament of Australia, Canberra; Michelle Grattan, 'Factions Threaten Future Chances Warns McMullan', *Age*, 15 February 1988, Retrieved from the Library of the Parliament of Australia, Canberra; Milton Cockburn, 'The Force be with Hawke-Not the ALP Faction', *Sydney Morning Herald*, 31 March 1989, p.11. In 1988, Bob McMullan argued that when a ministerial vacancy arose, the best candidate was not always chosen because the choice was limited to a much smaller pool than that of Caucus. For example, the vacancy created by Bill Hayden's departure gave the Centre-Left the prerogative to choose a replacement from its twenty-five members. McMullan's view was that such a replacement should be chosen from the 117 members in Caucus, and that Caucus as a whole should then endorse this choice.

³⁷ Button, 'Beyond Belief'; Cohen, *How to Become a Prime Minister*, p.60.

³⁸ Richardson, *Whatever it Takes*, p.329. In relation to the first Keating-Hawke challenge Richardson states: "If I had wanted to get Hawke on side and call off the challenge, giving Keating no hope by turning around some votes – a dozen would have been enough and had I been serious about it I could have done it easily".

memoirs are from subjective perspectives, they provide personal experiences and insiders' insights into what Blewett has labelled Labor's "clans or tribes".³⁹

The factions appear to be conveyer belts to key Party positions and to the shadow ministry. Blewett states that the "young aspiring politicians tended to be inducted early into a faction and within it he or she fashioned his or her political career. Social as well as political life tended to be conducted within the faction".⁴⁰ Lloyd and Swan refer to this nurturing as the development of a factional cadre system, and note that the most likely beneficiaries are the elites in the various factional forums.⁴¹ That the *Political Almanac* identifies each Labor member's factional alignment illustrates the general acceptance by political commentators that factional alignment is an intrinsic part of a Labor parliamentarian's profile.⁴²

Lloyd and Swan's assessment in 1987 of the then newly evolving faction system was that patronage "is the principal *raison d'être* for the existence of structure and co-ordinated national factions".⁴³ More recent research by Jaensch similarly asserts that Labor's factions "continue to exist for two interrelated purposes – power and patronage".⁴⁴ How power and patronage are linked to policy development is not discussed at length in the existing literature. Blewett argues "provided the leaders could secure offices and perks for the members of the tribe, the tribe would acquiesce in most ideological accommodations reached by the leaders of the factions".⁴⁵ This thesis, however, finds this claim a limiting analysis and draws from Richard Rose and Arend Lijphart's works to explain the nature of factional loyalty.⁴⁶ Generally the existing literature acknowledges that voting in Caucus and National Conference is mostly along factional lines. Some of the literature suggests that during the Hawke-Keating

³⁹ Neal Blewett, *A Cabinet Diary: A Personal Record of the First Keating Government*, Wakefield Press, Kent Town, South Australia, 1999, p.66. For studies on patronage in the broader classic theory see for example: Schmidt, Guasti, Lande and Scott, *Friends, Followers, and Factions*; Paul R Brass, *Factional Politics in an Indian State: The Congress Party in Uttar Pradesh*, University of California, Berkeley, 1965. According to Brass, the strength and cohesiveness of an Indian faction depend on the ability of the leader to distribute material benefits to his followers. The leader is expected to advance himself and, in doing so, take his followers with him.

⁴⁰ Blewett, *A Cabinet Diary*, p.66.

⁴¹ Lloyd and Swan, 'National Factions and the ALP', p.108.

⁴² Peter Wilson (ed), *Australian Political Almanac*, Hardie Grant, South Yarra, 2002.

⁴³ Lloyd and Swan, 'National Factions and the ALP', p. 105.

⁴⁴ Dean Jaensch, *Power Politics: Australia's Party System*, Allen and Unwin, 1994, p.119.

⁴⁵ Blewett, *A Cabinet Diary*, p.66. For broader faction literature on the relationship between ideology and self-interest see for example: Lasswell, 'Faction'; Andrew Nathan, 'Factionalism Model for CCP Politics', *Friends, Followers and Factions*.

⁴⁶ Richard Rose, 'Parties, Factions and Tendencies', *Political Parties: Contemporary Trends and Ideas*, Roy Macridis (ed), Harper Torchbooks, London, 1967, p.107; Arend Lijphart, *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*, Cambridge University Press, London, 1968, pp.139-79.

Governments there was little factional debate in cabinet, and that ministers from the Left did not always support the policy position of the broader Left.⁴⁷

However, there are no similar studies on the relationship between the national factions and policy when Labor is in opposition. This thesis seeks to fill in this gap in the literature. It examines in depth to what extent factional discipline was asserted on members at different forums of the Party, and how faction leaders sustained factional loyalty during the 1996–2004 period. It also extends the research into factional alignment and influence on policy in Caucus by exploring whether there is a correlation between a shadow minister's factional alliance and the allocation of portfolios and analyses the significance of this on policy development.

The National Factions and Ideology

Jaensch, Scott, Bean and McAllister, Emy and Hughes, and Lucy devote extensive attention to the ideological basis of the modern national factions.⁴⁸ There is broad agreement among these commentators that there is a degree of historical continuity in the ideology of both the Right and Left, while recognising that the Left, Centre and Right labels do not correlate with purely ideological factional positions. They argue that any attempt to situate them in this way constitutes a simplification of the far more complex nature of the modern factions. Geographical, union and personal interests impact on the philosophical character of factions. In their memoirs, Bill Hayden, Graham Richardson and Tom Uren discuss the factional politics of the uranium debate of the 1980s and, in this context, show that between the States there were differing views within each of the major national factions.⁴⁹ Jaensch concludes “Keeping in mind that the nature, content, numbers and salience of factions will vary among the states, the

⁴⁷ See for instance, Grattan, ‘Caucus and the Factions’, p.260 and Jaensch, *The Hawke-Keating Hijack*, pp.137-44.

⁴⁸ Jaensch, *The Hawke-Keating Hijack*, pp.139-44. Jaensch discusses the ideology of the factions not only as a separate issue but also within the context of the ideology of the Party as a whole; see in particular chapters five, seven and eight. Scott, *Running on Empty*, focuses on comparing the Left in the British Labour Party with the Left in the Australian Labor Party; Bean and McAllister, ‘Factions and Tendencies’, focus on finding clusters of tendencies in the four major political parties in 1989; Emy and Hughes, *Australian Politics: Realities in Conflict*, pp.136-43; Lucy, *The Australian Form of Government*, pp.30-1.

⁴⁹ Hayden, *Hayden: An Autobiography*; Richardson, *Whatever it Takes*; Tom Uren, *Straight Left*, Random House, Sydney, 1995.

[Left, Centre, Right] trichotomy can be broadly dissected into a number of not-always cohesive or consistent categories”.⁵⁰

With a similar caveat in place, Emy and Hughes provide a discussion of the factions’ intellectual differences; they position the Right and Centre within the “mainstream liberal democracy” and the Left within “differing conceptions of socialism”.⁵¹ Bean and McAllister’s cluster analysis of the attitudes within Labor demonstrates that there are distinct tendencies in the Left and Right national factions, while the attitudinal base of the Centre Left does not in all cases point to a moderate policy orientation.⁵² Jaensch divides the Left into the “old guard socialists” and a “more pragmatic, modernised socialist Left”, and the Right into the conservative traditionalists (old guard socialists or traditional labourists), the pragmatic Right centred on the New South Wales Branch, and the remnants of the Catholic Right of the 1950s.⁵³ This thesis demonstrates that there continue to be distinctive tendencies dominant within the national factions during the 1996–2004 period.

Some observers view the ideological diversity within the faction system as a positive element in the Labor Party, although for different reasons. In 1984 the editor of the *Canberra Times* suggested that the more factions the ALP engendered, the greater the chance it would have of representing the majority of the electorate.⁵⁴ Bean and McAllister argue that the diversity and comradeship between like-minded people within a faction provide “a retreat” for those who are dissatisfied with the dilution of party policy due to electorate imperatives.⁵⁵ Another perspective comes from John Warhurst who argues that when the factions put forth different policy positions from each other, this may “sharpen the focus of discussion [and therefore] contribute to more

⁵⁰ Jaensch, *The Hawke-Keating Hijack*, p.139.

⁵¹ Emy and Hughes, *Australian Politics: Realities in Conflict*, pp.136-43.

⁵² Bean and McAllister, ‘Factions and Tendencies in the Australian Political Party System’, p.80. For example, the Left is more supportive of minority groups in contrast to the Right, and vice versa in relation to ‘law and order’ issues’.

⁵³ Dean Jaensch, *The Politics of Australia*, MacMillan, South Melbourne, 1997, pp.244-5; Jaensch, *Power Politics*, pp.180-3; Jaensch, *The Hawke-Keating Hijack*, pp.140-3. Even though Jaensch refers to the different set of attitudes as *tendencies* in the major factions in 1994, in 1989 and 1997 he refers to these as *sub-factions*. To categorise these as sub-factions does not appear to be accurate in the sense that the groupings are based on different tendencies and do not meet and organise as a group and, as such, should be seen simply as tendencies varying in number and intensity in various State and Territory branches and not as distinct sub-factions. The inconsistency may be due to the fact that Labor’s modern factions are generally not analysed within a theoretical framework. For a clear distinction between faction and tendency see Rose, ‘Parties, Factions and Tendencies’, pp.106-7.

⁵⁴ Editor, ‘Factions in the ALP’, *Canberra Times*, 25 February 1984, Retrieved from the Library of the Parliament of Australia, Canberra.

⁵⁵ Bean and McAllister, ‘Factions and Tendencies’, p.94.

ideologically aware party membership”.⁵⁶ This thesis does not challenge these positions, and also supports Shaun Wilson and Nick Turnbull’s analysis that public displays of contested policy views between the factions make Labor susceptible to ‘wedge politics’.⁵⁷

The literature generally concludes that during the Hawke–Keating era the factions in Caucus appeared to converge in their positions on policy, with the exception of some controversial policies such as uranium mining. In part this was because the faction leaders managed Caucus so that decisions in cabinet would not be overturned. Such factional control over policy led John Button to remark that factions are “about arithmetic not philosophy”, and he condemned them as being “primitive” and “anti-intellectual”, maintaining that they lead to “fiefdoms concerned with territory rather than ideas”.⁵⁸ Jaensch, Scott and Gruen provide a broader analytical approach as they examine in detail the lack of ideological fervour in the factions during the 1980s and suggest that, together with the weakening of ideological debate based on the traditional Left-Right dichotomy, the dominance of electoralism was a significant influence.⁵⁹ The latter influence saw the ‘modernisers’ replacing some of the ‘traditionalists’ of the Left in cabinet. Gruen argues that while, on occasions, the ideological “hardliners were able to get the support of the broader Left in the organisational wing”, the Left ministers were “incorporated into the mainstream of the government”.⁶⁰ Jaensch, Scott and Tom Uren discuss the marginalisation of the Left in the organisational wing during the Hawke–Keating Governments,⁶¹ whereas this thesis explains why, to what extent and under what circumstances the National Left has been able to reassert itself during the period 1996–2004.

As mentioned earlier, the analysis of the sub-factions in the Caucus Left has mainly been limited to Leigh’s historical analysis of the split at the State level, which concludes that the NSW Left split was driven by both substantial ideological differences and

⁵⁶ John Warhurst, ‘One Party or Eight? The State and Territory Labor Parties’, *Machine Politics in the Australian Labor Party*, Andrew Parkin and John Warhurst (eds), George Allen and Unwin, Sydney, 1983, pp.270-1; Andrew Parkin and John Warhurst, ‘The Labor Party: Image, History and Structure’, *The Machine*, p.38.

⁵⁷ Shaun Wilson and Nick Turnbull ‘Wedge Politics and Welfare Reform in Australia’, *Australian Journal of Politics and History*, vol. 47, no. 3, 2001, p.386.

⁵⁸ Button, ‘Beyond Belief’, pp.28-9.

⁵⁹ Jaensch, *The Hawke-Keating Hijack*, pp.157-66; see also Evans, *The Life and Soul of the Party*, p.55.

⁶⁰ Gruen and Grattan, *Managing the Party*, p.15. See also: Scott, *Running on Empty*, pp.197-202; Grattan, ‘Caucus and the Factions’, p.258. Grattan refers to these groupings of the Left in Caucus as the “ins” being led by Martin Ferguson and “outs” by George Campbell.

personal animosities.⁶² This thesis therefore looks closely at the Caucus Left by exploring, where possible, each of its sub-factions as a separate entity. It examines the ideological perspective and policy positions within both sub-factions, and finds that more members in the Soft Left are inclined to support electorally pragmatic social policy objectives than the majority of members in the Hard Left.

The Faction System and Policy Debate

Parkin and Warhurst suggest that “especially where the strength of the factions is fairly evenly balanced”, the modern factions could make Labor “more energetic [in] internal policy development.”⁶³ Ward also contends that one of the positive functions of the contemporary factions is that they “stimulate and channel policy debate” in the Party as a whole.⁶⁴ The remainder of the current literature generally challenges this view as it argues that the rigidity of disciplined factions and the deals made by faction leaders have narrowed and stifled policy debate within the wider Party.⁶⁵ Many insiders and interested observers believe that the faction system has greatly diminished rank and file involvement in policy debate. In June 1990 Lindsay Tanner emphasised this particular point in an article written for the *Australian Left Review*. The ensuing heated debate, among academics and Party insiders, has since featured in a collection of papers entitled *Labor’s Turbulent Tribes*. According to Tanner, structural reform is needed to change the nature of the faction system.⁶⁶ Stuart Macintyre’s response to Tanner’s proposal is that cultural, rather than structural, reform is needed to revitalise Party debate on the basis of principle rather than expediency.⁶⁷ Chapter Four of this thesis examines the structural reform imposed at the 2002 National Rules Conference, and finds that the

⁶¹ Scott, *Running on Empty*, pp.199-202; Jaensch, *The Hawke-Keating Hijack*, pp.157-77.

⁶² Leigh, ‘Factions and Fractions’, p.436; Scott, *Running on Empty*, pp.196-7; Grattan, ‘Caucus and the Factions’, p.261. Grattan’s analysis of the Caucus Left in 2000 is limited to the observation that Lindsay Tanner, who is in the Hard Left, would be more at home ideologically in the Soft Left.

⁶³ Warhurst, ‘One Party or Eight?’, pp.270-1; Parkin and Warhurst, ‘The Labor Party: Image, History and Structure’, p.38.

⁶⁴ Ward, ‘Factionalism’, p.23

⁶⁵ See for example: Jaensch, *The Hawke-Keating Hijack*, pp.168-9; Jaensch, *The Politics of Australia*, pp.243-8; Gruen and Grattan, *Managing the Party*, pp.15-9; see also the article by Rob Hamilton who at that time was a Labor Councillor in the Shire of Yarra Ranges, Victoria, and unaligned to a faction: Rob Hamilton, ‘Labor Factionalisms and Renewal’, www.onlineopinion.com.au, posted 15 February 2002. Hamilton states, “I received a party membership brochure in my local paper a few weeks ago touting the benefits of membership as including opportunity to ‘develop policies’ and ‘participate in policy making’. One wonders if at this stage it might be worth pursuing an action under the Trade Practices Act for false and misleading conduct?”

⁶⁶ Tanner, ‘Labor’s Turbulent Tribes’.

⁶⁷ Stuart Macintyre, ‘Decline and Fall’, *Labor’s Troubled Times*, pp.18-25.

factionally aligned delegates would not vote for structural reform that could potentially undermine the control of the factions over the Party.

Non-aligned members, which forms the majority of the Party's branch membership, feel alienated from the decision-making processes, particularly in relation to policy debate; this is a sentiment echoed in the report by the ALP's own 2002 internal inquiry.⁶⁸ It is a significant issue, because Labor's membership has become predominantly middle-class and has a greater expectation of involvement in the decision-making processes than the traditional working-class member who "tended to be a foot soldier ... rather than a policy-oriented participant".⁶⁹ While grassroots participation is not the focus of this thesis, it is a factor in policy development and is discussed in Chapter Eight.

Some of the literature, mostly written by women, assesses the marginalisation of female Labor members in the male-dominated faction system.⁷⁰ While preselection and other issues relating to the faction system and gender equity are beyond the scope of this thesis, the advancement of women into positions of influence can have a direct link to the final outcome of policy. Female Labor parliamentarians who wish to pursue policy issues that are particularly relevant to women have had their views subordinated to supporting a factional position.⁷¹ Chapter Ten of this dissertation explores the development of a major 2004 election policy, the *Baby Bonus Payment*, which addressed the issue of paid maternity leave. It finds that this issue united most of the female MPs irrespective of their factional alignment.

The faction system not only isolates non-aligned members from policy debate but also ignores a diversity of opinions within a faction. Most of the literature cites the largely ritualistic debate between the factionally aligned delegates at National Conferences as

⁶⁸ Bob Hawke and Neville Wran, National Committee of Review, *National Committee of Review Report*, ALP, August 2002, p.8.

⁶⁹ Warhurst, 'The Labor Party', p.177.

⁷⁰ See for example: Sharon Broughton and Di Zetlin, 'Queensland ALP Women Parliamentarians: Women in Suits and Boys in Factions', *International Review of Women and Leadership*, vol.2, no.1, 1996, pp.47-61; Warhurst, 'One Party or Eight', *Machine Politics*, p.268; Marian Simms, 'Hopes Unfulfilled', *Labor's Troubled Times*, pp.42-51; Margaret Reynolds, *The Last Bastion: Labor Women Working Towards Equality in the Parliaments of Australia*, Business and Professional Publishing, Sydney, 1995, pp.137-47; Cheryl Kernot, *Speaking for Myself Again, Four Years with Labor and Beyond*, HarperCollins, Sydney, 2002, p.261; Kate Deverall, Rebecca Huntley, Jenny Sharpe and Jo Tilly (eds), *Party Girls: Labor Women Now*, Pluto Press, 2000. In *Party Girls*, see in particular the following chapters: Catharine Lumby, 'Politics, Power And The Personal: A Conversation With Tanya Plibersek', and Jill Hennessy, 'Natural Selection and the Political Animal'.

⁷¹ See for instance Button, 'Beyond Belief', p.29. John Button cites the views of Susan Ryan and Emily 's List.

evidence that delegates simply vote in accordance with a predetermined faction position. Insiders such as Bob Hogg (Right) and Bob McMullan (Independents Alliance), as well as academic and former policy adviser Andrew Scott (Left) assert that, even though there might be significant variations on a faction's agreed standpoint, members are nevertheless bound by their faction to the majority decision on any particular issue.⁷² This rigid control of individual input leads to the suppression of diverse policy ideas and further undermines Party democracy.⁷³ According to Hogg, factional members do not put forth a perspective that differs from their factional leaders for fear of "being ridiculed".⁷⁴ Hogg also argues that within a faction "dissenting behaviour is excluded or it is shut out or individuals are stomped upon".⁷⁵ These comments are the opinions of insiders; no academic study has examined this in depth.

The issue of factionalism therefore raises many interrelated questions. Does factional discipline continue to be as rigid during the 1996–2004 period as it was during the Hawke–Keating era? How is factional loyalty sustained with regard to decisions made by the faction elite? Are the faction leaders guided by the dominant view in the faction or, as Hogg, McMullan and Scott suggest, is policy debate simply the prerogative of a select few? Why are diverse views not encouraged within a faction? Are the Left's organisation and operations different to those of the Right? Does the Independents Alliance have a 'centre' philosophical perspective on policy positions? All these questions are addressed in this thesis, through its focus on exploring how divisive policy issues were resolved within the Party during the 1996–2004 period in opposition.

Standard Approaches to the Study of Labor's National Factions

The literature demonstrates that it is impossible to write meaningfully about internal Party processes without access to insiders, particularly the elite who dominate the decision-making forums. Insiders write a large body of the published material on

⁷² Bob Hogg and Bob McMullan are both former national secretaries of the ALP. Bob McMullan, 'A Sense of Ownership', *Labor's Troubled Times*, pp.63-70; Scott, *Running on Empty*, p.159; Michelle Grattan, 'Low Membership Will Become Critical: Hogg Warns ALP', *Age*, 27 September 1990, Retrieved from the Library of the Parliament of Australia, Canberra; Michelle Grattan, 'Factions Threaten Future Chances Warns McMullan', *Age*, 15 February 1988, Retrieved from the Library of the Parliament of Australia, Canberra; see also Hayden, *Hayden: An Autobiography*, p.318. Andrew Scott was a policy adviser from 1996 to 1998.

⁷³ Scott, *Running on Empty*, p.159.

⁷⁴ Hogg cited in Gruen and Grattan, 'Managing the Party', p.17

national factions. In addition to the memoirs of former Labor ministers in which subjective accounts are given, the literature written by Lloyd and Swan (both Right), Scott (Left) and Leigh (Left) is based not only on their personal observations but also on data from a wide range of interviews with other insiders. Fia Cumming's research into the NSW Right was based primarily on interviews. Academics such as Jaensch, Warhurst, and Emy and Hughes often cite the literature of insiders, as well as quoting comments made by Labor members to the media. This approach has generally led to similar conclusions regarding the advantages and disadvantages of the faction system in terms of the four themes mentioned above. The research approach that surfaces in the existing literature reinforces my conclusion that interviewing is an essential method for researching the national factions, as discussed in Chapter One.

The existing literature provides important insights into Labor's factions but does not explore in depth the national factions' relation to policy development within the context of wider faction theory. Anthropologists and political scientists have examined factions that existed as divisions within societies and, with the development of electoral practices, academics have also explored factions within political parties. The ways in which characteristics of factional behaviour in the ALP can be analysed through faction theory have already been mentioned at particular points in the review. However, the faction system in the ALP is different to those factional structures within a free society that are generally analysed, for instance by Harold Lasswell and Ralph Nicholas.⁷⁶ The ALP's modern faction system is based on the power-sharing principle of PR. To gain greater insight into the factional dynamics that are facilitated by the power-sharing principle of PR there is a need to go beyond the boundaries of what is generally regarded as faction theory.

Stepping Outside Traditional Faction Theory: The Politics of Accommodation

There are numerous theories that address that broader issue of pluralism in society, and they are all based on the premise that in a liberal state power is dispersed and political decisions are the end result of confrontation and compromise between differing groups

⁷⁵ Hogg cited in Gruen and Grattan, 'Managing the Party', p.17

⁷⁶ Lasswell, 'Faction', pp.49-51; Nicholas, 'Factions: A Comparative Analysis', pp.55-73.

rather than a single dominant group.⁷⁷ This premise is set out by one of the early pluralist writers, James Madison, who referred to a faction as a group of people who “are united and actuated by some common impulse of passion, or of interest, adverse to the rights of other citizens, or to the permanent and aggregate interests of the community”.⁷⁸ Madison argues that that the “mischiefs of factions” can be controlled by encouraging a great variety of factions to form and by regulating them into a federal system.⁷⁹ The existence of numerous factions counteracts the potential danger of an overbearing majority, and encourages faction leaders to make compromises.⁸⁰ So, the institutionalisation of factions through regulation is seen as a method of controlling the damaging aspects of factionalism in a free society. The ALP also decided to institutionalise its factions in order to control the adverse affects of factionalism. As discussed in detail in Chapter Three, in 1981 Labor implemented a rule which requires that PR is applied to every internal party ballot for election to decision-making forums, with the express aim of eliminating the possibility of a dominant self-interested majority suppressing smaller groupings. Although the rule reform institutionalised the national factions, their existence is not acknowledged in the Party’s constitution and they operate informally.

To examine the modern factions’ decision-making processes based on the rule of PR, this thesis turns to another pluralist theorist, Arend Lijphart, who explored factional dynamics within the Netherlands from 1917 to the 1970s.⁸¹ During this period the population in the Netherlands was divided into distinct social groups each with its own ideology, religion and political organisations. Lijphart’s theory is thus based on the

⁷⁷ Martin Smith, ‘Pluralism’, *Theory and Methods in Political Science*, David Marsh and Gerry Stoker (eds), MacMillan, London, 1995, pp.209-27. Smith provides an overview of classical and post-modernist pluralism and includes a list for further reading.

⁷⁸ James Madison, ‘The Federalist No.10’, *The Federalist Papers: A Collection of Essays Written in Support of the Constitution of the United States*, Roy Fairfield (ed), Doubleday and Comp, New York, 1961, p.16. While this work was published in 1961, the essays were written around the time the Constitution was agreed upon on 17 September 1787 by the Federal convention.

⁷⁹ Madison, ‘The Federalist No.10’, p.17. In arguing for federation, Madison asserts that an individual State, one with fewer citizens than a federation, is more likely to be dominated by the faction, which has a majority, subsequently making it more likely that the minority faction will be suppressed. The advantage of a Union is then that the influence of factious leaders is only limited to their particular State and their power relating to national matters is kept in check as they have to work with other influences from other States and consequently make compromises. Likewise any flawed project is more likely to affect a particular county than an entire State. The federal constitution thus provides for representatives of local issues to be attached to State legislature while representatives of national interests are forced to rise above them.

⁸⁰ Madison, ‘The Federalist Papers No.10’, pp.20-3 & 54-5. Controlling the effects of the destructive nature of factions was seen as the only alternative to removing the causes of factions.

⁸¹ Arend Lijphart, *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*, Cambridge University Press, London, 1968.

divisions in the Dutch social structure, which he refers to as ‘blocs’ consisting of “political parties, labor unions, employers’ associations, farmers’ groups, newspapers, radio and television organisations, and schools — from kindergarten to universities”.⁸² He finds that the ruling elite, which consists of representatives from each of the blocs, has “an autonomous position above parliament and the parties”.⁸³ Lijphart refers to “self-contained blocs” in the Netherlands, which are essentially factions within Dutch society. Faction theory maintains that factions have: representatives in parliament, are created to some extent on the collective need to oppose another group, are organised bodies, consist of leaders and followers and cannot be removed because of the inherent divisions in society.⁸⁴

In his study, Lijphart demonstrates that these competing ‘blocs’ within the Netherlands operate on an accommodation model, which he labels the ‘Politics of Accommodation’, and in which PR plays a major role in the decision-making processes. The Politics of Accommodation is based on the premise that there must be a “minimum of agreement on fundamentals” between distinct and separate self-contained groups and that their leaders must be committed to resolving divisive issues and conflicts in a fair manner.⁸⁵ Lijphart’s theory is consistent with Lasswell’s hypothesis that factions within a political party embrace the collective goals of the whole and negotiation “presupposes some measure of unity in fundamentals” even if they might contest the means by which these goals should be achieved.⁸⁶ According to Lijphart, PR is one of the fundamental methods for neutralising disputes over positions and policy, as well as the allocation of resources, in deeply divided societies. He concludes that PR “can be salutary to

⁸² Lijphart, *The Politics of Accommodation*, p.1

⁸³ Lijphart, *The Politics of Accommodation*, p.137. For instance (p.113), “The crown on this intricate system is the Social and Economic Council. It consists of 45 members: 15 representative of the labor unions, 15 representative of the employers, and 15 members appointed by the cabinet. The labor-union representatives are chosen by the large Socialist, Catholic and Protestant unions in proportion to their total membership (7:5:3). The employers’ representatives are mainly chosen by the large employers, farmers and retailers associations of the Liberal, Catholic, and Calvinist blocs. The members chosen by the cabinet are individual experts, primarily professors of law or economics, but these positions are also carefully apportioned among the blocs. ... The Council’s advisory power, however, gives it its political importance. The cabinet is required by law to seek the Council’s advice on all proposed social and economic measures... Especially when the Council is united, both cabinet and parliament are presented with a *fait accompli*, because the ‘advice’ represents the accommodation achieved by the leaders of the most powerful interest groups”.

⁸⁴ See for instance: Harold Lasswell and Abraham Kaplan, *Power and Society: A Framework for Political Inquiry*, Yale University Press, London, 1950, pp.171-3; Raphael Zariski, ‘Party Factions and Comparative Politics: Some Preliminary Observations’, *Midwest Journal of Political Science*, vol. 4, no.1, University of Wisconsin, Wisconsin, 1960, p.30.

⁸⁵ Lijphart, *The Politics of Accommodation*, pp.103-4.

⁸⁶ Lasswell, ‘Faction’, p.49.

democracy” as it encourages a “spirit of accommodation”, and he consistently maintains this position in his later works.⁸⁷

The Politics of Accommodation is applicable to analysing the ALP’s factions as the structure and operations of the Party’s faction system are fundamentally similar to those of the blocs on which Lijphart’s accommodation model is based. The main parallel between the operations of the factions within the Netherlands and the ALP is the power-sharing principle of PR and how this underpins the operations of Labor’s factions, and this is discussed in detail in Chapters Three, Four and Five. Lijphart states that Dutch politics is a deviant case within pluralist theory because the stark social and ideological differences have not been an “insurmountable obstacle to the development and firm persistence of a stable and effective and legitimate parliamentary democracy which has served the people well and which has by and large enjoyed their active support or acquiescence”.⁸⁸ Chapter Three argues that since 1981, when Labor implemented the rule of PR, disputes have been managed in a controlled fashion in which the Party has remained united in stark contrast to the divisions in the past.

Despite these similarities, it is important to note that Lijphart’s theoretical model of factions within a State cannot be rigidly applied to factions within a political party. For instance, in the Netherlands minor parties do not belong within any of the blocs of the establishment and are not included in the accommodation processes.⁸⁹ In contrast, all factions in the ALP are represented on the decision-making bodies and one, or all, of the factions usually takes up the objectives of internal lobby groups within the Party.

Particularly pertinent to this thesis are what Lijphart terms the “unwritten, informal and implicit” rules, which facilitate a spirit of accommodation between faction leaders on

⁸⁷ Since *The Politics of Accommodation*, Arend Lijphart has extended his analysis in an increasingly comparative framework. See Lijphart’s: *Democracy in Plural Societies*, Yale University Press, New Haven, 1977; *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-One Countries*, 1984; *Patterns of Democracy: Government Forms and Performances in Thirty-Six Countries*, Yale University Press, New Haven, 1999. In ‘Constitutional Design for Divided Societies’, *Journal of Democracy*, vol.15, no.2, April 2004, p.97, Lijphart states: “Power sharing denotes the participation of representatives of all significant groups in political decision making, especially at the executive level; group autonomy means that these groups have authority to run their own internal affairs ... For divided societies ensuring the election of a broadly representative legislature should be the crucial consideration, and PR is undoubtedly the optimal way of doing so”.

⁸⁸ Lijphart, *The Politics of Accommodation*, p.2

⁸⁹ Lijphart, *The Politics of Accommodation*, pp.162-177. Other deviations from Lijphart’s accommodation model are noted, where appropriate throughout the thesis, e.g. p.67.

which the Politics of Accommodation is based.⁹⁰ The seven ‘rules of the game’ identified by Lijphart effectively assists in analysing how faction leaders in the ALP resolve divisive issues under adverse conditions. The first rule is that the political elite continually strives to achieve constructive results in the interest of the whole. Factional interests are put aside and the negotiations become business goals “oriented towards results”.⁹¹ The second is the rule of “majoritarianism tempered by the spirit of concurrent majority”, which encourages the faction that holds numerical superiority over an issue to placate the minority with some concessions.⁹² The third rule is that when an issue is not resolved through the normal factional processes, a special committee may be created in which every faction is represented. The fourth rule is that proportional representation should be applied if there is a dispute over the allocation of positions and resources. The fifth rule is that the elite is expected to neutralise sensitive issues, and justify its compromises to the rank and file eg by highlighting electoral imperatives. Because pragmatic solutions must be found to sensitive issues, the sixth rule is that there should be an agreement to operate in secrecy so that negotiations are shielded from publicity. According to Lijphart, it would be difficult for a faction leader to reach a compromise position if proposals for concessions were not discussed in isolation from the rank and file who could potentially be more emotional about certain issues.⁹³ These elite processes of decision-making are justified by the seventh and last rule, that of the ‘right to govern’ in which the elite “enjoys a large measure of independence” based on the fact that it has been elected to govern.⁹⁴ When utilising Lijphart’s theoretical framework to analyse the ALP’s national factions, this thesis refers to these ‘rules of the game’ as the ‘rules of the factional game’. By utilising the Politics of Accommodation to analyse factional dynamics on policy development within the ALP, this thesis not only determines the extent of factional influence on Party policy, but also reveals some fundamental characteristics of the national factions.

Lijphart notes in a postscript that by the mid-1960s the ideological and religious divisions between the different ‘blocs’ in the Netherlands became less distinct. “Critical questions both about the isolationistic tendencies of the blocs and the autocratic attitudes of the elites are raised, and demands for greater popular participation and elite

⁹⁰ Lijphart, *The Politics of Accommodation*, pp.123-137.

⁹¹ Lijphart, *The Politics of Accommodation*, p.123.

⁹² Lijphart, *The Politics of Accommodation*, p.125.

⁹³ Lijphart, *The Politics of Accommodation*, pp.131-4.

⁹⁴ Lijphart, *The Politics of Accommodation*, pp.134-7.

responsiveness are made with increasing frequency”.⁹⁵ However, Lijphart states that “it is reasonable to assume that a stronger commitment to system maintenance may be able to make up for a comparatively weaker deferential orientation”.⁹⁶ These sentiments reflect the criticisms in the literature review on Labor’s factions. This thesis finds that in accordance with Lijphart’s hypothesis, during the 1996–2004 period the faction leaders remained committed to the faction system and in 2002 opposed internal reform that could have weakened their control over the Party.

Conclusion

The existing literature on Labor’s modern national factions reinforces the contention of the *Machine* series that Labor politics cannot be analysed without taking into account the operation of the faction system. The majority of the authors examine the factional dynamics during the Hawke–Keating era, but analysis of the factions during Labor’s time in opposition is scarce. While some political scientists examine the ideologies of the factions in detail, the majority of the studies provide overviews of the operations of the factions. The analysis of the modern national factions’ relationship to the policy development processes in the Party is usually limited to a discussion on policy debate in Caucus and stresses the rigid discipline imposed by the faction leaders at National Conferences in the years before 1996.

Unlike the broad overviews generally provided by the literature, this thesis explores Labor’s policy development in-depth by examining each step of the process in a systematic manner in order to determine in what forum, under what circumstances and to what extent the modern factions influence Party policy. Moreover, it is distinctly different from previous studies as it analyses factional dynamics in relation to policy development within the framework of the ‘Politics of Accommodation’. This thesis acknowledges the importance of the existing literature and, in the context of policy development, examines to what extent the criticisms put forward by previous authors remain relevant during the 1996–2004 period. It extends the existing literature by contributing new detail and insights into the national factions’ relationship with policy development.

⁹⁵ Lijphart, *The Politics of Accommodation*, pp.198-7.

⁹⁶ Lijphart, *The Politics of Accommodation*, p.210.

CHAPTER THREE

Historical Context: Labor's National Factions (1984–1996)

I grew up in the Party in the days when you couldn't be anything else but a Labor man or a Labor woman ... the problem being that we had to outlaw rifts that were in the days of the DLP, the industrial groups and others where people got together and organised separately, internally in the Party. And that's what we've got today. We've got the group from the Right, we've got the group from the Left and they only look after their own.

Former Federal ALP President (1970-73) Tom Burns, 2003.¹

Because this thesis focuses on the modern national factions, the historical overview of factionalism in the ALP concentrates mainly on the events that were significant in the creation of the contemporary national factions. It first briefly demonstrates that the ALP has been prone to factionalism since its creation, and discusses how policy objectives underpinned by a 'labourist' philosophy initially united the diverse views within the Party, but internal power struggles periodically sharpened these divisions. The most destructive consequence of factionalism has been the three Party splits, and this chapter highlights, in particular, the Cold War split (1954–55) as the Party became polarised into the Cold War factions: the Left and the Right. To explain why the modern national factions are not simply a contemporary version of the rigid ideological Cold War factions, the influx of a new generation of membership during the 1960s and 1970s is briefly discussed.

This chapter then analyses the introduction of proportional representation (PR) at the State and, subsequently, federal levels. It argues that Labor introduced PR in recognition of the catastrophic consequences of the 'winner-take-all' mentality that led to the three splits. It demonstrates that the rationale for PR was to devolve power and make the Party more united and electorally viable. The reform was imposed between 1970 and 1980 in several branches where monolithic factional control had become entrenched as a result of the 1954–55 split, and in 1981 the Party's executive decided that PR should be applied to all internal ballots.² It is necessary to highlight this development because of its relevance to the creation of the national factions. The chapter argues that the PR rule reform, as well as the factional manoeuvring during the

¹ Interview with Tom Burns, 28 February 2003.

² Throughout this thesis the State and Territory branches of the ALP are referred to as branches, while the officially formed groups of party membership at the local regional level are referred to as sub-branches.

Hawke–Hayden leadership contest, led to the birth of the first officially proclaimed national faction, the Centre-Left. These developments institutionalised the modern national factions: the Left, the Centre-Left and the Right. The chapter then examines the split of the New South Wales Left in 1989 to explain why the Caucus Left is divided into the Soft and Hard Left sub-factions. How relevant the ‘Soft’ and ‘Hard’ labels are in relation to the policy support of the members in these sub-groupings is explored in detail in the policy case studies in Chapters Seven to Ten.

Finally, the chapter gives an overview of the role and influences of the modern factions during the Hawke and Keating Governments. Reflecting analysis of the existing literature on Labor’s factions, it argues that the faction leaders controlled Caucus to ensure that cabinet decisions would not be overturned. This section includes a discussion on how the Right was able to assert its influence on policy and explains why, during the 1990s, the factions’ perspectives increasingly converged on many policy issues.

The chapter concludes that, unlike Labor’s Cold War factions, the modern factions are not ideologically pure blocs, and argues that the different circumstances under which factions are formed impact on how they operate. The Cold War factions emerged out of an ideological debate and power struggle that eventually split the Party. In contrast, the modern factions were created as a by-product of reform, specifically the implementation of PR. The principle of PR reformed the post-split order and provided a framework within which disputes could be managed in a more orderly fashion.

Factionalism: An Inherent Characteristic

The ALP was prone to factionalism from its very creation in 1889, as it encompassed a variety of tendencies within the left-right political spectrum (discussed in Chapters One and Two). Until 1954 labourism was Labor’s dominant philosophy and was generally a uniting strand between the differing attitudes within the Party, as its fundamental premise was the consolidation between labour and liberal political representatives as the most effective way of improving conditions for the working man.³ This philosophy

³ Jim Hagan, *The History of the ACTU*, Longman Cheshire, Melbourne, 1981, pp.3-49; Peter Beilharz, ‘The Labourist Tradition and the Reforming Imagination’, Richard Kennedy (ed), *Australian Welfare: Historical Sociology*, Macmillan, Melbourne, 1989, p.137. The ALP’s traditional labourism was

charges the state with being responsible for protecting the underprivileged and destitute and, more generally, ensuring the welfare of workers and consumers through the regulation of industry.⁴ Members were generally united in their commitment to organisation and incremental reform within the capitalist economic system.⁵

However, as Madison would argue, it is only natural that members tend to coalesce around like-minded people, whether based on ideology, religion, a policy issue, regional or union interests, loyalty to strong personalities, or a combination of these elements.⁶ The diverse interests had direct implications for the struggle for power over policy and control over the Party. For instance, according to Dean Jaensch, the 1916 split was as much a matter of Irish Catholics versus English Protestants as it was a matter of military conscription.⁷ The second split in 1929 was also driven by several of the above mentioned elements: power struggles between individuals, loyalty to a State-based grouping ('Langites' in New South Wales), and ideological debate over Labor's socialist policy agenda in relation to banking reform.⁸

The 1954–55 split was the result of the ALP polarising into two distinctive factions, which are generally referred to as Labor's Cold War factions: the Left and the Right.⁹

inherently racist and sexist, reflecting the then popular nationalistic discrimination. This philosophy was directed towards defending wage rates and working conditions and identified its political subject as white, organised, male and working class.

⁴ Hagan, *The History of the ACTU*; Bede Nairn, *Civilising Capitalism: The Beginnings of the Australian Labor Party*, Melbourne University Press, Melbourne, 1989; Brian McKinlay, *Australia Labor History in Documents: Vol. 1, The Trade Union Movement*, Collins, Melbourne, 1979; James Jupp, *Party Politics: Australia 1966-81*, George Allen and Unwin, North Sydney, 1982.

⁵ Jupp, *Party Politics*, pp.138-9.

⁶ There is a substantial body of literature on the history of the ALP in which the diversity of its membership is discussed. See for instance Bob Gollan, 'The Ideology of the Labour Movement', *Essays in the Political Economy of Australian Capitalism*, Edward Wheelwright and Ken Buckley (eds), Australia and New Zealand Book Co, Brookevale, NSW, 1975; Nairn, *Civilising Capitalism*; Jupp, *Party Politics*, p.139; Graham Maddox and Tim Battin, 'Australian Labor and the Socialist Tradition', *Australian Journal of Political Science*, vol. 26, 1991; Hugh Emy and Owen Hughes, *Australian Politics: Realities in Conflict* (2nd edn), MacMillan, Crows Nest, 1991; Jaensch, *The Politics of Australia*, MacMillan, South Melbourne, 1997. In this dissertation the word 'tendency' is used according to Richard Rose's definition of a political tendency being a stable set of attitudes consistent with Richard Rose, 'Parties, Factions and Tendencies', *Political Parties: Contemporary Trends and Ideas*, Roy Macridis (ed), Harper and Row, New York, 1967, p.107.

⁷ Dean Jaensch, *The Hawke-Keating Hijack*, Allen and Unwin, North Sydney, 1989, p.54.

⁸ For more detail on the 1916 and 1929 splits see for example, Warren Denning, *Caucus Crises: The Rise and Fall of the Scullin Government*, Hale and Iremonger, Sydney, 1982, pp.93-4; John Faulkner, 'Splits: Consequences and Lessons', *True Believers: The Story of the Federal Parliamentary Labor Party*, John Faulkner and Stuart Macintyre (eds), Allen and Unwin, Crows Nest, 2001.

⁹ As mentioned in Chapter Two, for greater analysis on the Cold War factions see among others, Robert Murray, *The Split: Australian Labor in the Fifties*, Cheshire, Melbourne, 1970; Bruce Duncan, *Crusade or Conspiracy? Catholics and the Anti-Communist Struggle in Australia*, UNSW Press, Sydney, 2001; Ross Fitzgerald, *The Pope's Battalions: Santamaria, Catholicism and the Labor Split*, University of

The term ‘faction’ is appropriate because each grouping organised itself to act continually and collectively against what it recognised to be resistance to its aspirations and interests.¹⁰ While factions do not necessarily subordinate the interest of the whole, the Cold War factions certainly did this throughout the ensuing power struggle.

As has been widely recorded, from the 1930s the Party became increasingly embroiled in internal conflict between those loyal to the Catholic faith and those advocating communist ideology. Peter Love notes that the “tension between socialism and Catholicism ... lay dormant” during the Party’s early history, when the different tendencies were united by their labourist objectives.¹¹ Members of the Communist Party exerted control over some of the left-wing unions, and also commanded the sympathies of Labor’s more “bombastic left” of the 1920s and 1930s (mainly from New South Wales and influenced by Premier Jack Lang), as well as those who saw themselves as socialists sympathetic to communism.¹² The most unifying issue for the Right was the tenacious opposition to the Left by the more conventional Catholics (in particular the fiercely anti-communist Catholics from Victoria¹³) and right-wing unions, particularly the Australian Workers Union (AWU).¹⁴ From the mid-1940s an increasingly numerous and militant anti-communist group within the unions known as the ‘Groupers’ played a leading role in the Party. Opposition to the Groupers’ increasing influence was often voiced in “a theoretical disguise” by those mostly concerned about losing power.¹⁵ Hence, Labor’s Cold War factions emerged through two interrelated elements: the desire of each group to assert their ideological position and to obtain control of the Party. The three splits demonstrate the destructive effect factionalism can have when the factions are driven by a ‘winner-takes-all’ mentality

Hence, the lesson learned from the splits, most notably the Cold War split, was that it was necessary to devise a structure in which opposing groups within the Party could be effectively accommodated and contained. As John Faulkner states, it was “better to

Queensland Press, St Lucia, 2003; Brian Costar, Peter Love, Paul Strangio (eds), *The Great Labor Schism: A Retrospective*, Scribe, Melbourne, 2005.

¹⁰ Raphael Zariski, Party Factions and Comparative Politics: Some Preliminary Observations, *Midwest Journal of Political Science*, vol. 4, no. 1, February 1960, pp.27-51; Jeremy Boissevain, ‘Factions’, *The Social Science Encyclopedia*, Adam and Jessica Kuper (eds), 1985, p.289.

¹¹ Love, ‘The Great Labor Split of 1955: An Overview’, *The Great Labor Schism*, p.1.

¹² Murray, *The Split*, pp.13-25. See also Costar, Love, and Strangio (eds), *The Great Labor Schism*.

¹³ Andrew Scott, *Running on Empty: Modernising the British and Australian Labour Parties*, Pluto Press, Sydney, 2000, pp.167-8. See also Costar, Love, and Strangio (eds), *The Great Labor Schism*.

¹⁴ Interview with Senator John Hogg, 18 July 2003.

¹⁵ Murray, *The Split*, pp.15-25.

contain political enemies *inside* the Party” (author’s emphasis).¹⁶ The acknowledgment of the danger of deep cleavages within the Labor Party reflects Arend Lijphart’s analysis that “Once the peril is recognized, remedies may be applied”.¹⁷ After successive electoral defeats at both the federal and State levels, it became vital for Labor to reform itself.¹⁸ Support for restructuring the Party gained momentum as a new generation of members joined the Party, particularly during the Vietnam War era.

During this period the influx of middle-class members into both the Left and Right informal factions is significant; in part, it explains why the modern national factions ceased to be ideologically pure blocs.¹⁹ The younger generation brought perspectives and philosophies which were distinctly different from those of the older generation, and the ensuing divide was soon referred to within Labor as the ‘New Guard’ versus the ‘Old Guard’ or ‘Loyal Old Guard Socialists’ (LOGS). Reflecting the labourist tradition, the LOGS saw the trade unions “as a source of Party purity” and were concerned that the Party was selling out its working class-origins.²⁰

Within the Right, the ‘New Guard’ was confrontationist in style and advocated the benefits of a free market economy, while maintaining a commitment to gradually attaining socioeconomic equality.²¹ Its members wanted to assess issues on their merits and believed in winning and retaining office even if that meant modifying or delaying the implementation of some Labor policies. Jaensch describes this new generation of members in the Right as the “technocratic pragmatic Right”.²² While distinct divisions emerged within the Right, it has been the most conservative and pragmatic faction,

¹⁶ Faulkner, ‘Splits: Consequences and Lessons’, p.215.

¹⁷ Arend Lijphart, *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*, University of California Press, Berkeley and Los Angeles, 1968, p.103; Jaensch, *The Hawke-Keating Hijack*, p.166.

¹⁸ Paul Strangio, ‘Closing the Split? Before and After Federal Intervention in the Victorian ALP’, *The Great Labor Schism*, pp.356-7.

¹⁹ Sean Brawley, ‘Long Hairs and Ratbags: The ALP and the Abolition of the White Australia Policy’, *A Century of Social Change*, Gough Whitlam et al, Pluto Press, in association with the New South Wales branch of the Australian Labor Party, Leichhardt, NSW, 1992. p.204.

²⁰ Jaensch, *The Hawke-Keating Hijack*, pp.140-3. David Combe, the national secretary, and most of the staff at the Canberra secretariat were under 40 at the time of the 1980 election. Arthur Calwell, *Be Just and Fear Not*, Lloyd O’Neil Publishers, Clayton, Victoria, 1972, p.258. Former Labor leader, Arthur Calwell (a LOG), stated that it was the unions which pushed the Party’s socialist objectives and claimed that non-unionists in the Party would prefer to transform Labor into an alternative Liberal Party. The division between the traditionalists (Old Guard) and the more progressive members (New Guard) in both the Left and Right is exemplified by the call of the latter for the abolition of the White Australia Policy in 1963. For a full account of events see Brawley, ‘Long Hairs and Ratbags’, pp.201-13.

²¹ Jaensch, *Power Politics*, p.182; Jupp. *Party Politics*, p.113.

²² Jaensch, *Power Politics*, p.182.

echoing the Party's philosophical history of a practical, rather than a doctrinaire, approach to politics.²³

Within the Left, the 'New Guard' was socialist in rhetoric but, unlike some of the traditional Left, was only "vaguely anti-capitalist".²⁴ Many of the new generation members were tertiary-educated, socially-aware professionals who had a 'practical' philosophical approach, in that they placed a greater emphasis on the fact that Labor needed to gain and hold office in order to implement policy. They opposed the war in Vietnam, were concerned with issues such as the environment and promoted a multicultural and internationalist theme.²⁵

Hence, by the 1970s, the new generation of members in both the Right and Left had greatly diluted the former Cold War ideological positions on policy. As is particularly evident from 1983 onwards, members in Caucus became more pragmatic and responsive to the opinions in their electorates (discussed below). This thesis demonstrates that even though there were occasionally Left versus Right positions taken on some of Labor's policies during the 1996–2004 period in opposition, the policy development processes show that these stances are far more complex than factional unity based on ideological positions. Ideologically pure factions have not re-emerged in the Party.

Reforming the Faction System: Proportional Representation

The new generation in the ALP's membership was fundamental to creating an environment that was receptive to reform, because it had effectively diluted opposing ideological views and animosity between the factions. Under Gough Whitlam's leadership (1967-77), the Party's executive decided that federal intervention was justified in several branches that were not electorally successful and/or were dominated by one faction. In large part, this monolithic control was a result of the 1954–55 split "when all those people who had been associated with the industrial groups, almost all of

²³ Fia Cumming, *Mates: Five Champions of the Labor Right*, Allen and Unwin, St Leonards, 2001. Those from NSW would often address each other as 'mate' or 'brother', to differentiate themselves from their counterparts in the Left who addressed each other as 'comrade'.

²⁴ Lucy, *The Australian Form of Government*, p.53. See also Jaensch, *The Politics of Australia*, p.246.

²⁵ Jupp, *Party Politics*, pp.110-1. This new tendency became dominant within the Victorian, South Australian and Western Australian Left factions.

them, left the Party”.²⁶ The largest faction, by definition, would be all-powerful as it exercised control over the decision-making processes, subsequently intensifying the already entrenched hostilities between the Left and Right. The catalyst for federal intervention occurred in 1970 and 1971 when the Left-dominated Victorian branch rejected the federal platform policies on state aid to private schools. Previously, the Left-wing union leaders who dominated the branch had rejected the suggestion of democratic reform.²⁷ The Federal Executive dissolved the branch and reconstructed it. Federal interventions also occurred in Right-dominated New South Wales (1971), and in Queensland (1980), which was then dominated by the left-leaning Trades Hall unions.²⁸

In 1931, Harold Lasswell hypothesised that factions are organised to advance their own interests, which might be in conflict with those of another faction but which are not necessarily adverse to the general welfare of the group as a whole.²⁹ Whether a faction’s interest is damaging to the group’s interests in large part depends on which practices are used to resolve factional conflict.³⁰ To break the monolithic control in some branches the National Executive decided to impose the principle of Proportional Representation (PR) on the Party’s voting system for all decision-making bodies. This principle ensures that even the smallest faction is assured representation according to its numerical membership, diluting the winner-takes-all mentality, as the ambitions of even the largest group can be cancelled out, or modified, through the alliances of other factions.³¹ The implementation of PR demonstrates that while the factions inherently compete for power in the Party there was consensus among the faction elite that power sharing was necessary to improve the electoral chances of Labor. Consistent with the fundamental framework of the Politics of Accommodation, the faction system was aimed at factional “peaceful coexistence” in order to improve the performance of the Party.³²

²⁶ Interview with Race Mathews, 3 October 2003; See also: Strangio, ‘Closing the Split?’, *The Great Labor Schism*, p.356; Lindsay Tanner, ‘Labor’s Turbulent Tribes’, *Labor’s Troubled Times*, David Burchell and Race Mathews (eds), Pluto Press, Leichhardt, 1991, pp.10-17.

²⁷ Keith Scott, *Gareth Evans*, Allen and Unwin, St Leonards, 1999, p.68.

²⁸ Clem Lloyd and Wayne Swan, ‘National Factions and the ALP’, *Politics*, vol. 22, 1987, p.101.

²⁹ Harold Lasswell, ‘Faction’, *Encyclopaedia of the Social Sciences*, Edwin Seligman and Alvin Johnson (eds) vol. 6, Macmillan, New York, 1931, p.49.

³⁰ Ralph Nicholas, ‘Factions: A Comparative Analysis’, *Friends, Followers, and Factions: A Reader in Political Clientelism*, University of California Press, Berkeley, Los Angeles, 1977, pp.55-6; Harold Lasswell and Abraham Kaplan, *Power and Society: A Framework for Political Inquiry*, Yale University Press, London, 1950, pp.171-2.

³¹ Strangio, ‘Closing the Split?’, p.356; Lloyd and Swan, ‘National Factions and the ALP’, p.110

³² Lijphart, *The Politics of Accommodation*, pp.103-21; Jaensch, *The Hawke-Keating Hijack*, p.166.

Tom Burns recalls his involvement in the implementation of reform in Victoria (1970–71), and New South Wales (1971), including the introduction of PR:

The Federal Executive decided to intervene ... at that stage it was a very big step ... we [Burns as Party Secretary and Mick Young as Party President] went down for a while and ran the Victorian branch ... the big result of course was the set up of factions — what we experienced was that by a very small margin you could take control of a branch — in Victoria it was pretty clear that the Left dominated ... so we looked around for an answer and the answer we came up with was proportional representation. Basically, we said that all groups in the Party should be recognised and should have a say and that there should be some sharing [of power] in the Party structure. The period of intervention in the NSW branch was not as dramatic or difficult as the Victorian intervention... it was obvious the NSW branch was dominated by the Right to the detriment of anyone who ran in the Left ..., that was the allegation anyway... we decided the same sort of thing in NSW and the people there agreed that there ought to be some sharing of the Party.³³

The by-product of the implementation of PR was that it made every decision-making body a *faction* forum. This subsequently increased competition between the factions to obtain a greater quota, and thus forced them to become organised formal groupings.³⁴ Hence, the reforms gave birth to the modern State-based factions.

Race Mathews, who was Private Secretary to Opposition Leader Gough Whitlam (1967-72), recalls how, with the enforcement of PR, informal groupings organised themselves into formal factions in Victoria:

There were the old trade unionists controllers and a number of non-unionists or people who primarily voted with the unionists, who thought the reconstruction was a sell out of socialism and who accordingly, with the unionists, formed the Socialist Left as a monolithic Left faction. Secondly, there were the independents and their allies who had tried breaking the stranglehold of the trade unionists, and thirdly there was the grouping of the people who had gone along with the Trade Unionist Defence Committee [which was the dominant power group before intervention] and who argued that there should be no formalised faction and therefore called themselves Labor Unity.³⁵

The tri-factional model that emerged in Victoria was soon followed in other branches. This model reflects the faction theory that there are usually three factions within a whole.³⁶ Where monolithic control previously existed, one faction would emerge from the former dominant power grouping; the opposing force would also become a faction,

³³ Interview with Tom Burns, 28 February 2003.

³⁴ Wayne Swan, 'Queensland: Labor's Graveyard?', *Machine Politics in the Australian Labor Party*, Andrew Parkin and John Warhurst (eds), Allen and Unwin, St Leonard, 1983, p.126.

³⁵ Interview with Race Mathews, 2 October 2003.

³⁶ Nicholas, 'Factions: A Comparative Analysis', pp.55-6; John Roemer, *Political Competition: Theory and Applications*, Harvard University Press, London, 2001, p.148; Lasswell and Kaplan, *Power and Society*, pp.171-2; Sir George Savile (Halifax), *The Life and Letters of the First Marquis of Halifax*, Collected and Revised by H C Foxcroft vol. 2, 1898, pp.287-339. Halifax's theory is that when there is a situation where there are two extreme factions, those who believe in a more moderate approach will form a centre grouping.

while the third would claim to be a neutral grouping. The latter realised that it could influence decision-making and protect its interests by negotiating deals with one of the two major factions; it therefore assumed the balance of power.³⁷

The Centre-Left and the Creation of the Modern Factions

The implementation of PR in 1981 was the key motivational force in the creation of modern national factions. The premise for reform was that the ALP should have a more nationally focused forum in lieu of the previous federal representative conference.³⁸ The Party executive decided that this could be achieved by increasing the number of delegates to State and Territory conferences. From these forums, members would be elected by PR as delegates to national conference. The implementation of PR was part of the broader constitutional reform endorsed at the 1981 Conference. The South Australian and Western Australian branches, where federal intervention had not previously occurred, were given time to implement this new process.³⁹ With the State element thus losing much of its power, the Federal Conference was effectively changed from a federal to a national, *faction*-based forum.⁴⁰

By 1983, nearly all members of Caucus had become organised into national factional groupings as a consequence of the leadership battle between Bob Hawke and Bill Hayden (1979–1983). While the Left had retained some form of rudimentary organisation since the volatile 1950s era, it became a more organised bloc as a result of its support for Hayden.⁴¹ The faction leaders of the New South Wales Centre-Right and Victoria's Labor Unity forged the anti-Left groupings into a Right bloc with the aim of having Hawke elected as leader. Those who remained unaligned gave their support to Hayden.⁴² This consolidation into factional blocs as a result of the leadership challenge was a contributing factor to the creation of the contemporary national factions.

³⁷ Detail on the emergence of modern factions and the operation of the factional system in the Labor branches can be found in Parkin and Warhurst, *Machine Politics in the Australian Labor Party*, 1983; Warhurst and Parkin, *The Machine: Labor Confronts the Future*, 2000.

³⁸ Lloyd, 'The Federal ALP: Supreme or Secondary', *Machine Politics*, pp.234-5.

³⁹ Lloyd, 'The Federal ALP', pp.234-5.

⁴⁰ Lloyd, 'The Federal ALP', p.235.

⁴¹ Lloyd and Swan, 'National Factions and the ALP', p.110; Grattan, 'Caucus and the Factions', *True Believers*, p.251.

⁴² Interview with Manfred Cross, 21 February 2003; Grattan, 'Caucus and the Factions', p.253; Graham Richardson, *Whatever it Takes*, Transworld, Moorebank, NSW, 1994.

It was clear to those who were unaligned that both the Left and the Right concentrated their efforts on “organising the numbers and dividing the spoils”.⁴³ There is no official rule that enforces proportional representation on Caucus but, over time, this has become the convention. Bill Hayden recalls that:

When I first got into Caucus, you had no chance of getting on any executive if you were a moderate, which is what they call a centrist, because the Left and the Right would do deals with one another and rule out the moderates. So I spoke to Mick Young and said we better form up a loose grouping or we will be eliminated bit by bit. [The creation of the Centre-Left] was an insurance policy, to ensure we would survive and not be crushed out of existence.⁴⁴

Hence, in 1984, many of the independents, realising their position would become untenable unless they too became organised, joined Hayden in forming the Centre-Left. While the Left and Right were to varying degrees organised blocs, the Centre-Left was “the first to declare itself” as an official national faction.⁴⁵ Barry Jones, member of the Centre-Left, described the gatherings as a “political lonely-hearts club”.⁴⁶ Hayden remembers it as bringing together the “spectral figures in the political night, as it were, [who were] casting around independently”.⁴⁷ Paradoxically, the Centre-Left was formed as a result of a pragmatic decision of unaligned members to form a faction against entrenched factionalism. The tri-factional model that was previously evident in some of the Party’s branches was now entrenched in Caucus.

If PR had not been introduced, the creation of a small centre faction would have had little influence. Prior to the introduction of PR, the faction that had numerical superiority dominated the decision-making processes as a matter of course. As discussed earlier, PR ensured that even the smallest faction would have some of its representatives in the decision-making forums. As a result of PR, the Centre-Left was assured of some positions in the ministry.

The Centre-Left’s inaugural declaration stated it would be a moderating influence on the authoritarianism of existing factions. It sought to hold the balance of power in the federal parliamentary Party.⁴⁸ It would often align with the Left to prevent the Right, particularly the New South Wales Right, from becoming too powerful an influence on

⁴³ John Button, ‘Beyond Belief: What Future for Labor?’, *Quarterly Essay*, March 2002, p.31.

⁴⁴ Interview with Bill Hayden, 29 March 2004.

⁴⁵ Lloyd and Swan, ‘National Factions and the ALP’, p.100.

⁴⁶ Interview with Bill Hayden, 29 March 2004; Bill Hayden, *Hayden: An Autobiography*, Harper Collins, Sydney, 1996, p.498.

⁴⁷ Interview with Bill Hayden, 29 March 2004.

⁴⁸ Interview with Manfred Cross, 21 February 2003; Lloyd, and Swan, ‘National Factions and the ALP’, p.101.

the National Executive and/or in Caucus.⁴⁹ The Centre-Left aimed to contribute to the authority and influence of the Hawke leadership by the stability it would engender.⁵⁰

As with the 'New Left' and the 'technocratic Right', the Centre-Left believed in a multicultural, internationalist reform agenda. The members of this 'centre' faction expected to be a motivating force for new ideas.⁵¹ But it was difficult for the Centre-Left to reach a factional position on social policy due to the diversity of its membership. Hayden recalls that some had "very strong 'Green' credentials, and yet we managed to work together. We took our insurance policy out at the same broking house, [but] that does not mean we actually agreed with each other".⁵² Nonetheless, according to Hayden, Centre-Left members would often debate an issue until there was a consensus; if no agreement was reached, however, there was "no forcing a faction decision".⁵³

According to Maurice Duverger there is "no Centre opinion, no Centre tendency, no Centre doctrine, separate in kind to the doctrines of the Right or of the Left — but only a dilution of their doctrines, an attenuation, a moderate doctrine".⁵⁴ However, the 'centre' faction's philosophy on economic policy was not a dilution of the Right's position, as it was equally, if not more strongly, disposed towards economic liberalisation. According to a former senior policy adviser in the Keating ministry, Michael Costello, "Keating often said privately that on economics he was an honorary member of the Centre-Left".⁵⁵ The Centre-Left's support allowed the Hawke-Keating Governments to implement policies that were mostly opposed by the Left. Consequently, the Left would often refer to the 'centre' faction as the 'Centre-Right'.⁵⁶

The Centre-Left was thus neither a neutral centre faction nor a moderating influence on policy development. The reason this is not consistent with Duverger's theory is because the rationale for the creation of the Centre-Left had nothing whatsoever to do with

⁴⁹ Henry Manning, 'The Labor Party and the Unions: Organisation and Ideology during the Labor Decade', *The Paradox of Parties: Australian Political Parties in the 1990s*, Marian Simms (ed), Allen and Unwin, St Leonards, 1996, p.41; Jaensch, *The Hawke-Keating Hijack*, p.142.

⁵⁰ Ian Davis, 'Hayden Lobbies for New Group', *Age*, 20 February 1984, Retrieved from the Library of the Parliament of Australia, Canberra; Lloyd and Swan, 'National Factions and the ALP', p.100.

⁵¹ Button, 'Beyond Belief', p.31; Hayden, *Hayden*, p.498.

⁵² Interview with Bill Hayden, 29 March 2004.

⁵³ Interview with Bill Hayden, 29 March 2004.

⁵⁴ Maurice Duverger, *Political Parties: Their Organisation and Activity in the Modern State*, translated by Barbara and Robert North, Methuen and Co, Cambridge, 1964 (3rd edn), p.215. See also: Nicholas, 'Factions: A Comparative Analysis', pp 55-56; Savile (Halifax), *First Marquis of Halifax*, pp.287-339.

⁵⁵ Michael Costello, 'Heart of Party's Nod to Nostalgia', *Australian*, 7 March 2003, p.11.

⁵⁶ Milton Cockburn, 'Year of the Centre-Left', *Sydney Morning Herald*, 4 January 1985, p.11.

policy and therefore falls outside Duverger's theoretical framework. The members may at times have held differing perspectives on environmental and social policy, but they were united in their support for the economic views of the Right. In addition, by the 1980s the factions' views on policy issues were increasingly converging (a development discussed later in this chapter), and there was little perceived need for the promotion of a 'centre' doctrine. What the Centre-Left did effectively moderate was the allocation of positions of influence to the Left and the Right. This reflects the very reason for the creation of the faction, as explained by Hayden, which was to protect the interests of its members.⁵⁷ So, while the Centre-Left may have influenced policy on occasions when it provided the numbers to either the Left or Right, this was not its primary objective.

The Centre-Left established itself in branches that were, at that stage, not dominated by either of the two major factions.⁵⁸ Its failure to establish a solid base in New South Wales and Victoria was a prime reason for its eventual demise. The very creation of the Centre-Left prompted the Left and the Right to reassert themselves in those branches of the Party where previously they had been inactive. Consequently, by the late 1980s, all States and Territories, to varying degrees, showed the effects of the formation of modern factions: Left, Centre-Left and Right, and in the federal parliament the contemporary factions blanketed Caucus.⁵⁹

Following the establishment of the Centre-Left, some Caucus members, predominantly from Victoria, remained unaligned.⁶⁰ By February 1992, the unaligned members recognised the need to become organised but did not want to join one of the existing factions. As 'independents' they believed the Centre-Left had become too rigid as it increasingly voted as a bloc in an alliance with the Right.⁶¹ Therefore, the unaligned members organised a new, but informal 'centre' factional grouping, called the 'Independents', through which its members could debate an issue without being expected to reach a factional position. Neal Blewett from the Centre-Left argued that Bob McMullan and Neil O'Keefe formed the new grouping because they had little

⁵⁷ Interview with Bill Hayden, 29 March 2004; Hayden, *Hayden*, p.498.

⁵⁸ Jaensch, *Power Politics*, p.181.

⁵⁹ Grattan, 'Caucus and the Factions', p.253. At the 1984 National Conference the factional make-up was: 45-Right, 34-Left, 27 Centre-Left, and 5 Victorian independents. For greater detail of the development of factions in Labor's branches see the 1983 and 2000 *Machine* books edited by John Warhurst and Andrew Parkin.

⁶⁰ Interview with Bernie Eades, 11 August 2005.

⁶¹ Oral History Transcript, Pru Goward interviews Senator Bob McMullan (Labor member from ACT), *What is the Future of the Labor's Party Factional System?*, Parliamentary Library, Parliament of the Commonwealth of Australia, 18 May 1990, pp.1-2.

prospects of promotion through the Centre-Left.⁶² With the creation of the Independents there were now four factions in Caucus.

By 1995 the main players in the Centre-Left had departed from parliamentary life and the faction began to diminish in numbers and power.⁶³ Bill Hayden states that in “no time the irreconcilable postures adopted by the Right and Left were bridged as they conspired at ways of depleting the ministerial numbers from our faction”.⁶⁴ Maurice Duverger argues that:

The fate of the Centre is to be torn asunder, buffeted and annihilated: torn asunder when one of its halves votes Right and the other Left, buffeted when it votes as a group first Right then Left, annihilated when it abstains from voting. The dream of the Centre is to achieve a synthesis of contradictory aspirations; but synthesis is a power only of the mind. Action involves choice and politics involve action.⁶⁵

The Centre-Left was thus rapidly becoming irrelevant. In March 1996, after Labor lost office, both the two ‘centre’ factions became too small to merit a significant quota in Caucus. Therefore, the Independents agreed to amalgamate with the remnants of the Centre-Left into the Independents Alliance “simply to ensure they got a slice of the cake in the portfolios they handed out”.⁶⁶ The condition on which the Independents would merge was that they would not be bound to a factional policy position (demonstrated in policy debate examined in Chapter Nine).⁶⁷ By 1996, three factions once again dominated the Caucus and this remained so during the 1996–2004 period. However, numbers in the Independents Alliance have gradually decreased through the united efforts of the Left and Right, and this further reflects Duverger’s theory on the preordained fate of a ‘centre’ grouping.⁶⁸

⁶² Neal Blewett, *A Cabinet Diary: A Personal Record of the First Keating Government*, Wakefield Press, Kent Town, 1999, p.66.

⁶³ Mick Millett, ‘Cracks in Labor’s Backbone’, *Sydney Morning Herald*, 22 December 1995, p.15.

⁶⁴ Hayden, *Hayden*, p.498. See also: Michelle Grattan and Tim Colebatch, ‘New Faction Rises from Labor’s Ashes’, *Age*, 15 March 1996, Retrieved from Parliamentary Library, Canberra.

⁶⁵ Maurice Duverger, *Political Parties: Their Organization and Activity in the Modern State*, translated by Barbara North and Robert North, Methuen, Paris, 1964, p.215.

⁶⁶ Interview with Bernie Eades, 11 August 2005. See also: Grattan and Colebatch, ‘New Faction Rises from Labor’s Ashes’.

⁶⁷ Interview with Rod Sawford, 9 August 2005; Interview with Bernie Eades, 11 August 2005.

⁶⁸ From time to time, an attempt has been made to create a new faction, either based around an issue or a personality, but these were of little consequence to internal politics or policy development within the Party. Such groupings emerged in the organisational wing and their life span was short due to lack of support from federal Caucus. George Wilson, ‘New Group to Infiltrate Party: Greenies Plan ALP takeover’, *Sunday Herald*, Sydney, 23 October 1988, p.9; Anthony Mitchell, ‘Compost to Fly in Green Row’, *Sun Herald*, Sydney, 4 June 1989, p.1; Editorial, ‘Campbell Starts Anti-faction Faction’, *West-Australian*, Perth, 29 June 1989, Retrieved from the Library of the Parliament of Australia, Canberra. In 1988, within the context of the anti-uranium mining debate, there were attempts by anti-nuclear campaigner Helen Caldicott to establish a new faction within the ALP. Green Labor was launched in Victoria with the aim of generating members from the grassroots membership. The group put forward environmentally friendly motions at local branches, then at regional, State and eventually national conferences. The group had 300 members and recruited in NSW, Victoria and South Australia. It had an

Sub-factions in the Caucus Left: The Hard and the Soft Left

Since the 1970s, the New South Wales Left had been fracturing due to internal contests over party and parliamentary positions, ultimately leading to a split in 1989. The federal New South Wales parliamentarians brought these hostilities into Caucus.⁶⁹ A brief examination of the events that incited the 1989 division is instructive for two reasons. Firstly, the fragmentation reflects the wider fracturing of the factions throughout the ALP, which became increasingly evident in the other State branches in the early 1990s. Secondly, it provides a historical explanation of why there were two sub-factions of the Left in Caucus during the 1996–2004 period.

From the 1960s to the 1980s, the Miscellaneous Workers Union (MWU) dominated the New South Wales Left. The MWU put a lot of effort into its political agenda, and aimed to achieve its industrial and ideological goals by having its representatives elected to Government. The other dominant force in the Left, the Amalgamated Metal Workers Union, later named the Australian Manufacturing Workers Union (AMWU), placed its emphasis on getting outcomes for its members through industrial action.⁷⁰ The national secretary of the AMWU, George Campbell, explains that the AMWU became “a lot more politically focused and more politically active and that led to some tensions between the ‘Missos’ over who should be the dominant force”.⁷¹ By the early 1980s the Metal Workers grouping was seen as an alternative power bloc and, according to Campbell, by 1990 it dominated the NSW Left “two to one in numbers”.⁷²

Several key elements help to identify the different philosophies of the two main groupings making up the NSW Left. Those who coalesced around the Miscellaneous Workers had their principal power base in the local branches and argued that union

official charter and a four-year plan to win control of the ALP. Its strategy was to have its delegates join up with the Left so that they could out-vote the Right and Centre-Left on ‘green’ issues. Another attempt at a national faction was made in 1989 by Graeme Campbell (ALP member for the federal electorate of Kalgoorlie), who attempted to create an “anti-faction” faction, called the ‘Kalgoorlie group’. While Campbell claimed to have attracted interest from both federal and State MPs, little of political substance eventuated. The group strongly opposed Labor’s factionalism. He argued that factional domination of the Party was a formula for promoting ideas from the lowest common denominator.

⁶⁹ For a more detailed history of the NSW Left and the split of 1989 in the Left see Andrew Leigh, ‘Factions and Fractions: A Case Study of Power Politics in the Australian Labor Party’, *Australian Journal of Political Science*, vol. 35, November 2000, pp.427–50.

⁷⁰ Interview with George Campbell, 1 December 2003.

⁷¹ Interview with George Campbell, 1 December 2003. The term ‘Missos’ refers to the members of the Miscellaneous Workers Union.

⁷² Interview with George Campbell, 1 December 2003; Christine Wallace, ‘Faulkner, Not Faint-Hearted’, *Financial Review*, 13 December 1994, p.13. Wallace states that the “initial uneasy balance in numbers between the two groups ultimately gave way to Hard Left numerical superiority”.

decision-making power in the ALP should be reduced. They had a consensual philosophy in dealing with the Right on policy. After 1989, some members in the Party would refer to them as the Soft Left. The Metal Workers grouping was heavily union-dominated and was able to recruit many new generation Party members, as it had links with the broader left in the community where there were an increasing number of young activists.⁷³ After the split, the groupings based around the Metal Workers were referred to as the Hard Left. Campbell, their leader in federal parliament, insists that:

The people in the metal workers group have a genuine commitment to a socialist agenda ..., whereas those in the Soft Left don't necessarily have that. They are members of the Left as a matter of convenience.⁷⁴

One of the leading personalities of the Soft Left in parliament, Laurie Ferguson, concedes that there was a general pattern in the late 1980s and 1990s that saw the Hard Left more ideologically driven than the Soft Left. The Hard Left asserted that it was ideologically pure and condemned the Soft Left for being pragmatic moderates. Ferguson states that the underlying agenda of members in both groups was really the pursuit of personal power.⁷⁵ Campbell agrees that the struggle within the New South Wales Left came down to a "grab for power".⁷⁶ While the power struggle within the Left's sub-factions had, in essence, an element of ideological difference, the implementation of proportional representation shifted the emphasis to a tactical and personal level. The two groups competed for dominance over the organisational wing and for the spoils of office in both the State and federal parliaments.⁷⁷

As discussed earlier in this chapter, since the 1960s throughout the Party, there were both progressive and traditionalist tendencies within the Left. Loyalty to a sub-faction could stem from an opportunistic objective to gather support for voting purposes, but also from other motives such as personal loyalties or the sharing of similar strategic and policy views.⁷⁸ For instance, those in the Victorian Left who saw themselves as moderates on policy issues were soon identified by others in the Party as part of the Soft

⁷³ Leigh, 'Factions and Fractions', pp.427-50.

⁷⁴ Interview with George Campbell, 1 December 2003.

⁷⁵ Interview with Laurie Ferguson, 1 December 2003.

⁷⁶ Interview with George Campbell, 1 December 2003.

⁷⁷ Interview with George Campbell, 1 December 2003; Leigh, 'Factions and Fractions', pp.427-50. In November 1989, when the NSW Left came together to adopt a new constitution, the groups decided to caucus separately. The Missos labelled the sub-faction based around the Metal Workers as 'Cavalier-ites', 'Mensheviks', 'Radicals', 'Dealers', 'Broad Left', 'Labor Left', or 'Soft Left'. The Metal Workers described the Miscellaneous grouping as 'Walker-ites', 'Bolsheviks', 'Ratbags', 'Doers', 'Industrial Left', 'Socialist Left' or 'Hard Left'. The names refer to the protagonists within the two groups and how they viewed each other on an ideological and tactical level.

⁷⁸ Interview with Kim Carr, 9 August 2005; Interview with Duncan Kerr, 10 August 2005.

Left.⁷⁹ The loss by one of the sub-factions of a position would increase its determination to defeat the other group at the next ballot. During Labor's 1996–2004 period in opposition the sub-factions were roughly equivalent in numbers and increasingly, there were people in the Caucus Left who refused to be categorised within either of the two sub-factions. For instance, New South Wales Senator John Faulkner who was initially aligned to the Soft Left refuses to be so categorised.⁸⁰ Hence, sub-factions labels may have limited explanatory value, even though personal identifications can still be relevant in analysing the stance of particular Left members on specific policy issues. (This is further discussed in Chapters Seven, Eight and Nine.)

The Modern National Factions in the Hawke–Keating Governments

The existing literature on Labor's factions credits the faction system for the Hawke–Keating Governments' continued majority electoral support, as it greatly assisted cabinet's capacity to management of the nation's economy. The disciplined factions protected the government from having cabinet decisions reversed in Caucus, a common problem during the Whitlam era (1972–75).⁸¹ As a consequence of providing this stabilising and disciplinary influence, and by negotiating among themselves on behalf of their members, the factions assumed the right to select all key positions within the parliamentary party as well as controlling the distribution of political spoils.⁸² Through alliances between the Right and Centre-Left the faction leaders were also able to ensure that, on occasions, the Party's platform would be altered retrospectively at National Conference to meet the objectives of the Labor Government. While Labor was in office, the factional influence on policy was, with few exceptions, manifest in the influence of faction leaders asserted on the factions. The faction system functioned as a

⁷⁹ Leigh, 'Factions and Fractions', p.450.

⁸⁰ Interview with John Faulkner, 19 May 2004; Interview with George Campbell, 1 December 2003.

⁸¹ See for instance: Graham Maddox, *The Hawke Government and Labor Tradition*, Penguin Books, Victoria, 1989, p.48; Grattan, 'Caucus and the Factions', p.252; Ian Ward, 'Factionalism: the Labor and Liberal Parties Compared', *Journal for Students of Year 12 Politics*, vol. 17, no. 2, July, 1989, pp.18-26; Clive Cameron, *The Cameron Diaries*, Allen and Unwin, North Sydney, 1990; Scott, *Running on Empty*', p.159; Jaensch, *The Hawke-Keating Hijack*, p.164.

⁸² Fred Gruen, *Managing Government: Labor's Achievements and Failures*, Longman, Melbourne, 1993, p.15; Jaensch, *The Hawke-Keating Hijack*, pp.137&142; Emy and Hughes, *Australian Politics*; Troy Bramston, 'The Hawke Leadership Model', *The Hawke Government: A Critical Retrospective*, Susan Ryan and Troy Bramston (eds), Pluto Press, North Melbourne, 2003, p.68; Grattan, 'Caucus and the Factions', p.252; Brett Evans, *The Life and Soul of the Party: A Portrait of Modern Labor*, University of New South Wales, Sydney, 2001, p.63; Richard Lucy, *The Australian Form of Government: Models in Dispute*, MacMillan, South Melbourne, 1993, (2nd edn), p.24.

control mechanism or management tool, which allowed the cabinet and the Leader's policy agenda to be realised.

There were some special cases when the national factions were able to exert pressure on the Prime Minister and cabinet through their faction leaders. In early 1985, effective leadership by the faction convenors prevented a major clash between cabinet and Caucus. Hawke had agreed to honour a deal between former Prime Minister Malcolm Fraser and the United States regarding testing of MX missiles off the Australian coast. Without the consent of her faction, Margaret Reynolds (Hard Left) voiced her opposition in the media.⁸³ Subsequently, the Left hastily convened and endorsed its factional position in opposition to Hawke. The other factions supported the Left and this event revealed a rare consensus among the three factions, their unity ensuring the faction leaders undisputed power in their negotiations with the Party Leader. The factional hierarchy and Hawke resolved that there would be "no criticism in Caucus of the Prime Minister but a more 'consultative' structure would be introduced".⁸⁴ Other examples of the factions exerting pressure included the Left and the Centre-Left combining later that year to overturn plans for a consumption tax. In December 1986, while the Right had been cabinet's main support for its economic policy agenda, it exerted pressure to defeat one element of that agenda, the proposed gold tax.⁸⁵ The Right also asserted itself over Treasurer Paul Keating in 1990, arguing that "a radical option" for reforming telecommunications proposed by Keating "would not be acceptable".⁸⁶

There were several key influences that allowed the Hawke–Keating Governments to implement a more right-wing economic agenda. A significant factor was that Labor's objective was to secure the confidence of the business sector by deregulating the economy, which included 'floating' the Australian dollar, cutting government spending and privatising public enterprise.⁸⁷ According to Michael Pusey, Treasurer Paul Keating worked together with top public servants in Canberra, whose perspective on the country's economic direction was influenced by their right-wing belief that market

⁸³ Interview with Margaret Reynolds, 9 October 2003.

⁸⁴ Grattan, 'The Factions and Caucus', p.255; Patrick Weller and Bronwyn Stevens, 'Partner or rival? Caucus and Cabinet', *True Believers*, pp.182-3.

⁸⁵ Lloyd and Swan, 'National Factions and the ALP', p.104.

⁸⁶ Gruen, *Managing Government*, p.14.

⁸⁷ Graham Maddox, *Australian Democracy in Theory and Practice* (3rd edn), Longman, 1996, p.314.

forces should be free of government intervention.⁸⁸ These ideas found endorsement in both the Hawke and the Keating cabinets because the Right dominated these factional bodies. Hawke had established an inner and outer ministry, with Right ministers dominating the inner ministry.⁸⁹ Thirteen of the nineteen members in Keating's cabinet were from the Right, as the Leader ignored the factional ratio of Caucus.⁹⁰

Social policy debate, however, was no longer expressed through the prism of extreme Left or Right views, and subsequently there were "few factional type debates" in Caucus.⁹¹ In addition, Labor MPs increasingly were given a conscience vote on moral issues such as abortion, euthanasia and Australia's involvement in the first Gulf War.⁹² Cross-factional agreements on such issues became common. Similarly, personal friendships across factional lines became the norm, a situation that would have been inconceivable at the height of the Cold War era.⁹³

Policy convergence by the factions was in part also driven by electoralism, an approach using "whatever means to win the votes of enough of the electorate" to remain in power.⁹⁴ Within the concept of electoralism, 'having the numbers' does not refer to a faction's voting strength but to 'rating figures' from public opinion polls. While polling measured the impact of Labor's policies on the electorate, it also influenced policy in that the Party was able to develop policies based on the information provided by the polls. For instance, the results of private surveys influenced the Hawke Government's decision to abandon its plans to introduce a consumption tax.⁹⁵ Electoralism encouraged cabinet to engage in the 'Politics of Accommodation', in which pragmatic Left ministers who had replaced ideologues of the Left adopted a more pragmatic approach based on equality of opportunity.⁹⁶ These ministers brought a more flexible attitude to cabinet, as they realised that the only way to bring about Leftist reforms was to work

⁸⁸ Michael Pusey, *Economic Rationalism in Canberra*, Cambridge Press, Port Melbourne, 2001.

⁸⁹ Jaensch, *The Hawke-Keating Hijack*, p.161; Graham Maddox, *The Hawke Government and Labor Tradition*, Penguin, Ringwood, 1989, p.85.

⁹⁰ Glenn Milne, 'Keating's Conquest', *Australian*, 27 March 1993, Retrieved from the Library of the Parliament of Australia, Canberra.

⁹¹ Grattan, 'The Factions and Caucus', p.263. This trend reflects the internally significant event of the fall of the Berlin Wall in 1989, seen as the end of the Cold War era.

⁹² Louise Dodson, 'Labor Grapples with New Identity Crisis', *Australian Financial Review*, 11 June 1991, p.16.

⁹³ Grattan, 'The Factions and Caucus', p.264.

⁹⁴ Jaensch, *The Hawke-Keating Hijack*, p.166; Evans, *The Life and Soul of the Party*, p.55.

⁹⁵ Stephen Mills, *The New Machine Men: Polls and Persuasion in Australian Politics*, Penguin Books, Ringwood, Victoria, 1986, pp.1-43.

⁹⁶ Lijphart, *Politics of Accommodation*, pp.103-22.

with the prevailing attitudes of the Right.⁹⁷ This approach allowed the Left to play a constructive role in cabinet instead of continuing to be isolated from policy decisions.⁹⁸ According to Lijphart's theory, accommodation can only occur where there is a minimum of consensus already established; and consensus within the factions was that it was in their best interests for the Labor Party to remain in Office.⁹⁹

While the mainstreaming of the Left in cabinet generally resulted in policy convergence between the factions, there were heated policy debates between the Hard and Soft at the Left's faction meetings. For instance, in 1990, the Soft Left supported the Right on the partial privatisation of the Commonwealth Bank and the sell-off of Australian Airlines and 49 percent of QANTAS. In January 1991, more Soft Left members than Hard Left members in Caucus supported the Hawke Government's decision to send three navy ships to the Persian Gulf conflict. In March 1991, the Soft Left supported the Right with a bill designed to combat a loss of investor confidence in the forestry industry.¹⁰⁰ There were also rare occasions on which the Right did not vote as a bloc on a policy issue. Both the Right and the Centre-Left split in the battle over privatisation in 1987, and the Right and Left split over the Medicare patient co-payment policy in 1991.¹⁰¹ This clearly demonstrates that the modern factions in Caucus cannot be identified as pure ideological blocs.

In the organisational wing, much of the voting was often based still on opposing views between the Left and Right, and those Left ideologues marginalised in Caucus mostly had the support of the National Left in the organisational wing.¹⁰² However, as the

⁹⁷ Gruen, *Managing Government*, p.15.

⁹⁸ Gruen, *Managing Government*, p.15; Paul Nursey-Bray and Carol Lee Bacchi, 'Socialism and the Third Way', *Left Directions: Is there a Third Way?*, Paul Nursey-Bray and Carol Lee Bacchi (eds), University of Western Australia, Crawley, 2001, p.6. As Social Security Minister Howe (Soft Left) initiated reform in the welfare system that reflected a Third Way approach to policy development, which is further discussed in Chapter Nine. The main point here is that a Third Way approach rejected the pure Left and Right ideological positions for a new way of solving problems, one which reacts to contemporary social and economic conditions such as the long-term unemployed.

⁹⁹ Lijphart, *The Politics of Accommodation*.

¹⁰⁰ Leigh, 'Factions and Fractions', pp.11-2. The Metal Workers Union which leads the Hard Left demanded that the federal government immediately recall all military personnel engaged in any military operations connected with the Iran/Iraq Middle East War. Amalgamated Metal Workers Union, *Amalgamated Metal Worker's Union: 1988 Biennial National Conference*, Surry Hills, NSW, p.164.

¹⁰¹ Grattan, 'The Factions and Caucus', pp. 259-60.

¹⁰² Jaensch, *The Hawke - Keating Hijack*, p.62; Maddox, *Australian Democracy in Theory and Practice*, p.384. According to the Left in the organisational wing Labor had lost many of its traditions and principles by the end of the Hawke-Keating era. However, the tension between the Left and Right – the socialists and those emphasising a more pragmatic approach to win office — has always existed within the Party. This is demonstrated in Ross McMullin, *The Light on the Hill: The Australian Labor Party 1891—1991*, Oxford University Press, Melbourne, 1991. On page .21, McMullin states that a socialist of

National Left did not have numerical superiority it was little more than a reactionary wing of the Party.¹⁰³ Jaensch argues that the Left was responsible for its own marginalisation because it was the faction that initiated the rigidity that became a characteristic of all three factions and, subsequently, the disciplined bloc votes of the Right and Centre-Left came to dominate conference. The creation of the Centre-Left had been a response to the Left's unwillingness to compromise. If the Centre-Left had not been created, it is likely that at least some of its members would have voted with the Left on various issues.¹⁰⁴

Hence, by the 1990s, Caucus was driven not only by the dominance of the Right, but by the electoral concern to remain in office and also a more liberal approach to moral issues. Subsequently, the need for faction leaders to control Caucus was greatly diminished. Keating further curtailed the role of faction leaders because, unlike Hawke, he had disdain for normal consultative channels and rarely included factional convenors and negotiators in the decision-making process.¹⁰⁵ It appeared to be the end of an era for faction leaders, as prominent figures such as Graham Richardson retired (1994) and others were demoted to the backbenches.¹⁰⁶

The result of the 1996 federal election was an indication that the long period of economic reform and the pragmatic approach of electoralism had lost favour with the electorate. Labor was seen as being out touch with working-class economic needs and social values, which had lost it the support of many of its traditional blue-collar constituents.¹⁰⁷ Keating's own faction even criticised his 'big picture' policy agenda as leaving the "average man and woman cold".¹⁰⁸ This agenda included plans for Australia

the ALP Branch of NSW argued in 1897 that Labor "degenerated into a mere vote-catching machine, doing no educational work, and generally following a policy of compromise and supineness".

¹⁰³ Dennis Shanahan, 'The Battler's Friend Tries to Get Used to Life at the Top', *Sydney Morning Herald*, 7 April 1986, Retrieved from the Library of the Parliament of Australia, Canberra.

¹⁰⁴ Jaensch, *The Hawke-Keating Hijack*, p.166.

¹⁰⁵ Mick Millett, 'Cracks in Labor's Backbone', *Sydney Morning Herald*, 22 December 1995, p.15.

¹⁰⁶ Grattan, 'The Factions and Caucus', p.261.

¹⁰⁷ Michael Pusey, *The Experience of Middle Australia: The Dark Side of Economic Reform*, Cambridge University Press, Port Melbourne, 2003; John Ducker of the NSW Right quoted in David Nason, 'ALP Right Hits Back at Claims of Remoteness', *Australian*, 6 March 1996, p.11; Marian Sawer, 'A Defeat for Political Correctness?', *Politics of Retribution: The 1996 Federal Election*, Clive Bean, Marian Simms, Scott Bennett and John Warhurst (eds), Allen and Unwin, 1997, p.74; Gary Gray, 'Principles, Policies and Politics: Getting Labor Back on Track', *Labor Essays*, Gary Jungwirth (ed), Pluto Press, Richmond, 1997, pp.11-12.

¹⁰⁸ Nason, 'ALP Right Hits Back at Claims of Remoteness'. In other words, concerns over high unemployment and Accord-based wage restraints overshadowed Labor's broader international policies and there was an increasing resentment within the electorate, particularly from blue-collar workers, towards those receiving social security benefits. For analysis of the 1996 elections see for instance: Clive

to become a republic, pro-environment initiatives, reconciliation with the Indigenous community and increasing engagement with Asia. The Right had argued a decade earlier that the main reason Hawke and Keating were losing touch with the grassroots of the Party and with basic political realities was because they had stopped going to faction meetings.¹⁰⁹ However, this chapter demonstrates that the Leaders' absence from faction meetings did not hinder their faction, the Right, in providing the numbers and making deals with the Centre-Left to allow the Hawke–Keating agenda to be endorsed at the national conferences and in Caucus. Following the loss of the 1996 federal election, the challenge for the modern national factions was to operate effectively in opposition, as is discussed in Chapter Six.

Conclusion

The history of the ALP demonstrates that the Party is prone to factionalism because of its diverse membership and the need for groups to gather numerical support in order to influence decision-making forums. Even though the ideologies of the modern national factions are not as potent as during the Cold War, the history of the factions demonstrates that distinctive tendencies have always existed in the Party.

The Cold War factions emerged out of opposing ideological beliefs and convictions throughout the ALP, while the modern national factions were generated by the need to control the destructive nature of factionalism, including the potential for power struggles to split the Party and monolithic control by a dominant factions. The implementation of PR established a 'spirit of accommodation' as even the smallest grouping could be represented in all decision-making forums. This, however, has not suppressed the drive in factions to compete for power and intra-factional divisions have emerged, as is evident with the sub-factions in the Left. Hence, competing for power remains pertinent to the modern national factions. However, the 'spirit of accommodation', based on the power-sharing principle of PR, is a distinctive characteristic of the contemporary faction system that differentiates the modern from the Cold War factions.

Bean, Marian Simms, Scott Bennett and John Warhurst (eds), *Politics of Retribution: The 1996 Federal Election*, Allen and Unwin, Sydney, 1997.

The chapter has demonstrated that Labor's factions, in both the Cold War period and during the Hawke–Keating era, have influenced Party policy. This chapter has mainly concentrated on the history of the operations of the modern factions in Caucus up to 1996 as this is predominant the focus of the existing literature, however this thesis, which spans the 1996–2004 period, examines the modern factions in both the organisational and parliamentary wings. The following chapter's focus is on the factional dynamics in the organisational wing.

¹⁰⁹ Lindsay Olney, 'Turning Point', *West-Australian - Perth*, 11 November 1986.

CHAPTER FOUR

The National Factions in the Organisational Wing

Men are free to walk around the deck of a ship about whose destination they know nothing, and over which they cannot exert the slightest control.

Flemish Cartesian Philosopher Arnold Geulincx (1624-69)¹

In order to understand how the modern national factions influence the development of Labor's national policy it is necessary to establish how they operate within the Party more generally. Therefore, this chapter concentrates on the factional organisation and processes within the ALP's organisational wing, and Chapter Five focuses on the parliamentary wing. These two chapters evaluate the operations and dynamics of the national factions in the Party so that the case studies in Chapters Seven, Eight, Nine and Ten are placed within a general overview. By exploring how the faction system dominates the official Party structure and by systematically tracing the policy development processes that occur in the organisational wing, this chapter finds that the method of operation of the national factions correlates with Lijphart's accommodation model. By analysing the role and influence of the national factions on policy within the theoretical framework of the Politics of Accommodation, the fundamental characteristics of the national factions are outlined.

Labor's national factions are coalitions of State and Territory factions. The chapter therefore begins by emphasising this basic fact and illustrates it with a table of the national factions based on the number of delegates from the State-based factions at the 2002 National Conference. The complexities of the tenuous alliances between factions at the State and national level are also discussed. The chapter then examines the reasons why members join a faction, and explores why the relationship between branch and union membership is important to policy development. The thesis argues that retaining a substantial percentage of union voting power is important to faction elites because it is easier to control the union bloc vote, than the votes of branch delegates within a national faction. It demonstrates that a significant characteristic of the national factions is the control of the faction elite over their respective blocs, and that this is consistent with the

¹ Arnold Geulincx cited in Peter Hounam, *Operation Cyanide: Why the Bombing of the USS Liberty nearly caused World War Three*, Vision, London, 2003, p.171. Geulincx's philosophy is characterised by a curious blending of rationalism and mysticism.

Politics of Accommodation. Furthermore, by examining the internal operations of faction meetings at the State level, the chapter finds that national policies are rarely debated among the factionally aligned rank and file; instead this is generally the domain of the faction elite.

The factions are able to influence policy decisions when they vote at National Conferences. How the National Conference becomes a faction forum is explained through an examination of the way in which the faction system dominates the Party's delegate system. A brief discussion of the proposed Party reform in 2002, which threatened to change the current election process of the delegate system, reinforces the hypothesis that a faction's main objective is to control the decision-making forums. This chapter also examines the factional dynamics in the National Policy Committee (NPC) when it drafted the 2004 Party's policy platform. Lastly, the operations and dynamics of the faction system at a National Conference are explored. Given that the delegates are usually prominent members of the State-based factions, policy debate can be vigorous at faction meetings conducted before the formal proceedings of Conference. However, this chapter demonstrates that national faction leaders negotiate in private to resolve divisive policy issues prior to Conference, in accordance with the unwritten rules of the 'factional game' underpinning the Politics of Accommodation, as outlined in Chapter Two. The discussion on the faction elite's control over policy development highlights the criticisms of the faction system such as the isolation of non-aligned members from the decision-making bodies and the narrowing of the scope of policy debate, which were noted in Chapter Two.

The internal operations of the factions are normally not documented. Therefore interviewing was a fundamental part of the research methodology for this thesis, as emphasised in Chapter One. The research for this chapter draws on both secondary and primary sources. The information obtained through interviews with Caucus members across the three factions serves to validate the currency of existing material and expands on it in detail. For example, while a large body of the existing literature acknowledges that the National Conference is a faction forum, the interview data assists in exploring how the delegate system ensures that all decision-making bodies in the Party become faction forums.

The National Factions: Coalitions of State and Territory Factions

Labor's national factions are made up of a *coalition* of factions existing in the Party Branches. Chapter Three demonstrated that the Left and the Right were formed from existing State-based factions that solidified at the national level, and that the Centre-Left had its genesis at the national level and then immediately established a base at the State level. The State-based factions are not sub-factions of a national faction. The term sub-faction is applicable only when a faction splits into two or more factions but mostly continues to operate as one faction, as with the Soft and Hard sub-factions of the Left in Caucus (explained in Chapter Three and further discussed in Chapter Five). Hence, the NSW Right is not a sub-faction of the National Right but part of a coalition that forms the National Right. In the organisational wing, the national factions are most visible as a power group when they assemble at National Conference, where all State and Territory factions coalesce into the National Right, National Left and Independents Alliance.

The split of a faction at the State and Territory level can change the make-up of a national faction. Links between State-based factions and the national coalition are sometimes tenuous, and membership of a State-based faction does not always coincide with its equivalent at the national level. As Swan and Lloyd point out, factional drift is more about tactics than ideology or principle.² In 2002 the Victorian Right split over a preselection issue and Greg Sword created his own faction, 'Network', which has since formed an alliance with the Left in Victoria and with the Independents Alliance at the national level.³ The name *Network* is not an ideological label but, rather, it reflects the fact that factions split for personal and strategic reasons. The split from the Victorian Right was a ploy to thwart their intra-faction opponents by voting with another faction rather than deriving from any ideological reasons. The behaviour of a group splintering from a faction and then aligning with another faction deviates from Lijphart's accommodation model, in which splinter parties obtain enough votes through proportional representation (PR) to enter government, but are largely kept out of the process of accommodation.⁴

² Clem Lloyd and Wayne Swan, 'National Factions and the ALP', *Politics*, vol. 22, 1987, p.107. Swan and Lloyd quoted Giovanni Sartori, who stated that "A high rate of manoeuvring and outmanoeuvring from right to left, and subsequently left to right, testifies to the prevalence of tactics over ideology and principle".

³ Interview with Arch Bevis, 14 July 2003; Interview with George Campbell, 1 December 2003; Interview with Rod Sawford, 9 August 2005; Alison Crossweller, 'Sword Consigns Left and Right to History', *Australian*, 21 June 2002, p.4. By 2005 the members of Network had returned to the Right faction.

⁴ Arend Lijphart, *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*, Cambridge University Press, London, 1968, pp.162-177.

Within the ALP, when a faction splinters, the splinter grouping remains part of the faction system because it affiliates with another faction. While PR does provide the opportunity for smaller factions to be represented in the decision-making bodies, and at the State level new factions are periodically created, at the national level the numerous factions merge into the three national factions.

Normally, breakaways at the State level can reunite with their former faction at the national level. Both the Left and the Right have factions that unite under the national umbrella but are rivals at State level. For example, when the Left in Queensland was divided from 1994 to 2000, it continued to unite under the National Left. A faction that exemplifies the complexities and drifting alliances at both State and national level is Labor Unity in Queensland. Before 2000 this faction had a loose alliance with Labor Forum (Right) and was categorised as a Right faction. Since the 2000 National Conference, it has aligned itself with the Left at the State level and with the Independents at the national level when voting for positions within the Party. When voting on policy, Labor Unity's parliamentarians unite under the Caucus Right umbrella and vote with the Right, while its other delegates reach a factional position independent from the Right.⁵ However, Labor Unity usually votes with the Right on policy matters, as is demonstrated in the case studies in Chapters Eight and Nine.

Because factional alignments can change periodically for a variety of reasons, the most unimpeded way to observe the voting strength of a national faction is at a national conference. The following table provides an overview of the number of State-based delegates and the total voting strength of each national faction at the 2002 National Conference.

*Table 4.1 National Factions at the 2002 National Conference.*⁶

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	<i>Total</i>
National Right	47	15	12	8	8	5	1	1	97
National Left	17	18	13	12	9	9	2	2	82
Independents Alliance	0	5	6	1	6	2	1	1	22

⁵ Interview with Jack Camp, 19 October 2004; Interview with Paul Stafford, 4 July 2003. Labor Unity's alliances with either the Right (Labor Forum) or the Left at the State level is determined on strategic consideration in regards to the power struggles for control of the Queensland Branch of the ALP.

⁶ Mike Steketee, 'Party's Faithful and Factions Face Off', *Weekend Australian*, 5-6 October 2002, p.23.

The table demonstrates that the National Right is numerically superior to the other factions and its strength comes from New South Wales. The National Right's coalition of State-based factions totalled 97 at the 2002 National Conference, and it was represented by 196 delegates at the expanded 2004 National Conference.⁷ Its most powerful component, the NSW Right, has historically provided federal electoral success for the National Right and the ALP in general.⁸ During the leadership of Victorian Simon Crean, factional discipline was at an all time low, and animosity between key operatives within the NSW Right was detrimental to unity within the National Right. The importance of the NSW Right to the broader scheme of Labor politics is an article of faith to its own members, as is evidenced in a letter written by Mark Latham to other NSW Right faction members in an attempt to unite the faction.⁹ The leaked letter reads in part:

A strong and effective NSW Right is essential if we are to secure a future national Labor government. No other body within the party is able to bring the same common sense and practical perspectives about issues that affect the lives of ordinary Australians.¹⁰

The faction became more united when Latham became leader of the federal party. Manfred Cross states that the NSW Right prefers to have one of its own (in leadership) and that the faction's leaders "can be ruthless when they don't get their own way".¹¹

The National Left was represented by 82 delegates at the 2002 National Conference, and this number increased to 163 at the expanded 2004 Conference.¹² Its strongest base has traditionally been in Victoria, where it has historically been most active and effectively organised.¹³ Senator for Victoria, Kim Carr, argues that the Left is much more ideologically inclined in Victoria than in other States.¹⁴ The NSW Left is ideologically to the right of those in the Victorian Right and, subsequently, these two State-based factions

⁷ Steketee, 'Party's Faithful and Factions Face Off', p.23; Interview with Laurie Ferguson, 1 February 2004. The 2002 National Conference endorsed the rule that there would be an increase in delegates attending State and national conferences.

⁸ Marilyn Dodkin, *Brothers: Eight Leaders of the Labor Council of New South Wales*, University of New South Wales, Sydney, 2001, p.1; Bill Hayden, *Hayden: An Autobiography*, HarperCollins, Sydney, 1996, p.318.

⁹ Hayden, *Hayden*, p.318; Anthony Albanese and Sue Robinson, 'Discussing Organisational Reform in the Australian Labor Party', *The Paradox of Parties*, Marian Simms (ed), Allen and Unwin, St Leonards, 1996, p.51. Albanese states: "there are still elements which see the NSW right as being synonymous with the Party".

¹⁰ Mike Steketee, 'Fraction too much Faction', *Weekend Australian*, 16-17 March 2002, p.26.

¹¹ Interview with Manfred Cross, 21 February 2003. This view is also expressed in Graham Richardson, *Whatever it Takes*, Bantam, Moorebank, 1994.

¹² Steketee, 'Party's Faithful and Factions Face Off', p.23; Interview with Laurie Ferguson, 1 February 2004.

¹³ Andrew Scott, *Running on Empty: 'Modernising' the British and Australian Labour Parties*, Pluto Press and Monash University, Annandale, 2000, p.165.

¹⁴ Interview with Kim Carr, 9 August 2005.

do not always agree on policy matters.¹⁵ The Victorian Left dominates the Left in federal Caucus. However, at the 2002 National Conference, the Victorian Left had only one delegate more than the NSW Left.

As discussed in Chapter Three, the Independents Alliance does not have broad support in the organisational wing. At the 2002 Conference the Independents Alliance consisted of a coalition of 22 delegates and at the expanded 2004 National Conference the faction had 33 representatives.¹⁶ The faction's strength comes from Western Australia, as the numbers in Victoria and Queensland fluctuate because of the loose alliance with Network in Victoria and Labor Unity in Queensland according to the issue being voted on. Normally, the alliances occur for the purpose of voting for positions on committees such as the National Executive and do not always apply when voting on policy. Hence, because some of its members, such as Labor Unity, often vote with the Right on policy issues, its numbers do not necessarily provide the 'balance of power' in relation to such decisions. At the last two National Conferences it struggled to have any real impact on policy issues, as is demonstrated in Chapters Eight and Nine.

In South Australia, where the 'centre' originally had its base support, the Independents have been virtually obliterated by an alliance of convenience of the Left and Right.¹⁷ John Faulkner (Left) commented that: "self-interest seems to rule these things ... most factions are interested in maximising their own power as opposed to worrying about anyone else's".¹⁸ Rod Sawford (Ind All) states that the major factions "want to eliminate the group, because we've annoyed powerful groups in the Left and the Right in Caucus, particularly over the leadership; we actually determine the leadership, we determine it".¹⁹ The Independents provided a bloc vote for Crean and all but one voted for Latham, as discussed in Chapter Six. To diminish the power of the Independents in Caucus, the Left and Right tactically use their numbers at the branch preselection level. However, due to

¹⁵ Steketee, 'Fraction Too Much Faction', p.26; Scott, *Running on Empty*, p.165; Interview with Stephen Conroy, 22 April 2004, in which Conroy makes a similar comment about the NSW and Vic Right: The NSW Right does not have as much of a small 'l' liberal component as the Victorian Right".

¹⁶ Steketee, 'Party's Faithful and Factions Face Off', p.23; Interview with Laurie Ferguson, 1 February 2004.

¹⁷ Interview with John Faulkner, 19 May 2004; Interview with John Hogg, 4 May 2004; Interview with Stephen Conroy, 22 April 2004; Interview with Rod Sawford, 9 August 2005.

¹⁸ Interview with John Faulkner, 19 May 2004. Power here refers to factional influence on the decision-making bodies within the ALP. The most prominent parliamentary representative of the Independents Alliance in South Australia was Peter Cook. He lost his place on Labor's senate ticket and his term in parliament finished in July 2005.

the nature of proportional representation, even if the major factions succeed in making the Independents redundant, it is more than likely that a new 'centre' would emerge, as discussed in Chapter Three.

Elite Control over Branch and Union Membership

Every national faction consists of both branch and union members, thereby diluting the possibility of a bloc union vote dividing the Party. Unions had aligned themselves to either the Left or the Right at the State level long before the Centre-Left was created. Hence, the Independents Alliance was created in Caucus and has little union support, as discussed in Chapter Three. The example of *Network* demonstrates that when a grouping splits, it brings with it its respective union support to its new factional base. The alignment is thus often one of tactics rather than being based on a shift in philosophical outlook. Rod Sawford states that the Independents have had several unions (even the AWU) as their base in some States, albeit for short periods of time.²⁰ The dramatic realignments that occasionally occur demonstrate that the affiliated unions are also not ideologically pure components of a faction.

This is reinforced by the fact that factional alignment of the affiliated union accords with its geographic location and can differ from State to State. The unions, even national unions, affiliate with Labor at a State level and are aligned to State factions. However, the national executives of a union affiliate at the national level. State branches of a national union can be affiliated with different State factions. For example, the Transport Workers Union (TWU) is affiliated with the Left in Queensland, but in Victoria and NSW it is affiliated with the Right. The federal executive of the TWU is affiliated with the National Right.²¹

Every State has a Labour Council of Unions that operates under the ACTU umbrella. A Council affiliation with an ALP faction is dictated by whether it is dominated by Left or Right unions. For example, the Labor Council of New South Wales affiliates with the Right while the Victorian Labor Council affiliates with the Left. Sometimes, however, if

¹⁹ Interview with Rod Sawford, 9 August 2005: Latham states in *The Latham Diaries*, p.248, "I had 43 hard votes in a ballot of 92. The bedrock of my support was the Centre – There was no way they would support the machine candidate, Beazley. I had them all bar McMullan".

²⁰ Interview with Rod Sawford, 9 August 2005.

²¹ Interview with Grace Grace, 12 February 2004.

the Secretary's position is held by the Left, a Labor Council may affiliate with the Left at the national level while the majority of union delegates from that Council vote with the Right.²² Factional alignment of union activists is usually pre-determined by the formal alignment of their union.

There are a variety of reasons why a branch member joins a faction. Even though ideology may not be the ultimate deciding factor when choosing which faction to join, to many it remains a significant consideration.²³ Members desire to be among like-minded people and they join a faction because of its position on a prominent or controversial policy issue or its historical stance on social or economic policy.²⁴ Some members have stated that they initially joined the Right because of their stance on economic matters.²⁵ For example, Craig Emerson joined the Right because he believes that his view, that the market is neither "inherently good nor inherently bad" but that if the power of the market is harnessed it can produce positive results for society, is dominant in that particular faction. Emerson further emphasises that while he agrees with the majority of the Right on economic matters, he does not always have empathy with its views on social issues.²⁶ So people might join a faction where the majority have similar views in general or on particular policies. As this thesis demonstrates, particularly in Chapters Seven and Ten, there are a variety of views within a faction on social issues.

There are members who join a faction because they think they will be more empowered to influence the decision-making process as part of a group than as an individual. Bernie Ripoll states that as an "individual you don't have much of a say. That's why you need a

²² Interview with Grace Grace, 12 February 2004. There are exceptions. For instance, the Queensland Council of Unions (QCU) is unique in that it does not align as an executive body to a national faction. The QCU's Executive is an alliance between Labor Unity and the Left and aligns as such at the State level. At the national level, the Left members of the QCU executive and the Left unions align with the National Left while (before 2003) Labor Unity's QCU executive members and the Labor Unity unions aligned, along with Queensland's Labor Forum, with the National Right. Since 2004, the unions affiliated to Labor Unity have supported Network at the national level, because of their link through the National Union of Workers (NUW). While this demonstrates the influence the unions have over their faction, this is usually limited to voting for party positions and not always policy perspectives.

²³ Interviews with party members, mostly Caucus members, in 2003, 2004 and 2005 from across the factions.

²⁴ Andrew Parkin, 'Party Organisation and Machine Politics', *Machine Politics in the Australian Labor Party*, Andrew Parkin and John Warhurst (eds.), George Allen and Unwin, Sydney, 1983, p.24; Clive Bean and Ian McAllister, 'Factions and Tendencies in the Australian Political Party System', *Politics*, vol. 24, no. 2, November 1989, p.81; Xandra Flach, 'A Study of the Role and Influence of the Factions in the Queensland Branch of the Australian Labor Party', Bachelor of Arts Honours Thesis, University of the Sunshine Coast, 2000, p.53; Interview with Kim Carr, 9 August 2005; Interview with Ruth Webber, 11 August 2005; Interview with Penny Wong, 11 August 2005.

²⁵ Interview with Kevin Rudd, 31 July 2003; Interview with Stephen Conroy, 22 April 2004; Informal discussions with factionally aligned members at the grassroots level between 2000 and 2003.

group. That way deals and compromises can be made”.²⁷ Subsequently, many members decide to join the faction that is dominant in their local branch or federal electorate. Both geographical location and social background can affect the decision about which faction to join. Then there are those who decide to join the faction of the people they associate with, or the faction of a certain parliamentarian or union spokesperson. Or, conversely, members may choose to align with an opposing faction to that of their antagonists.²⁸ There are also some Party members who are motivated to join a faction because they enjoy the challenge of engaging in political battles by organising the numbers.²⁹ Occasionally, factions go through a recruitment-drive phase. Then, members who have previously never considered joining a faction join simply because they have been approached by a faction member.

Because the factions are not purely ideological blocs, members can change their alliance even though “they may not have changed their philosophies, but their designation has changed”.³⁰ A change of direction from State to federal politics may require a shift in factional allegiance. Kevin Rudd, for example, was originally a member of Labor Forum (AWU) when he was involved in State politics, as that particular faction dominated his State electorate. When Rudd changed to federal politics he found his federal electorate was dominated by Labor Unity and therefore changed his alliance to that faction so that he had the numbers when he stood for preselection.³¹ On the other hand, Bernie Ripoll says that he shifted from the Left to the Right because he was more comfortable with the latter’s dominant philosophy and how it operated internally.³²

The relationship between union and branch membership is relevant to policy development. In 2002 a ‘special rules’ conference endorsed the reduction of the voting weight of affiliated unions, which had implications for power struggles within a faction.

Simon Crean states that:

The real issue was about greater participation. If we are going to lift the primary vote we have to say to people we offer something, we give you the opportunity if

²⁶ Interview with Craig Emerson, 17 July 2003.

²⁷ Interview with Bernie Ripoll, 22 September 2003.

²⁸ Andrew Parkin, ‘Party Organisation and Machine Politics’, p.24; Informal discussions with factionally aligned members at the grassroots level between 2000 and 2003.

²⁹ Wayne Swan, ‘Factionalism- The Case of Queensland Labor 1959-1966’, Bachelor of Arts Honours Thesis, University of Queensland, 1975, p.8.

³⁰ Interview with Kim Carr, 9 August 2005. A detailed examination of why individuals change their factional alliance is outside the scope of this thesis.

³¹ Interviews with members of Labor Unity, Queensland, given on the condition of anonymity.

³² Interview with Bernie Ripoll, 22 September 2003.

you join, we offer you to join on an equal partnership. So it had potency in terms of the wider audience.³³

The objective was to portray a more equal partnership between branch and union membership.³⁴ Within the national factions the affiliated unions lost 10 percent of their power and the branch delegates gained 10 percent. The result was a slight loss of power for some of the unions within both the Left and Right factions, and a minor decentralisation of power away from the NSW Right, which previously contributed a large union vote within the National Right. Not surprisingly, the strongest opposition to the rule reform came from the larger unions. They included the Australian Workers Union (AWU) and the Shop Distributive and Allied Employees Association (SDA) from the Right, and the Australian Manufacturing Workers Union (AMWU) and Communications, Electrical and Plumbing Union (CEPU) from the Left.³⁵

As Chapters Eight and Nine demonstrate, the ability of a faction to assert maximum factional influence on any issue depends on its ability to vote as a bloc on a factional position endorsed by the majority. In the organisational wing, faction representatives vote in faction forums such as policy committees and State and national conferences.³⁶ Before the rule reform, the 60 percent voting power of the unions gave them automatic control over their faction, as factional positions are based on the vote of the majority. Joe de Bruyn (Right), who is the National Secretary of the SDA, explains:

Once the SDA decides what the union's view is, then all of the delegates that we have are bound to represent that view, it's no longer for the individual to express their view. So in that way you lock in the votes of that one union delegation. All other unions tend to work the same way.³⁷

Mark Latham argues that it is generally easier for the unions in the Right to vote as a bloc, but "you have to work a bit harder to get the Right [branch] delegates to vote as a bloc".³⁸ Branch members often have conflicting loyalties, which include their accountability to State Electoral Councils (SECs), Federal Electoral Councils (FECs), local branches or their own personal convictions. However, it appears unlikely that unions will lose much of their power within a faction because a bloc vote of 50 percent in intra-faction debate is

³³ Interview with Simon Crean, 8 December 2004.

³⁴ Bob Hawke and Neville Wran (eds), *National Committee of Review Report*, ALP, August 2002, p.10; Peter Totaro, Brad Norington and Ross Wainwright, 'Mugged Twice in a Day By Friends: Welcome To Sydney Mr Crean', *Sydney Morning Herald*, 27 May 2002, p.1: Former Premier, NSW, Neville Wran, said that to reduce union representation was to take the "Howard- Abbott bait"; Interview with Jim Chalmers, 9 December 2003.

³⁵ Christopher Pearson, 'Is Bob Carr Federal Labor's Man Most Likely', *Age*, 13 August 2002; Annabel Crabb, *Losing It: The Inside Story of the Labor Party in Opposition*, Picador, Sydney, 2005, p.102.

³⁶ Interview with Kelvin Thomson, 1 December 2003; Interview with George Campbell, 1 December 2003.

³⁷ Interview with Joe de Bruyn, 29 November 2004.

still a significant advantage given that within the branch membership there are generally a variety of views. Chapters Eight and Nine demonstrate how factional positions are enforced on delegates at national conferences. If the faction leaders cannot control the factional vote, they lose their negotiating power and cannot guarantee that divisions on policy or other issues can be resolved.

Faction Elite Control over Organisation and Policy Debate

The following analysis concerning the internal operations of the national factions is based primarily on information obtained from interviews. While secondary sources acknowledge the faction system, there is little detail available on the extent of intra-faction policy debate and the proceedings of factional meetings outside of National Conference.³⁹ Because it is beyond the scope of this thesis to interview the factionally aligned rank and file across the many State-based factions, information has been compiled through interviews at Parliament House in Canberra with federal Labor MPs from New South Wales, Victoria, Queensland, the ACT and the Northern Territory.⁴⁰ The interview data establishes that the faction system is similarly organised to the blocs in the political system underpinning Lijphart's accommodation model. Both systems have factions that are based on a "high degree of self-containment and mutual isolation" and "overarching contact among the blocs is limited to the elite level".⁴¹

Faction leaders at the State and national level are acknowledged by the official Party organisation and are often informally invited to attend meetings at the State or National

³⁸ Interview with Mark Latham, 3 August 2003.

³⁹ Factional Organisation of the National Factions is broadly discussed in Lloyd and Swan, 'National Factions and the ALP', pp.103-107. Organisation within the Queensland factions is discussed in my Honours thesis, *A Study of the Role and Influence of the Factions in the Queensland Branch of the Australian Labor Party*, 2000, pp.34-37.

⁴⁰ For detailed account on every State and Territory faction see John Warhurst and Andrew Parkin (eds), *The Machine: Labor Confronts the Future*, Allen and Unwin, St Leonards, 2000.

⁴¹ Arend Lijphart, *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*, University of California Press, Berkeley and Los Angeles, 1968, p.112. According to Lijphart, p.203-204: "The pattern of overarching cooperation was established by the elite for the specific purpose of making the system work efficiently. This does not mean a retreat from the proposition that cross-cutting contacts at the elite level can be a substitute for cross-cutting cleavages throughout society. They can indeed serve the same function. But whereas overlapping affiliations at the mass level, if present to high degree in a particular system, can be regarded as a *cause* of the moderation and pragmatism necessary in a stable democracy, overlapping contacts at the elite level can only be considered a *method* for maintaining democracy. To find the cause, we have to inquire into the factors responsible for the establishment and maintenance of overarching contacts as an efficient method of cooperation".

Secretariat.⁴² Except for some rare exceptions, it is at the State level that Party members join a faction.⁴³ If a Party member joins the Left at the State level, for example, then that member is automatically a member of the National Left (notwithstanding, as discussed above, the factional drift that can occur). Some factions have membership application forms and there may be some screening of membership, but normally a new member is accepted when endorsed by a current member. The factions generally have their own constitutions, fundraising activities and a membership fee (often referred to as a 'donation'). Meetings are conducted according to Party rules. Most of the factions produce newsletters, which include reports on recent faction resolutions, on an irregular basis.⁴⁴ The NSW and Victorian Left publish quarterly magazines which concentrate on matters of interest to members of the Left in their respective States and sometimes provide special editions for the National Left at the time of a National Conference.⁴⁵ The national factions generate no newsletters, magazines or reports.

The national factions' prime decision-making groups consist of prominent national figures such as members of parliament, union leaders and Party officials from both the State and national level. The faction system, therefore, links the organisational with the parliamentary wing and works effectively as a communication channel throughout the Party. Within the formal structure of the Party, many of those in the core group are either on the National Executive, in Caucus or in the shadow cabinet, or, externally, in the ACTU. Consequently, each core group within a national faction is aware of events throughout the Party and Union Councils in general. If, however, the membership of the Independents Alliance continues to decrease it could well find itself out of the 'information loop', as mentioned in Chapter Three and discussed further in Chapter Five.⁴⁶

⁴² Interview with Paul Stafford, 4 July 2003; Interview with Trish Crossin, 2 December 2004. The number of members in a faction can range considerably. The Northern Territory Branch of the ALP has 400 members, as many as seventy of which are in a faction; these are divided mainly between the Left and Right.

⁴³ There are exceptions. In the past the National Left has allowed members to join even if they were rejected by its State component. For instance, in the late 1980s Keith Wright, who was in the Right, was rejected by the Queensland Left but accepted by the National Left.

⁴⁴ Interview with members across the factions; Personal observation of author, a member of Labor Unity in Queensland.

⁴⁵ NSW Left, 'Special: 2004 ALP National Conference Edition', *Challenge*, authorised by Luke Foley, Sydney, 2004; Andrew Scott, *Running on Empty*, Pluto Press, Sydney, 2000, pp.160 & 299. According to Scott there the journal, *Socialist Objective*, has been regularly published since 1981 and is associated with the leadership of the Victorian Socialist Left.

The National Left elects its executive and convenors at faction meetings prior to formal procedures at National Conference.⁴⁷ The convenors are normally federal backbenchers who organise faction meetings in both the parliamentary and organisational wings (discussed in more detail in Chapter Five). Meetings follow Party procedures. At the State level, the Left's rules also outline the processes that must be followed for election ballots for its executive, national conference delegates, Party positions and the Senate ticket.⁴⁸ As Claire Moore (Left) explains, within the National Left "the structure is there with processes in place; how people actually use the democracy is very much up to the individual. Some people choose to get deeply involved, some people don't".⁴⁹ At the Left's annual executive meeting there is debate on a variety of policy issues.⁵⁰ In 2003 the National Left encouraged all its members to attend its Annual General Meeting (AGM).⁵¹ While only those on the executive can vote, members are allowed to argue their point of view and, in that way, try to influence the faction's decision-making process. But few of the Left's rank and file members would have the opportunity to travel to its annual executive meeting, and it would hardly be worth the financial cost and personal effort for those who do not have voting rights. Nonetheless, even members in the Right concede that the Left gives more opportunity to its rank and file to participate in policy debate.⁵²

The National Right is far more willing than the National Left to accept that a more inclusive process is impractical. It does not apologise for its more obvious hierarchical structure, in which its core group is self-elected and consists of leading identities who have the support of a significant number of the faction's union and branch membership.⁵³ This core group does not invite its grassroots membership to faction meetings and does not have a formal annual meeting. Prominent union leader in the Right, Joe de Bruyn, aptly expresses the Right's position:

⁴⁶ Interview with Stephen Conroy, 22 April 2004. Conroy stated that as far as he was aware, none of the shadow ministers discussed their policies with anyone in the Independents Alliance before the 2004 National Conference.

⁴⁷ Interview with Trish Crossin, 2 December 2005.

⁴⁸ Queensland Left Rules, March 1999. Similar election procedures occur at State level. For instance, the Left in Queensland has a set of rules similar to Party rules, which outlines the faction's aims and objectives.

⁴⁹ Interview with Claire Moore, 27 August 2003.

⁵⁰ Interview with Claire Moore, 27 August 2003; Interview with Jan McLucas, 21 October 2003.

⁵¹ Interview with Claire Moore, 27 August 2003; Interview with Jan McLucas 21 October 2003.

⁵² Interview with Jack Camp, 19 October 2004; Interview with John Hogg, 4 May 2004.

⁵³ For instance in 2003-2004 these included: from NSW Laurie Brereton (MP) and John Della Bosca, (former NSW MP and former Secretary of the NSW Branch of the ALP); from Western Australia there were three representatives, Stephen Smith, Mark Bishop (both MPs) and Joe Bullock (Secretary of the WA branch of the SDA); from South Australia Don Farrel (Secretary of the SA branch of the SDA); and from Queensland Wayne Swan (MP) and John Hogg (MP and former Secretary of the Queensland branch of the SDA).

If you had to report everything, you'd be forever having meetings. The Right operates on the basis that people don't have the time for that, and that if there is no fundamental reason why people need to know something, well then unless you have plenty of time, you wouldn't report back to them.⁵⁴

The National Right meets on the basis of need, and members of the core group attend depending on the issues that are on the agenda. There is only one convenor in the Right, chosen by a consensus of the core group without a formal vote. The meetings of the National Right's core group do not conform to any formal structure. While members may take notes, no formal minutes or records of the meetings are kept. This informal approach reflects the Right's view that frequent meetings are unnecessary if you trust the leadership; and if the leadership group makes a mistake, the faction has the option of choosing new leaders.⁵⁵

The structural difference between the National Left and the National Right is reflected, to a large extent, at the State and Territory level.⁵⁶ Inherent in this is that the Left has more meetings and is less centralised than the Right.⁵⁷ The Left's need to be more organised stems from the fact that the ALP has historically been dominated by the Right and, as an opposing force, the Left has had to "develop a more tightly-knit organisational structure in order to compete effectively".⁵⁸

Because of its small membership, the Independents Alliance's meetings are informal and all members have a chance to participate in decision-making processes. Its chief decision-making group consists mainly of Caucus members and, from its limited union base, the key leaders. In Western Australia, where there is a substantial membership base, the Independents have a formal structure which includes an executive, a convenor and

⁵⁴ Interview with Joe de Bruyn, 29 November 2004.

⁵⁵ Pilita Clark, 'A Keyhole Guide to Factions Behind Closed Doors', *Sydney Morning Herald*, 9 June 1988, p.6. Clark quotes Senator Robert Ray (Right) on the view of the Right; Interview with John Hogg, 4 May 2003.

⁵⁶ Interview with Craig Emerson, 7 July 2003. Since 1998, Labor Forum in Queensland has tried to reform its self-elected executive into being a more representative grouping by inviting young women to attend the executive meetings as well as encouraging members to attend if they have an issue or policy matter they want to discuss. But Emerson concedes that it was very rare for anyone but its core group to attend. In contrast the annual meeting and functions were well attended by grassroots members.

⁵⁷ Interview with Claire Moore, 27 August 2003. Claire Moore is on the Queensland Executive and explains that in Queensland regional Left meetings are held once a month, and that at least once a year all of these regions are represented at a meeting in Brisbane.

⁵⁸ Jeremy Boissevain, 'Factions', *Social Science Encyclopaedia*, Routledge, New York, 1985, p.289; Fia Cumming, *Mates: Five Champions of the Labor Right*, Allen and Unwin, North Sydney, 1991, p.249. Cumming quotes Graham Richardson: "When the [NSW] Right finally started having monthly or two-monthly meetings the Left was already highly a highly organised faction, much more organised than ours. They had zones and they used to have zone meetings and a central meetings".

monthly meetings.⁵⁹ While some of the 'centre' factions at the State level have AGMs, no annual meetings are held at the national level. Therefore, communication between State-based Independents factions is mainly facilitated through their federal MPs at faction meetings in Caucus.⁶⁰ Similar to the major factions, the State components merge to form the Independents Alliance at National Conference. It thus meets as a national faction before the official proceedings of Conference. Network and Labor Unity are rather loose alliances and do not always caucus together with the Independents, even though they might vote as a bloc for internal Party ballots. For instance, Queensland's Labor Unity did not attend the Independents Alliance faction meetings at the 2004 National Conference, but communicated with the national faction through its faction leaders.⁶¹

Generally, the core grouping of every national faction meets at least once before National Executive meetings (conducted every three months) and several times before a national conference. Some time in the weeks before National Conference, the National Left and the National Right hold faction meetings in Canberra so that their parliamentary members can attend. The fact that the organisational component plans faction meetings to suit its parliamentary representatives indicates the importance of the Caucus factions within the national faction system. For example, before the 2004 National Conference, the Right had several meetings in which its shadow cabinet members reported on particular drafts of chapters for the platform and on how the consultation processes were advancing towards agreements on a final draft. Generally, a meeting of the core group in the Right before a national conference provides an opportunity to be familiarised with all issues relevant to Conference and, if necessary, to decide on strategy and ascertain numbers. This might be applicable when Conference is to vote on a controversial policy issue, but normally the main reason for assembling is to discuss the ballot for delegates to the National Executive (ie non-policy reasons).⁶²

In contrast to the communication channels available to the elite in the faction system, grassroots members are given little opportunity to debate national policy issues. At faction meetings at State level there are almost always representatives from the three levels of government, who provide reports on decisions already made by the factional hierarchy. This interface can sometimes generate group discussions on national policy issues and,

⁵⁹ Interview with Ruth Webber, 20 October 2005.

⁶⁰ Interview with Rod Sawford, 9 August 2005.

⁶¹ Interview with Paul Stafford, 27 September 2005.

⁶² Interview with Stephen Conroy, 22 April 2004.

because it is among factionally aligned supporters, perhaps makes the federal parliamentarian more amenable to one-on-one discussions with a rank and file faction member. The faction meetings provide a forum in which policy development can be reported on and debated.⁶³ Occasionally the rank and file members within a faction form an informal policy discussion group, but such groups usually operate for only a short duration.⁶⁴ The actual formulation of policy proposals is not normally done within the context of faction meetings; this is largely the domain of shadow ministers, as is discussed in detail in Chapter Five. However, faction leaders in the organisational wing have challenged a shadow minister's policy for the Party's platform by drafting and presenting their own proposal to National Conference, as is demonstrated in Chapters Eight and Nine.⁶⁵ At the State level, national policy debate sometimes occurs when an emotive issue warrants a factional position being adopted before delegates attend National Conference.⁶⁶ Chapter Eight demonstrates that the extent of national policy debate, even at the height of a controversial policy matter, varies in every State and Territory faction. Policy debate within the national factions is normally limited to those in the core decision-making groups, and this is expanded on below.⁶⁷

While not all faction members want to be actively involved,⁶⁸ there is little opportunity for those who wish to participate to be inside the 'loop of information' and to contribute to policy debate and decision-making. Often the only contribution a rank and file faction member can make is to help with election campaigns and fundraising. Even providing the numbers at National Conference is usually the prerogative of the more prominent members of the State-based factions such as faction executives, parliamentarians and union leaders.

⁶³ Interview with members across the factions, in particular with: Penny Wong, 11 August 2005; John Hogg, 4 May 2004; Kim Carr, 9 August 2005; Chris Evans, 11 August 2005; and Observations by Author at meetings of Labor Unity in Queensland.

⁶⁴ Interview with Kelvin Thomson, 1 December 2003.

⁶⁵ Interview with Kim Carr, 9 August 2005. Carr states that Labor's factions, particularly the Left, sometimes organise policy forums in which academics and experts are invited to encourage policy debate. The author observed policy forums organised by Wayne Swan (Right) in his electorate. These forums are normally open forums.

⁶⁶ Interview with Jack Camp, 19 October 2004; Interview with Claire Moore, 27 August 2004; Interviews with delegates from both Right and Left at the 2004 National Conference – names withheld at the 2004 National Conference; Observations by Author of the 2004 National Conference.

⁶⁷ These findings reflect the analysis of Lloyd and Swan, 'National Factions and the ALP', p.104, that: "In general, Faction General Assemblies deal with broad factional strategy and relationships with other factions, paying only minimal attention to policy".

⁶⁸ Lloyd and Swan, 'National Factions and the ALP', p.103; Observations by Author during 12 years of membership of the ALP; Robert Michels, *Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy*, translated by Eden and Ceder Paul, The Free Press, Glencoe, Illinois, 1958, p.117. Michels argues that: "though it grumbles occasionally, the majority is really delighted to find persons who will take the trouble to look after its affairs".

Factional Process Dominates the Official Party Structure

The national factions are most visible as physical entities at National Conference. At this forum, factional influence on policy is discernible because the delegates vote along factional lines. The Conference is often referred to as Labor's supreme policy-making forum, but it is in fact a *policy-endorsing* forum. The Conference determines the Party's national platform by endorsing or rejecting policy proposals and amendments. Since Gough Whitlam's leadership, National Conference has diminished in status as the supreme governing body because successive Labor leaders have regularly announced policy decisions contrary to the Party's platform. The decision-making status of National Conference has been reduced further as, since 1988, Conference has referred important decisions to sub-committees.⁶⁹ An example of such a sub-committee is the 2002 Working Group assigned to discuss refugee policy, which is examined in Chapter Eight. At National Conference, the State-based factions merge to form the biggest representation of the National Left, National Right and Independents Alliance seen in any one forum. It is a faction forum because all delegates are factionally aligned, as factional operations dominate the 'delegate' system.

The delegate system varies between the ALP branches; sometimes delegates are chosen from a Federal Electorate Council (FEC) or State Electoral Council (SEC) or a combination of both, and there are also small variations in respect of numbers at State and Territory Conferences.⁷⁰ However, election from State and Territory branches to national conferences is uniform throughout the ALP.⁷¹ To explain the delegate system from the grassroots level to the National Conference, this thesis describes the system in the Queensland Branch of the ALP as an indicative example.⁷²

⁶⁹ Dean Jaensch, *The Hawke-Keating Hijack*, Allen and Unwin, Sydney, 1989, pp.166-9; Graham Maddox, *The Hawke Government and Labor Tradition*, Penguin Books, Ringwood, Victoria, 1989, pp.73-84.

⁷⁰ Interview with Anthony Chisholm, 3 December 2004; Interview with Ruth Webber, 20 October 2005. For instance, while Labor's Victorian branch is the same as that in Queensland, in NSW two delegates are chosen through the FEC and two through the SEC. In Western Australia a minimum of 150 delegates from the FPLP, the SPLP and the sub-branches and electoral councils are elected. At all branches the delegates from the unions are elected by the unions. The ratio of union and branch to the State Conferences can also differ (in WA 60-40, in Qld 60-40 and in NSW 50:50), but the ratio from State Conferences to the National Conference is now uniformly 50:50 as discussed in this chapter.

⁷¹ But the concept of the faction system dominating the official system is the same throughout the Party. See: Clem Lloyd, 'The Federal ALP: Supreme or Secondary?', *Machine Politics in the Australian Labor Party*, Andrew Parking and John Warhurst (eds), Allen and Unwin, St Leonards, 1983, pp.230-257.

⁷² The author of this thesis lives in Queensland.

Every three years delegates are chosen by proportional representation from FECs to attend State and Territory conferences.⁷³ With the 2002 Party rule reforms, the number of delegates elected from each FEC changed from a standard five, to five, six or seven, depending on the size of the federal electorate. Those active members who nominate for election to a State conference are generally factionally aligned. Queensland Party official, Milton Dick, states, “It is no secret that State conference is drawn from factional blocs in terms of voting patterns”.⁷⁴

The factions meet before the FEC ballot to select the delegates to State Conference from within their group and then meet again before the conference to decide the candidates for Party positions, committees, the Senate ticket and delegates for National Conference. Because the most prominent people, such as the faction executives, are placed on the faction tickets, the vast majority of delegates are “apparatchiks” such as “politicians, unionists or ALP staffers”.⁷⁵ Even if unaligned members were elected to a State conference, they would not have the numbers to be elected to National Conference. The how-to-vote card, however, does not reveal the faction to which the candidates belong or even that they are in a faction. Generally, about 80 percent of the financial branch members within a federal electorate vote. Usually, two of the factions will make a deal to give each other their preferences, ensuring that the people at the top of their faction ticket are elected. The factional deal is generally organised among the local candidates. The third faction then has a chance of obtaining a quota for one delegate. Non-aligned members, unless they are popular local identities, have little chance of being elected.⁷⁶ The factional ratio can change slightly every three years when the process of electing delegates begins again. Factions encourage as many of their members as possible to stand as candidates, and the delegate system provides further impetus for factionalism. At State and Territory conferences, delegates are elected to National Conference based on proportional representation (see table 4.1). In the same way, ballots are also held for

⁷³ Observations by Author when member of FEC of the federal electorates Fairfax (1998-2000) and Lilley (2001-2004); Lloyd and Swan, ‘National Factions and the ALP’, p.104. At the local branch, active members, predominantly those factionally aligned, nominate for positions in the local branch executive. Usually little factional competition occurs for these positions, as they are seen as rather mundane responsibilities. Within the party units, such as the FEC, a member of the Left can be in charge of fundraising for a Parliamentary Member of the Right. The federal parliamentary leadership group, leader and deputy leader of both houses are automatically delegates to the conference.

⁷⁴ Interview with Milton Dick, 30 July 2003

⁷⁵ Swan and Lloyd, ‘National Factions and the ALP’, p.109; Editorial, *Weekend Australian*, October 5-6, 2002, p.18; George Campbell quoted by Phillip Hudson in, ‘Right to oppose Crean policies’, *Age*, 4 October 2002, p.1.

⁷⁶ Interviews with delegates across the factions in FEC of Lilley, Queensland; Observation by Author of the ballot in the FEC of Lilley, Queensland.

membership to Party committees and votes are cast for the positions on the Party's Senate ticket.

Chart 4.1. *The 'Delegate' System and the National Factions*



The label 'delegate' within these processes is misleading.⁷⁷ Ostensibly, local branches of the Federal Electorate Committee (FEC) send delegates to represent their interests, but the reality is that delegates primarily represent factional concerns rather than those of their FEC or, at the national level, the concerns of their State. The delegates are thus really representatives of their faction. However, at the grassroots level, resolutions over policy issues are debated at regional conferences and then forwarded to State Conference or the National Policy Committee, discussed below. Sub-branch and FEC resolutions can also be

⁷⁷ Hanna Fenichel Pitkin, *The Concept of Representation*, University of California Press, Berkeley, Los Angeles and London, 1967, pp.134 & 240.

sent directly to the National Policy Committee.⁷⁸ So even though the delegates are factional representatives, the concerns of the grassroots members are debated at the NPC and from this process some of these issues are eventually debated at National Conference.

While many of the non-aligned members do not understand the faction system and very few are even aware that the how-to-vote cards are faction tickets, there is clearly discontent among the rank and file that so many Labor parliamentarians and Party officials become delegates.⁷⁹ Their high profile leaves little chance for ordinary members to be elected and consequently the National Conference is “inaccessible” to them.⁸⁰ Lindsay Tanner has aptly commented that the delegate status at National Conference is “about as accessible to the ordinary ALP activist as a meeting of the United Nations General Assembly”.⁸¹

The 2002 National Review Committee proposed an expanded conference (from 198 to 400 delegates) composed of delegates directly elected from federal electorates in addition to those elected by State conferences.⁸² Federal Members of Parliament, their staff and Party officials would not be able to nominate for the directly elected positions.⁸³ The proposed rule would “provide for greater rank and file input ... rather than representing only the interests of an exclusive group of factional players”.⁸⁴ The aim was to bypass the normal process of an election dominated by the factions and to exclude officials from the additional positions, thus providing a reasonable chance for non-factional candidates to be elected. The ALP promoted the perception that expanding the conference would allow for the inclusion of a wider range of Party members in the policy decision-making process, thus breaking tight factional control.⁸⁵ The following brief discussion on the main responses to these recommendations demonstrates the consensus among the faction elite to retain the existing faction system.

⁷⁸ ALP Constitution: Rules 2004; ALP website, ‘ALP National Policy Committee’, ALP, 15 November 2003.

⁷⁹ Hawke and Wran (eds), *National Committee of Review Report*.

⁸⁰ Hawke and Wran, *National Committee of Review Report*.

⁸¹ Lindsay Tanner, ‘Labor’s Turbulent Tribes’, *Labor’s Troubled Times*, David Burchell and Ray Mathews (eds), Pluto Press, Leichhardt, 1991, pp.10-17.

⁸² Hawke and Wran (eds) *National Committee of Review Report*; Michelle Grattan, ‘Hogg Plan buried by ALP Factions’, *Age*, 15 May 1991, p.16. Expansion of the conference has been proposed periodically, in 1967 enlarged from 36 to 49 delegates, in 1978 a proposal for 310 delegates not implemented, in 1981 to 100, (Bob Hogg recommendation in 1991 was not endorsed) in 1994 to 190 delegates, and the direct election proponent was first proposed by Senator Bob McMullan in 1991.

⁸³ Hawke and Wran (eds) *National Committee of Review Report*, p.10

⁸⁴ Hawke and Wran (eds) *National Committee of Review Report*, p.10.

There was considerable opposition to the recommendations from some State-based Left and Right factions. Some in the Right (for example Labor Forum in Queensland) argued, perhaps ironically, that local elections would extend factionalism to “every corner of the Party”.⁸⁶ This argument had no substance, as factions are already active throughout all levels of the Party. Some members argued that the additional ballot process could create time-consuming mini-election campaigns, which would encourage further branch-stacking and take on the “razzamatazz of United States political conventions”.⁸⁷ Clearly, factional leaders did not welcome any change that would undermine the dominance of the informal factional process over the formal organisational structure. As with the debate over the 50:50 power-sharing rule between the branch and union component of the faction, faction leaders argued against changing the delegate election process because control over the directly elected delegates could not be guaranteed.

As Dean Jaensch states, “factional politics is about power”, and in 2002 the factions refused to endorse a rule change that would lessen their control over the supreme Party forum.⁸⁸ The National Executive, also a faction forum, overruled the proposed reform and opted for the expanded conference to be elected only from State conferences, thus ensuring that the process of election would not change. The factions endorsed this motion unanimously at the 2002 National Conference. The reform simply resulted in more of the same factional activity, and the increase in delegate numbers facilitated the factions’ ability to communicate more widely with their membership, although this remained restricted to the more prominent members in the State-based factions who are generally elected as National Conference delegates. Simon Crean’s argument that, although the process of electing the delegates was not changed, an expanded National Conference would make the Party more inclusive for unaligned members, was farcical.⁸⁹

The faction system thus ensures that the faction elite controls the decision-making forums of the Party. According to Arend Lijphart’s theory of the Politics of Accommodation, this ‘right to govern’ places the responsibility on the elite to manage the Party and to ensure

⁸⁵ Tom Allard, ‘Crean Throws Razzamatazz Switch’, *Sydney Morning Herald*, 3 July 2002, p.1..

⁸⁶ Dennis Atkins, ‘Labor Set to Ditch Quota Rise’, *Courier Mail*, 7 August 2002, p.1; Observation by Author, arguments heard at Labor Party functions.

⁸⁷ Wayne Swan quoted in Phillip Hudson, ‘Crean’s Revolution’, *Age*, 7 October 2002, p.4; Phillip Hudson, ‘Right to oppose Crean policies’, *Age*, 4 October, 2002, p.1; Allard, ‘Crean Throws Razzamatazz Switch’. Branch-stacking’ is the enlisting of members in a branch of a political party for the purpose of channelling the members’ votes towards a particular candidate. The branch-stacking issue is outside the scope of this thesis.

⁸⁸ Jaensch, *The Hawke-Keating Hijack*, p.136.

⁸⁹ Interview with Simon Crean, 8 December 2004.

unity and consensus between the factions in relation to policy development in a ‘spirit of accommodation’.⁹⁰ How this is achieved in the organisational wing is discussed further below in this chapter, and in depth in the case studies in Chapters Eight and Nine.

Subtle Control by the Faction Elite over the National Policy Committee

In 2002 a single permanent National Policy Committee (NPC) replaced the existing system of six non-permanent national policy committees. The role of the NPC is to oversee “continuous development of policy options for inclusion in the platform”.⁹¹ The process includes “regular forums in which rank and file participation is encouraged”.⁹² The NPC was appointed on 7 February 2003, met for the first time the following month and concentrated heavily on producing draft platform chapters for consideration and debate at the 2004 conference.⁹³

Consistent with the Politics of Accommodation model in which the elite determine who from their bloc is allocated to internal party positions, Labor’s National Executive appointed the members of the NPC.⁹⁴ The Executive is the pinnacle of faction power in the Party. It is a faction forum consisting of the Party Leader and 20 members elected on the basis of proportional representation at the National Conference.⁹⁵ The factional ratio within the National Executive is important as this forum has the power to intervene in every level of the Party. In relation to policy development, the National Executive has the power to interpret the platform when there is a dispute over Labor’s stance on an issue, and where the national platform is silent on policy it can determine policy, pending resolution by Conference.⁹⁶

⁹⁰ Lijphart, *The Politics of Accommodation*, pp.103-121.

⁹¹ Hawke and Wran (eds), *National Committee of Review Report*, p.21. Before 2001, there were six policy committees, which reflected the policy areas of the six Caucus policy committees. These were terminated after the 2001 Federal Election.

⁹² Hawke and Wran (eds), *National Committee of Review Report*, p.21.

⁹³ ALP website, ‘ALP National Policy Committee’, ALP, 15 November 2003. Considering that the Committee did not begin to operate until seven months after the recommendation of the 2002 National Conference, and since after the 2004 National Conference it had over a one-year hiatus in 2005, it can hardly be considered a permanent policy committee.

⁹⁴ Lijphart, *The Politics of Accommodation*, pp.141-143.

⁹⁵ Swan and Lloyd, ‘National Factions and the ALP’, p.109. Before the reform of 1981 the National Executive was based on State representation. Since 1981 it has become a factional forum as it has a national rather than federal composition. The ALP Constitution: Rules 2004, states that the members are subject to re-election at each conference. Other members on the National Executive such as the President, Vice Presidents and the National and State Secretaries do not have voting rights

⁹⁶ ALP Constitution: Rules 2004; Interview with George Campbell, 1 December 2003. For example in 2001, when Kim Beazley was the leader, Caucus had a major debate on the use of fertilised embryos. Ultimately, during Simon Crean’s leadership, the National Executive was asked to determine policy in that area and it made a cross-factional decision.

The factional ratio of the National Executive endorsed by the 2002 National Conference constituted ten positions for the Right, nine for the Left and one for the Independents Alliance. Because the leader's casting vote would give the Right a majority, the Right agreed to cede one seat to the centre faction, thus giving the Independents two representatives and ensuring that a spirit of accommodation would be the basis of negotiations.⁹⁷ Because the National Executive appointed the members to the NPC, the Committee's membership consisted broadly of the same factional ratio: four from the Right, four from the Left and one from the Independents Alliance. Most of those appointed were ministerial staff or paid union officials.⁹⁸ The NPC also had two non-elected members, one from the national secretariat office and one from the Leader's office. The importance placed on factional alliance and ratios could have been a disadvantage to the NPC, as members were not specifically chosen for their expertise in policy development.⁹⁹ It is outside the scope of this thesis to explore the quality of work executed by members of the NPC. However, the fact that the appointment process of selecting members to the NPC was not dictated by the expertise of a Party member but, instead, on factional alliance, shows an obvious flaw in the faction system.

The aim of the NPC was to ensure appropriate consultation in the development of all the chapters of national platform policy at all levels within the Party. This was effected through encouraging submissions from individuals and Party units, taking into account all policy resolutions passed by conferences and sub-branches, and the holding of special ALP regional policy forums. State and Territory Secretariats and NPC members led the

⁹⁷ Interview with John Hogg, 4 May 2003; Interview with Stephen Conroy, 22 April 2004; Interview with Jack Camp, 19 October 2004; Mark Davis, 'Leader finds himself in the Hot Seat', *Australian Financial Review*, 30 January 2004, p.15. This attitude was not evident at the 2004 National Conference. The Right won its expected ten seats, the Left was reduced to eight, and the Independents Alliance received two (through factional alliance of Labor Unity and Network. One of the Independents was former National President Greg Sword from the Victorian Network faction. The other delegate endorsed by the Independents Alliance was Sharon Humphries, who is aligned to Labor Unity in Queensland and was able to obtain the numbers through a deal with Network). As the leader also has a vote on the Executive, Latham's vote gave the Right a majority. The 2004 composition of the National Executive indicates three key factors; the power sharing that had been visible in 2002 had disappeared, without factional alliances the Independents were becoming irrelevant outside of Caucus, and the Right dominates the Executive.

⁹⁸ Interview with Anne Black, 28 February 2005.

⁹⁹ Interview with Anne Black, 28 February 2005; Interview with Jan McLucas, 21 October 2003. Jan McLucas (Hard Left) argues that "the Left put in people who had good policy heads as well as a desire to consult, while the Right, because they were not happy with the outcomes of the [2002] Rules Conference, put on people to simply stall and who would not be active in broad policy debate". Interview with John Hogg, 4 May 2004, in which Hogg states that there was some discontent about the rule reform in both the Left and Right. He does concede, however, that in addition to many people being busy with State elections, the desire to be part of the policy committee was not strong because the Right was "reasonably satisfied with most of the policies" that already existed. Nonetheless, on the basis that committee member, Anne Black (Right) has a Masters Degree in social science majoring in policy and management, it could be argued that the Right did provide policy expertise to the NPC.

consultation processes, and the number, variety and quality of submissions differed in every branch.¹⁰⁰

Officially, the shadow ministers and the NPC had to work together on the platform policies.¹⁰¹ However, considerable weight was given to the views of shadow ministers, which appeared to dominate the process.¹⁰² Nonetheless, members of both the Right and the Left in the NPC stated that the vast majority of shadow ministers were prepared to accept amendments suggested by the NPC. As Anne Black points out, “The reality is numbers on the floor of conference is what counts in the end and most shadows, like everyone else, respond to those numbers/factions requirements”.¹⁰³

Hence, the NPC did not simply rubber-stamp the wishes of the shadow ministers.¹⁰⁴ This is evident in the platform’s trade policy; all members of the NPC were united in their opposition to the shadow minister’s position on this policy. While the members in the Left had a strong factional position against the policy of the Shadow Minister for Trade, Stephen Conroy (Right), the Right also opposed the proposal. How issues relating to the platform’s trade policy were eventually resolved between the shadow minister and faction leaders in the organisational wing, particularly Doug Cameron (Left), is discussed in detail in Chapter Nine.

The Committee, as a faction forum, more often than not adhered to the principles of the ‘Politics of Accommodation’ to find a middle ground on which to develop proposals for amendments.¹⁰⁵ This forum did not allow the opportunity for one of the three factions to assert its influence on policy to the detriment of other factional perspectives. Overall, the discussion process of the NPC was aimed at “distilling the various positions” so that a consensus could be achieved through the accommodation of a variety of perspectives. In addition, agreement was often reached in an amicable manner as members “acknowledged

¹⁰⁰ Interview with Owen Doogan, 25 January 2004; Interview with Anne Black, 28 February 2005; ALP website, ‘ALP National Policy Committee’, ALP, 15 November 2003.

¹⁰¹ Interview with Jenny Macklin, 3 December 2003; Interview with Jim Chalmers, 9 December 2003. There were also criticisms that there was no Party member from SA or Tasmania on the committee. Initially, the Deputy Leader, Jenny Macklin (Hard Left) was the policy coordinator and subsequently when the National Policy Committee was created she retained the policy liaison role in the parliamentary wing.

¹⁰² Interview with Owen Doogan, 25 January 2004; Interview with Anne Black, 28 February 2005; Interview with George Campbell, 1 December 2003; Interview with Laurie Ferguson, 1 December 2003. Campbell and Ferguson (both Left) stated that they thought too much power resided with the parliamentary wing and not enough with the policy committee.

¹⁰³ Interview with Anne Black, 28 February 2005.

¹⁰⁴ Interview with Anne Black, 28 February 2005.

that they could not win on every point”.¹⁰⁶ Black recalls that while some in the Left “went to the wire” on a number of matters relating to refugee policy, no “specific party membership view became the dominant position”.¹⁰⁷ This was because the issue was too contentious and the faction elite controlled decision-making in this policy area (discussed in Chapters Seven and Eight). Furthermore, consensus was often achieved because the traditional Left versus Right debate had increasingly diminished, as discussed in Chapter Three. For instance, there was consistent consensus on policies drafted in relation to a sustainable environment.¹⁰⁸

Crossfactional influence was evident in the NPC in that all members were factionally aligned and factional debate took place in order to reach compromise positions on some issues. One area that demonstrated some aspects of the more contemporary Left versus Right divide on social issues was a submission by Rainbow Labor, which is an internal Party organisation that lobbies on issues particularly relevant to lesbian, gay, bisexual, transgender and intersex people (LGBTI).¹⁰⁹ The submission not only proposed amendments such as acknowledging gender identity in the Human Rights policies, but it also proposed the insertion of a new section in chapter seven of the platform, which was directed solely at the needs of Rainbow Labor’s constituents.¹¹⁰ Anne Black (Right) recalls that:

The Rainbow Labor contribution was probably the most contentious, and this of course was the case right up until the national conference. While several members of the Left would have gone to the wire on this there was sufficient goodwill from their colleagues to seek an acceptable view. There was also an understanding that an extreme position would not be acceptable to the Party leadership and would not be successful on the floor of Conference. It is also worth noting that the existing rights were in no way undermined or reduced by the final document.¹¹¹

The Right argued heavily against Rainbow Labor’s main proposal, but agreed with several amendments including the insertion of ‘gender identity’ into the platform’s Human Right policies. The reality of policy development is that it would be fruitless to produce a draft platform that would not be accepted by the majority of the conference.¹¹²

¹⁰⁵ Interview with Owen Doogan, 25 January 2004; Interview with Anne Black, 28 February 2005.

¹⁰⁶ Interview with Anne Black, 28 February 2005.

¹⁰⁷ Interview with Anne Black, 28 February 2005.

¹⁰⁸ Interview with Anne Black, 28 February 2005.

¹⁰⁹ Interview with Anne Black, 28 February 2005. Rainbow Labor is based in the ALP NSW Branch.

¹¹⁰ I was able to sight Labor for Rainbow’s submission when interviewing Anne Black, 28 February 2005. During my research in October 2005 I tried to contact Rainbow Labor through their website but received no response.

¹¹¹ Interview with Anne Black, 28 February 2005.

¹¹² ALP, ‘Human Rights and Equal Opportunity for all Australians’, Chapter Seven, 2004 Party Platform.

The power of the NPC was limited in two ways. Firstly, throughout committee work, members consulted in an informal fashion with their factional elite in the national executive. While the executive was formally charged only with supervising the committee work, informal consultation allowed for direct influence on policy development.¹¹³ Black, for instance, reported proceedings to de Bruyn, who, in turn, liaised with other faction leaders in the Right. Members of the Left in the NPC also reported to the National Left's annual conference, where platform policies were probably further discussed.¹¹⁴ The consultation of committee members with their respective faction elite reflects the two different operating styles of the Left and the Right, as is discussed earlier in this chapter. So while, as John Faulkner states, the National Executive 'rubber stamps' the platform draft before forwarding it to National Conference, there is every opportunity for members of the Executive to influence the members of the NPC through informal consultation.¹¹⁵ The second limitation to the NPC's control over the development of the platform draft was that specific contentious issues had to be resolved by the faction elite. Chapter Nine demonstrates the Politics of Accommodation that occurred between the faction elite to resolve the trade platform policy, in which the committee played only an administrative role.

National Conference: Factional Activity behind Closed Doors

At National Conference, the national factions have distinctly different styles of caucusing, demonstrated by the frequency of meetings and by the internal processes involved in arriving at a factional position. The Left meets more frequently than the Right and the Independents Alliance. The factions meet every morning before the official proceedings of Conference, and the Left normally has additional meetings at midday and sometimes again in the evening. However, when there is a controversial issue to be resolved, the national factions caucus several times a day. In addition, the core groups or State-based components of the major factions sometimes meet separately, particularly when a contentious issue arises.

¹¹³ ALP Constitution: Rules 2004.

¹¹⁴ Interview with Anne Black, 28 February 2005. Whether the Platform policies were actually debated or discussed at the National Left conference is not known as the informant is from the Right. Black believes that the process of the Left allows more opportunities for information to leak to the media before the Party has resolved matters internally.

For example, at the 2004 National Conference the National Right, as a bloc, had two meetings because of the refugee issue, while some of its components, such as the Victorian Right and the NSW Right, had additional separate meetings.¹¹⁶ Labor Unity from Queensland, which made deals with both the Independents and the National Right, caucused in isolation from other groupings.¹¹⁷ The Left met as a ‘broad’ Left once or twice a day, with additional separate meetings being held by the elite of the Soft and Hard Left. Members from the core group of the major factions also held separate informal meetings throughout the three days of the Conference.

Policy issues that are not resolved through the National Policy Committee are the responsibility of the relevant shadow minister. Shadow ministers attempt to resolve contentious policies before Conference among the faction leaders. Generally, negotiations continue at National Conference. The method of negotiation between the faction leaders, accords with Arend Lijphart’s accommodation model.¹¹⁸ As explained in Chapter Two, Politics of Accommodation is achieved by the elite following “unwritten, informal and implicit” rules of the factional game. to settle divisive issues under adverse conditions.¹¹⁹ The negotiations are normally consistent with these rules as faction leaders meet, in isolation from the rank and file who would tend to be more emotional about certain issues, to negotiate an outcome that will be accepted by the majority in each of the factions. Because the negotiations are oriented towards achieving a result, the faction leaders ignore the ideological rhetoric from their respective factions and are willing to make compromises. Even if one side of the argument has the numbers, the granting of concessions placates the minority faction. Policy is generally moderated to facilitate different factional perspectives.¹²⁰ If a resolution cannot be reached, a special committee consisting of members from every faction and based on proportionality is established, and, as with the NPC, the faction elite decides on the candidates.¹²¹

¹¹⁵ Interview with John Faulkner, 19 May 2004; Interview with Joe de Bruyn, 29 November 2004. In addition, the Executive writes the first section of the Platform ‘Enduring Labor Values’.

¹¹⁶ Interview with Stephen Conroy, 22 April 2004.

¹¹⁷ Interview with Jack Camp, 19 October 2004; Interview with Paul Stafford, 27 September 2005.

¹¹⁸ Lijphart, *The Politics of Accommodation*, pp.121-138.

¹¹⁹ Lijphart, *The Politics of Accommodation*, p.123.

¹²⁰ Lijphart, *The Politics of Accommodation*, p.125.

¹²¹ Davis, ‘Leader finds Himself in the Hot Seat’. Observation by Author at Queensland State Conferences, 2002. Voting on positions is different to voting on policy, and while this aspect of the faction system is outside the scope of this thesis it is interesting to note the process which ensures the negotiations are generally based on PR but sometimes factional deals. The ‘faction whips’ in the Left often organise a ‘show-and-tell’ pairing system which requires members to show each other how they filled in their ballot paper. Another system used by the Right was a paper template with cut-out-squares

This ‘spirit of accommodation’ is essential for the national factions to cooperate in general and to reach compromises on policy issues before the vote is taken in Caucus. Factional influence is thus clearly evident when leaders from different factions negotiate an outcome and, then, with the help of the convenors, “shepherd [the members of] their factions to their view”.¹²² Faction leaders have a direct influence on policy development, as they are the negotiators of the final policy. They supply policy nuances that suit their interpretation and agenda for compromise with leaders of the opposing factions. For instance, by placing emphasis on particular phrases when writing a submission or a response to a policy, they can set the tone of an argument and control the shades of meaning.¹²³ They are able to build consensus by persuasion within their faction, imposing factional discipline and bargaining with leaders of other factions.¹²⁴ One of the faction leaders, Mark Bishop (Right), explains that if a deal cannot be negotiated with one individual or group, the faction leader will go to the next person or group until some outcome is negotiated.¹²⁵ Within a faction, the leaders argue the feasibility of, or problems with, an issue or policy. When dealing with another faction they give concessions and pursue compromise from the ‘ideal’ position in order to gain wider acceptance.¹²⁶

The faction leaders take the negotiated deal to their faction’s caucus for endorsement or further debate. While not all details of the negotiations are revealed to their members, more often than not the faction leader explains the circumstances that led to the outcome before asking the members to support the compromise position.¹²⁷ Debate usually takes place before the faction decides whether or not to bind the delegates to a factional position.¹²⁸ So when the final draft policy is presented on the Conference

that fit over the ballot paper and shows clearly how the delegates are to vote. At other times, the Right and Left both asked their members to hand their blank ballot paper to the faction organisers to complete. These systems were normally used for party position ballots.

¹²² Interview with Ruth Webber, 11 August 2005.

¹²³ Interview with Jan McLucas, 21 October 2003; Interview with Mark Bishop, 6 December 2004.

¹²⁴ Fia Cumming, *Mates: Five Champions of the Labor Right*, Allen and Unwin, North Sydney, 1991, p.4. This accords with Paul Keating’s description of a faction leader: “The machine men, the numbers men so called, are the persuaders of politics, y’see [sic] because they can persuade others to do things. There’s always this sort of disparaging view of numbers men, [but] they’re passionate people who persuade people to do things”.

¹²⁵ Interview with Mark Bishop, 6 December 2004.

¹²⁶ Lijphart, *The Politics of Accommodation*, p.101.

¹²⁷ Interview with Claire Moore, 17 April 2003; Interview with Jack Camp, 19 October 2004. Jack Camp has been a faction leader at the State level for 12 years and explained that negotiations on policy issues are usually much more open than those on party positions. He further explains that faction members usually support the negotiations because they know you are trying to represent the faction as a whole and not just certain components of that faction. The decisions are sometimes explained again at the Annual General Meeting of the State-based faction meetings after Conference.

¹²⁸ Interviews with members across the factions.

floor, the decision is preordained; faction leaders have already resolved all substantive issues; the numbers have been counted and the deals have been done. Factions continue to be as disciplined in the organisational wing as they were during the Hawke–Keating era, as is demonstrated in Chapters Eight and Nine. Mostly the factions, including the Independents, vote as a bloc.¹²⁹

While factional discipline ensures a faction has the numbers to influence policy issues on the conference floor, this process often leads to conflicting loyalties for the delegate. Delegates not only receive a copy of the Party’s draft platform through the official system, but also a “Briefing Paper” from their faction before going to National Conference. So while faction members are delegates of their federal electorate, their primary obligation is to vote in accordance with their faction’s position.¹³⁰ As noted earlier, voting along factional lines on an issue can be in conflict with a delegate’s personal view and/or that of his/her FEC’s position.¹³¹ This can be controversial when a policy is only endorsed by a slight margin and, consequently, policy may not truly reflect the views of the elected delegates. This discrepancy in the delegate system is overridden by the need for the faction system to work effectively. As argued earlier, without factional discipline, the faction leaders have no control over negotiations, and being unable to provide a bloc vote would make it difficult to reach a consensus position. This approach is aptly summed up by Michael Costello (Right): “each [of the negotiators] has to be able to bring people with them” on the final decisions reached.¹³²

There are several explanations for the allegiance of the factionally aligned delegates to the decisions on controversial policies made by their elite prior to National Conference. Delegates primarily support the negotiations of their faction leaders because the final Party position normally demonstrates that the majority tendency in each of the factions has been taken into consideration, as is argued in Chapters Eight and Nine. Another reason is what Lijphart refers to as ‘deference’— the acceptance of, respect for, and trust of, factional hierarchies, particularly in relation to their arguments about which issues and policy development approaches are electorally most viable for Labor.¹³³ To

¹²⁹ Interview with Gavan O’Conner, 11 August 2005, in which he states that the Independents Alliance is far more disciplined in the organisational wing and, in contrast to what occurs in Caucus, often votes as a factional bloc at National Conferences.

¹³⁰ Observation by Author at the 2004 National Conference, Darling Harbour, Sydney, 29-31 January 2004.

¹³¹ Pitkin, *The Concept of Representation*, pp.134 & 240.

¹³² Interview with Michael Costello, 29 November 2004.

¹³³ Lijphart, *The Politics of Accommodation*, pp.144-162.

many delegates, the concept of supporting the majority vote within a faction simply reflects the ethos of the 'pledge' within the ALP.

Rob Hamilton, a non-aligned member, argues that "Fear of losing support for a party position, being labelled a 'spoiler', or having a political career cut dead is enough to keep faction members in line".¹³⁴ Patronage is one of the main criticisms of the faction system, as noted in Chapter Two, but could hardly apply to all of the delegates who attend Conference. Richard Rose explains that:

Identification with a faction usually increases an individual's commitment to a program, as well as creating the expectation that the politician will consistently take the same side in quarrels within an electoral party. These expectations are a form of discipline operating socially and internalised by an individual. To abandon a faction is to risk appearing publicly as a renegade, as well as causing tension in the personal relations of the defector with his political associates.¹³⁵

When factionally aligned members do not agree with the majority decision in their grouping, rather than vote with the opposing faction, they may abstain from voting or give their vote to a proxy delegate who would vote along factional lines, as demonstrated in Chapter Eight.

Factional loyalty is sustained through ideological rhetoric, creating an 'us versus them' mindset. Lijphart argues that on specific issues rather than general principles, "communication between elite and mass reflects much more the ideological polarisation at the mass level than the high degree of pragmatism and moderation at the top".¹³⁶ Faction leaders maintain the allegiance of the delegates by publicly debating the policy positions of their respective factions prior to the vote on the already negotiated policy. Even with a pre-ordained policy outcome, the delegates are treated to open and robust debate that has enough substance to satisfy the emotive views of the delegates, as is demonstrated in Chapters Eight and Nine.

¹³⁴ Ron Williams, 'Lifting the Lid on ALP Factions', *Adelaide Review*, no 183, December 1998.

¹³⁵ Richard Rose, 'Parties, Factions and Tendencies', *Political Parties: Contemporary Trends and Ideas*, Roy C Macridis (ed), Harper and Row, New York, 1967, p.107.

¹³⁶ Lijphart, *The Politics of Accommodation*, p.141. Insiders reached this conclusion during the Hawke-Keating era. Bill Hayden writes in *Hayden: An Autobiography*, Angus Robertson, Sydney, 1996, about the common righteousness of the modern factions; in particular the Left would argue: "We were right. We stand for principle. The opportunists had the numbers....' Is a shared language which sustains these tribal groups in a manner, I suspect, redolent of the way in which early Christian groups clung to their faith when confronted by adversity". Graham Richardson wrote in 'The punters love an unfair fight', *Bulletin*, Sydney, 28 June 1994, that many of the delegates "love a good stoush. If you want to keep them in the (conference) hall for the whole weekend, you have to provide the traditional entertainment of the factional heavies tearing strips of each other. ... At the quiet 'we all do really love each other, aren't we united' conferences, delegate after delegate would approach me in the hallways or the canteen, pleading for me to go and attack (leader of the opposing faction) about anything, just to get a good brawl under

The faction system recognises that diverse views within a Party make it vulnerable to splitting. Therefore passionately expressed views should be limited to the controlled debate between faction leaders at Conference or, when possible, be confined to intra-faction debate.¹³⁷ The factional process of negotiation provides a ‘safety valve’ by containing aggression within a faction and to a great extent preventing hostility being expressed externally. The advantage of faction elite control over Conference is that compromises are achieved and there is “no blood on the floor” before the draft policy is voted on.¹³⁸ The alternative would be endless debate from which a resolution might not be reached and, as Conference is open to the media, the Party would be portrayed as fragmented and unfit to govern.¹³⁹ The Conference delegates trust their faction leaders to work within the confines of divergent perspectives, which excludes adhering to extreme opposing views, and to reach moderate and practical results in the best interests of the Party.

Conclusion

The national factions are potentially able to influence policy development because the informal processes of the faction system dominate the official structure of the ALP. By dominating the official delegate system all decision-making bodies become faction forums. Because the internal Party ballots are based on the PR principle, each of the factions is represented in these forums. Factional influence on policy is clearly evident when delegates at National Conference or members of a committee vote along faction lines.

Examining Labor’s policy development process in the organisational wing through Lijphart’s accommodation model highlights and explains many of the key characteristics of the faction system, including the control of the faction elite and the need for faction loyalty. The policy negotiation process of the faction system depends

way”. The delegates response to the Trade debate at the 2004 National Conference, discussed in Chapter Seven, reinforces the sentiments underpinning the above made statements.

¹³⁷ Lijphart, *The Politics of Accommodation*, pp.200-2002; George Peter Murdock, *Social Structure*, Collier-MacMillan, London, 1959, p.90.

¹³⁸ Interview with Jan McLucas, 21 October 2003.

¹³⁹ Dean Jaensch, *The Politics of Australia*, MacMillan, South Melbourne, 1997, p.247. Jaensch states that: “ there is always concern, at least within its more pragmatic ranks, about the impact of public

on the control of the faction elite over their factions. The faction elite is the overarching contact between the self-contained factions, which meet in isolation from each other. The elites negotiate according to the implicit rules of the factional game outlined by Lijphart to ensure consensus is reached on policy issues. For the negotiations by the faction elite to be effective, leaders must be able to deliver a bloc vote. Therefore, factional loyalty to the decisions made by the elite is a fundamental characteristic of the national factions. The need to control the factionally aligned delegates at Conference explains why rule reform designed to change the union voting weight (endorsed) and direct election for national delegates by grassroots members was not popular with the leaders of the major factions. Even though faction members are able to participate in policy debate at the faction meetings before the formal proceeding at Conference, and in this way to some extent influence the faction leaders, decision-making is clearly the domain of the faction elite.

During the 1996–2004 period, faction leaders also dominated the policy development process at the National Policy Committee (NPC). The views of the shadow ministers were a major influence on their particular area of policy in the platform, while informal consultation by the members of the NPC with their respective faction leaders in the National Executive was a more subtle influence. While rarely using its power in an overt manner in relation to policy development, the fact that the National Executive, the pinnacle of power in the ALP, is a faction forum reinforces the argument of this chapter that the faction system dominates the Party.

The chapter has shown that the national factions' influence on policy is obvious at National Conference. During the 1996–2004 period, the Right, with the vote of the Parliamentary Leaders and often a bloc vote from the Independents Alliance, dominated Conference. This is discussed in more detail in Chapters Eight and Nine. When the factions adhere to the principles of Lijphart's accommodation model, policy is developed through negotiations and compromises, in which the factions accommodate each other's views with the objective of achieving a consensus which is in the best interest of the Party. This 'ideal model' of how the national factions can operate in the organisational wing is best illustrated by the development of the platform's trade policy in 2004, discussed in Chapter Nine. How the national factions

faction-fighting. Open dissension has provided problems: voters traditionally do not support divided parties".

are represented and how they operate in relation to policy development in Caucus during the 1996–2004 period is discussed in the next chapter.

CHAPTER FIVE

The National Factions in the Parliamentary Wing

The more factional you are, because you have to be to get a position [in parliament], the more forums you get to participate in, but the less factional rigidity is imposed on you. It's a funny thing in the ALP, the further up you go in it, there is less factional rigidity.

Senator for Western Australia Ruth Webber 2005¹

In order to determine whether the national factions influence policy development in the parliamentary wing of the Party, this chapter examines the internal operations of the factions before exploring the policy development processes in Caucus. Data for this overview of the relationship between the Caucus factions and policy was obtained almost exclusively from interviews with Caucus members. This methodological approach was taken out of necessity because of the covert nature of the ALP's internal factional operations, and also because the details of the step-by-step processes of policy development in Caucus during Labor's time in opposition during the 1996–2004 period are not available in secondary sources.²

The chapter begins by examining the operations within and between the national factions and the extent of policy debate within faction meetings in Caucus. Then a general overview is given of how a member's factional alignment can influence their perspective regarding, and support for, a policy. It should be noted that the nuances and subtleties by which factional influence may manifest mean that it is difficult to arrive at a definitive conclusion. As stated previously, the case studies in Chapters Seven to Ten provide the opportunity to examine and analyse the extent of these influences in more depth. However, even at this preliminary stage, the comments made by Caucus members, including shadow ministers, are illuminating.

The chapter then examines the different stages of the policy development processes during the 1996–2004 period, and concentrates on formal and informal 'consultation'

¹ Interview with Ruth Webber, 11 August 2005.

² Literature on policy development is generally limited to Government. For instance: John Kingdon, *Agendas, Alternatives and Public Policies*, HarperCollins, New York, 1995. Formal consultation processes developed under the Labor Whitlam Government such as the Expenditure Review Committee and the Caucus policy committee system in 1972 are discussed in Paul Kelly, 'Caucus under Whitlam: 1967-75', *True Believers*, John Faulkner and Stuart Macintyre (eds), Allen and Unwin, Crows Nest, 2001, p.110.

mechanisms. Party members interpret the term ‘consultation’ very differently, as discussed in Chapter Seven. For the purpose of this thesis, the term refers to the consideration of and deliberation on different perspectives of a policy issue.³ Because the function of the chapter is to present a general overview, the question of consultation in relation to controversial issues is addressed in depth in the case studies.

Three distinct modes of policy development processes in Caucus are identified: the formulation of standard policy position papers, amendment proposals in response to contested government legislation, and election policies. Particular attention is given to the Caucus policy committee system because this is where shadow ministers submit their proposals, thereby providing Caucus members with the opportunity to debate policy in areas in which they are particularly interested. Support for a particular policy is often the result of personal and/or electoral concerns, so this chapter also highlights the links between the personal interests of MPs and the core interests of their respective factions. This chapter concludes that the factional system provides an effective means of communication between the decision-making bodies and Caucus, and that the formal and informal consultation processes enable the shadow ministers to resolve controversial issues in a ‘spirit of accommodation’ prior to policies being tabled for ratification by Caucus.

Communication Channels through the Faction System

In December 2003 Federal Caucus consisted of 92 elected representatives: 41 from the Right, 40 from the Left and 11 from the Independents Alliance. The national factions in the Parliamentary Labor Party were made up of the federal representatives of the State and Territory factions. Every member in Caucus is aligned to a faction, which essentially means that it is a factional forum. At the parliamentary level, the national factions are identified as the Caucus Left, the Caucus Right and the Independents Alliance.

Caucus factions meet separately to discuss and plan their strategies and agendas. A small committee, which consists of a secretary, a chairperson and prominent faction leaders, conducts these meetings. Factionally aligned staff members can also attend. The

³ *The Macquarie Concise Dictionary* (2nd ed), The Macquarie Library, Macquarie University, NSW,

secretary's position is normally allocated to a staff member of one of the frontbenchers and a senior member chairs the meetings. Minutes are usually taken but are not formally distributed; instead they are a means of putting events on record.⁴

Formal faction meetings usually occur weekly when Parliament sits, normally the day before Caucus, but they are held more often if required. The two sub-factions of the Left often meet as a whole. Leader of the Hard Left, George Campbell, states that the "main reason the Left stays together is merely to maximise the number of positions we can get".⁵ Laurie Ferguson (Soft Left) agrees that because the Left is "a minority, the more people we have, the more chance [we have] of winning, so we often do act as a group".⁶ But members also "meet in their subgroups; they do gossip, they do organise" separately as well as meeting formally as the Left.⁷ The division in the Caucus Left has become blurred during Labor's period in opposition, with members such as Duncan Kerr and John Faulkner who were previously associated with the Soft Left preferring to be identified as 'independent' Left.⁸ Carmen Lawrence, who shifted her allegiance from the Independents Alliance to the Left in 2001, also prefers to be identified as an 'independent' Left.⁹ These examples reinforce the conclusion in Chapter Three, namely that the split into sub-factions was based on ideological convictions as well as personality-based power struggles. Kerr and Lawrence often appeared publicly as spokespersons for the Hard Left, as their philosophical stance on refugee policy

1992, p.198.

⁴ Interviews with Caucus members of all three factions in 2003: Interview with Rod Sawford, 9 August 2005; Interview with Jan McLucas, 21 October 2003; Interview with John Hogg, 4 May 2004. Rod Sawford, the convenor for the Caucus Independents, explains that the faction keeps records, and itemises rather than records what everyone has said during the meeting: "we do identify who moves the ideas, so we record ideals and the arguments and the people who put them forth". Because there are no official records of events within faction meetings to non-members, this chapter relies heavily on interview data.

⁵ Interview with George Campbell, 1 December 2003.

⁶ Interview with Laurie Ferguson, 1 December 2003.

⁷ Interview with Chris Evans, 11 August 2005.

⁸ Interview with John Faulkner, 19 May 2004; Interview with Duncan Kerr, 10 August 2005. Duncan Kerr's 'independent' Left status exemplifies the complexity of alliances that can occur within a faction. Kerr states that: "to some extent I was associated with Soft Left although I was never a predictable vote, but I was usually counted amongst their ranks and supported by them during the time I held office. [However], in Tasmania I was often associated with the metal group [Hard Left]". So while he might be supported by the Hard Left at the grassroots level, for promotions into Caucus and the National Executive his support came from the Soft Left. Kerr states that his allegiance to the subgroups changes "according to the way I see the proper outcome, if I think somebody's pushing a point of view which is contrary to the interest of the Party or one I simply think is untenable, factional friend or factional foe, I will be disagreeing with them... I'm not a prisoner of this process, I've got a brain... and I won't owe you my soul". His independent stance is evident in Chapter Seven. Mark Latham writes in *The Latham Diaries*, Melbourne University Press, Carlton, 2005, p.268, that Julia Gillard "calls Faulkner the Governor-General for the way in which he straddles the sub-factions in the Left".

⁹ Interview with Carmen Lawrence, 7 December 2004.

accorded with the dominant tendency of this particular sub-faction, as demonstrated in Chapters Seven, Eight and Ten.

The Right rarely meet formally more than once a week, but clusters of this Caucus faction meet informally more frequently. Backbencher Bernie Ripoll refers to this process as “caucus over coffee; a group of three or four people discuss issues over coffee. They will decide on a position and then those individuals will discuss the issue with other people from other subgroups and so on. It’s not a formal process”.¹⁰ This process appears to be *ad hoc*, but the Right traditionally favours a more informal process rather than holding regular, structured meetings.¹¹ According to Mark Latham there were 11 such groups within the Right during the 1996–2004 period, “based on geography, personalities and union affiliation/sponsorship”.¹²

During the 1996–2004 period, Bob McMullan and Peter Cook usually led the Independents Alliance’s meetings. McMullan was a member of the major decision-making forums in Caucus and as such was thus privy to information about policy and general administrative decisions, which he could then share with his faction. If *independents* (meaning non-aligned members) had not formed themselves into a faction they would have been largely excluded from the ‘information loop’.¹³

In contrast to the Hawke-Keating era, when factional leadership was exclusively the role of a few key people such as Graham Richardson, during 1996–2004 factional leadership consisted of a ‘two-tier management system’. The first tier consisted of prominent faction leaders. In 2003 these included Stephen Conroy and Wayne Swan for the Right, George Campbell and Anthony Albanese for the Hard Left, the Ferguson brothers for the Soft Left, John Faulkner as an ‘independent’ Left, and Peter Cook and Bob McMullan representing the Independents Alliance.¹⁴ While these faction leaders managed the dynamics between the factions in relation to patronage, their role in assuring broad support for particular policies was not as prominent as those of the faction leaders such as Graham Richardson in the 1980s, as discussed in Chapter Three.

¹⁰ Interview with Bernie Ripoll, 22 September 2003.

¹¹ Fia Cumming, *Mates: the Five Champions of the Labor Right*, Allen and Unwin, Sydney, 1999, p.4.

¹² Mark Latham, *The Latham Diaries*, Melbourne University, Carlton, 2005, p.415. See Latham’s Appendix 1, ‘Who’s Who in the Factional Zoo’.

¹³ Interview with Bob McMullan, 2 December 2003.

¹⁴ Interview with John Faulkner, 19 May 2004. Faulkner remained a key operative until he resigned from the frontbench on 12 October 2004.

In opposition, the faction elite in Caucus has consisted of all shadow ministers, the Policy Review Committee (PRC) and the leadership group, and as such they have dominated the decision-making processes. This form of control is consistent with Lijphart's theory of the Politics of Accommodation.¹⁵

The second tier was composed of factional convenors who were exclusively backbenchers and were chosen by their respective factions.¹⁶ In 2003 the Left had four convenors, two of whom were from the Senate and two from the House of Representatives; this enabled equal representation from both the Hard and Soft Left.¹⁷ The convenors were Jan McLucas, Tanya Plibersek (Hard Left), Warren Snowden and Sue Mackay (Soft Left). The convenors for the Right were Con Sciacca, Robert Ray and Laurie Brereton, two of whom were from the House of Representatives and one from the Senate.¹⁸ The Independents Alliance had two convenors, Rod Sawford and Harry Quick (on occasion Rod Sercombe took Quick's place), from the House of Representatives.¹⁹

The modern faction system ensured regular communication between the factions in the parliamentary Party. The convenors manage communications between the factions and facilitate the general day-to-day transactions. Some of the convenors (two from the Right, two from the Left and two from the Independents Alliance) meet weekly with the Party Leader, usually on the first Monday of every sitting period.²⁰ During the 1996–2004 period, the numerically small Independents Alliance had two convenors at this meeting, thereby exceeding the proportion of its numbers. This reflects both a 'spirit of accommodation' between the factions and the fact that there are occasions when the Independents Alliance can assert itself as the 'balance of power' in Caucus. Many internal matters are resolved through negotiations between the convenors and the Leader. Discussions mostly concern management issues such as membership of

¹⁵ Arend Lijphart, *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*, University of California Press, Berkeley and Los Angeles, 1968, p.113; Interview with John Faulkner, 19 May 2004. The leadership group, PRC and shadow ministry are discussed in more detail in the second part of this chapter.

¹⁶ The convenors are chosen at the faction meeting at National Conference.

¹⁷ Interview with Jan McLucas, 21 October 2003.

¹⁸ Interview with Con Sciacca, 10 November 2003.

¹⁹ Interview with Rod Sawford, 9 August 2005.

²⁰ Interview with Con Sciacca, 10 November 2003; Interview with Jan McLucas, 21 October 2003.

committees, and travel privileges.²¹ However, the main purpose is to keep the communication channels open between the factions and between the Leader and the factions.²² As Senator Jan McLucas (Hard Left), one of the Left convenors, states: “It is where we find out about the Right’s position”.²³ The meetings are critical because regular communication between the factions and Leader can prevent an unforeseen matter “blow[ing] up in Caucus that could ambush the leader or ambush a shadow minister”.²⁴ These meetings provide opportunities for constant communication and negotiations between the factions and the Leader and thus exemplify how the faction system is able to work in a constructive manner.

In the main, every faction has representatives in all the decision-making forums in Caucus. As a result, at faction meetings Caucus members are kept informed of what occurs in the decision-making bodies (limited to some extent by the shadow cabinet’s principle of solidarity) and, similarly, the factional representatives can ensure that the decision-making forums are made aware of sentiments in Caucus. In other words, engagement with the faction system means that all Labor parliamentarians are potentially included in the ‘information-loop’.

The organisation of the faction system in Caucus reflects the elite political structure and control of the ‘Politics of Accommodation’.²⁵ Lijphart argues that overarching cooperation at the elite level can be more conducive to stability than a high incidence of overlapping affiliation between groups with diverse interests and values.²⁶ As is the case in the organisational wing, the faction leaders and negotiators are essentially the bridging contact between the factions. They relay what they judge to be necessary details of negotiations to their faction members, thereby limiting the level of conflict between the factions. The mutual isolation and self-containment of every faction provides members with opportunities to voice their grievances without having to confront members of other factions with potentially detrimental consequences, as argued in Chapter Four.

²¹ Information gathered through interviews with convenors from all three factions: Interview with Jan McLucas, 21 October 2003; Interview with Con Sciacca, 10 November 2003; Interview with Rod Sawford, 9 August 2005.

²² Interview with Jan McLucas, 21 October 2003.

²³ Interview with Jan McLucas, 21 October 2003.

²⁴ Interview with Rod Sawford, 9 August 2005.

²⁵ Lijphart, *The Politics of Accommodation*, p.124.

²⁶ Lijphart, *The Politics of Accommodation*, pp.200-4. Lijphart’s reasoning behind his propositions is cited in footnote 42, Chapter Four.

Since 2001, the Independents Alliance has not been represented in the leadership group. According to Lijphart the *ideal* model for the Politics of Accommodation is one in which groups are substantially equal in size.²⁷ During the 1996–2001 period Peter Cook from the Independents Alliance was Senate Leader and therefore part of the leadership group. Cook’s retirement from political life removed the Independents’ factional influence from the leadership group. This shift highlights the importance of smaller factions having prominent members if they are to be an effective part of decision-making forums. During the 1996–2004 period the adherence to the power-sharing principle of PR ensured that the smaller faction was represented in the larger forums such as the PRC, the shadow ministry and in the executives of the Caucus policy committees.

Policy Debate within a Caucus Faction: A Rare Occurrence

Given that the faction system enables different groups to debate issues in isolation from each other, it is surprising how infrequently policy debate occurred in faction meetings at the Caucus level during the 1996–2004 period. The factional blocs tended to react to policy development rather than instigate it (the different policy development processes are discussed later in this chapter). For the most part, discussions at faction meetings are centred on administrative issues, including the allocation of Party and parliamentary positions.²⁸

Members from all three Caucus factions generally agree that there was a wide range of views amongst them during the 1996–2004 period.²⁹ While there were strong economic and social tendencies, or core policy interests among members within every faction, there was rarely a monolithic view on policy issues. This was particularly the case with issues that had no preordained Left or Right perspective, such as cloning.³⁰ Electoral concerns also had a significant influence on MPs’ policy positions, and this is discussed at greater length in Chapters Six, Seven and Ten. In general, policies had cross-factional support as they were thought of as well-established Labor positions; these

²⁷ Lijphart, *The Politics of Accommodation*, p.204.

²⁸ Information gathered from interviews with Caucus members from all factions in 2003.

²⁹ Interview with Bernie Ripoll, 22 September 2003; Interview with Jan McLucas, 21 October 2003; Interview with Nick Sherry, 3 December 2003.

³⁰ Interview with Lindsay Tanner, 4 December 2003.

included opposition to the further sale of Telstra, support for Medicare and the continuation of 'bulk-billing'.

Labor MPs are familiar with the philosophical views and core interests of those in Caucus.³¹ Jan McLucas states that MPs "intuitively" know how their colleagues will react to policy issues, especially in relation to core social and economic issues.³² If the two sub-factions of the Left hold conflicting perspectives on policy, it is often futile for them to engage in extensive policy debate at faction meetings.³³ Leader of the Hard Left, George Campbell, states "You can end up having an arm wrestle for an hour and a half and finish up with no result [with regards to policy] and therefore we agree to go our way and they agree to go their way".³⁴ Chris Evans (Soft Left) emphasises that there are no substantial ideological differences between the Soft and Hard sub-factions and Campbell argues that the real difference between the two groupings is that the Soft Left is more likely to compromise.³⁵ There was thus an 'awareness by association' with regard to members' positions on policy issues.

According to members in the Independents Alliance, their faction did not dictate a faction position on policy issues.³⁶ The main convenor, Rod Sawford, states that, by the very nature of a group of independents, "there are lots of ideas all over the place, [as] no-one thinks in a similar way", and agreement on policy issues often evolved out of debate.³⁷ According to Sawford, it has been the formal policy of the Independents Alliance not to adopt a position on policy issues since the Centre-Left and Independents merged in 1997, as discussed in Chapter Three.³⁸ That the Independents did not adopt a policy position in Caucus during 1996–2004 period is demonstrated in the case studies.

³¹ Interview with Kim Carr, 9 August 2005; Interview with John Hogg, 4 May 2003; Neal Blewett, *A Cabinet Diary: A Personal Record of the First Keating Government*, Wakefield Press, Kent Town, South Australia, 1999, p.66; Ian McAllister, 'Australia', *Passages to Power: Legislative Recruitment in Advanced Democracies*, Pippa Norris (ed), Cambridge University, Cambridge, 1997, pp.20-2. According to McAllister: Most have conducted a large part of their political and social life within their faction. Before being elected to federal parliament, many Members have previously been employed as policy advisers, party officers or by the State or Territory Legislative Assemblies. On average, they have been involved in party politics for twelve years.

³² Interview with Jan McLucas, 21 October 2003.

³³ Interview with George Campbell, 1 December 2003; Interview with Laurie Ferguson, 1 December 2003. Both agree that the main reason the Caucus Left stays together is to maximise the numbers in regard to the distribution of jobs.

³⁴ Interview with George Campbell, 1 December 2003.

³⁵ Interview with George Campbell, 1 December 2003; Interview with Chris Evans 11 August 2005.

³⁶ Interview with Bob McMullan, 2 December 2003; Interview with Nick Sherry, 3 December 2003; Interview with Bernie Eades, 11 August 2005; Interview with Gavan O'Connor, 11 August 2005; Interview with Rod Sawford, 11 August 2005; Interview with Kevin Rudd, 31 July 2002.

³⁷ Interview with Rod Sawford, 11 August 2005.

³⁸ Interview with Rod Sawford, 11 August 2005.

Debate on a contentious issue in a faction focuses on the policy proposed by the shadow minister. Members who have a keen interest in a particular policy area sometimes write policy submissions, which they take to their faction, as shown in Chapter Seven. These ideas are discussed, debated and voted on; motions are put forward and resolutions decided. There is a considerable amount of freedom for members to air their grievances and express their opinions within the factions. Extra faction meetings are held if a controversial issue is not resolved, or when agreement has to be reached on factional strategy. The factional hierarchies rarely ask their members to vote formally on an issue. Formal voting, with a show of hands, only occurs when there is a dispute.³⁹

Consistent with the way in which the national factions operate in the organisational wing, if there is a controversial policy issue, the faction leaders and/or the relevant shadow minister generally attempt to negotiate a Party position during and after the debate within a faction, and prior to a Caucus meeting.⁴⁰ The Independents Alliance is less inclined to become involved in these types of negotiations, not simply because of members' diverse views but also because of the gradual decline in the number of prominent members. The Left and the Right only impose a factional position when the issue is crucial to a significant majority of the faction, and/or is deemed to be electorally vital. For example, the Left determined their factional position in relation to the United States Free Trade Agreement (USFTA), as is discussed in Chapter Nine.

During 1996–2004, it was extremely rare for factions to impose rigid control over their members in Caucus in relation to policy formulation. The second part of this chapter demonstrates that shadow ministers developed policy in a 'spirit of accommodation', as diverse views were "tolerated if not respected" within a faction, and the dominant tendency of each of the factions was accommodated in the final policy outcome.⁴¹ The next section of this chapter elucidates some of the subtle factional influences on Caucus members that ensure faction elites' decisions are supported.

³⁹ Nick Sherry, 3 December 2003; Bernie Ripoll, 22 September 2003; Interview with Joe Ludwig, 7 August; Claire Moore, 27 August 2003.

⁴⁰ Information about the internal operations of the Caucus factions has been obtained through interviews with Caucus members from the three factions including: Interview with John Hogg, 4 May 2003; Interview with Daryl Melham, 4 December 2003; Interview with Bob McMullan, 2 December 2003.

⁴¹ Lijphart, *The Politics of Accommodation*, p.124.

*The Subtleties of Factional Influence on Policy: Avoidance of Repudiation*⁴²

It is argued above that although there is little policy debate at faction meetings, members are acutely aware of the diverse perspectives held on policy in Caucus. In the main, the Caucus factions do not assert a policy position on their respective shadow ministers.⁴³ There are various subtle factional influences on Caucus members, including shadow ministers that could affect their perspective and support for a policy.

Caucus members argue that they expect their factional colleagues in the shadow ministry to advance their faction's agenda.⁴⁴ The Left, in particular, expects this and relies on its shadow ministers and leading personalities in Caucus to advocate and/or deliver outcomes of a more 'leftist' policy perspective, as it lacks the numbers to dominate Caucus.⁴⁵ The Right and the Independents are by nature more pragmatic and consequently, "a bit more on the track of broad-based politics" than the Left. There is thus less likelihood of tension developing within these factions if their shadow ministers prioritise the development of 'electorally friendly' policies.⁴⁶ Members of the Right place a great deal of trust in their leaders and this characteristic means that there is less factional pressure on shadow ministers in the Right, as discussed in Chapter Four.⁴⁷ Because members in the Independents Alliance have an agreement not to establish a factional position on policy, and because of their small union base, shadow ministers from this faction have less factional pressure placed on them.

That a shadow minister's personal views normally correlate with dominant tendencies in their faction or sub-faction to some extent explains why their policies frequently reflect their sub-/faction's position. A determinant in joining a particular faction is often the desire to be among people with similar philosophies. For instance, Jenny Macklin (Hard Left) states that she is in the Left because of her ideological persuasions and that

⁴² The subheading 'avoidance of repudiation' came to me when interviewing Race Mathews who used the term.

⁴³ Interview with Kelvin Thomson, 1 December 2003; Interview with Kevin Rudd, 31 July 2002.

⁴⁴ Interview with Kate Lundy, 2 December 2003; Interview with Trish Crossin, 2 December 2004; Interview with George Campbell, 1 December 2003; Interview with Jenny Macklin, 3 December 2003; Interview with Kim Carr, 9 August 2005; Interview with Ruth Webber, 11 August 2005; Interview with Chris Evans, 11 August 2005; Interview with Penny Wong, 11 August 2005; Interview with Rod Sawford, 11 August 2005. That this is an expectation also of the Independents Alliance is clear as Sawford states that for his faction to influence policy "you do it through your shadows".

⁴⁵ Interview with Kate Lundy, 2 December 2003; Interview with Trish Crossin, 2 December 2004.

⁴⁶ Robert Ray, 'The Right Stuff', *Labor's Troubled Times*, David Burchell and Race Mathews (eds), Pluto Press, Leichhardt, 1991, p.31; Interview with Leo McLeay, 3 December 2003; Interview with John Hogg, 4 May 2003.

⁴⁷ Interview with John Hogg, 4 May 2003; Interview with Stephen Conroy, 22 April 2004.

“in the most senior forums” she does “put forward a strong social perspective”.⁴⁸ Macklin, who was Shadow Minister for Education (2001-2004), states that a member of the Right would approach the concerns of the education portfolio differently. The Left has traditionally had a stronger commitment to public education than the Right.⁴⁹ For instance, according to Jan McLucas, when Mark Latham (Right) was education spokesperson from 1996 to 1998, he developed a deregulation scheme for university fees based on a “voucher system”.⁵⁰ The then Leader, Kim Beazley, guided by both electoral concerns and the fact that the “Left would be up in arms” about Latham’s policy proposal, did not approve the submission.⁵¹ Latham clearly had a more market-economy approach to education than the Leftist approach Macklin advocates.⁵²

Stephen Conroy and Mark Bishop both believe that someone like Kim Carr (Hard Left) would approach the trade portfolio from the perspective of the dominant tendency in the Left.⁵³ Carr agrees that he “wouldn’t be given the trade job because people would say I would run too strong an interventionist line”.⁵⁴ Similarly, Joel Fitzgibbon states that “If the Left had [his Resources and Tourism] portfolio, yes, they would treat it differently”.⁵⁵ In other words, shadow ministers Kim Carr (Left), Robert McClelland, Stephen Conroy, Mark Bishop and Joel Fitzgibbon (Right), agree that factional influence would surface in shadow ministers’ policy development because their approach and emphasis often reflect the dominant tendency in their faction or sub-faction.⁵⁶

This raises the question as to whether there was a correlation between the allocation of portfolios and factional alignment. The Leader allocates the portfolios by taking into

⁴⁸ Interview with Jenny Macklin, 3 December 2003.

⁴⁹ Interview with Jenny Macklin, 3 December 2003.

⁵⁰ Interview with Jan McLucas, 21 October 2003. I have been unable to confirm Latham’s voucher system through other interviews.

⁵¹ Interview with Kate Lundy, 2 December 2003; Michael Duffy, *Latham and Abbott: The Lives and Rivalry of the Two Finest Politicians of their Generation*, Random House, Sydney, p.180. Duffy writes that Latham had “slipped back in a few measures rejected by the policy committee”.

⁵² Interview with Jenny Macklin, 3 December 2003. Louise Dodson and Peter Hartcher, ‘Life of the Party’, *Sydney Morning Herald*, 25-26 September 2004, p.31. However, under Latham’s leadership, the 2004 education policy, which was developed jointly by the Leader’s office and Macklin’s office, had a strong Left ideological flavour regarding the distribution method for funds to government and non-government schools. This change of approach to policy development is discussed in Chapter Six.

⁵³ Interview with Stephen Conroy, 22 April 2004.

⁵⁴ Interview with Kim Carr, 9 August 2005. Carr states: “people tell me I’m super militant. I say yes”.

⁵⁵ Interview with Joel Fitzgibbon, 3 December 2003.

⁵⁶ Interview with Stephen Conroy, 22 April 2004; Interview with Joel Fitzgibbon, 3 December 2003; Interview with Mark Bishop, 6 December 2004; Interview with Kim Carr, 9 August 2005; Interview with Robert McClelland, 16 August 2005.

account a number of factors: an individual's interests and/or their specific skills or expertise, their personal support for the leader and their factional alignment.⁵⁷ Factional alignment and individual interests are often interrelated. While there were members in the Left who supported free market policies, the tendency was stronger in the Right and Independents.⁵⁸ According to Chris Evans (Soft Left), the Right considered that "you don't put left-wingers in charge of Treasury or some of the key economic portfolios".⁵⁹ The Right is predominantly more disposed towards a close relationship with the United States and has a core interest in security. Defence and foreign affairs matters have typically been the domain of the Right.⁶⁰

Likewise, there is often a Left profile in shadow cabinet when it comes to policy areas that are normally associated with the Left, such as welfare and service provision, multiculturalism, education, employment and health.⁶¹ That the majority of the members in the Independents Alliance have a more leftist perspective on social matters and a more right-wing stance on economic policy areas is also reflected in their portfolio allocations.⁶² While there are examples that indicate a correlation between the allocation of portfolios and the factional alignment of the shadow ministers, there are

⁵⁷ Interview with Joel Fitzgibbon, 3 December 2003; Interview with Kim Carr, 9 August 2005; Interview with Kim Beazley, 8 September 2005.

⁵⁸ Clive Bean and Ian McAllister, 'Factions and Tendencies in the Australian Political Party System', *Politics*, vol. 24, no.2, November 1989, pp.79-99.

⁵⁹ Interview with Chris Evans, 11 August 2005. During the 1996-2004 period the Shadow Treasury portfolio was allocated first to Gareth Evans then Simon Crean, Bob McMullan, Mark Latham and then returned to Crean. Evans' view is supported by: Interview with Bernie Eades, 11 August 2005; Interview with Stephen Smith, 11 August 2005. Bob McMullan is in the Independents Alliance and this demonstrates that the centre faction continues to be seen as right-wing in regards to economic policy.

⁶⁰ James Jupp, *Party Politics: Australia 1966-81*, George Allen and Unwin, North Sydney, 1982, p.156. Interview with Stephen Conroy, 22 April 2004; Interview with Con Sciacca, 10 November 2003; Interview with Leo McLeay, 3 December 2003. Disagreements about the US alliance had been at the core of party factionalism since 1955. According to Chris Evans: "There are plenty of issues that the Left have always associated themselves with, social policy, equal rights for homosexual couples ... but policy interests vary across the groups, including these days for foreign policy, [which was] the last bastion of that strict factional ideological commitment. The Israeli-Arab divide used to be driven by the factions but now you have prominent right wingers [in Caucus] who are very pro-Palestinian. A lot has to do with our electorates too". In 2003 Kevin Rudd was Foreign Affairs spokesperson and Robert McClelland had the new portfolio of homeland security encompassing border protection, crime prevention, intelligence-gathering and domestic counter-terrorism.

⁶¹ Bean and McAllister, 'Factions and Tendencies', pp.79-9; Interview with Con Sciacca, 10 November 2003; Interview with Claire Moore, 27 August 2003; Interview with Chris Evans, 11 August 2005. Accordingly, in 2002, there was a strong Left profile in social welfare portfolios such as: Laurie Ferguson held the Citizenship and Multicultural Affairs portfolio, Jenny Macklin was the spokesperson for Education, Anthony Albanese the Employment Services and Training spokesperson and in 2003 Julia Gillard was allocated the Health portfolio. Interview with Daryl Melham, 4 December 2003: In 1996 Daryl Melham (Soft Left) requested the Aboriginal Affairs portfolio because he had a personal interest in Indigenous issues.

⁶² Bob McMullan has held a mix of portfolios: industrial relations, finance, the arts, industry and technology, Aboriginal and Torres Strait Islander affairs and reconciliation. Interview with Nick Sherry, 3

too many anomalies to put forward a consistent pattern during the 1996–2004 period.⁶³ For instance Wayne Swan (Right) was the Shadow Minister for Family and Community Services from 1998–2004. In addition, there were portfolios that consisted of policy areas that had no predetermined ideological position, such as Lindsay Tanner’s Communication portfolio. These two exceptions suggest that the modern national factions are not constructed and do not operate in terms of ideology and that increasingly many policy areas draw upon cross-factional concerns. Chapters Seven to Ten argue that the correlation between the shadow ministers’ factional alignments with the portfolios of Immigration, Trade, and Social Security were based on tactical imperatives inherent in the policy development processes, rather than the stereotypical Left–Right divisions.

As the factions rarely impose a policy position, factional loyalty between the elite and Caucus members is subtle. Factional loyalty is intrinsic to being factionally aligned, whereby discipline is “internalised by an individual”, and because members do not want to cause tensions within their grouping, as discussed in Chapter Four.⁶⁴ As mentioned in Chapter Two, Neal Blewett states that from his experience in the Keating Government, factional discipline was often based on patronage.⁶⁵ This is not so much the case with Caucus during the 1996–2004 period, because when Labor is in opposition there are far fewer opportunities for the distribution of privileges than when it is in Government.⁶⁶ John Hogg states: “There is more of everything when you are in Government, there is more opportunity in terms of committee work, chairing committees, in terms of travel, [and] of representing a minister”.⁶⁷

December 2003. Nick Sherry from the Independents states that he requested the Retirement Incomes and Savings portfolio because of his core interest in finance.

⁶³ For instance, Chris Evans was the first Left Shadow minister to be given the portfolio of Defence, usually seen as belonging to the Right. It appears that this portfolio was given back to Kim Beazley in June 2004, because Beazley had a formidable profile in Defence and in the political climate – months before the federal election – it was seen as a strategic move to place Beazley back in Defence. However, according to Latham, *The Latham Diaries*, pp. 315 & 316, Tim Gartrell and John Faulkner wanted Beazley to have the Foreign Affairs portfolio and make Rudd the Shadow Treasurer replacing Crean. Latham refused and gave Defence to Beazley. So, it is unclear to what extent the Leader’s decision was based on the electoral strategy that Defence was better served by the Right than the Left.

⁶⁴ Richard Rose, ‘Parties, Factions and Tendencies’, *Political Parties: Contemporary Trends and Ideas*, Roy C Macridis (ed), Harper and Row, New York, 1967, p.107.

⁶⁵ Blewett, *A Cabinet Diary*, p.66.

⁶⁶ Interview with Mark Latham, 3 August 2003; Latham, *The Latham Diaries*, p.399; Interview with Matthew Linden, 3 December 2003; Interview with John Hogg, 3 February 2006.

⁶⁷ Interview with John Hogg, 3 February 2006.

But for those who do depend on numerical support for promotion to either the frontbench or committee positions, factional policy considerations are critical particularly for those in the Right and the Left. Kelvin Thomson (Right) states frankly that “If my colleagues in my own faction disapprove of [policy I put forth] then that is not a good development. If you want to be *re-elected* to the front bench you really do want to keep that at the back of your mind”.⁶⁸ Inexperienced shadow ministers often check their policy ideas initially with a senior shadow minister in their faction.⁶⁹ Annette Ellis seeks “counsel constantly with senior colleagues in [her] faction”, either explicitly for advice or perhaps from fear of repudiation:

I have to make sure that the relationship I have [with my faction] helps to take things further through to the next point [in policy development]. As things emerge, I will consult with who I think is appropriate at the time. Now that could be people in my own group, or it could be people in another group. You are [obviously] not going to get policy up if everyone disagrees with it. I’m extremely conscious that you don’t only please factional colleagues ... [but] I am not just going to strike out on my own and hope that the faction agrees.⁷⁰

The Shadow Minister for Resources, Joel Fitzgibbon (Right), states that he is concerned about repudiation from his faction “all the time”.⁷¹ The Resources portfolio encompasses policy issues that have often been contentious as the potential exists to upset one or more of the State or Territory’s Right factions, and this could result in loss of support from sections of the Caucus Right.⁷² As a consequence he develops policy “step by step” to ensure that he gains full Caucus support, something more easily achieved if he is certain his own faction supports his ideas.⁷³

Factional influence on policy development can have its genesis in the sub-branches that are responsible for a member’s initial preselection.⁷⁴ Lindsay Tanner (Hard Left) explains that “to the extent that I have a reference point within my faction, it is primarily to the Left in my own electorate”.⁷⁵ Bob McMullan and Gavin O’Connor (Independents Alliance) maintain that they bring an independent view to policy development but being elected as ‘independents’, that is exactly what their local Party supporters expect of them.⁷⁶

⁶⁸ Interview with Kelvin Thomson, 1 December 2003.

⁶⁹ Interview with Annette Ellis, 8 December 2003; Interview with John Faulkner, 19 May 2004; Interview with Robert McClelland, 16 August 2005.

⁷⁰ Interview with Annette Ellis, 8 December 2003.

⁷¹ Interview with Joel Fitzgibbon, 3 December 2003.

⁷² Interview with Joel Fitzgibbon, 3 December 2003.

⁷³ Interview with Joel Fitzgibbon, 3 December 2003.

⁷⁴ Interview with Kim Carr, 9 August 2005; Interview with Ruth Webber, 11 August 2005.

⁷⁵ Interview with Lindsay Tanner, 4 December 2003.

⁷⁶ Interview with Bob McMullan, 2 December 2003.

The union component of a faction can be another influence on members in Caucus during the process of developing or supporting a policy. Generally, Labor shadow ministers have a consultative relationship with those unions that have an interest in their portfolio areas, irrespective of the union's factional alliance, as demonstrated in Chapter Ten.⁷⁷ This in itself does not equate to direct factional influence. But union leaders do expect their own faction representatives to take into consideration their interests and concerns.⁷⁸ It is not unusual for union leaders from all three factions to visit their faction's parliamentary representatives at their offices in Parliament House.⁷⁹ When a union leader from the Left, such as Doug Cameron (Hard Left), lobbies a Left parliamentarian to further the cause of the Left on a particular policy issue, this can be identified as an attempt to exert internal factional pressure. Cameron is adamant that senior Left parliamentarians should take a more critical approach to the development of policy and consider the views of their faction.⁸⁰ Ruth Webber (Hard Left) explains that key people in her faction lobby her before she votes on a policy, and that she normally discusses her views with her main union support base:

You would not want to be a Left shadow minister for Industry and something to do with manufacturing and not talk to the AMWU. No matter which bit of the Left you are in, because if you didn't talk to them and not run your ideas by them in terms of policy development you would be slaughtered in the Left.⁸¹

Webber argues that while this type of consultation does not dictate how she will vote on a policy, it "will have an influence".⁸²

Pressure placed on parliamentarians by their factional union leaders is regarded by Robert McClelland as "close to contempt of parliament in terms of the extent in which that threat is made as to whether it's impeding or attempting to apply duress or coerce a member in the course of their duties".⁸³ McClelland argues that this occurs in every

⁷⁷ Interview with John Faulkner, 19 May 2004; Annabel Crabb, *Losing It: The Inside Story of the Labor Party in Opposition*, Picador, Sydney, 2005, p.169.

⁷⁸ Interview with Kelvin Thomson, 1 December 2003; Interview with George Campbell, 1 December 2003; Interview with Kim Carr, 9 August 2005; Interview with Robert McClelland, 16 August 2005; Interview with Michael Costello, 29 November 2004; Interview with Joe de Bruyn, 29 November 2004.

⁷⁹ Interview with Ruth Webber, 11 August 2005, Interview with Robert McClelland, 16 August 2005; Observation by Author of events at Parliament House, Canberra, 11 August 2005.

⁸⁰ Interview with Doug Cameron, 12 May 2004. Cameron sees the Left parliamentarians as vital to applying the objectives of the Left and argues that therefore there should be a united Left in Caucus: "the internal politics of personality, which is a big detriment for Labor, should stop. There is no unequivocal leadership voice from the Left within the Labor Party at the moment. That is something we need to work on. We need a Left person that people can galvanise around, [someone who can] be seen as the leader in terms of policy direction. We have got some terrific people like George Campbell, Martin Ferguson and Anthony Albanese. I think Anthony is the real hope for the Left, I have no doubt about that. And people like John Faulkner can play a really good role in revitalising the Left".

⁸¹ Interview with Ruth Webber, 11 August 2005.

⁸² Interview with Ruth Webber, 11 August 2005.

⁸³ Interview with Robert McClelland, 16 August 2005.

national faction.⁸⁴ While it is difficult to provide solid evidence for this type of coercion, Chapter Nine demonstrates that the Hard Left strongly argued the position of its union base. Factional pressure by union leaders applies less to the members of the Independents Alliance because of their small, and in some case non-existent, union base at State level, as discussed in Chapter Four.

Another subtle factional influence on policy derives from the views expressed by policy advisers who are generally from the same faction as the shadow minister.⁸⁵ As the shadow minister drafts the initial proposal with the help of his/her advisers, there is undoubtedly influence exerted on the process. While advisers often have expertise in particular policy fields, few staff members are recruited from outside the Party or from a different faction.⁸⁶ Although “factional allegiance does not necessarily equate to total loyalty”, neither does it ensure that the most competent adviser is brought in as shadow ministers invariably appoint staff from their own faction.⁸⁷ During the 1996–2004 period, for example, the advisers in Wayne Swan’s office were all from the Right. Consequently, the lack of factional diversity in a shadow minister’s office tends to have a narrowing effect on those policies that have not undergone an extensive consultation process.

In addition, the perspectives of other factions cannot be ignored if policy is to be endorsed by Caucus. While Caucus can generally be won over by strength of argument, according to Jan McLucas, there are times when individual members oppose a policy because it is being proposed by someone they “do not like because of some ‘blue’ they had years ago”, or, conversely, they might support a policy out of personal loyalty to the particular shadow minister.⁸⁸ However, Daryl Melham (Soft Left) points out that when he had the Aboriginal Affairs portfolio his approach to solving issues and his policy

⁸⁴ Interview with Robert McClelland, 16 August 2005.

⁸⁵ The leader decides how many staff members are allocated to shadow ministers from the pool of personal staff given to them by the Government.

⁸⁶ Interview with Matthew Linden, 3 December 2003; Interview with Chris Evans, 11 August 2005. There are rare exceptions to this. For instance Chris Evans explains that, as Senate Leader (since 22 October 2004), he encouraged his staff not to be factionally active and has recruited some staff members from outside the factional system, because as Senate Leader his office has to be factionally neutral in order for the staff of other senators to feel comfortable in contacting his office.

⁸⁷ Interview with Annette Ellis, 8 December 2003; Interview with Matthew Linden, 3 December 2003; Interview with Daryl Melham, 4 December 2003; Interview with Nick Sherry, 3 December 2003. The more standard response, which avoids the question of whether the shadow minister employs staff aligned to his or her faction, is similar to that of Nick Sherry: “I employ people who are best qualified for the job and they may or may not be in my faction”.

direction in general had considerable support from Laurie Brereton (NSW Right). Other examples of cross-factional support on policy issues are provided in Chapters Seven and Ten. The examples given here reinforce the argument in Chapter Three, namely that since the 1990s there has been an increasing convergence on policy perspectives between the factions.

Factional influence on Caucus members is mostly subtle. As the factions have often converged on many policy perspectives, and electoralism has become pre-eminent, factional influence is increasingly difficult to observe. Factional influence on shadow ministers corresponds with the Politics of Accommodation model, whereby influences on the decision-making of the elite derived from “potential pressures which constitute part of the total political context [rather than] constantly active demands keeping the bloc leaders on the defensive”.⁸⁹ Hence, although shadow ministers take factional imperatives into account, they are generally granted considerable autonomy and are given the necessary latitude to develop and/or negotiate a policy position that can be subsequently endorsed. This is evident in the policy development processes outlined below.

Building Consensus on Policy through Consultation

Labor’s policies are ratified by Caucus, which is a factional forum. In December 2003, Caucus consisted of 92 members: 41 aligned to the Right, 40 to the Left and 11 to the Independents Alliance. However, a Caucus vote does not always reflect these ratios, because members of shadow cabinet uphold cabinet solidarity.⁹⁰ The Right often sees itself as the ‘bulwark’ of the Leader and generally supports shadow cabinet decisions.⁹¹ In this sense the Right has significant influence over policy decisions.⁹² The combined

⁸⁸ Interview with Jan McLucas, 21 October 2003; Interview with Ruth Webber, 11 August 2005; Interview with Laurie Ferguson, 1 December 2003. Within the narrow context of this thesis there are no examples to confirm this.

⁸⁹ Lijphart, *The Politics of Accommodation*, p.206.

⁹⁰ Kim Beazley formed a shadow cabinet from the most senior in the shadow ministry. Simon Crean included the whole shadow ministry in his shadow cabinet. Mark Latham in 2004 included all of the shadow ministry in the shadow cabinet but after the 2004 election he created an inner circle of a 17 member shadow cabinet.

⁹¹ Interview with Roger Price, 1 December 2004; Interview with John Hogg, 4 May 2003; Interview with Carmen Lawrence, 7 December 2004.

⁹² Carmen Lawrence argues in her article ‘Labor’s Challenge’, Labor 21, www.labor21.org, November 2001, that the party must break the “stranglehold of the factions”, and in the interview with Lawrence, 8 December 2004, she explains her frustrations in Caucus: “The shadow cabinet decisions can be

voting power of shadow cabinet and the Right in Caucus makes the Independents Alliance redundant in terms of the 'balance of power' over policy decisions. Nevertheless, as this part of the chapter demonstrates, the formal and informal consultation processes ensure that the Left and the Independents Alliance can to some extent influence policy development in Caucus.

Consultation processes do not apply equally to all policy types. In opposition there are three modes of policy-development: standard position papers, responses to legislation, and election policies. Typically, some require minimum consultation while others follow rigorous policy development process by incorporating both formal and informal consultative mechanisms. Furthermore, when a policy, or part of it, is controversial it is handled according to perceptions of the prevailing political climate. The case studies in Chapters Seven to Ten span the different modes of policy development. By and large, during the 1996–2004 period, as is typical for an Opposition, Labor reacted to the policy agenda set by the Government. There were exceptions to this under Latham's leadership, as discussed in Chapter Six. When in opposition Labor's principal concern is to develop electorally attractive policies, and policy development is also driven by an imperative to define the Opposition in terms of an effective alternative Government. Being united on policy positions is fundamental to portraying Labor as being fit for Government, as is discussed in Chapter Six.⁹³

Policy formulation in the parliamentary wing either begins in the office of a shadow minister or with the Leader. Policy ideas are generated from a mixture of sources, including bipartisan parliamentary committees, interest groups, public forums, the Australian Council of Trade Unions (ACTU), the Fabian Society, the Chifley Research Centre and academia, as well as Labor's organisational wing, which ranges from local branches to the Australian Labor Advisory Council (ALAC).⁹⁴ When it is not in

overturned just by a vote of the Caucus if we were brave enough to do it, but the leaders are very concerned that they [might] lose control and create mayhem. The factions are a problem not so much in terms of the vote but the Right in particularly consistently supports the leaders". It seems that to Lawrence the faction system is a problem because the Left does not have the numbers.

⁹³ Interview with Matthew Linden, 3 December 2003; Interview with Daryl Melham, 4 December 2003.

⁹⁴ The Australian Labor Advisory Council (ALAC) is the key consultative mechanism between the union movement and the ALP. According to an interview with Leo McLeay on 3 December 2003, and an interview with George Campbell on 1 December 2003, the membership consists of some of the members from the parliamentary wing, mainly the leadership group and half a dozen members from the ACTU. While there is sometimes discussion of specific policy concerns, it is usually more concerned with the broader present political environment, including Labor's policy agendas. According to an interview with Grace Grace on 12 February 2004 "ALAC worked well because the meetings were constructive into bringing about the Industrial Relations Platform".

Government, the ALP has little access to the policy development in the public service departments. Shadow ministers often ask for specific feedback from outside the parliamentary wing: from a State or federal Labor policy committee, union leaders, lawyers, academics and stakeholders in the community. When addressing Party or public meetings, shadow ministers receive an instantaneous response and are often able to ‘flag’ ideas and ascertain whether particular policies are popular. The most important feedback from these sources occurs when parliamentarians notice a cumulative concern, which enables a prioritisation of issues.⁹⁵

The following chart shows the most common formal consultation processes involved in the development of the three policy types. The many variations of both formal and informal processes are discussed below. The objective of this chapter is to provide a broad overview before exploring the policy development processes in more depth in Chapters Seven to Ten.

Chart 5.1 *Formal Policy Consultation Processes*

Policy Type	Shadow Minister	Leader and Leadership Group	PRC	Shadow Cabinet	Caucus Committee	Caucus
Election Policy	√	√	√			
Standard Position Papers	√	√	√	√	√	√
Amendments to Government Legislation	√	√			√	√

Many policy ideas are generated in a shadow minister’s office.⁹⁶ For example, Laurie Ferguson (Soft Left) explains that the “citizenship initiatives, which I announced on Australia Day this year [2003] were developed by myself and my adviser, even though we touched base with a number of ethnic groups”.⁹⁷ Furthermore, policy advisers have a variety of research sources available to them. Matthew Linden (Right), policy adviser to Wayne Swan (Right), explains the term ‘policy transfer’:

There is a mountain of information from the Organisation for Economic Cooperation and Development. I mean they are basically a public policy clearing house, they have very detailed reports, often very current, which provides some

⁹⁵ Interview with Jenny Macklin, 3 December 2003; Interview with Laurie Ferguson, 1 December 2003; Interview with Mark Bishop, 6 December 2004.

⁹⁶ Interviews with Caucus members from all factions in December 2003.

⁹⁷ Interview with Laurie Ferguson, 1 December 2003.

comparative overview of policy approaches on a wide range of issues across OECD countries. It's an absolutely invaluable resource. You do not have to reinvent the wheel, often it is a matter of modifying an idea, even one that has been dispensed with by the current government. Apart from those resources it is matter of being creative and thinking a bit outside the square.⁹⁸

Furthermore, policy formulation has to accord with the broad principles and policies outlined in the Party's platform. When Labor was in government in the 1980s this process was often retrospective,⁹⁹ but when in opposition there is a stronger need to retain the support of the Party membership. Therefore, new policy proposals are developed with an eye to the likely response from State and National Conferences. If the leadership group (Leaders and deputy leaders of both Houses) decides that the Party should target a particular constituency then policy development aimed at this particular group becomes a priority.¹⁰⁰

There are a variety of ways by which 'standard policy position papers' are developed, but usually after developing a rough draft, the next step is to consult with those shadow ministers within whose jurisdiction the issue is deemed relevant. The agreement of other shadow ministers, in particular the leadership group, is often sought to ensure greater support when the proposal is taken to the shadow cabinet. This support serves to "boost the confidence" of the shadow minister before s/he has to convince the shadow cabinet of the merits of the policy. For example, in 2003, when Kelvin Thomson was Shadow Minister for Environment and in the midst of developing the Murray River policy, he worked in consultation with the Leader's office and a shadow cabinet sub-committee on natural resource management. This was because the policy directly affected several portfolio areas such as Primary Industry and Regional Development. After securing agreement from this sub-committee, the shadow minister forwarded the draft proposal to the shadow cabinet. As some shadow ministers had already indicated approval, support was quickly obtained.¹⁰¹ In the main, submissions are distributed to the shadow ministers so they can have an opportunity to examine them before they are presented to shadow cabinet. After perusal by the shadow ministry, the decision is made

⁹⁸ Interview with Matthew Linden, 3 December 2003.

⁹⁹ Warhurst, 'The Labor Party', p.177.

¹⁰⁰ Interview with Matthew Linden, 3 December 2003; Interview with Kate Lundy, 2 December 2003; Interview with Jim Chalmers, 9 December 2003. Chalmers explains that the ALP National Secretary often also attends the leadership group meetings, particularly in an election year. This ensures communication between the Caucus and the National Secretariat. The Secretariat supports the federal members, in particular the shadow ministry, throughout the parliamentary term with media drafts and local electorate strategies. Staff's factional loyalties are suppressed and members work with any of the federal MPs irrespective of factional alliance.

¹⁰¹ Interview with Kelvin Thomson, 1 December 2003.

as to whether a submission should go forward to the Caucus policy committee or be returned to the Priority Review Committee (PRC) for more scrutiny.¹⁰²

A shadow minister can take a proposal to the PRC either before or after it has been to shadow cabinet. The PRC is a subcommittee of the shadow cabinet chaired by the Party Leader; it costs policy proposals and scrutinises expenditure.¹⁰³ In other words, the PRC is a “razor gang, designed to eliminate all fanciful and profligate spending from Labor’s policies”.¹⁰⁴ The Right usually dominates this significant body as its members are usually allocated the economic portfolios. Joel Fitzgibbon explains that he usually meets with the PRC first, or at least discusses his proposal with the Shadow Minister for Finance, because he does not want “to come across a brick wall”.¹⁰⁵ Although the final decision officially rests with shadow cabinet, final approval is often the prerogative of the PRC, because costing is usually the primary determinant.

By and large, shadow ministers aim to get the support of the shadow ministry on a particular policy proposal ‘in principle’ before debating the finer details.¹⁰⁶ In December 2003, the frontbench (not including the chief Opposition whip) consisted of 14 Right, 13 Left and three Independents Alliance members. The composition of the 2003 shadow cabinet meant that if either the Left or the Right were to dominate policy decisions they would need to have the support of the Independents Alliance. However, even though it is a faction forum, shadow cabinet rarely votes on policy, and when there is a vote it is never on factional lines.¹⁰⁷ Members of shadow cabinet do not resolve divisive issue through arguing along factional lines. Shadow cabinet is orientated towards achieving results and when there is a contentious issue the opposing needs and perspectives of different stakeholders in the community, and the views dominant in the

¹⁰² Interview with Matthew Linden, 3 December 2003; Interview with Kelvin Thomson, 1 December 2003; Interview with John Faulkner, 19 May 2004; Interview with Chris Evans, 11 August 2005

¹⁰³ Interview with Matthew Linden, 19 October 2004. In 2004, this committee consisted of the leaders and deputy leaders of both houses, the Shadow Treasurer Simon Crean (Right), the Assistant Treasurer David Cox (Right), the Shadow Finance Minister Bob McMullan (Ind All), Shadow Minister for Family Services Wayne Swan (Right) and, consistent with Lijphart’s theory to ensure that the Left was represented, Martin Ferguson (Soft Left), based on his factional hierarchy rather than his portfolios.

¹⁰⁴ Crabb, *Losing it*, p.32.

¹⁰⁵ Interview with Joel Fitzgibbon, 3 December 2003.

¹⁰⁶ Interview with Joel Fitzgibbon, 3 December 2003; Interview Jan McLucas, 21 October 2003. Under Beazley all members of the shadow ministry were in the shadow cabinet. Under Crean, there was an initial inner core of the shadow ministry, which became the shadow cabinet, but by July 2003 Crean returned to full shadow ministry meetings. Latham also followed the Beazley model.

¹⁰⁷ Michelle Grattan, ‘Caucus and the Factions’ *True Believers*, John Faulkner and Stuart Macintyre (eds.), Allen and Unwin, Crows Nest, 2001, p.260; Interview with Kevin Rudd, 31 July 2003; Interview with John Faulkner, 19 May 2004; Interview with Chris Evans, 11 August 2005; Latham, *The Latham Diaries*, p.65.

factions, are considered.¹⁰⁸ This “spirit of accommodation” approach to resolving divisive issues is consistent with Lijphart’s accommodation model.¹⁰⁹

Shadow ministers consult with the relevant Caucus policy committee (factional implications of committee membership are explored below) before or after presenting their submission to shadow cabinet or the PRC. Such consultation is restricted when the shadow minister has already obtained agreement with the shadow ministry and then the relevant committee rarely imposes any changes. Nick Sherry stated that he had “no significant suggestions or arguments” from the relevant committee in relation to his superannuation policies.¹¹⁰ Sometimes committee members opposed certain aspects of a policy draft, but it would be unusual for the committee to express total opposition and, generally, only small changes are suggested. Only when a controversial policy is being debated does the need for a formal vote arise for decisions on resolutions or amendments. In such cases, a policy committee either directs the matter to Caucus for further debate, or redirects it to the PRC for reassessment. Occasionally, a Caucus policy committee requests an expert opinion. Often in such cases, an authority is invited to address the committee on a particular subject.¹¹¹ On the other hand, interest group representatives sometimes request an opportunity to speak to a committee about an issue, and/or try to get the attention of the shadow minister.¹¹² So while the committee is empowered to be a ‘check and balance’ on policy, in large part it often “forms a view on the shadow minister’s recommendation”.¹¹³ Generally, with or without amendments, the committee forwards the policy to Caucus.

Shadow ministers usually consult informally with Caucus when they are responding to particular Government legislation, as there is often only time to consult with the leadership group and little opportunity to discuss the matter at the relevant policy committee. In these instances, they might personally contact members who have a personal interest in the issue or those who have expertise or particular insights in the specific policy area, such as the executive of the relevant Caucus policy committee. This process enables instant feedback through a phone-call, e-mail or face-to-face

¹⁰⁸ Interview with Daryl Melham, 4 December 2003; Interview with Kevin Rudd, 31 July 2003.

¹⁰⁹ Lijphart, *The Politics of Accommodation*, pp.103-38.

¹¹⁰ Interview with Nick Sherry, 3 December 2003.

¹¹¹ Interview with Jan McLucas, 21 October 2003; Interview with Kelvin Thomson, 1 December 2003; Interview with Craig Emerson, 7 July 2003.

¹¹² Interview with Leo McLeay, 3 December 2003.

¹¹³ Interview with Kate Lundy, 2 December 2003.

contact.¹¹⁴ In this way, the shadow minister can achieve consensus before the submission is taken to Caucus.

When time is not a prime consideration, the shadow minister normally undertakes an informal consultation process. This often occurs when the shadow minister is aware that the policy contains certain contentious elements on which there are strong personal or factional views within Caucus. Before the submission is taken to the relevant Caucus policy committee, discussions with concerned members take place in informal meetings. The shadow minister or a concerned member initiates these meetings.¹¹⁵ The aim of this approach is to resolve issues and ensure large majority support before the submission is addressed through the official processes. As a result of these informal processes few contentious issues have to be resolved through the formal policy development processes.

Members mostly know if their factional colleagues are presenting views that are similar to their own at a policy committee or during informal consultation with a shadow minister. Consequently, all MPs have their “touchstone” in the form of a person in their faction “who they know takes an interest in particular policy areas and who is actively involved in developing a particular policy”.¹¹⁶ Members contact such people in their faction and ask for their opinion or ascertain what the relevant concerns on an issue are, before voting in Caucus. This ‘awareness by association’ is vital in Caucus especially because the factions are *not* clear-cut ideologically, and shadow ministers have to determine whether someone who does not agree with their position would gain the support of their faction.¹¹⁷ Several examples of informal consultation in Caucus are presented in Chapters Seven and Ten. This process of informal consultation lessens the need for formal factional policy debate and as a consequence limits potential factional disputes.

There are also certain policies that fall under the standard policy development classification which lend themselves to minimum consultation. Lindsay Tanner’s proposal for a new system of appointing the ABC and the SBS board is one such

¹¹⁴ Interview with Kate Lundy, 2 December 2003; Daryl Melham, 4 December 2003; Interview with Penny Wong, 11 August 2005.

¹¹⁵ Interview with Matthew Linden, 3 December 2003; Interview with Kate Lundy, 2 December 2003; Interview with Lindsay Tanner, 4 December 2003; Interview with Penny Wong, 11 August 2005.

¹¹⁶ Interview with Mathew Linden, 19 October 2004.

example. Tanner states that he knew he would have the full support of the Party on this matter and that it was merely a formality to put the proposal to shadow cabinet, then to the policy committee and finally to Caucus for endorsement. Tanner explains that there are many policies in his portfolio that require little consultation because “there are a variety of propositions in telecommunications which are essentially technical”.¹¹⁸ This also applies to policy areas in other portfolios and Tanner argues that, “you have to trust the shadow minister in areas of very specific detail”.¹¹⁹

Daryl Melham explains that Caucus usually endorses the recommendations of the shadow ministry because “the truth is we don’t have the breadth of knowledge and experience on every single issue, so we listen and evaluate the recommendations”.¹²⁰ Unless the policy committee proposes amendments, the shadow minister’s submission is endorsed. When policy debate does occur in Caucus, those who are usually on the relevant policy committee and/or MPs with a special interest in the particular policy sometimes put forward recommendations.¹²¹ This again reinforces the importance of the formal and informal consultation processes prior to the Caucus vote.

However, there is little or no consultation between Caucus and the relevant shadow ministers before the announcements of sensitive and/or election policies for strategic reasons. Before an election policy announcement, the shadow minister normally takes the policy proposal directly to the leadership group and/or the PRC, but not always to the shadow cabinet.¹²² Election policies are taken to Caucus for endorsement after, or a short time before the formal announcement, thereby pre-empting ‘leaks’ to the media. According to Jenny Macklin, a member of the leadership group, “there is always one” of the 92 members in Caucus who will use it for their own interest.¹²³ While the leadership can control factional dissent through the faction leaders to a certain extent, they cannot prevent individuals from speaking to the media.

During the 1996–2004 period certain sensitive policy issues emerged that called for the maximum consultative process, both informally and formally. In accordance with the

¹¹⁷ This information was gathered through interviews with Caucus members across the factions in 2004 and 2005.

¹¹⁸ Interview with Lindsay Tanner, 4 December 2003.

¹¹⁹ Interview with Lindsay Tanner, 4 December 2003.

¹²⁰ Interview with Daryl Melham, 4 December 2003.

¹²¹ Interview with Matthew Linden, 3 December 2003.

¹²² Interview with Bob McMullan, 2 December 2003.

¹²³ Interview with Jenny Macklin, 3 December 2003.

factional accommodation model, informal committees, in which each of the factions were represented based on PR, were created to resolve the issues.¹²⁴ Ad hoc committees of this nature consisted of relevant shadow ministers and those Caucus members who were interested in the particular issue. John Hogg explains that each faction decides who would best represent it on such a committee.¹²⁵ Lijphart argues that if a contentious issue is to be resolved, committee members should not retain a rigid position aligned with their respective faction. Instead they should approach negotiations in a spirit of accommodation.¹²⁶ This effectively occurred with the committee that was tasked to draft a response to the Howard Government's ASIO Terrorism Bill in 2002.¹²⁷ Once a consensus was achieved, faction leaders enforced the agreed policy position on their factions. The negotiation process resulted in a moderate policy that was agreed on before its ratification by Caucus.¹²⁸ Such committees are different to those informal consultation meetings where shadow ministers generally try and to persuade interested MPs to support a compromise policy, as demonstrated in the case studies in Chapters Seven and Ten.

¹²⁴ Lijphart, *The Politics of Accommodation*, pp.124-7.

¹²⁵ Interview with John Hogg, 3 February 2006.

¹²⁶ Lijphart, *The Politics of Accommodation*, pp.103-38.

¹²⁷ A brief example of the way factions can resolve a controversial issue on the basis of 'Politics of Accommodation' is Labor's response to the Government's ASIO Terrorism Bill in 2002. The conflicting fundamental principles of national security and human rights inherent in this Bill had the potential to 'wedge' Caucus as members in the Hard Left stated that the Left had stronger convictions about the latter than the Right. Labor initially opposed the Bill and established a special committee to develop amendments. The then Shadow Attorney-General, Robert McClelland (Right), met with Daryl Melham and Brendan O'Connor from the Soft Left, Duncan Kerr from the Hard Left and John Faulkner ('independent' Left) to attempt to reach a consensus on amendments for the Government's Bill. These members of the Left were chosen because they were known to be able to "work together [with other factions] not against each other". Submissions were accepted from Senate committees and community groups and suggestions from individual members in Caucus were encouraged in order to have Caucus' support on the resolution. A compromise position was achieved and the amendment was moderated in its substance and language so as not to offend the Left. Some of the committee members aligned to the Left had to go back to their faction with the compromise policy and had to ensure it would be endorsed in Caucus. The final draft was first taken to the Shadow Ministry, then to the Caucus policy committee and was finally endorsed by Caucus. Many recommendations had been adopted and some of these influenced the amendments to the Government Bill. The information for this paragraph was obtained through several interviews and a newspaper source: Interview with Jenny Macklin, 3 December 2003; Interview with Claire Moore, 27 August 2003; Interview with Daryl Melham, 4 December 2003; Interview with Kim Carr, 9 August 2005; Interview with Robert McClelland, 16 August 2005; *Australian Associated Press Financial News Wire*, 'Opposition will Support Revisited Aust ASIO', 17 June 2003, Retrieved from Factiva Full-text database. The term 'wedge' politics is discussed in Chapter Six.

¹²⁸ Interview with Jenny Macklin, 3 December 2003; Interview with Claire Moore, 27 August 2003; Interview with Daryl Melham, 4 December 2003; Interview with Kim Carr, 9 August 2005; Interview with Robert McClelland, 16 August 2005.

Even when a compromise policy is developed, debate can continue in Caucus, and in such cases be taken to a formal vote.¹²⁹ Kim Beazley states:

Even if at or near the end of deliberations on a contentious policy the factional leaders and the Leader meet and understand that there will be a specific result in Caucus this does not mean that there is no further argument of debate in Caucus – there often is. Such a meeting simply means that there has been consideration by MPs in smaller groups outside the Caucus plenary meetings.¹³⁰

The important point is that in the period 1996–2004, for the most part, faction leaders and/or shadow ministers were committed to reaching a compromise position that the majority in every faction could accept before the matter was taken to Caucus, as is highlighted in Chapters Seven, Nine and Ten. The informal and formal consultation processes in Caucus are thus usually driven by the principle of seeking consensus consistent with the “spirit of accommodation” that underpins the Politics of Accommodation.¹³¹

While informal consultation constitutes a significant part of the policy development process, the Caucus policy committees remain important forums for policy debate as they have the power to enforce a resolution, or make recommendations for further assessment at the PRC or further debate in Caucus. For this reason, the Caucus policy committees are worthy of special attention.

Caucus Policy Committees: Right and Left Wing Tendencies

When considering the extent of factional influence on policy, the Caucus policy committees are significant because when a vote is called for the factional ratio of the committee membership can influence outcomes.¹³² Caucus elects the positions of Chair, deputy Chair and Secretary of the committees, and so the positions fall under factional control.¹³³ In contrast, members self-elect onto the committees they wish to attend, but

¹²⁹ Information about the internal operations of the Caucus factions has been obtained through interviews with Caucus members from the three factions including: Interview with Bernie Ripoll, 22 September 2003; Interview with Daryl Melham, 4 December 2003; and Interview with Bob McMullan, 2 December 2003.

¹³⁰ Interview with Kim Beazley, 8 September 2005.

¹³¹ Lijphart, *The Politics of Accommodation*, pp.103-21.

¹³² Paul Kelly, ‘Caucus under Whitlam: 1967-75’, *True Believers*, p.110. Caucus policy committees were officially established in 1972 to ensure that policy proposals from shadow ministers are submitted to relevant policy committees. The crucial provision was that this excluded those proposals which, by their nature, must be treated confidentially. It was argued at that time that this would provide Caucus members with “real influence”.

¹³³ Gregory Heywood, ‘Backbenchers win Greater Authority’, *Financial Review*, Sydney, 21 February 1985, p.20.

they are only granted voting rights on three. In other words, members can choose three committees in which they can cast a vote, and although they have no voting rights on additional committees they can observe and take part in debate on these committees. Shadow ministers' portfolios usually encompass several Caucus policy committees, and as a consequence they need to prioritise their attendance and are often represented by their policy advisers.¹³⁴ Kate Lundy's portfolio, for example, has three policy areas: Information Technology, Sport and the Arts. Information Technology covers policy areas including economic, infrastructure, social and government services.

The chart below plots the attendance in 2003 on the Caucus policy committee according to members' factional alignment.¹³⁵ The number of members who have voting rights are separated from the number that attend but have no voting rights on that particular committee.

Chart 5.2 *Caucus Factions and Caucus Policy Committees (1 December 2003).*

Caucus Policy Committee	Left voting	Left non-voting	Right voting	Right non-voting	Ind. All. voting	Ind. All. non-voting
Government and Service Delivery	10	4	8	3	1	1
National Security	6	6	19	5	4	1
Living Standards and Economic Development	22	5	20	5	8	0
Urban, Regional and Rural Development	16	1	15	2	7	0
Social Policy and Community Services	21	2	22	1	6	0
Status of Women	17	1	5	1	3	0

That the executive is voted on in Caucus is evident in the following chart which demonstrates that the factional ratio of the executive positions of the Caucus policy committees reflects the factional ratio in Caucus.

¹³⁴ Interview with Matthew Linden, 19 October 2004; Interview with Bernie Eades; 11 August 2005. Both Linden and Eades are policy advisers.

¹³⁵ The data for the analysis of the executives and membership of the Caucus Policy Committees is based on the following documents: Labor Parliamentary Party, 'Social Policy and Community Services Caucus Committee', Parliament House, Canberra, 2003; Labor Parliamentary Party, 'Living Standards and Economic Development Caucus Committee', Parliament House, Canberra, 2003; Labor Parliamentary Party, 'Urban, Regional and Rural Development Caucus Committee', Parliament House, Canberra, 2003; Labor Parliamentary Party, 'National Security Caucus Committee', Parliament House, Canberra, 2003; Labor Parliamentary Party, 'Status of Women Caucus Committee', Parliament House, Canberra, 2003; Labor Parliamentary Party, 'Government and Service Delivery Caucus Committee', Parliament House, Canberra, 2003.

Chart 5.3. *Factional Ratio of the Executives in the Caucus Policy Committees*

	Right	Left	Ind.
Chair	3	3	0
Deputy Chair	2	4	0
Secretary	3	1	2
Total positions	8	8	2

The ratio of Left and Right aligned members differs little among committees; the two notable exceptions are the National Security Caucus Committee and the Status of Women Caucus Committee. The latter is composed of every female Labor MP, so the 17 Left and five Right members therefore reflect the greater representation of women from the Left than the Right in parliament.¹³⁶ (Only one male is on this committee; he is non-voting and in the Right).¹³⁷ The executive is cross-factional, but is chaired by the Left, reflecting its numerical dominance. The Security Committee has 19 members from the Right, as well as two more in the executive, compared to six from the Left. The dominance of the Right in this committee reflects the fact that the Right traditionally has been more favourably disposed towards stringent national security and law enforcement policies.¹³⁸

The Standards and Economic Development Caucus Committee has the largest membership. The Independents' economic perspective is more compatible with that of the Right than the Left, and it is probable that this 'centre' faction gave the Right support when Caucus voted for the executive positions of this committee.¹³⁹ A right-leaning view dominates this committee and the Right controls the committee's agenda and priorities through the position of chairman. The Left, however, has more members on this committee than any other. The reason for this, according to Jan McLucas, is because members of the Left "want to get their head around the financial [issues] so that

¹³⁶ Bean and McAllister, 'Factions and Tendencies', p.84. Since the 1970s, there appears to be a greater interest in the Left in women issues than in the Right.

¹³⁷ In Latham, *The Latham Diaries*, p.113, Latham writes that when he attended the Status of Women Committee and he argued the disadvantages of the male gender, his idea was not supported by the committee and one member stated that it was a mistake to let men onto the committee.

¹³⁸ Bean and McAllister, 'Factions and Tendencies', p.84.

¹³⁹ Interview with Joe Ludwig, 7 August 2003; Interview with Craig Emerson, 7 July 2003; Interview with Stephen Conroy, 22 April 2004; Interview with Mark Bishop, 6 December 2004; Interview with Chris Evans, 11 August 2005. The view that the government should be less interventionist and play only a facilitative role in identifying solutions for market failures is more strongly held in the Right and the Independents than in the Left, and since the 1980s the Right has had ownership of Labor's economic policy direction.

they can then say; we have a surplus, which can be spent here or there”.¹⁴⁰ The recognition within the Left of the need to work within the framework of the prevailing economic paradigm reflects the transition of the progressive Left which occurred during the era of the Hawke–Keating Governments, as discussed in Chapter Three.

The second priority for all factions is the Social Policy and Community Development Caucus Committee. Cross-factional interest exists here because the policy committee deals with issues that are of primary importance to the electorate at large; these include health, social security, youth affairs and consumer affairs. Social policy priorities tend to be the domain of the Left and it must have gained the support of the Independents Alliance in Caucus to obtain the positions of chair and secretary.¹⁴¹

The Left dominates the executive positions of the Social and Women’s policy areas and the Right the security and economic policy areas. Although the factions are no longer ideologically pure blocs, they continue to control the policy areas that are traditionally perceived as their respective philosophical domains. The chart also shows that non-voting members place preference on the economic, social and security policy areas, reflecting the main policy concerns amongst the electorate. Specific policy areas, for instance, Rural Development, are obviously chosen according to the needs of an electorate, or in the case of Status of Women, a particular constituency.

On those occasions when a policy committee votes on an amendment, the faction with the greatest numbers is able to advance its factional position. This occurs so rarely that there is no incentive for the factions to ‘stack’ a committee. Moreover, the numbers in Caucus are critical to the final endorsement of a policy. Nonetheless, the fact that members self-elect onto the committees indicates that Caucus members do have a *desire* to influence national policy, particularly in those areas that relate to their personal, factional or electorate interests. Interrelated concerns make it difficult to determine whether members assert a view specifically dominant in their faction, especially when often no official factional position exists.

¹⁴⁰ Interview with Jan McLucas, 21 October 2003.

Conclusion

The national factions manage Caucus via their faction leaders, who are usually shadow ministers, and via convenors, who are generally backbenchers. In keeping with the analysis of the national factions in the organisational wing (Chapter Four), the internal organisation of the Caucus Left appears to be more formally structured than the Caucus Right or the Caucus Independents. The national factions provide the formal and informal communication channels throughout Caucus, as all factions are represented in the convenors' meetings with the Leader, and they also have members in every Caucus committee, the shadow cabinet and the PRC.

Policy debate in faction meetings is rare, but most members know the policy perspectives of their colleagues in their own as well as in other factions through an 'awareness of association'. This awareness means that shadow ministers are able to glean the degree of consultation necessary to ensure that their policies are endorsed in such formal forums as policy committees and Caucus. Formal and informal consultation is part of the policy development process for standard position papers as well as amendments to government legislation. For strategic reasons, however, such consultation is limited when formulating election policies.

While it would be extraordinary for a Caucus faction to impose a factional position, most members are acutely aware that their support for, or development of, policies should not provoke repudiation from their factional support in Caucus or in the organisational wing. Factional influence on members of the Independents Alliance is typically less than on members of the major factions because of the agreement that policy discussions should not be based on the need to reach a consensus. Factional influences are thus often subtle. Only when a negotiated outcome has to be enforced on members and/or when there is a factional vote in Caucus, is such influence more easily determined.

Although there is rarely a monolithic factional view on policy, there continues to be identifiable philosophical tendencies within the national factions. This is evident when examining the MP's core interests in relation to executive positions on Caucus policy

¹⁴¹ Interviews with Caucus members across the faction in December 2003; Bean and McAllister, 'Factions and Tendencies', p.84.

committees, the allocation of portfolios and anecdotal evidence provided by Caucus members. Nonetheless, while these tendencies at times dominate policy debate, most policy development is viewed through the prism of electoralism. Within the Left, specific philosophical tendencies do not correlate neatly with the two sub-factions, and this point is discussed further in Chapters Seven and Ten.

In terms of numbers, the Right and the Left are more or less equal, but because shadow cabinet solidarity applies to Caucus, and the Right generally supports shadow cabinet's decisions, the Left is usually outnumbered. Shadow cabinet solidarity also reduces any influence the Independents Alliance has on the occasions that it provides a bloc vote in Caucus on policy decisions. However, the informal and formal consultation mechanisms provide opportunities for interested members to raise their concerns regarding policy issues. When negotiations proceed in accordance with the principles of the Politics of Accommodation, the Left has the opportunity to influence policy even when it does not have the numbers in Caucus.

This chapter has provided a generalised assessment of factional influence on policy that is explored in greater depth through the case studies. Chapter Six examines the Opposition's electoral strategies, in order to gain an understanding of the political context during the 1996–2004 period in which policy development took place.

CHAPTER SIX

The National Factions and the Labor Leader's Policy Strategies

Whatever is done in opposition is essentially at the fringes. Now everyone who says that we will now move in such a way to undermine our capacity to get re-elected would be seen to be acting in a treacherous manner. Whenever you talk about changes in the leadership and the like, it's always couched in terms of the overall good ...

Labor Senator for Victoria, Shadow Minister Kim Carr 2005¹

This chapter provides a brief overview and assessment of the electoral strategies and policy issues that influenced the ALP's policy development processes during the 1996–2004 period. It provides important context for the policy case studies in Chapters Seven to Ten. Chapter Five demonstrated that faction influence on election policies was normally restricted to the decision-making forums of the Leadership group, the Policy Review Committee (PRC) and shadow cabinet. This chapter extends that analysis by exploring the election strategies that were adopted throughout the parliamentary term. The aim of this thesis is to determine to what extent and under what circumstances the national factions influence policy. Therefore, it is appropriate to examine decision-making outside the typical policy development processes, discussed in Chapters Four and Five, to determine the extent of the national factions influence on policy. To this end, this chapter explores the influence of election strategies on policy development and sequentially examines the leadership styles of each of the three Labor leaders during the 1996–2004 period: Kim Beazley, Simon Crean and Mark Latham.

The chapter examines what political commentators have labelled the 'small-target' strategy employed under Kim Beazley's leadership. It argues that the absence of a comprehensive refugee policy placed Labor in a vulnerable position during the Tampa incident, which began to unfold on 27 August 2001. As the three Leaders were all aligned to the Right, this chapter shows that in the leadership contests of 2004, both Crean and Latham needed the support of the majority of the Left. It explores the extent to which this relationship with the Left affected the policy decisions arrived at by both these Leaders. Furthermore, the chapter examines the acquiescence of the national

¹ Interview with Kim Carr, 9 August 2005

factions to the leadership styles of Beazley and Latham, and analyses the factional disunity that occurred under Crean's leadership.

This rather brief but wide-ranging discussion is conducted within the context of the policy case studies. Broader policy discussion is only entered into where this is necessary to explain the prevailing political environment and Labor's electoral policy strategy. This chapter concludes that control over election strategy concerning policy was devolved to an inner circle, and then, inexorably, to the Leader. It finds that not all factions and sub-factions were represented in the inner circle of each of the three Leaders and that their advisers were predominantly from the Right, insulating the Leader from diverse views in Caucus. Furthermore, Latham not only made unilateral strategic decisions, but also acted autonomously on policy formulation, thereby diminishing the role and influence of the Caucus factions on policy development.

Electoral Strategy and Policy under Kim Beazley's Leadership (19 March 1996 to 10 November 2001)

Chapter Five demonstrated that the national factions were represented in the policy development decision-making groups in Caucus, including being the policy committees, shadow cabinet, the PRC and the Leadership group. A Tactics Committee, in which all the Caucus factions were represented, made tactical decisions on day-to-day issues, such as the formulation of the agenda for Question Time.² However, when making strategic election decisions in relation to policy, the Leader turned to those among his closest colleagues who had previous election campaign experience.³ Kim Beazley's inner circle consisted of the Leadership group, the National Secretary, the Leader's senior staff in his own office and his most trusted supporters among his senior colleagues, including Robert Ray, Bob McMullan, Wayne Swan and Stephen Smith.⁴

² Interview with Arch Bevis, 22 November 2005. The Leader chooses who will be on the Tactics Committee and ensures that there are members from all factions. This committee, however, is not based on PR, and members are chosen based on their skills and expertise. The Caucus factions do not decide which of their members will be on the Tactics Committee.

³ Interview with Joe de Bruyn, 29 November 2004; Interview with Arch Bevis, 22 November 2005; Interview with John Faulkner, 19 May 2004; Interview with Michael Costello, 29 November 2004.

⁴ Interview with John Faulkner, 1 December 2004; Interview with Kevin Rudd, 31 July 2002; Interview with Mark Bishop, 6 December 2004; Interview with Rod Sawford, 9 August 2005; Interview with Laurie Ferguson, 1 December 2003; Interview with Arch Bevis, 22 November 2005; Annabel Crabb, *Losing it: The Inside Story of the Labor Party in Opposition*, Picador, Sydney, 2005, pp 32 & 55. This dissertation refers to the Leadership group as the four Labor parliamentary leaders. Some people interviewed,

The Right dominated this core group.⁵ Many political commentators have argued that during the 1996–2001 period, Beazley, in consultation with this inner circle, gradually adopted a ‘small-target’ strategy.⁶

The ‘small-target’ strategy did not mean that Labor failed to develop any significant policies.⁷ The delegates of the national factions endorsed substantial policies for inclusion in the Party’s platforms in 1998 and 2000. In 1998 these were reflected in *Kim Beazley’s Plan for the Nation* in which the policies were mainly directed towards reducing unemployment. In 2000 the principal policies were major reinvestment in public education and research institutions, partnership between the States and Commonwealth to improve the public health system, keeping Telstra in public hands, and ratification of the Kyoto Climate Change Protocol.⁸

however, refer to what I call the inner circle as the leadership group. I make the distinction, however, that there are times when only the four parliamentary leaders make decisions. Note also that Mark Latham’s inner circle did not include the four parliamentary leaders

⁵ The factional composition of Beazley’s inner circle was: Leader Kim Beazley and Deputy Leaders Gareth Evans (Right) 1996–98 then Crean (Right) 1998–2001; Senate Leader John Faulkner (Left) 1996–2004 and Senate Deputy Leaders Nick Sherry (Ind All) 1996–97, Peter Cook (Ind All) 1997–2001; National Secretary Gary Gray then Geoff Walsh (both Right); Wayne Swan (Right) and Stephen Smith (Right), both of whom had extensive experience in electoral strategy; and members of his senior staff such as Michael Pezullo (Right) and after 1998, his chief of staff, Michael Costello (Right).

⁶ David Marr and Marian Wilkinson, *Dark Victory*, Allen and Unwin, Crows Nest, 2003, p. 90; Lindy Edwards, *How to Argue with an Economist*, Cambridge University Press, Cambridge, 2002; Ashley Lavelle, *In the Wilderness: Federal Labor in Opposition*, PhD thesis, Griffith University, 2004; Tony Walker, ‘Labor Lifeblood Issues Command Attention’, *Financial Review*, 4 August 2000, p. 73; Dennis Shanahan, ‘Party Digs Itself Out of a Hole’, *Australian*, 4 August 2000, p. 4; Mungo MacCallum, ‘Girt by Sea: Australia, the Refugees and the Politics of Fear’, *Quarterly Essay*, Schwartz Publishing, Melbourne, 2002, p. 35; Rae Wear, ‘Political Chronicles’, *Australian Journal of Politics and History*, vol. 46, no. 2, 2000, p. 219; Rae Wear, ‘Political Chronicles’, *Australian Journal of Politics and History*, vol. 46, no. 4, 2000, p. 559; Rae Wear, ‘Political Chronicles’, *Australian Journal of Politics and History*, vol. 47, no. 2, 2001, p. 246; Peter Charlton, ‘Add Life to the Party’, *Courier Mail*, 12 August 2002, p. 11; Paul Kelly, ‘More to it than Simon or Kim’, *Australian*, 11 June 2003, p. 11; Peter Wilson (ed), *Australian Political Almanac*, Hardie Grant, Sydney, 2001, p. 86; Cheryl Kernot, *Speaking for Myself Again: Four Years with Labor and Beyond*, Harper Collins, Sydney, 2002, p. 66; Interview with Mark Bishop, 6 December 2004; Interview with Rod Sawford, 9 August 2005; Latham, *Latham Diaries*, pp. 120, 166–7 & 234

⁷ During the 2003–2005 interviews pro-Beazley supporters argued that there was no such thing as a small-target strategy while pro-Crean supporters argued strongly that there had been such a strategy. In particular during the tense period in 2003–2004, when Beazley challenged Crean for the leadership, it was noticeable that some of the informants were highly subjective in their responses to questions regarding the ‘small-target’ strategy.

⁸ Australian Labor Party, *Kim Beazley’s Plan for the Nation: Jobs, Security and Opportunity*, Barton, 1998; Dennis Glover, ‘Review of How to Argue with an Economist’, *Australian Fabian News*, vol. 43, no. 1, January–March, 2003, p. 12; Wear, ‘Political Chronicles’, vol. 47, no. 2, 2001, p. 242 states: “The centre piece of Labor’s education policy was the *Knowledge Nation Taskforce Report* chaired by former ALP president Barry Jones. According to Wear, the policy was vital in portraying that the Leader had some vision for the Party but it was labelled ‘Whitlamism’ by some critics and others complained about Jones’ ‘spaghetti diagram’ and his use of arcane terms such as ‘cadastre’”.

The 'small target' strategy perception came about because Beazley, in consultation with his inner circle, decided not to focus attention on Labor's policies in order to direct public scrutiny onto the Coalition Government's controversial and electorally unpopular GST.⁹ Mark Bishop (Right) explains that the election strategy following the 1996 Federal Election was:

to be negative in terms of changes sought to be achieved by the Government, to paint Howard as out of contact with ordinary Australians and [the Government] unnecessarily engaged in a jihad against ordinary people by taking away welfare benefits and harming institutions that protect working people. So that was the strategy and they carried that out relentlessly and mercilessly for two-and-a-half or three years.¹⁰

This strategy is exemplified by Labor's response to the 'Work for the Dole' policy introduced by the Howard Government in 1997, and discussed in detail in Chapter Ten. Beazley states that Labor's support for the policy was designed "to force the Government to argue the folly of its proposal in the public arena".¹¹ The strategic approach to policy development was thus often limited to taking a bipartisan stance on many issues and reserving details of new initiatives for the election campaign.¹²

The bipartisan approach to social security policies was also driven by Labor's need to win back the support of mainstream Australians.¹³ As highlighted in Chapter Three, the Hawke-Keating economic reforms, Keating's 'big picture' politics and the perception by mainstream Australians that government policies pandered to the needs of minority groups, lost Labor electoral support.¹⁴ In a speech in August 1996, the Shadow Treasurer, Gareth Evans, signalled the direction of Labor's tax and welfare strategies:

We have to apply our taxation and welfare strategies in a way that pays understanding and attention to the needs not only of those who are most deprived,

⁹ MacCallum, 'Girt by Sea', p 35; Marr and Wilkinson, *Dark Victory*, p 90. For details on the GST see for instance chapters five and six in Richard Eccleston, *The Thirty Year Problem: The Politics of Australian Tax Reform*, Australian Tax Research Foundation, Sydney, 2004.

¹⁰ Interview with Mark Bishop, 6 December 2004. Latham in *Latham Diaries*, pp.106 & 122-9 states that this negative approach was Beazley's strategy.

¹¹ Interview with Kim Beazley, 8 September 2005.

¹² Edwards, *How to Argue with an Economist*; Lavelle, *In the Wilderness*; Latham, *Latham Diaries*, p 145. Latham in *Latham Diaries*, pp.120-57, states on 27 March 2001: "At Caucus today Beazley gave us a guide to his election strategy. He plans to use the Charter of Budget Honesty to his advantage: by holding back the costings on his policies until halfway through the election campaign. Until then he will rely on a list of priorities with a firm implementation timetable. He hopes to win by talking up our issues and intentions pre-campaigning, but not putting out any of the details until the five weeks leading up to polling day".

¹³ Interview with Laurie Ferguson, 1 December 2003; John Warhurst and Andrew Parkin, 'The Future of the Labor Party', *The Machine*, 2000, p 20.

¹⁴ Shaun Wilson and Nick Turnbull, 'Wedge Politics and Welfare Reform in Australia', *Australian Journal of Politics and History*, vol 47, no 3, 2001, pp 384-402; Rodney Cavalier, 'An Insider on the Outside: A Personal View of Why Labor Was always going to Lose the 1996 Federal Election', *The Politics of Retribution: The 1996 Federal Election*, Clive Bean, Marian Simms, Scott Bennett and John Warhurst (eds), Allen and Unwin, St Leonards, 1997, pp 30-1.

but of those who, while by no means the most poor and disadvantaged in our society, see themselves as being passed by and relatively disadvantaged by the course of events – and who are particularly conscious of the scale of the tax and welfare benefits that have been targeted to those below them.¹⁵

During the 1996–2004 period, both the Government and the Opposition were sensitive to mainstream prejudice against those perceived to be the ‘undeserving’ poor, and this will be discussed in Chapter Ten.¹⁶ The bipartisan approach was also evident in that Beazley supported Government legislation that cut capital gains tax and increased funding to the private health sector and elite private schools.¹⁷ The policy strategy was articulated by Beazley in 2000: “There are three things on which no compromise is possible: the GST, industrial relations and the Telstra sale. On other issues sometimes we might find common ground”¹⁸ In short, the perception that this was a ‘small target’ strategy was fuelled by the sense that, except for a few issues, Labor’s policies were “fiddling at the margins rather than [proposing] sweeping reforms”.¹⁹

In the organisational wing, there was some public dissent in relation to Beazley’s election strategy from prominent members of the national factions.²⁰ Peter Botsman (Left) remembers that at the National Left’s conference in 1996, “Many of us urged policy development that continued the best ideas of the Hawke-Keating era; even then Beazley wanted no policy, only to attack when the Government made mistakes”²¹ In July 2000, John Della Bosca, a faction leader of the National Right, former New South Wales Branch Secretary and member of Labor’s National Executive, warned Beazley that Labor should discontinue the negative GST campaign and concentrate instead on developing tax policies to compensate for the effect of the GST on low income earners.

¹⁵ Speech delivered by the Hon Gareth Evans QC, Deputy Leader of the Opposition and Shadow Treasurer, *Change with Security: Revitalising the Labor Tradition*, Nambour, 3 August 1996. Latham in *Latham Diaries*, p.79, records on 18 July 1998: “No wonder Hanson is doing well. She has a galaxy of real-life grievances to work off, with both major parties doing very well to address the public’s complaints, real and perceived. There can only be two purposes to the public provision of welfare: to move people back into work and to develop their skills and self esteem. Offering incentives for an active life – lifelong learning, personal savings and the social status of work – while also demanding individual responsibility in return. If we made those reforms, plus ended the segmentation of government programs, Hanson would be stuffed”.

¹⁶ Wilson and Turnbull, ‘Wedge Politics and Welfare Reform in Australia’, p 388.

¹⁷ Marr and Wilkinson, *Dark Victory*, p 90

¹⁸ Geoffrey Barker, ‘Rejection to Recovery: 1996-2000’, *True Believers: The Story of the Federal Parliamentary Labor Party*, John Faulkner and Stuart Macintyre (eds), Allen and Unwin, Crows Nest, 2001, p 163.

¹⁹ Edwards, *How to Argue with an Economist*, p.3

²⁰ Barker, ‘Rejection to Recovery: 1996-2000’, pp 162-3.

²¹ Peter Botsman, ‘Take the Forward Path Labor’, *Australian*, 12 June 2003, p.11. Professor Peter Botsman has been the Executive Director of the Evatt Foundation and the Brisbane Institute Think Tanks, the Head of the Whitlam Institute and the Prime Ministerial Library at the University of Western Sydney, and author of the *Great Constitutional Swindle*.

His advice was ignored.²² The deficiency in policy development became manifest when Beazley's 'roll back' of the GST policy failed to specify exactly what exemptions to health, education and charities would be implemented, and whether changes to GST would translate into an increase in income tax.²³

But national issues are rarely debated in the organisational wing unless policies are being developed for the Party platform, as demonstrated in Chapter Four. The inclusive and effective negotiations between the faction leaders and Beazley in relation to the 2000 platform's trade policy are discussed in Chapter Nine. However, decisions on election strategy in relation to policy during the parliamentary term were the prerogative of the Leader and his inner group of advisers. During the 1998 and 2001 federal election campaigns, Beazley worked in conjunction with campaign teams established in the organisational wing, for which members were selected based on their expertise and campaign experience rather than factional alignment.²⁴ Decision-making by the inner circle and the campaign groups, none of which were based on proportional representation of the national factions, is not consistent with Lijphart's accommodation model. As a consequence, decisions in relation to election strategies, such as the timing of policy announcements, are not always based on accommodating the dominant view in the major factions. What these decision bodies perceive as most viable electorally can thus contrast with the view dominant in Caucus. However, policy development processes under Beazley's leadership were, to varying degrees, consistent with the Politics of Accommodation, as discussed in Chapters Four and Five, and demonstrated in the policy development case studies in Chapters Seven, Nine and Ten.

During the 1996–2001 period there was no public dissent expressed by Caucus members against Beazley's election strategy. The 1996 Federal Election had drastically reduced Labor's numbers in the House of Representatives from 79 to 49 and, because of this, Labor MPs united behind Beazley, who had been elected to the leadership with cross-factional support.²⁵ This loyalty further solidified after the 1998 Federal Election,

²² Peter Charlton, 'The Great Tax Adventure', *Howard's Race*, David Solomon (ed), HarperCollins, Sydney, p.76.

²³ Wear, 'Political Chronicles: Commonwealth of Australia', vol 46, no 2, 2000, p.219 and vol 46, no 4, 2000, p.559; Latham, *Latham Diaries*, pp 129-40.

²⁴ Interview with John Faulkner, 1 December 2004. Faulkner explains that the National Executive appoints the campaign team and members are chosen on their expertise rather than factional alliance. The national factions never disputed this because it was in everyone's interest for the Party to win the next election. Campaign committees typically consisted of National and State Secretaries, who had experience with election campaigns, and political campaign consultants such as Bruce Hawker.

²⁵ Barker, 'Rejection to Recovery: 1996-2000', p 163; Interview with Rod Sawford, 9 August 2005

when Beazley brought the Party close to an election win, increasing Labor's numbers to 67 in the House of Representatives.²⁶ However, this close result did little to encourage policy reform or change during the following parliamentary term. Claire Moore (Hard Left) sums up the sentiments which resulted in the continuation of the small-target strategy:

When we had that remarkable turn-around in '98 there was the view that all we had to do was to keep on going and it would happen next time. And it was following that model: all the polls, all the indications right up to April [2001] that year had Labor cruising to victory. And that is dangerous – if people think we are going to win it makes change difficult. Our advice was to keep on going as we were and that once in government we could put forward the plans we really wanted [to implement].²⁷

During the second term in opposition, doubts began to emerge in the minds of members in all three Caucus factions on the effectiveness of a 'small-target' strategy.²⁸ Rod Sawford, the convenor for the Independents Alliance, explains:

Kim to his credit in the [1998] election campaign performed well, but the leadership team became a very small clique from which everyone was excluded. People were not happy, but there was no 'white-anting' to the media. So it's assumed that the Party was all OK, but it was not OK, people were bloody unhappy.²⁹

Except for Mark Latham, who, after the 1998 election, "spent the next three years firing policy rockets from the back bench", Caucus members did not publicly voice their concerns about Labor's small-target strategy.³⁰

The compliance of Caucus with the decisions of the Leader and his inner-circle reflects Harold Lasswell's analysis of factions in a political party when it is in direct competition with an external opponent.³¹ In such cases, when "effective opposition appears or an opportunity arises for immediate success, factional strife [within a whole] subsides spontaneously"³² According to Dean Jaensch "voters traditionally do not support divided parties", and this is also demonstrated by Labor's history, which was

²⁶ Gerard Henderson, 'Labor's Machine Needs Oiling', *Sydney Morning Herald*, 6 October 1998, p 17. Even though Labor lost the 1998 election, under Beazley's leadership Labor attracted over fifty-one percent of the primary vote. If the swing of 4.78 had been uniform Labor would have won the election.

²⁷ Interview with Claire Moore, 27 August 2003.

²⁸ Interview with Nick Sherry, 3 December 2003; Interview with Claire Moore, 27 August 2003; Interview with Rod Sawford, 9 August 2005; Alan Ramsey, 'Beazley: Less Tucker, More Ticker', *Sydney Morning Herald*, 27 November 1999, p 49.

²⁹ Interview with Rod Sawford, 9 August 2005.

³⁰ David Nason, 'Werriwa', *Australian Political Almanac*, Peter Wilson (ed), Hardie Grant, South Yarra, 2002, p.344. Nason states: "After the election [Latham] went public, accusing Beazley of trivialising his [education] policy and treating him 'like dirt'. He refused to serve in the new shadow ministry. . . Many in Labor saw his conduct as treason and proof that he was not a team player".

³¹ Harold Lasswell, 'Factions', *Encyclopaedia of the Social Sciences*, Edwin Seligman and Alvin Johnson (eds), vol 6, MacMillan, New York, 1931, p. 50.

³² Lasswell, 'Factions', p 50.

discussed in Chapter Three.³³ The weekly meetings between the Leader and the faction convenors from all three factions, as discussed in Chapter Five, offered debate on the Leader's electoral strategy, but no such debate occurred.³⁴ A united Party had brought Labor close to winning the 1998 election, and fear of losing the next election had brought with it a compliance that militated against public dissent. To object in any way, and undermine Labor's capacity to get re-elected, Kim Carr states, would be seen as "acting in a treacherous manner".³⁵ The election strategy enjoyed the collective support of Caucus.

There is a link between Beazley's small-target strategy and the Party's inability to respond effectively to the issues that emerged from the Tampa event in August 2001, which dramatically changed the political landscape.³⁶ This link is discussed in detail in Chapter Seven, which analyses the development of refugee policy prior to the Tampa incident. What is significant for this chapter is that the Leadership group had decided in July 2001 that Labor should not launch its refugee policy, as it could have ignited a public debate on immigration issues which would subsequently detract from Labor's attack on the Government's policies.³⁷ Simon Crean, who was then a member of the Leadership group, concedes that:

³³ Dean Jaensch, *Politics of Australia*, MacMillan, South Melbourne, 1997, p 247; also argued in Dean Jaensch, *The Hawke-Keating Hijack*, Allen and Unwin, North Sydney, p.176; ALP, 'Unity Triumph: Bacon Brings it Home in Tasmania', *The ALP's National Magazine Labor Herald*, No 35, Spring 2002, p 10. Jim Bacon, the Tasmania Premier, in his 2002 victory speech, expresses the sentiment, "There is no doubt that division, disunity, is death. We have proved yet again that unity is the only way to bring the greatest successes". Abraham Lincoln stated in his House Divided Speech on 16 June 1858 "A house divided against itself cannot stand" which paraphrases a statement made by Jesus, *New Testament*, Mark 3:25, which is "If a house be divided against itself, that house cannot stand". Found on *Abraham Lincoln Online*, viewed November 2005.

³⁴ Interview with Leo McLeay, 3 December 2003; Interview with Michael Costello, 29 November 2004; Interview with Rod Sawford, 9 August 2005. Rod Sawford is one of the convenors of the Independents Alliance, who attends the weekly convenor meetings with the Party Leader. These weekly meetings are discussed in more detail in Chapter Five.

³⁵ Interview with Kim Carr, 9 August 2005.

³⁶ Interview with Kevin Rudd, 31 July 2002. Rudd argues that the real reason the Tampa event occurred at all was because over the past decade, the small 'l' liberals "had been purged from the ranks of the Liberal Party, driven out of the parliamentary Party, and in some cases driven out of the Liberal Party altogether". Factional politics in the Howard Government and their implications on policy is outside the scope of this thesis.

³⁷ The Tampa has been briefly discussed in Chapter One. The September 11 event refers to the attacks on the United States of America on Tuesday 11 September 2001. Four planes were hijacked, of which two crashed into the Twin Towers of the World Trade Centre in New York. For more detail on these events in relation to Australian politics see for example: John Warhurst and Marian Simms (eds), 2001. *The Centenary Election*, University of Queensland, St Lucia, 2002; Marr and Wilkinson, *Dark Victory*; Mary Crock and Ben Saul, *Future Seekers Refugees and the Law in Australia*, Federation Press, Annandale, 2002; Mungo MacCallum, 'Girt by Sea: Australia, The Refugees and the Politics of Fear', *Quarterly Essay*, Schwartz Publishing, Melbourne, Summer 2002.

Tampa ... shone a light on the fact that we did not have the ability to say that we had a good policy response. We got out-manoeuvred on tactics, because we did not 'sink' enough information and we were committed to backing the government.³⁸

When Prime Minister Howard linked the attacks on the World Trade Centre in New York on 11 September 2001 to 'boat-people' arriving in Australia, he fed the animosity, prejudices and fears that were apparent in the supporters of One Nation with its anti-multicultural and zero net migration policies.³⁹ Beazley's strategy to neutralise the refugee issue was simply to agree with the government and stress that Labor was just as tough on refugees as the Coalition.⁴⁰ Thus, there was no distinctive policy that could be used as a benchmark for Labor to encourage broader debate. Beazley, however, argues that: "Those who leaned towards the exclusionary policies of One Nation would have been unlikely to be persuaded otherwise by a new Labor policy announcement".⁴¹

Because Labor did not differentiate itself from the Howard Government for the first two days of the Tampa event and did not have a coherent refugee policy, it exposed itself to 'wedge' politics.⁴² The 'wedge' is well exemplified by the Tampa-related

³⁸ Interview with Simon Crean, 8 December 2004; Interview with Duncan Kerr, 10 August 2005; Interview with Con Sciacca, 10 November 2003; Bernard Lagan, *Loner Inside a Labor Tragedy*, Allen and Unwin, Crows Nest, 2005, pp 63-4; Latham, *Latham Diaries*, p.173; Kernot, *Speaking for Myself Again*, p 66 Cheryl Kernot has also argued that there were no "anticipatory policy solutions under discussion about anything" Kernot added that this was not a criticism of Sciacca, but rather, "a failure of process evident in most policy areas and a result of the small-target strategy, which discouraged talk of any detailed solutions except GST rollback". Mark Latham also believed that it was Beazley's small-target strategy that led to Labor being unprepared for Tampa. This may not have changed the 2001 election result, but it could have lessened the perception that Labor was simply agreeing with the Government and that the Party was a policy free zone.

³⁹ James Jupp, *From White Australia to Woomeroo: The Story of Australian Immigration*, Cambridge University Press, Port Melbourne, 2002, p.130; Pat Weller, *Don't tell the Prime Minister*, Scribe Publishers, Melbourne, 2002, p 8; Wear, 'Political Chronicles', *Australian Journal of Politics and History*, vol 48, no 2, 2002, p 245; Charlton, 'Tampa: The Triumph of Politics', p.79. The term boat-people is discussed in Chapter Seven. The Coalition's slogan became, "We will decide who comes to this country and the circumstances under which they come". Jupp states that this slogan derives from Pauline Hanson's maiden speech: "I should have the right to have a say in who comes into my country" The slogan was used by the Coalition in the election campaign and figured prominently in newspaper advertising, for example in the *Courier Mail* on 10 November 2001, p 16, as well as on banners at polling booths, and how to vote cards

⁴⁰ Carol Johnson, 'The 2001 Election Campaign: The Ideological Context', *2001: The Centenary Election*, p 36; Louise Dodson, Phillip Hudson and Mark Forbes, 'Beazley Vow on Refugees', *Age*, 8 November 2001, Retrieved from theage.com on 11 November 2001.

⁴¹ Interview with Kim Beazley, 8 December 2005. Labor's response during this period is discussed in great detail in Marr and Wilkinson, *Dark Victory*

⁴² Marr and Wilkinson, *Dark Victory*, pp 90-6; Wilson and Turnbull, 'Wedge Politics and Welfare Reform in Australia', p 386. According to the study by Shaun Wilson and Nick Turnbull, 'wedge politics' is the calculated political tactic aimed at using divisive social issues to gain political support, weaken opponents and strengthen control over the political agenda. This tactic is sharpened by awareness of issues and groups that attract resentment or antipathy in the wider electorate, which shows up in polling, focus groups, media monitoring and in mass communication such as talkback radio. For populist, divisive politics to count as wedge politics, another layer of political calculation must be involved: to take advantage of issues or policies that undermine the support base of a political opponent. The tactical effect is twofold: to use strategically populist measures to appeal to an opponent's political base, which then forces the opposing Party either to distance itself from unpopular causes or face political marginalisation

Border Protection Bill. On 29 August, Labor voted down the first version of the Bill, based on the principle that “Labor could not vote for a law to put all other laws aside, place lives at risk on the ocean and forbid any scrutiny by the courts”.⁴³ The Leader had made this decision not only in conjunction with the Leadership group, but also after consultation with other prominent members from the three Caucus factions. Caucus accepted the decision, despite the knowledge that the Party faced the prospect of losing up to thirty seats.⁴⁴ When Labor did not support the initial Border Protection Bill, the Party lost support from the ‘aspirational’ and working class voters, who saw it as evidence that the ALP was weak on national security, reflecting their resentment of special treatment being given to those they perceived as being ‘queue jumpers’.⁴⁵ In early September, after the issues were discussed in shadow cabinet and debated in Caucus, Labor supported the amended version of the Bill, because it now “had specific purposes within a legal framework”.⁴⁶ This accommodation infuriated some in the Caucus Left, in particular Anthony Albanese (Hard Left), and this anger was reflected in the electorate among the “tertiary educated, inner-city dwelling, middle-class”.⁴⁷ The Howard Government had successfully ‘wedged’ Labor. Beazley’s failure to adequately explain his decisions regarding the two Bills provided Howard with the opportunity to imply that Labor’s leadership was weak and inconsistent.⁴⁸

Before Tampa, some commentators believed that the Party had a reasonable chance of winning the 2001 election.⁴⁹ Inherent in the small-target strategy was that the ALP’s

⁴³ Marr and Wilkinson, *Dark Victory*, pp.95-9. For more information on the Bill, see Bill Digest no. 41, 2001-2002, Border Protection Bill 2001, Parliamentary Library, Canberra, Parliamentary website, viewed 28 August 2005; Crabb, *Losing It*, pp. 75-9.

⁴⁴ Dennis Shanahan, ‘The Third Howard Government’, *Australian Political Almanac*, Peter Wilson (ed), Hardie Grant Books, South Yarra, 2002, p. 12; Marr and Wilkinson, *Dark Victory*, pp. 95-9; Interview with John Faulkner, 1 December 2004 (Faulkner was at that time in the Leadership Group); Crabb, *Losing It*, pp. 76-81; Crabb states on p. 81: “On the following day – Thursday 23 August – the public backlash began. Labor MPs were surprised and frightened by its viciousness; most received angry and abusive calls accusing them of selling out Australian security”

⁴⁵ Crabb, *Losing It*, 72-88; Lagan, *Loner: Inside a Labor Tragedy*, p.64; Wayne Swan, (Press Release) *Swift Surgery Required on a Nation’s Cancer: Labor Party and Asylum Seekers*, 27 December 2001, p. 2. Swan states that after Beazley rejected the first Bill, “Fifty angry calls to my electorate office in the space of 90 minutes from rusted-on Labor voters – including two local branch presidents – demanding we support Howard’s bill”.

⁴⁶ Arch Bevis, generic letter to his constituents, September 2001. A similar view is found in: Interview with Arch Bevis, 22 November 2005; Crabb, *Losing It*, pp. 86-9.

⁴⁷ Peter Charlton, ‘Tampa: The Triumph of Politics’, *Howard’s Race*, David Solomon (ed), HarperCollins, Sydney, p. 83. A similar view is found in: Interview with Michael Costello, 29 November 2004; Crabb, *Losing It*, pp. 86-9.

⁴⁸ Charlton, ‘Tampa: The Triumph of Politics’, p. 79.

⁴⁹ Many commentators thought that Labor still had a good chance of winning the election before these events occurred, for instance: Interview with Luke Giribon, 17 December 2003; Interview with Arch Bevis, 22 November 2005; Marr and Wilkinson, *Dark Victory*, p. 92; Robert Manne, ‘Searching for Labor’s Lost Soul’, *Age*, 8 July 2002, p. 13; Geoff Walsh, National Secretary of the Australian Labor

major policies would not be announced until the election campaign. But the dominant border security agenda shifted the public's attention away from Labor's alternative health, education and employment policies⁵⁰ Labor lost the 2001 Federal Election because the Government outperformed it throughout the parliamentary term and because of Labor's inadequate responses to international events that occurred prior to the election on 10 November 2001.⁵¹ In the wake of the election, the divide in the broader community on refugee policy was reflected within the national factions, and the development of an electorally viable refugee policy presented a major challenge to the Labor Party under its new leader, Simon Crean.

Electoral Strategy and Policy under Simon Crean's Leadership (22 November 2001 to 2 December 2003)

Simon Crean became Labor Leader after the 2001 Federal Election. Crean states that he "believed that what was necessary was to get out of the small-target strategy; not just to oppose but to propose" policies.⁵² His leadership strategy was twofold: to make the Party more inclusive through internal rule reform, such as reducing the weighting of the union vote, and to review all of Labor's policies, excluding Telstra.⁵³ The emphasis on internal rule change, which included reforms to address branch-stacking, had the additional objective of remaking the former ACTU President's personal image from that of a union heavyweight to that of a reforming, modern, national leader.⁵⁴ Crean argues that he had an inclusive approach to policy strategy:

First of all I had a full meeting with the shadow cabinet and identified strategy. I then took it to the full shadow ministry and then had a retreat up at the Blue Mountains to talk about it, so that people could have input, [and] we could formulate [the agenda]. Then come back here, talk to the Caucus committees,

Party, *National Press Club Telstra Address Election 2001-Labor's Challenge*, 3 December 2001; Johnson, 'The 2001 Election Campaign', p.37; Warhurst and Simms, 'Introduction', 2001. *The Centenary Election*, p.2

⁵⁰ The border security agenda was compounded by the impact of 'September 11'. Interview with Leo McLeay, 3 December 2003; Latham, *Latham Diaries*, pp 119-20; Colleen Lewis and Jenny Hocking, *It's Time Again: Whitlam and Modern Labor*, Melbourne Publishing Group, Armadale, 2003, p.452.

⁵¹ Warhurst and Simms, 'Introduction', p.1; Geoffrey Banks, 'The issue that Could Split Labor', *Australian Financial Review*, 2 February 2003, p.21.

⁵² Interview with Simon Crean, 8 December 2004.

⁵³ Interview with Simon Crean, 8 December 2004; Dennis Atkins, 'Factions Shaken but Still Dealing', *Courier Mail*, 19 November 2001, p.13; Crabb, *Losing It*, p.92 (Internal Rule Reform is also discussed in Chapter Four).

⁵⁴ Interview with Arch Bevis, 14 July 2003. Simon Crean is a former ACTU President.

chairs, secretaries at a regular basis to take them through our agenda. I also took groups of backbenchers through it so people could identify what the issues were.⁵⁵

But Crean concedes that inevitably, the Leadership group made strategic decisions concerning policy and as leader, he gave it “drive and direction”.⁵⁶ His inner circle consisted of the Leadership group, his senior staff and trusted colleagues such as Martin Ferguson, leader of the Soft Left, and Craig Emerson, from the Right.⁵⁷ There were more members of the Left in Crean’s core group than in Beazley’s, and throughout his leadership Crean’s dominant support came from the Left and the Independents Alliance.⁵⁸

Crean’s objective was to “lift the primary vote” of the ALP by offering grassroots members “greater participation” in the policy development processes of the Party, “so it had potency in terms of the wider audience”.⁵⁹ Under Crean’s leadership, broad consultation occurred in the organisational wing in order to review all of Labor’s policies, but this process was dominated by debate on the controversial refugee policy, which was initially a cross-factional issue. Consequently, the refugee policy debate in the organisational wing portrayed the Party as being divided. Arguments by Party members against the refugee policy framework, which had been decided by the Leadership group, undermined Crean’s leadership, and are discussed in detail in Chapters Seven and Eight.

During 2002, many faction leaders directed their attention to the internal rule reforms, which were to be voted on at a Special Rules Conference in October 2002. There was consistent resistance against the rule reform, aimed at equalising the voting strength between the branch and union membership (the 50:50 rule), from some of the union leaders in the National Left and the National Right. Other senior Party members,

⁵⁵ Interview with Simon Crean, 8 December 2004. When interviewing Caucus members regarding Crean’s leadership the responses reflected the Beazley-Crean divide in Caucus during 2003 and 2004. For instance those who supported Beazley said that Crean consulted with hardly anyone in Caucus, while those supporting Crean said that he consulted broadly and was very inclusive. There was thus a strong bias evident in the responses from the interviewees.

⁵⁶ Interview with Simon Crean, 8 December 2004.

⁵⁷ Interview with Arch Bevis, 22 November 2005; Crabb, *Losing It*, pp.102-3. Crabb states: “Crean’s leadership position was assured by the negotiations between the senior faction leaders John Faulkner (Left) and Robert Ray (Right) in which, “Faulkner was happy to accept Crean if the deputy’s position could be taken by a left-winger and a woman – Jenny Macklin, the capable health spokeswoman who had scored numerous hits on the Government in the previous term” Deputy leader of the Senate became Stephen Conroy (Right) and the National Secretary was Tim Gartrell (Left).

⁵⁸ Bob McMullan from the Independents Alliance was given the Shadow Treasury position but after a reshuffle on 2 July 2003 this was given to Mark Latham. After that McMullan gave his support to Beazley in the leadership contests in 2003.

including Martin Ferguson, had previously advocated this particular reform.⁶⁰ Ferguson's support for the 50:50 rule was hardly surprising considering this power shift would favour the Soft Left relative to the Hard Left within the National Left, as the former had a much smaller union base than the latter. With the union vote remaining at 50 percent, this reform had no significant impact on national policy development decisions, as discussed in Chapter Four.

In addition to the conflict over the internal rule reform and the development of the refugee policy, Crean's poll rating as alternative Prime Minister was constantly low.⁶¹ Reflecting Lasswell's analysis that factionalism becomes more apparent when there is no chance of gaining power in the immediate future, under Crean's leadership Party unity deteriorated through factional squabbles in both the organisational and parliamentary wings.⁶² Many observers believed that after the controversial 2001 Federal Election it would have been more electorally prudent for Crean to have initially united the Party behind a new vision for Labor instead of concentrating on internal rule reforms which appeared to be of little consequence to the general public.⁶³

Many Party members believe that the conflicts within and between the factions are an inherent characteristic of being in opposition.⁶⁴ For example, Joseph Ludwig believes that arguments after an election are a normal part of being in opposition:

If you are in government there is a lot of responsibility to maintain a [consistent] united front, but in opposition, when we are just coming out of an election and we do not yet have a new platform, a lot of people want to express their views. If you have arguments and conflict over an issue, you sometimes get better outcomes. [And when] we need to be cohesive before the next election, we rally around, the Party always manages to do so.⁶⁵

However, in contrast to internal conflict being constrained by the belief that Labor could win the next election during Beazley's leadership, disagreements were often volatile and publicly aired during Crean's leadership. Claire Moore suggests that losing the 2001

⁵⁹ Interview with Simon Crean, 8 December 2004. This had been the position of the Soft Left since the split of the NSW Left; see Chapter Three.

⁶⁰ Lindsay Tanner, 'Labourism in Retreat', *Labor's Troubled Times*, Pluto Press in association with the Australian Fabian Society, Marrickville, NSW, 2000, p. 73.

⁶¹ Crabb, *Losing It*, p. 107; Roy Morgan Federal Polls: Findings no. 3640, no. 3637, no. 3603, found at www.roymorgan.com.

⁶² Lasswell, 'Factions', p. 50.

⁶³ Interview with Arch Bevis, 14 July 2003; Interview with George Campbell, 1 December 2003; Interview with John Hogg, 18 July 2003; Interview with Mungo McCallum, 21 May 2002; Crabb, *Losing It*, p. 104; Interview with Roger Price, 1 December 2004.

⁶⁴ This was the view of most people I interviewed; in particular, Interview with Claire Moore, 27 August 2003 and Interview with Mark Latham, 3 August 2003.

⁶⁵ Interview with Joseph Ludwig, 7 August 2003.

election and, at the same time, losing an election that Labor believed it would win, constituted a “double defeat”.⁶⁶ The disappointment that followed saw “a lot of tensions, which had festered from 1996 to 2001 come to the surface”.⁶⁷ According to Latham many of these conflicts “on issues or principle or leadership are just proxies for personality clashes that go on and are deep seated”.⁶⁸ He states that this is typical of being in opposition. In Government “you can put personalities to one side as you go to govern the country, and you are kept very busy”, while in opposition “personality clashes can be more corrosive because people bring them to the forefront of their work”.⁶⁹

The New South Wales Labor Council perceived Crean’s 50:50 rule as an attack on its power base within the NSW Right.⁷⁰ The aggressive response by a splinter grouping in the NSW Right reflects the fact that within factions there is a tendency for disputes to fester and then to erupt violently over a seemingly trivial incident.⁷¹ Since the departure of Graham Richardson in 1994, the NSW Labor Right had been in disarray over issues relating to its leadership and its status at the national level.⁷² In-fighting over responsibility for the swing against Labor in New South Wales in the 2001 Federal Election — which was twice that of the national average — exacerbated this conflict. Subsequently, internal dissent in the NSW Right spilled over to the Caucus Right. Animosity intensified when Crean, from the Victorian Right, failed to promote a

⁶⁶ Interview with Claire Moore, 27 August 2003.

⁶⁷ Interview with Mark Latham, 3 August 2003

⁶⁸ Interview with Mark Latham, 3 August 2003.

⁶⁹ Interview with Mark Latham, 3 August 2003. Nason writes in ‘Werriwa’, p.344, that “Prior to winning Werriwa in Sydney’s outer-southwestern suburbs at a 1994 by-election, [Latham] worked as a political adviser to Labor stalwarts Bob Carr and two former members for Werriwa, Gough Whitlam and John Kerin”

⁷⁰ Crabb, *Losing It*, p.100; Lewis and Hocking, *It’s Time Again*, p.456; Interview with Mark Latham, 3 August 2003; Barry Donovan, ‘Crean versus Beazley: It’s the Sydney Thing, Stupid’, *Age*, 11 June 2003, p.15; Shaun Carney, ‘The Modern Labor Tragedy’, *Age*, 26 April 2003, p.9 Carney states that: “If someone cannot be controlled, they must be done over. That is the guiding principle [of the NSW Right] Beazley was easily controlled by the NSW Right. Crean, a right-winger but also a Victorian who actually counts people such as Martin Ferguson from the left as a friend, is seen as beyond the pale”

⁷¹ Alan Beals and Bernard Siegel, *Divisiveness and Social Conflict: An Anthropological Approach*, Stanford University Press, Stanford, 1966, p.155. The conflicts in regards to the 50:50 rule have been discussed in Chapter Four. Beals and Siegel argue that: “The apparent triviality of such a large proportion of factional disputes is consistent with the idea that the conflict actually concerns the desire to compel other members of the organisation to abide by the decisions of some particular group”.

⁷² Michael Millett and Geoff Kitney, ‘With No Chief, It’s War in the Tribal Right’, *Sydney Morning Herald*, 24 October 1994, p.1 Millett and Kitney state: “To the alarm of senior member of the Keating Government, the NSW Right faction is turning it on itself, with internal clashes resulting in splinter groups. One of the three new internal groupings, which has dubbed itself ‘the Divine Right’ in self-parody, now meets regularly and appears to be working to stop the former Speaker of the House of Representatives, Mr Leo McLeay . . . becoming the faction’s senior organiser. This is creating in-fighting. The tribalism of the NSW Right which has delivered to the Government core ALP Caucus and party support is breaking down”.

candidate suggested by the NSW Right's splinter group to the front bench.⁷³ Mark Latham widened the split in the NSW Right when he attacked the NSW Labor Council secretary, John Robertson, for lobbying federal MPs to support a more compassionate refugee policy.⁷⁴

Crean implied that there was a link between the anti-Crean stance of the NSW Labor Council and the actions taken by the internal lobby group, Labor for Refugees (detailed in Chapter Eight)⁷⁵ While some unions in both the Left and the Right protested against the 50:50 rule reform at State and Territory Labor conferences, additional pressure was placed on Crean when delegates supported a Labor for Refugees' resolution. Although these were national issues to be addressed at National Conferences, they became a recurring theme at State conferences, and this public dissent served to further undermine Crean's leadership. Crean states:

The Labor for Refugees group together with the NSW Labor Council tried to introduce the refugee debate ... that was about the pressure being turned up I had to deal with not just the rules debate but also with the dissent over refugees. The people that were threatening me were the factions who felt threatened because the union's proportion was changing ... when you threaten the factional warlords you expect a bit of difficulty in return but they were just relentless in terms of typecasting this as me attacking the trade unions, which it wasn't⁷⁶

The escalating conflicts exemplify how power struggles can affect the process of policy development. Accordingly, the relationship between the NSW Labor Council and Labor for Refugees is examined in Chapter Seven. Labor for Refugees believed it had every right to address national policy issues at a State forum because of the contentious nature

⁷³ Interview with Mark Latham, 3 August 2003; Crabb, *Losing It*, pp 96-7; Donovan, 'Crean Versus Beazley: It's the Sydney Thing, Stupid'; Kate Legge, 'Crean's Mum lashes "Termites" backing Beazley', *Australian*, 13 June 2003, p.1; Matt Price, 'Simon's All Right for at Least Another Fortnight', *Australian*, 22 February 2003, p.28; Christopher Pearson, 'Is Bob Carr Federal Labor's Man Most Likely?', *Age*, 13 August 2002; Paul Kelly, 'No Guts No Glory', *Weekend Australian*, 5-6 October 2002, p.19; Tony Wright, 'The Crean Machine', *Bulletin*, 18 June 2003, p.20: "Most particularly, the man from Victoria was not prepared to bow to the long-standing impression that what the NSW Right faction asked for, the NSW Right faction got – at least, not the old style NSW Right". From these sources it was ascertained that McLeay, who was blamed for the loss of NSW seats at the 2001 Federal Election, was discontented at losing his power as leader of the NSW Right to Laurie Brereton. When Crean did not increase the front bench with members from the NSW Right but with Victorian MPs from the Right and the Left, the move was interpreted as a manifestation of tribal competition between the two states. When Crean promoted Latham back to the front bench, instead of, as proposed by Leo McLeay, Senator Steve Hutchins, the NSW Right split in its loyalties to the Victorian leader; Lasswell, 'Factions', p.50: This reflects Laswell's analysis that when the opportunities open to a faction becomes limited, members within a group take out their frustration on each other.

⁷⁴ Crabb, *Losing It*, p 101.

⁷⁵ Interview with Simon Crean, 8 December 2004.

⁷⁶ Interview with Simon Crean, 8 December 2004. Crean argues that union influence does not come "from a ratio or proportionate conference, but through consultation with the unions through ALEC". Latham in *Latham Diaries*, p 196, records on 5 July 2002: "Lunch with the NSW union secretaries in Chinatown to try and settle the recent tensions within the NSW Right. Laurie [Brereton] thought it would

of the related boat-people issues. However, Crean interpreted the protests in relation to refugee policy and the 50:50 rule reform as part of the NSW Right splinter group's strategy to challenge his leadership decisions. This internal conflict demonstrates a destructive aspect of factionalism in which "The goal is to 'bring down' the opposing side. Defeat or victory on any particular issue is far more important than the issue itself".⁷⁷ This particular power struggle was conducted within the Right rather than between the factions.

Crean was concerned that similar dissent would occur at the Special Rules National Conference held in October 2002. Consistent with Lijphart's accommodation model outlined in Chapter Two, he negotiated a deal with the National Left. Many members of the Right wanted to force an early vote on refugee policy, supporting the retention of mandatory detention, and bring the refugee policy debate to an end at the Rules Conference. If Crean could forestall this plan the National Left would, in return, support the 50:50 rule. Crean supported a compromise solution to form a committee representing all factions to review refugee policy, discussed in detail in Chapter Eight. Having negotiated the compromise, Crean expected the most prominent faction leader of the National Right, Robert Ray, to ensure the support of the Right. Ray was angered by what he considered to be a "treacherous" plan, because he was one of the faction leaders who wanted the issue to be decided at the Rules Conference.⁷⁸ However, in a spirit of accommodation, Ray put aside his personal view and in the interest of Party unity ensured the negotiated compromise became the official position of the National Right. He could not control the splinter group, which voted against the 50:50 rule, but Ray provided Crean with the numerical support he needed and the rule was overwhelmingly endorsed.⁷⁹ With the establishment of the committee, the Left was assured that development of the refugee process would continue up until the 2004 National Conference.

Even though special committees were established and a series of meetings were held to debate the contentious refugee policy, some Labor MPs argue that there was limited consultation on the platform's refugee policy in Caucus. The extent to which there was consultation with Caucus members is in itself a disputed issue and is discussed in more

be a good idea to calm things down ahead of the Special Rules Conference. Can't say it worked. They are resisting Party reform more than ever. The Labor Council is now the anti-Crean faction"

⁷⁷ Beals and Siegel, *Divisiveness and Social Conflict*, p.155.

⁷⁸ Crabb, *Losing It*, p.111

detail in Chapter Seven. Public arguments put forward by prominent Caucus figures opposing the policy's framework further undermined Crean's leadership. On 6 December 2002, after Caucus had endorsed the draft refugee policy, Carmen Lawrence ('independent' Left) resigned in protest from the front bench. Lawrence states that she could not have argued effectively for the softening of the refugee policy while confined by cabinet solidarity.⁸⁰ Lawrence publicly criticised Crean as "someone who did not stand out in a crowd", and condemned shadow cabinet for being "without direction" and "missing its heart and soul".⁸¹

Crean's consistently low standing as leader was reflected in polls throughout 2002 and 2003, and generated much frustration within the Caucus factions.⁸² Even with an increase in Labor's approval rating after his 15 May 2003 Budget Reply, Crean's personal rating was still too low to be competitive with the Prime Minister.⁸³ By June 2003, polls showed that an increasing number of Labor MPs were likely to lose their seats at the next election, leaving Labor with no seats in Queensland, nine in New South Wales, four to five in Victoria and two to three in Tasmania.⁸⁴ The prospect of losing the next election or, perhaps more to the point, losing their own seats, was the overriding reason that an increasing number of members withdrew their support from Crean.⁸⁵ There was a "mood of desperation" within Caucus, and consistent leaks to the

⁷⁹ Crabb, *Losing It*, pp.111-4

⁸⁰ Interview with Carmen Lawrence, 8 December 2004. The refugee issue increased Lawrence's profile and in a direct election in 2002, Lawrence, Barry Jones and Warren Mundine were elected to the presidential triumvirate. Each would be president for the period of one year.

⁸¹ Karen Middleton and Melissa Stevens, 'Lawrence Quits', *Australian Business Intelligence*, 6 December 2002, p 15; Steve Lewis and Megan Saunders, 'Lawrence Overboard on Refugees', *Australian*, 6 December 2002, p.1.

⁸² Crabb, *Losing It*, p 107; Roy Morgan Federal Polls: Findings no. 3640, no. 3637, no. 3603, found at www.roymorgan.com; Robert Manne, 'Beazley Could Defeat Howard', *Age*, 5 May 2003, p 13. Manne argues that Opposition leaders are limited to portraying their personality through the television medium, and that Crean does not come across as an interesting or charismatic character; Phillip Adams, 'Maintain that Rage', *Australian*, 20 July 2004, p 15. Adams states that Crean "hadn't an iota of charisma".

⁸³ Steve Lewis and Misha Schubert, 'Crean Pins Hopes on Medicare', *Australasian Business Intelligence*, 16 May 2003, p 1; Mike Secombe, 'His Policies are Now Winning Hearts, So Why Can't He?', *Australian*, 20 May 2003, p.6; Michael Gordon, 'Crean Finally gets Some Good News', *Age*, 20 May 2003, p.4; Mike Steketee, 'Right Hand Man', *Weekend Australian*, 5-6 July 2003, p 19; Louise Dodson, 'Labor is Sick: Crean's Woes are Just a Symptom', *Age*, 13 June 2003, p 13. Crean outlined what commentators called a "credible" Medicare policy which included a \$A1.9 billion plan to encourage bulk billing over the next four years. The bonuses for General Practitioners meeting bulk billing targets had won over the support of doctors and would be funded from the plan to reverse the Government's policy of giving corporations \$A300 million in tax breaks. Crean also criticised the Government's plans to reform higher education funding and said Labor would make tertiary education more affordable and provide more funding for places at university. He also proposed a return to arbitration by the Industrial Relations Commission and a national water project to restore the Murray River.

⁸⁴ Michael Costello, 'Beautiful Set of Numbers', *Australian*, 13 June 2003, p 13. No polls had been taken in the Northern Territory or the ACT and he was not told the South Australian numbers; Kelly, 'More To It Than Simon or Kim'.

⁸⁵ Interview with Wayne Swan, 23 March 2005; Interview with John Hogg, 4 May 2004.

media served to further undermine Crean's leadership.⁸⁶ A dispute over Party rules in Victoria, during which Crean's State colleague, Deputy Leader of the Senate Stephen Conroy, failed to support him, led to destabilisation within Crean's own inner circle.⁸⁷

Crean also gave the appearance of being a weak and indecisive Leader when Labor was unable to present a firm and united position on the war in Iraq.⁸⁸ Generally, members in the Hard Left believed that this was not a "justifiable war".⁸⁹ Some in the Right supported US unilateral action, but the majority of the Right, Left and the Independents Alliance agreed that Labor should only approve of a war conducted under United Nations' sponsorship.⁹⁰ Considering that Crean's support in Caucus came mainly from members of the Left, it was critical that he maintained their confidence in relation to this sensitive issue. The fact that Crean had to contend with countervailing views from within the factions and in the community at large explains why he had difficulty articulating a strong policy position. His statement that Australia's foreign policy should not be a "pale shadow of America's" was hardly a distinct policy, yet it was widely interpreted as being anti-American.⁹¹ Crean's stance was publicly criticised by members of the Party and this served to exacerbate the perception that he was a weak leader. The Shadow Treasurer, Mark Latham, argued that Crean's position was "heavily qualified by a series of caveats":

I've never seen policy-making by caveats before – it's the political equivalent of water torture. Simon has come back from his trip to the US with yet another: we might support an American invasion that is not sanctioned by the United Nations if

⁸⁶ Matt Price and Steve Lewis, 'Belaboured by Leadership', *Weekend Australian*, 19-20 April 2003, p.17; Ross Fitzgerald, 'Two good Reasons for a New Labor Leader', *Courier Mail*, 21 November 2002, p 15; Craig Emerson, 'Labor Party Must Not Out-Lib the Liberals', *Courier Mail*, 21 November 2002, p 11; Brad Norington, 'Crean's Labor Hits 100-year Low', *Sydney Morning Herald*, 5 May 2003, p 2; Price, 'Simon's All Right for at Least another Fortnight'; Glenn Milne, 'Party Line Rings Down on Crean Era', *Australian*, 3 March 2003, p 19. Caucus was now publicly divided as the media speculated on possible contenders for the leadership: Wayne Swan, Kevin Rudd, Craig Emerson, Stephen Smith, Lindsay Tanner and Mark Latham. These speculations became largely irrelevant when Beazley announced he wanted to lead Labor again. His supporters argued that he had campaigned well in the 2001 election and saved Labor from a landslide defeat. Polls in May 2003 indicated that fifty-four percent of voters would prefer Kim Beazley to Crean who then rated 11 percent. It was even reported that some branch members were wearing a badge that read 'ABC' (Anyone But Crean). The Beazley supporters soon became known as 'B3': the Bring Back Beazley group.

⁸⁷ Lagan, *Loner*, p.199; Dennis Atkins, 'Labor Officers Embroiled in Public Stoush', *Courier Mail*, 23 September 2003, p 4.

⁸⁸ Latham, *Latham Diaries*, p.208. In January 2003, Australia became part of an US-led coalition to invade Iraq on the presumption that it had an active and growing weapons of mass destruction program.

⁸⁹ Interview with Claire Moore, 27 August 2003

⁹⁰ Interview with Caucus members, across the factions, December 2003; Canberra Times, 'Splinter ALP Group Says No to Attack', 7 February 2003, p 13; Gay Alcorn, 'Labor MPs Declare Opposition to War', *Age*, 6 February 2003 p 4; Interview with Leo McLeay, 3 December 2003. It is important to note the exception when making statements regarding policy positions. Leo McLeay from the NSW Right was opposed to the war in Iraq and stated this publicly in the House of Representatives.

⁹¹ Tony Parkinson, 'Crean not Convinced on Iraqi Strike', *Age*, 23 April 2002

the majority of Security Council members vote to invade but one of the permanent members exercises a veto. Try selling that jumble of words in western Sydney.⁹²

Latham further inflamed the policy issue by verbally attacking the US President, George Bush.⁹³

In June 2003, Beazley challenged Crean and an intense and well-publicised leadership contest developed.⁹⁴ As both men were from the Right, the decision of who to vote for was not based on factional alliance but on a variety of issues including friendships and State loyalties. In addition, electoralism and policy development were interrelated considerations for Caucus. Crean campaigned on his 'broad policy' approach in contrast to Beazley's 'small-target' strategy.⁹⁵ Beazley emphasised his personal approval rating as evidence that he would be able to lead Labor into office, and his supporters cited the polls in marginal seats to argue that Labor could not win the next election under Crean's leadership.⁹⁶ A majority of women in Caucus (25 out of 31) backed Crean, as they thought he was much more in touch with women's issues than Beazley. Their votes reflected the support that Crean had cultivated in the Left, as the majority of female MPs were in the Left.⁹⁷ While the Independents Alliance voted for Crean as a bloc, both the Left and the Right were split on the leadership ballot.⁹⁸ The majority of the faction leaders in Caucus supported Beazley; only John Faulkner ('independent' Left) and Martin Ferguson (Soft Left) supported Crean.⁹⁹ Despite not gaining the dominant vote of the faction leaders, Crean won the ballot (58-34).¹⁰⁰ However, over the next six months, polls continued to show Crean's low personal popularity in the electorate.

⁹² Latham, *Latham Diaries*, pp.210-11.

⁹³ Crabb, *Losing It*, pp.117-19.

⁹⁴ Steve Lewis, 'Beazley ALP's Best Bet', *Australian*, 6 May 2003, p.1. With former Labor prime ministers and a range of union leaders publicly declaring their support for either candidate, there were also rumours that some Labor MPs from Victoria were concerned about possible threats to their preselection if they deserted Crean for Beazley.

⁹⁵ Maxine McKew, 'Beazley's Bullseye', *Bulletin*, 23 April 2003; Paul Kelly, 'Labor's Got to be Resolute and Bold', *Australian*, 18 June 2003, p.11. Supporters of Crean argued that Beazley lacked "policy boldness" and that, under Beazley, Labor had been "running on empty for years when it comes to clear policy alternatives".

⁹⁶ Chris Schacht, 'Policy Reform Next for Crean', *Australian*, 17 June 2003, p.13; Dennis Shanahan, 'Labor's feels its Train Wreck looming in Marginal Seats', *Australian*, 27 June 2003, p.11; Lagan, *Loner*, p.25.

⁹⁷ Crabb, *Losing It*, p.169.

⁹⁸ Interview with Gavan O'Connor, 11 August 2005; Interview with Rod Sawford, 9 August 2005. Sawford states that the Independents Alliance has "annoyed powerful groups in the Left and the Right, particularly over the leadership, they are really aggro that we actually determine the leadership, we determine it, and there is a feeling among people in the Left and Right that they want to eliminate the group".

⁹⁹ Schacht, 'Policy Reform Next for Crean'.

¹⁰⁰ Interview with Simon Crean, 8 December 2004; Mike Riley and Tom Allard, 'Triumphant Crean cranks up the policies', *Sydney Morning Herald*, 17 June 2003, p.1. Riley and Allard state that Crean won the ballot with the greatest margin of any of Labor's previous leadership.

Consequently, Ray (Right) and Crean's previous supporters, Faulkner and Ferguson (Left), confronted the Leader, informing him that his support was diminishing in the major factions. Crean resigned from his position on 27 November 2003.¹⁰¹

As Shadow Treasurer, Mark Latham was positioned as a significant leadership contender.¹⁰² On 2 December 2003, Caucus had to choose between Latham and Beazley. In addition to personal loyalties, electoral considerations such as the marketing of policy and policy direction, particularly in relation to refugee policy, were prime considerations for Caucus members.¹⁰³ As Lindsay Tanner explains:

People [in Caucus] were making the decision based on marketing capacity, which is code for who is best to win the election. And secondly [consideration was given to] where that person is likely to take the Party in policy terms. The Party leader does not have dictatorial power on those issues but has enormous influence on the policy direction of the Party. These two things would have been the dominant factors in people's decisions.¹⁰⁴

For some, the refugee policy was a prime matter for consideration, and many of those who argued for a softening of refugee policy supported Beazley.¹⁰⁵ Those who voted for Latham believed he would invigorate policy debate, as he had developed a reputation as a man of policy ideas.¹⁰⁶ In addition, Latham's perceived capacity to cut through public antipathy towards politicians to deliver his policy message was seen as a significant asset.¹⁰⁷ Latham also lobbied for support based on his view that the Beazley

¹⁰¹ Lagan, *Loner*, pp 21-3; Crabb, *Losing It*, p.159; Steve Lewis, 'Desperation set Stage for Final Act', *Australian*, 28 November 2003, pp 1-2; Dennis Shanahan, 'Crean slips Back to a Record Low', *Australian*, 16 September 2003, p 1; Brad Norington, 'Come On, Old Chum, It's Finally Time to Go', *Sydney Morning Herald*, 28 November 2003, p 7; Dennis Shanahan and Steve Lewis, 'Our Truth Hurts Labor Leader', *Australian*, 17 September 2003, p 4. Sixteen percent approval rating was the lowest on record for any Opposition leader.

¹⁰² Lagan, *Loner*, pp.31-2.

¹⁰³ Interview with Kelvin Thomson, 1 December 2003; Interview with Lindsay Tanner, 4 December 2004; Interview with Daryl Melham, 4 December 2003; Interview with Bob McMullan, 2 December 2003; Interview with Simon Crean, 8 December 2004; Interview with Gavan O'Connor, 11 August 2005

¹⁰⁴ Interview with Lindsay Tanner, 4 December 2003

¹⁰⁵ Interview with George Campbell, 1 December 2003; Interview with Lindsay Tanner, 4 December 2003; Interview with Laurie Ferguson, 1 December 2003. For instance, Leo McLeay (Right) and Carmen Lawrence (Left) who had been arguing for the softening of the refugee policy supported Beazley. That Caucus members were well aware of Latham's belief in a very tough refugee policy is argued consistently in Crabb, *Losing It*, pp 67, 68, 101, 102, 185-9.

¹⁰⁶ Mark Latham's works include: 'Social Inclusiveness in an Open Economy', *Labor Essays*, Gary Jungwirth (ed), Pluto Press, Annandale, 1997; *What Did You Learn Today?: Creating an Education Revolution*, Allen and Unwin, Crows Nest, 2001; *The Enabling State, People Before Bureaucracy*, Peter Botsman (co-ed), Pluto Press, Annandale, 2001; *From the Suburbs: Building a Nation from our Neighbourhood*, Pluto Press, Annandale, 2003; *Reviving Labor's Agenda: A Program for Local Reform*, Pluto Press, Leichhardt, 1990; *Social Capital: The Individual, Civil Society And The State* (co-author), Centre for Independent Studies, Allen and Unwin, St Leonards, 1997; *Civilising Global Capital: New Thinking for Australian Labor*, Allen and Unwin, St Leonards, 1998.

¹⁰⁷ Interview with Annette Ellis, 8 December 2003; Crabb, *Losing It*, p 26; Paul Kelly, 'Latham Unleashed', *Weekend Australian*, 2-3 August 2003, p 20. In contrast to Crean's inability to promote Labor policies successfully, Latham's ability with the media was seen as a significant asset. Latham, as a backbencher and as Shadow Treasurer had consistently advocated new policy ideas. For instance, as

camp should not be rewarded for relentlessly undermining Crean's leadership.¹⁰⁸ While there were a variety of issues for the members to consider, ultimately, electoralism was the deciding factor. Those who were undecided were swayed by the argument that a narrow win for Beazley would have put into question his leadership authority, while a marginal win for Latham could be interpreted as a vote for a new direction.¹⁰⁹

Hence, the Left and the Right were again split on the leadership vote, while the Independents Alliance, except for Bob McMullan, voted for Latham. Again the majority of the faction leaders voted for Beazley.¹¹⁰ The faction elite appeared to have had no confidence in either Crean or Latham as Party Leader.¹¹¹ While both candidates received cross-factional support, on 2 December 2004 Latham was elected Leader by a margin of two votes.

Electoral Strategy and Policy under Mark Latham's Leadership (2 December 2003 – 18 January 2005)

In light of his attacks on Kim Beazley's small-target policy approach, it is ironic that Mark Latham's electoral strategy leading up to and during the 2004 election campaign was to not challenge the Coalition Government on economic management.¹¹² Latham

treasurer spokesperson he floated the idea of a "nest egg" scheme. The "youth equivalent to superannuation" which would begin with a government allocation to every child at \$500 at birth, with further funding from government at different stages, which would encourage families to also add to the account. The aim was to deliver an 18-year-old an investment asset of about \$10,000 that could be used for a limited range of purposes, including education and home ownership. Such a scheme demonstrates Latham's philosophy that property ownership rather than income and welfare will contribute to a fairer and equitable society.

¹⁰⁸ Latham, *Latham Diaries*, p.248; Crabb, *Losing It*, pp.165 & 168. Crabb states: "Beazley declined the offer of a bloodless victory" offered by John Faulkner. The compromise was for Beazley to take the leadership uncontested on the condition that Latham was retained as shadow treasurer. Latham supporters talked up the point that Beazley refused to guarantee amnesty to Latham in his position as shadow treasurer and that Beazley would give the position to one of his own supporters.

¹⁰⁹ Interview with Laurie Ferguson, 1 December 2003; Latham, *Latham Diaries*, p. 248.

¹¹⁰ Interview with Simon Crean, 8 December 2004; Crabb, *Losing It*, pp.166 & 176; Latham, *Latham Diaries*, pp.248-9. The only faction leaders backing Latham were John Faulkner (Left), Laurie Brereton (Right) and Kim Carr (Hard Left).

¹¹¹ Bob McMullan had been demoted by Crean in 2003. Interview with Simon Crean, 8 December 2004; Crabb, *Losing It*, p.166 and Latham, *Latham Diaries*, p.250. According to Crabb and Latham, votes for Beazley came from faction leaders: Ray, Conroy, Hutchins, McLeay, Ludwig, Sciacca, Griffin, Bishop, McLeay, Swan, Smith (all Right), McMullan (Independents), Albanese, Campbell (Hard Left) and Martin and Laurie Ferguson (Soft Left).

¹¹² David Nason, 'Werriwa', *Australian Political Almanac*, p.344; Interview with Mark Latham, 3 August 2003; Lagan, *Loner*; Latham, *Latham Diaries*, p.109. In July 1999 Latham wrote in criticism of Beazley that "There is no way of skating through our credibility problems. That's how we got into trouble in the first place, with Beazley's black hole and the public fear that interest rates will increase under Labor. We need a hard bastard like Peter Walsh to give us fiscal grunt and credibility". On 11 September 2003 he

made this decision unilaterally and, apparently, contrary to consistent advice from his campaign team in the organisational wing, which had been established as early as May 2004. Central members in the campaign team, Tim Gartrell (Left), Mike Kaiser (Right) and public affairs consultant Bruce Hawker, had developed several strategies to counter the Coalition's mantra that Labor could not be trusted to keep interest rates down, but these were ignored by Latham.¹¹³ Latham's rationale was that the economy "is Howard's battlefield, I am not going to sit there and get blown away until election day"¹¹⁴ In his Diaries, Latham wrote on 7 January 2004: "We need mobility: we have to shift the agenda to our social policy and strengths and get out of Howard's firing line on the economy and national security. If we campaign on his strengths we will get a Crean-like result"¹¹⁵

The fact that Labor had to install a new Leader only ten months before an election meant that nearly the entire period of Latham's leadership resembled a lengthy election campaign. Federal election campaigns are 'presidential' in nature and practice; to the public it often appears to be a contest solely between the Prime Minister and the Leader of the Opposition. The general public is interested in the Leader's beliefs and values, how he operates and what sort of leadership he provides. Subsequently, much of the control devolves to the Leader.¹¹⁶ To Latham the election year was a "one-man war"¹¹⁷ Latham's core group consisted of Tim Gartrell (Left), John Faulkner (Left), Laurie Brereton (Right), and senior staff, which Latham called "a sounding board"

wrote in his Diaries "A crippling catch-22. If we talk about the success of our economic model, people associate the success with Howard/Costello. If we talk about the Hawke/Keating legacy, people associate it with high interest rates".

¹¹³ Dennis Atkins, 'Lost in a Black Hole', *Courier Mail*, 16 October 2004, p.37; Lagan, *Loner*, pp 154-220. Latham in *Latham Diaries*, pp 336-341 & 379, argues the campaign team did not effectively handle strategic advertising, and that the findings of the John Utting/UMR Research Report had only mentioned interest rates once, "and that was in the context of one of Howard's positives". Latham does state that: "In hindsight, what we needed was a mini-campaign on economy policy mid-year ... I should have surprised the Government with mortgage tax relief, blunting the interest rate scare" Latham further states on pp.385-6: "By the time of the campaign, we had assembled economic policies in the key areas of Howard Government neglect. Just look at my speech at the National Press Club on 6 October: financial relief for families, comprehensive tax relief, income splitting (for the first time in Australia), major welfare-to-work incentives, our Budget Pledge for leaner government, \$27 billion in budget savings on top of the tough PBS decision in June, skills investment, the Youth Guarantee, our mature-age workers' plan, BAS simplification, an sweeping trade practices reform". (Bruce Hawker, is the Director of Hawker Britton: Public Affairs Solutions).

¹¹⁴ Lagan, *Loner*, p 92.

¹¹⁵ Latham, *Latham Diaries*, p 262

¹¹⁶ Interview with John Faulkner, 1 December 2004; Ian McAllister, 'Political Behaviour', *Government Politics Power and Policy in Australia* (6th edn) Dennis Woodward, Andrew Parkin and John Summers (eds), Longman, South Melbourne, 1997, p.262.

¹¹⁷ Latham, *Latham Diaries*, p.281.

rather than an advisory group.¹¹⁸ This particular core group was unusual in that it did not include all the members of the Leadership group. Subsequently, the PRC, which was represented by all factions, was charged not only with the costing of the election policies but also with assisting Latham to make strategic decisions.¹¹⁹ It soon became apparent that Latham would take little advice from those around him, including his staff and members on the PRC.¹²⁰ While Latham relied at times on Brereton and Faulkner for political advice, “the counsel he most valued was his own”.¹²¹ According to Annabel Crabb, Latham told his chief of staff: “I don’t need a political adviser. I am the political adviser”.¹²² Subsequently, Latham, even more than Beazley, limited opportunities for broader debate on election strategies.

Latham had developed his election strategy even before consulting with his core group of advisers.¹²³ His plan was to put forward policies, large and small, dealing with social value issues aimed at addressing the concerns of the average Australian family.¹²⁴ Many of these policies were based on Third Way politics, which argues that there are many issues in society that cannot be viewed from either a Left or a Right ideological perspective and therefore need to be dealt with in a ‘third way’.¹²⁵ The economy would be addressed with policies underpinned by the theme of “prosperity with a sound social purpose”.¹²⁶ These policies would be based on the basic principles of ‘Third Way’ politics, which are “equal opportunity, personal responsibility and the mobilising of

¹¹⁸ Latham, *Latham Diaries*, p 262 and on p 150 Latham states that his return to the front bench in 2001 was due to the “support of Crean and Laurie Brereton, with whom I have forged a close alliance after our earlier differences on East Timor. Laurie had retired from the frontbench and became an influential figure on the backbench”.

¹¹⁹ Interview with John Faulkner, 1 December 2004. The PRC under Latham’s leadership consisted of the four parliamentary leaders (two Right, two Left), Shadow Treasurer Simon Crean (Right), Shadow Finance Minister Bob McMullan (Ind All), other senior shadow ministers Wayne Swan (Right) and Martin Ferguson (Left), National Secretary Tim Gartrell (Left) and the Leader’s Chief of Staff (Right).

¹²⁰ Lagan, *Loner: Crabb, Losing It*, p 230; Interview with Michael Costello, 29 November 2004; Interview with Mark Bishop, 6 December 2004.

¹²¹ Crabb, *Losing It*, p.182

¹²² Crabb, *Losing It*, p.183.

¹²³ Latham, *Latham Diaries*, p.262.

¹²⁴ Latham, *Latham Diaries*, pp.262-3; Lagan, *Loner*, pp. 93 & 97-100. Latham in *Latham Diaries*, p 268 states that: “The people themselves want more society, a new sense of belonging, a new set of social relationships”

¹²⁵ Mark Latham, ‘In Defence of the Third Way’, *Left Directions: Is There a Third Way?*, Paul Nursey-Bray and Carol Lee Bacchi (eds), University of Western Australia Press, Crawley, 2001. See also his books mentioned above in footnote 84. ‘In Defence of the Third Way’ Latham wrote: “the basis of the third way project is the belief that a strong economy and a strong society are mutually reinforcing. Not only that, but in the values and ideals of the third way, they also make good politics. ... The third way takes the left’s lasting principles – concerning the fairness and decency of our society- and applies them to the circumstances of our time: the massive challenges posed to social democracy by globalisation, the information revolution and the changing nature of work, welfare and social solidarity”

¹²⁶ Latham, ‘In Defence of the Third Way’.

citizens and communities”¹²⁷ As will be briefly discussed in Chapter Ten, Labor developed social security policy within this philosophical framework in the late 1980s, and, as Chapter Ten demonstrates, all Labor Leaders during the 1996–2004 period continued this approach in the area of social policy. So, although the Third Way approach was not unique, Latham’s leadership style in applying this approach to broader policy issues was novel.

Latham placed high importance on micro-politics through his ‘community-based’ policies, which reflected the Third Way strategies employed successfully by American political strategist Dick Morris.¹²⁸ Some of these community policies, such as parenting classes for those with children belonging to teenage gangs, provided simplistic solutions to complex social problems.¹²⁹ Some of these populist community-based policies, such as the ‘reading for children’ program, were endorsed at the 2004 National Conferences and some were discussed within the formal mechanisms of the policy development processes in Caucus, but others were simply announced by Latham and only afterwards ratified by Caucus.¹³⁰ As Trish Crossin sums up, Caucus accepted that these community policies were “just one of those things he wanted to do”.¹³¹

Although there were Caucus members who did not agree with Latham’s tactics and were unimpressed that there had been no consultation with Caucus over policy direction, factional dissent was muted, as polls showed the policies were popular with

¹²⁷ Latham, *Latham Diaries*, p 261; Anthony Giddens, *The Third Way and Its Critics*, Blackwell, Malden, 2000, p.2

¹²⁸ Dick Morris is the American political strategist who steered Bill Clinton into the governorship of Arkansas, and then into his second term in the White House. Morris has argued that American voters have become more concerned about social problems than the economy. See for instance: Dick Morris, *The New Prince. Machiavelli Updated for the Twentieth Century*, St Martin’s Press, New York, 2000. Latham, in *Latham Diaries*, pp 96-7, states that he met Morris in January 1999: “We also talked about the Third Way and the triangulation of policy. [Dick Morris] sees it as a spin-off from Hegel’s dialectic interpretation of history – out of two conflicting positions a synthesis or settlement emerges”. Barry Donovan, *Mark Latham the Circuit Breaker*, The Five Mile Press, Rowville, Victoria, 2004, p.102; Michael Duffy, *Latham and Abbott: The Lives and Rivalry of the Two Finest Politicians of their Generation*, Random House, Milsons Point, NSW, 2004, p 180; Interview with Simon Crean, 8 December 2004. Crean refers to Latham’s community-based policies as “interventionist”.

¹²⁹ Steve Lewis, ‘Parents Face Cane with ALP’, *Australian*, 27 January 2004, p.2; Steve Lewis and David Uren, ‘Latham’s Study for Dole Plan’, *Australian*, 14 May 2004, p.1; Samantha Maiden and Elizabeth Colman, ‘Latham’s Code Plan to Beat School Bullies’, *Weekend Australian*, 27-28 March 2004, p.7; Rebecca DiGirolamo, ‘Latham to Head Off Problem Gambling at the AIM’, *Australian*, 28 July 2004, p.2. Some of the other policies were: a reading to children program; a study program for unemployed youth; a ‘code of behaviour’ plan to beat school bullies; and banning of the advertising of junk-food in children’s television time-slots

¹³⁰ Interview with Trish Crossin, 2 December 2004; Interview with John Hogg, 3 February 2006

¹³¹ Interview with Trish Crossin, 2 December 2004.

the general public.¹³² Because Latham's leadership period was predominantly in an election year, unqualified support for the Leader was seen as being vital to electoral success. This autocratic style of Leadership did not extend to platform policies, although shadow ministers had to ensure that the platform complemented the Leader's policy agenda, as demonstrated in Chapters Eight and Nine.

Part of the Third Way framework is the reform of government and state, which includes addressing increasing public apathy to politics.¹³³ Latham believed that this apathy stemmed from the different opportunities available to the 'insiders and outsiders'.¹³⁴ In the first week of the parliamentary sitting in 2004, Latham announced that if elected, Labor would close down the existing Commonwealth Parliamentary Superannuation Scheme from 2007 and replace it with one more reflective of community standards.¹³⁵ The idea originally came from the Shadow Minister for Retirement Incomes and Savings, Nick Sherry (Independents Alliance), who had proposed the plan to Crean in 2003. Latham had made the decision "to polish up the plan" and the Leadership group, with the exception of Stephen Conroy, supported it.¹³⁶ Latham "won grudging approval" from shadow cabinet, but announced the policy before it was tabled in, and ratified by, Caucus.¹³⁷ The proposal was immediately popular with voters and Prime Minister Howard was forced to adopt essentially the same policy, which the Government then implemented immediately following the 2004 election.¹³⁸ The strategy behind this policy, as Annabel Crabb sums up, was "pure Latham – populist, unexpected, attention-grabbing and able economically to be explained in a headline".¹³⁹

¹³² Interview with Irish Crossin, 2 December 2004; Lagan, *Loner*; Crabb, *Losing It*, p 230; Morgan Polls: Findings no. 3714, 14 February 2004; Findings no. 3731, 25 April 2004.

¹³³ Latham, 'In Defence of the Third Way', p.20; Giddens, *The Third Way and Its Critics*, Blackwell, Malden, 2000

¹³⁴ Mark Latham, *The Culture War: The 2002 Menzies Lecture*, Menzies Centre for Australian Studies, King's College London, 17 September 2002; Latham, 'In Defence of the Third Way', p.15.

¹³⁵ In Latham, *Latham Diaries*, p.266.

¹³⁶ Interview with Simon Crean, 8 December 2004; Lagan, *Loner*, p.69; Latham in *Latham Diaries*, p 266, states: "I'm going to roll this parliamentary super bomb down the aisle and watch the Club panic. Crean and [Nick] Sherry were going to do it last year – close the scheme to new entrants and put new MPs on the community standard – but then Simon got pole-axed"

¹³⁷ Interview with John Hogg, 3 February 2006; Crabb, *Losing It*, pp.196-7

¹³⁸ Steve Lewis and Dennis Shanahan, 'PM Bows to Latham on Super', *Australian*, 13 February 2004, p.1. 'The Australian Democrats yesterday revealed they would introduce a private member's Bill to cut MPs' superannuation subsidies by up to a sixth of their present value to bring them closer in line with community standard nine percent employer contribution. Labor policy was also said to paper back the retired judges and former governors-general taxpayer-funded pensions. By being proactive Latham wedged the parliamentary Liberal Party as it did not have a party position on that issue'.

¹³⁹ Crabb, *Losing It*, p 196.

In February 2004, Latham made a blunt statement that Labor would not support the Free Trade Agreement (FTA) between Australia and the United States if the Agreement did not benefit Australia's sugar growers.¹⁴⁰ By adopting this stance Latham finally earned some credit within the National Left which, generally, were disenchanted with Latham's views on refugee policy, his references to welfare recipients as 'slackers' and his pro-market economy line.¹⁴¹ However, this unilateral decision was made despite the fact that the Leadership group and the shadow ministry had previously made the decision to pass the legislation in the Lower House and have a committee inquiry into the FTA in the Upper House (this is discussed in Chapter Nine). Because the Government had promoted the FTA as an adjunct to Australia's security arrangements with the United States, and because Latham as Shadow Treasurer had previously argued against the war in Iraq, his position was perceived as being opposed to the US alliance.¹⁴² Latham's anti-American profile was further exacerbated when in April 2004 he made a unilateral decision, against the advice of the Shadow Minister for Foreign Affairs, Kevin Rudd, that a Labor Government would bring the Australian troops home from Iraq by Christmas.¹⁴³ Latham believed that this policy and his stance against the FTA would be popular; however, polls indicated that these decisions made him appear as a weak alternative national leader.¹⁴⁴

Conflicting views over the extent to which Labor should support the FTA had split the Party, and the Government exploited both this division and Latham's perceived anti-US stance.¹⁴⁵ While the majority in the Right and Independents Alliance wanted Latham to support the FTA, the Left was firmly against the Agreement. As with Beazley's position during the Tampa event, Latham was placed in a 'no-win' situation. If Latham

¹⁴⁰ Dennis Shanahan, 'Early Warnings for Latham to be Leader of the Band', *Australian*, 13 February 2004, p.15.

¹⁴¹ Crabb, *Losing It*, pp.189-90; Dennis Shanahan, 'Labor's "Soft Target" Dilemma', *Weekend Australian*, 17-18 July 2004, p.1; Matthew Denholm, 'Left attacks "Labor Elites" over Trade Deal', *Daily Telegraph*, 29 July 2004, p.2; Alan Kohler, 'Deadly FTA abyss found in areas to Latham's Left', *Age*, 4 August 2004, p.1.

¹⁴² See for example: Dennis Atkins, 'Internal Dilemma for Labor over Trade Deal', *Courier Mail*, 26 June 2004, p.27; Lagan, *Loner*, p.89. Latham was perceived as anti-American since he stated as Shadow Treasurer that the US President George Bush was "the most incompetent and dangerous president in living memory".

¹⁴³ Lagan, *Loner*, pp.73-89; Latham, *Latham Diaries*, pp.276-77; Interview with Leo McLeay, 3 December 2003. McLeay (Right) argued that the policy sounded like a left-wing slogan and was far too simple for such a complex policy issue.

¹⁴⁴ Glen Milne, 'Change of Tactics in Iraq Poses a New Question for Voters', *Australian*, 12 April 2004, p.7; Morgan Polls, Findings no. 3726, 2 April 2004; Findings no. 3741, 13 May 2004; Findings no. 3744, 22 May 2004; Findings no. 3766, 11 August 2004; Lagan, *Loner*, p.77; Crabb, *Losing It*, p.203.

¹⁴⁵ Gerard Henderson, 'When Politics and Diplomacy are a Bad Mix', *Age*, 11 February 2003, p.11; Paul Kelly, 'Labor Steals the Thunder', *Weekend Australian*, 7 & 8 August 2004, p.17.

supported the position of the Right, he could be portrayed as a weak leader for reversing his original stance. Echoing Beazley's 2001 'me too' stance could lose Latham's previous personal support in the Left, alienate much of its left-wing constituency and, perhaps inevitably, lose some of its supporters to the minor parties.

Latham resolved the policy dilemma by considering the views in the major factions, an approach that reflects the 'spirit of accommodation' underpinning Lijphart's power sharing model (as is discussed in detail in Chapter Nine).¹⁴⁶ He decided that Labor would support the Agreement on the condition that the Government accepted two amendments. The first amendment in relation to local content rules for radio and television was particularly popular with Labor's left-wing constituents while the second amendment to the patent legislation underscored the Opposition's message that a Labor Government would be more concerned with health policy than the Coalition Government. The Caucus Left accepted that the perceived opposition to the multinational drug companies could do little harm in the eyes of Labor's left-wing constituents, while the Right knew that it would appeal to the 'Howard battlers'. The move also shifted emphasis from anti-American sentiments identified with the Left and the Labor leader, to that of a pro-nationalism stance, as Labor portrayed the patriotic image of being the guardian of the ordinary Australian against the multinational companies favoured by the USFTA.¹⁴⁷ In addition, to further emphasise that ALP policy was different to that of the Coalition, Latham promised to enact 26 additional safeguards would be enacted if Labor won office.¹⁴⁸ Latham's response to the USFTA subdued debate in Caucus and appeared to be popular with the electorate. In this case,

¹⁴⁶ Arend Lijphart, *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*, University of California Press, Berkeley and Los Angeles, 1968; Latham, *Latham Diaries*, pp 96-7. Latham, however, calls this approach 'triangulation'. Latham states in the *Latham Diaries* that on re-reading the Senate inquiry interim report: "... then it occurred to me, I was shot by a diamond bullet. We could find a third way – triangulation beyond straight opposition or support for the FTA – by amending the enabling legislation in the Senate". For more detail on Dick Morris' triangulation paradigm for policy development see: Dick Morris, *Power Plays: Win or Lose – How history's Great Political Leaders Play the Game*, Regan Books, New York, 2002, p 89.

¹⁴⁷ Paul Kelly, 'Labor Steals the Thunder', *Weekend Australia*, 6 & 7 August 2004, p.17; Michael Duffy, 'Small Talk Makes a Big Difference', *Courier Mail*, 6 August 2004, p.19; Dennis Shanahan, 'Latham Stunt a Placebo', *Australian*, 6 August 2004, p.13; Mike Secombe, 'Rumble on the Hill', *Sydney Morning Herald*, 14-15 August 2004, p.28; Greg Sheridan, 'Just Ride Your Bike, PM', *Australian*, 5 August 2004, p.11. Sheridan argues: "The Government could hardly criticise Latham's gesture to the general electorate in regards to PBS and to its left-wing supporters in the Arts, when the Coalition had promised sugar farmers relief funding of four hundred million dollars because it had not benefited from the USFTA"

¹⁴⁸ Chris Jones, 'Labor Threatens to Ditch Trade Deal', *Courier Mail*, 4 August 2004, pp 1-2

Latham directed his approach to community issues, reducing the “complex FTA deal to a simple question of how much you spend at the local chemist”¹⁴⁹

While Latham managed to resolve the FTA issue, his unilateral decision to bring the ‘troops home by Christmas’ remained unpopular with the electorate. This policy also overshadowed the Baby Care Payment policy, which was intended to “stamp [Latham] as a leader addressing the concerns of middle Australia”¹⁵⁰ As Chapter Ten demonstrates, the policy did strike an effective balance with stakeholders, as it avoided conflict with the business community, and women who were not in the workforce would also be eligible for the Baby Care Payment.¹⁵¹ At the launch of the policy, however, the media was mainly interested in Labor’s position on the war in Iraq.¹⁵² This also dominated parliamentary debate and, consequently, any hoped-for momentum from the Baby Care Payment policy failed to eventuate.¹⁵³

Latham’s influence on the Tax and Family policy development was a combination of populist and Third Way election strategy, as discussed in detail in Chapter Ten. It reinforced Labor’s commitment to providing upward mobility opportunities for workers. The policy included tax cuts, family payment reform and welfare to work transition, all of which were issues normally seen as Coalition strengths. It was aimed at ‘middle Australia’, particularly two-parent families. Single-parent families would not be better off under the plan unless they returned to the workforce, a move which would then entitle them to an extended tax-free threshold.¹⁵⁴ Other shadow ministers involved in developing the package argued that no constituency should be worse off as a result of the package. But Latham was convinced that emphasising the fundamental difference between the ‘undeserving’ and ‘deserving’ poor, or “the slackers and the hard workers”, would be popular with the mainstream constituency.¹⁵⁵ The policy was consistent with Labor’s aims since 1996, which were to concentrate on attracting the vote of the

¹⁴⁹ Michael Duffy, ‘Small Talk Makes A Big Difference’, *Courier Mail*, 6 August 2004, p 19.

¹⁵⁰ Louise Dodson, ‘Out come the Big Guns’, *Sydney Morning Herald*, 3-4 April 2004, p 29.

¹⁵¹ Wayne Swan, Federal Member for Lilley, Shadow Minister for Family and Community Services, Transcript of Doorstop Interview, Globalisation, Families and Work Conference, Brisbane Convention and Exhibition Centre, 2 April 2004

¹⁵² Mark Latham, Jenny Macklin and Wayne Swan, ‘Baby Care Payment and Iraq’, *Joint Transcript of Doorstop Interview*, Uniting Church Hall, Queanbeyan, 31 March 2004.

¹⁵³ Tom Allard, ‘Intelligence Chiefs Caught in Crossfire’, *Sydney Morning Herald*, 3-4 April 2004, p 38.

¹⁵⁴ Louise Dodson and Peter Hartcher, ‘Life of the Party’, *Sydney Morning Herald*, 25-26 September 2004, p.31; Interview with Joe de Bruyn, 29 November 2004

¹⁵⁵ Mark Latham, *The Culture War: The 2002 Menzies Lecture*, Menzies Centre for Australian Studies, King’s College London, 17 September 2002; Mark Latham, *Opening Speech, ALP National Conference*,

working class and suburban middle classes. However, under Latham's leadership, the policy denigrated sole-parents and appears to be an appeal to the prejudices of mainstream Australians.

Latham's unilateral decision-making style was particularly evident in Labor's-environment policy, labelled the 'Tasmanian Forests' election policy. This policy was not aimed at the Tasmanian electorate but was designed to garner support on the mainland from those who were tempted to vote for the Greens or Australian Democrats. It would curtail the logging of thousands of hectares of old-growth forests and provide a compensation package to the logging industry. It was the scale of the policy that was controversial. Latham and his staff initially consulted with the union leaders of the Construction, Forestry, Mining and Energy Union (CFMEU); the Labor Premier of Tasmania, Paul Lennon; prominent faction leaders in Tasmania; and several pro-environment lobby groups. While there are different accounts of negotiations in relation to this policy, it is clear that no agreement was reached between the stakeholders and that the PRC had not approved the policy.¹⁵⁶ Five days before the election Latham flew to Tasmania, without the Shadow Minister for the Environment, Kelvin Thomson, to announce the 'Tasmania Forest' election policy.¹⁵⁷ Bernard Lagan, who "spent a year on the inside with Mark Latham", argues that the forest policy "was an attractive scenario, but it needed delicate negotiations with those affected and faith that their jobs would not be lost. Neither occurred".¹⁵⁸ Negotiations that were more consistent with Lijphart's accommodation model, aimed at reaching a compromise position between the various stakeholders, might have achieved a different outcome. The CFMEU campaigned against the policy during the 2004 federal election. Labor not only lost three additional seats at the 2004 Federal Election but also handed control of the Senate to the Government. With the benefit of hindsight, most commentators argued that Latham should have campaigned on the economy.¹⁵⁹

29 January 2004; Dodson and Hartcher, 'Life of the Party'; Interview with Simon Crean, 8 December 2004; Michael Duffy, *Latham and Abbott*, pp 138-9.

¹⁵⁶ Lagan, *Loner*, pp 173-187; Crabb, *Losing It*, pp 259-65; Latham, *Latham Diaries*, pp.348 & 352

¹⁵⁷ Interview with Joe de Bruyn, 29 November 2004; Interview with Michael Costello, 29 November 2004; Crabb, *Losing It*, p 261.

¹⁵⁸ Lagan, *Loner*, p.185. This view is supported by many, including: Interview with Joe de Bruyn, 29 November 2004; Interview with Irish Crossin, 2 December 2004; Interview with Michael Costello, 29 November 2004.

¹⁵⁹ Lagan, *Loner*, pp 199-209; David Uren, 'Investment in Human Capital', *Weekend Australia*, 24-25 July 2004, p.22; Wayne Swan, as part of the forum on election night on *Channel Nine*, 9 October 2004; Paul Kelly, 'Labor must Confront PM', *Weekend Australian*, 16-17 October 2004, p 32; Paul Williams, 'Lesson on How We Think', *Courier Mail*, 11 October 2004, p 13. Williams (lecturer Griffith University) stated that the election was a referendum on economic management; Sid Maher and Samantha Maiden, 'It

Neither the election policies nor the leadership styles of the three leaders won the confidence of the majority of the electorate. Some commentators and Party members state that this was in part due to a lack of consultation in regards to policy.¹⁶⁰ Mark Bishop argues that one reason there was little consultation with Caucus was because an “inordinate amount of influence, too much influence, has devolved to the Leader’s office, and the Leader’s staff are mostly “yes men”¹⁶¹ Trish Crossin states that during the 1996–2004 period, most members in Caucus were in “vehement disagreement” with the Leadership’s view that a small core group should decide election policies and strategic decisions concerning election policies. Crossin believes that the Leaders and their advisers “might think they don’t have to consult, but the rest of Caucus strongly disagrees with that”¹⁶²

Conclusion

This chapter demonstrates that, throughout the parliamentary term, strategic decisions concerning the general policy agenda were the exclusive domain of the Leader and his inner circle. Hence, the national factions, as voting blocs, had no role or influence on policy decisions made in relation to election strategy. According to the formal processes, discussed in Chapter Five, a core group consisting of the relevant shadow ministers, the factionally representative PRC, the Leadership group and the Leader’s inner-circle, generally made the final decisions on election policies. However, this chapter has demonstrated that the subtle factional influence that can occur on election policies through the ‘spirit of accommodation’ between shadow ministers from opposing factions was limited and, during Latham’s leadership, sometimes non-existent.

was the Economy: Latham’, *Australian*, 12 October 2004, p 1; Glenn Milne, ‘Treasurer’s free advice for Latham’, *Australian*, 18 October 2004, p.9; George Megalogenis, ‘Mortgage Nation’, *Weekend Australian*, 16-17 October 2004, p.19; Bernard Lane, ‘Swinging Times in Mortgageville’, *Weekend Australian*, 16-17 October 2004, p 19 There was a general consensus among commentators that the electorate did not trust a Labor Government with the economy, and there was a big swing to the Government in the federal seats that were dominated by voters who borrowed heavily for their homes or investment houses. Latham conceded that economic policy is an area in which Labor has to improve its stance and credentials. Labor’s primary vote at the 2004 election was a little over 38 percent.

¹⁶⁰ Bob Hawke and Neville Wran, *National Committee of Review Report August 2002*, ALP; Dodson and Hartcher, ‘Life of the Party’; Interview with Joe de Bruyn, 29 November 2004; Interview with Mark Bishop, 6 December 2004.

¹⁶¹ Interview with Mark Bishop, 6 December 2004.

This chapter argues that Beazley's small-target strategy made Labor vulnerable to the Government's 'wedge politics' during the Tampa event. During Beazley's and Latham's leadership, Party members did not necessarily support the election strategy approaches, but dissent was muted because during these periods there was a possibility that Labor would win the forthcoming election. In stark contrast, however, after the bitter disappointment of losing the 2001 Federal Election, debate on refugee policy and the 50:50 rule exacerbated internal conflict that had festered since 1996. When Crean's personal rating as the alternative national leader remained low, many MPs feared that not only would Labor lose the next election but that they might lose their own seats and disputes intensified. By exploring Crean's leadership period, this chapter has shown how personal animosities and power struggles can become entwined with the policy development processes. While faction leaders were destructive to Party harmony by undermining Crean's leadership, this chapter also highlights the positive role faction leaders played in negotiating compromises before the 2002 Special Rules Conference.

¹⁶² Interview with Irish Crossin, 2 December 2004. The same sentiments are expressed in Interview with Mark Bishop, 6 December 2004

CHAPTER SEVEN

Refugee Policy and the Parliamentary Wing

Socialism has shifted to protest movements. The things that stir people's emotions tend to be about international questions, globalisation, mass movement of people ... cultural type issues, tolerance rights, human rights. There is a very different non-economic agenda that is out there.

*Shadow Treasurer Mark Latham, 2003.*¹

The development of refugee policy was the most controversial issue for the ALP during the 1996–2004 period.² This chapter concentrates on the policy development processes that occurred in the parliamentary wing while the following chapter examines these processes in the organisational wing. After the 2001 Federal Election defeat an internal National Committee of Review was established to examine the ALP's organisation, structures and internal processes. The Review was conducted jointly by Bob Hawke and Neville Wran, who reported in August 2002 that: “no policy issue arose more frequently in our listening to and reading submissions from Party members than that of boat-people and refugees”.³ Internal division on issues relating to Labor's refugee policy had been starkly evident when Labor responded to the Government's Border Protection Bill, discussed in Chapter Six. Considering the diverse and often emotional views on asylum seeker issues, particularly since the Tampa event, the development of a new refugee policy for the Party platform had to do more than merely define the principles on refugee issues to guide the parliamentary wing; it had to reunite the Party.⁴

¹ Interview with Mark Latham, 3 August 2003.

² Australian Labor Party Platform and Constitution, paragraphs 75-80, 2000. The new refugee platform policy would be broader in 2004 than the one endorsed by the factions at the 2000 National Conference: “Labor will ensure that Australia's international obligations towards refugees and asylum seekers are met and Labor will positively promote the rights of refugees and asylum seekers. Refugees, including those who arrive as asylum seekers, and persons admitted under humanitarian programs, some of whom have suffered torture and trauma before arriving in Australia, will receive appropriate support, including counselling for trauma”.

³ Bob Hawke and Neville Wran, ‘The Report in Context’, *National Committee of Review Report*, August 2002, p.5.

⁴ Refugee policy sits within the immigration portfolio which deals with the development of policy regarding entry, stay and departure arrangements for non-citizens; border immigration control; arrangements for the settlement of migrants and humanitarian entrants; and citizenship. Between March 1996 and October 2004 there were six Shadow Ministers for Immigration: Duncan Kerr (March 1996 to August 1997) from the Hard Left; Martin Ferguson (August 1997 to October 1998) from the Soft Left; Con Sciacca (October 1998 to November 2001) from the Right; Julia Gillard (November 2001 to July 2003) from the Soft Left; Nicola Roxon (July 2003 to December 2003) from the Right and Stephen Smith (December 2003 to January 2005) also from the Right.

Chapter Four explained how the National Policy Committee in conjunction with the relevant shadow minister develops platform policy. However, due to the sensitive nature of the refugee policy, the Party's leadership group made the unusual decision that the Shadow Minister for Immigration, Julia Gillard, should obtain the support of Caucus before the policy was presented for endorsement to the 2004 National Conference.

This chapter examines the extent to which refugee related issues were debated in Caucus throughout the 1996–2004 period in opposition. It finds that these issues became more prominent from 1999. In 2001 the then Shadow Minister for Immigration, Con Sciacca (Right), and Shadow Minister for Justice, Duncan Kerr (Left), jointly developed a refugee policy which considered the countervailing views on asylum seekers which exist both in the electorate and within the Party. It was noted in Chapter Six that the Kerr–Sciacca shadow cabinet submission had not been launched prior to the Tampa event because the Leadership group deemed such immigration issues to be too sensitive. By examining a draft policy paper for this submission, this chapter demonstrates that Gillard's subsequent policy, eventually endorsed in December 2002 by Caucus, is very similar to the refugee policy developed in 2001 by Kerr and Sciacca.

In order to provide some background to the refugee policy debate after the 2001 Federal Election, particular attention is given to mandatory detention, Temporary Protection Visas and the excision of Christmas Island from Australia's migration zone. While this thesis is not concerned with the substance of Labor's policy, a brief overview of these three contentious issues is necessary to analyse the wider debate.

To explore the factional influence on the 2004 refugee policy, the development processes are systematically examined. This chapter finds that an external stakeholder, the Refugee Council of Australia, was a major influence on the policy. By examining the interrelated reasons why Caucus members adopted a specific position on refugee policy this chapter reveals that for many members electoral concerns initially overrode factional implications. Consistent with the Politics of Accommodation, decisions on the controversial 2004 refugee policy were made at the most senior level of the faction elite. The elite sought a moderate approach to asylum seeker issues, which considered the countervailing views both from the electorate and from within the national factions. This chapter also finds that there were starkly opposing views between the Caucus Left's sub-factions on refugee issues. It argues that the allocation of the portfolio to a

member in the Soft Left, a sub-faction which was known for its harsh stance on asylum-seeker issues, ensured the support of this sub-faction for the endorsement in Caucus of a moderate policy.

Labor's Refugee Policy during 1996–2001: Brooding Acrimony

Although few boat-people arrived between 1996 and 1998, refugee related issues were an ongoing concern for human rights, church, welfare and refugee groups.⁵ According to Duncan Kerr (Left), Shadow Minister for Immigration (March 1996 to August 1997), a whole range of contentious policy issues regarding mandatory detention emerged, such as the management of detention centres, and they were “extremely heavily contested and politically significant”.⁶ Kerr recalls that as Shadow Minister for Immigration he argued against many controversial aspects of the Government’s refugee legislation, including the reduction in the number of the annual refugee intake.⁷ However, the rise of Pauline Hanson “encouraged the public expression of views on immigration, Asians, multiculturalism and refugees” that pandered to popular prejudices.⁸ Labor’s leadership group increasingly had “no [political] will to go on the front foot on [immigration] issues”.⁹ In what appears to have been a strategic move, the portfolio was allocated to Martin Ferguson, leader of the Soft Left. Ferguson was known for his tough, nationalistic stance on immigration. He believed that “immigration can cost Australian jobs”, which corresponded to the populist views espoused by One Nation.¹⁰ As discussed in Chapter Five, Kerr sees himself as an ‘independent’ within the Left, and he “disagreed profoundly” with the views put forward by the Soft Left on issues relating to refugee policy.¹¹

⁵ Don McMaster, *Asylum Seekers: Australia's Response to Refugees*, Melbourne University Press, Carlton South, 2001, p.94. Refugee issues have been a concern to human rights, welfare and church groups since 1975.

⁶ Interview with Duncan Kerr, 10 August 2005.

⁷ Interview with Duncan Kerr, 10 August 2005.

⁸ James Jupp, *From White Australia to Woomera: The Story of Australian Immigration*, Cambridge University Press, Melbourne, 2002, pp.131-40.

⁹ Interview with Duncan Kerr, 26 September 2005.

¹⁰ Tony Wright, ‘Tougher Line-up in ALP Reshuffle’, *Sydney Morning Herald*, 27 August 1997, p.4.

¹¹ Interview with Duncan Kerr, 10 August 2005. This independence is demonstrated in that Kerr sometimes has the support of the Soft Left at the national level when he needs the numbers to be elected into the National Executive, and often votes with the Hard Left on social issues, such as refugee policy, because his philosophy correlates much more with the dominant tendency in the Hard Left.

According to Ferguson, during his term as Shadow Minister for Immigration (August 1997 to October 1998) refugee policy was not a significant policy issue.¹² Kerr states that “it may well be that by the time Martin took the position he did not regard himself as the subject of any great political pressure” in relation to refugee issues. But Kerr also points out that this “reflects the fact that Martin and I have different starting points in the debate”.¹³ While it may be true that before the 2001 federal election no motions were put forward in the Labor forums or State conferences regarding refugee policy, this does not mean that members in the organisational wing or in Caucus were not concerned about these issues.¹⁴ The different perspectives of the two former Shadow Ministers for Immigration on refugee issues are an indication of the countervailing views that would dominate the refugee debate in Caucus following the 2001 federal election.

Refugee issues increased in prominence in 1999 when Con Sciacca (Right) held the Immigration portfolio (October 1998 to November 2001). During this time there was an increase in boat arrivals, and concerns among church leaders and refugee groups escalated in relation to the operation of detention centres and the length of time taken to process asylum seekers’ claims for refugee status.¹⁵ However, after asylum seekers broke out of the Woomera detention centre, anti-boat-people sentiment became increasingly strident in the electorate.¹⁶ Con Sciacca’s adviser, Luke Giribon (Right), recalls that there was a “current going through the Party” reflecting the view that the policies regarding refugees “were too right-wing”.¹⁷ At this stage, publicly expressed concerns were limited to a few individuals and sub-branches, usually from Melbourne and Sydney, as in the more conservative States refugee issues were of a very low priority in the electorate at large.¹⁸ A few other MPs besides Duncan Kerr, including Tanya Plibersek (Hard Left), had raised their concerns in Caucus prior to the Tampa

¹² Interview with Martin Ferguson, 31 February 2004.

¹³ Interview with Duncan Kerr, 10 August 2005.

¹⁴ Interview with Mark Latham, 3 August 2003.

¹⁵ Mary Crock and Ben Saul, *Future Seekers: Refugees and the Law in Australia*, University of Sydney, Sydney, 2002, pp.29-99.

¹⁶ For example: *Advertiser*, ‘Third Load of People’, 29 November 1999, p.4; *Canberra Times*, ‘\$1M to Convert Rockets Range for Boat-people’, 10 November 1999, p.1; *Canberra Times*, ‘Turn Boat-people Back at Sea’, Says Hanson’, 12 June 2000, p.3; *Advertiser*, ‘Thank You for Sticks, Stones and Contempt’, 29 August 2000, p.16; *Australian Associated Press*, ‘CCC Leader demands Riot Refugees Go Home’, 29 August 2000, Retrieved from Factiva Full-text database; Shawn Donnan, ‘Tension Grows in Australia over People Seeking Asylum’, *Christian Science Monitor*, 3 September 2000.

¹⁷ Interview with Luke Giribon, 17 December 2003.

¹⁸ Interview with Con Sciacca, 10 November 2003; Interview with Wayne Swan, 27 September 2002. Swan (Right) remarked that before the 2001 federal election, out of 500 members of the ALP in the federal electorate of Lilley, only one person ever raised the issue of refugees with him.

incident.¹⁹ But much of the disquiet about refugee policy was suppressed in accordance with Labor's small-target strategy, which concentrated on exposing flaws in the Government's GST policy, as explained in Chapter Six.

There was, however, fierce factional debate in the Parliamentary Labor Party regarding the Party's response to an immigration bill introduced on 5 April 2001 that authorised the strip-searching of minors held in detention centres.²⁰ Sciacca decided that this legislation should be supported and took his proposal to the relevant Caucus policy committee, where it generated a heated debate between the Hard Left and the Right. Because of the intensity of feelings, the committee decided to exercise its prerogative and send the matter to a full Caucus meeting, where the divisive debate continued.²¹ The Hard Left was united in its stance against the shadow minister's support of the Government's policy. Supporting the Hard Left were 'independent' Left members Carmen Lawrence and Duncan Kerr.²² According to Giribon, the Soft Left supported Sciacca with a passion that had to be "calmed down at times, because they are much tougher than the nasty Right-wingers".²³ Sciacca confirms that the Soft Left "is very strong and tough on multicultural issues".²⁴ Historically the Soft Left is seen as more pragmatic than the Hard Left, as demonstrated in Chapter Three, and some of the reasons for their tough stance on refugee policy are explored later in this chapter.

Even though Kerr (Left) and Sciacca (Right) disagreed on the legislation allowing strip-searching of minors in detention centres, as Shadow Minister for Justice, Kerr was able to work harmoniously with Sciacca on a "whole lot of associated matters".²⁵ Kerr and Sciacca state that their jointly developed December 2000 shadow cabinet submission was the blueprint for the refugee policy later developed by Julia Gillard in her role as Shadow Minister for Immigration following the 2001 election. Sciacca states "most of

¹⁹ Interview with Tanya Plibersek, 1 December 2003. Plibersek represents the federal electorate of Sydney.

²⁰ 'Bill Digest No 131 2000-01, Migration Legislation Amendment (Immigration Detainees) Bill 2001'; *Chamber Hansard* 28361, 21 June 2001. At first Labor only supported the general thrust of the Bill to allow debate to occur in Caucus over the contentious issue of strip-searching minors.

²¹ Interview with Luke Giribon, 17 December 2003.

²² Interview with Duncan Kerr, 10 August 2005.

²³ Interview with Luke Giribon, 17 December 2003. Giribon states: "there remained a lot of acrimony over the issue".

²⁴ Interview with Con Sciacca, 10 November 2003.

²⁵ Interview with Duncan Kerr, 10 August 2005.

the policy that was put out by Julia Gillard was [our] policy”.²⁶ Kerr agreed with Sciacca and argued that even though the 2004 policy “takes slightly different positions” in some areas “you might say it’s plagiarism, but I don’t mind good work being plagiarised”.²⁷ Hence this joint submission is an important key in tracing the factional influences on the refugee policy eventually endorsed by the 2004 National Conference.

The policy development process began when Kerr and Sciacca visited the detention centres and consulted with the Refugee Council of Australia. The Refugee Council’s charter became the most significant external influence on the development of the shadow cabinet submission.²⁸ (As discussed in Chapter Five, shadow ministers consult with relevant stakeholders in the community when developing policy.) Giribon explains that the shadow minister’s office conferred extensively with the Council: “their policy was on their website, it was down-loaded and it was analysed because they were the major group. They were the authority group on refugees and they were very reasonable”.²⁹ Kerr continuously questioned the appropriateness and effectiveness of detention centres being run by private security companies and called for a judicial inquiry into conditions in the detention centres.³⁰ The main issue of contention during the policy development process was that the Refugee Council and Kerr did not agree with Sciacca that mandatory detention should be retained. Sciacca believes that, it “was hard for us to disown [mandatory detention] when we were the ones who had started it”.³¹ Furthermore, One Nation supported mandatory detention and because it now had the support of some one million voters, “it tempted the parties to its prejudices”.³² To abolish mandatory detention would thus have been a “politically unpopular” move.³³

Hence the conflicting views of the shadow ministers reflected the countervailing views on refugee issues that existed, although not always prominently, in the electorate and within the Party. The shadow ministers approached the development of policy in a

²⁶ Interview with Con Sciacca, 10 November 2003; Interview with Simon Crean, 8 December 2004. Crean states: “I think it is fair to say that in principle, Con’s position was the same as what we were arguing”.

²⁷ Interview with Duncan Kerr, 10 August 2005.

²⁸ Refugee Council, *Charter of Minimum Requirements for Legislation to the Detention of Asylum Seekers*, viewed in December 2003, www.refugeecouncil.org.au. The Refugee Council endorsed a charter which a number of peak organizations endorsed in 1994. Some of Sciacca’s policies are word for word copied from the Refugee Council’s charter.

²⁹ Interview with Luke Giribon, 17 December 2003.

³⁰ Duncan Kerr (Shadow Minister for Justice), *Human Pressure Cooker Boils Over Again*, Press Release, Parliament House, Canberra, 31 January 2001.

³¹ Interview with Con Sciacca, 10 November 2003.

³² Jupp, *From White Australia to Woomera*, pp.130-40.

‘spirit of accommodation’ as they did not enter into doctrinal disputes and instead aimed for a pragmatic and moderate compromise policy.³⁴

That the Kerr–Sciacca cabinet submission was based on a compromise policy is supported by a document from Sciacca’s office titled *Staff Draft Only* (“Policy start date: 1 July 2001”). The paper states that a Labor Government would:

- Implement a three stage detention model in which families would live in open detention;
- Reduce the detention and determination of most unauthorised arrivals to a maximum of 90 days;
- Streamline and fast-track the appeals system for asylum seekers;
- Reverse the decision to build additional detention centres;
- Establish an Office of Multicultural Affairs and Citizenship;
- Lead a national immigration and multiculturalism education campaign; and
- Implement an anti-people-smuggling package.³⁵

In addition to these and other details, the Kerr–Sciacca submission stated that a Labor Government would reimpose public control over all privatised detention centres.³⁶

The compromise approach is highlighted under the heading of “*Stakeholder support*” in a *Staff Draft Only* paper which states that:

A policy of alternative detention for unauthorised arrivals is likely to be accepted by different groups for different reasons.

- Refugee advocacy groups such as the peak Refugee Council of Australia (whose research this policy is based on), Amnesty International and other like groups would welcome the introduction of an alternative to the current inflexible system of detention.
- That cross section of the community that disapproves of any move to provide a more humane and flexible approach to the treatment of asylum seekers and unauthorised arrivals should be appeased by:
 - The retention of compulsory detention upon arrival
 - Possible financial savings resulting from a streamlined system,
 - Faster deportation of illegal immigrants with vexatious refugee claims.

³³ Interview with Con Sciacca, 10 November 2003.

³⁴ Arend Lijphart, *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*, University of California Press, Berkeley and Los Angeles, 1968, pp.103-125.

³⁵ Con Sciacca, *Staff Draft Only*, Parliament House, Canberra, n.d.g. but policy start date 1 July 2001. The paper was made available to the author in 2003. Interview with Duncan Kerr, 10 August 2005; Interview with Con Sciacca, 10 November 2003. Kerr (Left) and Sciacca (Right) developed a joint submission paper which clearly articulated a different approach to the Government’s refugee policies.

³⁶ Interview Duncan Kerr, 10 August 2005.

Because the shadow ministers were aware that refugee issues had the potential to be divisive in the electorate and within the Party, the formulation of the shadow cabinet submission was thus based on the ‘spirit of accommodation’.

The content of the Kerr–Sciacca submission was discussed at the relevant policy committee, and was endorsed.³⁷ The joint submission, which was fully costed, then went to the PRC and then on to the leadership group in December 2000. Given the renewed media interest in refugees, Sciacca recommended to the leadership group that the submission be urgently presented to the shadow ministry.³⁸ Sciacca envisaged that a joint press conference would be held with the Leader of the Opposition, the shadow ministers and a representative of the Refugee Council at the earliest possible time. The Refugee Council had already agreed to have a representative at the launch of the policy. However, the leadership group decided not to launch the policy because they “did not believe there was the political mileage in it”.³⁹ According to Kerr, “The Leader and the Deputy Leader effectively blocked debate on it”.⁴⁰ They thought that putting forward refugee or immigration policies in general was “poison” as far as the majority of the electorate was concerned.⁴¹ The policy drafts were, therefore, ‘shelved’, thus giving no opportunity for the policy to become the subject for factional debate in Caucus. This decision was reinforced in early 2001, when Labor’s polling showed that immigration issues of this nature were not of substantial concern to the marginal electorates.⁴²

After the Tampa event, Sciacca and Kerr again argued for the release of a Labor refugee policy. Sciacca had prepared an election policy that expanded on the Kerr–Sciacca December 2000 submission.⁴³ It included strengthening bilateral cooperation with Indonesia and establishing an Australian Coast Guard, policy areas which were developed in conjunction with the Foreign Affairs spokesperson, Laurie Brereton (Right), and the Shadow Attorney General, Robert McClelland (Right). From this Election Policy package, only proposals such as the formation of an Australian Coast Guard were launched, as they were in line with the Government’s populist rhetoric of defending Australian territory. No other related refugee policies were endorsed due to

³⁷ Interview with Luke Giribon, 17 December 2003.

³⁸ Interview with Con Sciacca, 10 November 2003.

³⁹ Interview with Con Sciacca, 10 November 2003.

⁴⁰ Interview with Duncan Kerr, 10 August 2005.

⁴¹ Interview with Con Sciacca, 10 November 2003.

⁴² David Marr and Marian Wilkinson, *Dark Victory*, Allen and Unwin, Crows Nest, 2003, p.92.

⁴³ There was no formal title to: Con Sciacca, ‘draft election policy’, Parliament House, Canberra, 1 July 2001, paper was made available to author in 2003.

the leadership group determining that they were electorally unpopular.⁴⁴ Sciacca recalls that at that the time he agreed with Beazley that the volatile political environment surrounding boat-people would not sustain an objective public debate on refugee policy.⁴⁵ Kerr, on the other hand, argues that there was “tough discussion ... to try and get this document back on the agenda”.⁴⁶ But as Chapter Six points out, Labor did not propose an alternative policy during the election campaign.

While Party members refrained from openly disagreeing with Beazley’s decisions during the election campaign, in the wake of Labor’s 2001 election defeat, many expressed their views publicly. As Chapter Six points out, following the Tampa incident the ALP became polarised on refugee policy, particularly in relation to boat-people. The division within the Party on refugee issues was not based on opposing factional perspectives. Leading Labor identities of the Left, such as Tom Uren, Margaret Reynolds, Duncan Kerr, Wally Curran and Doug Cameron, and of the Right, such as Gough Whitlam, Neville Wran and Laurie Brereton, publicly condemned the Party for supporting the Howard Government’s stance and indicated that they supported a more humane approach to issues relating to mandatory detention.⁴⁷ Those publicly supporting the Opposition’s stance also came from both the Left and the Right. The former included among others, Martin Ferguson and Laurie Ferguson (Soft Left), and the latter included Paul Keating, Mark Latham, and Bob Carr.⁴⁸ In addition, after the election, the Party’s internal polling and a survey of the Australian Workers Union (AWU) membership showed that in both cases a large majority favoured a tough stance on refugees, including the retention of mandatory detention.⁴⁹ The boat-people issue

⁴⁴ Interview with Con Sciacca, 10 November 2003; Interview with Luke Giribon, 17 December 2003.

⁴⁵ Interview with Con Sciacca, 10 November 2003; Interview with Kim Beazley, 8 September 2005.

⁴⁶ Interview with Duncan Kerr, 10 August 2005.

⁴⁷ Marian Wilkinson and David Marr, ‘Howard, Beazley Lashed over Race’, *Sydney Morning Herald*, 8 November 2001; Xavier La Canna, ‘ALP Faces Policy Rethink’, *Age*, 12 November 2001, p.17; Wally Curran, ‘Members will restore principle to ALP policy’, *Age*, 26 February, 2002, p.7; Jess Whyte, ‘Unions demand action on refugees’, *Workers Online*, 10 January 2002; Interview with Grace Grace, 12 February 2004; Interview with John Robertson, 28 November 2003. The Victorian Trades Hall Council, the NSW and the Queensland Council of Unions also expressed dissatisfaction with Labor’s stance in relation to Tampa during the election campaign.

⁴⁸ Peter Charlton, ‘Vote Won for Dissent’, *Courier Mail*, 13 November 2001, p.11; Benjamin Haslem, ‘Labor ‘Wrong’ to Lecture on Rights’, *Australian*, 17 December 2001, p.2; Benjamin Haslem, ‘Crean Urged to “Soften Stance”’, *Australian*, 2 February 2002, p.6.

⁴⁹ Kim Beazley, ‘Refugees: Labor has Nothing to Apologise for’, *Age*, 26 September 2002, p.3; Louise Dodson, ‘Crean rejects ALP Call on Detention’, *Age*, 27 May 2002, p.4; Megan Saunders, ‘Labor Rebellion Grows’, *Australian*, 21 December 2001, p.2; Dennis Shanahan, ‘Detention remains in ALP policy’, *Australian*, 6 December 2002, p.1; Dennis Atkins, ‘Union Poll Backs Tough Stand’, *Courier Mail*, 21 February 2002, p.2; Louise Dodson, ‘AWU members support PM on Asylum Seekers’, *Age*, 21 February, 2002, p.4. Dodson writes: “in February 2002, an internal survey conducted within the AWU (100,000 membership) showed that eighty-three percent of its members agreed with the Howard

had become so volatile that electorate offices were inundated by calls from all sections of the Party expressing the view that the ALP should take a tougher stance on refugees. For many in society, including from within the Labor Party, the unorthodox direct arrivals challenged fundamental tenets of Australia's migration, quarantine, customs and defence policies.⁵⁰

Chapter Six argued that the leadership group's decision not to act in December 2000 on the Kerr-Sciacca shadow cabinet submission had a direct link to the 'small-target' strategy. Sciacca remembers that it was a tactical decision and that he "did not press it because there were other issues we were trying to get up".⁵¹ In hindsight, he believes that if it had been launched then Labor would at least have had a "definite policy".⁵² Kerr also argues that having a policy reference would have assisted Labor in standing its ground on certain issues and could have assisted in "establishing the parameters of the debate".⁵³ With no refugee policy launch, there was nothing on the public record that could demonstrate to the electorate how a Labor Government would address issues relating to boat-people. Moreover, Beazley was unable to refer to the cabinet submission, which had been fully costed and included an anti-people-smuggling package.

Kerr does not exclude himself from culpability and states that perhaps the policy should have been submitted before December 2000, and that he should have reached an agreement in principle with the shadow ministry earlier instead of waiting to have all aspects of the policy fully costed. Mark Bishop (Right), however, argues that with the increase in boat-people arrivals over the past few years the leadership should have made the decision to launch the Kerr-Sciacca submission, as their policies addressed the problems of 'people smugglers'. According to Bishop, the leadership group in this instance "left Sciacca out to dry".⁵⁴ Kerr believes that the launch of the policy would not necessarily have changed the outcome of the election, but "it certainly would have meant that after the 2001 election we would have bounced back with greater self-

Government's strong stance against 'illegal' immigration. Despite the findings of this survey, the national secretary of the AWU believed that there should be time limits on mandatory detention".

⁵⁰ Interview with Wayne Swan, 27 September 2002; Interview with Laurie Ferguson, 1 December 2003; Interview with John Hogg, 18 July 2003.

⁵¹ Interview with Con Sciacca, 10 November 2003.

⁵² Interview with Con Sciacca, 10 November 2003.

⁵³ Interview with Duncan Kerr, 10 August 2005.

⁵⁴ Interview with Tanya Plibersek, 1 December 2003; Interview with Mark Bishop, 6 December 2004; Cheryl Kernot, *Speaking for Myself Again*, p.66.

confidence and without some of the debilitating debate that emerged over the next twenty-four months”.⁵⁵

The Three Most Contentious Issues in the Refugee Policy Debate

The most contentious refugee issue from 2002 through to January 2004 was mandatory detention, which was vehemently opposed by the majority of the Left in the organisational wing. Ironically, it was Hawke–Keating ministers from the National Left, Labor Immigration Minister, Gerry Hand, and his successor, Nick Bolkus (both Soft Left), who, in 1992, initiated the detention centre policy, and implemented it in 1994.⁵⁶ In reading the Migration Reform Bill 1992 to the House, Hand stated that: “Non-citizens who are in Australia without a valid visa will be unlawful and will have to be held in detention”.⁵⁷ He further argued that boat-people were good examples of people who deliberately bypassed immigration processes and ignored established categories of entry.⁵⁸ At that time there was growing electorate support for firmer government control over immigration issues as asylum seekers increasingly appealed legislative decisions through the judicial system.⁵⁹ According to Bolkus, refugee status was generally determined within a period of a few months and asylum seekers whose applications failed were speedily sent back. Those who had their refugee status confirmed were given permanent resident status.⁶⁰ During this period there was no opposition to these policies from the Caucus Left.⁶¹ According to Kim Beazley there were no complaints about the detention centres during the term of the Keating Government. He notes that national support programs such as trauma counselling and

⁵⁵ Interview with Duncan Kerr, 10 August 2005.

⁵⁶ Mungo MacCallum, ‘Girt by Sea: Australia, the Refugees and the Politics of Fear’, *Quarterly Essay*, Schwartz Publishing, Melbourne, Summer 2002, p.22; David Wilson, ‘Gerry Hand: Champion of the ‘new’ Left’, *Australian*, 12 October 1985, Retrieved from the Library of the Parliament of Australia, Canberra. Both Hand and Bolkus were considered moderates in the Left. Hand was part of a new force in the Left which was primarily concerned about ‘bread and butter’ issues, and who saw the ‘Old Guard’ as being unnecessarily militant and having irrelevant attitudes to foreign affairs issues. In addition, Hand believed in organisation and action rather than espousing philosophical views and this complemented the proposal made by the Department for detention centres. Bolkus is the former leader of the ‘Bolkus Left’ faction in South Australia, part of the Soft Left.

⁵⁷ *House Hansard*, ‘Migration Reform Bill 1992: Second Reading’, 4 November 1992, p.2620.

⁵⁸ *House Hansard*, ‘Migration Reform Bill 1992: Second Reading’, 4 November 1992, p.2620.

⁵⁹ Katharine Betts, ‘Boat-people and Public Opinion in Australia’, *People and Places*, vol. 9, no. 4, 2001, p.41; Frank Brennan, *Tampering with Asylum: A Universal Humanitarian Problem*, University of Queensland Press, St Lucia, 2003, p.18. Brennan states: “With each wave [of boat-people], the law and policy have become more restrictive”.

⁶⁰ Interview with Nick Bolkus, 2 December 2003.

⁶¹ Interview with Duncan Kerr, 10 August 2005; Interview with Nick Bolkus, 2 December 2003.

language assistance had been established, inferring that under the Howard Government these facilities had degenerated.⁶²

The second issue that became very contentious after the 2001 federal election related to Temporary Protection Visas (TPVs). The Hawke Government introduced TPVs in response to the June 1989 Tiananmen Square incident to offer protection to Chinese students studying in Australia.⁶³ However, by 1992 Labor had abolished the TPV system because it was not cost effective.⁶⁴ Although both the Government and the Opposition initially rejected One Nation's policy that Australia should only be a temporary haven for refugees, the Howard Government, with the support of the ALP, reintroduced TPVs in 1999.⁶⁵ Labor feared that if it opposed the Government's TPV legislation it would be blamed for further arrivals of boat-people and this would cost Labor votes from those who sympathised with the policy position of One Nation.⁶⁶ It is significant to this thesis that the Government made a policy differentiation between unauthorised arrivals by boats and other asylum seekers. Boat-people were offered a renewable TPV or a financial incentive to return home, whereas other asylum seekers were granted permanent residency if given refugee status after the duration of a three-year TPV.⁶⁷ This policy distinction drawn between 'boat-people' and other asylum seekers became a contentious issue within the ALP following the 2001 Federal Election.

The third controversial issue developed as a result of Labor's support, on 8 September 2001, of the Howard Government's decision to excise Christmas Island from Australia's migration zone.⁶⁸ This policy, later dubbed the 'Pacific Solution', removed offshore locations in close proximity to Indonesia from Australia's migration zone, including the Ashmore and Carrier Reefs and the Cocos (Keeling) Islands. From these locations asylum seekers were taken to offshore processing facilities in Nauru and

⁶² Kim Beazley, 'Refugees: Labor has Nothing to Apologise for', *Age*, 26 September 2002, p.3; Brennan, *Tampering with Asylum*, p.18.

⁶³ Jupp, *From White Australia to Woomera*, pp.191-2.

⁶⁴ Peter Mares, *Borderline: Australia's Treatment of Refugees and Asylum Seekers*, University of New South Wales, Sydney, 2001, pp.26-7.

⁶⁵ Crock and Saul, *Future Seekers*, p.112; Jupp, *From White Australia to Woomera*, pp.138 & 192; Interview with Luke Giribon, 17 December 2003. In 1999, when NATO became involved in the Kosovo conflict in the former Yugoslavia, Australia agreed to take in 4,000 refugees for temporary protection. The TPVs were approved by the United Nations.

⁶⁶ Mares, *Borderline*, p.27.

⁶⁷ Jupp, *From White Australia to Woomera*, pp.190-2; Interview with Luke Giribon, 17 December 2003.

⁶⁸ Cynthia Banham, 'Crean Faces Party Rift on Boat-people', *Sydney Morning Herald*, 29 November 2002, p.6; Australian Government, Department of Immigration and Multicultural and Indigenous Affairs, 'Excision Legislation Changes', Migration Legislation Regulation, www.immi.gov.au/legislation/refugees, 1 March 2004.

Papua New Guinea. The justification for applying the Pacific Solution was that it would deter asylum seekers from paying ‘people smugglers’, as they could only be transported from one transit location (Indonesia) to another (Nauru).⁶⁹ Christmas Island became an offshore processing camp where asylum seekers did not have access to Australia’s immigration laws. The idea was originally advocated by One Nation and was included in Sciacca’s election policy.⁷⁰ Many members, particularly in the Left, were opposed to the legislation as it removed an individual’s right of appeal to the judicial system.⁷¹

Forging a New Refugee Policy: The Parliamentary wing 2001-2004

Even before consultation began within the Party, Labor Leader Simon Crean made it clear that mandatory detention would continue to be Labor policy. Crean states that this decision was made by Caucus’ leadership group and argues that:

I was never of the view that what you did was end mandatory detention. Mandatory detention became a dirty word. [prior to the 2001 federal election] there was never a complaint, but the Government used it to keep people locked up endlessly. What we had to do was to give greater attention to retaining the principle of mandatory detention but on our terms. What we had to do was to define the time limits, the time for processing but going out and arguing. I did as Leader. I said we are sticking to mandatory detention; you can’t have people coming to our shore in whatever forms if they’ve had no immigration and health checks.⁷²

Crean also gave an early indication of those aspects of refugee policy which would differentiate Labor from the Government. In his 2002 Australia Day address, Crean made an attempt to bridge the divisions in the Party by appealing to the Government to release unaccompanied children held in detention centres by fostering them out with Australian families.⁷³ Labor, if elected, would close Woomera Immigration Detention Centre, which had been receiving attention from Human Right and welfare groups since 1999 for its allegedly harsh treatment of asylum seekers.⁷⁴ Closing Woomera and placing the other detention centres under public sector management were clear

⁶⁹ Ryszart Piotrowicz, R., ‘The Case of MV Tampa: State and Refugee Rights Collide at Sea’, *Australian Law Journal*, vol. 76, Sydney, January 2002, pp.12-18.

⁷⁰ Jupp, *From White Australia to Woomera*, p.138; Con Sciacca, *draft election policy*, 1 July 2001.

⁷¹ Annabel Crabb, *Losing It: The Inside Story of the Labor Party in Opposition*, Pan MacMillan, Sydney, 2005, p.85.

⁷² Interview with Simon Crean, 8 December 2004; Dennis Shanahan, ‘Detention remains in ALP policy’, *Australian*, 6 February 2002, p.1.

⁷³ Simon Crean, *Speech: Australian Day Citizenship Ceremony*, Brisbane, 26 January 2002.

⁷⁴ Jupp, *From White Australia to Woomera*, pp.189-98; *The Canberra Times*, ‘\$1M to Convert Rocket Range for Boat-people’, p.1; Megan Saunders, ‘Crean Leads ALP Push to Shut Down Woomera’, *Australian*, 12 February 2002, p.1; *The Advertiser*, ‘The Harsh Reality’, Adelaide, 22 November 2000, p.3.

concessions to those demanding a more humane policy.⁷⁵ The policy announcements were an early indicator that the objective of the new policy would be, as Crean stated in his speech, to “get the balance right between protecting our borders, and compassion ... without being a ‘soft touch’”.⁷⁶

Crean allocated the portfolio of Shadow Minister for Immigration to Julia Gillard, a member of the Soft Left.⁷⁷ The policy debate in relation to strip-searching of minors in detention centres highlighted the fact that the Soft Left took a tough approach to the development of policies relating to refugees. Con Sciacca states:

The faction, to which Julia herself belongs, is headed by Martin Ferguson and his brother Laurie Ferguson. They are hard line on detention, they are harder than the Right on detention. I often say if it was up to the Fergusons, there would not only be detention centres, but there would be people with machine guns on turrets making sure they never left them.⁷⁸

While Gillard argues that this is not an accurate representation of her views, Sciacca's comments are an indication of how others perceived the dominant tendency in the Soft Left on refugee policy.⁷⁹ Crean, therefore, knew that Gillard would support his decision to retain mandatory detention as Labor policy and that she would have the support from the leaders of the Soft Left. A subtle factional influence is thus evident in the correlation between the portfolio and the sub-factional alignment of the shadow minister.

All three of the Caucus factions were divided on refugee issues. The divide in the Independents Alliance was a fifty-fifty split.⁸⁰ Because there were opposing views in every faction there were no official factional positions taken on refugee policy in February 2002. The perspective on refugees that was dominant in their electorate often influenced Labor MPs' views on refugee related policies. For instance, Mark Latham

⁷⁵ Geoffrey Banks, 'The issue that could split Labor', *Australian Financial Review*, 2 February 2002, p.21; Interview with Simon Crean, 8 December 2004. Crean agreed with the Government's recent policy on the Afghani repatriation allowance. Jupp, *From White Australia to Woomera*, p.194 explains that Woomera, a former defence and space program facility in South Australia, was opened as a detention centre in 1999 and “interned more than 1000 men, women and children, most of them fleeing from the Taliban or Saddam Hussein. The increase in numbers and the remoteness of Woomera meant that effective processing was slowed down. In another ‘blunder’, the minister suspended the processing of Afghans after the overthrow of the Taliban at the end of 2001, leaving many hundreds in limbo. The result was mass hunger strikes and self-mutilation, which began in January 2000”.

⁷⁶ Crean, *Speech: Australian Day Citizenship Ceremony*.

⁷⁷ Fenella Souter, 'Being Julia', *Sydney Morning Herald: Good Weekend Magazine*, 2 April 2005, p.26.

⁷⁸ Interview with Con Sciacca, 10 November 2003; Interview with Julia Gillard, 6 July 2005. Julia Gillard commented that this is “not an accurate representation” of her views and this is reflected in the Gillard Policy.

⁷⁹ Interview with Julia Gillard, 6 July 2005.

⁸⁰ Interview with Rod Sawford, 9 August 2005.

(Right) and Laurie Ferguson (Soft Left) were candid in admitting that their own personal perspective and the demographics of their electorate influenced their position on refugee policy.⁸¹ Ferguson states:

A number of us, such as people like Martin [his brother] and myself, come from western suburbs, working class electorates, where most migrants live and we have all the settlement issues to deal with and consequently are more objective on these matters and less passionate. The immigration system is subject to a lot of abuse and fraud. Essentially there has to be a formal control of the system.⁸²

MPs whose electorates had large migrant populations and/or low-income constituents had to justify refugee policy to those seeking to sponsor relatives to migrate to Australia.⁸³ In these electorates there was a dominant view that boat-people were “queue jumpers” or illegitimate asylum seekers.⁸⁴ Subsequently, regardless of factional alliance, MPs representing such electorates believed that their constituents would only accept a stringent policy. Likewise, those Caucus members whose electorates were in inner-city areas may have wanted the refugee policy to be more compassionate, because Labor lost votes in many of these seats to the Greens at the 2001 Federal Election. This affected both Left and Right members holding inner-city seats in Sydney, such as Leo McLeay (Right) and Anthony Albanese (Hard Left), who, despite retaining their seats, did so against swings of 1.07 percent and 6.56 percent respectively.⁸⁵

As Chapter Five explained, a factional influence on a Labor MP’s policy position can also come from the Party’s sub-branch level because it is here that members receive much of their preselection and campaigning support. Tracing a federal MP’s factional point of reference at the local sub-branch can be difficult, as Chapter Four demonstrated, as factional alliances can shift at the State level. For example, Julia Gillard, Martin Ferguson and Brendan O’Connor are members of the Soft Left in Caucus, but, in Victoria, they are in a splinter faction of the Left that is supported by

⁸¹ Interview with Laurie Ferguson, 2 December 2003; Interview with Mark Latham, 3 August 2003.

⁸² Interview with Laurie Ferguson, 2 December 2003.

⁸³ Interview with Con Sciacca, 10 November 2003; Interview with Wayne Swan, 27 September 2002; Jim McKiernan, (Labor Senator for Western Australia), ‘Mandatory Detention’, discussion paper addressed to Federal Labor Parliamentary Party, March 2002. Generally, the refugee and humanitarian intake is about 10 percent of total immigration, the current official quota 12,000 people per annum consisting of combined onshore and offshore applicants. The intake quota of 12,000 is shared among onshore and offshore refugees, and an increase of boat-people can thus decrease the intake of offshore applicants. Offshore refugees are mainly those who apply for refugee status in Australia from overseas places of temporary refuge.

⁸⁴ Peter Charlton, ‘Vote won for dissent’, *Courier Mail*, 13 November 2001, p.11; Interview with Roger Price, 1 December 2004; Interview with Stephen Hutchins, 4 December 2003.

⁸⁵ Australia Electoral Commission Website, www.aec.gov.au; Interview John Robertson, 28 November 2003. Winning over the broad left in the electorate was also seen as important for the Senate vote, in case Labor did not win office.

the State-based Right faction.⁸⁶ So it was in Gillard's interest to consider the views held within the Right. Since, initially, the divide over the controversial refugee policy was cross-factional, the main objective for Gillard was to reconcile the countervailing views within the Party. This chapter will show that throughout Gillard's consultation with Caucus, her sub-factional, rather than her factional support became critical to obtaining endorsement of her refugee policy.

Gillard's task was to develop a refugee policy that was both tough on border protection and compassionate on human rights issues. The policy would be aimed at winning back support from two very disparate groups of supporters. The first group, Labor's blue-collar conservative constituency was, in the main, strongly opposed to 'boat-people' whom they saw as 'queue jumpers'. Many voters with this view had turned to the Coalition, partly because they believed Labor to be ineffectual and weak on the issue of asylum seekers.⁸⁷ The second group was Labor's socially progressive constituency who were appalled at Labor's 'me too' stance, which they saw as abandoning humanitarian obligations to asylum seekers.⁸⁸

Crean states that the level of dissent in the Party required that the development processes of the refugee platform policy be "tactically different".⁸⁹ Chapter Four explained that normally platform policy is developed through liaison between the shadow ministers and the NPC and then forwarded to the National Conference. However, the leadership group decided the main principles on which the refugee policy would be developed and directed Gillard to develop a framework of key issues in close liaison with the Leader's office.⁹⁰ That control of this contentious policy was maintained at the most senior level is consistent with Lijphart's theory in that: "The more serious the political question at stake the higher will be the elite level at which it will be resolved".⁹¹ Furthermore, the leadership group made the decision that Caucus would then endorse this framework. Although it was extraordinary for Caucus to endorse a Party platform policy, the tactic was employed in an attempt to portray unity

⁸⁶ Interview with George Campbell, 1 December 2003.

⁸⁷ Chapter Six explains that there are also other reasons why Labor's blue-collar constituency has continued to turn towards the Coalition since 1996.

⁸⁸ Haslem, 'Labor 'Wrong' to Lecture on Rights'; David Solomon, *Winning the Unwinnable Election: Howard's Race*, HarperCollins, Sydney, 2002, p.84.

⁸⁹ Interview with Simon Crean, 8 December 2004.

⁹⁰ Interview with Simon Crean, 8 December 2004.

⁹¹ Lijphart, *The Politics of Accommodation*, p.126.

on the issue as it allowed Gillard to present an endorsed framework to the organisational wing of the Party within which the ensuing policy debate could be conducted.⁹²

On 11 February 2002, during the first parliamentary sitting since the 2001 Federal Election, the *ALP General Framework: Asylum Seekers* was tabled in Caucus.⁹³ Some of the key points in this paper reflected those in the *Staff Draft Only* paper, the key paper underpinning the Kerr–Sciacca submission. These points include:

- Government should be put back in control of detention centres (as in *Staff Draft*, p.19 and Sciacca’s election policy pp.16-9);
- Other variations to the current detention model, including the nature and duration of detention would be considered (as in *Staff Draft* pp.1-7 and Sciacca’s election paper pp.16-9.);
- A global approach should be adopted towards the problem of people smugglers (as in *Staff Draft* pp.8-11 and Sciacca’s election policy, pp. 5, 9 & 10).

In addition to these measures, Labor proposed to reverse some of the decisions it had made in support of the Howard Government during the 2001 election campaign. Specifically, Labor would re-evaluate the Howard Government’s ‘Pacific Solution’ as it believed it to be “costly and unsustainable in the long term”.⁹⁴ Except for the closing of Woomera and issues relating to the Pacific Solution, the content of the 2002 *General Framework* echoed that of the Kerr–Sciacca submission.

The *General Framework* provoked debate in Caucus. Even though the framework stated that Labor would review the Pacific Solution, Kerr gave a speech calling for its total abandonment. Lawrence argued for the abolition of mandatory detention, the abolition of TPVs and the reinstating of Christmas Island into Australia’s migration zone.⁹⁵ Members from across the factions supported Lawrence’s position, including Duncan Kerr (‘independent’ Left), Anthony Albanese (Hard Left), Tanya Plibersek (Hard Left), Julia Irwin (Right), Linda Kirk (Right), Trish Crossin (Soft Left) and Warren Snowden

⁹² Interview with Simon Crean, 8 December 2004.

⁹³ Simon Crean, Leader of the Opposition, ALP News Statements: *ALP General Framework: Asylum Seekers*, 11 February 2002.

⁹⁴ Mary Crock and Ben Saul, *Future Seekers: Refugees and the Law in Australia*, University of Sydney, Sydney, 2002, pp.2-3. Labor had endorsed the Pacific Solution as part of the Border Protection Bill discussed in Chapter Six. The arrangement to relocate refugee processing to Nauru, Papua New Guinea and New Zealand was dubbed the Pacific solution. The arrangement cost many times the amount expended on the processing of refugee claims in Australia, even if the costs of detaining asylum seekers in Australia were included.

⁹⁵ Dennis Atkins, ‘Lawrence Draws Line on Detention’, *Courier Mail*, 5 December 2002, p.6; Michael Madigan, ‘Lawrence Leads Labor Rebellion Over Refugees’, *Courier Mail*, 13 February 2002, p.2.

(Soft Left).⁹⁶ That some members of the Soft Left supported Lawrence's stance reinforces the point that even the sub-factions are not ideologically pure blocs. The Independents Alliance was split on the issue in that half supported the *Framework* while the other half, including Kelly Hoare, Gavan O'Connor and Bob McMullan, argued for a more liberal regime.⁹⁷ However, the *General Framework* addressed the concerns of many members and it was endorsed by a majority of Caucus.

The next day, in defiance of the Caucus decision and accompanied by Albanese, Lawrence urged protesters at a public rally outside Parliament House to lobby MPs to abandon the policy of mandatory detention.⁹⁸ Since then Lawrence has led a persistent public campaign for Labor's policy on refugees to be more compassionate. In contrast, lobbying from members in the Caucus Right, notably from Catholic members such as Leo McLeay, Laurie Brereton and Julia Irwin, was mostly conducted within the Party.⁹⁹ For instance, prominent Right faction identity, Leo McLeay, wrote to his colleagues that while he accepted mandatory detention, he believed the policy needed some significant changes.¹⁰⁰ McLeay stated that:

No doubt many will say these suggestions are politically unpopular, however that doesn't mean that we should not act compassionately and change our policy. I remember when Native Title and the Stolen Generation were not politically popular but we provided national leadership, argued our case with passion and conviction and turned around public opinion.¹⁰¹

McLeay, who is from the NSW Right, states that the Catholic tendency in the Right is very much concerned about social justice issues.¹⁰² There was thus some simmering discontent with the policy framework within both the Left and the Right.

Two committees within the Parliamentary wing were formed to develop the detail of the policy based on the framework endorsed by Caucus. The first, a shadow cabinet sub-committee, was based on members' portfolio responsibilities rather than their factional alliance. Nonetheless, this forum reflected the factional proportional representation of Caucus. It consisted of the four parliamentary leaders and those shadow ministers whose jurisdiction fell within the wider context of the refugee and

⁹⁶ Interview with Tanya Plibersek, 1 December 2003; Interview with Duncan Kerr, 10 August 2005.

⁹⁷ Interview with Gavan O'Connor, 11 August 2005; Interview with Rod Sawford, 9 August 2005.

⁹⁸ Matt Price, 'Free Detainees, Urge ALP Rebels', *Australian*, 13 February 2002, p.2.

⁹⁹ Interview with Robert McClelland, 9 August 2005; Interview with Duncan Kerr, 10 August 2005; Interview with Stephen Conroy, 22 April 2004.

¹⁰⁰ Interview with Leo McLeay, 3 December 2003.

¹⁰¹ Interview with Leo McLeay, 3 December 2004. Permission was given by Leo McLeay to quote from his letter – no date given but written early 2002.

¹⁰² Interview with Leo McLeay, 3 December 2004.

border protection policy. For example, in addition to immigration it included the portfolios of Foreign Affairs, Defence, Finance, and Attorney General. In recognition of the controversy the issue had caused in the organisational wing, the ALP's national secretary was also present. As discussed in Chapter Five, elite decision-making in shadow cabinet is consistent with the Politics of Accommodation. Accordingly, the sub-committee drafted a policy that could be accepted by pro-refugee groups and at the same time appease those who disapproved of a more compassionate approach to the many refugee-related issues.¹⁰³

The draft policy from the shadow cabinet's sub-committee was then forwarded to a second committee, whose membership was drawn from the Caucus Living Standards Policy Committee and the Caucus National Security Committee.¹⁰⁴ According to Lawrence, this is where the finer details of the policy were to be debated:

Initially, internal discussions were reasonably amicable but then the shadow minister, after one or two meetings with a group of people who were meant to help her put it together, withdrew. The crunch point [for debate] was to come in this group and we didn't have that [debate]. The truth is that I would not have won the argument anyway, but I was very offended that we were told this is the way it was to be, it was put in front of us a near complete document, we got a few 'twigs' but not very much.¹⁰⁵

Again, according to Lawrence, Gillard was not interested in discussing policy details but only in gathering support for the draft policy.¹⁰⁶ Lawrence states that she had been angry that she was "presented a *fait accompli*" and argued that there had been no constructive consultation.¹⁰⁷ According to Gillard, Lawrence was leading a campaign "for Labor policy to be more compassionate, without in any way specifying or detailing what that might mean or how it might look".¹⁰⁸ Consultation at this forum rapidly disintegrated because it was apparent from the beginning that no consensus would be reached on issues relating to mandatory detention and TPVs.¹⁰⁹

¹⁰³ Interview with Craig Emerson, 7 July 2003; Interview Arch Bevis, 14 July 2003; Interview with Julia Gillard, 6 July 2005. At that stage Bob McMullan held the Shadow Treasury position and the other portfolios were fairly evenly distributed between the Left and the Right. That Defence was allocated to Chris Evans from the Left was atypical and was discussed in more detail in Chapter Five.

¹⁰⁴ Julia Gillard, News Statement, *Australian Young Labor National Conference Address*, 17 March 2002.

¹⁰⁵ Interview with Carmen Lawrence, 7 December 2004.

¹⁰⁶ Interview with Carmen Lawrence, 7 December 2004.

¹⁰⁷ Interview with Carmen Lawrence, 7 December 2004.

¹⁰⁸ Interview with Julia Gillard, 6 July 2005.

¹⁰⁹ Interview with Carmen Lawrence, 7 December 2004.

After the formal meeting dissolved, Gillard used informal consultation to obtain support from some members in Caucus who had voiced an interest in the draft policy. Tanya Plibersek (Hard Left) explained that:

Because Julia Gillard knew that I had a strong interest in this area, she did allow me to have an early copy of the draft policy and allowed me to give her feedback directly on it. And she did this with a number of people who had an ongoing interest in this policy, which was very good of her. And I was able to make clear to her that there were still a number of areas the policy could be improved. I don't know how much influence I had, but I certainly had an opportunity to make my arguments.

Through this consultation, Plibersek found that there had in fact been some compromise on mandatory detention and TPV issues, even though these reforms remained within the parameters of the initial policy framework.¹¹⁰ Crossin also believed that Gillard consulted extensively.¹¹¹ In contrast, Ruth Webber (Hard Left) argues that there “was not a lot of consultation within the Caucus, [and] when we discussed it, it was like, take it or leave it”.¹¹² Albanese states: “A number of people were angry about the process and the failure of proper consultation, including members of the front bench committee”.¹¹³ Roger Price (Right) was disappointed that he was not given the opportunity to consult with Gillard directly. Price had to communicate through Gillard's staff his idea of an independent Inspector-General of detention centres, which was adopted and included in the final policy draft. The ambiguity and selective nature of ‘consultation’ is exemplified by the differing opinions expressed on how effectively Gillard consulted with Caucus.¹¹⁴

The most glaring omission in the ‘consultation’ process appears to be the decision made by Crean and Gillard not to include former Shadow Ministers for Immigration, Sciacca and Kerr, in the policy development process. Although as backbenchers Kerr and Sciacca could not attend the shadow cabinet subcommittee, they were not even consulted informally.¹¹⁵ Kerr had publicly voiced his criticism of the Party's leadership as being too accommodating of the Government by not providing sufficiently differentiated policy positions. He therefore believed that Carmen Lawrence and himself were perceived to be ““boat-rockers”” and too confrontational “to the new

¹¹⁰ Interview with Tanya Plibersek, 1 December 2003.

¹¹¹ Interview with Trish Crossin, 2 December 2004.

¹¹² Interview with Ruth Webber, 11 August 2005.

¹¹³ Anthony Albanese is quoted in Cynthia Banham and Leonie Lamont, ‘Asylum Seeker Revamp Splits ALP’, *Sydney Morning Herald*, 3 December 2002, p.7.

¹¹⁴ Interview with Caucus members across the factions during 2003 and 2004.

¹¹⁵ Crabb, *Losing It*, pp.93-4. Both had been demoted to the backbench, after the 2001 election, to make way for generational change.

leadership team”.¹¹⁶ Kerr also thought that “part of the strategic position was to ensure that the leadership was still seen to be tough and in control”.¹¹⁷ Although Kerr and Sciacca were not personally consulted, their 2000 joint shadow cabinet submission was available to Gillard. Kerr explains: “all the documentation submitted by us to the PRC process was electronically filed, so it would be available by way of source documents”.¹¹⁸ There was thus no attempt to bring Kerr and Sciacca ‘on board’, and therefore the fact that a substantial policy had been developed before the Tampa event was excluded from the ensuing debate.

On 2 December 2002 Gillard took the draft refugee policy to the shadow cabinet, where it provoked intense debate. This debate was dominated by Lawrence, whose main points of contention continued to be issues relating to Christmas Island, mandatory detention and TPVs.¹¹⁹ Lawrence was supported by Lindsay Tanner (Hard Left) and Bob McMullan (Independents Alliance).¹²⁰ But Gillard had the support of the Right and her own sub-faction and therefore had the numbers to ensure that the policy would be endorsed. This led Lawrence to later call the shadow cabinet “timid” and “conservative” and, consequently, she resigned from the frontbench.¹²¹ Her public criticism that Caucus did not have a proper debate on the policy led Crean to allow two more days for members to scrutinise it before it was presented to Caucus.¹²²

The Left called a faction meeting for the following day. However, only members of the Hard Left and those who regarded themselves as ‘independent’ within the Caucus Left attended. Since the shadow cabinet meeting, all members of the Soft Left had given their full support to Gillard and “she knew she had the numbers to get it through

¹¹⁶ Interview with Duncan Kerr, 10 August 2005.

¹¹⁷ Interview with Duncan Kerr, 10 August 2005.

¹¹⁸ Interview with Duncan Kerr, 10 August 2005.

¹¹⁹ The law was that people seeking asylum in the Australian migration zone may be granted one of two types of refugee visas. If they arrive lawfully they may be granted a Protection Visa which enables them to live permanently in Australia. If they arrive without authority (boat-people) they are only eligible for a Temporary Protection Visa. Gillard’s refugee policy proposes that TPVs expire after a shorter term than the three years and permanent protection visas be given if the circumstances have not changed.

¹²⁰ Banham and Lamont, ‘Asylum Seekers Splits ALP’; Mark Phillips, ‘Labor Holds Off on Asylum Seeker Policy’, *Courier Mail*, 4 December 2002, p.10.

¹²¹ Karen Middleton and Melissa Stevens, ‘Lawrence Quits’, *Australian Business Intelligence*, 6 December 2002, p.15 Steve Lewis and Megan Sounders, ‘Lawrence Overboard on Refugees’, *Australian*, 6 December 2002, p.1; Dennis Atkins, “Luck’s no Lady for Hapless Leader”, *Courier Mail*, 6 December 2002, p.2. Her associates in the Hard Left accompanied Carmen Lawrence to her press conference, these include: Anthony Albanese, George Campbell, Duncan Kerr, Jennie George, Tanya Plibersek and Alan Griffin.

¹²² Interview with Simon Crean, 8 December 2004.

Caucus”.¹²³ Sub-factional loyalty appeared to have united the members of the Soft Left and a clear divide had developed between the sub-factions. (Jenny Macklin was exempt from the policy position reached by the Hard Left as, in her position of deputy leader and for reasons of shadow cabinet solidarity, she would not deviate from the official Party line.) The meeting decided on seven amendments. Various members moved and seconded each motion and Plibersek drafted the amendments that night. These included:

[The reinstating of] Christmas Island in Australia’s migration zone, to abolish the system of TPVs for unauthorised boat-people, to replace the term “mandatory detention” with “mandatory processing”, and break the link between Australia’s onshore and offshore refugee intakes.¹²⁴

The majority of members at the meeting had accepted Gillard’s proposal for the retention of mandatory detention for health and security reasons to be limited to a period of ninety days.¹²⁵ The issue had shifted to the use of the term ‘mandatory detention’, because the left-leaning constituents thought the term had punitive connotations. According to Claire Moore and Kate Lundy (both Hard Left), changing the name would reflect and highlight the changes that the Gillard Policy proposed.¹²⁶ The proposal to change the name was clearly intended to portray the policy in a more favourable light to those in the electorate opposed to mandatory detention.

When the Gillard Policy was introduced in Caucus on 5 December 2002, the Left put forward their amendments, each of which failed to garner majority support.¹²⁷ Those who supported the amendments were Duncan Kerr and Carmen Lawrence who identify themselves as ‘independent’ Left, and Lindsay Tanner, George Campbell, Jennie George, Tanya Plibersek, Alan Griffin, Claire Moore, Jan McLucas and Anthony Albanese, all members of the Hard Left.¹²⁸ These members hoped that amendments would be endorsed at the National Conference as a result of the lobbying that was occurring in the organisational wing (which is addressed in the next chapter).¹²⁹ The policy, hereafter referred to as the Gillard Policy, was endorsed by an

¹²³ Interview with Ruth Webber, 11 August 2005.

¹²⁴ Michael Gordon, ‘Lawrence Risks Job on Asylum Seekers’, *Age*, 5 December 2002, p.4.

¹²⁵ Interview with Tanya Plibersek, 1 December 2003.

¹²⁶ Interview with Jan McLucas, 21 October 2003; Interview with Claire Moore, 27 August 2003.

¹²⁷ Interview with Tanya Plibersek, 1 December 2003.

¹²⁸ Mark Riley and Cynthia Banham, ‘Crean Adrift as Carmen Seeks Political Asylum’, *Sydney Morning Herald*, 6 December 2002, p.1; Dennis Atkins, ‘Lawrence Draws Line On Detention’, *Courier Mail*, 5 December 2002, p.6; Michael Madigan, ‘Lawrence Leads Labor Rebellion Over Refugees’, *Courier Mail*, 13 February 2002, p.2; Interview with Anthony Albanese, 7 January 2004.

¹²⁹ Interview with Tanya Plibersek, 1 December 2003.

overwhelming majority of Caucus; it secured the vote from nearly all of the Right, all of the Independents Alliance and all of the Soft Left.¹³⁰

The initial countervailing views in the Right, the Independents Alliance and the Soft Left were, in large part, reconciled by the balanced approach adopted on many of the controversial issues. This balanced approach, reflecting the ‘spirit of accommodation’, abandoned the Pacific Solution but designated Christmas Island as the offshore asylum processing and detention facility. While this would “deter unauthorised arrivals because there is no incentive to come to Australia in leaky boats only to hit the same processing regime”, the operations of this facility would be consistent with the reforms proposed for detention centres in Australia.¹³¹ Mandatory detention would remain, but only for the purposes of health and security checks. After these initial checks, those assessed as having a claim of merit would be located in supervised hostels in regional communities, and all processes would be more transparent.¹³² TPVs were not to be abolished but would become ‘short term’ and refugees could be granted permanent protection visas at their expiration.¹³³ However, ‘short term’ was not defined, and Gillard states that it “was deliberately left open, but it was made clear to advocacy groups, party members and the media that the time period would be less than the Howard Government’s three year TPVs”.¹³⁴

The reforms to the ‘Pacific Solution’, operation of the detention centres and TPVs had been vital in winning over those in the Right and the Soft Left who had previously made it clear that they expected a more compassionate policy. Those in the Right and Soft Left who expected Labor to have a tough approach were appeased by the fact that mandatory detention remained policy and that there would be rapid deportation of those with vexatious claims. Only a few in the Right did not support the policy and, according to *Age* journalist Louise Dodson, this was purely because of personal enmity

¹³⁰ Interview with George Campbell, 1 December 2003; Interview with Craig Emerson, 7 July 2003; Interview with Gavan O’Connor, 11 August 2005; Louise Dodson, “‘St Carmen’ Torments Her Leader’, *Age*, 6 December 2002, p.15.

¹³¹ The Hon Simon Crean MP, Leader of the Opposition and Julia Gillard MP, Shadow Minister for Population and Immigration, *Protecting Australia and Protecting the Australian Way: Labor’s Policy on Asylum Seekers and Refugees*, December 2002, pp.vi-vii.

¹³² Crean and Gillard, *Protecting Australia and Protecting the Australian Way*, pp.ix-xii & 48-54.

¹³³ Crean and Gillard, *Protecting Australia and Protecting the Australian Way*, pp.xii & 55-56.

¹³⁴ Interview with Julia Gillard, 6 July 2005. The next chapter shows how this “deliberate” omission came into play as an important aspect of a final concession leading up to the 2004 National Conference.

to the Leader, which is discussed in Chapter Six.¹³⁵ The language of the 75-page policy was laced with security and nationalistic rhetoric. This approach is aptly conveyed in the official title of the policy: *Protecting Australia and Protecting the Australian Way: Labor's Policy on Asylum Seekers and Refugees*.

Comparison of the content of the *Staff Draft Only* paper and Sciacca's 2001 proposed election policy with that of the Gillard Policy shows that many of the basic principles and ideas are the same. This is particularly highlighted with the 90-day limit for processing asylum applications, removing children from detention centres and a global approach to addressing refugee issues. Not only are many of the concepts similar, but also some of the 2000 and 2001 policies have also been incorporated word-for-word into the final December 2002 Gillard Policy. For example, the plan to streamline refugee appeals given in the text of page 14 of Sciacca's election policy is replicated identically on page 44 of the Gillard Policy. Tracing the policy development processes of refugee policy during the 1996–2004 period shows that shadow ministers were acutely aware of the countervailing views, particularly on boat-people, in the Party and in the electorate. The development of the Kerr–Sciacca shadow cabinet submission and the Gillard Policy were consistent with the 'spirit of accommodation'.

Conclusion

This chapter emphasises the key feature of the factional accommodation model in relation to the development of refugee policy, as the objective in both the Kerr–Sciacca shadow cabinet submission and the Gillard Policy was to appease countervailing views in the Party and the electorate. Although Gillard worked together with several shadow ministers as refugee related issues involved their jurisdiction, consultation was necessarily limited with Caucus because the framework for the policy had already been decided on by the Leadership group. The lack of consultation infuriated some of the Left, particularly because the moderate policy, resulting from a compromise approach, did not satisfy the majority of the Left.

¹³⁵ Dodson, "'St Carmen' Torments Her Leader'. Dodson writes that: "Right-wing critics of Crean got into bed with Left-wingers fighting for the policy to be softer on asylum seekers". The disunity in Caucus during Crean's leadership is discussed in Chapter Six.

In order to have the Gillard Policy endorsed in Caucus, the shadow minister had the support of her sub-faction, even though the majority in the Soft Left may have wanted a more stringent approach to boat-people issues. Hence, given that the Right was divided on the policy, the loyalty of the Soft Left provided Gillard with the numbers in Caucus. It therefore appears that allocating the Immigration portfolio to a member of the Soft Left was a strategically sound decision.

The next chapter explores the consultation process and grassroots activism that occurred in the organisational wing following the 2001 Federal Election in relation to refugee policy. It discusses the factional dynamics in relation to the Gillard Policy leading up to, and during, the 2004 National Conference.

CHAPTER EIGHT

Refugee Policy and the Organisational Wing

We had the responsibility of developing a policy that did not just reflect [Labor for Refugees'] views — that's what policy development is about.
Shadow Minister for Trade Simon Crean, 2005¹

This chapter concludes the account and analysis of the refugee policy development processes by concentrating on the consultation that occurred in the organisational wing. It demonstrates that consultation, as part of the policy development process, was initially conducted outside the faction system. The consultation with the organisational wing, predominantly by the Shadow Minister for Immigration, Julia Gillard, was part of Simon Crean's broader objective of encouraging grassroots participation in policy development. This chapter explores how Labor for Refugees, an internal lobby group advocating the softening of the refugee policy, attracted members from across the factions, but could not divert Julia Gillard from the policy outline determined by the Leadership Group. Similarly, an examination of the establishment and outcomes of the Working Group, which was appointed especially to consider the principles upon which the policy should be formulated, shows its existence merely served to highlight existing divisions.

This chapter demonstrates that the overall impact of the organisational wing on refugee policy was that it transformed the cross-factional divide on boat-people issues into a debate between the major national factions. Once the issue became a conflict between the Left and the Right, negotiations between the faction leaders were conducted in accordance with Lijphart's accommodation model. The chapter examines how further concessions were given in order to placate the major factions, and how factional discipline was enforced within the Left and the Right at the 2004 National Conference. It concludes that in the organisational wing, both subtle and overt factional influence on the policy came from the Right and the Left. Even though the Independents Alliance provided a split vote, which together with the Right provided the majority vote for the Gillard Policy, the chapter argues that if the 'centre' faction had supported the Left, the Soft Left would have supported the National Right.

¹ Interview with Simon Crean, 8 December 2004.

The activities of Labor for Refugees were ascertained through interviews with the convenors of the Queensland based lobby group. While acknowledging this bias in the interview methodology, the restriction to Queensland members did not detract from obtaining relevant information as these convenors were involved in all the decisions made by Labor for Refugees. On-the-spot ('doorstop') interviews and observing the events at the 2004 National Conference assisted in identifying how the national factions enforced a position on their members.

Consultation Outside the Faction System

The consultation in the organisational wing was initially conducted outside the faction system and facilitated in several ways, reflecting a strong desire by the "rank and file members to be given opportunities for a greater say in the operations and policy development of the Party".² The *General Framework: Asylum Seekers* endorsed by Caucus on 11 February 2002, and discussed in Chapter Seven, stated that Party members would be "involved in the process of [refugee] policy development through seminars and by forwarding ideas".³ The Deputy Leader, Jenny Macklin (Hard Left), led Party forums devoted to reviewing all Party policies, including refugee policy. Similar forums were organised by the National Policy Committee, while the Shadow Minister for Immigration, Julia Gillard (Soft Left), held seminars that concentrated only on issues relating to refugee policy.⁴ As not all Party members could attend these forums, the *General Framework* was accessible to every ALP member through the *Labor Herald* and the ALP's website.⁵ In addition, an information kit was sent to every local sub-branch to facilitate an informed debate. The *Refugees and Asylum Seekers Consultation Kit*, mailed out in April 2002, contained two speeches by Simon Crean, a paper titled 'Policy Development Framework' and six fact sheets.⁶

The fact that the Leadership Group had already decided on the framework for asylum-seeker related policy issues indicated that 'consultation' was aimed at reuniting the

² Bob Hawke and Neville Wran, *National Committee of Review Report*, August 2002, p.4.

³ ALP, Press Release, *General Framework: Asylum Seekers*, 11 February 2002; Interview with Simon Crean, 8 December 2004; ALP, *General Framework: Asylum Seekers*; ALP, *National Magazine: Labor Herald*, ALP, Barton, no. 33, Summer, 2002, Federal Australia Labor Party website.

⁴ Interview with Julia Gillard, 6 July 2005; 'Policy Forums Achieving Sound Marks', ALP, *National Magazine: Labor Herald*, ALP, Barton, no. 35, Spring, 2002, p.12.

⁵ Julia Gillard, *Australian Young Labor National Conference Address*, Press Release, 17 March 2002.

⁶ ALP, *Refugees and Asylum Consultation Kit*, April 2002.

Party's membership on boat-people issues. Reflecting the essence of the *Consultation Kit*, the forums led by Gillard appeared to be a persuasion exercise "to commit the wider Party" to the *General Framework*, rather than encouraging a genuine debate.⁷ This reflects Carmen Lawrence's observation that consultation in the organisational wing was not so much about listening to the rank and file as about explaining policy decisions to them.⁸ The broad 'consultation' with the membership demonstrates that it was important for the Party to convey to members, particularly those who were non-aligned, the impression that they were not excluded from the policy development process.

The national factions initially did not have a faction position on refugee policy and only some State-based factions debated refugee issues. It is outside the scope of this thesis to determine the extent to which refugee policy was discussed in the State-based factions. However, it appears that such discussion occurred more in the Left than in the other factions. In some States, such as Queensland, New South Wales and Tasmania, the Left were concerned about refugee issues even before the Tampa event.⁹ In contrast, Queensland's Labor Forum and Labor Unity 'hardly ever discussed these sorts of issues, not even after the Tampa incident'.¹⁰ This general lack of debate at the State level reinforces the argument in Chapter Four that State-based factions rarely debate, or take positions on, national policy.

Initially, consultation was conducted outside the faction system because an internal lobby group, Labor for Refugees, free from factional persuasions, provided a forum for those who wished to be involved in developing a more compassionate refugee policy. The emergence of an internal lobby group is unusual in the ALP; the only other lobby group at the time of writing is Rainbow Labor, which is briefly discussed in Chapter Four. Labor for Refugees was established in Brisbane on 27 November 2001 by two members of Young Labor, Siobhan Keating and Matt Collins, who were both aligned to the Left.¹¹ That the lobby group initially focused its energies outside the faction system reflects the fact that there were countervailing views in all factions on asylum seeker issues in the wake of the 2001 Federal Election. The hierarchy of the Party supported

⁷ Interview with Trish Crossin, 2 December 2004.

⁸ Interview with Carmen Lawrence, 7 December 2004.

⁹ Interview with Tanya Plibersek, 1 December 2003; Interview with Duncan Kerr, 10 August 2005.

¹⁰ Interview with Grace Grace, 12 February 2002; Interview with John Hogg, 18 July 2003; Interview with Terry Hampson, 14 July 2003.

¹¹ Labor for Refugees, *Charter*, Queensland, p.1. The Labor for Refugees' charter states that it is a non-factional organisation, seeking to work within an environment that is conciliatory and free from factional persuasions.

the lobby group's right to exist and have a voice, and, subsequently, Labor for Refugees provided Party members with an outlet to 'blow off steam'. Carmen Lawrence states that without Labor for Refugees, it would have been difficult for Party members to get involved in these issues.¹²

Siobhan Keating and Matt Collins sent an open letter to Party branches in Queensland "calling for a campaign to change Labor's position towards asylum seekers".¹³ The first meeting was held in Brisbane on 27 November 2001, and ten or so Party members began meeting on a fortnightly basis.¹⁴ The group consulted with, and was supported by, individuals and groups outside the ALP, including church members and refugee rights groups.¹⁵ The lobby group spread north to Townsville, and interstate to Victoria, New South Wales, Western Australia and the Australian Capital Territory.¹⁶ Initially, its principal objectives were to "end the policy of mandatory detention for those seeking refugee status and to end the issuing of Temporary Protection Visas".¹⁷

Within Labor for Refugees there was a temporary alliance between the Catholic tendency in the National Right and the National Left. Historically, the traditional Left and Right factions were unanimous in their opposition to accepting the Vietnamese boat-people who arrived in April 1975 after the fall of Saigon.¹⁸ According to Stephen Conroy (Right), who worked in Victoria with a Catholic refugee settlement association for fifteen years, the Left are only "recent converts to the cause".¹⁹ The NSW Right was overwhelmingly Catholic during the 1940s and 1950s, and while Catholicism is no

¹² Interview with Carmen Lawrence, 7 December 2004.

¹³ Interview with Matt Collins, 14 August 2002. Collins stated that before the launch of Labor for Refugees, even before the 2001 Federal Election, there was a Labor for Refugees' e-mail list in Victoria.

¹⁴ Interview with Terry Hampson, 14 July 2003.

¹⁵ Mike Byrne, 'Labor for Refugees Launched', *Green Left Weekly*, 12 December 2001, p.4; Interview with Matt Collins, 14 August 2002; Interview with Siobhan Keating, 4 March 2005.

¹⁶ Jan McLucas, *Asylum Seekers: Challenging the Misconceptions*, nd (approx end of 2002); Interview with Matt Collins, 14 August 2002.

¹⁷ Labor4refugees.org., p.1.

¹⁸ James Jupp and Maria Kabala, *The Politics of Australian Immigration*, Australian Government Publishing, Canberra, 1993, p.149; Mungo MacCallum, 'Girt by Sea: Australia, The Refugees and the Politics of Fear', *Quarterly Essay*, Schwartz Publishing, Melbourne, Summer 2002, p.21. The first wave of boat-people were Vietnamese asylum seekers fleeing from the Communist Government after Vietnam's civil war (1946–75). The majority arrived between 1975 and 1981, on 56 boats containing approximately 2100 asylum seekers. In the Cold War climate, there was some Labor Party and union opposition to Vietnamese boat people and there were strikes by the waterside workers in Darwin in opposition to the acceptance of them. Jupp cites economic and environmental considerations as well as the anti-Communist stand of the refugees as reasons for the negative Labor response. MacCallum states on p.21, that there is no doubt how then leader of the Opposition and member of the NSW Labor's Right faction, Gough Whitlam, felt when he declared that he was "not having hundreds of fucking Vietnamese Balts coming into this country". It was one of the few occasions when the Left, including its charismatic leader Jim Cairns, gave Whitlam unswerving support.

longer a dominant influence, there are still a significant number of individuals with a humanitarian Catholic tendency in that faction.²⁰ This was noted in Chapter Seven in regard to some Caucus members and their stance on refugee policy. In the organisational wing the most prominent lobbyist for the further softening of the refugee policy was John Robertson, the Secretary of the NSW Council of Unions, from the Catholic tendency in the NSW Right.²¹ Robertson became one of the key spokespeople for Labor for Refugees and was initially supported by some members of the NSW Right.

Through Robertson, the NSW Council of Unions provided resources, including a staff member to execute the lobby group's administrative work.²² Siobhan Keating recalls that the Council:

provided us an awful lot of funding and an awful lot of political support and was a very big political contact between the Labor for Refugees and the politicians in New South Wales. They provided us with a huge resourcing point and continuous support right throughout the campaign.²³

Labor for Refugees received similar help in other States. For instance, in Queensland the Council of Unions (Left and Labor Unity) provided practical and moral support in the form of the use of their office equipment and contacts with State and federal Labor politicians.²⁴ Other prominent members from both the State and federal level also became involved, including State MP Jim Fouras (Labor Unity) and Queensland Senator Jan McLucas (Hard Left).²⁵ McLucas mailed a document titled *Asylum Seekers: Challenging the Misconceptions* to all Queensland ALP members. Nationally, Labor for Refugees' most prominent spokespersons were from both the major factions - Robertson from the Right and Lawrence from the Left.

¹⁹ Interview with Stephen Conroy, 22 April 2004.

²⁰ Marilyn Dodkin, *Brothers: Eight Leaders of the Labor Council of New South Wales*, University of New South Wales, Sydney, 2001, p.1; Dean Jaensch, *The Hawke and Keating Hijack: The ALP in Transition*, Allen and Unwin, North Sydney, 1989, p.121; Interview with Robert McClelland, 9 August 2005; Interview with Duncan Kerr, 10 August 2005. According to Kerr the Catholic tendency "was strong" in the NSW Right in relation to refugee policy.

²¹ Interview with Duncan Kerr, 10 August 2005.

²² Interview with John Robertson, 28 November 2003; Interview with Leo McLeay, 3 December 2003; Interview with Siobhan Keating, 4 March 2005.

²³ Interview with Siobhan Keating, 4 March 2005.

²⁴ Interview with Siobhan Keating, 4 March 2005.

²⁵ McLucas, *Asylum Seekers: Changing the Misconceptions*; The ABC News Online, 'Qld Labor Senator Joins Lobby for Changes to Asylum Seeker Policy', 5 October 2002.

Membership, however, was clearly dominated by rank and file members and MPs of the Left.²⁶ The popular support that the lobby group received at the local sub-branch level served as a political barometer for the dissatisfaction among grassroots members, who have become increasingly middle-class and more left-leaning since the 1960s, particularly those who attend sub-branch meetings.²⁷

While Labor for Refugees was accepted as an internal lobby group within the Party, it had its critics. Opposition to the softening of the policy expressed by members of the Soft Left (detailed in Chapter Seven) was reflected in the sentiments of former Minister for Immigration, Nick Bolkus (Soft Left). Bolkus argues that the members in the lobby group only “care about people who arrive here illegally” and should be called “Labor for Boat-people”.²⁸ According to the former immigration minister, the grassroots membership had shown no concern in the last seven years during which the Howard Government had reduced intake numbers and support services for refugees.²⁹ While Labor for Refugees can be viewed as an emotional response to Labor’s acquiescence to the Government on boat-people issues (except for the first Border Protection Bill), their agenda did include a wide range of refugee issues.³⁰ However, given Caucus endorsement of the policy framework in February 2002, the lobby group during the Gillard policy development process was, inevitably, focused on the controversial issues relating to boat-people.³¹

The activities of Labor for Refugees at all levels of the organisational-wing sent a clear message to the parliamentary wing that a large proportion of the Party’s rank and file wanted the policy ‘softened’. Labor for Refugees’ charter called for Labor to adopt a “compassionate and humanitarian” policy, including the abolition of mandatory

²⁶ Interview with Julia Gillard, 6 July 2005; Interview with Siobhan Keating, 4 March 2005; Interview with Terry Hampson, 14 July 2003.

²⁷ Ian Marsh, ‘Major Party Membership, Organisation and Roles’, *The Australian Political System*, David Lovell, Ian McAllister, William Maley and Chandran Kukathas (eds), Longman, South Melbourne, 1998, p.320; Anthony Albanese ‘The Organisational Review Committee and ALP Factions’, *The Paradox of Parties*, Marian Sims (ed), Allan and Unwin, St Leonards, 1996, p.54; John Warhurst, ‘Labor Party’, *Government Politics and Power and Policy in Australia*, Dennis Woodward, Andrew Parker and John Summers (eds), Longman, South Melbourne, 1987, pp.167-85.

²⁸ Interview with Nick Bolkus, 2 December 2003.

²⁹ Interview with Nick Bolkus, 2 December 2003.

³⁰ Interview with Siobhan Keating, 4 March 2005; Interview with Terry Hampson, 14 July 2003; Labor for Refugees, *Campaign Update*, no.1, and Labor for Refugees, *Charter*, com/group/labor4refugees, viewed March 2002.

³¹ Interview with Siobhan Keating, 4 March 2005; she states that the TPVs and detention centres were the main issues of concern, and that the group wrote “the policy amendment right from point of arrival, right to acceptance of claim, and then integration into the community”. Labor for Refugees consulted with community and refugee groups.

detention, Temporary Protection Visas (TPVs) and the ‘Pacific Solution’. As detailed in Chapter Seven, these particular issues were the three most contentious aspects of the refugee policy. While Gillard did not consult with all the Labor-for-Refugee groups in every State, in Queensland the conveners of the lobby group were able to meet personally with Kim Beazley and Julia Gillard in 2002, and with Stephen Smith and Arch Bevis in 2004. According to Siobhan Keating the meetings always consisted of one of the shadow ministers, a staff member and two representatives of Labor for Refugees.³² It is difficult to assess the degree of influence Labor for Refugees had on the development of the policy. According to Crean, Labor had “the responsibility of developing a policy that did not just reflect their [Labor for Refugees] views”.³³ Chapter Seven argues that from the beginning of the policy formulation process the Leadership grouping and the Shadow Minister for Immigration took into consideration the countervailing views on refugee policy. The role of Labor for Refugees in this policy development process was clearly to articulate one side of the debate and, in doing so, highlight particularly contentious issues such as TPVs, the Pacific Solution and mandatory detention.³⁴ In the *General Framework*, Gillard outlined reforms in these key policy areas. As Labor for Refugees would not shift from its position and Gillard could not agree to anything outside the parameters of the *General Framework*, the consultation with the lobby group appears to be simply part of the broader consultation process. As argued in Chapter Seven, this consultation, which occurred outside the faction system, was aimed at committing the wider Party to the *General Framework*.

However, the consistent pressure Labor for Refugees placed on Federal Labor played a significant role in transforming the cross-factional concerns on refugee policy to a factional divide between the National Left and the National Right. The following sections demonstrate that, consistent with Lijphart’s accommodation model, once the policy issue became embroiled in the faction system some concessions were made.

³² Interview with Siobhan Keating, 4 March 2005.

³³ Interview with Simon Crean, 8 December 2004.

³⁴ Interview with Arch Bevis, 14 July 2003. Bevis explains that the suggestion from Labor for Refugees that the term mandatory detention should be replaced with ‘compulsory processing’ was not well received by all of its own supporters. Subsequently, the lobby group did not pursue this proposal. It appeared more significant to some of the MPs in the Left who supported Labor for Refugees and this is discussed in Chapter Seven.

The Shift from Cross-factional to Factional Divide.

The objective of Labor for Refugees was to win grassroots support so that its resolutions could be endorsed first at regional then State conferences with the aim of altering the Gillard Policy at the 2004 National Conference. Its supporters in sub-branches moved the lobby group's resolutions and after endorsement, letters were sent to Julia Gillard and/or resolutions were forwarded for debate at regional conferences.³⁵ According to Terry Hampson, a member of the rather informal executive of Labor for Refugees, the resolution was carried in most regional conferences throughout the ALP.³⁶

Labor for Refugees strategically lobbied candidates in the ballot for delegates to the State Conference, to stand on a Labor for Refugees' ticket. (Chapter Four explained that delegates to National Conference are elected at the State and Territory Conferences.) It is outside the scope of this thesis to determine how Labor for Refugees operated in all States and Territory branches, but in Queensland the group lobbied the candidates directly as well as mailing letters to the rank and file asking them to vote only for those candidates who supported the Labor for Refugees' charter.³⁷ Some candidates agreed to stand on the Labor for Refugees' ticket, not necessarily because they supported its policies but because they thought this would be a shrewd way to accumulate votes.³⁸ The tactics of Labor for Refugees did not alter the factional ratio vote in Labor's Lilley Federal Electoral Council, as the factional ratio (two Right, two Labor Unity and one Left) was typical for this electorate. The activities of the lobby group also did not change the factional composition of the 2004 National Conference (see Chart 4.1), demonstrating that, even with a controversial issue and extraordinary events in relation to policy development, the dominance of the national factions within the Party structure was not affected.

³⁵ Observation by Author at the Chermiside sub-branch, Queensland, 2002; Letter from Julia Gillard, Shadow Immigration Minister, to Toowong West sub-branch, Queensland, 27 March 2002. The consistent response from Gillard was that "We believe that there is not just one form of mandatory detention, (and that) Labor recognises that it is required to enable identity, security and health checking of asylum seekers".

³⁶ Interview with Terry Hampson, 14 July 2003; Labor for Refugees, *Campaign Update*, no.1, March 2002.

³⁷ Labor for Refugees' Charter and campaign updates on com/group/labor4refugees were viewed throughout 2002 and 2003.

³⁸ Interviews with Lilley FEC delegates, given on the condition of anonymity, 2002.

The tactic, to some extent at least, played a role in influencing the vote at Conferences at the State level. At the Queensland Conference, delegates on the Labor for Refugees' ticket subsequently had to vote for the lobby group's resolution and report to their local sub-branch that they had done so. Delegates at all State and Territory Labor Conferences overwhelmingly supported a Labor for Refugees', or similar, resolution in 2002.³⁹ This implies cross-factional support, but predominantly the support came from the Left. For example, in Queensland at the 2002 State Conference the Left voted as a bloc for the Labor for Refugees' resolution while Labor Unity and Labor Forum allowed a conscience vote. The response of Federal parliamentarians reflected the sentiments in Caucus discussed in Chapter Seven; Jan McLucas and Claire Moore (both Hard Left) supported the resolution, while Kevin Rudd, Joe Ludwig and Craig Emerson (all Right) spoke against it.⁴⁰ Labor for Refugees left itself open to criticism when a motion was passed to end processing of asylum seekers offshore.⁴¹ However, it appears that Labor for Refugees' intention was to argue for the abolition of the 'Pacific Solution' and in subsequent resolutions this was better articulated. Generally, debate was kept to a minimum because the Party wanted to avoid a public brawl on an issue that concerned national rather than State policy.

At the 2002 NSW Labor Conference the Right allowed a conscience vote. This freedom was rare in the NSW Right, but one of its members, the Secretary of the NSW Council of Unions, John Robertson (Right), was responsible for moving the Labor for Refugees' resolution. At the NSW Right faction meeting prior to Conference, Robertson, after a heated debate with Mark Latham, had won over the support of the majority for a conscience vote on refugee policy.⁴² Robertson's union colleagues tried to change his mind on moving the resolution by arguing with him that if he lost the vote for the resolution he would lose authority as Council Secretary. Some members of the Right harassed Robertson until the very last moment before he moved the resolution.⁴³ This opposition to Robertson's stance was in part influenced by the fact that members of the

³⁹ Interview with Terry Hampson, 14 July 2003; Interview with Matt Collins, 14 August 2002; Interview with Duncan Kerr, 10 August 2005; Labor for Refugees, *ALP National Conference Newsletter*, January 2004. In Queensland the motion was first forwarded to the Branch Social Justice Committee, which agreed to place it on the Conference agenda.

⁴⁰ Interview with Matt Collins, 14 August 2002; Chris Jones, 'Rebuff for Crean on Detention', *Courier Mail*, 3 June 2002, p.4.

⁴¹ Labor for Refugees, *Campaign Update*, No. 1, March 2002; Jim McKiernan, (Labor Senator for Western Australia), 'Mandatory Detention: A Follow Up', discussion paper addressed to Federal Labor Parliamentary Party, June 2002.

⁴² Interview with John Robertson, 28 November 2003. The debate which Mark Latham lost to Robertson may well have fuelled Crean's belief that the NSW Right did not want to support their federal Leader, as discussed in Chapter Six.

various Right unions “tend to have what might be characterised as fairly hardline anti-asylum seeker views”.⁴⁴ Nonetheless, the faction leaders allowed a conscience vote.

Robertson acknowledges that his position as Secretary of the NSW Council of Unions, which is dominated by Right unions, made an impact on the Conference and the refugee policy debate. He remembers that moving the resolution was an “empowering experience” for him and others at the Conference because:

For the first time people felt it was okay not to vote on an issue along factional lines. The amendment had cross-factional support and it was okay to vote how you actually felt, a conscience vote, rather than being told you’ll vote this way or that way. People told me later that some of the women at the back of the conference cried. It was a pretty emotional wave to ride on, I guess, it kept moving, it has really moved to the point, where people are saying that maybe factions are not the best way for things [policies] to be pursued in the future.⁴⁵

Delegates appeared grateful that the issue was not decided along factional lines but by individual perspectives on the merits of the argument.⁴⁶ According to Robertson, it was more evident at the NSW Branch of the ALP Conference than in any other State or forum that the divide was between the federal parliamentary delegates, who wanted a more stringent policy, and the rank and file delegates, who wanted a more compassionate and humanitarian policy.⁴⁷

However, it is significant to note that Robertson could not have moved the Labor for Refugees’ resolution if he had not had the support of the majority of his faction, in which there existed not only a Catholic tendency which supported a more humanitarian approach, but also a splinter group determined to undermine Crean’s leadership (discussed in Chapter Six).⁴⁸ Latham states that he did not believe that “a Richardson or a Della Bosca” would have allowed a free vote to occur on such an important issue.⁴⁹ Besides the factional dynamics in the NSW Right, there are several reasons why faction leaders in the State and Territory branches allowed their members to support the Labor for Refugees’ resolution. Firstly, it was such an emotive issue that the Right did not want to risk members deserting to the Left. Secondly, as the first part of the chapter demonstrates, Caucus had already endorsed the framework for the development of the refugee policy before these resolutions were passed. Some of the proposals in the Labor

⁴³ Interview with John Robertson, 28 November 2003.

⁴⁴ Interview with Julia Gillard, 6 July 2005.

⁴⁵ Interview with John Robertson, 28 November 2003.

⁴⁶ A strong impression gathered through most of the interviews in 2002 and 2003.

⁴⁷ Interview with John Robertson, 28 November 2003.

⁴⁸ Interview with John Robertson, 28 November 2003; Interview with Terry Hampson, 14 July 2003; Interview with Mark Latham, 3 August 2003.

for Refugees' resolution, such as releasing children from detention centres and having the public sector in control of the facilities, were already part of the framework and, as noted in Chapter Seven, had already been publicly announced as Labor policy by Crean. The final but most significant reason why faction leaders allowed a conscience vote was that State and Territory Conferences do not determine national policy. Only National Conference can direct federal Caucus (and as Chapter Four stated, even that is debatable), and therefore faction leaders did not have a vested interest in how their faction members voted.

Ironically, as a result of the 'free vote', a factional pattern began to emerge at the State and Territory Labor Conferences. The Left supported Labor for Refugees as a bloc, and while the Right and 'centre' factions allowed a conscience vote, the majority in the Right voted against the Labor for Refugees' resolution. This was partly because members from factions are often more comfortable voting along factional lines, as discussed in Chapter Four and Five. The main reason, however, was that the majority of the Right believed the resolution to be too extreme and saw the *General Framework* as a more balanced approach to refugee policy development as it included concessions to those who expected a softening of the policy by initiating reform to make the policy more humane and compassionate.⁵⁰ Siobhan Keating concedes that:

Simon [Crean] did quite a good job of making those changes and selling those changes as very big and progressive steps without addressing some of the fundamental changes we were talking about. So it became a lot easier for people to say that the Labor Party had found a position that was both principled and electorally sellable. Certainly those changes did make it much easier for people to justify the decision not to support us to the extent that we wanted them to.⁵¹

The solid bloc vote of the Left in support of Labor for Refugees at the many State and Territory Conferences made the softening of the refugee policy an agreed National Left position. As Siobhan Keating explains, "it really became, 'this is an agreed Left position' and we were then in the position to go out and lobby support among factions as a faction, rather than lobbying across Party members generally".⁵² While the view of the majority of the Right was not yet the official position of the National Right, the fact that the Left had established a factional position meant that when the eventual vote was held on refugee policy, the Right would respond with a factional position reflecting the views of its majority. The issue had shifted dramatically from being a cross-factional

⁴⁹ Interview with Mark Latham, 3 August 2003.

⁵⁰ Interview with Siobhan Keating, 4 March 2005; Interview with Joe Ludwig, 7 August 2003; Interview with Joel Fitzgibbon, 3 December 2004.

⁵¹ Interview with Siobhan Keating, 4 March 2005.

controversy to a factional policy debate. Consistent with the factional accommodation model, negotiations were now possible between the faction leaders.

Leading up to the 2002 Special Rules Conference, faction leaders prepared to use their authority. According to Annabel Crabb: “[Robert] Ray and the bulk of right-wingers favoured bringing on a debate on refugee policy; they were annoyed by the vocal Labor for Refugees activists and were confident they had the numbers to defeat them at the conference”.⁵³ As discussed in Chapter Six, Crean argued that the NSW Right’s splinter group took advantage of the NSW Council of Unions involvement with Labor for Refugees to undermine his leadership during the NSW State Conference. Ironically, Crean worked together with Robertson (Right) and faction leaders of the National Left, Anthony Albanese and Doug Cameron (both Hard Left), on a deal that delivered Crean the Left’s support for the 50:50 rule reform (discussed in Chapters Four and Six); in return, the Right would not block further debate on refugee policy.⁵⁴

Consistent with the unwritten rules of accommodation of the factional game, the negotiations resulted in a compromise decision, allowing the National Executive to appoint a National Temporary Working Party on Refugees.⁵⁵ The motion was moved at the Special National Conference by John Della Bosca (Right) and seconded by George Campbell (Hard Left). It was agreed that Labor for Refugees would be represented on that body.⁵⁶ For Crean, this was a strategic move to ensure that the refugee issue would not be a distraction at the Special Rules Conference. The Working Group temporarily soothed the policy debate, which increasingly became a factional conflict between the National Left and the National Right.

⁵² Interview with Siobhan Keating, 4 March 2005.

⁵³ Annabel Crabb, *Losing It: The Inside Story of the Labor Party in Opposition*, Picador, Sydney, 2005, p.110.

⁵⁴ Crabb, *Losing It*, p.112. The negotiations were not completed until the morning of the October 2002 National Conference, as some of the unions in the Left were initially not supportive of the 50:50 rule reform. Crabb writes eloquently on p.112: “At the moment of the final vote [for the 50:50 rule], observers in the elevated ranks of seating above the conference floor of the Canberra Convention Centre were treated to a historically anomalous sight: vast tracts of the New South Wales Right contingent raising hands to vote against the federal leader of the Labor Party”.

⁵⁵ Arend Lijphart, *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*, University of California Press, Berkeley and Los Angeles, 1968, pp.112-5 &126-7.

The Working Group: A Token Gesture

On 4 October 2002, the National Executive appointed the Working Group. This Group consisted of Julia Gillard (Soft Left); Kim Beazley (Right); two senior members of the relevant Caucus policy committee, Jan MacFarlane (Soft Left) and Frank Mosfield (Right); former Ministers for Immigration, Nick Bolkus (Soft Left) and Robert Ray (Right); Rod Sawford (Independents Alliance); and two representatives from Labor for Refugees, John Robertson (Right) and Nick Martin (Left). Greg Sword (Network/Independents) held the Chair, a non-voting position. The membership of this group reinforces Chapter Seven's argument that the control of policy development rests with the faction elite in Caucus; six were federal MPs and the only two members in the organisational wing were from Labor for Refugees.

The National Executive, a faction forum, appointed the Working Group and consequently, the factional ratio of this grouping reflected that of the Executive: four from the Left, four from the Right and one from the Independents. However, the Left representatives from Caucus did not include those who were passionate about further softening of the refugee policy, such as Carmen Lawrence and Duncan Kerr ('independent' Left) and members from the Hard Left. This exclusion tactic ensured that Gillard's control over the refugee policy development would not be jeopardised. The Soft Left had already assured the Shadow Minister for Immigration of its bloc support before the Group was established (as argued in Chapter Seven). Hence, Gillard had the support of both the Right and the Soft Left in the Working Group.

The Group ostensibly met for the purpose of "identifying and considering the principles upon which the Party's refugee policy be formulated", but this appeared to have little substance considering it was unlikely to overturn the policy framework endorsed by Caucus in February.⁵⁷ That there was little room for further compromise is reinforced by the fact that the Working Group did not take submissions from interested members or community groups.⁵⁸ The fact that the Group only met twice over a two-month

⁵⁶ Interview with Julia Gillard, 6 July 2005.

⁵⁷ ALP, *National Temporary Working Party on Refugees, Minority Report*, Canberra, 25 November 2002, p.1.

⁵⁸ ALP, *National Temporary Working Party on Refugees, Minority Report*, p.3; Email communications from Matthew Collins to all Labor for Refugees' members on 29 November 2002, in which he expressed disappointment about the operations within, and the outcome of, the Working Group. Labor for Refugees had hoped that the Working Group would take submissions from branches, including those sent to the

period indicates that neither side was inclined to agree to further concessions. Such a situation, as Arend Lijphart recognises, finds “the pragmatic acceptance of the ideological differences as basic realities which cannot and should not be changed”.⁵⁹ In other words, after two meetings the members of the Working Group agreed to disagree. The Group handed down a report based on its deliberations on 28 November 2002, but it had failed to arrive at a consensus position on all issues. The final result was a majority report supported by the federal parliamentary members reflecting the outline in the *General Framework*, and a minority report supported by Labor for Refugees representatives reflecting the lobby group’s charter. The two reports only served to emphasise the existing divisions over the three most contentious refugee policy issues.

John Robertson claims that the minority report influenced the final Gillard Policy with regard to taking a global approach to the issue.⁶⁰ However, this principle had already been established in the 11 February 2002 policy framework.⁶¹ Furthermore, proposals put forward in the minority report, such as abolishing TPVs and mandatory detention and the rejection of Christmas Island as a central processing point for asylum seekers, were not included in the final draft. Crean states that Christmas Island had to remain outside Australia’s migration zone because it was close to Indonesia and therefore attractive to people smugglers.⁶² On the other hand, perhaps not surprisingly, the key points of the majority report were reflected in the final Gillard Policy.

Refugee policy was such an emotive issue that any further concessions by Gillard and the Right may have compromised their factional support, while concessions by Robertson and Martin could have been seen as a betrayal by Labor for Refugees. At best, the Working Group was a genuine attempt to provide a vehicle for the parliamentary wing and the Labor for Refugees’ representatives to discuss the policy in an amicable fashion. At worst, it was merely a token gesture. However, in return for supporting Crean’s 50:50 rule reform and by accepting the compromise of a Working Group, the Left ensured that refugee policy would not be voted on until the 2004 National Conference.

Macklin Policy Review, and those from community organisations. But this had not occurred. Labor for Refugees would seek support in the federal Caucus to support the motions in the minority report.

⁵⁹ Lijphart, *The Politics of Accommodation*, p.124.

⁶⁰ Interview with John Robertson, 28 November 2003.

⁶¹ ALP, *General Framework: Asylum Seeker*.

Refugee Policy: A Cause for the National Left

The Gillard Policy was announced on 2 December 2002, a week after the two reports from the working group were handed down. It was a moderate policy, which addressed the countervailing views. As discussed in Chapter Seven, rather than abolish mandatory detention and TPVs and reverse the excision of Christmas Island, it addressed these issues with major reforms. Many Party members saw the Gillard Policy as a suitable compromise. Labor for Refugees' response was that "these are only half measures", which accurately reflects the nature of a compromise policy. The lobby group conceded that there were some improvements, but stated that it would continue to campaign for further reform relating to the three key issues until the vote at the 2004 National Conference.⁶³

Given that the Soft Left did not support the Labor for Refugees' resolution and some individuals in the Right, such as John Robertson, opposed the Gillard Policy, two months before the 2004 National Conference, members of the national factions were still unsure as to whether the faction leaders would try to enforce a factional position on the issue.⁶⁴ However, the compromise policy persuaded most of the members in the Right that Labor now had a suitable policy. Nonetheless, the Left wanted further concessions. In an attempt to resolve the matter the new Shadow Minister for Immigration, Stephen Smith, consistent with Lijphart's theory, met with one of the Left's faction elite, Carmen Lawrence, rather than the Labor for Refugees convenors Siobhan Keating or Matt Collins. Some political commentators believed that allocating Smith to the Immigration portfolio was a strategic move by Latham as Smith had a close relationship with Lawrence despite their factional differences.⁶⁵ Smith states that: "The fact that Carmen and I are from the same State and friends I think was a factor".⁶⁶

⁶² Interview with Simon Crean, 8 December 2004.

⁶³ Labor for Refugees Queensland, *Campaign Update*, no. 4, January and February 2003, pp.1-2. Matt Collins points out that providing community housing for refugees may sound compassionate but if the housing is based on Christmas Island it is still alienated from the rest of Australian society, the media and support groups. It did not address the situation of those whose claims had been rejected and who remained in detention on Nauru and Manus Island.

⁶⁴ Interview with John Robertson, 28 November 2003; Interview with Nick Sherry, 3 December 2003.

⁶⁵ Cynthia Banham, 'Immigration Job to Test Smith', *Sydney Morning Herald*, 9 December 2003, p.6; Bernard Lagan, *Loner: Inside a Labor Tragedy*, Allen and Unwin, Crows Nest, 2005, p.65. Smith had been a staunch supporter of Lawrence during her time as Premier of Western Australia and had lobbied on her behalf.

⁶⁶ Interview with Stephen Smith, 10 August 2005.

Consistent with the unwritten rules of the ‘factional game’, Smith and Lawrence met privately in December 2003 and again in January 2004 to negotiate an outcome. For such negotiations to be effective, both faction leaders needed to have a “result-oriented attitude” and to agree that “doctrinal disputes should not stand in the way of getting the work done”.⁶⁷ The aim of negotiations by the faction elite is typically to find a solution that will satisfy both sides and be in the best interest of the Party as a whole. However, Lawrence continued to pursue Labor for Refugees’ demands in relation to the three key issues. She argued that, in the last two years, Australian society had become more sympathetic towards asylum-seekers and, therefore, the electorate would accept a more compassionate approach to issues relating to boat-people. Smith and the newly elected Labor Leader, Mark Latham (who personally advocated a tough stance on boat-people), did not agree. Because the Gillard policy was already a compromise policy, it appears that there was little scope for further concessions to the Left, and there was no willingness by either faction leader to concede to the other’s position. After several meetings Smith reported to Latham that they had been unable to reach any agreement.⁶⁸ According to Lijphart, for negotiations to be “temporarily frozen” could “have disastrous consequences”.⁶⁹

Eventually another concession had to be made to acknowledge the strong support for the Labor for Refugees’ resolution by the Left and by a few in the Right. Latham was worried that he might be “rolled by the Left” because a bloc vote from the Right was not yet assured and in an election year, he needed a united Party behind his policy agenda.⁷⁰ Smith and the Leadership group decided to grant further concessions to both sides of the refugee policy debate, reflecting the principles expressed in the Gillard Policy. As summed up by Latham in *The Latham Diaries*, “I announced a new policy position ahead of the Conference ... a tougher stance on people smugglers, but a softer

⁶⁷ Lijphart, *The Politics of Accommodation*, pp.122-38.

⁶⁸ Lagan, *Loner*, p.65; Interview with Carmen Lawrence, 7 December 2004. That sympathy in the electorate towards asylum seekers has increased during the past two years is supported by the *Australian Newspoll* which was cited in George Megalogenis, ‘Sympathy Shifting Towards Asylum-Seekers’, *Australian*, 20 August 2004, p.2; George Megalogenis, ‘Ali Finds Refuge at Last’, *Weekend Australian*, 21-2 August 2004, p.28.

⁶⁹ Lijphart, *The Politics of Accommodation*, p.124.

⁷⁰ Dennis Atkins, ‘Some Drama but Result Inevitable’, *Courier Mail*, 31 January 2004, p.4; Michael Gordon, ‘Latham Wins the Fight on Refugees’, *Age*, 31 January 2004, p.1. Chapter Six argues that the ALP believes that the Party must be united if it is to win a federal election.

stance on TPVs”.⁷¹ The concessions were designed to “take the sting out of the Conference debate”, which to large measure, they did.⁷²

On 23 January 2004, Latham announced that the penalties for people-smuggling were drastically increased and the period for TPVs was reduced to two years.⁷³ As noted in Chapter Seven, the Gillard Policy did not specify a time limit for TPVs.⁷⁴ The policy already granted permanent protection visas to refugees for whom it was still not safe to return to their homeland after the expiration of their initial TPV. This was in contrast to the Howard Government which dictated that after the three-year term, a refugee’s only option was to apply for another three-year TPV. The new proposal announced by Latham was that TPVs would not only be limited to two years, but also that this would be retrospective, and when elected Labor would expand support services to refugees.⁷⁵ It is reasonable to speculate that the time-period for TPVs in the Gillard Policy had been “deliberately left open” for strategic reasons in order to be able to grant a final concession, if necessary, to those who supported the Labor for Refugees’ charter.

What is clear is that the two concessions, one week before the National Conference, were the compromises needed by the Right faction leaders to unite their members. Negotiation with the National Right was assisted by the fact that Smith and Latham were members of this faction. As argued in Chapters Four and Five, factional loyalty plays a subtle but vital part in achieving support for a factional position. A few days after the announcement of the concessions, the NSW Right held a meeting and voted overwhelmingly that the faction would vote as a bloc at the National Conference in support of the parliamentary policy. Besides the fact that a large majority within the NSW Right approved of the policy on its own merits, it is not surprising that it also wanted to guarantee that Latham (NSW Right) had the support of his own faction. Labor’s critics would interpret the policy as a test of Latham’s leadership, and in an election year the endorsement of the policy by Conference would be crucial in portraying a united Party. The Labor Leader would be portrayed as weak and ineffective

⁷¹ Mark Latham, *The Latham Diaries*, Melbourne University Press, Carlton, 2005, p.264.

⁷² Latham, *The Latham Diaries*, p.264

⁷³ Steven Lewis, Sophie Morris and Ziyad Springborg, ‘Latham to Soften on Boat-people’, *Weekend Australian*, 24-25 January 2004, p.1; Matt Price, ‘Latham Stakes out his Ground on Refugees’, *Australian*, 27 January 2004, p.1; Interview with Siobhan Keating, 4 March 2005. Keating states that Labor for Refugees was informed after the Caucus had ratified Latham’s decision and prior to the media announcement.

⁷⁴ Interview with Julia Gillard, 6 July 2005.

⁷⁵ Interview with Julia Gillard, 6 July 2005; Labor for Refugees, *ALP National Conference Newsletter*, January 2004, p.4.

if he could not get support from his own Party for what he thought was in the best interest of the country.⁷⁶ The Left, however, asserted that although the concessions were welcome, it remained united behind the Labor for Refugees' resolution.⁷⁷

According to Lawrence, Labor for Refugees had been effective in mellowing the harsh tone and emotive language of the 75-page Gillard Policy, discussed in Chapter Seven.⁷⁸ The tone and language of the Gillard Policy were consistent with the antipathy expressed by sections of the community to boat-people during the 2001 Federal Election campaign. That this language had been moderated was manifest in the 2004 Platform.⁷⁹ Gillard states that these changes were not enacted because of any influence from Labor for Refugees but because:

The absence of boat arrivals in 2002 and 2003 meant the government's opportunity to use the scare-mongering tactics of 2001 was substantially lessened and thus community feelings were a bit more moderate. [Furthermore], the policy document from December 2002 could never be reproduced verbatim in the 2004 party platform. The latter, by its nature and necessity, is a much leaner document.⁸⁰

The Gillard Policy had the broad purpose of mollifying countervailing views in the Party and in the community by emphasising a tough yet compassionate stance, while the policy presented to the 2004 National Conference was much shorter and directive in tone in order to be incorporated into the platform.

The 2004 National Conference: Factional Discipline and Debate

The three-day 2004 National Conference began on 29 January 2004, and the refugee policy debate was scheduled for the second day. At the faction meeting of the National Right before the formal proceedings of Conference, the faction leaders called for a vote,

⁷⁶ Atkins, 'Some Drama but Result Inevitable'; Gordon, 'Latham Wins the Fight on Refugees'.

⁷⁷ Labor for Refugees, *ALP National Conference Newsletter*, January 2004, p.4.

⁷⁸ Interview with Carmen Lawrence, 7 December 2004; Labor for Refugees Queensland, *Campaign Update*, No. 4, January and February 2003, pp.1-2; The Hon Simon Crean MP, Leader of the Opposition, and Julia Gillard MP, Shadow Minister for Population and Immigration, *Protecting Australia and Protecting the Australian Way: Labor's Policy on Asylum Seekers and Refugees*, December 2002. For instance, the language in the foreword was initially laced with strong emotive words such as a "crack down on illegal workers", "smash onshore and offshore people smuggling", and "eradicating people trafficking" (emphasis added). It drew on nationalist sentiments: the "Australian way" was used repeatedly (five times in just three pages) and the word refugee is not used correctly in every context, the term "genuine refugees" seems to be used for a desired impact.

⁷⁹ Dennis Atkins, 'Bold Step for Labor', *Courier Mail*, 1 November 2002, p.15. One month before the Gillard Policy was announced, Atkins argues that "antipathy to asylum seekers remains as strong as it ever was".

⁸⁰ Interview with Julia Gillard, 6 July 2005.

knowing in advance that an overwhelming majority would support the Gillard Policy.

Conroy explains that:

I and quite a few others in the Right would rather have voted for something else, but ultimately the view of the Left, is only representative of 20 percent in the community. We can't help refugees if we are not in government.⁸¹

Hence, the official factional position was determined.

The NSW Right position effectively prevented John Robertson from speaking as an advocate for Labor for Refugees. Faction solidarity to his State-based faction denied Robertson the opportunity to make one last attempt to persuade members in the National Right to his view. He proxied-out his vote so that he did not have to vote for a policy he opposed. The person voting in his place voted along factional lines.⁸² That the NSW decision was made only a few days before Conference was evident in that the programme distributed to the Conference delegates still had Robertson as the person nominated to put forward the Labor for Refugees' amendments.⁸³

In contrast to Robertson, Grace Grace, General Secretary of the Queensland Council of Unions and a delegate from Labor Unity in Queensland, was able to speak at length on why she supported the Labor for Refugees' amendments. Although at this Conference the State-based faction voted with the Right on policy, it was aligned with the Independents Alliance for the strategic purpose of Party ballots (explained in Chapter Four). Labor Unity did not caucus with the National Right but met separately. The thirteen delegates from Labor Unity decided to vote as a bloc to support the Leader. Grace was keen to make the distinction that this did not mean they supported the policy on principle but that it was more important to support the leader. Besides, she conceded, "if you cannot get enough support for your view in the National Right, you have to support the decision of the majority".⁸⁴

The National Left had already decided their factional position on the first day of Conference. On 29 January, Anthony Albanese (Hard Left) moved the motion that the Left should endorse Labor for Refugees' policy position and was seconded by Doug

⁸¹ Interview with Stephen Conroy, 22 April 2004.

⁸² Observation by Author of the debate at 2004 National Conference, Darling Harbour, Sydney, 31 January 2004; Informal conversation with delegates across the factions at National Conference, 30-31 January 2004, on the condition of anonymity.

⁸³ Observation by Author of the debate at 2004 National Conference, Darling Harbour, Sydney, 31 January 2004; Interview with Carmel Cook, 1 February 2004; Informal conversations with delegates from the Right at the 2004 National Conference, 30 & 31 January 2004, on the condition of anonymity.

⁸⁴ Interview with Grace Grace, 12 February 2004.

Cameron (Hard Left).⁸⁵ There were some in the Left who were resigned to vote with their faction as, according to Laurie Ferguson (Soft Left), they were intimidated by a smear campaign going on within the Left, which insinuated that support for the parliamentary policy was akin to supporting racism and One Nation policies.⁸⁶ Some members in the Soft Left proxied-out their vote. Within the Left, two dispensations (conscience votes) were given, one to Julia Gillard and one to Jenny Macklin, the latter in recognition that her position as Deputy Leader meant she would have to support the parliamentary proposal.⁸⁷

According to Claire Moore (Hard Left), in some cases arguments put by members in the Right against the Gillard Policy were based on the fact that the Shadow Minister was from the Left. These arguments became muted when the Shadow Minister was from the Right. Similarly, there were some members in the Left who previously did not support the Labor for Refugees' resolution but were now happy to vote for the amendments or proxy out their votes simply because they did not want to provide a vote to the Right.⁸⁸ Hence, the adversarial mentality remains a characteristic of faction dynamics reminiscent of the Cold War factions (discussed in Chapter Three).

Within the Independents Alliance's faction meeting, internal debate was more open and amicable. Five of the delegates supported the amendments while the other thirty-three delegates decided to vote for the Gillard Policy.⁸⁹ The Independents Alliance was the only faction that allowed its members a free vote, and, in this instance, it remained true to its philosophy of not enforcing a faction position on policy issues. As explained in Chapter Four, the faction leaders provide the overarching communication between the national factions, and thus were able to confirm the number of votes for both the Gillard Policy and the Labor for Refugees' resolution before the official debate on the Conference floor. The result was known the day before, and on the morning of the

⁸⁵ Sophie Morris, Dennis Shanahan and Samantha Maiden, 'ALP Left Rebels on Refugees', *Australian*, 29 January 2004, p.1.

⁸⁶ Interview with Laurie Ferguson, 1 February 2004; Matt Price, 'Debate Scuttled as the Fix Goes In', *Weekend Australian*, 31 February 2004, p.9: "Accusations of hatred, racism, xenophobia, and discrimination echoed across the conference room".

⁸⁷ Interview with Carmel Cook, 1 February 2004; Interview with Terry Hampson, 19 February 2004. According to Terry Hampson, Jenny Macklin was absent when the vote occurred, as he only heard one voice, and saw only one hand raised, against the Left's position – Julia Gillard's.

⁸⁸ Interview with Claire Moore, 1 February 2004.

⁸⁹ Interview with Michael Aird, 1 February 2004.

debate the *Courier Mail* was able to report that the Left powerbrokers knew they did not have the numbers.⁹⁰

On the afternoon of 30 January 2004 refugee policy was debated after amendments were made to other human rights issues in the Party platform, including policies regarding Australia's Indigenous people, all of which received unanimous support from the three national factions.⁹¹ Then Stephen Smith presented the Gillard Policy, which now included the recent concessions. The delegates had copies of both the Gillard Policy and the resolution proposed by Labor for Refugees, which was simply referred to as 'the amendments' to the parliamentary paper.⁹² The delegates had to vote on the amendments.

The debate on the floor began with Carmen Lawrence (Left) moving the amendments and Lindsay Tanner (Hard Left), replacing John Robertson (Right), as the seconder for the amendments. NSW Premier, Bob Carr (Right), the first speaker against the amendments, used as his theme the evil of people smuggling. NSW Labor for Refugees' convenor, Amanda Tattersall (Left), spoke for the amendments emphasising that the lobby group was a democratic force.⁹³ Then Gillard (Soft Left) spoke against the amendments and stated that refugee groups had endorsed the parliamentary policy and that she had "drafted it on the assumption it would help Labor win [the election]".⁹⁴ Matt Collins (Left), from Labor for Refugees, argued that the Gillard Policy did not reflect the wishes of the rank-and-file and attacked the factions for binding their delegates, even though his own faction had been the first to do exactly that. Greg Sword (Right), former ALP President, spoke against, stating that Labor should not distance itself from the values of the general community. Barry Jones (Independents Alliance) argued that refugees did not wait for a sales pitch from people smugglers, and the Premier of Western Australian, Geoff Gallop (Right), implied that the amendments would lose Labor the next election.⁹⁵ Then two more speakers spoke for the

⁹⁰ Malcolm Cole, 'Light at end of Refugee Tunnel', *Courier Mail*, 31 January 2004, p.2.

⁹¹ Observation by Author at the National Conference, 31 January 2004.

⁹² Observation by Author at the National Conference, 31 January 2004.

⁹³ Interview with Siobhan Keating, 4 March 2005: "Amanda Tattersall is a special projects officer at the New South Wales Labor Council and at the time of the 2004 National Conference she was an adviser to Meredith Burgmann" (Hard Left).

⁹⁴ Observation by Author of the debate at 2004 National Conference, Darling Harbour, Sydney, 31 January 2004.

⁹⁵ Interview with Laurie Ferguson, 1 February 2004.

amendments, allowing Mark Latham to close the debate while speaking against the amendments.

Even though the faction leaders were already aware that the amendments would be lost on the numbers, speakers from both sides of the debate presented their arguments with considerable passion.⁹⁶ The debate failed to sway the views of the delegates, however, as their votes were already ‘locked-in’. Clearly, the debate was intended to showcase Party democracy at work for the benefit of members and, through the media, for the electorate at large. The Left believed it owed a public debate to its membership and, more specifically, to supporters of Labor for Refugees.⁹⁷ The debate also had a factional purpose as by fiercely defending their faction’s position the debate also served to sustain factional loyalty to the decisions made by the faction elite. The leaders of the major factions used ideological rhetoric to emphasise the ‘us’ versus ‘them’ factional divisions to promote solidarity within their respective memberships, as discussed in detail in Chapter Four. By the faction leaders of the Left arguing that their faction stood for principle, “a common righteousness” united the members of the defeated faction.⁹⁸

The following chart shows the votes in relation to the refugee policy at the 2004 National Conference.

Chart 8.1. *2004 National Conference Vote on Refugee Policy*

	Left	Inds. All	Right	Total
Votes for Gillard Policy	2	28	196	226
Votes for Amendments	161	5	0	166
Total Delegates	163	33	196	392

Given the extraordinary level of controversy on boat-people issues in the electorate and because the majority of the Left was still not satisfied with the compromise policy, the faction leaders had to ensure overwhelming support for the compromise policy to neutralise the issue. Martin Ferguson, the leader of the Soft Left, believed that if the Gillard Policy was not strongly supported, Labor would lose community support on immigration issues.⁹⁹ In other words, although Gillard and Macklin’s votes gave the Right a small majority, it was necessary to ensure greater support for a policy that had

⁹⁶ Observation by Author of the debate at 2004 National Conference, Darling Harbour, Sydney, 31 January 2004.

⁹⁷ Interview with Terry Hampson, 19 February 2004.

⁹⁸ Bill Hayden, *Hayden: An Autobiography*, HarperCollins, Sydney, 1996, p.315.

been contentious over the last two years. To this end, the 28 votes from the Independents Alliance ensured that an overwhelming majority endorsed the parliamentary policy. If part of the Independents Alliance had not voted with the Right, the Soft Left would have given its support to the Right. Chapter Nine demonstrates that sometimes the sub-faction does vote with the Right and, as in the case of the refugee policy, it could have split from the National Left, with the justification of supporting its own shadow minister. Hence, the role of the Independents as the deciding influence on refugee policy should not be exaggerated. The faction leaders had already negotiated before the official vote and if the Independents had decided to provide a bloc vote to the Left, the Soft Left would have been prepared to vote with the Right.¹⁰⁰

After the 2004 National Conference, refugee policy was no longer an issue of dissent within the Party. According to Lawrence, however, Labor for Refugees would continue to be active and make appropriate recommendations for change. She stated that, at least until the federal election, Labor for Refugees would focus on attacking the Howard Government by highlighting the failures of its refugee policy.¹⁰¹ But there is no evidence that this occurred during the 2004 federal campaign.¹⁰²

John Robertson had hoped that the controversial issues relating to refugee policy would see “the breakdown of the factions” as “people are not going to be told what to do anymore”.¹⁰³ However, systematically tracing the development of the refugee policy reveals that factional discipline was a vital means of operation to ensure that a compromise policy was endorsed. This policy had, from its beginning until the last minute concessions, been developed in a ‘spirit of accommodation’ as it consistently considered the countervailing views, particularly in relation to sensitive boat-people issues.

Conclusion

From the outset, the *General Framework* indicated that the refugee policy would be developed in a ‘spirit of accommodation’, reflecting the Kerr–Sciaccia shadow cabinet

⁹⁹ Interview with Martin Ferguson, 31 January 2004.

¹⁰⁰ Interview with Martin Ferguson, 31 January 2004; Interview with Laurie Ferguson, 31 January 2004.

¹⁰¹ Interview with Carmen Lawrence, 31 January 2004.

¹⁰² Observations by Author during the 2004 Federal Election Campaign.

submission that acknowledged the countervailing views in the Party and the electorate. The 'tough but compassionate approach' was a compromise position which accords with Lijphart's accommodation model. The three key areas of contention relating to mandatory detention, TPVs and the 'Pacific Solution' were addressed with major reforms. The chapter demonstrates that when consultation took place outside the faction system, the core group (the Leadership grouping and the Shadow Minister for Immigration) controlling the development of the policy contained the debate strictly within the parameters of the *General Framework*. The broad consultation that occurred served to unite the Party through conveying the impression that grassroots members were included in the policy development process while at the same time providing an opportunity for the shadow minister to promote and explain the policy direction decided on by the Leadership group.

Labor for Refugees influenced the policy development processes at the State level where it was able to have its resolution adopted as a formal Left position. Once the debate became an issue within the faction system, to some degree, the three national factions each asserted influence over the development process. To ensure the National Right would support the Gillard Policy and subsequently the Party Leader's position, Latham announced two last-minute concessions. Accepting these concessions, the Right enforced a factional position in support of the Gillard Policy at the National Conference. The TPV concession placated the National Left in the sense that it would now abide by the Conference decision. Nonetheless, although the outcome of the vote was preordained, the Left argued against the Gillard Policy, largely in recognition of its supporters' expectation of a robust debate on the issue as such debate sustains factional loyalty.

The Independents Alliance's influence on the policy was evident in that some of its members voted with the Right, which gave the Leader's position a comfortable majority. The 'centre' faction's influence was subtle, as it did not assert itself as a bloc, but allowed its members a conscience vote. However, this chapter has argued that, although the split in the Independents Alliance ensured that the Left would be outnumbered, the Soft Left would have defected from the National Left to ensure the policy developed by one of its members was endorsed at National Conference. This is consistent with the conclusion in Chapter Seven, which demonstrates that the Soft Left

¹⁰³ Interview with John Robertson, 28 November 2003.

supported the Gillard Policy even though some of its members, its sub-faction leaders in particular, had argued for a tougher policy approach to boat-people issues. Because the faction leaders of the three national factions determine and organise the numbers, the result was known before the official vote. This knowledge relieved the Soft Left from the need to support the Gillard Policy. While factional influence from the Right and part of the Independents Alliance was clearly visible at Conference, Chapters Seven and Eight have demonstrated that the Soft Left asserted the key factional influence on the Gillard Policy.

The negotiations between Smith and the Left were not successful, and this reflects the fact that this part of the policy development process did not fit neatly with the negotiation methods underpinning the factional accommodation model. According to the factional accommodation model, concessions can be made when faction leaders negotiate over starkly opposing policy positions. In this instance the Gillard Policy was already a compromise policy, leaving little scope for further compromises. However, as predicted by Lijphart's theory, the eleventh-hour concessions were necessary to break the deadlock. The concessions, although minor, ensured the bloc vote of the Right and the majority of the Independents Alliance. This effectively saw an overwhelming majority supporting the parliamentary policy, while placating the Left to the degree that this faction would accept the vote of Conference. For the faction elite to resolve the contentious refugee policy was particularly vital for the Party Leader in an election year. How contentious trade issues were resolved before the 2001 and 2004 Federal Elections is the subject for analysis in the following chapter.

CHAPTER NINE

Negotiations between the Right and the Left on Trade Policy

Pragmatism and principles have got to be welded together, because without a pragmatic approach you won't actually secure the principles you want. And of course without the principles, pragmatism in itself is an absolutely empty exercise.

Labor Senator for Victoria, Shadow Minister Kim Carr 2005¹

During the 1996–2004 period, a major debate raged within the ALP over whether it should continue to support the trade liberalisation agenda championed by previous Labor Governments.² This chapter explores the role and influence of the national factions on Labor's trade platform policy at the 2000 and 2004 National Conferences, and also examines Labor's approach to policy development in response to the Government's 2004 trade agreement with the United States. It demonstrates that the Right did not simply outvote the Left as the latter was given a number of concessions.

The first part of this chapter outlines Labor's commitment to trade liberalisation since the 1970s, and explains the trade policy developed by Doug Cameron, the National Secretary of the Australian Manufacturing Union (AMWU), based on international Fair Trade principles.³ Cameron (Left) was the leading advocate in the Left for replacing Labor's 'free trade' policy with a 'fair trade' policy. An examination of perspectives on trade within the Caucus factions highlights the diversity of views within the national factions and also reinforces the hypothesis that there is a link between the allocation of the trade portfolio and each incumbent's factional alignment.

The second and third parts of the chapter systematically explore the development of the platform's trade policy for the 2000 and 2004 National Conferences respectively. They

¹ Interview with Kim Carr, 9 August 2005.

² Ann Capling, *Australia and the Global Trade System: From Havana to Seattle*, Cambridge University Press, Cambridge, 2001, p.88; Graham Dunkley, *The Free Trade Adventure: The Uruguay Round and Globalism – A Critique*, Melbourne University Press, Carlton South, 1997, p.271. i.e. the trading of goods, services and financial instruments across national boundaries unimpeded by tariff duties, quotas, regulations or other barriers to the movements of goods and services.

³ Rose Benz Ericson, 'The Conscious Consumer: Promoting Economic Justice Through Fair Trade', *Global Backlash: Citizen Initiatives for a Just World Economy*, Robin Broad (ed), Rowman and Littlefield, Maryland, USA, pp.188–91. According to Ericson: "Fair Trade, or alternative trade, refers to the exchange of goods based on principles of economic and social justice. The key goals of Fair Trade are

examine the extent to which concessions were given to the Left, which supported a fair trade policy. The trade debates that occurred at these Conferences are also analysed and this chapter finds that the ‘Left versus Right’ ideological rhetoric remains a significant element in the Party’s factional dynamics.

The fourth part of the chapter provides insights into factional influence on trade policy in Caucus during an election year, by examining Labor’s approach to developing a policy response to the Government’s agenda in relation to the Australian and United States Free Trade Agreement (USFTA). It demonstrates that the influence of the factions in this instance was subtle compared to their influence on the platform policies. For electoral reasons, including the promotion of Party unity, the Leader considered the majority views within the major factions when developing amendments to the USFTA.

This chapter demonstrates that the trade platform policies presented at the 2000 and the 2004 National Conferences were negotiated by the faction leaders to varying degrees in accordance with the factional accommodation model. Indeed the negotiation method for 2004 platform policy exemplified the unwritten rules of the factional game. While the combined vote of the Right and Independents Alliance outnumbered the Left at the Conferences, the latter faction’s influence, although limited, was evident in each of the compromise policies developed. Similarly, the Party Leader unilaterally formulated the amendments to the USFTA in a ‘spirit of accommodation’ that was necessary to unite the Party.

Background to the Fair versus Free Trade Debate

Labor’s ‘free trade’ policy position had its beginnings when the Whitlam Labor Government implemented the 25 percent unilateral cut in tariffs in 1973. This had been endorsed with crossfactional support. In 1986 the Caucus factions supported the Hawke Cabinet’s decision that by the mid-1990s tariff protection for clothing and textiles would be reduced to 60 percent and for footwear to 50 percent. Although both the Left and the Right had initially suggested that protection levels should be closer to 75 percent, John Button, a member of the Centre-Left, would have preferred an even

to empower low-income, disadvantaged or otherwise marginalised artisans and farmers around the globe to better their conditions, and to promote understanding between them and First World consumers”.

greater reduction in tariffs.⁴ Gerry Hand (Hard Left), the chairman of the Caucus Industry Policy Committee, described the plan as “quite exciting”, claiming this would help industry develop at a faster rate.⁵ In 1988 Labor reduced tariffs further, with the objective of reaching five percent by 1996. This reduction would not apply to passenger motor vehicles until 2000 and the textiles, clothing and footwear sector would be protected by a maximum tariff of twenty-five percent.⁶ The level of support that should be given to the different manufacturing sectors became the main issue of contention during Labor’s free trade policy debate leading up to the 2000 and 2004 National Conferences.

In 2000, in contrast to Hand’s enthusiastic approval of Labor’s ‘free trade’ direction, Doug Cameron, also from the Hard Left, began advocating for the retention of protection for all manufacturing industries. Cameron, the National Secretary of the Australian Manufacturing Workers Union (AMWU), argued emphatically not only for the retention of tariffs but also for imposing a special ‘social tariff’ on imports from countries with unsatisfactory records on human rights, international labour standards and protecting the environment.⁷ This approach was based on the difficulty that Australian manufacturing had in competing with international competitors, especially from low wage countries.⁸ The aim of fair trade proponents was thus to sustain local employment.⁹ However, if Labor adopted the ‘social tariff’ policy it would be supporting a return to greater protectionism.¹⁰ Cameron expected support from the

⁴ Michelle Grattan, Jenny Conley and Michael Pirrie, ‘Left Pushes Bitter-Sweet TCF Protection Package’, *Age*, 27 November 1986, Retrieved from Parliamentary Library, Canberra.

⁵ Grattan, Conley and Pirrie, ‘Left Pushes Bitter-Sweet TCF Protection Package’. There was thus government assistance to help with restructuring the manufacturing sector that mollified the Left. Hand was a member of the subfaction of the Left based around the Metal Workers (discussed in Chapter Three), and became the Minister for Immigration who implemented mandatory detention in 1992 (discussed in Chapter Seven).

⁶ Jenny Stewart, ‘Open Access: Trade Policy Under Labor’, *Out of the Rut: Making Labor a Genuine Alternative*, Michael Carman and Anne Rogers (eds), Allen and Unwin, St Leonards, 1999, p.249; Hugh Emy and Owen Hughes, *Australian Politics*, MacMillan, South Yarra 1998, pp.79-81. According to Stewart, Labor’s mistake was to try to reduce the agricultural protectionism of other countries, rather than working to develop expertise in manufacturing industries.

⁷ Interview with Doug Cameron, 12 May 2004; Doug Cameron, *Speech at the National Left and Left Unions Seminar*, Canberra, 19 February 2000; Dennis Shanahan, ‘Trade Row Picks Up Scent of Passion’, *Australian*, 2 August 2000, p.5.

⁸ Kenneth Davidson, ‘Free Trade: the Icon That Has Enslaved Kim Beazley’, *Age*, 3 August 2000, p.17; Ian Henderson, ‘Freedom Fighters Beat a Fair Try’, *Australian*, 2 August 2000, p.5. Unions representing the manufacturing sector feared that local industries, already suffering from a gradual reduction of trade barriers, would be forced to cease operating if both major parties continued with the ‘free trade’ policy direction.

⁹ Interview with Craig Emerson, 6 June 2004; Interview with Kim Carr, 9 August 2005.

¹⁰ Sinclair Davidson, ‘Why the Left Should Love Free Trade’, *Financial Review*, 27 July 2000, p.41. Sinclair is an associate professor in the School of Economics and Finance at the Royal Melbourne Institute of Technology. Michelle Grattan, ‘Despite Union Resistance, Free Trade Gets Nod’, *Sydney*

National Left for his fair trade policy when he stated at a 'National Left and Left Unions' seminar that the Left should "intervene in a far more robust and effective way in the policy development of the ALP".¹¹

In Caucus, there were few informal discussions on the platform's trade policy as this was the domain of the Shadow Minister for Trade (in 2000 Peter Cook and 2004 Stephen Conroy) and the organisational wing of the Party.¹² Although trade was a contentious issue, Caucus members who supported the fair trade position had every confidence in Cameron's ability to negotiate with the shadow minister.¹³ Stephen Conroy explains, that although differing views developed within the National Right, the Caucus Right "entrusted negotiations on the platform to the shadow minister. They trusted the judgment of the shadow minister on what is electorally beneficial and would have the support of the Leader".¹⁴ However, by examining the diverse perspectives on trade policy in the Caucus factions, some indication is given of the views held within the national factions in the organisational wing. Furthermore, an examination of these views is relevant to the broader discussion on the Caucus factions' response to the USFTA in the last section of this chapter.

Reflecting John Button's enthusiasm in 1986, the Independents Alliance generally supports free trade. Former Ministers for Trade, Michael Duffy, John Dawkins and Bob McMullan, and former Shadow Minister for Trade, Peter Cook, are all from the 'centre' faction.¹⁵ According to Rod Sawford, one of the convenors of the Independents Alliance, the membership of this faction "has always had a very progressive view on trade; we probably were better informed than the other groups because we had those [trade portfolios] with us".¹⁶ Senior players such as Cook generally led the discussions

Morning Herald, 12 June 2000, p.4; Brad Norington, 'Labor Avoids Split Over Trade', *Sydney Morning Herald*, 29 June 2000, p.7, states that Cook believed the term fair trade was "merely code for protected trade".

According to Emy and Hughes, *Australian Politics*, p.79, "protectionism is the imposition of barriers against foreign competition in general ...[and involves] tariffs, quotas and other non-tariff barriers or any device that discriminates against imported goods or services compared to local products".

¹¹ Cameron, *Speech at the National Left and Left Union Seminar*. This view was expressed again in Interview with Doug Cameron, 12 May 2004.

¹² As demonstrated in Chapter Four, development of the Party's platform policies is the domain of the relevant shadow minister and the National Policy Committee (NPC) in consultation with stakeholders. Debating the platform's refugee policy in Caucus was an exception to the usual processes, as discussed in Chapter Seven.

¹³ Interview with John Hogg, 4 May 2004; Interview with George Campbell, 1 December 2003.

¹⁴ Interview with Stephen Conroy, 22 April 2004. A similar view was put by Craig Emerson in Interview with Craig Emerson, 6 June 2005.

¹⁵ John Dawkins and Michael Duffy were Ministers for Trade in the Hawke Government.

¹⁶ Interview with Rod Sawford, 9 August 2004.

on trade in Caucus and in the organisational wing.¹⁷ When Cook was Shadow Minister for trade (1997–2001) he had the support of the Independents Alliance at the 2000 National Conference, but not all his factional colleagues in Caucus agreed with his support for the USFTA four years later.

In the Caucus Right the concept of ‘free trade’ enjoys majority support, however, there are some ‘protectionists’.¹⁸ Craig Emerson, who joined the Right faction because he strongly believes in an open market economy, explains that he has:

Friends in the Right who think a bit of tariff protection would not go astray. These tend to be in New South Wales and Victoria where they’ve grown up with manufacturing, less so in Western Australia. So it would depend on the proposition but I don’t believe that philosophically people in the Right are necessarily pro-free trade. They might be able to be persuaded to a ‘free-er trade’ position, but a lot of the instincts of the New South Wales and Victorian Right are protectionist.¹⁹

However, when the Right adopts a factional position supporting free trade there is typically little opposition from those who prefer some protectionism. This is so because such a decision is usually based on electoralism, and, conventionally, the Right unites behind the Leader, particularly in an election year.²⁰

While the two sub-factions in the Left are mostly united in their stance against a free trade policy, there are some exceptions. Laurie Ferguson (Soft Left) states that there were “some people [in the Caucus Left] who believe the propaganda [of] how [free trade] is going to benefit [everyone]”.²¹ Ferguson explains that “most people in the Left would be more cautious of free trade, [and think of it as] corporate driven, not driven in the interest of people about the world. We tend to be far more conservative on free trade than the Right. We are far more questioning of this direction”.²² Kate Lundy (Hard Left) states that she works within a free trade system due to pragmatic considerations in the information technology area of her portfolio, but she is adamant that she supports

¹⁷ Interview with Rod Sawford, 9 August 2004.

¹⁸ Interview with Stephen Hutchins, 4 December 2003; Interview with Craig Emerson, 27 July 2003; Clive Bean and Ian McAllister, ‘Factions and Tendencies in the Australian Political Party System’, *Politics*, vol. 24, no.2, November 1989, p.80; John Warhurst, ‘One Party or Eight?': the State and Territory Labor Parties’, *Machine Politics in the Australian Labor Party*, Andrew Parkin and John Warhurst (eds), George Allen and Unwin, Sydney, 1983, p.268; Kate Deverall, Rebecca Huntley, Jenny Sharpe and Jo Tilly (eds), *Party Girls*, Pluto Press, 2000, p. 243; Andrew Scott, *Running on Empty: ‘Modernising’ the British and Australian Labour Parties*, Pluto Press, Sydney, 2000, p.199.

¹⁹ Interview with Craig Emerson, 6 June 2004.

²⁰ Interview with John Hogg, 4 May 2004; Interview with Craig Emerson, 6 June 2004.

²¹ Interview with Laurie Ferguson, 1 December 2003.

²² Interview with Laurie Ferguson, 1 December 2004.

‘fair trade’ in principle.²³ A factional divide between the Left and the Right on trade policy was evident at the 2000 and 2004 national conferences.

During the 1996–2004 period, the allocation of the shadow trade portfolio to members in the Right and the Independents Alliance highlights the dominant trade liberalisation tendency in these factions.²⁴ Stephen Smith from the Right was the first Shadow Minister for Trade (20 March 1996 – 27 March 1997); the portfolio was then allocated to Peter Cook (March 1997 – 22 November 2001), a member of the Independents Alliance. Cook was replaced by Stephen Martin (November 2001–16 August 2002). Martin shared the portfolio with Craig Emerson; both are from the Right. When Martin retired from politics, the entire portfolio was awarded to Emerson until July 2003 when Stephen Conroy (Right) became the Shadow Minister for Trade until the 2004 Federal Election. No member of the Left has ever been awarded the portfolio and the majority of the faction is philosophically opposed to free trade principles. Kim Carr, from the Hard Left, said that he would never be given the trade portfolio as it was commonly presumed by all members in Caucus that he would not be comfortable arguing the advantages of a free-market.²⁵ Hence, it appears that the shadow trade portfolio was specifically allocated to frontbenchers who strongly believed in the principles of free trade and who could pursue this policy direction with the support of their faction. In this particular policy area, there is a clear link between factional alignment and the allocation of a portfolio. It also reinforces one of the points made in this thesis: that the majority within each national faction shares a philosophical tendency, even though the factions are not ideologically pure blocs.

²³ Interview with Kate Lundy, 2 December 2004. Lundy believes her portfolio of Information Technology is better served by a free trade policy. According to Lundy, information technology workers are not competing against a ‘slave trade’ in third world countries. (Lundy, however, did not mention the massive out-sourcing of services to countries such as India).

²⁴ The link of members of the Right and Independents Alliance with the allocation of the trade portfolio was also evident in the Hawke-Keating cabinets. Keith Scott, *Gareth Evans, Allen and Unwin, St Leonards*, 1999, p.175. “Hawke’s decision to reshuffle his ministry [in 1986] resulted partly from a wish to remove [Lionel] Bowen [from the NSW Right], an old-style Labor protectionist from the Trade portfolio”. Since, then only those who strongly support free trade have held the portfolio.

2000 Trade Policy: Following Some of the Rules of the Factional Game

The aim of the National Secretary of the AMWU, Doug Cameron, was to replace the free trade policy in Labor's platform with a fair trade policy. The AMWU was the largest manufacturing union in Australia and aligned to the National Left. Cameron believed that continuation of trade liberalisation would be detrimental to its members. His strategy was to first obtain the support of the factions' affiliated unions in order to ensure the support of the national factions at the forthcoming National Conference. As discussed in Chapter Four, once the union has taken a position, the vote of the union component in a faction is often a significant influence in reaching a factional position.

Cameron's first step was to establish fair trade as official AMWU policy and in pursuit of this objective he launched the fair trade debate at the AMWU biennial conference in Queensland in May 2000.²⁶ This conference not only adopted the fair trade policy but also endorsed the motion to stand AMWU candidates against sitting Labor Members in marginal seats if Labor did not address the union's concerns.²⁷ Cameron neither proposed nor supported the second motion, which, ultimately, was never acted upon.²⁸ According to Craig Emerson, on hearing of the proposed threat he was initially concerned, but as it did not eventuate he has since had friendly relations with leaders of the Queensland branch of the AMWU.²⁹ Preselections threats have traditionally been a characteristic of power struggles between the factions both over leadership conflicts and policy issues.³⁰ Branches of the AMWU in other States also endorsed the fair trade

²⁵ Interview with Kim Carr, 9 August 2005; Interview with Stephen Conroy, 22 April 2004. Conroy said that Kim Carr, as Shadow Minister for Trade, would bring "a slightly different perspective than that which I bring to it".

²⁶ During the 2000-2004 period, the fair versus free trade issue was debated by the executives of many of the State-based factions and delegates at State Conferences. However, it is outside the scope of this thesis to ascertain the extent of the trade debate at these levels. Interview with Claire Moore, 27 August 2003; Interview with Owen Doogan, 25 January 2004; Interview with Grace Grace, 12 February 2004; Interview with John Hogg, 4 May 2004. Interviews with rank and file delegates at the Queensland 2002 State Conference, and factional members at the National Conference given on the condition of anonymity.

²⁷ Dennis Atkins, 'Labor braces for Tribal War: Jones Warns of New Subfactions', *Courier Mail*, 31 July 2000, p.2; Kristine Olsson, 'Union Attack on Labor MPs', *Courier Mail*, 28 July 2000; Michelle Grattan, 'Qld MPs Attacked as "Out of Touch"', *Sydney Morning Herald*, 28 July 2000, p.7; 'Qld-AMWU puts ALP on notice', *Australian Associated Press*, 5 May 2000, Retrieved from Factiva Full-text database.

²⁸ AAP, 'Union to Fight ALP on Trade', *Canberra Times*, 28 August 2000, Retrieved from Factiva Full-text database; Michelle Gilchrist, 'Voting Hands Up: Both of 'Em', *Australian*, 2 August 2000, p.5.

²⁹ Interview with Craig Emerson, 6 June 2005.

³⁰ As exemplified by the leadership battles between Gough Whitlam and Jim Cairns, Bob Hawke and Paul Keating and Crean and Beazley as well as during the uranium policy debate. Interview with Race Matthews, 2 October 2003; Richard Lucy, *The Australian Form of Government*, MacMillan, South Melbourne, 1985, pp.339-40; Lucy states that during the uranium debate in 1983, "Gareth Evans claimed that threats had been made on pre-selections, including his own, [John] Button's and Clyde Holding's".

policy, despite attempts by the Opposition Leader, Kim Beazley (Right), to placate the union by promising that a Labor government would provide more investment and support for the manufacturing sector.³¹

For the fair trade policy to be endorsed at the ALP's 2000 National Conference, Cameron had to obtain support from the smaller manufacturing unions. Prominent among these was the Clothing, Textile and Footwear Union (CTFU). The alignment of unions to the national factions can be complex because of differing affiliations at the State level (as discussed in Chapter Four). The CTFU's biggest branch is in New South Wales and is affiliated to the Right; its second largest branch is in Victoria and is affiliated to the Left. At the national level, this union is aligned to both the National Left and National Right.³² Other unions with some degree of manufacturing membership are the Construction, Forestry, Mining and Energy Union (CFMEU), aligned to the Left, and the National Unions of Workers (NUW), aligned to the Independents Alliance.³³ These unions, with small memberships in the manufacturing sector, were not as vocal in opposition to Labor's free trade stance because they were "confident that Cameron would carry their brief".³⁴ However, the Australian Workers Union (AWU), which has a small manufacturing component compared to its agriculture and construction sector and is aligned to the Right, strongly supported Labor's free trade direction.³⁵

By June 2000, Cameron had not only obtained the support of the manufacturing unions in the Left but also from the Left faction in New South Wales, based on faction solidarity in support of the principles of fair trade. That the NSW Left adopted the AMWU position on fair trade policy was a significant step towards it being established as a National Left position. On 12 June 2000, at the New South Wales Labor Conference, the NSW Left's objective was to put forward the motion that "fair trade

Frank Courtney MHR for Darebin in Victoria lost his preselection after he protested about the pressure placed on him to vote for Cairns against Whitlam. Matthew believes that preselection threats occurred during the leadership challenge of Crean and Beazley.

³¹ 'Beazley Grasps Tariffs Nettle', *Illawarra Mercury*, 20 July 2000, p.7; Gemma Daley, 'Tariff Bid Denied', *Newcastle Herald*, 20 July 2000, p.6.

³² Interview with Joe de Bruyn, 29 November 2005.

³³ The CFMEU interests in relation to its mining membership tend to be supportive of free trade, but would support the AMWU for solidarity reasons. During the 1996-2004 period the NUW drifted between alliances at the State level and voted at the national level with the Independents Alliance in Party ballots but often voted with the Right on policy issues.

³⁴ Interview with Craig Emerson, 6 June 2005.

should be substituted for free trade based on core labour values”.³⁶ However, the NSW Right, which was numerically superior to the Left, had locked in a bloc vote against the fair trade proposal on the basis that Cameron’s position was extreme. Facing the certainty of defeat, the NSW Left did not move the resolution.³⁷ This event was an indication of how the national factions would vote at National Conference and showed that Cameron had so far failed to gather sufficiently broad support for the fair trade policy.

Cameron’s next move was to convince the unions in the Right of his position, and on 27 June 2000, he championed the policy at the Australian Council of Trade Unions (ACTU) triennial Congress. This time he cited a report from the National Institute of Economic and Industry Research, which stated that lack of protection against cheap imports was costing thousands of jobs in the manufacturing industry. Labor’s Shadow Minister for Trade, Peter Cook, was given the opportunity to present the case for the continuation of trade liberalisation and he stated that Labor would be committed to removing all trade and investment barriers by 2010.³⁸ The belief of the unions affiliated to the Right that Cameron’s position was extreme was bluntly put by NSW Labor Council Secretary, Michael Costa (Right), when he contended that Cameron’s proposal for fair trade “was a recipe for economic disaster in Australia”.³⁹ However, the Left unions supported the fair trade position. As had occurred within the NSW Left, support came not only from those unions with an interest in the manufacturing sector, but from all unions affiliated to the Left. This bloc support was based partly on demonstrating solidarity to protect the AMWU’s interests and partly on the conviction that philosophically, ‘fair trade’ was a better and more principled policy than ‘free trade’.⁴⁰

Although there were manufacturing unions affiliated to the Right, the fair versus free trade issue was openly debated on a Left-Right dichotomy. Following the first day of

³⁵ Interview with Craig Emerson, 6 June 2005; Interview with John Hogg, 4 May 2004; Bill Ludwig quoted in Greg Roberts and Megan Saunders, ‘Unions at Loggerheads on Vote’, *Australian*, 4 August 2004, p.2.

³⁶ Tony Walker, ‘ALP Moderates Roll Left on Trade’, *Financial Review*, 13 June 2000, p.1.

³⁷ Kristine Olsson, ‘Union Attack on Labor MPs’, *Courier Mail*, 28 July 2000; Interview with John Robertson, 28 November 2003.

³⁸ Tom Allard, ‘Unions Lose Bid Against Free Trade’, *Sydney Morning Herald*, 2 August 2000, p.4; Kenneth Davidson, ‘Free Trade: The Icon that has Enslaved Kim Beazley’, *Age*, 3 August 2000, p.17. While the Shadow Minister for Trade, Peter Cook (Independents Alliance), supported the observance of human rights and labour standards, he did not agree that these should be used as a vehicle to introduce a new form of protectionism.

³⁹ Michael Costa quoted in the *Canberra Times*, ‘Trade Row Splits ACTU Congress’, 28 June 2000.

⁴⁰ Interview with Kim Carr, 9 August 2005; Interview with Sharan Burrow, 15 June 2005.

the Congress, a compromise was sought to prevent a public rift developing between Left and Right aligned unions. Given that the issue had become extremely divisive and had the potential to create conflict at the forthcoming Labor National Conference, the elite now operated in accordance to, what Lijphart has emphasised are “unwritten, informal and implicit” rules of the factional game.⁴¹ To resolve the conflict Doug Cameron (Hard Left) Labor Leader Kim Beazley (Right) and Peter Cook (Independents Alliance) met in private away from the emotional environment of the Congress floor.⁴² The main protagonists were “willing and capable of bridging the gaps” that existed between their initially opposed policy positions.⁴³ While the Left did not have the numbers, Beazley and Cook knew the faction’s position had to be respected if the issue was to be resolved.⁴⁴ The faction elite reached the compromise that Cameron should change his original motion, which called for the ACTU to adopt a fair trade policy that included the implementation of a social tariff, to an amendment that the ACTU should “monitor developments in the debate on social tariffs”.⁴⁵ In return Cameron was granted assurance that he would have input into the trade platform policy of the ALP. The breakthrough in the contentious fair versus free trade debate thus occurred at the ACTU Congress where negotiations between the faction leaders were conducted in a ‘spirit of accommodation’.⁴⁶

Hence, Cook and Cameron met in private, determined to reach a compromise on the trade platform policy prior to National Conference.⁴⁷ The two faction leaders negotiated a compromise amendment that would read:

Labor believes ... there is an obligation on the WTO to consider the impact of trade on core labour standards. ... Labor is opposed to the manipulation of core labour standards as a new form of protectionism. Labor will support calls for a meeting between the WTO, ILO, World Bank, International Monetary Fund (IMF) and other relevant bodies, as may be decided, for the purpose of launching ongoing dialogue and action on the subject of development and labour standards.⁴⁸

⁴¹ Lijphart, *The Politics of Accommodation*, pp.122-38

⁴² Interview with Kim Beazley, 8 September 2005; Brad Norington, ‘Labor Avoids Split over Trade’, *Sydney Morning Herald*, 29 June 2000, p.7.

⁴³ Lijphart, *The Politics of Accommodation*, p.104.

⁴⁴ Lijphart, *The Politics of Accommodation*, p.125.

⁴⁵ Norington, ‘Labor Avoids Split Over Trade’.

⁴⁶ As noted in Chapter Four, the NPC which prepared the draft platform policies played an administrative role rather than one of leading negotiations. Before the establishment of the National Policy Committee (NPC) in 2002, as discussed in Chapter Four, there were eight small policy committees and the committee assigned to write the formal draft of the Shadow Minister’s trade policy consisted of five members reflecting the factional ratio strength of the National Executive.

⁴⁷ Tony Walker, ‘How the Players Kept to the (Party) Script on Trade’, *Financial Review*, 2 August 2000, p.5; Labor Council of NSW, ‘Transcript of Interview of Doug Cameron with Peter Lewis’, *Workers Online*, 14 July 2000.

⁴⁸ Australian Labor Party, *Platform and Constitution*, Chapter 11, paragraphs 15-17, 2000.

At the 2000 National Conference the delegates were informed at their respective faction meetings of the outcome and given the factional position, as discussed in Chapter Four. Only when the numbers are preordained and factional discipline is enforced, can such a policy compromise be effective.

According to Lijphart, doctrinal disputes work against achieving the best results. With Cameron arguing for the inclusion of a 'special tariff', which was seen by Cook as a return to protectionism, the change to the platform policy demonstrates that only a minor concession was given to the Left. Nonetheless, Cameron was also assured by Cook that the concerns of the manufacturing unions aligned to the national factions would be addressed by the Shadow Minister for Industry, Bob McMullan (Independents Alliance) through industry policy.⁴⁹

Trade policy is inextricably linked with industry policy. The basic objective of the 'fair trade' policy to protect the manufacturing sector was thus realised to some degree by Labor adopting a more activist industry policy. Negotiations between McMullan and union leaders led to an agreement that a Labor Government would bolster manufacturing through a ten-year plan for the manufacturing sector, including export grants, additional concessions for research and development, and incentives for the development of Information Technology and new businesses. Furthermore, the review of tariffs on textiles and automobiles would be brought forward to 2003–2004.⁵⁰

Although the free versus fair trade policy issue had been resolved in private, the leaders of the national factions agreed that a public debate was warranted at the 2000 National Conference on 8 August 2000. Such a debate would satisfy the factions' membership and also portray to the public the perception that Labor's policies were developed through democratic processes within the Party.⁵¹ Leaders of the national factions sustain the loyalty of their respective factional membership through passionately arguing the position held by the majority in their faction. This is consistent with the Politics of Accommodation, as analysed in detail in Chapters Four and Eight. Hence, prior to a vote on a contentious issue, delegates expect their faction leaders to advocate strongly

⁴⁹ Lenore Taylor, 'Real Passions Pose Real Problems', *Financial Review*, 2 August 2000, p.4.

⁵⁰ Tom Allard, 'Unions Lose Bid Against Free Trade', *Sydney Morning Herald*, 2 August 2000, p.4. In regards to the last concession, Beazley had argued that abolishing the rates of ten or five percent that applied to textiles and vehicles would make no difference to their success or failure.

⁵¹ Mike Steketee, 'Choreography Out of Steps with Roots', *Weekend Australian*, 5 August 2000, p.6.

their faction's position, even if the result of the debate is preordained. In relation to the trade policy, the public stance of the Left on fair trade served to demonstrate to the wider union membership that their interests were being defended. By claiming the high moral ground, that its position was based on principle rather than pragmatism, the Left sustained factional solidarity and lessen the frustration of having to accept the inevitable defeat.

Two days of factional negotiations led to the decision that three speakers would argue for fair trade, and four for free trade, giving the latter an obvious advantage.⁵² Doug Cameron; John Sutton, the assistant national secretary of the Construction, Forestry Mining and Energy Union (CFMEU); and Wendy Caird, the national secretary of the Community and Public Sector Union (CPSU), all members of the Hard Left, championed the fair trade policy which included the 'social tariff' proposal.⁵³ The Left unions, even if some did not have members in the manufacturing sector, were united in their stance as they "shared a commitment to the philosophical principle" of fair trade.⁵⁴ Peter Cook (Independents Alliance); Kim Beazley (Right); treasury spokesman Simon Crean (Right); and Victorian Premier, Steve Bracks (Right) spoke in support of the free trade policy.⁵⁵ The opposing views were debated passionately and media reporting indicated that the public debate had achieved its objectives.⁵⁶

At the National Left's faction meeting before Conference, some members in the Soft Left who did not support the fair trade proposal were persuaded to vote along factional lines to support their affiliated unions so that "the union movement was seen to put up a

⁵² Alan Ramsey, 'Great Trade Debate: Fair, Free and Fixed', *Sydney Morning Herald*, 5 August 2000, p.42.

⁵³ Interview with Kim Carr, 9 August 2005; Phillip Coorey, 'Free Trade Carries Day in Close Vote', *Mercury*, 2 August 2000, p.24; Ross Peake, 'Unions Lose Battle Against Free Trade', *Canberra Times*, 2 August 2000.

⁵⁴ Interview with Kim Carr, 9 August 2005; Ian Henderson, 'Freedom Fighters Beat a Fair Try', *Australian*, 2 August 2000, p.5; Dennis Shanahan, 'Trade Row Picks up Scent of Passion', *Australian*, 2 August 2000, p.5; Peake, 'Unions Lose Battle Against Free Trade'; Tom Allard, 'Unions Lose Bid Against Free Trade', *Sydney Morning Herald*, 2 August 2000, p.4; Geoffrey Barker and Steve Lewis, 'ALP Heads Off Trade Revolt', *Financial Review*, 2 August 2000, p.1. Frontbenchers Laurie Ferguson (Soft Left), Duncan Kerr and George Campbell (both from the Hard Left) were prominent in their support of the fair trade policy.

⁵⁵ Jennifer Hewett, 'If the Cap Fits, Don't Wear It – You Know What's Good for the Party', *Sydney Morning Herald*, 2 August 2000, p.4; Henderson, 'Freedom Fighters Beat a Fair Try'; Barker and Lewis, 'ALP Heads Off Trade Revolt'; Phillip Coorey, 'Free Trade Carries Day in Close Vote', *Mercury*, 2 August 2000, p.24.

⁵⁶ Shanahan, 'Trade Row Picks Up Scent of Passion'; Taylor, 'Real Passions Pose Real Problems'; Alan Ramsey, 'Great Trade Debate: Fair, Free and Fixed', *Sydney Morning Herald*, 5 August 2000, p.42; Walker, 'ALP Moderates Roll Left on Trade'.

reasonable fight”.⁵⁷ The faction leaders, including the leader of the Soft Left, Martin Ferguson, knew that the Right and Independents Alliance had the numbers to ratify the compromise free trade policy. Although two members of the Left abstained from voting, the decision within the national faction to provide a bloc vote had a cosmetic effect in that it portrayed factional unity, but it had no substantial effect on the policy outcome. When the Right imposed its policy position a couple of its members also abstained from voting. The combined bloc votes from the Right and Independents Alliance defeated the Left 105 to 82, thereby affirming free trade as official ALP policy.⁵⁸

Although the Left was publicly defeated, the Conference had endorsed the negotiated compromise, which inserted into the platform that there is an obligation on the WTO to “consider the impact of trade on core labour standards”.⁵⁹ According to Lenore Taylor of the *Financial Review*, while the Right won the free trade vote at Conference, “the platform’s language on trade and labour standards undoubtedly goes further than Senator Cook would prefer, and most World Trade Organisation members could swallow”.⁶⁰ Cameron was satisfied that the issue of fair trade was now “squarely on the political agenda” and stated that he would continue to challenge free trade policies.⁶¹

In a ‘spirit of accommodation’ the faction elite had resolved the divisive issue for the 2000 trade platform policy. The concession to the Left, however, was minor, because the negotiations were not strictly in accordance with the factional accommodation

⁵⁷ Glenn Milne, ‘Policy Action, Not Faction Friction’, *Australian*, 7 August 2000, p.13; Mike Secombe, ‘Kookaburra’, *Sydney Morning Herald*, 2 August 2000, p.4. This ‘fight’ was also demonstrated by a group of over a hundred Left aligned union members chanting outside the Conference that they wanted “fair trade, now!”.

⁵⁸ Michelle Gilchrist, ‘Voting Hand Up - Both of Them’, *Australian*, 2 August 2000, p.5; Milne, ‘Policy Action, Not Faction Friction’; Phillip Coorey, ‘Free Trade Carries Day in Close Vote’, *Mercury*, 2 August 2000, p.24; Geoffrey Barker and Steve Lewis, ‘ALP Heads Off Trade Revolt’, *Financial Review*, 2 August 2000, p.1. George Campbell (Hard Left), former National Secretary of the AMWU, put up both hands in a vain attempt to boost the fair trade position. Beazley’s win over the Left’s push for a fair trade policy, in particular over its affiliated unions, was significant in that it deflected allegations by the Coalition Government that old-style unionists still controlled Labor. Crean quoted by Barker and Lewis: “But the big win for Labor’s federal leadership yesterday was in the trade debate, where it defeated a union-backed push for the ALP to dump its commitment to free trade in favour of fair trade policies that would link Australia’s trade policy to the social, environmental and labour standards of our trading partners”. The Liberal Party had only recently taken out newspaper advertisements accusing Labor of being controlled by union bosses. See for instance: *Katherine Murphy*, ‘From the Floor’, *Australian Financial Review*, 1 August 2000, p.4; *Hobart Mercury* on 31 September 2000; Michelle Gilchrist, ‘Being There ... or Left Halfway To The Stars’, *Australian*, 1 August 2000, p.5.

⁵⁹ Australian Labor Party, *Platform and Constitution*, Chapter 11, paragraph 15, 2000.

⁶⁰ Lenore Taylor, ‘Beazley Team Locks in Free Trade’, *Financial Review*, 2 August 2000, p.6.

⁶¹ Henderson, ‘Freedom Fighters Beat a Fair Try’; Barker and Lewis, ‘ALP Heads Off Trade Revolt’.

model, as Cameron had put forward a doctrinal position in the form of a social tariff.⁶² Nonetheless the outcome of the negotiations was significant in that the Right had acknowledged the validity of the Left's opposing argument.

2004 Trade Policy: Adhering to the Rules of the Factional Game

In 2003 Doug Cameron reignited the fair versus free trade debate with the aim of replacing the ALP's free trade policy with a fair trade policy at the 2004 National Conference. Determined to obtain broader support, Cameron excluded the 'social tariff' proposal from his policy. He moved a motion for the endorsement of his revised fair trade policy at the Australian Council of Trade Unions (ACTU) Congress in August 2003. This time, some of the manufacturing unions affiliated to the Right voted for fair trade. John Robinson (Right), Secretary of the NSW Council of Unions, stated in November 2003 that he believed:

The reasons [some Right unions] are comfortable supporting Doug's position is because it is not as 'out there' as it once was. Because Doug's position is moderated, it has allowed the textile union to give it closer examination [and to] support some of the things [Cameron] is advancing.⁶³

For example the TCFU, which was aligned to both the Left and the Right, supported the revised position.⁶⁴ Subsequently, a majority endorsed the resolution, making it official ACTU policy.⁶⁵ Hence, this time the debate did not reflect a strict Right-Left factional divide. According to ACTU President, Sharan Burrow, the resolution, which advocated that "the trading system has to take into account established labour and human rights as well as environment standards", was in line with the "international global union position".⁶⁶ Burrow states that while "Doug played a leading role, people right through the union movement have pushed to have a policy that reflects sound labour values".⁶⁷

During 2003 the Shadow Minister for Trade, Stephen Conroy, consulted with the NPC, State Labor Branches and State economic committees on Labor's free trade policy. Conroy was thus aware that the Left would oppose the draft policy he had prepared in conjunction with the NPC. Consequently, reflecting the policy development method in

⁶² Lijphart, *Politics of Accommodation*, pp.103-38.

⁶³ Interview with John Robertson, 28 November 2003.

⁶⁴ Interview with George Campbell, 1 December 2004; Interview with John Robertson, 28 November 2003; Interview with Sharan Burrow, 15 June 2005.

⁶⁵ ACTU, *A Fair Australia Trade Policy*, August 2003.

⁶⁶ Interview with Sharan Burrow, 15 June 2005.

⁶⁷ Interview with Sharan Burrow, 15 June 2005.

Lijphart's theoretical framework, he needed to meet with key leaders from the Left to negotiate a compromise and in November 2003 Conroy (Right) met with Burrow and Cameron (both Left).⁶⁸ According to Cameron, at this meeting the shadow minister was, for the first time, faced with the arguments advocating fair trade.⁶⁹ However, Conroy stated to Cameron that neither he nor the majority of the delegates (referring to the Right and Independents Alliance) to the 2004 Conference would support replacing Labor's free trade policy with the ACTU's fair trade policy. According to Conroy, at this initial meeting they "never believed that they [would ever reach] unanimous agreement" on the platform's trade policy.⁷⁰

As no consensus had been reached in November, in early December 2003 George Campbell (Hard Left) and John Robertson (Right) believed there was a reasonable chance that a significant element of the unions affiliated to the Right would support the Left's fair trade position at the 2004 National Conference. Campbell argued that:

It would be hard for [the unions affiliated to the Right] to justify doing one thing three months ago at the Congress and to change their mind in January. No Left union will support the Right in the free-versus fair trade debate. Maybe some individual Left branch delegates may support the Right but not the delegates from the unions.⁷¹

Similarly, Robertson was convinced that the CTFU members in New South Wales aligned to the Right would support the Left on this issue. He hypothesised: "In the past, what happened was that people were crunched within the Right to support the notion of free trade, but people are not going to be told [how to vote] any more".⁷² Robertson believed that strongly opposing views on controversial issues such as refugee and trade policy within a faction would weaken the faction system in relation to policy development.⁷³ However, the national factions were disciplined in regards to the vote for the platform's refugee policy, as demonstrated in Chapter Eight. Similarly, this chapter will demonstrate that Robertson underestimated the resolve of his own national faction, the National Right, and his comment indicates that he had limited insight into Labor's electoral strategy and the negotiation process that would occur.

⁶⁸ Interview with Stephen Conroy, 22 April 2004.

⁶⁹ Interview with Doug Cameron, 12 May 2004.

⁷⁰ Interview with Stephen Conroy, 22 April 2004.

⁷¹ Interview with George Campbell, 1 December 2003. Campbell's comments reinforce the analysis in Chapter Four that it is easier to control union delegates than branch delegates.

⁷² Interview with John Robertson, 28 November 2003. Robertson played a leading role in the refugee policy debate discussed in Chapters Seven and Eight.

⁷³ Interview with John Robertson, 28 November 2003.

Further meetings were held with those leaders from both the Left and the Right whose manufacturing unions would be affected by further reductions in tariffs. Determined to ensure the support of his own faction, Conroy (Right) paid particular attention to the unions affiliated to the Right. He explains that “I talked to the union leaders in my faction and told them where we were going, and told them about the discussions, and they trusted that I would accommodate their concerns”.⁷⁴ According to Lijphart, internal factional agitation is often more an indicator of the “potential pressure which constitutes part of the total political context” rather than representing “constantly active demands”.⁷⁵ Internal factional pressure on shadow ministers aligned to the Right is rare, as members trust their elite to make pragmatic decisions in the Party’s interests, as discussed in Chapter Five. The Right unions agreed to support the free trade policy if a compromise could be reached with Cameron on the fair trade policy and, more significantly, if their concerns in the manufacturing sector were addressed by the Shadow Minister for Industry, Kim Carr.

Carr (Hard Left) held private meetings with leaders of the Left and the Right unions prominent in the manufacturing sector to discuss the trade related issues in the industry chapter of the platform. In contrast to the trusting relationship between the Right manufacturing unions and Conroy (Right), the affiliated unions in the Left apparently placed far more pressure on Carr (Left) during their discussion on industry policy.⁷⁶ Carr explains that the Left unions, especially from his own State-based faction in Victoria, were the most difficult to deal with:

The biggest problem for me was the Left unions. They wanted me to do more. My discussion with the clothing and textiles union was the most difficult one I had, because there is an expectation that you’d be able to do more [as a shadow minister of the Left]. That’s the way things work.⁷⁷

The negotiated outcome for the industry policy in the platform was that Labor would not support any tariff reductions in the clothing, textile and footwear sector and once elected to Government, Labor would immediately order a review of protection levels.⁷⁸ However, according to Conroy, an amendment was agreed on the first day of the

⁷⁴ Interview with Stephen Conroy, 22 April 2004.

⁷⁵ Lijphart, *The Politics of Accommodation*, p. 206.

⁷⁶ This characteristic difference between the Left and the Right is also noted in Chapter Five

⁷⁷ Interview with Kim Carr, 9 August 2005. Ruth Webber gives a similar view on this internal factional dynamic. Interview with Ruth Webber, 11 August 2005: “Bizarrely, there tends to be fairly good relations between Left shadow ministers and Right unions, probably because they have low expectations from one another, they cut each other a lot more slack- they try to find some common ground. While [unions affiliated to the Left] have fairly high expectations of our own [shadow ministers]”.

⁷⁸ ALP, ‘Chapter 12 Developing Australian Industry’, *ALP 2004 Platform*, paragraphs 73-83; Stefanie Balogh, ‘Labor Pledges Freeze on Tariffs’, *Australian*, 30 January 2004, p.1.

Conference which would ensure that policy relating to tariff protection in the manufacturing sector applied only to the next election or to any future trade agreement endorsed by the Labor Opposition.⁷⁹ The amendment did not automatically abrogate previous negotiations, but served to provide the Parliamentary Labor Party with the flexibility to review the policy as necessary.⁸⁰ While the union leaders initially contested the inclusion of such an amendment, the knowledge that the Howard Government would reduce tariffs more rapidly than a Labor Government, and that the latter would provide greater financial support in the form of restructuring packages, made further debate redundant.⁸¹

To resolve the contentious issue at the core of the trade platform policy, Conroy (Right) and Cameron (Left) had a “series of meetings” which continued into mid-January 2004.⁸² In contrast to the negotiations for the 2000 trade platform policy Cameron did not put forth the special tariff proposal, and thereby both faction leaders were able to refrain from doctrinal disputes. The approach of these faction leaders was oriented towards positive outcomes and, accordingly, they aimed for a resolution that would appease both the Left and the Right; in other words, a compromise policy.⁸³ In this instance the negotiation methods exemplified the “unwritten, informal, and implicit” rules of the factional game underpinning Lijphart’s accommodation model.⁸⁴

⁷⁹ Interview with Stephen Conroy, 22 April 2004; Interview with Stephen Conroy, 16 August 2005; Interview with Gavan O’Connor, 11 August 2005; Interview with Michelle O’Neil, 19 January 2006. According to Conroy the agreed amendment had been placed in a record-keeping folder but was not handed in to the NPC, and through administrative inaction had not been written into a draft policy for the platform and was thus not presented for endorsement to Conference. This elusive amendment caused some initial dispute in shadow cabinet when, in September 2004, the Opposition had to respond to the Howard Government’s plan to cut automotive tariffs by five percent by 1 January 2005.

⁸⁰ Interview with Michelle O’Neil, 19 January 2006; Interview with Stephen Conroy, 22 April 2004. According to Conroy the problem for the manufacturing sector “is not tariffs going down, their problem is the structure of their industries, their equipment is old, and they produce goods that people don’t want to buy. We have to find a way to manage their transitions. We need an industry-restructuring package, like we did under the Hawke/Keating governments. We have to manage change”.

⁸¹ Interview with Craig Emerson, 6 June 2005. According to Katherine Murphy, ‘ALP Sews up \$770 m Textile Rescue’, *Australian*, 9 September 2004, p.7, “Labor will today offer a \$770 million rescue package for Australia’s textile, clothing and footwear industry... The new scheme offered grants to be rolled out to industry over ten years with a focus on encouraging small and medium-sized manufacturing. The decision to phase the tariff reductions in cars and TCF sectors was unveiled as part of Labor’s election centrepiece, its tax policy... Labor announced it would not proceed with the Howard Government’s plan to cut automotive tariffs by 5 percent by January 1, 2005 – but instead phase tariffs down by 1 percent a year over five years. The phase-down will also apply to the TCF industry – and the cuts would not continue beyond 2009 without a comprehensive review of the state of the sector. The ALP felt the slower rate tariff reduction would help industries adjust more easily to changing market conditions – and the phase-down allowed Labor to claw back savings, which could be directed towards personal income tax cuts”.

⁸² Interview with Stephen Conroy, 22 April 2004.

⁸³ Lijphart, *The Politics of Accommodation*, pp.103-21.

⁸⁴ Lijphart, *The Politics of Accommodation*, pp.122-3.

According to Lijphart, negotiations between factions of similar size are “conducive to a moderate and pragmatic attitude among the elite”.⁸⁵ Conroy did not meet with a faction leader from the Independents Alliance, as he was aware that despite the manufacturing membership in the NUW, this smaller faction would support the free trade policy.⁸⁶ He also believed that the “Independents were irrelevant if a negotiated agreement with the Left was reached. The Centre is now bankrupt, they have no significant policy ideas”.⁸⁷ His comment reinforces the analysis in Chapter Four that in the last few years the major factions would prefer the smaller faction to disintegrate and that control of the faction system is the exclusive domain of the Right and the Left.

Although there were some fair trade supporters in the Right, Conroy knew that with sufficient concessions in the industrial relations policy area, the National Right would enforce a factional position on all its members in regards to the platform’s free trade policy (as occurred with refugee policy). However, the fact that negotiations continued between Conroy and Cameron attests to the employment of the ‘spirit of accommodation’ when faction leaders have to resolve divisive issues between opposing factions, particularly of those substantially equal in size.⁸⁸

The ‘spirit of accommodation’ in relation to resolving divisive policy issues is highlighted by Cameron’s comments:

There were two different policy documents, one from the Left, and one from Conroy. We worked on that to where we ended up. [Conroy] certainly, in my view, took some of the arguments on board and policy changed quite dramatically. There was a good process of consultation.⁸⁹

Conroy submitted the platform’s trade policy in time for redrafting by the NPC and endorsement by the National Executive before being presented to National Conference.⁹⁰ The compromise policy amended the wording agreed on at the 2000 Conference to read:

Labor believes a rules based system underpinned by core labour standards provides a framework for fairness and equity and is the most effective means to ensure Governments do not resort to unsustainable protectionism. Labor will play an active role to ensure that the activities of the WTO respect ILO labour standards and multilateral environment agreements. Labor recognises that economic growth

⁸⁵ Lijphart, *The Politics of Accommodation*, p.204.

⁸⁶ Interview with Rod Sawford, 9 August 2005; Interview with Gavan O’Connor, 11 August 2005.

⁸⁷ Interview with Stephen Conroy, 22 April 2004.

⁸⁸ Lijphart, *The Politics of Accommodation*, pp.126-27&204.

⁸⁹ Interview with Doug Cameron, 12 May 2004.

⁹⁰ Observation of the 2004 National Conference, 29 January 2004; Interview with Stephen Conroy, 22 April 2004. This part of the final process of policy development for the Party’s platform is discussed in greater detail in Chapter Four.

and prosperity arising from increased international trade brings with it the responsibility to promote higher labour and environment standards for Australia and internationally.⁹¹

Burrow, Cameron and Conroy believed these amendments would achieve a more substantial and progressive policy.⁹² The outcome reflects the moderate approach to policy development consistent with the factional accommodation model; Conroy could now present the delegates at the 2004 National Conference with a free trade policy that included principles of fair trade.

For the same reasons that there had been a fair-versus-free-trade debate at the 2000 National Conference, it was agreed that trade policy would be debated at the 2004 National Conference.⁹³ On 29 January 2004 Cameron moved his revised fair trade policy and this position was then also argued by Secretary of the AMWU in Western Australia, Jock Ferguson, and ACTU President, Sharan Burrow (both Left). The speakers for free trade were Conroy, Crean and New South Wales Premier, Bob Carr (all Right).⁹⁴

The debate reached its peak when, to the great satisfaction of the delegates, Cameron (Left) and Carr (Right) attacked each other's stance. Reflecting Lijphart's theory, doctrinal rhetoric, which had been put aside during the negotiations between the faction leaders, now came to the fore. To the amusement of the Left in particular, Cameron asserted that federal leaders "drool" like "Pavlov's dogs" at the mention of free trade, and "when you add the United States to free trade [Labor Premiers] don't just drool, they leak fluid from every orifice in their body".⁹⁵ Carr responded: "Doug stands for a controlled economy. His ideal economy is North Korea".⁹⁶ As discussed earlier, the

⁹¹ ALP, *Amendment 087A*, Chapter 11, Mover: Stephen Conroy, 2004 National Conference; Australian Labor Party, *Platform and Constitution*, Chapter 11, paragraphs 18-19, 2004

⁹² Interview with Sharan Burrow, 15 June 2005; Interview with Doug Cameron, 12 May 2004; Interview with Stephen Conroy, 22 April 2004.

⁹³ Interview with Stephen Conroy, 22 April 2004.

⁹⁴ Observations by Author of the 2004 National Conference. In contrast to the 2000 Conference, there were no union protests, but literature arguing the virtues of fair trade could be found in the lobby. Including AFTNET, *The Australian-US Free Trade Agreement: Trading Australia Away*, Sydney, 2004; CFMEU, *Stop the US- Australia Free Trade Agreement*, Sydney 2004.

⁹⁵ Observations by Author of the 2004 National Conference; Stefanie Balogh, 'Labor Pledges Freeze on Tariffs - ALP National Conference', *Australian*, 30 January 2004, p.1; Mark Davis and Morgan Mellish, 'Conference Gets in Tangle Over Tariffs', *Australian Financial Review*, 30 January 2004, p.7; Matt Price, 'Union Firebrand Lets Loose the Dogs of Trade-ALP Conference', *Australian*, 30 January 2004, p.6. The Pavlovian theory of reflex comes from Ivan Pavlov's observations; when Pavlov fed his dogs he would strike a bell and they would drool. Eventually, merely ringing the bell would get them frothing at the mouth.

⁹⁶ Observations by Author of the 2004 National Conference, 29 January 2004; Ross Pake, 'Unions Wage Fair-Trade Fight', *Canberra Times*, 30 January 2004; Price, 'Union Firebrand Lets Loose the Dogs of Trade-ALP Conference'.

public, and typically Left versus Right, debate served to satisfy the delegates' tribal factional instincts and sustain factional loyalty to membership and policy decisions made by the faction leaders.⁹⁷ Faction solidarity sought through the 'us' versus 'them' rhetoric conducted between the Left and Right may not always be as distinct as during the Cold War era, but it nevertheless remains a significant characteristic of factional politics. This debate also served to demonstrate to the membership and the public that Labor had conducted a democratic process and that the majority decision now bound all the delegates behind the leader, Mark Latham, who supported a free trade policy.⁹⁸

The outcome of the vote was 196 from the Right and 33 from the Independents Alliance supporting Labor's free trade policy, against the Left's 163 votes supporting the fair trade policy. Although there were some in the National Right who were not ardent supporters of the free trade policy, the faction "locked-in behind the Leader".⁹⁹ As had occurred in 2000, those in the Soft Left, such as Martin Ferguson, who personally supported the free trade direction, agreed to provide the National Left with a bloc vote, a vote for solidarity.¹⁰⁰ John Hogg explains that members in the Soft Left could afford the luxury of factional loyalty, as "they would have known that the Right and Centre had the numbers to win. You don't go into battle [and have a] fight with your own group when you know the numbers aren't going to be there anyway".¹⁰¹ The priority placed on maintaining factional discipline for the endorsement of policy is another indication that factional cohesion continues to be as strong as is necessary to achieve the aims of shadow cabinet.

Factional influence on the development of trade policy was clearly exerted by both the Right and the Left. The Left managed to soften the Right's position on free trade and the moderated policy is the natural outcome of negotiations consistent with the factional accommodation model. Cameron's position carried extra weight because unions in the Right were also concerned about the effect of a free trade policy on the manufacturing sector. The Right supported the negotiated outcome for several reasons. Firstly, it is the disposition of the Right to back the Leader, particularly in an election year. Secondly,

⁹⁷ Observations by Author of the 2004 National Conference; Price, 'Union Firebrand Lets Loose the Dogs of Trade-ALP Conference'.

⁹⁸ Mark Latham, 'In Defence of the Third Way', *Left Directions: Is There a Third Way?*, Paul Nursey-Bray and Carol Lee Bacchi (eds), University of Western Australia Press, Crawley, 2001, p.23; Interview with John Hogg, 4 May 2004.

⁹⁹ Interview with Grace Grace, 12 February 2004; Interview with Craig Emerson, 6 June 2004.

¹⁰⁰ Interview with Craig Emerson, 6 June 2005; Interview with Kim Carr, 9 August 2005.

¹⁰¹ Interview with John Hogg, 4 May 2004.

some concessions were made in relation to tariffs in the industry policy. That both the Right and the Left had to accept the escape clause indicates recognition of the prevailing global trade environment in which, Craig Emerson believes, the “tariff debate is over”.¹⁰² Although John Robertson (Right) and George Campbell (Hard Left) predicted some of the Right unions would vote with the Left, compromise and factional discipline ensured the Right’s support for an amended free trade policy.

The platform’s trade policy remains a broad guide for future Labor Ministers for Trade, and Cameron believes that the union movement has to remain active in the debate to ensure that a future Labor Government implements the policy.¹⁰³ Conroy concedes that “it would be very hard to implement the directives of the platform as Australia is only one in forty-eight countries (sic) in the World Trade Organisation (WTO)”.¹⁰⁴ Nonetheless, Conroy states:

What we have committed to do is to try and help change the WTO to better reflect the debate that is taking place around the world. The debacle in Seattle has put a lot of issues in a higher spotlight, [and] Labor wants to be part of championing those issues in world trade forums. We won’t have universal support, we may not necessarily succeed, but what we want to do is go down that path of being the champion [of reform].¹⁰⁵

Conroy predicts that Cameron will no doubt continue his push for further reforms prior to and during future National Conferences.¹⁰⁶ However, unless the Left increases its numbers at future Conferences, it is unlikely that further reforms will be injected into the platform in this area. Negotiations through the “spirit of accommodation” have probably been exhausted.¹⁰⁷ Cameron acknowledged that he would “never [be] totally happy with the policy that Labor develops on trade”, but that the policy adopted at the 2004 National Conference was “a far fairer policy than [Labor’s] ever had”.¹⁰⁸

The amendment to the industry policy was a “small but important change”, which allowed shadow cabinet to respond effectively to day-to-day political decisions in

¹⁰² Interview with Craig Emerson, 6 June 2005.

¹⁰³ Interview with Doug Cameron, 12 May 2004.

¹⁰⁴ Interview with Stephen Conroy, 22 April 2004. There are 150 members in the WTO.

¹⁰⁵ Interview with Stephen Conroy, 22 April 2004. Conroy states: “So when they [at the WTO] talk about tariffs, we think that you should have consideration of labour so that you can protect yourself from countries that have child labour. We don’t think that those sorts of goods should be traded without people knowing it. We want to put them into the heart of the discussions of the WTO... [our] commitment is to try and put these things on the agenda. We are not saying we are pulling out of the WTO if we don’t get it on the first day. If it took ten years to change, I would be proud. I am an activist and I want to change things not ignore them”.

¹⁰⁶ Interview with Stephen Conroy, 22 April 2004.

¹⁰⁷ Lijphart, *The Politics of Accommodation*, pp.103-21.

¹⁰⁸ Interview with Doug Cameron, 12 May 2004.

relation to tariff issues affecting the manufacturing sector.¹⁰⁹ The most significant recent example of this occurring was when Labor had to respond to Australia's bilateral trade agreement with the United States.¹¹⁰

Labor Leader Accommodates both the Left and the Right

While the national factions endorsed the Party platform's trade policy, their representatives in Caucus had to come to an agreement on the Opposition's response to the United States Free Trade Agreement (USFTA) which the Howard Government signed in April 2004. The USFTA was a manifestation of the Government's desire to strengthen its political and economic strategic links with the United States. In January 2004 Prime Minister Howard proclaimed that the Agreement would "lock the Australian economy into the future growth of the greatest economy the world has seen".¹¹¹ The Government promoted the USFTA as a means of "harmonising" Australia's trade and security arrangements with the US.¹¹² The Government's view was that this initiative would enhance the export of goods and services and encourage more American investment in Australia.¹¹³ Yet, there was widespread criticism of the Agreement because access of Australian exports to the US was limited.¹¹⁴ Trade Minister, Mark Vaile, conceded that "maybe it was oversold".¹¹⁵

As the Senate would be required to vote on any changes to domestic law that the new trade treaty dictated, Labor initiated the establishment of a Senate Committee Inquiry to

¹⁰⁹ Interview with Stephen Conroy, 22 April 2004.

¹¹⁰ John Garnaut, 'What's the Big Deal', *Sydney Morning Herald*, 31 July -1 August 2004, p.32; 'The Trade Deal: What It All Means', *Weekend Australian*, 14-15 February 2004, p.22. According to these articles the AUS-USFTA dictated that tariffs on automobiles, textiles, clothing and footwear would be phased out within a decade.

¹¹¹ Channel Nine, 'Transcript of the PM, the Hon John Howard MP, Interview with Steve Liebmann', *Today Show*, 9 February 2004.

¹¹² Peter Cook, Chair of the Foreign Affairs, Defence and Trade References Committee, 'Preface', *Senate Committee Report: Voting on Trade: The General Agreement on Trade in Services and an Australia-US Free Trade Agreement*, Commonwealth of Australia, November 2003.

¹¹³ Channel Nine, 'Transcript of the PM, the Hon John Howard MP, Interview with Steve Liebmann'; Bernard Lagan, *Loner: Inside a Labor Tragedy*, Allen and Unwin, Crows Nest, 2005, p.103.

¹¹⁴ Capling, *All the Way with the USA*; Linda Weiss, Elizabeth Thurdon and John Mathews, *How to Kill a Country: Australia's Devastating Trade Deal with the United States*, Allen and Unwin, Crows Nest, 2004.

¹¹⁵ Minister Mark Vaile stated this at the National Press Club on 12 February 2004, cited in Capling, *All the Way with the USA*, p.56; same quote cited in John Garnaut, 'What's the Big Deal', *Sydney Morning Herald*, July 31- August 1 2004, p.32. Caplin also states that Australia's trade negotiators had reported that the agreement "was a bad deal for Australia".

scrutinise the effect the USFTA would have on Australia's national interest.¹¹⁶ As discussed in Chapter Six, the Leadership group and the shadow cabinet cross-factionally agreed to accept the USFTA in the Lower House and then make political gains by seeking changes to any shortcomings in the Agreement according to the recommendations of the Inquiry.¹¹⁷

However, as discussed in Chapter Six, the Labor Leader, Mark Latham, made the unilateral decision that Labor would not endorse the trade deal if it did not benefit Australia's sugar growers. Subsequently, "no sugar - no deal" became Labor's official position.¹¹⁸ Latham's decision did not allow for any flexibility, and reinforced his anti-American image.¹¹⁹ As a result of Latham's unilateral decision to speak out before the result of the Senate Inquiry, the Government was able to attack the Opposition on two levels. Firstly, the Government, which had linked the FTA with the US security alliance, exploited Latham's anti-American image and his criticism of the USFTA by claiming the ALP did not support the US Alliance.¹²⁰ Secondly, the Government portrayed the Opposition as divided and inherent in this division, Latham was seen as encouraging the Left in its opposition to the USFTA.¹²¹

The varying views on the USFTA in the Caucus factions were representative of those in the national factions.¹²² The Caucus Left, in particular, was concerned that the

¹¹⁶ The Senate Select Committee was a sub-group from the Foreign Affairs, Defence and Trade Reference Committee. Peter Cook, Chair of the Foreign Affairs, Defence and Trade Reference Committee, 'Preface', The committee could only review and comment on the FTA, not amend it. The Government was able to initiate, negotiate the terms of and sign off on the trade deal with little input from parliament. Consequently, the Opposition was unaware of the details of the USFTA until they were publicly announced.

¹¹⁷ Dennis Shanahan, 'Early Warnings for Latham to be Leader of the Band', *Australian*, 13 February 2004, p.15; Dennis Shanahan, 'Trussed on Tracks Awaiting a "Tampa"', *Australian*, 3 August 2004, p.4. For this tactic to succeed, Labor would need the support of the minor parties in the Senate.

¹¹⁸ Mark Metherell, 'Pact with US Approved but Drug Scheme Doubts', *Sydney Morning Herald*, 17-18 July 2004, p.11; David Uren, Samantha Maiden, and Roy Eccleston, 'Labor Splits in US Trade Deal Fracas', *Australian*, 25 June 2004, p.2; Ann Capling, *All the Way with the USA*, University of New South Wales, Sydney, 2005; Weiss, Thurdon and Mathews, *How to Kill a Country*; Shanahan, 'Early Warnings for Latham to be Leader of the Band'; Malcolm Cole, 'US Favours Sugar Rivals', *Courier Mail*, 18 June 2004, p.1. Cole reports: "Chief US agricultural negotiator Allen Johnson told the Congress' Way and Means Committee the US had been overly defensive in its negotiations with Australia. He said the US was in talks with several of Australia's competitors including Thailand, Colombia and Panama and access for sugar would be 'on the table' in all those talks".

¹¹⁹ Capling, *All the Way with the USA*, p.75. The Howard Government immediately exploited Latham's stance as being driven by an anti-American position. This perception, discussed in Chapter Six, had its genesis in anti-Bush comments that Latham had previously made and his policy to bring "troops home by Christmas" from Iraq.

¹²⁰ Interview with Craig Emerson, 6 June 2005; Interview with Chris Evans, 11 August 2005.

¹²¹ Alan Kohler, 'Deadly FTA Abyss Found in Areas to Latham's Left', *Age*, 4 August 2004, p.1.

¹²² There was widespread criticism of the USFTA from interest groups, lobby groups, political observers and academics. Critics maintained that the deal's primary objective was to strengthen Australia's foreign

Agreement would adversely impact on Australia's sovereignty, laws and institutions.¹²³ The Hard Left was vocal in its criticisms of the USFTA and wanted Labor to oppose the Agreement in its entirety.¹²⁴ Members of this subfaction were most noticeable for publicly speaking out on contentious aspects of the Agreement. George Campbell and Jennie George (both Hard Left) stated that, based on information they had received so far, they had reservations about the trade deal in areas such as local content rules in new media, and the public health system (Pharmaceutical Benefits Scheme).¹²⁵ Kate Lundy (Hard Left) spoke out publicly against the USFTA in relation to issues affecting the Arts policy area in her portfolio.¹²⁶ Kim Carr (Hard Left) stated that the Agreement would have a negative impact on Australia's vehicle and component manufacturers.¹²⁷ The Hard Left's union base, the AMWU, campaigned on the basis that the agreement would damage the manufacturing industry. The National Secretary of the AMWU, Doug Cameron (Hard Left), urged Caucus to reject the legislation enabling the Agreement to proceed. The ACTU President Sharan Burrow (Left) called the USFTA a "dog of a deal".¹²⁸

In both the Right and the Independents Alliance there has traditionally been a strong pro-US and a pro-free trade tendency as was evident at the 2000 and 2004 National

policy and security alliance with the United States. Australia's interests would, as a consequence, be subordinated to its more powerful partner. Although there were some modest benefits, according to the business community, the USFTA was aimed mainly at economic integration with the United States. This subsequently raised questions as to whether Australia's institutions would become subjected to US interests. According to critics of the USFTA, quarantine, intellectual protection and cultural policy favoured America's rather than Australia's national interest. For further analysis on the USFTA see Capling, *All the Way with the USA*; and Weiss, Thurdon and Mathews, *How to Kill a Country*.

¹²³ Weiss, Thurdon and Mathews, *How to Kill a Country*; Capling, *All the Way with the USA*; Capling, *Australia and the Global Trade System*, p.10, points out how a trade agreement might impact on a number of policy areas: "Policies affecting exchange rates, investment regimes, all forms of industry intervention and assistance, the regulation and delivery of public and private services, intellectual property rights, competition policy, quarantine rules, the environment and even culture have all fallen within the purview of trade policy".

¹²⁴ Interview with Stephen Conroy, 22 April 2004; Interview with Chris Evans, 11 August 2005.

¹²⁵ Dennis Atkins, 'Internal dilemma for Labor Over Trade Deal', *Courier Mail*, 26 June 2004, p.27; Louise Dodson, 'Pressure Mounts on Labor over Trade Deal', *Sydney Morning Herald*, 31 July-1 August 2004, p.6. As well as the opposition from the trade unions, there were interest groups, such as the Combined Pensioners and Superannuants Association of NSW, and the Arts community in general asking Labor to vote against it.

¹²⁶ Malcolm Cole and Steven Wardil, 'Australian Culture Safe, Says US', *Courier Mail*, 29 July 2004, p.2.

¹²⁷ David Uren, 'Trade Deal is Passed for Now', *Australian*, 23 June 2004, p.2; Michelle Grattan, 'Trade Deal Job Fears', *Age*, 27 July 2004, p.4; 'Clothing Maker to Outline Trade Deal Woes', *Australian Broadcasting Corporation (ABC) News*, 12 March 2004, Retrieved from Factiva Full-text database.

¹²⁸ Chris Jones and Stefanie Balogh, 'Opposition Must Back Trade Deal, Warns Vaile', *Courier Mail*, 3 August 2004, p.2; Peter Hartcher, 'Free Trade Deal is Latham's Toughest Test Yet', *Sydney Morning Herald*, 17-18 July 2004, p.11; 'Free Trade Protest', *Townsville Bulletin*, 3 June 2004, p.1. The union organised a \$100,000 national billboard campaign against the USFTA, highlighting the message that the FTA would cost jobs Observation by Author in Brisbane, 2004.

Conferences.¹²⁹ Robert McClelland (Right) believed that: “if we don’t expand our markets we’re in trouble”.¹³⁰ McClelland contended: “Granted the United States are very tough negotiators but at the end of the day if even some of our industries have access to 260 odd million people there are going to be opportunities created”.¹³¹ However, some free trade supporters criticised the Agreement for not being based on the principles of a free market ideology. For instance, former Shadow Minister for Trade, Craig Emerson (Right), was convinced that it would “stifle progress towards free trade” and stated that Labor preferred multilateral trade agreements.¹³² Some members in the Right agreed with the Left that Australia would not benefit from the Agreement.¹³³ Prominent members in the Right, such as the Labor Premiers, implored federal Labor to support the Agreement.¹³⁴ Bill Ludwig (Right), the national president of the AWU, stated that although his union members in the sugar industry were adversely affected by the deal, its adoption was in the “interest of the rest of the economy”.¹³⁵ Despite these internal factional pressures, Craig Emerson, Julia Irwin, Arch Bevis and Anne Burke from the Caucus Right remained uncertain whether Labor should support the Agreement.¹³⁶

Within the Independents Alliance most members were generally in support of the USFTA. Its convenor, Rod Sawford, recalls that the Independents Alliance “did not buy the Government’s view which was overstated, but we didn’t buy the ‘doomed’ view [of its critics] either”.¹³⁷ There was “powerful debate”, particularly from Gavan

¹²⁹ James Jupp, *Party Politics; Australia 1966-81*, George Allen and Unwin, North Sydney, 1982, pp.154-55; Tom Truman, *Ideological Groups in the Australian Labor Party and their Attitudes*, University of Queensland Press, St Lucia, 1965.

¹³⁰ Interview with Robert McClelland, 9 August 2005.

¹³¹ Interview with Robert McClelland, 9 August 2005.

¹³² Interview with Craig Emerson, 6 June 2005.

¹³³ Interview with Craig Emerson, 6 June 2005.

¹³⁴ Malcolm Cole and Steven Wardil, ‘Australian Culture Safe, Says US’, *Courier Mail*, 29 July 2004, p.2; Rosemary Odgers, ‘Rank-and-file Narrowly Rejects Beattie Support for Trade Pact’, *Courier Mail*, 14 June 2004, p.4; Interview with Left Union delegate, 13 June 2004 on the condition of unanimity. At the 2004 Queensland Labor Conference an urgency motion proposed by AMWU (Hard Left) and Electrical Trades Union (ETU) (Labor Unity) was endorsed in a marginal vote in favour of the Left’s stance against the USFTA (150 to 149). When Queensland Premier Peter Beattie suggested that voting on the motion should be held after the Senate committee inquiry reveals its findings, Labor Forum’s President Bill Ludwig moved for the vote to be deferred, but the Right was unable to gather the numbers as Labor Unity’s unions voted with the Left.

¹³⁵ Bill Ludwig quoted in Greg Roberts and Megan Saunders, ‘Unions at Loggerheads on Vote’, *Australian*, 4 August 2004, p.2.

¹³⁶ Alan Ramsey, ‘Sovereignty Lost in the Trade-off’, *Sydney Morning Herald*, 31 July-1 August 2004, p.37; Patricia Karvelas and Steve Lewis, ‘ALP Left Vows to Fight to the End’, *Australian*, 3 August 2004, p.4.

¹³⁷ Interview with Rod Sawford, 9 August 2005.

O'Connor, who stated that the Agreement would not be advantageous to Australia in matters relating to his portfolio of Agriculture and Fisheries:¹³⁸

The position put to us was that this was a major decision that would enhance the alliance. I took the view that [Australia] was getting done over in key sectors. And you know I'm very independent and I'm what you would call a nationalist in the sense that I look for Australian solutions to Australian problems. Not these hybrid American solutions to any problems that Australian faces. The USFTA had major structural weaknesses [in relation to quarantine], and the Government dropped the sugar industry right out of the negotiations. It was my job then to persuade my colleagues that this was not a sensible policy and I went to the Left and the Right for support in that instance.¹³⁹

The issue was a constant topic of debate within Caucus, and O'Connor and some members in the Hard Left, in particular, lobbied others in the Caucus factions to support their position.¹⁴⁰

In July 2004 Kim Beazley publicly endorsed the Agreement and enthusiastically supported the US alliance in an attempt to confront the Party's anti-American image and to flag what, pragmatists in Caucus predicted, would be Labor's inevitable support for the USFTA.¹⁴¹ Beazley had consistently argued that Labor should support the USFTA because "in opposition we have to make choices driven by the actions of the Government".¹⁴² Chris Evans (Soft Left) explains that such decisions are inherent in the nature of being the major party in opposition:

You have constraints as an alternative government that a minor party doesn't have and I think that's the key dynamic of [being in] opposition. Once the government signed the free trade agreement you know an alternative government can't renege on agreements [previously] entered into. You can't turn the clock back on some things... "there was a broad understanding [that Labor] was always going to back the USFTA because of the electoral context, provided it wasn't really appalling"¹⁴³

Similarly, John Hogg (Right) states that the major challenge that confronts the Labor Party as an Opposition party is that, unlike the minor parties, it has:

the chance of being the alternative Government. To say that you are going to block an FTA with the US, [an Agreement] that would improve the trade relations between the two countries, open the way for our exporters is just burying your head in the sand. It would have damaged any relationship and credibility that the Labor Party might have had with the business community.¹⁴⁴

¹³⁸ Interview with Rod Sawford, 9 August 2005; Interview with Gavan O'Connor, 11 August 2005; Interview with Bernie Eades, 11 August 2005.

¹³⁹ Interview with Gavan O'Connor, 11 August 2005.

¹⁴⁰ Interview with Gavan O'Connor, 11 August 2005.

¹⁴¹ Dennis Atkins, 'Internal dilemma for Labor Over Trade Deal', *Courier Mail*, 26 June 2004, p.27.

¹⁴² Interview with Kim Beazley, 8 September 2005.

¹⁴³ Interview with Chris Evans, 11 August 2005.

¹⁴⁴ Interview with John Hogg, 3 February 2006. Hogg states that while the minor parties "can come up with any way-out wacky propositions because whatever they advocate really counts for nothing, at the end of the day they don't have to apply their policies from the perspective of being in Government. Unlike the minor parties we have to deal with the business community, because if we don't have a vibrant economic environment than we won't be able to deliver the benefits to the people we represent".

These sentiments are aptly captured in journalist Alan Kohler's statement: "Latham made a dreadful mistake by thinking aloud that he might oppose the FTA when he knew all along he could not".¹⁴⁵ However, considering that there was widespread criticism of the USFTA, Labor could not risk alienating its left-wing constituents, as discussed in detail in Chapter Six.

In June 2004 the initial plan to pass the USFTA in the House of Representatives and to then assess the Agreement after the Senate Inquiry was finally presented to, and endorsed by, Caucus.¹⁴⁶ This strategy prevented a division within the Party in the Lower House and served to take pressure off the Opposition from having to make a decision that was consistent with Latham's previous policy statement on the USFTA.¹⁴⁷ All three factions had a representative on the Senate Committee that was chaired by Peter Cook (Independents Alliance) and scheduled to hand down its findings on 12 August 2004.¹⁴⁸ Stephen Conroy (Right), who was on the Senate Committee, reported proceedings by giving "a two and half hour briefing to the Caucus Living Standards Policy Committee as to what the USFTA is up to".¹⁴⁹ The Senate Committee delivered an interim report on 24 June 2004 which "recommended that the Senate pass the appropriate legislation" that will give effect to the USFTA, but also expressed some

¹⁴⁵ Kohler, 'Deadly FTA Abyss Found in Areas to Latham's Left', *Age*, 4 August 2004, p.1.

¹⁴⁶ David Uren, 'Trade Deal is Passed for Now', *Australian*, 23 June 2004, p.2; David Uren, Samantha Maiden and Roy Eccleston, 'Labor Splits in US Trade Deal Fracas', *Australian*, 25 June 2004, p.2. Uren, Maiden and Eccleston state: "The majority of lower house Labor MPs walked out of the chamber last night to avoid voting on the US free trade agreement, after independents forced the deal to a vote. Fourteen Labor MPs, including former leaders Kim Beazley and Simon Crean, and health spokeswoman Julia Gillard voted with the Government to ensure the legislation moved on to the Senate".

¹⁴⁷ Louise Dodson, 'Pressure Mounts on Labor over Trade Deal', *Sydney Morning Herald*, 31 July-1 August 2004, p.6; Patricia Karvelas and Steve Lewis, 'ALP Left Vows to Fight to the End', *Australian*, 3 August 2004, p.4.

¹⁴⁸ *Senate Committee Report: Voting on Trade: The General Agreement on Trade in Services and an Australia-US Free Trade Agreement*, Commonwealth of Australia, November 2003. The official core membership of the Committee was made up from the three Labor Senators, one Liberal Party Senator, one Australian Democrats Senator, one Australian Greens Senator and one from the One Nation Party. The last two were 'participating' members and then there were thirty-one additional participating members. The three Labor Senators were initially: Cook (Independents Alliance), John Hogg (Right) and Gavin Marshall (Left) then Cook, Stephen Conroy (Right) and Kerry O'Brien (Left). In interview with John Hogg, 3 February 2006, Hogg confirms that though the faction system, all committees are always represented by the three factions, usually by those most expert or interested in the particular issue.

¹⁴⁹ Interview with Stephen Conroy, 22 April 2004. The Caucus committee consisted of fifty-five voting members and seven non-voting members, and its voting members constituted twenty-two members from the Left, twenty from the Right and eight from the Independents Alliance. The Caucus policy committee did not pass a resolution as Caucus was expected to consider the recommendations from the Senate Committee. And as Craig Emerson states in the interview on 6 June 2005, "the caucus committee has the power to pass a resolution but it didn't, because when things are shades of grey you don't pass resolutions to try and lock everyone in".

reservations.¹⁵⁰ The report stated that, “in the sensitive area of pharmaceuticals, the patent provisions in the deal could delay the introduction of generic drugs to the Australian market”.¹⁵¹ The interim report found that the FTA could increase drug prices in Australia, as US pharmaceutical companies would continue to sell higher-priced proprietary products. It condemned the compromising of cultural objectives, especially in new media, the regulation of foreign investment, and ‘rules of origin’ mechanisms.¹⁵²

In response to the interim report, Latham again took a unilateral position. He claimed: “if it’s a deal that excludes access to our sugar cane growers, if it’s a deal that weakens our [pharmaceutical benefits] scheme and makes pharmaceutical products less affordable in this country, if it’s a deal that starts to wipe out TV and cultural content, then obviously it’s a deal the Labor Party won’t be supporting”.¹⁵³ This did not resolve the division in Caucus, where approximately 40 percent of members opposed the deal.¹⁵⁴ With the Government portraying Labor as indecisive and lacking leadership after the interim report, Latham decided not to wait for the Senate Committee’s final report before publicly announcing Labor’s official response to the USFTA.¹⁵⁵

Latham announced that a special Caucus meeting was to be held on 3 August 2004 to resolve the matter. Consequently, faction meetings were organised for the day before. Labor MPs were acutely aware that the Howard Government was scoring political points by interpreting Labor’s reluctance to support the FTA as anti-American and implying that Labor would be responsible for weakening Australia’s security and

¹⁵⁰ David Uren, ‘New Fears on Drug Prices Threaten FTA’, *Australian*, 14 June 2004, p.1; Louise Yaxley, ‘Labor’s Left Faction to Oppose FTA Labor’s Left to Fight Trade Deal’, *Australian Broadcasting Corporation Transcripts*, 3 August 2004, Retrieved from Factiva Full-text database.

¹⁵¹ Uren, ‘New Fears on Drug Prices Threaten FTA’.

¹⁵² David Uren, Samantha Maiden, and Roy Eccleston, ‘Labor Splits in US Trade Deal Fracas’, *Australian*, 25 June 2004, p.2. While the Government’s modelling found the gains to Australia’s national income would be \$359 million a year, the Senate report found the benefit would be only \$53 million a year.

¹⁵³ Alan Ramsey, ‘Sovereignty Lost in the Trade-off’, *Sydney Morning Herald*, 31 July – 1 August 2004, p.37; Steve Lewis and David Uren, ‘Drug Firms Thwarted in Trade Deal’, *Australian*, 19 July 2004, p.1. Because Labor’s policy was that the USFTA must not undermine Australia’s Pharmaceutical Benefits Scheme, Howard established a PBS review mechanism with the aim to block multinational drug companies from overturning decisions by the PBS Advisory Committee on which medicines would be subsidised. Peter Cook, Labor Chairman of the Senate Trade Committee, believed this would unlikely create serious problems for drug prices, however members in the Left remained unconvinced.

¹⁵⁴ Ramsey, ‘Sovereignty Lost in the Trade-off’.

¹⁵⁵ Editor, ‘Time to End Delay’, *Australian*, 16 July 2004, p.1; Patricia Karvelas and Steve Lewis, ‘ALP Left Vows to Fight to the End’, *Australian*, 3 August 2004, p.4; Chris Jones and Sefanie Balogh, ‘Opposition Must Back Trade Deal, Warns Vaile’, *Courier-Mail*, 3 August 2004, p.2; David Uren, ‘Radical Rethink on Foreign Investment Rules’, *Australian*, 3 August 2004, p.4.

military alliance with the US.¹⁵⁶ This caused many in the Right to come to the conclusion that not only was it important to support the US alliance, but it was necessary to be *seen* to be supporting it by endorsing the USFTA.¹⁵⁷ At the Right faction meeting, Beazley made an impassioned speech designed to convince his factional colleagues to vote in favour of the USFTA.¹⁵⁸ While there was no Right position, one of the distinct differences between the Left and the Right was that generally the Right could be relied upon to back the leader (as discussed in Chapter Five). The majority in the Right considered supporting the USFTA to be a strategically wise electoral decision.¹⁵⁹ The Independents Alliance had no formal factional position, but an overwhelming majority supported the Agreement.¹⁶⁰ The Left was unanimous in its decision to oppose the USFTA.¹⁶¹

Latham “was deeply worried about the Labor Party hopelessly splitting into pro- and anti-FTA factions”.¹⁶² The media would simplify the opposing views as a factional dispute between the Left and the Right, and in an election year highlight the fact that the Party was internally divided.¹⁶³ Latham decided, after reading the controversial issues identified in the Committee’s interim report, that Labor’s support of the USFTA would be contingent on the Government adopting two legislative amendments. They were that the Government implement legislation to have television and radio local content rules set by Parliament rather than the Australian Broadcasting Authority and that drug companies be penalised for issuing patent applications to delay the marketing of cheaper generic medicines.¹⁶⁴ Latham reasoned that: “The Right will be happy because the thing will get through, sooner rather than later if Howard accepts our amendments, and the Left can tell their constituencies they are fighting to save the PBS and TV content rules from the Americans”.¹⁶⁵ Latham thus resolved this contentious issue through the prism

¹⁵⁶ Crabb, *Losing It*, p.227; Dennis Atkins, ‘Internal Dilemma for Labor Over Trade Deal’, *Courier Mail*, 26 June 2004, p.27; Capling, *All the Way with the USA*, pp.74-5.

¹⁵⁷ Interview with Craig Emerson, 6 June 2005.

¹⁵⁸ Patricia Karvelas and Steve Lewis, ‘ALP Left Vows to Fight to the End’, *Australian*, 3 August 2004, p.4.

¹⁵⁹ Interview with Kim Carr, 9 August 2005; Interview with Craig Emerson, 6 June 2005.

¹⁶⁰ Interview with O’Connor, 11 August 2005; Interview with Rod Sawford, 9 August 2004.

¹⁶¹ Ramsey, ‘Sovereignty Lost in the Trade-off’; Patricia Karvelas and Steve Lewis, ‘ALP Left Vows to Fight to the End’, *Australian*, 3 August 2004, p.4.

¹⁶² Lagan, *Loner*, p.106. Lagan does not use the term faction in the same way as this dissertation – the term is defined in Chapter One.

¹⁶³ Ramsey, ‘Sovereignty Lost in the Trade-Off’, *Sydney Morning Herald*, p.37. That Labor strongly believes that ‘disunity is death’ for a political party is discussed in Chapter Six.

¹⁶⁴ Interview with Craig Emerson, 6 June 2005; Interview with Stephen Conroy, 16 August 2005; ABC, *News*, 3 August 2004; Chris Jones, ‘Labor Demands Key Safeguards in Pact with US’, *Courier Mail*, 4 August 2004, p.2. Latham promised that a further 26 safeguards would be enacted if Labor won office

¹⁶⁵ Latham, *Latham Diaries*, p.327.

of the 'spirit of accommodation' by considering the views dominant in the major factions.

On the eve of the special Caucus meeting Latham met with Conroy and Beazley who, according to Latham, only grudgingly supported his proposal.¹⁶⁶ The next morning the proposal was discussed with the 32 members of the shadow ministry. The solidarity of the Left subfactions against supporting the USFTA under any circumstances was evident as both Gillard (Soft Left) and Macklin (Hard Left) questioned the merits of the USFTA.¹⁶⁷ Gavan O'Connor (Independents Alliance) also stated his reasons for not supporting the Agreement.¹⁶⁸ However, after some debate, Latham's proposal split the shadow ministry along factional lines. While several members abstained from voting, 16 from the Right and Independents Alliance were in favour and 13 from the Left were against.¹⁶⁹ A majority in the shadow ministry thus endorsed Latham's proposal.

At the Caucus meeting, Latham put forward the shadow ministry's resolution, which was seconded by Conroy.¹⁷⁰ The fact that one member from the Right, Michael Forshaw, spoke against the resolution demonstrates that although the Right had an unofficial factional position of supporting the Leader, this did not stifle debate in Caucus.¹⁷¹ However, those frontbenchers opposing the USFTA under any circumstances could not speak or vote against the resolution due to the principle of shadow cabinet solidarity. Latham's proposal received two-thirds of the Caucus vote. As Conroy observed: "The 2-1 vote on the amended position was supported by a

¹⁶⁶ Latham, *Latham Diaries*, p.327.

¹⁶⁷ Patricia Karvelas and Steve Lewis, 'ALP Left Vows to Fight to the End', *Australian*, 3 August 2004, p.4.

¹⁶⁸ Interview with Gavan O'Connor, 11 August 2005.

¹⁶⁹ Ramsey, 'Sovereignty Lost in the Trade-Off', *Sydney Morning Herald*, p.37.

¹⁷⁰ Greg Sheridan, 'To Boldly Go into the World', *Australian*, 3 July 2003, p.11 Sheridan states that Senator Stephen Conroy was the most pro-American of the Labor Leadership group, with perhaps the best understanding of free markets and the imperatives of business. He was the only ALP frontbencher to argue Labor should support Howard's redeployment of forces in the Iraq War.

¹⁷¹ Interview with Craig Emerson, 6 June 2005; Patricia Karvelas and Steve Lewis, 'Party-room Win, But Not Without a Fight', *Australian*, 4 August 2004, p.2; Steve Lewis, 'Labor says Yes to Trade Deal', *Australian*, 3 August 2004, p.1. It was ironic that Labor's position on the USFTA would rest, in its final moments, on the accessibility of cheap pharmaceuticals, considering that in June 2004 it reversed its policy of opposing the Coalition Government's legislation to increase the consumer contribution for items on the Pharmaceutical Benefits Scheme (PBS). At that time, most commentators surmised that Labor would have been squeezed out of funding its policy promises if it had not supported the savings that the increase of PBS contributions would make. See: Steve Lewis and Samantha Maiden, 'Latham's Stunning Triple Backflip', *Australian*, 23 June 2004, p.1; Dennis Shanahan, 'Labor's Forced Policy Retreat', *Australian*, 23 June 2004, p.1; Samantha Maiden, 'Backflip Set to Cost Families \$190 a Year', *Australian*, 23 June 2004, p.2.

number of Left members, otherwise the vote would have been much closer”.¹⁷² Caucus members were reminded that the Party made collective decisions and that while there was dissent within the Caucus it was necessary to portray a united front, particularly so close to an election.¹⁷³ As discussed in Chapter Six, the amendments united the Party behind the Leader, countered Latham and the Left’s anti-American profile, were popular in the electorate, and, after some redrafting, were accepted by the Government.¹⁷⁴

Conclusion

The Right and the Independents Alliance asserted direct influence on Labor’s trade policy as their combined voting strength ultimately affirmed the trade policy at the 2000 and 2004 Conferences. However, the most significant factional influence on the Party’s trade policy came about through the negotiations between the faction elite prior to these Conferences. In a ‘spirit of accommodation’ the faction elite conducted negotiations in accordance with the ‘unwritten and implicit’ rules of the factional game to resolve the divisive issues in the two trade platform policies. The relevant faction leaders met in private with the aim of finding an outcome prior to each Conference. While the Right enjoyed a position of strength because of the support of the Independents Alliance, the views of the Left were taken into consideration. As predicted in Lijphart’s theory, when opposing ideological positions are pursued, negotiations are limited, and in 2000 the Left was granted only a minor concession because the Right believed the fair trade proposal was extreme. However, in 2004 when Doug Cameron’s proposal was moderated and had obtained support from some of the manufacturing unions in the Right, fair trade principles were incorporated to a significant extent in Labor’s free trade policy. This compromise ensured that the shadow minister retained the bloc votes of the Right and the Independents Alliance. Significantly, the compromise also ensured that the Left would be able to accept the decision of the majority and that as a result Labor would be united on the issue after the

¹⁷² Interview with Stephen Conroy, 16 August 2005.

¹⁷³ Chris Jones, ‘Caucus Backs Trade Deal with little Sound or Fury’, *Courier Mail*, 4 August 2004, p.2.

¹⁷⁴ Michelle Grattan, David Wroe and Tim Colebatch, ‘Parties Edge Toward Patent Deal’, *Age*, 6 August 2004, p.4; Paul Kelly, ‘Unorthodox Latham Bowls One Up to Howard’, *Australian*, 4 August 2004, pp.1-2; Steve Lewis, ‘Final Game of Dare Hits Trade Deal’, *Australian*, 4 August 2004, p.1; The Hon Mark Vaile, MP, Minister for Trade, Media Release, *Australia United States Free Trade Agreement to Commence on 1 January*, 18 November 2004. On 17 November 2004, the Australian and United States

Conference vote. Ideological rhetoric, which plays a key role in sustaining factional loyalty and in mitigating the frustration of defeat, was reserved for the public debate.

During the 1996–2004 period, the trade portfolio was entrusted to either a member of the Independents Alliance or the Right. Given that these factions predominantly support trade liberalisation, each respective shadow minister's factional loyalty was assured. Factional loyalty and the pragmatic nature of the Right were evident in that the manufacturing unions affiliated to the Right trusted their shadow minister (Right) to develop a compromise policy that would be electorally viable and, at the same time, address some of the issues of concern in the fair trade proposal.

Factional influence on Labor's response to the USFTA was subtle in that Mark Latham had to consider the views of the majority in both the Left and the Right. When Latham deviated from the shadow cabinet's cross-factionally endorsed plan to develop a response after the Senate Inquiry, he exacerbated the conflicting views on the Agreement in Caucus. Electoral concerns, which were reflected in the opposing dominant views between the major factions, were a major influence on the development of a response to the USFTA. The need to portray a united Party has consistently been considered an electoral imperative. Latham could only unite the Party on such a controversial issue by developing a compromise policy that would be accepted by the majority in Caucus. Overt factional influence was evident in that the Right and the Independents Alliance had the numbers both in the shadow ministry and Caucus to endorse Latham's proposal. However, the Left also influenced the policy because, as its official position was not to support the USFTA, the amendments were aimed at mollifying the faction to the extent that it would accept the majority decision.

The development of various trade policies was thus predominantly influenced by the majority pro-free trade tendency in the Right and the Independents Alliance. The faction leaders resolved divisive issues relating to trade policy by the Right granting, to varying extents, concessions to the Left. The spirit of accommodation to resolve contentious trade issues has thus been vital in enabling the Party Leader and faction leaders to ensure that after heated debate the factions can continue to enjoy a peaceful coexistence within the Party.

governments accepted each other's implementation processes for the Agreement and on 1 January 2005, elements of the FTA became law.

CHAPTER TEN

Welfare Policies: Dominant Cross-factional Consensus

Social security is one of the bedrocks of where we see the Labor Party, there isn't a great deal of disagreement in terms of where we stand on it, it's absolutely essential ... that is a given, you don't belong in the Labor Party if you don't believe that.

Policy Adviser Matthew Linden 2004¹

This chapter explores the role and influence of the national factions on policy development in the Family and Community Services (FACS) portfolio during the 1996–2004 period. FACS deals with social welfare issues, predominantly transfer payments that fall under the auspices of the nation's social security system.² From March 1996 to October 1998, the Shadow Minister for Family and Community Services was Jenny Macklin, from the Hard Left, and from October 1998 to October 2004 the portfolio was allocated to Wayne Swan.³

According to Swan's policy adviser, Matthew Linden, only a small percentage of welfare policies generated debate within Caucus.⁴ This chapter examines four such policies. It was difficult to obtain relevant data on development processes as some interviewees could not recall details of the issues debated in Caucus, particularly those in 1997, and/or others were not involved in the policy development processes. While this is in part due to the passage of time, it also substantiates Linden's claims that there was generally a cross-factional consensus on social security issues. In contrast, debates driven by factional positions are generally more volatile, and hence more memorable, because such issues are discussed at faction meetings before members are locked into a specific policy position. In contrast to the development processes pertaining to the refugee and trade policies, issues relating to FACS provoked no factional debate at the 2000 and 2004 National Conferences. Hence, the debate directed towards these issues in

¹ Interview with Matthew Linden, 19 October 2004.

² Family and Community Services Department, FACS.org; Interview with Matthew Linden, 19 October 2004. During the Hawke-Keating Governments this portfolio was termed the Social Security portfolio. It includes income support payments for people with disabilities, youth and students, labour force participants, parents, sole parents, the unemployed, and retirees. The portfolio also covers child-support programs and, on a much smaller scale, provides funding to social welfare community organisations.

³ Jenny Macklin was Shadow Minister for Family and Community Services from 20 March 1996 to 20 October 1998. For a brief period the portfolio was referred to as Family Services (27 March 1997 to 20 October 1998).

⁴ Interview with Matthew Linden, 19 October 2004.

the organisational wing is discussed in concert with the policy development processes in Caucus.

Interviewees, to various degrees, did recall that the concept of mutual obligation was at the centre of debates pertaining to the first two policies this chapter examines: the development of the Opposition's amendments to the Government's *Work for the Dole* Bill; and legislation relating to sole parents in the 2002 *Australians Working Together* Bill. To provide a general overview of the debate that periodically occurs on mutual obligation in relation to social security policies this chapter begins by briefly summarising the different perspectives in Caucus.

The third and fourth case studies are concerned with election policies, and as these were developed for the 2004 federal election campaign, interviewees could recall many of the significant details of the debate surrounding these issues. As discussed in Chapters Five and Six, the development of election policy is the exclusive domain of the relevant shadow ministers and during the 1996–2004 period details of election policy were generally well-guarded. This chapter examines whether factional influence was subtly asserted through the factional alignment of the shadow ministers on the *Rewarding Hard Work* policy as well as discussing the responses of Party members so that a broader factional perspective on this policy can be analysed. Lastly, it explores the development processes of the 2004 Baby Care Payment election policy. In contrast to the Family and Tax Package, there was considerable debate on the Baby Care Payment both outside and inside the Party. Accordingly, the chapter also examines the relevant shadow ministers' informal consultation mechanisms throughout the policy development processes.

This chapter finds that a moderate view on welfare reform prevails in each of the Caucus factions, notwithstanding the more extreme ideological positions taken by a few in both major factions. It concludes that the Caucus factions, as factional blocs, did not have a role and did not influence the development of policies within the social security portfolio. The relevant shadow ministers asserted a much more subtle factional influence consistent with the Politics of Accommodation. In their role as faction leaders, the shadow ministers ignored extreme ideological tendencies within the factions and developed policies that they believed would be accepted by the majority in the factions and be popular with the majority of the electorate. The exception to this policy

development approach was when Mark Latham asserted his leadership prerogative over the Family and Tax Package election policy.

The National Factions' Perspective on Mutual Obligation

The notion of 'mutual obligation', introduced by the Howard Government, replaced the previous Labor Government's policy of 'reciprocal obligation'. The concept of 'reciprocal obligation' was based on the notion that the government would provide more support in training and work preparation programs and, in return, welfare recipients were obliged to accept any reasonable training or job-offer, or lose some entitlement.⁵ During the Hawke-Keating era, all Social Security Ministers, most of whom were from the Left, developed reforms "that effectively reconciled the pursuit of equity with the need to run a responsible fiscal policy and to ensure that programs achieve their goals as efficiently and effectively as possible".⁶ This approach was driven by a conservative philosophy of the "economic and moral dangers of 'welfare dependency'".⁷

Developing welfare policies based on reciprocal obligation was a major shift from the traditional left-wing perspective that social security benefits are a fundamental right of a citizen and which emphasises the State's responsibility to provide sufficient job options, to one that was conditional on a 'contract' with the State.⁸ This policy direction of welfare reform signalled the gradual move away from distinct Left-Right politics to the more nebulous 'Third Way' politics, as discussed in Chapter Six. Peter Baldwin (Soft Left) recalls that welfare reform based on reciprocal obligation was "broadly embraced across factional lines", and acknowledges that this was "actually a pretty major change

⁵ Stephen Ziguas, Gavin Dufty, and Mark Considine, *Much Obligated: Disadvantaged Job Seekers' Experiences of the Mutual Obligation Regime*, Brotherhood of St Laurence, St Vincent de Paul Society and University of Melbourne Centre for Public Policy, Fitzroy, May 2003, p.9; Peter Baldwin, *Beyond the Safety Net: The Future of Social Security*, Commonwealth, 23 March 1995.

⁶ Interview with Peter Baldwin, 17 March 2005. According to Baldwin, Brian Howe (Soft Left), Minister for Social Security (1984-90), "pioneered the move away from 'passive' welfare to a more active approach that emphasised providing more training, work experience and so on to the unemployed, and requiring that they use such programs".

⁷ Phillip Mendes, *Australia's Welfare Wars: The Players, The Politics and the Ideologies*, University of New South Wales, Sydney, 2003, p.104; Judith Bessant, 'The Politics of Official Talk about Welfare Reform in Australia', *Just Policy*, No.28, December 2002, p.12.

⁸ Dean Jaensch, *The Politics of Australia*, MacMillan, South Melbourne, 1997, p.245.

in the culture of Caucus from the late 1980s onwards”.⁹ A few members in the Left argued that “moving away from a government monopoly in the delivery of such services was a retrograde development”, but within the faction there was consensus on the basic principles of reciprocal obligation.¹⁰

During the 1996–2004 period, the Howard Government introduced welfare reforms based on the notion of mutual obligation.¹¹ In contrast to the concept of ‘reciprocal obligation’, which obliged recipients to take part in support programs and education schemes, the Coalition Government placed emphasis on the recipient giving something back to society in return for receiving welfare support.¹² However, this chapter is not concerned with the relative merits or effectiveness of these different approaches to welfare provisions; rather it focuses on the factional influences on Labor’s social welfare policies.

It is outside the scope of this thesis to interview members of all the State and Territory components of the national factions regarding their views on policy issues, as explained in Chapter Nine. Therefore, the varying perspectives on the concept of mutual

⁹ Interview with Peter Baldwin, 17 March 2005; Fred Henry Gruen, and Michelle Grattan, *Managing Government: Labor’s Achievements and Failures*, Longman Cheshire, Melbourne, 1993, p.15; Rodney Smith, ‘The Major Party Competition; Social Welfare since 1972’, Michael Wearing and Rosemary Berreen (eds), *Welfare and Social Policy in Australia: the Distribution of Advantage*, Harcourt Brace and Company, Marrickville, 1994, p.74; Mendes, *Australia’s Welfare Wars*, p.104. Baldwin documented his philosophy to these reforms in Baldwin, *Beyond the Safety Net*, p.6, in which he argued: “Those on the right have generally been most concerned with equality of formal legal rights, those on the left with income and wealth, with those interested in equality of opportunity lying somewhere in between”. Other Social Security Ministers between 1983-1996 were: Don Grimes who was non-aligned but (according to Peter Baldwin) Left-leaning (March 1983 to December 1984); Brian Howe from the Soft Left (December 1984-March 1990); Graham Richardson from the Right (March 1990-December 1991); Neal Blewett from the Centre-Left (December 1991-March 1993); and Peter Baldwin from the Soft Left (March 1993-March 1996). As argued in Chapter Three, ministers from the Left, particularly those from the Soft Left, recognised that they needed to consider the prevailing attitudes of the Right when developing policy in accordance with their aim of bringing about Leftist reforms.

¹⁰ Interview with Peter Baldwin, 17 March 2005. Baldwin explains that as a minister from the Left, he did not believe that he was betraying the socialist values within his faction in that “someone on the Left should be primarily concerned with finding the most effective and practical policies to enhance social equity”. He further states that within the community some of the reforms were controversial: “The most controversial element was the changed arrangements for the delivery of labour market services I mentioned. Some of the left, viewed moving away from the government monopoly in the delivery of such services as a retrograde development. However, the main opposition to these changes came not from the Left faction but from sections of the bureaucracy – the then Department of Employment, Education and Training (DEET) in particular. The top bureaucrats in DEET saw it as a significant erosion of their role. And the public sector unions were opposed to the reforms. In addition there was opposition to the shift from passive to active policies from the social welfare organisations Australia Council of Social Services (ACOSS), Welfare Rights etc.”

¹¹ Jeremy Moss, ‘The Ethics and Politics of Mutual Obligation’, *Australian Journal of Social Issues*, vol.36, no.1, February 2001.

¹² Moss, ‘The Ethics and Politics of Mutual Obligation’; Ziguras, Dufty, and Considine, *Much Obligated*, p.9.

obligation within the Caucus factions during the 1996–2004 period is examined to provide an indication of the views within the national factions.

The views of a minority in the Caucus Right were consistent with those of the Coalition Government.¹³ This is exemplified by Mark Bishop’s comment that Labor was “unnecessarily obstructive and perhaps resistant to change at key times between 1996–2004 in terms of the mutual obligation debate”.¹⁴ According to Wayne Swan, MPs such as Mark Bishop and Mark Latham believed that during his period as Shadow Minister for Families he had adopted a leftist stance on welfare reform. However, those members in the Right who did not agree with Swan made no attempt to obstruct his policy decisions.¹⁵ Swan states that in “factional terms, people on the Right were not game to oppose me”.¹⁶ His status as a factional leader in the Right was thus the overriding factor in ensuring the support of the Right as a bloc in Caucus. There were also some members in the Soft Left, particularly its leader, Martin Ferguson, who, in some instances, agreed with the Government’s mutual obligation approach to social security issues.¹⁷ This highlights that the factions are not ideologically pure blocs, but that members’ perspectives on mutual obligation can vary depending on the particular policy to which this principle is applied.

Passionate opposition to the Government’s proposed reforms came from many in the Hard Left and some ‘independent’ members in the Left. These members believed that the conceptual shift from ‘reciprocal obligation’ to ‘mutual obligation’ was so extreme that they reverted to arguing that social security support is an inalienable right associated with citizenship.¹⁸ For instance, Carmen Lawrence (‘independent’ Left) believed that the “fundamental problem with the concept is that we are dealing with unequal partners, so to talk of contracts or mutuality in that environment is to misunderstand the relationship between the citizen and the state”.¹⁹ According to Lawrence, it is the state that has failed the unemployed and, subsequently, a contract between the state and recipients of benefits is unbalanced because the latter are not

¹³ Interview with Mark Bishop, 6 December 2004; Interview with Roger Price, 1 December 2004.

¹⁴ Interview with Mark Bishop, 6 December 2004. Mark Bishop was one of the Senators who represented the Shadow Minister for Family and Community Services in the Senate.

¹⁵ Interview with Wayne Swan, 23 March 2005.

¹⁶ Interview with Wayne Swan, 23 March 2005.

¹⁷ Interview with Carmen Lawrence, 8 December 2004; Interview with Wayne Swan, 23 March 2005; Interview with Ruth Webber, 11 August 2005.

¹⁸ Interview with Matthew Linden, 3 December 2003; Interview with Carmen Lawrence, 8 December 2004. This is demonstrated in the case studies.

¹⁹ Interview with Carmen Lawrence, 8 December 2004.

willing volunteers to that condition.²⁰ She argued in a speech that: “Blaming the victim, instead of looking for reasons for growing inequality and associated social problems, will not only fail to solve the problem but betrays those who most need our intelligent commitment to policy”.²¹ The majority in the Hard Left supported Lawrence’s view that welfare policy should not be based on the concept of mutual obligation.²² According to Lawrence, compared to the Hard Left’s more traditional view of social security being an inalienable right, some in the Soft Left took a rather stringent stance on welfare issues.²³ She believes that, while the labels of the sub-factions may indicate otherwise, a liberal tendency dominates the Hard Left and an authoritarian tendency dominates the Soft Left in regards to mutual obligation policies.

A majority in each of the Caucus factions (including some members of the Hard Left) had a moderate view on welfare reform that reflected support for the reciprocal obligation approach established by the Hawke–Keating Governments. These MPs believed that as long as the Government provided a series of programs and incentives that improved the opportunities and capabilities of those on unemployment benefits, the unemployed should be obliged to participate in recommended programs. Joe de Bruyn (Right) sums up the views of the ‘moderates’ in the Party:

I think [mutual obligation] has now become an irreversible part of Government policy to the extent that it requires people to do something in order to qualify. I think that it is now generally regarded as not unreasonable, provided that it does not mean that people are having unreasonable obligations put on them. The question is now if you are striking a fair balance. The idea, of people sitting back and collecting the dole without ever trying to gain employment, is now part of history. It is more a question of whether the requirements that are being imposed on people are fair and reasonable, that I think is the issue for debate, not whether you have them or not. I think it is as plain as day that society no longer wants to support people unconditionally.²⁴

In general this comment reflects the view of the ‘blue-collar’ worker and the ‘aspirational’, as discussed in Chapter Six.

Labor MPs consider, in particular, the dominant view of their constituents when deciding whether or not to support a policy, as discussed in Chapters Five and Seven. For instance, Roger Price (Right) introduced his view on mutual obligation by referring to his electorate:

²⁰ Interview with Carmen Lawrence, 8 December 2004; Carmen Lawrence, speech *The Brave New World of Mutual Obligation*, 2002.

²¹ Lawrence, *The Brave New World of Mutual Obligation*.

²² Interview with Carmen Lawrence, 8 December 2004.

²³ Interview with Carmen Lawrence, 8 December 2004.

In my electorate, a very poor electorate, the one thing that pisses them off most is someone rorting the system, even people on social welfare [feel that way]. I was a strong supporter of the ID card, because in my electorate people know it stamps down on rorting. So, I'm really keen on mutual obligation.²⁵

According to Price, his position on welfare reform was predominantly guided by the majority view in his electorate. Electoralism is a major consideration, particularly when in opposition. This is aptly demonstrated by Labor's response to the Government's *Work for the Dole* Bill in 1997.

Labor's Response to 'Work for the Dole': Purely Electoralism

The dominant cross-factional view supporting 'reciprocal obligation' rather than 'mutual obligation' was highlighted in the Opposition's initial response to the '*Work for the Dole*' Bill proposed by the Howard Government on 9 February 1997. The legislation required the young unemployed, after a six-month period of unemployment, to do community work. The policy was based on mutual obligation, and inherent in the mindset of those supporting this approach was the notion that the unemployed were 'dole bludgers' and therefore should work for the community to pay back social security.²⁶ The passage of time, the absence of factional debate on the Bill and the numerous volatile political events that have occurred since have made it difficult for most Caucus members to recall the details of the development processes behind Labor's response. However, those Caucus members interviewed on the issue remember that although there were a few members in the Right and the Soft Left who wanted to support the policy there was initially a majority consensus in Caucus that Labor should reject the legislation.²⁷ Peter Baldwin states that the opposition to the *Work for the Dole* was based "mainly on the grounds of its 'Mickey Mouse' quality, the fact that the main emphasis was on 'rock painting' work rather than on providing durable skills that could lead to well-paid jobs in the long run".²⁸ The Opposition, unions and welfare groups

²⁴ Interview with Joe de Bruyn, 29 November 2004.

²⁵ Interview with Roger Price, 1 December 2004: Matthew Spencer, 'Chifley', *Australian Political Almanac*, Peter Wilson (ed), Hardie Grant Books, South Yarra, 2002, p.108. Roger Price (Right) holds the outer-western Sydney electorate of Chifley, which is predominantly working-class. In 2000 it had close to ten thousand housing-commission homes, a high percentage of the population born overseas, high unemployment and low school retention rates.

²⁶ Moss, 'The Ethics and Politics of Mutual Obligation'.

²⁷ For instance: Interview with Peter Baldwin, 17 March 2005; Interview with Gaven O'Connor, 11 August 2005; Interview with Kim Carr, 9 August 2005; Interview with Carmen Lawrence, 7 December 2004; Interview with Ruth Webber, 11 August 2005; Interview with Kim Carr, 9 August 2005; Interview with Wayne Swan, 23 March 2005.

²⁸ Interview with Peter Baldwin, 17 March 2005.

believed that because the scheme was not aimed at benefiting the unemployed through skills and training opportunities, it could “be characterised as punitive”.²⁹ John Hogg summed up the general sentiment within the Party in his statement that the reforms were “patronising instead of assisting the vulnerable”.³⁰ Hence, the Leader of the Opposition, Kim Beazley (Right), initially at least, publicly condemned the scheme as “an ill-thought plan designed to conscript and enslave young jobless people”.³¹

Across the Caucus factions, the dominant view was that Labor should only support the legislation if the Government accepted amendments that included more training and education support options.³² The Shadow Minister for Family and Community Services, Jenny Macklin (Left), developed the initial policy amendments in conjunction with the Shadow Minister for Employment, Martin Ferguson (Soft Left), and Shadow Minister for Industry, Simon Crean (Right). Ferguson believed *Work for the Dole* should have been supported and this view was dominant in his sub-faction.³³ However, in a ‘spirit of accommodation’, to reach an outcome that would be accepted by the majority in each of the Caucus factions, he assisted in the development of amendments to moderate the Bill.³⁴ These amendments were discussed at the relevant Caucus policy committee and at informal meetings with Caucus members who had a particular interest in the issue. The shadow ministry then ratified the amendments before Caucus unanimously endorsed them.³⁵ However, the Coalition Government in the House of Representatives did not accept the amendments.

In June 1997 the Howard Government threatened “to make the bill’s defeat [in the Senate] the trigger for a double dissolution”.³⁶ Beazley consulted with the relevant shadow ministers and the Leadership group, which consisted of representatives of all

²⁹ Innes Willox and Joanne Painter, ‘Howard Pushes Work for Dole Scheme’, *Age*, 10 February 1997, p.1; Moss, ‘The Ethics and Politics of Mutual Obligation’. Moss argued, that “while the Mutual Obligation scheme does allow some accredited training, through TAFE for instance, the primary aim is not to benefit the unemployed. That the Government has chosen this and not the accredited training courses as the default position is suggestive of the underlying ethos”.

³⁰ Interview with John Hogg, 3 February 2006.

³¹ Willox and Painter, ‘Howard Pushes Work for Dole Scheme’.

³² Mendes, *Australia’s Welfare Wars*, p.107.

³³ Interview with Carmen Lawrence, 7 December 2004; Interview with Wayne Swan, 23 March 2005.

³⁴ Lijphart, *The Politics of Accommodation*, pp.124-5

³⁵ Interview with Kim Beazley, 7 August 2005; Interview with Gaven O’Connor, 11 August 2005; Innes Willox, ‘Dissolution Threat Over Dole Scheme’ *Age*, 28 May 1997, p.10. Willox notes that: “Labor’s social security spokeswomen, Ms Jenny Macklin, has foreshadowed a series of amendments which she said would ensure workers were not displaced, participants were paid at the relevant award rate and received accredited training and the programs ran for at least six months. Ms Macklin’s amendments would also insert a 30 June 1998 sunset clause to allow for a review”.

³⁶ Tim Colebatch, ‘Reversal One for The Cynics’ *Age*, 24 June 1997, p.7.

three factions, before deciding on a policy response. Within this group there was a consensus that Labor should reverse its earlier decision to obstruct the Bill in the Senate but should continue to argue against the merits of the policy.³⁷ This tactical decision demonstrated the emphasis placed on electoralism; polls had consistently shown that the Government's policy was popular in the electorate as it tapped into the resentment that an increasing number of the working population were feeling towards welfare recipients. The policy particularly resonated with working class voters, who differentiated between the 'deserving' and 'undeserving' poor.³⁸

The revised policy response was debated and endorsed by shadow cabinet and "considered" at the relevant Caucus policy committee (both are faction forums).³⁹ When the new policy position was taken to Caucus for ratification, "alternative views were put by MPs from all factions".⁴⁰ Beazley faced outrage from some Senators, including Rosemary Crowley (Independents Alliance) and backbencher MP Anthony Albanese (Hard Left).⁴¹ Carmen Lawrence recalls that the debate in Caucus was cross-factional, as members with a more liberal tendency from both the Left and the Right were opposed to the decision.⁴² However, Beazley convinced the majority in Caucus that if Labor did not pass the legislation in the Senate "the Government would have been able to spend the next two months of parliamentary recess gaining political kudos by arguing it had tried to do something about unemployment, but [that] Labor had obstructed it".⁴³

After some heated debate, and although many members in Caucus were troubled about the policy shift, the tactical decision gained cross-factional support.⁴⁴ Hence, this support was based on the perception of the majority in Caucus that because the policy "was popular with the majority of voters [Labor] was becoming politically isolated by

³⁷ Interview with Kim Beazley, 7 August 2005.

³⁸ Wilson and Turnbull, 'Wedge Politics and Welfare Reform in Australia', pp.384-402. "At the 1998 federal election, the Coalition capitalised on Labor's initial reluctance to support the scheme by arguing that Labor would abandon Work for the Dole if elected". Paul Chamberlin, 'Dole Plan Gaining Support', *Age*, 7 May 1997, p.2 states that "polls suggest as much as 70 percent of the public support the idea".

³⁹ Interview with Kim Beazley, 7 August 2005; John Short, 'ALP Backs Down on Work for the Dole Plan', *Australian*, 24 June 1997, p.1.

⁴⁰ Interview with Kim Beazley, 7 August 2005.

⁴¹ Karen Middleton, 'Beazley Slated Over Work-for-Dole Flip', *Age*, 25 June 1997, p.1; John Short and Sid Marris, 'Labor Role in Dole Plan Under Fire', *Australian*, 25 June 1997, p.2, also states that "the Victorian Trades Hall Council (Left) claims it will lodge a formal protest with the ALP".

⁴² Interview with Carmen Lawrence, 8 December 2004.

⁴³ Karen Middleton, 'Beazley Slated Over Work-for-Dole Flip', *Age*, 25 June 1997, p.1.

not supporting it”.⁴⁵ Even without cabinet solidarity and the pragmatic disposition of the Right to support the Leader’s decision, Caucus would have endorsed the decision.⁴⁶ In 1997, Caucus usually rallied behind Beazley’s decisions because of the small number of Labor MPs in parliament, as discussed in Chapter Six. Beazley sums up the strategy underpinning the decision:

This ‘support’ should not be taken out of the context in which it was given. There were many speeches by Labor MPs and Senators from all factions clearly espousing why this legislation was a poor policy approach. When speaking to the Message, when the Bill had been returned from the Senate, I made it very clear that Labor still believed that it had a much better alternative policy. Others such as Martin Ferguson made similar points.⁴⁷

The Bill was passed through the Senate on 24 June 1997.⁴⁸

There was no factional debate on Labor’s response to the Howard Government’s *Work for the Dole* Bill. While several individuals across the factions were opposed to Labor’s policy shift, the Caucus factions did not establish a formal position on the issue. Although the Right dominates the Leadership group and the shadow cabinet, there is no indication that the tactical decision was asserted mainly by the Right. Hence, the factions had no role or influence on the development of Labor’s response to the Bill. The response to the Bill was driven by electoral imperatives and not by factional considerations.

The dominant support for moderate welfare reform within the Caucus factions is generally a constant influence on policy development in this portfolio and reinforces that there have been few issues of contention between the factions, or Caucus members in general, on welfare policies. This was demonstrated in the amendments initially developed in response to the *Work for the Dole* Bill, and was also a significant

⁴⁴ Interview with Kim Carr, 9 August 2005; Short and Marris, ‘Labor Role in Dole Plan Under Fire’; Geoffrey Barker, ‘Rejection to Recovery’, *True Believers: The Story of the Federal Parliamentary Labor Party*, John Faulkner and Stuart Macintyre (eds), Allen and Unwin, Crows Nest, 2001, p.163.

⁴⁵ Interview with John Hogg, 3 February 2006.

⁴⁶ Interview with Carmen Lawrence, 7 December 2004; Interview with Ruth Webber, 11 August 2005; Interview with Kim Carr, 9 August 2005.

⁴⁷ Interview with Kim Beazley, 7 August 2005. See also: ‘Social Security Legislation Amendment (Work for the Dole) Bill 1997: Consideration of Senate Message’, *House of Representative Hansard*, 23 June 1997, p.6070.

⁴⁸ ‘Crean Says Labor Would Support Work for the Dole’, *Australian Associated Press*, 20 September 1998, Retrieved from Factiva Full-text database. A year later, in September 1998, Labor supported an expansion of the government’s Work for the Dole program. Shadow Minister for Industry, Simon Crean, argued “We, after all, introduced the notion of reciprocal obligation” (in 1994) and made the point that it should not just be the unemployed but also the “business community that should demonstrate some reciprocity”. While supporting Work for the Dole for electoral reasons, Labor has consistently pointed out the conceptual difference between Labor’s ‘reciprocal obligation’ and Howard Government’s ‘mutual obligation’ notions.

influence in the formulation of amendments to the sole parent legislation in the *Australian Working Together* Bill discussed below.

Sole Parents Legislation: Factional or Gender Debate?

In 2002, the dominant cross-factional position on mutual obligation was again demonstrated in Labor's response to a legislative package: *Australians Working Together*.⁴⁹ The Shadow Minister for Family and Community Services, Wayne Swan, was aware that Caucus was generally united in their opposition to many aspects of the Bill, such as the proposed mutual obligation contracts on the disabled and mature-age unemployed.⁵⁰ However, there were conflicting views in Caucus on the mutual obligation components which required sole parents with children over the age of 12 to seek paid or community work as a condition of welfare support, with failure to comply resulting in partial loss of benefit.⁵¹

Swan invited any Caucus member interested in the policies affecting sole parents to an informal meeting of the Social Policy and Community Development Caucus Policy Committee.⁵² Swan's office prepared an initial brief on the details of the legislation concerning sole parents and developed some proposals pre-empting the differing views anticipated at the meeting. There was cross-factional interest in the policy, but the Left dominated the meeting, which was only attended by a dozen or so people, including

⁴⁹ Further welfare reforms were proposed in the Coalition Government's 1999 Budget but were not introduced as legislation until 2002. 'Family And Community Services Legislation Amendment (Australians Working Together And Other 2001 Budget Measures)' *Bill 2002: Second Reading*, House of Representatives, Canberra, 2002. Wilson and Turnbull, 'Wedge Politics and Welfare Reform in Australia', p.397, state: "Major reforms to the social security system were expected in mid to late 1999. However the reforms were unexpectedly delayed, possibly due to adverse political circumstances". For more detail see Wilson and Turnbull, 'Wedge Politics and Welfare Reform in Australia', pp.396-98. A formal response to the Bill could not be developed until the Opposition could see how the Government proposed the Bill to be written into law.

⁵⁰ Interview with Matthew Linden, 19 October 2004.

⁵¹ Andrew Probyn, 'Dole Changes to Order Work', *Herald Sun*, 15 December 2000, p.10; Ross Peake, 'Lawrence Breaks Ranks Over Single Parents Bill', *Canberra Times*, 24 October 2002; Dr Lawrence, 'Family And Community Services Legislation Amendment (Australians Working Together And Other 2001 Budget Measures)' *Bill 2002: Second Reading*, House of Representatives, Canberra, 2002. According to Lawrence: "This bill, based on those principles I have outlined, provides for those on supporting parents benefits with children between 13 and 15 to take part in approved activities for 150 hours every six months. Not all of these, of course, are workplace related, but many of them are. These activities have to be part of an approved program of work which forms a participation agreement with the employment secretary — who, by the way, can vary that agreement at any time. Failure to enter into an agreement will result in a loss of benefit for 13 weeks. Failure to comply with an agreement will result in an eight-week breach. And all this for an additional \$20.80 a fortnight. That is really extraordinary".

⁵² Interview with Matthew Linden, 19 October 2004; Interview with Wayne Swan, 23 March 2005.

Jenny Macklin and Trish Crossin (both Soft Left), Carmen Lawrence ('independent' Left), Kate Lundy (Hard Left) and Roger Price (Right).⁵³

From the Left, Lawrence was the most vocal in challenging the legislation affecting sole parents. Her arguments were later echoed in her speech in the House of Representatives on 29 May 2002, when she "spoke as close as you can, to opposing a Bill without entirely breaching Party tradition".⁵⁴ In her speech Lawrence stated:

While most people - and I am one of them - would agree on the need to provide services tailored to individual needs and circumstances, I think it is true to say that the trend toward individualised relationships in social welfare is in danger of undermining rights of entitlement which accrue from generalised citizenship. Unfortunately, ... there is no reciprocal obligation on government to ensure that there are enough jobs ... I might ask: what is bringing up a child if it is not a contribution to society, particularly at the moment when we are hearing people screaming about the declining fertility rate? I would have thought that bringing up a child satisfactorily was probably the most important thing any human being could do.⁵⁵

According to Lawrence, the Government's reforms were too stringent, blamed the victim and did not sufficiently acknowledge the task of raising children as a worthwhile contribution to society.⁵⁶

Reflecting the views of some other members of the Right, Price insisted that the Bill had some merit as he considered it important that sole parents should not become dependent on welfare but, when possible, return to the workforce.⁵⁷ According to Price, some female MPs from the Left attacked his support for the Bill as being "somehow anti-feminist".⁵⁸ Price states that within Caucus:

There is a gender warfare, ... it cuts me to the core, that accusation [of being anti-feminist]. Young women come into this place, wanting to prove that they are super-feminists, which does not help balance the debate.

Swan concedes that "there was a bit of that running through it".⁵⁹ In contrast, Trish Crossin recalls that it was more of a philosophical dispute and that the sole parent debate "was an instance where the Left has strongly objected to where the Right is going".⁶⁰ However, the Caucus factions did not decide on a position on this issue.

⁵³ Interview with Matthew Linden, 19 October 2004.

⁵⁴ Interview with Carmen Lawrence, 8 December 2004.

⁵⁵ Dr Lawrence, Family And Community Services Legislation Amendment (Australians Working Together And Other 2001 Budget Measures) Bill 2002: Second Reading, *Hansard*, House Of Representatives, Canberra, 2002.

⁵⁶ Interview with Carmen Lawrence, 8 December 2004.

⁵⁷ Interview with Roger Price, 1 December 2004; Interview with Matthew Linden, 19 October 2004.

⁵⁸ Interview with Roger Price, 1 December 2004.

⁵⁹ Interview with Swan, 23 March 2005.

⁶⁰ Interview with Trish Crossin, 2 December 2004.

Arguments against the legislation concerning sole parents came mainly from the female members in the Left, particularly the Hard Left. Ruth Webber explains that in the Caucus factions there is “a sensitivity in that the [male members] do not want to be seen telling women what to do”.⁶¹ Any comments from Price, who had served on parliamentary committees concerned with family law issues during the Hawke and Keating governments, may have been seen as not acknowledging that sensitivity.⁶² In addition, given Price’s support for mutual obligation policies and because he argued directly against the views of the women in the Left at this meeting, the debate gave the appearance of being both gender related and reflecting a Left versus Right factional dichotomy. According to Linden, Swan “was very careful to try and incorporate and involve the views of the Left”.⁶³ Swan’s approach reflects the spirit of accommodation in which the Party elite consistently strive to reach agreement on policy issues, a necessity driven not only because the policy has to be endorsed by Caucus but also by the electoral imperative to portray a unity front on policy matters.

It is therefore not surprising that a major influence on the debate at the informal meeting came from the Deputy Leader, Jenny Macklin (Hard Left). Macklin was regarded as having an expert opinion because she was the former Shadow Minister for Family Services and her experience in other portfolio areas, including Employment, was relevant to the policy issues relating to sole parents. To establish her position on the issue, she tabled a research paper written by a leading Australian economist, Bob Gregory. According to Gregory there is a solid core of people on parenting payments who will continue to be dependent on welfare even after they cease parenting.⁶⁴ Macklin’s conviction was that, with suitable amendments allowing for a transitional period and with support programs which could include training and assistance such as childcare, the sole parent legislation had merit. This stance surprised those who worked in Swan’s office, as they had expected her to be passionately opposed to the Government’s legislation, considering the general stance of the Hard Left regarding mutual obligation.⁶⁵

⁶¹ Interview with Ruth Webber, 11 August 2005.

⁶² Interview with Roger Price, 1 December 2004.

⁶³ Interview with Matthew Linden, 19 October 2004.

⁶⁴ Robert Gregory and E Klug, *Some Implications of Multiple Income Support Spells Among Lone Mothers with Dependent Children*, 2002 (no further information).

⁶⁵ Interview with Matthew Linden, 19 October 2004.

However, Macklin's stance was consistent with the more moderate position of the Left in general, reflected in its support for policies based on 'reciprocal obligation'. Furthermore, in a 'spirit of accommodation' to reach a moderate and pragmatic solution to the contentious policy, she would not promote the inflexible views of some of the women in the Hard Left who supported Lawrence's position. Macklin explains that as Deputy Leader: "You have two jobs: one thing is to make sure you continue to advocate the things you believe in, the other is you have a leadership role, and one of those jobs is to bring people together".⁶⁶ This reflects Lijphart's analysis that the 'spirit of accommodation' in relation to policy development is part of the culture of the elite rather than of the members they represent. Similarly, Swan did not support the view of those in the Right who preferred supporting the Government's policies outright.⁶⁷ The approach to developing the amendments by the faction leaders was thus consistent with Lijphart's accommodation model, as they ignored the more extreme ideological position put forth by some members in their respective factions in the interest of developing amendments that would be acceptable to the majority in Caucus.⁶⁸

Swan believed the amendments would "encourage participation, essential to reward work over welfare, essential to integrity and essential to protect people who should not be unnecessarily punished in this system which is meant to be a safety net".⁶⁹ An aspect of the Government policy that was not amended was the requirement for sole parents to attend a career counselling interview so that prospects for returning to work could be discussed. Swan argued that this would benefit the sole parent and did not consider it a punitive mandated activity.⁷⁰ Despite further arguments against the amendments, particularly from Lawrence and a few of the female members of the Hard Left, the majority at the meeting supported the amendments proposed by Macklin and Swan.⁷¹

In October 2002, Swan presented the amendments to the shadow cabinet, where a majority, despite the objections again raised by Lawrence, endorsed it. The amendments were then taken to Caucus for ratification. As discussed in Chapter Five, members who wished to know more about the amendments before voting on them in Caucus were able to discuss the policies with MPs who attended the informal meeting or the formal

⁶⁶ Interview with Jenny Macklin, 3 December 2003.

⁶⁷ Interview with Wayne Swan, 23 March 2005.

⁶⁸ Lijphart, *The Politics of Accommodation*, pp.124-5.

⁶⁹ Wayne Swan, 'Family and Community Services Legislation Amendment (Australians Working Together and Other Budget Measures) Bill 2002: Consideration of Senate Message, *House Hansard*, p.10495, 12 December 2002.

⁷⁰ Interview with Wayne Swan, 23 March 2005.

⁷¹ Interview with Wayne Swan, 23 March 2005; Interview with Carmen Lawrence, 7 December 2004.

Caucus policy committee. As members of all three factions attended the Caucus policy committee, their factional colleagues could check with them as to whether they were satisfied with the outcome. The majority of Caucus endorsed the amendments because they were aware that a 'compromise' position had been reached.⁷² Controversially, Lawrence breached cabinet solidarity by arguing that the Bill should have been rejected outright, a move supported by many in the Hard Left.⁷³

As a consequence of this, the Social Policy and Community Development Caucus Committee held a second, but this time private, meeting to resolve the disagreement. A compromise was sought and it was decided that Labor would propose that the minor parties in the Senate join Labor in forcing the Government to split the Bill, which would allow Labor to support the positive but oppose the punitive aspects of the policies.⁷⁴ While there are 57 voting members in the policy committee, the fact that the issue was perceived as a women's issue may explain why there were only about 25 members of the Caucus committee present. The vote in support of the shadow minister's amendments narrowly prevailed, the main opposition coming from Lawrence and some female members of the Hard Left.⁷⁵

In December 2002 Labor passed the *Australians Working Together Bill* in the Lower House because the Government had accepted the amendments that moderated the legislation in relation to sole parents.⁷⁶ However, because the Government did not agree to split the Bill, Labor did not endorse its passage through the Senate. Senators of the Australian Democrats Party supported the Coalition Government in passing the Bill, which now included the Labor amendments.⁷⁷

While the policy debate was based to some extent on both conflicting gender perspectives and ideological views, the Caucus factions did not adopt a formal position. Factional influence was facilitated through the leadership of both Swan (Right) and Macklin (Left), who ignored the extreme ideological views in their respective factions,

⁷² Interview with Matthew Linden, 19 October 2004.

⁷³ Interview with Carmen Lawrence, 8 December 2004; Ross Peake, 'Lawrence Breaks Ranks Over Single Parents Bill', *Canberra Times*, 24 October 2002.

⁷⁴ Peake, 'Lawrence Breaks Ranks over Single Parents Bill'.

⁷⁵ Interview with Wayne Swan, 23 March 2005; Interview with Matthew Linden, 19 October 2004.

⁷⁶ Swan, 'Family and Community Services Legislation Amendment', *Hansard*, p.10495, 12 December 2002. It is outside the scope of this thesis to discuss all the policies that were part of the *Australians Working Together Bill*, in order to explain why Labor did not support the Bill in the Senate.

⁷⁷ Interview with Matthew Linden, 19 October 2004.

ensuring that the amendments would be cross-factionally endorsed. Despite some female members of the Hard Left consistently supporting Lawrence's call for the Bill to be rejected in its entirety, the amendments were again cross-factionally endorsed at the second policy committee meeting. Furthermore, when the Government did not split the Bill there was cross-factional consensus to oppose the legislative package. This case study demonstrates that a moderate perspective on welfare reform is dominant in all three Caucus factions. It also shows that in contrast to Labor's response to the Work for the Dole policy, the Opposition was not always driven by electoralism. As discussed in Chapter Six, the Opposition was generally sensitive to mainstream prejudice against those perceived to be the 'undeserving' poor, as was the case with Labor's 2004 Family and Tax Package.

Labor's Tax and Family Package: Cross-factional Disapproval

The cross-factional perspective on welfare policies is further demonstrated by examining the policy development processes and the subsequent reaction of Party members to Labor's key election policy in 2004, its Tax and Family Package, *Rewarding Hard Work*. Members of the Policy Review Committee (PRC) and the Leadership group developed this policy over a nine-month period. In addition to the Shadow Minister for Family and Community Services, Wayne Swan, they included: the Opposition Leader, Mark Latham (Right); Deputy Leader, Jenny Macklin (Hard Left); Shadow Treasurer, Simon Crean (Right); Shadow Finance Minister, Bob McMullan (Independents Alliance); and Assistant Treasury Spokesperson, David Cox (Right).⁷⁸

As indicated by its title, *Rewarding Hard Work*, the policy was designed to assist those in the workforce.⁷⁹ The objective was to ensure that through a combination of tax and family payment changes it improved incentives for stay-at-home mothers and welfare recipients to return to the workforce.⁸⁰ Swan had advocated this approach to tax reform in his speeches consistently for several years.⁸¹ Latham's influence was also evident, in

⁷⁸ David Uren, 'Push for the Poor', *Weekend Australian*, 11-12 September 2004, p.22; Interview with Wayne Swan, 23 March 2005.

⁷⁹ Interview with Wayne Swan, 23 March 2005.

⁸⁰ Mark Latham, Simon Crean and Wayne Swan, *Labor's Tax and Better Family Payment Plan: Rewarding Hard Work*, Australian Labor Party Policy Document, Campaign 2004, pp.8-10.

⁸¹ Wayne Swan, *Moving Beyond Junk Politics: A Real Program to Address Poverty of Opportunity in Australia*, an address by the Shadow Minister for Family and Community Services to the National Press Club, Canberra, 10 March 2004; Wayne Swan, 'It's All Work, No Pay Under Howard's New Tax Deal',

that the policy raised the threshold for the top personal income tax rate from \$80,000 to \$85,000; Latham had argued similar initiatives as Shadow Treasurer in 2003.⁸² The other members in the policy development group had unanimously supported these aspects of the policy.

The contentious issue during the development process was the philosophical distinction drawn between the ‘deserving’ and ‘undeserving’ in *Rewarding Hard Work*. Because the emphasis was placed on supporting those in the work force, *dual* income families earning between \$31,200 and \$93,548 a year would benefit. However, *single* income (two-parent) families earning more than \$62,400 a year and jobless sole parents would be worse off.⁸³ Attitudes on this sentiment did not reflect the traditional Left versus Right dichotomy. Macklin (Hard Left), Swan and Crean (Right) did not believe that it was acceptable for the policy to actually disadvantage the economic position of single parents not in the workforce, as such a punitive measure created a stark distinction between those in and out of work.⁸⁴ According to Swan, Latham insisted that making such a distinction would resonate with the majority of the electorate, as discussed in Chapter Six. Apparently, Swan “opposed the losses at the bottom section”, but “lost that argument”.⁸⁵ Latham recalls the events slightly differently:

Looking back, I shouldn’t have locked myself into a policy development process by committee – Swan, Crean, McMullan and me. ... It also gave weak reeds like Macklin the chance to have a bet each way. She was the driving force behind consolidating Family Tax Benefit A and B, which inevitably had an adverse impact on low-income single parents. Then she was the first to complain about it. In truth, we couldn’t get rid of the shocking disincentives against work in the system without sending some people backwards until we could get them into a job.⁸⁶

Australian, 17 January 2003, p.11; Wayne Swan, *Labor’s Commitment to a ‘Fair Go’*, and ‘*Give the Battlers a Chance*, two of the speeches by the Shadow Minister for Family and Community Services to the 43rd ALP National Conference, Darling Harbour, Sydney, 31 January 2004; Wayne Swan, *Missing Middle* speech to the Australian Fabian Society, 30 January 2002; Michael Costello, ‘Giving Back is So Hard to Do’, *Australian*, 14 November 2003, p.13; Dennis Atkins, ‘Unions Oppose Labor’s Tax Cuts’, *Courier Mail*, 15 November 2003, p.6.; Wayne Swan, *Missing Middle*, 30 January 2002. For instance, in his speech on January 2002, Swan argued for a reduction of high marginal tax rates because he believed that low income families would “in fact be worse off the harder they work due to the withdrawal of family payments, social security and then tax.

⁸² Mike Steketee, ‘Right Hand Man’, *Weekend Australian*, 5-6 July 2003, p.19; Dennis Atkins, ‘Unions Oppose Labor’s Tax Cuts’, *Courier Mail*, 15 November 2003, p.6; Mark Latham, *The Latham Diaries*, Melbourne University Press, Carlton, 2005, p.245.

⁸³ Chris Jones and Elizabeth Allen, ‘Picking the Winning Policies’, *Courier Mail*, 2 October 2004, p.33; David Uren, ‘Push for the Poor’, *Weekend Australian*, 11-12 September 2004, p.22.

⁸⁴ Interview with Wayne Swan, 23 March 2005; David Uren, ‘Push for the Poor’, *Weekend Australian*, 11-12 September 2004, p.22.

⁸⁵ Interview with Wayne Swan, 23 March 2005.

⁸⁶ Latham, *The Latham Diaries*, p.345.

Bob McMullan from the Independents Alliance supported Latham's position and the policy was "signed off by three or four of the shadow ministers".⁸⁷

As discussed in Chapters Five and Six, election policy is normally developed within a small core group as details are closely guarded to ensure that no information is leaked prior to the official announcement. Hence, there was no consultation outside this small group with either the organisational wing or Caucus. According to the National Secretary and Treasurer of the Shop, Distributive and Allied Employee Association (SDA), Joe de Bruyn, once Labor had committed itself to giving tax-cuts to people who were earning less than \$52,000 a year, union leaders would have had no reason to expect consultation.⁸⁸ *Rewarding Hard Work* was not debated at the Caucus policy committee level, nor did the shadow minister invite members' views through informal consultation processes.⁸⁹ The shadow cabinet was only given an insight into the key objectives and principles of the policy, and details were not disclosed.⁹⁰ Only after the joint announcement by Latham, Crean and Swan, did Caucus ratify the policy.⁹¹

Across the factions there was criticism of the fact that sole parents would not benefit from the Tax and Family Package unless they returned to the workforce.⁹² Many Party members did not support the distinction made between the 'deserving' and 'undeserving' in the policy. Sharan Burrow (Left) believes it to be the "fundamental flaw of the policy".⁹³ Joe de Bruyn (Right) states: "We could not understand it, I could not understand it. By that stage of course it was too late to do anything about it, because it had already become part of the election campaign".⁹⁴ De Bruyn's statement implies that he would have protested against the policy had he known details of the content. Ruth Webber (Hard Left) states that this element of the policy "might have resonated with people in the same way that *Work for the Dole* did, but it certainly shocked me that Labor could advocate a policy that punished people".⁹⁵ Lindsay Tanner (Hard Left) summed up why many people in the Party were disappointed with the policy: "We're

⁸⁷ Interview with Wayne Swan, 23 March 2005. Latham's autonomous leadership style is discussed in more detail in Chapter Six.

⁸⁸ Interview with Joe de Bruyn, 29 November 2004.

⁸⁹ Interview with Wayne Swan, 23 March 2005.

⁹⁰ Interview with Carmen Lawrence, 8 December 2004.

⁹¹ Interview with Wayne Swan, 23 March 2005; David Uren, 'Push for the Poor', *Weekend Australian*, 11-12 September 2004, p.22.

⁹² Interview with Michael Costello, 29 November 2004; Interview with Trish Crossin, 2 December 2004; Interview with Joe de Bruyn, 29 November 2004; Interview with Sharan Burrow, 15 June 2005.

⁹³ Interview with Sharan Burrow, 15 June 2005.

⁹⁴ Interview with Joe de Bruyn, 29 November 2004.

the party for lower-income Australians but our tax and family package had some low-income Australians going backwards”.⁹⁶ Once parliament resumed after the election, the policy was discussed at length at the first Caucus meeting, and from across the factions “members got stuck into Wayne and Mark”.⁹⁷ The comments made after the announcement of the election and the debate in Caucus highlight that, despite the difficulties imposed by confidentiality issues, broader debate could have resulted in a different policy outcome. Swan concedes that the winners and losers distinction “poisoned the whole package” and that this “was the fatal flaw that undermined it, [otherwise] it would have been a brilliant policy”.⁹⁸ The shadow ministers involved in developing this policy were aware that there would be outrage across the factions but the election policy was aimed at winning votes from the mainstream electorate, as discussed in Chapter Six.⁹⁹

As is typical in the development of election policy, the national factions, as voting blocs in Caucus, had no role or influence on *Rewarding Hard Work*. Although the Party Leader was in the Right and his views reflected the support for mutual obligation by a minority in the Right, there was significant cross-factional dissent against what were seen as the punitive aspects of the policy. This was demonstrated by the positions taken by Swan, Crean (Right) and Macklin (Left) during the development of the election policy; the fact that the shadow ministers expected to be criticised for their decision from within the broader Party; the responses to the policy by de Bruyn (Right), Webber and Tanner (both Left); and the cross-factional indignation voiced at the first Caucus meeting in 2005. While Swan, as Shadow Minister for Family and Community Services, was able to ignore the extreme ideological views in his faction when developing amendments to Government legislation (discussed above), he could not counter the Leader’s determination to assert his influence. Hence, this case study reinforces that there was, generally, a moderate perspective on welfare policy dominant in all the Caucus factions during the 1996–2004 period. While, understandably, details of an election policy are closely guarded, the following case study demonstrates that for some election policies the shadow minister does informally consult with interested members within the Party.

⁹⁵ Interview with Ruth Webber, 11 August 2005.

⁹⁶ Uren, ‘Push for the Poor’.

⁹⁷ Interview with Ruth Webber, 11 August 2005.

⁹⁸ Interview with Wayne Swan, 23 March 2005. While many members of the ALP thought the policy was flawed, many economic commentators outside the Party praised the policy, as discussed in Chapter Six.

⁹⁹ Interview with Wayne Swan, 23 March 2005.

Labor's Baby Care Payment: Cross-factional Support for a Dual Approach.

The 2004 *Baby Care Payment*, which would legislate a 'maternity allowance', was a major ALP election policy announced in March 2004. As the issue of paid maternity leave was a controversial matter and provoked debate within the Party, it provides an opportunity to examine the factional dynamics in relation to policy development processes. Central to the debate was whether Labor should continue addressing maternity leave as a social security payment and build on the *Baby Bonus* implemented during the Keating Government in 1995¹⁰⁰ or whether it should be considered as an industrial matter with maternity allowances paid by an employer.¹⁰¹ The union movement has traditionally viewed paid maternity leave as an industrial relations issue that should reflect the recommendations of the International Labour Organisation (ILO) in that it should be: paid by employers; not be means-tested; consist of twelve weeks of payments based on individual women's earnings; and be for women in the workforce only.¹⁰² Paid maternity leave had been a subject of public debate since the mid-1990s and the issue was revived in April 2002 when Federal Sex Discrimination Commissioner, Pru Goward, released an options paper on the issue in which she stated that small business could not afford the costs.¹⁰³ There had been "a lot of informal discussion over the concept of a paid maternity policy in Caucus over the years" and

¹⁰⁰ Brad Norington, 'Maternity leave Promise Must Be Honoured: ACTU', *Sydney Morning Herald*, 29 March 1995, p.7; Margo Kingston, 'Keating Delivers a "Baby Bonus"', *Sydney Morning Herald*, 25 April 1995, p.6. The shift from an industrial to a welfare issue has its genesis in the Baby Bonus payment that was initiated by the Keating Government. In April 1995, Keating introduced a tax-free Baby Bonus of \$800 as part of a social security payment to those who qualified for family allowance, which included many working-class, one-income families. Originally the Baby Bonus was part of the Accord with the ACTU. The main reason for this was that as part of the Accord, wages were frozen and subsequently union representatives (mostly from the Right) were fighting for more assistance to single-income families with male breadwinners. This created a split on the issue between the "conservative ACTU forces", mainly in the Right who supported this policy shift, and some female members of the union movement aligned to the Left. The latter argued that Keating had promised to introduce paid maternity leave to the private sector and that it was already a condition enjoyed by Federal public servants and teachers. According to the ACTU, the payment was to reflect the recommendations of the International Labour Organisation.

¹⁰¹ Jennifer Hewett, 'It's a Family Friendly Budget', *Australian Financial Review*, 8 May 2004, p.17. The Howard Government continued the \$800 Baby Bonus, and after the 2001 election introduced a tax benefit for women who gave up work for up to five years after the birth of a first child. Because many women returned to work within the five years, and subsequently not many women were eligible for the scheme, the policy did not adequately address any form of maternity leave.

¹⁰² Norington, 'Maternity leave Promise Must be Honoured: ACTU'; Kingston, 'Keating Delivers a "Baby Bonus"'.¹⁰²

¹⁰³ Marty Grace, 'Paid Maternity Leave: Shaping the Future', *Just Policy*, no 29, April 2003; Phillip Hudson, 'Goward's Challenge -\$213m to Pay Mothers', *Age*, 12 December 2002, p.3. Pru Goward released her official report in December 2002.

both the Government and the Opposition would address the issue before 2004 Federal Election.¹⁰⁴

The main advocate for shifting paid maternity leave from an industrial issue to a social security issue was the National Secretary and Treasurer of the Shop, Distributive and Allied Employee Association (SDA), Joe de Bruyn. The union had an interest in modernising attitudes towards paid maternity leave policy because of the nature of its membership, which consists of mostly casual or part-time employees who are predominantly women. The SDA's paid maternity leave policy was based on two principles. The first was that the Government should pay for maternity leave, as many employers were still hesitant to support paid maternity leave even for full-time employees. The second was that it should be set at the minimum wage rather than reflecting an individual's earnings. This approach would deliver the most favourable outcome for the SDA's female members.¹⁰⁵ De Bruyn explained that the conceptual shift away from ILO recommendations was in accordance with the union's policy.¹⁰⁶ Reflecting the changing nature of society, in which most women return to the workforce in some capacity, the SDA, which normally has conservative social views, adopted a rather progressive approach to this issue.

In July 2002 the SDA presented its proposal to the ACTU Women's Committee in order to obtain broader support for its policy within the union movement. According to de Bruyn, female members in the National Left lobbied "behind the scenes", as they were adamant that such a policy was an industrial relations issue and should be consistent with the ILO recommendations.¹⁰⁷ The majority of the women in the ACTU Women's Committee, however, were sensitive to the needs of women who were casual or part-time employees.¹⁰⁸ According to the ACTU President, Sharan Burrow, the committee decided on a compromise in which a "dual track" approach was taken. This ensured that, to some extent, paid maternity leave would remain an industrial relations matter, while also supporting a social security policy. It meant that women who were in the workforce could still bargain with their employers to subsidise the social security payment to reflect adjustments in the minimum wage and, for those with a higher

¹⁰⁴ Interview with Carmen Lawrence, 8 December 2004.

¹⁰⁵ Interview with Joe de Bruyn, 29 November 2004.

¹⁰⁶ Interview with Joe de Bruyn, 29 November 2004.

¹⁰⁷ Interview with Joe de Bruyn, 29 November 2004.

¹⁰⁸ Interview with Joe de Bruyn, 29 November 2004.

income, a full income replacement.¹⁰⁹ The Women's Committee recommended this compromise proposal to the ACTU Executive. It was accepted and then forwarded to the ACTU Congress where it was cross-factionally endorsed in August 2003.¹¹⁰

That Labor intended to address the issue of paid maternity leave as a social security issue is indicated by the fact that the Shadow Minister for Family and Community Services, Wayne Swan (Right), and not the Shadow Minister for Workplace Relations, Craig Emerson (Right), was charged with developing the policy. Swan worked on the policy together with the Shadow Minister for Employment, and Deputy Leader, Jenny Macklin (Hard Left). Swan and Macklin regularly consulted with other shadow ministers whose portfolios were affected: Nicole Roxon (Right), the spokeswoman for the Status of Women, and Craig Emerson. The processes of developing election policies do not include formal consultation mechanisms, such as the relevant policy Caucus policy committee and shadow cabinet, as discussed in Chapters Five and Six. However, Swan (Right) and Macklin (Left), the main protagonists, informally met with interested members within the parliamentary and organisational wings of the Party to discuss the policy.¹¹¹

In August 2003, the Shadow Minister for Family and Community Services contacted de Bruyn to discuss the paid maternity leave issue. De Bruyn states that Swan and Macklin had developed a draft policy by April 2003, but that at that stage it did not reflect the SDA or ACTU policies. Even after Swan had consulted with him, de Bruyn "was not aware that [Labor was] in the process of qualifying their views closer to [the SDA's]".¹¹² The shadow minister typically closely guards details of election policy, as discussed in Chapters Five and Six. The contact made by the shadow minister with the SDA was part of the normal consultation process that is conducted with interested stakeholders and is not based on any factional imperatives. Swan's contact with de Bruyn was similar to Pru Goward's contact with the SDA when she invited representatives of this union to a round-table conference on paid maternity leave in August 2002.¹¹³ The national factions did not have a factional position on this issue.

¹⁰⁹ Interview with Sharan Burrow, 15 June 2005.

¹¹⁰ Interview with Joe de Bruyn, 29 November 2004; Interview with Sharan Burrow, 15 June 2005.

¹¹¹ Interview with Matthew Linden, 19 October 2004; Interview with Wayne Swan, 23 March 2005.

¹¹² Interview with Joe de Bruyn, 29 November 2004.

¹¹³ Interview with Wayne Swan, 23 March 2005; Interview with Joe de Bruyn, 29 November 2004. De Bruyn stated that when the sex discrimination commissioner Pru Goward was developing a paper on paid maternity leave, representatives from the SDA were among the groups invited to a round-table conference in August 2002. Her report came out in December 2002.

The opposition to the conceptual shift of the policy from an industry focus to a social security focus had come from some female members in the National Left, which was not reflective of a factional position and did not lead to a factional debate on the issue. Female members of unions affiliated to both the Left and the Right supported the official ACTU paid maternity leave policy.¹¹⁴

Swan and Macklin had also consulted with those members in Caucus who were concerned about the policy development, particularly in the period after the endorsement of the compromise paid maternity leave policy at the 2003 ACTU Congress. As had occurred with the development of amendments to the sole parent legislation in 2002, the maternity leave issue in Caucus was “a debate dominated by women”.¹¹⁵ Across the factions, a significant number of the female members, through various informal meetings with Swan and Macklin during 2003 and 2004, made known their opposition to paid maternity leave becoming a government instead of business responsibility, and the payment being means tested.¹¹⁶ Ruth Webber recalls that while Nicola Roxon (Right) and Kelly Hoare (Independents Alliance) were also opposed to the conceptual shift, “the women in the Left were more prominent in having these [type of] debates, because there are just more of us”.¹¹⁷ Carmen Lawrence and female members of the Hard Left were particularly vocal in putting forward arguments against the proposed conceptual shift.¹¹⁸

Despite the views of many of the female MPs, Swan and Macklin had decided that the paid maternity leave issue should be addressed through government rather than employers’ payment because it neutralised business opposition. The 2004 *Baby Care Payment* was a social security maternity allowance. This approach reflected the recommendations of Pru Goward, the SDA, and the ACTU. The conceptual shift was justified on the premise that through social security payments the basic objectives of paid maternity leave could be achieved to alleviate financial pressure on families at a time when the mother needed to recuperate and when the addition of a newborn child incurred additional expenses.¹¹⁹ The *Baby Care Payment* was an election policy

¹¹⁴ Interview with Sharan Burrow, 15 June 2005.

¹¹⁵ Interview with Ruth Webber, 11 August 2005.

¹¹⁶ Interview with Swan, 23 March 2005; Interview with Ruth Webber, 11 August 2005.

¹¹⁷ Interview with Ruth Webber, 11 August 2005.

¹¹⁸ Interview with Ruth Webber, 11 August 2005; Interview with Carmen Lawrence, 8 December 2004.

¹¹⁹ Interview with Matthew Linden, 19 October 2004; An address by Wayne Swan, Shadow Minister for Family and Community Services to the House of Representatives of the Commonwealth of Australia, Parliament House Canberra, *Matters of Public Importance: Family Policy: Labor Leads while Coalition*

initiative developed to benefit not only low income workers but also the upwardly mobile middle-class, and made “no distinction between working and non-working mums”.¹²⁰ Acknowledging the position adopted by the ACTU, Labor promised that the industrial rights of working women in relation to maternity leave would be addressed through an industrial relations election policy.¹²¹ This consideration ensured that there would be no protests from the organisational wing when Labor announced its Baby Care payment policy during the 2004 election campaign.

Swan and Macklin expected outrage from female members in Caucus following the announcement of the policy, particularly from those who were considered the ‘ideologues’ in the Left.¹²² Therefore, on 30 March 2004, the night before the policy announcement, Macklin called a meeting of all Labor women MPs in her office. This meeting was strategically directed towards minimising the backlash expected in Caucus the next day. According to Trish Crossin (Soft Left), “Jenny *told* us that, that was the way it was going to be” (Crossin’s emphasis).¹²³ Macklin explained the political rationale behind the decision, but most of those at the meeting were disappointed. Even though non-working mothers would be eligible for the maternity allowance, some in the Left “pushed heavily for it to be called a maternity leave payment”.¹²⁴ But Crossin said that they failed and added emphatically, “one of the benefits of being a shadow minister is that you have total, and I mean total control over what’s in the policy and what it’s called”.¹²⁵ Macklin’s leadership was consistent with the Politics of Accommodation, because although the female membership in Caucus does not constitute a faction or subfaction, she had to resist gender solidarity, on what was a sensitive issue to her female colleagues, particularly with those in her sub-faction.

Dithers, 1 April 2004. Mark Latham, Jenny Macklin and Wayne Swan, ‘Baby Care Payment, Iraq’, *Joint Transcript of Doorstop Interview*, Uniting Church Hall, Queanbeyan, 31 March 2004. Wayne Swan, Federal Member for Lilley, Shadow Minister for Family and Community Services, Transcript of Doorstop interview, Globalisation, Families and Work Conference, Brisbane Convention and Exhibition Centre, 2 April 2004. The payment was available to families with an income of up to \$85,702 and subsequently would assist nine out of ten families with a newborn child with a payment of up to \$3000 from the first of July 2005. The Payment was to be paid in fortnightly instalments over the first fourteen weeks of the baby’s life (reflecting International Labour Organisation maternity leave standards) or through smaller instalments over the first year. The payment was set at \$3000 and would continue to increase until it equalled fourteen weeks of the federal minimum wage after tax (\$5,380) by 2010 when it was to be fully phased in.

¹²⁰ Latham, Macklin and Swan, ‘Baby Care Payment, Iraq’.

¹²¹ Interview with Sharan Burrow, 15 June 2005.

¹²² Interview with Wayne Swan, 23 March 2005.

¹²³ Interview with Trish Crossin, 2 December 2004.

¹²⁴ Interview with Trish Crossin, 2 December 2004.

¹²⁵ Interview with Trish Crossin, 2 December 2004.

Carmen Lawrence ('independent' Left), apparently one of the 'ideologues', concedes that the arguments put by herself and some women in the Left were:

perhaps not that helpful, as perhaps the maternity leave concept has become a bit shop-worn and needed some reassessment, it certainly had to be in the political climate we faced, so there wasn't much dispute in the end about what was done. Some of us were reluctant but pragmatic.¹²⁶

Ruth Webber (Hard Left) also eventually agreed with Swan and Macklin's policy development approach to the paid maternity leave issue:

If we made women more expensive to employ than men that is a problem, particularly at the more marginal edge of industry. So until we can re-educate industry and get greater acceptance [of paid maternity leave] then it is better to do it through government.¹²⁷

On 31 March 2004, Swan, together with Latham and Macklin, announced the *Baby Care Payment* election policy to the media. Afterwards, the policy was taken to Caucus, where it was ratified.¹²⁸ According to Swan, the Baby Care Payment "fulfils Labor's commitment to paid maternity leave", but as it did not replace individuals' existing paid maternity leave entitlements, it was expected that "unions and workers will continue to negotiate as they see fit for work-based maternity leave".¹²⁹

That the Shadow Minister for Family and Community Services was charged with resolving the paid maternity leave issue as an election policy was an early indication that the policy would be based on a social security payment. The final outcome was reflective of Pru Goward's recommendations, the policy of the SDA and the dual approach policy of the ACTU. While several issues remained to be resolved through industrial relations negotiations in the workforce, the social security model arrived at addressed the financial need of families with a newborn child. There was initially opposition by female members in all three Caucus factions on the conceptual shift from a business to a government-based payment. However, the cross-factional support for a dual approach on the issue is demonstrated by: the consensus between the faction leaders in control of the policy development; the consensus of the national factions'

¹²⁶ Interview with Carmen Lawrence, 8 December 2004.

¹²⁷ Interview with Ruth Webber, 11 August 2005.

¹²⁸ Interview with Wayne Swan, 23 March 2005.

¹²⁹ Mark Latham, Jenny Macklin and Wayne Swan, 'Baby Care Payment, Iraq', *Joint Transcript of Doorstop Interview*, Uniting Church Hall, Queanbeyan, 31 March 2004. After Labor announced the Baby Care Payment, the Howard Government introduced a similar policy, different only in that the Government's payment would not be based on an option for fortnightly payments and it would not be means-tested. For more information see: Peter Costello and Senator Kay Patterson, Minister for Family and Community Services, Joint Media Release, *More Help for Families*, 11 May 2005; Louise Dodson, 'Howard's "Baby Bonus"', *Age*, 29 October 2001, p.1.

affiliated unions at the ACTU Congress; the absence of factional positions on the issue; and the comments of female members in the Caucus Left.

Conclusion

These case studies demonstrate that within each of the Caucus factions there was dominant support for a moderate approach to welfare reform. This tendency sometimes conflicted with Labor Leaders' electoral strategies but most members were generally persuaded to support tactical decisions in accordance with political realities. This is exemplified by Labor's response to the *Work for the Dole* Bill. Initially there was overwhelming cross-factional support for the amendments aimed at moderating the legislation, but ultimately there was cross-factional acceptance that Labor should allow the Government's legislation through the Senate because the mutual obligation policies were popular with the majority of the electorate. In contrast, a majority and cross-factional decision was made in Caucus to oppose the *Australians Working Together* Bill in the Senate, because of the emphasis on mutual obligation in this legislative package. The majority cross-factional support for a moderate approach to social security policies was also apparent when examining the policy development of, and the responses within the Party to, Labor's Tax and Family Package 2004 election policy, *Rewarding Hard Work*. Shadow ministers from both the Right and the Left disagreed with the Party Leader over the distinction made between the 'deserving' and 'undeserving' poor and, after the policy announcement, this element in the policy was condemned by members from across the national factions.

During the 1996–2004 period, the representatives of the national factions in Caucus did not adopt a factional position on the policies examined in this chapter. Members of the Left, such as Carmen Lawrence ('independent' Left) and some members of the Hard Left, were most vocal in the debate in Caucus on contentious issues when they believed policies threatened the inalienable right of citizens to social security. In contrast, some members in the Right believed Labor should have supported the Government's mutual obligation policies. However, when addressing a controversial issue the relevant shadow ministers, predominantly Wayne Swan (Right) and Jenny Macklin (Left), ignored the extreme ideological views in their sub-/factions. They concentrated on developing policies that would be acceptable to the majority within each of the Caucus

factions, as well as considering opposing interests of the relevant stakeholders in the electorate. This is demonstrated by the approach to the development of: the initial amendments to the *Work for the Dole* Bill; the amendments to the sole parent legislation; and the election policy, the *Baby Bonus Payment*. In addition, the examination of the formulation of amendments to the sole parent legislation and the *Baby Care Payment* highlights that some issues create gender rather than factional divides.

According to Wayne Swan and his policy adviser, Matthew Linden, the policy development of the particular issues explored in this chapter provoked nearly all of the contentious debates in Caucus relating to the Family and Community Services portfolio during the 1996–2004 period. The interview data reinforces their claim that controversial debate over social security policies was a rare occurrence. There was a consensus among those interviewed that no factional debate had occurred in relation to social security issues. Those who did remember the contentious issues discussed in this chapter were able to recall only fragments of the relevant debate and policy development processes. While some issues were significant to a number of Caucus members, the debates were not factionally driven.

Shadow ministers resolved contentious FACS policies consistent with the factional accommodation model as they ignored opposing ideological positions within their factions and in a ‘spirit of accommodation’ aimed to develop moderate policies as well as considering electoral imperatives. Factional influence on social security policy was subtle as it manifested in the majority support from within each of the three factions for moderate welfare reform.

CHAPTER ELEVEN

Conclusion: the National Factions and the ‘Spirit of Accommodation’

In short, the rule is majoritarianism tempered by the spirit of concurrent majority.
*Political Scientist Arend Lijphart, 1968.*¹

This thesis has explored whether the ALP’s national factions influenced Party policy during the 1996–2004 period in opposition. It demonstrates that factional influence on policy manifests through elite control over decision-making forums. The overview of the operations of the national factions in the parliamentary and organisational wings shows that factional debate is seldom part of the policy development processes and that most policy decisions arrived at by the faction elite are unanimously supported across the factional spectrum. However, on occasions the factions do adopt opposing policy positions and this is illuminated through the case studies which focus on those policies that pertained to contentious issues which, to varying degrees, provoked internal Party debate. These studies highlight to what extent, and in which forums, the national factions assert their influence on Party policy. In some forums this influence is clearly observable through bloc votes while in others it is of a more subtle nature. This thesis argues that the Party elites tend to resolve contentious policy issues in a ‘spirit of accommodation’. Given that the factions compete for power and sometimes pursue separate sets of policies, this ‘spirit of accommodation’ appears to be paradoxical.

This thesis has demonstrated that the Politics of Accommodation is an effective framework for analysing the factional dynamics in the ALP in relation to policy development. The principle features of the Dutch political system on which Lijphart developed this theory have fundamental parallels with the factional organisation and operations in the ALP. These are that the faction system dominates the official political system, faction elites negotiate over contentious policy issues in accordance with the unwritten rules of the ‘factional game’, and proportional representation plays a key role in facilitating these negotiations. By utilising the Politics of Accommodation, the thesis provides new insights into the role and influence of the national factions on ALP policy.

¹ Arend Lijphart, *The Politics of Accommodation: Pluralism and Democracy in the Netherlands*, Cambridge University Press, London, 1968, p.125.

Factional influence on Party policy is facilitated by the modern faction system. This thesis has shown that through the delegate system, the faction system dominates the official Party structure and as a consequence, every decision-making body is a faction forum. The inclusive principle of proportional representation is fundamental to the 'spirit of accommodation', as it ensures that every faction is represented in these forums. Representation on these forums is determined within each faction and the faction elite is thus the overarching, bridging contact between the otherwise mutually isolated and self-contained groupings. Although the rule of PR does not officially apply to ballots in Caucus, it is significant to the conciliatory operations of the national factions that this rule is applied to determine the composition of the shadow cabinet. While some exceptions are discussed below, factional influence on policy is an intrinsic component of policy formulation as all decision-making bodies are faction forums. This thesis finds that the general consensus on many policies is primarily a product of this inclusive power-sharing arrangement which encourages consultation between the faction elite in a 'spirit of accommodation'.

Factional policy debate, however, is rare in the faction forums for a variety of interrelated reasons: there are many long-established Party policy positions; there is a diversity of views on many issues within a faction; since the 1980s the traditional Right-Left dichotomy has diminished resulting in a general convergence of views on many policies; and there are no preordained factional perspectives on some contemporary issues, for example, policies relating to cloning and the Internet. Moreover, electoralism is a vital determinant on Labor's policy agenda as the Party's primary objective is to win office. Shadow ministers' 'awareness by association' of the diverse views within the Party as a whole, and consultation with internal and external stakeholders ensure that policies are developed which are broadly supported within the Party. As a consequence of these interrelated reasons, it is rare for formal factional policy positions to be asserted in the various faction forums of the Party.

The 'spirit of accommodation' comes into play when a controversial policy threatens to divide the Party. There is a consensus among the faction elite that potentially divisive policy issues must be managed and contained so that the Party is not subject to the devastating schisms of the past. Portraying a united front on policy is considered fundamental to winning elections. To resolve issues that often appear irreconcilable, and which therefore have the potential to split the Party, shadow ministers and faction

leaders operate according to the “unwritten, informal and implicit” rules of the ‘factional game’.² The relevant leaders meet privately to negotiate the policy objectives of their respective factions prior to Caucus or National Conference. The negotiations are aimed at achieving an agreed outcome. Therefore the main protagonists tolerate, if not respect, opposing views and in these negotiations refrain from engaging in conflicting ideological rhetoric. The principal players are willing to participate in a series of meetings until a compromise is reached. The aim is to accommodate the dominant views of each of the national factions and, at the same time, develop policies that appeal to the electorate. In this way, the shadow minister, who generally has the support of the Right and Independents Alliance, gives concessions to the Left. The latter’s influence on policy is thus limited to amending rather than overturning parliamentary policy. There is a consensus among the faction elites that divisive issues must be resolved through negotiations so that the resultant policy reflects “majoritarianism tempered by the spirit of concurrent majority”.³ The more divisive an issue is, the more senior are the elite who take control of such negotiations, as is demonstrated in relation to refugee policy when the Leadership group determined the framework for the development of the policy.

As a result of the negotiations between the faction elites, the shadow minister presents a compromise policy to National Conference or Caucus. While the Right and Independents at these forums appear to simply out-vote the Left, the latter faction is able to accept the majority decision because its views are acknowledged to varying degrees in the final policy. This process of negotiation is exemplified in the two trade platform case studies. While the social security policies and the response to the USFTA were not developed in strict accordance with the rules of the ‘factional game’, they were nonetheless based on the principle underpinning the Politics of Accommodation: the spirit of accommodation. The countervailing views that were dominant in the major factions were taken into account in the final outcome of these policies. The Gillard Policy was also a compromise policy and, as a consequence, the last-minute amendments incorporated in this policy were relatively minor concessions.

In addition to the negotiations between faction leaders and/or shadow ministers, broader consensus, particularly on divisive issues, is achieved through the formal and

² Lijphart, *The Politics of Accommodation*, p.123.

³ Lijphart, *The Politics of Accommodation*, p.125.

informal consultation mechanisms of the policy development processes. In the organisational wing, issues are discussed in formal regional conferences and/or special forums. In Caucus, informal and formal consultation takes place through dialogue with individual members and the relevant Caucus policy committee. If these processes fail to resolve a divisive issue, special committees are established based on PR. In the organisational wing the National Executive sometimes appoints a committee, and similarly in Caucus, special sub-committees can be established based on members' portfolio responsibilities which usually include representation from each of the factions. These practices were adopted in the consultation processes of the Gillard Policy. However, once a compromise policy has been formulated in a spirit of accommodation, there is little scope for further concessions. This is demonstrated in the case studies on refugee policy and some of the social security policies. Broader consultation is then aimed at convincing members to support the compromise policy. While suggestions from interested members occasionally become part of the final policy outcome, proposals that reflect opposing ideological perspectives are rejected outright.

Factional loyalty is an inherent characteristic of being factionally aligned, and factional discipline to support the interest of the group is internalised by individual members, as they do not want to cause conflict within their own group. Because appointments to decision-making bodies are determined within a faction, the factionally aligned expect dominant views held in their faction to be represented by their shadow ministers and faction leaders. Shadow ministers advocate the views of their factional colleagues to varying degrees and for various reasons, not least because of their fear of repudiation. As such, the expectations of the affiliated unions aligned to a particular faction and that of the factional membership at the sub-branch level which often decide preselection outcomes, can influence an MP's support for a particular policy. However, the major consideration is the view dominant among the constituents in the shadow minister's federal seat. These various considerations do not necessarily conflict as is demonstrated in the examination of the debate on refugee policy. In other words, factional pressure, while seldom overt, is inherent in the very fact that shadow ministers are factionally aligned and need to maintain factional support. That the Left places greater demands on its leaders than the Right is because the former generally has to fight for concessions as it does not have the majority numerical support in faction forums. That the Right generally provides unqualified support for shadow ministers' 'electorally friendly' policies reflects the pragmatic nature of this faction.

The allocation of portfolios to members of particular factions can in itself be a subtle factional influence on policy, although generally the modern national factions do not operate purely in terms of ideology and many policy decisions draw upon cross-factional concerns. This is highlighted in the social security case studies in which Jenny Macklin (Left) and Wayne Swan (Right) both pursued moderate welfare reform. The case studies of the trade and refugee platform policies demonstrate that a factional consideration in resolving controversial policies was that these portfolios were allocated to members who could strongly advocate the policy direction decided by the Leadership group. For instance, Stephen Conroy (Right) had the support of the majority in his faction, as the free trade direction was a dominant tendency in the Right. The refugee case study demonstrated that allocating the Immigration portfolio to Julia Gillard, a member of the Soft Left, was a strategically sound decision. Even though most members in the Soft Left preferred a more stringent approach to resolving asylum seekers issues, sub-factional loyalty to the shadow minister provided the Soft Left's bloc vote in support of the Gillard Policy, ensuring it was endorsed by Caucus.

Shadow ministers expect their colleagues to support a compromise policy and generally this support is assured through factional loyalty, as was demonstrated by the Soft Left's support for the Gillard policy. On occasions, shadow ministers assert their status to suppress extremist views expressed by individuals. Jenny Macklin (Left), as deputy leader, demanded support from female members across the factions for shadow cabinet's approach to the maternity leave issue central to the Baby Bonus policy. The opposition to the policy came predominantly from the Left, as this is the faction to which the majority of female members are aligned. Given that factional loyalty is an intrinsic characteristic of being factionally aligned, Macklin's alignment with the Left was a vital influence in suppressing dissenting views on the issue. Generally, however, shadow ministers do not formally demand support for their policies and factional discipline is rarely enforced in Caucus. Wayne Swan (Right) consistently obtained support for his social security policies from members in his faction, although some of his factional colleagues thought he was too 'leftist' in his policy approach. According to Swan these individuals did not dare oppose him because of his senior status in the Right. This raises the issue of how patronage may impact on a member's support for a policy.

The fact that decisions concerning patronage are made within a faction is a subtle but constant influence, not only on shadow ministers and faction leaders but also on the aligned membership. Most members can often be persuaded by argument on the merits of a policy. Others may support their faction's policy position because they do not want to breach solidarity, and are partly motivated by the fact that disloyalty could compromise the possibility of future advancement. However, patronage cannot be the sole motivation for factional loyalty as there are certainly not enough official Party positions for all National Conference delegates, and there are even fewer positions and perquisites available to members in Caucus when Labor is in opposition than when it is in office. Factional loyalty is usually maintained because members generally believe that their leaders have represented the dominant policy view and have acted in the best interest of the Party as a whole.

Factional pressures on shadow ministers and leaders in the organisational wing in relation to policy development rarely manifest as constant demands from within their support base. Because the decision-makers are in a position to consult with a broad variety of interest groups in the electorate and are the bridging contact between the opposing factions, they are given the freedom to make decisions on behalf of their faction. This autonomy provides the necessary latitude to negotiate with other faction leaders to resolve divisive issues. The ability to provide a bloc vote is fundamental to the negotiating position of faction leaders, and the greater the numerical support, the more advantageous the negotiating position of the faction leader. Hence, although factional bloc votes demonstrate the most overt factional influence on policy, the negotiations between the faction elite in a 'spirit of accommodation' constitute the most significant factional influence on policy.

In the organisational wing of the Party, factional discipline is imposed to ensure that compromise policies are endorsed, and this is observable when delegates vote along factional lines at National Conference. As the analysis of the delegate system demonstrates, delegates from State conferences are generally the executives or other prominent faction members of State-based factions and are thus more disposed to maintaining factional unity than rank and file faction members. Those delegates who are passionately opposed to a policy position adopted by their faction either exempt themselves from voting or allow a proxy vote to be cast. Furthermore, union delegates are more inclined to support a faction position as this is often decided within the

particular union prior to Conference, as demonstrated in the trade case studies. With the union voting weight within a faction being 50 percent, the support of only a few branch members is needed to determine a factional position. The isolation and self-containment of the factions to some degree prevents strongly held emotional views and hostility from being expressed externally. Intra-faction debate can also assist in reconciling traditional and progressive views on policies that exist in each of the national factions.

Factional solidarity is sustained through ideological rhetoric, particularly at National Conference. Although a compromise policy is presented to Conference, the faction leaders present arguments in support of their initial policy position through a 'Left versus Right' ideological rhetoric, reminiscent of the Cold War era. Such passionate and emotive arguments between the leaders of the opposing factions serve to satisfy the delegates' 'tribal' instincts. The application of the 'us' versus 'them' rhetoric by the faction leaders is used to attract and retain membership and explains why the elite need to resolve divisive policy issues in isolation from their faction. This is particularly important for the Left as its influence is limited to amending the Right's draft policy rather than having the power to overturn it. As members of the Left generally argue that their policy positions are based on principles, public debate allows the Left to be 'righteous' in defeat. Because the debate is controlled and the policy is based on a compromise, after the Conference vote the factions are able to support majority decisions and portray a united front in relation to the Party Leader's policy agenda.

This thesis has shown that, reflecting the broader faction theory, solidarity was particularly strong in election years and when polls suggested Labor had a reasonable prospect of winning office.⁴ Dissent against Kim Beazley's 'small target' strategy and Mark Latham's unilateral decision-making in an election year was muted. However, this united front collapsed during Simon Crean's leadership due to interrelated reasons including the frustration over the 2001 federal election result, the proposed rule reforms and, most significantly, the consistently low poll rating of the Party Leader. Caucus' compliance with Caucus to Beazley and Latham's electoral strategies indicates that internal strife is either suppressed or subsides spontaneously when there is a good chance of winning office. Similarly, that the national factions failed to contain power

⁴ Harold Lasswell, 'Factions', *Encyclopaedia of the Social Sciences*, Edwin Seligman and Alvin Johnson (eds), vol.6, MacMillan, New York, 1931, p. 50.

struggles during Crean's leadership demonstrates that existing squabbles intensify and new power struggles erupt when there is no immediate possibility of election success.

Factional influence on policy varies across the electoral cycle. In an election year, electoralism typically overrides factional considerations in Caucus as it is the Opposition's imperative to respond to Government policies and develop an 'election friendly' platform. While, all policy development is primarily based on winning votes in the electorate, when there are contentious issues consideration is generally given to the majority view of the major factions. The more imminent an election is, the less the elite consult with Caucus in relation to election policies. Often Caucus endorses election policies after they are announced. On occasions, particular populist policies may not reflect the view that is dominant in any of the factions. When developing election policies, the 'spirit of accommodation' becomes a secondary concern or is abandoned entirely. As a consequence, factional influence on election policy is limited and, in many cases, non-existent.

Labor's election policies failed to win the confidence of the electorate during the 1996–2004 period. A number of factors influence electoral success, including the advantage of incumbency, the 'presidential' nature of leadership contests, international and national economic and security issues. This thesis has highlighted that the decisions by Labor Leaders, sometimes in conjunction with a small group of advisers (usually predominantly from the Right), were ineffective in leading the ALP to victory. Given the findings of this thesis an important question for future research is whether a more direct involvement in the formulation of election policy strategy by the factions, based on the power sharing principle of PR, would contribute to greater electoral success.

Electoralism is also an overriding imperative when the Opposition has to respond to Government legislation, but in those circumstances the decision is debated within and endorsed by Caucus. Electoralism is a political reality and, as the majority within each of the Caucus factions accepts this, it has a major impact on all policy development. However, the emphasis on electoralism should not be exaggerated. Significantly, when an issue such as the USFTA threatened to divide the Party, the Leader's policy response was based both on a populist approach and the 'spirit of accommodation' in order to obtain the approval of the electorate as well as to unite the factions.

This thesis reinforces the main premise of the existing literature, namely that the faction system is regarded as a vital management tool of the Party.⁵ Factional discipline at National Conferences during Labor's term in opposition remains as rigid as it was during the Hawke–Keating era in government. However, in Caucus, factional discipline in times of opposition is of a much more subtle nature than when Labor is in government. The very nature of being in opposition dictates that Labor is mostly limited to responding to, rather than initiating, the policy agenda. When Labor was in government, factional discipline was often rigidly imposed on Caucus so that the Hawke-Keating cabinets were in a position to execute a profound economic policy transition. In contrast, during the 1996–2004 period factional discipline was not stringently imposed and there were no exceptional circumstances in which the factions united to assert pressure on the Party leader in relation to policy issues. The lack of rigid factional discipline was also evident in the votes cast for the leadership, as members did not routinely follow their factional leaders' decisions. In opposition, unity on policy decisions was generally based on the dominant cross-factional opposition to the Howard Government's policy objectives and the political reality that the electorate will not support a divided party.

This thesis also endorses the view dominant in the existing literature that the national factions are not ideologically pure blocs, as they converge philosophically on many policy positions.⁶ By focusing on policies that were controversial, this thesis has demonstrated that, although there are often a variety of views within and between factions, there are dominant tendencies within the Left and the Right which reflect the ideological labelling of the factions. The distinction indicated through the labels of the sub-factions of the Caucus Left is of a more subtle nature as it is rare for this to translate into opposing bloc votes. Most members in the Soft Left are more inclined to support a stringent and pragmatic approach to the development of social policy than the majority of members in the Hard Left. Generally, policy debate in Caucus is confined to the views of individual members on specific issues. This thesis has shown how the faction elite resolves divisive issues by concentrating on placating the majority view in the Left and the Right and that this approach inherently considers the diversity of perspectives in the Independents Alliance, as this faction has no 'centre' position on policy issues.

⁵ See for instance: Clem Lloyd and Wayne Swan, 'National Factions and the ALP', vol. 22, 1987, pp.100-10; Dean Jaensch, *The Hawke-Keating Hijack: The ALP in Transition*, Allen and Unwin, North Sydney, 1989.

Examination of the influence of patronage on the national factions has only been conducted in the context of policy development processes. This thesis has provided further evidence that the unaligned grassroots membership is excluded from the decision-making bodies and that participation of the factionally aligned rank and file members is generally limited to endorsing the decisions negotiated by the faction elite. Although this thesis has highlighted the power-sharing principle of PR which facilitates relationships between the faction elite, further research could be undertaken to determine the extent to which the faction system excludes talented members from the decision-making bodies. There is also ample scope for exploring the role and influence of the modern national factions on internal Party ballots in general as well as in relation to factional Senate positions and preselections in particular.

This thesis has demonstrated that the national factions generally influence Party policy because the faction elite control the decision-making bodies in the Party. Factional influence is clearly observable when the factions adopt a position and impose factional discipline to ensure a bloc vote. This occurs when a contentious policy requires a vote at National Conference or, on rare occasions, in Caucus. When the factions adopt opposing factional positions on a policy, their leaders operate in accordance with the unwritten rules of the 'factional game' to achieve consensus on Party policy. As a consequence, although the Left does not have the numerical support to overturn the policy objectives of the Right, its views are acknowledged and, to varying extents, incorporated in a compromise policy. However, factional influence is usually subtle in that shadow ministers, as a matter of course, consider the dominant views in the national factions. This thesis has thus demonstrated that the national factions influence Party policy in both overt and subtle ways except when electoral strategy overrides factional imperatives.

By utilising Lijphart's theoretical framework of the Politics of Accommodation this thesis has highlighted that the faction system facilitates an accommodationist model of policy development between the national factions. The self-containment and mutual isolation of the factions lessen acrimonious conflict on contentious policy issues, while the interrelated characteristics of factional discipline, factional loyalty and ideological

⁶ See for instance, Clive Bean and Ian McAllister, 'Factions and Tendencies in the Australian Political Party System', *Politics*, vol.24, no.2, November 1989, pp.79-99; Jaensch, *The Hawke-Keating Hijack*.

rhetoric essentially maintain the elite's control over policy development. The accommodationist model for policy formulation has a moderating effect on Party policy. This pragmatic approach is based on the reality that the ALP is inherently prone to factionalism and recognises that controversial policy issues have the potential to split the Party. This thesis has not only shown that the factions influence policy development in the Party but also that the faction elite resolve contentious policy issues, factionally-driven or otherwise, in a 'spirit of accommodation'.

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