

AUSTRALIAN POLITICAL PARTIES IN THE SPOTLIGHT

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REPORT NO. 4

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Democratic Audit of Australia

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The opinions expressed in this paper are those of the authors and should not be taken to represent the views of either the Democratic Audit of Australia or the Australian National University

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The Democratic Audit of Australia — Testing the Strength of Australian Democracy

From 2002 to 2004 the Political Science Program in the Australian National University's Research School of Social Sciences is conducting an audit to assess Australia's strengths and weaknesses as a democracy.

The Audit has three specific aims:

1. *Contributing to Methodology*: To make a major methodological contribution to the assessment of democracy—particularly through the study of federalism and through incorporating disagreements about 'democracy' into the research design;
2. *Benchmarking*: To provide benchmarks for monitoring and international comparisons—our data can be used, for example, to track the progress of government reforms as well as to compare Australia with other countries;
3. *Promoting Debate*: To promote public debate over democratic issues and over how Australia's democratic arrangements might be improved. The Audit website hosts lively debate on democratic issues and complements the production of reports like this.

Background

The Audit approach recognises that democracy is a complex notion; therefore we are applying a detailed set of Audit questions already field-tested in various overseas countries. These questions were pioneered in the United Kingdom with related studies in Sweden, then further developed under the auspices of the International Institute for Democracy and Electoral Assistance—IDEA—in Stockholm which

recently arranged testing in eight countries including New Zealand. We have devised additional questions to take account of differing views about democracy and because Australia is the first country with a federal system to undertake an Audit.

Further Information

For further information about the Audit, please see the Audit website at: <http://democratic.audit.anu.edu.au>

Funding

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Executive Summary

Australians don't care much for political parties:

- 55 per cent have not very much confidence in them, 12 per cent none at all; and
- only 9 per cent believe that parties have high standards in the conduct of their internal affairs.

This is reflected in Australians' reluctance to join parties. We don't know exactly how many people belong to them—and our efforts to find out met with serious obstacles in almost every case. But all the evidence suggests that party membership for the Liberals, Labor, the Democrats and the Nationals would total less than 2 per cent of the population.

Anyway, who could blame people for staying away? Parties make relatively few efforts to increase participation by setting up 'non-geographical' branches or taking advantage of new technologies. The one area in which some effort has been made is in trying to overcome the gender gap.

This audit is particularly concerned with establishing how internal democracy and financial arrangements are managed and could better be managed in accordance with basic democratic principles. In the work of the Democratic Audit of Australia, these principles are captured under four broad headings:

1. popular control of government;
2. political equality;

3. civil liberties and human rights; and
4. the quality of public debate and discussion.

The picture with regard to internal democracy is a bleak one. Low party membership probably means even lower levels of active participation. And ordinary party members may have little opportunity to engage in debate that would conform to deliberative principles, that is, principles concerned with the quality of debate. Pre-selection is a key party activity and work by Gary Johns suggests that the major parties don't meet even basic principles of fairness in the way they conduct these processes; only the Greens and Democrats rate well in this area. It has to be admitted that there is a good deal of debate about the importance of internal democracy, with some arguing it can reduce the electoral competitiveness of a party. However, those who believe in its desirability may find a useful model for reform in recent changes to the Queensland Electoral Act.

Further cause for concern arises out of the extent to which parties rely on large private donations. Public funding only exists in some jurisdictions and, even when it is available, parties continue to attract high levels of private funds. There is much debate about the need for increased financial accountability and about the effectiveness of rules for disclosure, particularly given that these rules vary considerably across the country. A set of principles which could underlie reform are identified and specific changes are canvassed.

Increasingly, political parties are public organisations. However, requirements for registration vary considerably across the country and there are arguments for greater uniformity as well as for removing barriers to the emergence of new parties. More general arguments for legislative change are also considered; again based on recent changes to the Queensland Electoral Act.

The audit makes the following key recommendations:

- *Provisions similar to those of the Queensland Electoral Act requiring democratic processes within parties should be adopted in all electoral jurisdictions.*
- *There should be uniform rules and administration of public funding of political parties and candidates across all electoral jurisdictions.*

- *There should be greater transparency and increased scrutiny of political parties' sources of private funding.*
- *Political party pre-selection ballots should satisfy the general principles of 'free and fair' elections in that they are based on a selection system that is reasonably competitive and procedurally fair.*

1. Introduction

Australia's political parties are among the oldest in the world. The Australian Labor Party is one of the oldest Labour parties in existence. Is this a positive, or is it more a cause of suspicion that they have outlived their usefulness? That is, can an institution formed to represent groups in the nineteenth century be relevant today?

In a broader sense, a political system that sees a party of 'labour' versus one of 'capital' is certainly out of date. Successful parties like to boast of having 'captured the middle ground', but often it is just a case of voters choosing the lesser of two evils. The counter argument is that proof of the parties' continued relevance lies in their actual survival. If they had not evolved and adapted to contemporary demands, the Labor, Liberal and National parties would have, if not disappeared, then ceased to occupy centre political stage.

But it can also be argued that their survival rests largely on past successes and a system that inherently and structurally supports the major parties. Our electoral system for the lower houses, for example, helps the major parties and hinders smaller ones and a funding system that delivers dollars per vote to the parties perpetuates the status quo .

In liberal-democracies like Australia political parties operate in a broadly democratic climate. Essentially, they seek to present themselves and their philosophies and policies to the electorate in order to win as many votes as possible in the hope of winning the right to govern. Given the broader democratic arena, does it matter if political parties are themselves internally democratic? And should we care one

way or the other? Or is it that only the elections they contest that should be democratic?

A case can be made that organisations which effectively determine who shall be elected as democratic representatives, and how governments are formed, should themselves be both committed to democracy and internally democratic. We might expect that they should perform adequately against a range of democratic criteria, including fairness of decision-making and appeals mechanisms, transparency and accountability in party financing, and inclusiveness and responsiveness to the needs of different sections of the community.

The merits of internal party democracy have also been propounded from the standpoint of deliberative democracy. Political parties provide public space for citizens to deliberate on public issues and form policy opinions, a defining feature of democracy. Such opinion, like that arrived at in other forms of public space, such as community organisations, is likely to differ from unmediated opinion expressed by voters who have not been exposed to information and debate about the issues.

The counter-argument is that the existence or otherwise of a party's internal democracy is no-one's business but its own. Economic theories of democracy regard political parties as engaged in competition for voters, equivalent to the competition of business firms in the economic market. Seen in this way, internal democracy is as irrelevant to the pre-selection of candidates and the formulation of policy as, say, the methods by which a shop chooses its merchandise. In fact, it may be an efficiency loss that impedes electoral competitiveness. Democracy reduces competitiveness through the constraints it imposes on party leaders and through the challenges it presents to party cohesion.

Another objection is that internal party democracy gives too much power to party activists who are unrepresentative of party voters and more likely to be ideologically extreme than either the electorate or the party leadership. It is argued that it is more democratic for party leaders to be responsive to the electorate than to their own party members, and that it is undemocratic to give the policy preferences of party members greater weight than those of party voters.

Constitutions, parties and the courts

Political parties are key institutions in Commonwealth and State politics. When parties were formed in the 1890s, the colonial parliaments made no attempt to recognise them in their constitutions. Nor were they recognised in the Australian Constitution that came into effect in 1901. It was not until 1977 that an amendment to that Constitution made any mention of the concept of parties, and only then in relation to the filling of casual vacancies in the Senate. The State Constitutions, similarly, make almost no mention of parties.

The question arises: should there be greater recognition of parties in the nation's various Constitutions? In 1999 the Queensland Constitutional Review Commission raised the question of whether there should be some constitutional recognition of the importance of political parties in the political process. It suggested this might be done in the form of a guarantee of the retention of a competitive party system and legislative regulation of the internal affairs of registered political parties to achieve the aims of:

1. democratic election of the party's office-holders and candidates to contest parliamentary and local government elections
2. greater transparency of party income and expenditure

All political parties have constitutions that outline the structure and rules by which they operate. Until recently these 'rules', and their enforcement, were a wholly internal affair, as were the imposition of any sanctions.

The courts have an established role of judging public associations, but until very recently have refused to become involved with internal party matters. For example, in 1934 in *Cameron v Hogan* (CLR 358)—a case brought before the court by a Labor Premier of Victoria who had been expelled from the party and was seeking court intervention to be reinstated—the High Court upheld the position that political parties were private organisations. Historically, political parties have also resisted the idea of judicial intervention in their affairs. A good case in point is in 1955 when, amid its famous split, the Australian Labor Party refused to concede the right of any member to initiate legal proceedings in relation to matters internal to the labour movement.

The ALP is not alone in this; other parties have had similar attitudes to the intervention of the courts.

However, the registration of parties through the inclusion in Electoral Acts of the process of party registration changed the legal landscape. Courts were no longer willing to accept that political parties were purely private organisations. In *Baldwin v Everingham* in 1993, Justice Dowsett of the Queensland Supreme Court decided that:

It is one thing to say that a small, voluntary association with limited assets, existing solely to serve the personal needs of members should be treated as beyond such supervision; it is another thing to say that a major national organisation with substantial assets, playing a critical role in the determination of the affairs of the country should be so immune.

As such, parties have been forced to accept a degree of judicial oversight of their internal affairs as a condition of the receipt of public funding and the statutory recognition of parties that it entails.

Recent cases in Victoria and Queensland and two important cases in South Australia in particular, have marked the progression of political parties from private to public organisations. In South Australia, Ralph Clarke, a former deputy leader of the state ALP, took his party to court alleging it had violated its own membership rules concerning who had the right to vote in a pre-selection. He alleged that 70 new members in his area joined the Party on 26 January 1999 but did not pay membership fees personally, and, when invited to, declined to attend a local sub-branch meeting. A similar situation occurred in other parts of the SA branch of the ALP. In all, 2000 members were 'joined' on the same day; this amounted to large scale case of branch stacking. Finding in favour of Clarke, Justice Mullighan ruled that the case was justiciable, 'given the status and role of the party and the SA branch in the political life of this country'.

The principle is now firmly established that the courts can rule on internal party disputes. However, Gary Johns, a former Federal Labor minister, points out that 'the courts have only looked to the application of the rules. They have not looked to see if the rules have been applied

fairly, or indeed, if the rules themselves are fair'.¹ To go any further would require involvement by the state in judgements about the internal democracy of the constitutions.

Despite the recent court decisions, the internal democracy of the parties remains an overwhelmingly private matter, although recent cases of 'roting' in Queensland (in which Labor members were enrolled at addresses they did not live at so they could vote in particular party pre-selections) and Ralph Clarke's appeals in South Australia have resulted in public and legal scrutiny of recruitment practices and internal appeal processes. In the 'outside' world there are few constraints on the activities of parties. In only one jurisdiction, South Australia, is there any substantial legislation concerned with 'truth in political advertising'. The parties have generally resisted any constraints on their electoral and campaign activities, or have established a legal framework which offers them access to information which is not available to other participants in the electoral processes, or even to the general public.

¹ Johns, *A Study in Democracy—Candidate Selection for the Parliament of the Commonwealth of Australia*, pp.168-9.

2. How are parties run?

Branch structures

The three largest parties, Labor, Liberal and National, have a similar grass-roots basis in local branches. These are geographically defined, and are bounded by electorates. The Australian Democrats claim that 'unlike all other Australian political parties ... [they] are organised on a national basis'. However, as political scientist Ian Ward has pointed out, 'for much of the last twenty years the National Party [of the Democrats] has scarcely existed ... the Democrats are just as much fractured by the federal system into largely autonomous State Divisions as are the major parties'.¹ The active political life in the Democrats and the Greens occurs in the State divisions, and especially at the branch level. On the other hand, the branches of the Labor and Liberal parties are relatively moribund and seen as money-raisers, factional nurseries, and delegate producers. As Young Liberal president Grant Miller put it in the *Weekend Australian* of 24-25 August 2002, 'In terms of branches, we still have the same structure as when we started up in 1945 ... We need to fundamentally revisit how we do business'.

The National Party, known simply as 'The Nationals' since 2003, does attempt to have a vibrant branch life.

Non-geographic branches: In some cases, the major parties have allowed their branches to take on specific characteristics, such as 'ethnic' branches for example. But, 'most State branches [of the Labor Party] were unwilling to follow the Victorian example in creating ethnic

¹ Ward, 'Party Organisation and Membership Participation', p. 118.

branches, or in publishing material in languages other than English'.² Unlike the New Zealand Labour party, there have been no real attempts by the ALP to broaden the base. According to the NZ party in 2002:

It appears that there have been some special branches since the early days of the party—women's branches go back till before the first Labour government. There are a range of special branches now—Women 24, Rainbow 4, Pacific Island 18, Industrial 8, Youth 8, Disabled 1, Lawyers 1, Superannuants 1, Green 3, University 2, Indian 1, Chinese 1. We also have Maori branches.

The Liberal Party has a structure reserved for women at most levels of the party, and Liberal women's conferences. The ALP also has a Labor women's network and women's conferences. But there are few examples of 'special' branches in any of the parties. An exception is the ACT Liberal Party which allows the formation of 'interest' branches, 'based on community of interest that binds these people together as a group'. In 2002, there were branches for the Australian National University Liberals, Defence and Foreign Affairs, Speaker's Club, Women's Forum, and Constitutional Affairs. The New South Wales Liberal Party also allows the formation of special branches based 'on community, cultural, occupational or other interests rather than geographical area'. There are no such special branches in the Labor Party, although there are references to special purpose committees, such as the Queensland Indigenous Reference Committee'. It is surprising, given the sociological makeup of the Northern Territory, with over a quarter of the population Aboriginal, and 20 per cent of the electorates having a majority of Aborigines, that there has been no intent to form Aboriginal branches in any of the parties; particularly given that some local ALP branches have an Aboriginal majority.

The Victorian Democrats allow that members 'may form a group on the basis of shared or common interest' provided that the initial membership is at least 2 per cent of the total membership.

As long ago as 1978, the ALP National Committee of Inquiry was entertaining suggestions that 'common interest and action groups be set

² Jupp, 'The ALP and Ethnic Communities', p. 258.

up around particular issues' to replace the current branch structure. Similar ideas have been propounded since, for two reasons: to arrest and hopefully reverse the decline in the branch membership; and to 'stem the drift of potential members towards environmental and other single-issue groups'.³

The ALP's 2002 Review returned to the issue, proposing 'issue-based branches ... formed around environment, civil rights, refugees or other policy areas'. The recommendations also included proposals that:

- Policy branches be instituted on a trial basis and be linked to an expanded and improved system of policy committees.
- State branches should develop different forms of branch organisation such as occupation, workplace and employment related branches.
- In metropolitan areas the number of branches be consolidated to provide for larger meetings and better branch organisation.

At the same time, the Review apparently decided that altering the power balance at the pre-selection process was simply too difficult. The 'occupation, workplace and employment related branches' were to be established as informal structures as 'attendance-based pre-selection voting requirements would not accrue through attendance at these branches'. Some in the Liberal Party have suggested a similar process.

In an almost perverse kind of way, however, moribund branches may be appropriate to today's professionalised, publicly and corporately funded parties. An active, ideologically oriented membership can be more of an inconvenience than an asset. In addition, the branch structure offers a tested and effective means for the factions to recruit, to manipulate, and to attempt to control. This would be much more difficult with different base structures.

Participating in platform and policymaking

In the case of the Liberal Party, it makes an absolute distinction between party Platform and policy. The organisational wing of the party has total responsibility for the writing of the Platform, but the

³ Ward, 'The Changing Organisational Nature of Australia's Political Parties', p. 155.

parliamentary wing is not bound by that document. The following extracts from Liberal Party Constitutions show the potentially tortuous manner of the application of this division of authority:

Federal : Parliamentary and Party Organisation to keep each other informed ... and to co-operate closely. [Platform] set out principles against which policy shall be formulated. Parliamentary Party ... has the ultimate responsibility ... for policy.

Australian Capital Territory: [The Council and Management Committee] does not have any role in the formulation of policy, nor in the direction of the Parliamentary Party [but] ... It is the paramount responsibility for all members of the Parliamentary Party to implement and advocate Territory policy resolved by the Policy Convention.

New South Wales: The State Council will 'determine and revise the Platform; ... [State executive will] communicate the Platform to the Parliamentary Party. The State Parliamentary Party is bound by the State Platform except to the extent that the State Platform purports to determine State policy matters that are properly in the province of the State Parliamentary Party.

Western Australia: Policy decisions [of Conference and Council] ... shall not be binding on the Parliamentary section.

A publication of the ACT Liberal Party notes the following:

The ACT Division is unique in the Liberal Party in that it allows its members to guide the policy deliberations of the ACT Parliamentary Party ... Obviously we leave the finer details and the timing of announcements and implementation to the Parliamentary Party.

Overall, then, the Liberal Party has always given its parliamentary wing the responsibility for agenda-setting and policy-formation. More recently, however, this has devolved more and more to the leadership, in concert with the party's pollsters and advisers. Liberal parliament-

arians are in fact only marginally more likely to vote against their party than are Labor MPs.

The National Party, like the Liberal Party, divides authority in regard to platform and policy, as shown in the following extracts from party Constitutions:

Federal: The National Party does not rigidly impose the Policy of the Party through State and federal Councils and Conferences on its Parliamentary Parties. However, the Parliamentary Parties are required to follow the policy of the Party as far as possible ... [and] report to their respective Organisational executives if there are occasions when they will not or cannot.

Queensland: State Parliamentary Party shall be responsible for the implementation of the Party Platform ... as far as is possible.

Unlike the Liberal Party, the Australian Labor Party makes no formal distinction between Platform and policy, as the following extracts show:

Queensland: State Conference is the supreme rule, policy and decision making body of the Party.

Northern Territory: Subject to the Platform ... Caucus is responsible for the development and co-ordination of policy.

This is reinforced by the party Pledge which, *inter alia*, demands that every candidate agrees 'to be bound by the National and State Platforms and Rules of the Australian Labor Party and by all decisions of National Conference, Convention and Council'.

The ALP offers members an opportunity to *influence* the making of policy, by participation in the processes of election of delegates at the various levels of the party. The ALP prides itself that the making of policy occurs at the Federal and State Conferences, where the delegates will carry forward the views and opinions of the membership. In theory, this offers a type of representative democracy, and partially satisfies the criteria of membership participation. However,

the traditional Labor notion of control of the parliamentary party by the organisation took a particularly heavy battering during the period of the Hawke government. Critics in the party pointed to a number of instances in which the government seemingly breached party policy, such as recognition of the independence of East Timor, the sale of uranium to France, the mining of uranium, deregulation and privatisation ... The fact that such actions were invariably endorsed in retrospect by National Conferences simply reinforces the point about where the real locus of power now seems to lie.⁴

The Labor Party places authority for the agenda and for policy in the Conference—the (supposed) representative body of the membership. But, starting with Whitlam, developing under Hawke and Keating, these functions have increasingly been transferred to an oligopoly—parliamentary leader, cabinet, pollsters, advisers and faction leaders.

In terms of the democracy of inter-party competition this may provide a more efficient system, able to react quickly, and compete strongly. But in terms of intra-party democracy, there are serious issues for representation and responsibility.

The Democrats offer full participation to all members in the formulation of party policy. The issue for them is how many of the members take up the opportunity? The Democrats place total authority for policy formation in the hands of the members. The National Constitution establishes that each division is responsible for its own policies, but sets a uniform framework for the process:

Policies shall be formulated with the maximum participation of members and shall finally be determined by the direct and equal say of the membership by a voluntary postal ballot.

The Democrats New South Wales Constitution provides the clearest statement of the 'blanket coverage':

Any matter, whether constitutional, administrative, State policy, or elective, including the position of any office ... shall be put to the membership for decision by ballot.

⁴ Parkin & Warhurst, 'The Labor Party: Image, History and Structure', p. 31.

The party recognises the need for ‘emergency policy decisions’ to be made by the executive, but these must ‘be submitted for ratification by party ballot within two months’.

The Greens have a State Conference to suggest policy. In some cases this is then put to the members for ratification. In Queensland this requires a 66 per cent vote in support. In Tasmania if there is no consensus on the Council, then the policy is put to a ballot. In Western Australia if more than five per cent of the members oppose a policy it is then put to a ballot. Overall, the Greens do give the membership the final say. Furthermore, the policy-making powers of the parliamentary members are severely constrained.

The New South Wales party states that Senators and members of Legislative Councils are ‘accountable to the Delegates’ Council’, and that the accountability of lower house members is the ‘responsibility of the relevant member-group’.

Party decision-making

The Democrats, with their commitment to sovereign authority resting in the hands of the membership, and with the emphasis on party membership ballots for all major and most minor issues, provides a structure which puts decision-making in the hands of the membership. The Greens have a similar philosophy and structure, vesting ‘temporary’ authority in its Delegate Councils and Committees, but stating clearly that it is the membership that prevails. In both parties, then, the decision-making bodies are the membership.

The Liberal Party’s decision-making bodies within the organisational wing, the State Councils and State Executives, are formed by delegates from wider sections of the party, and ultimately from the branch membership. Hence there is a solid component of trustee representation. But the party’s deliberate and complete separation of the parliamentary wing from the party organisation gives complete authority over policy to the former. The representative link simply does not exist.

The structure of the Labor Party is more complex, with its dual membership base of branches and affiliated trades unions. The ‘final decision-making body’, the National Conference, is formed from these

bases, and has an element of representation, at least in a numerical sense, and a strong bias towards representation of the affiliated unions. But in recent decades there has been a significant seepage of authority for determining policy to the caucus, the cabinet and the leadership of the party.

What is crucial in the Labor Party is the role of the affiliated trades unions, the factions and the faction leaders. Former (and soon to be again) ⁵ ALP President Barry Jones expressed his view of the representativeness of the party by stressing the power of the faction leaders, and the numerical strength of the unions, from where their real power derives. First, he made the point that:

it's hard to identify a recent addition to the Senate who has not been either a trade union official, party office official, ministerial staffer, parliamentary staffer, factional organiser or has strong family or sub-factional alliances.

Second, he devised a graphic he terms the 'pyramid of power':

Faction leaders
National Conference delegates 2000
Total active party membership 10 000
Total Labor Party national membership 50 000
Voters who are members of trade unions 2 000 000
Voters who are not members of trade unions 3 000 000
Total of the potential Labor Party voters in Australia 5 000 000 ⁶

The role and power of the factions and the unions within the ALP has grown to the point where they dominate the internal processes of the party. In 2002, John Button, a former senior minister in federal Labor governments, put a case for the Labor Party and the trade unions ending their relationship. He wrote:

Martin Foley of the Australian Services Union asked the most germane question in his submission to the current Hawke-Wran inquiry into the state of the ALP: 'Why—beyond serving the careerist interests of an elite of labour movement professionals—do unions affiliate to the ALP at all in the modern

⁵ Barry Jones will again take up the ALP presidency in 2005.

⁶ *Weekend Australian*, 29-30 June 2002.

Australian context? What is in it for the unions? What is in it for the ALP?’

The union-ALP relationship has degenerated into a bad habit. It damages the ALP. It damages the unions even more. It may be time for the formal relationship to end: to have a friendly divorce.

Button also pointed to a new development:

The domination of the party hierarchy by a new class of labour movement professionals who rely on factions and unions affiliated to the party for their career advancement. These people come from the ranks of political advisers, trade union policy officers and electoral office staff. Individually they can be thoughtful and decent people. Collectively they are destroying the diversity and appeal of the ALP.⁷

Domination by political leadership

In terms of leadership, in theory at least, the ethos of the major parties—Liberal and Labor—are effectively at opposite ends of the scale. The Liberal Party has always bestowed greater reverence on the leadership, and the Menzies era was the clearest example of a leader being the party (with the Howard era a close second). A Liberal leader is a powerful influence, having absolute authority over who is in the cabinet, and deciding which policies will go to cabinet. A strong Liberal leader may come to personally symbolise the party, and even be seen as electorally indispensable.

Leadership in the Labor Party is a rather more complex matter. ‘The pledge’ commits the leader to the conference and its decisions on policies. Caucus determines the make-up of cabinet, ministries/shadow ministries, and decides who will be replaced by whom. In theory at least, if not always in practice, the parliamentary party exercises caucus control and the leader has little room to move. However, as noted above, leadership over the last several decades has brought the practice of leadership of the Labor Party closer to that of the Liberal Party.

⁷ Button, ‘Beyond Belief: What Future for Labor?’.

We will have to wait for the next federal Labor government to look for further developments or a return to the past.

In the Australian Democrats, the leader is elected by a ballot of the full membership of the party, not the caucus, and can be 'tested' by a petition of a small number of the members at any time. This is a real constraint on the authority of a leader, and has led to leadership instability in recent years, but, if nothing else, it is a guarantee of intra-party democracy.

Appeals processes

Structures and processes for appeals exist in the Liberal Party and are generally subject to State Council. The Democrats offer a similar right of appeal, to variously named committees. Their unique structure also includes a party Ombudsman. The ACT division requires that the three members of the Disputes Tribunal must be 'acceptable to both sides'. The Green parties allow appeals, usually to State Council, and these are a matter of last resort.

The Labor Party imposes a discipline on all members to be bound by the Rules and the decisions of Conference. However, there are some processes of appeal. In Queensland and Victoria, these appeals are settled by a Disputes Tribunal, which meets *in camera*, but allows a further appeal to Conference. In South Australia, there is a Disputes Resolution Committee of three members; in New South Wales, a Review Committee of 11 members; in the ACT, a Disputes Tribunal of 7 members—all of which 'make final decisions on disputes which are referred' (NSW Rules). The submission by EMILY's List to the 2001 ALP Inquiry advised:

the Party that if it creates an independent Appeals Panel, the panel should have an independent chair, gender and factional balance should apply and processes should be democratic and transparent to resolve branch and Party pre-selection disputes.

The 2002 review apparently agreed with the need for reform, recommending a National Appeals Tribunal be established to ensure proper appeal mechanisms for party members in accordance with legal definitions of natural justice and procedural fairness. The 2002 Rules Conference accepted this recommendation.

The impact of factions

The Labor and Liberal parties are composed of factions, although the Liberal Party denies the term, and is more comfortable with talk of 'tendencies'. Factions are groups of party members or members of the parliamentary party, whose primary allegiance is to the group and its ideals rather than the party as a whole. The major difference between the factions of the two parties is that the Labor factions are permanently present—at national, State, branch, sub-branch, union, and caucus levels, while Liberal factions are more ephemeral. The Nationals and Democrats have differences of opinions and of ideologies, and occasionally these become divisive, but neither can be said to contain factions as such.

The factions, especially in the Labor Party, but increasingly in the Liberal Party, act out important, even crucial roles, not mentioned in the formal rules of the parties. These roles may be of a positive nature, whereby organised competition between party factions replaces inter-party rivalry, personal intrigue, and their ultimate consequence, party fragmentation.⁸

Gary Johns also perceives the positive function of factions:

These devices for career development and for collecting and wielding power are parts of the competition for power within the parties. Competition is a critical element of democracy; the existence of factions may indicate that competition is alive and well. Where there is evidence that competition is so highly organised that it is oligopolistic or even monopolistic, then critical judgement can be passed upon the behaviour of factions. More important is how the factions come to accumulate and maintain power. If they do so by unfair means, then the remedy lies in undoing the means, not attacking the factions.⁹

The Labor Party is a party of factions, which dominate every internal structure and process. This domination became 'set and solid' in 1984, when the formation of the Centre Left produced national factions

⁸ McAllister, 'Party adaptation and factionalism within the Australian party system'.

⁹ Johns, *A Study in Democracy*, pp. 179-180.

with an even stronger internal discipline. Since 2002, following the collapse of the Centre Left, the Left and Right factions have increased their control of the party. Political commentator Mike Steketee noted 'the deadening effect of the factions on the party' in the *Weekend Australian* on 29-30 June 2002. He continued:

Frontbench positions are determined by votes of the factions. Not only are the Right, the Left and the centre allocated a specific number of places but the factions themselves also divide up the spoils between the states. The Caucus is left with only the formalities to perform by endorsing the choices already made. Those attracted to factional politics are those best at playing the numbers game ... Factions will never be abolished in a party with competing interests and ambitions.

His newspaper's editorial put it even more strongly, pointing to a:

deep malaise affecting Australia's oldest party. The scourge of factionalism ... the contagion of union [and faction] domination has infected the whole party, with severe and prolonged outbreaks in the Victorian, Queensland and New South Wales branches.¹⁰

Appearing on the Australian Broadcasting Corporation's *Lateline* program on 24 June 2002, former South Australian ALP Senator, Chris Schacht offered the following personal view:

I want to have an open mind in debate within the party and hear the debate before I make up my mind about how I should vote on party policy—not to be directed by what a factional leader says you must vote and if you don't follow it, you might lose your pre-selection.

The Labor Party's 2002 Review recognised the problems of factions; the drive by former Opposition Leader Simon Crean and others for party reform, focusing on the 60:40 rule for union and branch representation on party conferences, came from a perception that union influence was damaging the party's electoral prospects. But a change to a 50:50 ratio does not, by itself, diminish the power of the affiliated

¹⁰ 'Schacht's shaft exposes Labor rot' (editorial), *The Australian* 29-30 June 2002, p. 18.

trade unions nor, hence, of the factions. For example, the South Australian Branch has the 50:50 divide but is still probably the most union and faction dominated Branch of the party. The branch is controlled by two large unions which formed an alliance and divide the spoils.

The ongoing intimate relationship between the ALP and the union movement is even more difficult to fathom given that union membership across Australia has slumped to only about 25 per cent of the private sector workforce, and the membership of affiliated unions is only about 10 per cent of the workforce. Furthermore, a survey conducted by the Australian National University's Australian Election Study after the 1998 election found that only 54 per cent of trade union members actually voted Labor. Meanwhile, as we shall see below, the unions remain a major source of funds for the ALP.

In 2002, former Labor Minister John Button wrote of his party that:

In 1978 ... the parliamentary party of 64 members contained 10 former union officials, six of whom had worked in the trade or calling represented by their unions, six from wholesale and retail business and two accountants. It also included three farmers, six lawyers, three academics, four medical practitioners, two policemen, five public servants, five tradesmen and five teachers. There was one engineer, one journalist, one former merchant marine officer and one shearer ... It was a pretty good social mix and something that Gough Whitlam had vigorously pursued.

What ha[s] replaced a broad spectrum of backgrounds [is] a new class of political operator who had been filtered through the net of ALP machine politics. ... Labor's politicians have nearly all been to factional finishing school but not many have been to the school of hard knocks. The ALP has become truly professional and, in the process of professionalising itself, has lost much of its capacity to relate to the broader community and a lot of its charm.¹¹

¹¹ Button, 'Beyond Belief: What Future Labor?'

Leaving aside the fact that Button's 'pretty good social mix' contained next to no women or people from non-English speaking backgrounds, his point is a valid one.

In the Labor Party the factions and the unions are parallel, if not unified sub-structures. The factions have their organisational and numerical bases in the unions, and the unions spearhead the faction leaderships and decision-making. As noted above, the 2002 Rules Conference decision to set 50:50 as the national union to member vote will have no effect on faction (or union) domination. As Schacht put it in *The Australian* on 8 October 2002,

The factional control and union influence in practice has not been reduced in any way. Indeed, the reduction of the union vote ... won't reduce union and/or faction control in the ALP one iota ... The way to reduce faction control is to reduce the power of bloc union voting, so it's absolutely necessary to let the rank and file directly elect the delegates.

He proposed that:

the fundamental reform which the unions and factions don't want to even consider, is to change the rules so that unions can represent only those members who indicate on their annual membership ticket that they wish to be an affiliated member of the ALP. Those indicated union members would then elect the union's delegates to the ALP, not leave it to the factionally aligned union officials to decide who will be the delegates.

While the Liberal Party claims not to have factions—in a precise definition of 'a party within a party'—with identifiable membership and separate organisation, the tendencies in the Liberal Party can be distinguished almost as readily as Labor's factions.

In practice, especially in the Labor and Liberal parties, the factions are not democratic themselves in their internal processes, so how democratic can the parties be? Any attempt to demand a democratic base for the internal processes of the factions, or to demand a democratic process for the manner in which the factions interact, faces two strong counter-arguments. First, the factions are not a

formal component of the electoral, political and parliamentary processes; hence on what grounds could there be a justification for intervention by the State to force intra-party democracy? Second, if such intervention was justified, and carried through, would this weaken the equally important component of inter-party democracy?

Party discipline

A distinction needs to be made between party cohesion and party discipline—which is enforced cohesion. Parties in a parliamentary system will naturally be cohesive. In particular, the party in government needs cohesion to retain office; at the same time, the party or parties in opposition seek cohesion to provide the image of a potential and preparedness for election to government.

Australia's major political parties are often described as the most disciplined in the democratic world. The Labor Party is the only major party which applies a formal party discipline. In fact, with its ethos from the beginning based on the Pledge, the result has been a degree of internal discipline which is unique in democratic nations. This discipline is partly a product of its genesis as a party of reform in a hostile environment; partly a product of its roots in the disciplined union movement; and partly a matter of necessity in an ideologically fragmented association.

The Liberal Party does not apply any equivalent discipline. Yet the cohesion of the Liberal Party has been as complete as that of Labor. While the National Party is often critical of Labor's discipline, it also manages to achieve a high degree of cohesion. Both non-Labor parties have, and have used, the power of pre-selection as a potent means of enforcing cohesion and punishing dissension. The Democrats and Greens have no formal means of discipline. However, in 2002, the Democrats activated their Compliance Committee in relation to its former leader, Senator Meg Lees.

At the party level, discipline certainly provides for a unified face for the public, and a unified party in the sparring arena that is the parliament. The Labor Party is open about its discipline, and justifies it on the ground that a reform party requires the guarantee of party and parliamentary majorities. Its concept of representation is collectivist, not individualist. The Liberal Party applies an 'informal' discipline, be-

cause its theory of representation, despite its rhetoric, is conservative, not liberal. The Greens and Democrats practice participatory democracy, but not without some open signs of strain.

Intra-party debate

Parties often engage internally in discussion and debate, even argument. But under what conditions and with what effect? Debate may be allowed, even encouraged, but at the end of the day, is decision-making made 'at the top', regardless? This is increasingly the case in the major parties. But the Democrats, with their commitment, in theory and practice, to participatory democracy, do practice what the party's national Constitution describes as an 'equal say in determination of policies'.

The Greens also emphasise a consensus mode of decision-making:

Consensus decision-making is an alternative to voting. It aims to achieve a decision in which all participants are satisfied. It attempts to avoid the winners and losers created by voting. This makes a better decision with an increased commitment to carrying it out ... recommended as the basic method for Green groups.

One problem in attempting to address these questions is that access to the deliberations within political parties is very restricted. The media and the public can access some levels of the parties, such as State and Federal Conferences, but these are, to a large degree, public performances, and the debates are often highly scripted. The debates and communication styles at the lower 'nitty gritty' levels of the parties are not open to the public. However, on anecdotal evidence, there is little to suggest that intra-party debates, let alone inter-party ones, are conducted on deliberative principles. The problem here is that the state could not intervene to enforce such attitudes, should it ever be seen as appropriate, which is still far from the case. The solution to the problem, then, remains in the hands of the party membership.

Internal party democracy

Any attempt to assess the nature and extent of internal party democracy in Australia must initially separate formal structure and actual

processes. The structure of a party may be democratic, but if the ways that these structures are used are not democratic, then what conclusion should be drawn? If there are developments within the party, such as disciplined factions, which do not have a formal existence in the structures, but which dominate the processes, then is the party internally democratic?

The Labor Party can claim that its formal structures and processes include powerful representative and responsible components. The Platform is written and amended by a Conference of delegates from the grass-roots organisation. The caucus, the cabinet and the leader are bound by the Conference and the Platform. Each level of the party is formally responsible to a wider sector of the party. In practice, however, three features question the efficacy of this. First, the union base has, for over a century, been able to dominate the numbers at the Conferences. Second, there has been some 'seepage of authority' to the top levels of the party. Third, the factions have become all-powerful.

The Liberal and National parties have always asserted their internal democracy, but only at the organisational level. The formal separation of the authorities of the parliamentary and organisational wings denies democracy in regard to policy and practice. The ability of the leaders who, once elected, are in a very powerful position, able to formulate policy which can be the reverse of what the democratic procedures of the Platform-making process produced. This is far from internal democracy.

The question in regard to the major parties is whether there is justification for further public involvement, especially to the point of intervention to ensure internal democratic structures and processes, or the expansion of the current laws on public funding to require a democratic structure as a pre-requisite for funding. If the parties are increasingly dependent on the state, should the state demand internal democracy in return?

It is worth noting that other liberal-democratic nations apply public requirements to parties:

In many countries there is a constitutional prescription that parties' internal operations be transparent, and in accordance

with the general democratic mores of the nation. In Germany, parties' internal organisation 'must conform to democratic principles' ... A Portuguese party 'must be governed by the principles of transparency, democratic organisation and management and the participation of all its members'. In both Finland and Spain, parties' internal structures and operation must be democratic.¹²

Such requirements would be desirable in Australia, and the *Queensland Electoral Act* (Section 73A) now has an appropriate set of prescriptions to guarantee a 'complying constitution' in all registered political parties. This includes:

- the procedures for amending the party constitution;
- party membership rules;
- a statement of how the party manages its internal affairs, including the dispute resolution procedures;
- rules for the selection of both party office-bearers and party candidates;
- requiring that a pre-selection ballot must satisfy 'the general principles of free and democratic elections', including 'one member, one vote' and the secret ballot.

The Australian Democrats have gone further in their demands. They believe party registration should take into account the extent to which a party constitution provides:

- the aims of the party;
- qualifications for membership;
- rights, obligations and voting rights of members;
- method of choosing, and the obligations of, office bearers;
- pre-selection procedures;
- details of party committees – powers, composition and method of election;
- use of secret ballots in party decision-making;
- procedures for conducting meetings;
- inspection of minutes and correspondence;
- procedures for resolving disputes.

¹² Bennett, *Australia's Political Parties: More Regulation*, p. 7.

If extended to all political parties, such proposals would be a radical transformation of the 'private' nature of the parties in Australia. On what grounds could such requirements be enforced? There are a number of justifications. Internal democracy may encourage a larger and broader membership, and hence the parties could better reflect both the multi-faceted components of the society, and promote a more democratic culture. Greater internal party democracy would likely provide for a more positive site for democratic deliberation. Internal democracy is also a matter of the empowerment of the members which, in return, would encourage more people to join or re-join.

The major parties are essentially concerned with 'electoral efficiency', that is, with maximising their vote. Specifically, their focus is almost exclusively on the nature and the results of inter-party electoral competition. Their external techniques and tactics are aimed at this one target. But does this suffice in terms of a democratic polity? There is a strong case that the parties in this environment should be internally democratic. Therefore the parties should reform their own internal structures and processes, or face the prospect of state intervention to enforce such reforms.

The key points to be made here is that, in terms of formal structures, the Labor and Liberal parties are far from internally democratic, but the Democrats and Greens have legitimate claims to being so. However, recent events within the Democrats raise questions about the efficacy of this level of participatory democracy. There is an important distinction between a party philosophy and a practical structure and process, on the one hand, and the ways in which these are applied on the other. The Democrats, particularly since the 2001 election and, in fact, since their formation in 1977, have contained ideological, personality and policy divisions. The emphasis on participatory democracy has been shown to be not always, perhaps not even often, an efficient and effective means to deal with these internal tensions.

Arguments for and against enforced party democracy

There are competing arguments about the value of internal democracy which can be summarised as follows:

Arguments for internal party democracy

- Parties effectively decide who will be elected to public office, so there is a legitimate expectation that their own internal procedures should be democratic.
- This expectation is reinforced when the parties are recipients of public funding to perform their democratic roles.
- Democratic organisation and culture within parties helps create 'habits of democracy', particularly in the formation of future political leaderships.
- Democratic deliberation within parties helps improve the quality, inclusiveness and accountability of the policy processes.

Arguments against internal party democracy

- Politicians should be responsive to voters, not to party activists who may have a different set of policy preferences.
- It gets in the way of effective inter-party competition in the political market place.
- It is a brake on effective and efficient decision-making.
- It is irrelevant to the selection of the most saleable candidates and policies.

The primary research base for us to address the question about the merits or otherwise of internal democracy was the Constitutions and Rules of the parties. Most parties were willing to provide copies of these documents. By way of example, the Queensland Branch of the ALP responded: 'that the Queensland Branch has no separate Constitution, except that stated in Section I of the Rules document ... Our governance is provided by National and State Conference'. The Tasmanian Division of the Liberal Party, however, provided a more terse response: 'Unfortunately, only members are allowed copies of our Constitution'. A point worthy of note here is that there is no registration of parties requirement under the Tasmanian Electoral Act.

Who, then, has supreme authority in the political parties? The Labor Party's *Federal Party Rule* is clear on the issue:

5b The National Conference shall be the supreme governing authority of the Party and its decisions shall be binding upon every member and every section of the Party.

5c The National Executive shall be the chief administrative authority of the Party, subject only to the national Conference.

5d The Federal Parliamentary Labor Party shall have authority in properly constituted Caucus meetings to make decisions directed towards establishing the collective attitude of the parliamentary Party ...

The State Branches of the ALP reflect this structure, with statements similar to that of Victoria, which reads: 'State Conference shall be the supreme policy-making and governing body of the party'.

The Constitution of the Liberal Party, like that of the Labor Party, establishes a federal structure. But there the similarity ends. The Liberal Party vests almost complete authority in each of the State and Territory Divisions. In 1994, the federal executive of the party was granted the right to intervene in State Divisions for the first time, but on very minor issues, and under very strict limits. Within each Division, overall authority—the management and control of the affairs of a Division—is vested in a State Council.

As we have seen, the Democrats and Greens vest supreme authority in their members. The National Constitution of the Democrats states that 'any decisions at National Conference shall be submitted as recommendations to the full membership before implementation'. The Constitution of the New South Wales Green party states that:

the Greens NSW is composed of local groups (member groups), non-group individual members and a delegates' Council ... [composed] of a delegate representing each member-group ... the Delegates' Council has no powers over member-groups.

Identifying the 'seat of authority' is only the first step. Equally important is to discover where the real power lies, and which sections of the party exercise it.

Registration and internal democracy

The registration of political parties with the Australian Electoral Commission (AEC), or equivalent State or Territory Commissions, is one of the few formal, legal constraints on parties, but it also has

considerable benefits for the registered parties. The issue is, are the prerequisites for registration sufficient? There is no reference to the internal nature of the party seeking registration, except in Queensland. Should there be? Should registration require a prerequisite of internal democracy? There are nations where registration, and the public funding which follows, requires evidence that the party is internally democratic. A case can be made that this requirement should apply to all Australian political parties.

As we have seen, a range of reforms were introduced Queensland to ensure:

- registered political parties would have a community-based membership with the right to control their parties through proper democratic processes overseen by the Electoral Commission of Queensland ...;
- registered political parties that breached the new requirements would be prohibited from receiving public funding;
- electoral porters would be banned from running for political office and being members of political parties;
- the Commission would supervise the pre-selection process and conduct random audits of balloting and voting procedures;
- voting in pre-selections was to be restricted to Queensland electors;
- there would be new public disclosure requirements for parties and candidates in relation to preference arrangements and loans and gift.¹³

With Queensland having led the way, it is now time for such rules to be adopted throughout Australia..

Recommendation 1: That provisions similar to those of the Queensland Electoral Act requiring democratic processes within parties be adopted in all jurisdictions.

¹³ *Electoral and Other Acts Amendment Bill 2002*, Explanatory notes, p. 2.

3. Who funds the parties?

Political parties are organisations with salaries, infrastructure and other ongoing costs to meet. Importantly, at election time they campaign, which is now a very expensive exercise. As such, the parties need and depend on substantial amounts of money. In Australia they receive this from both public and private sources.

Public funding

Australia has public funding for political parties (and candidates) for federal elections and elections in three of the six States—New South Wales, Queensland and Victoria—and one of the two Territories, the ACT. Every jurisdiction has its own electoral office or commission to run elections, and these also administer election financing where and when applicable. Public funding of political parties means that parties or candidates receive, from the taxpayer, a dollar amount for every vote they attract at elections—provided that vote is more than four per cent of the formal (first preference) votes cast. The actual amounts, and the method of determining the amount per vote, vary from state to state but they are in the order of two dollars per vote.

When you consider that at the October 9 2004 election almost twelve million Australians¹ registered two votes—one for the House of Representatives and one for the Senate—we are talking about large amounts of money. Total AEC public funding for the 2004 federal election is estimated at \$41.9 million (up from \$39.6 million in 2001).

¹ At time of publication, the AEC figures for 2004 election formal votes were: House of Representatives 11,714,835; Senate 11,953,795.

Public funding of candidates for office is a relatively recent development in Australia. It has generally gone hand in hand with registration: the largesse has not been obligation-free. New South Wales was the first to introduce both public funding and registration of political parties, in 1981. Then in 1984 the Commonwealth Electoral Act was amended to provide for the registration of political parties competing for federal elections, and for subsequent public funding and public disclosure. Since then, Victoria and Queensland have incorporated similar provisions.

Under such legislation, for the first time, the existence of political parties was not only recognised, but defined in legislation. The definition is most appropriately characterised as minimalist at best. In federal legislation, the *Commonwealth Electoral Act 1918*, Part 1(4), a party is defined as:

an organisation the object or activity ... of which is the promotion of the election to the Senate or the House of Representatives of a candidate or candidates endorsed by it.

Not everyone agrees that public funding is a good thing; in 2003 an attempt to introduce public funding in Western Australia was defeated through a campaign led by the *West Australian* newspaper. This in turn influenced the Northern Territory government to reject a recommendation—from the findings of a study it had commissioned—to introduce public funding.

For and against public election funding

Is public funding of candidates for public office a good or bad thing? The core argument against, used for example by the *West Australian*, is simple and effective: we do not want greedy politicians burrowing their snouts even further into the public trough. Does not the taxpayer shell out enough money already? Political parties should stand or fall on their own merits, and the extent to which they can attract financial support from the community.

The main argument in favour comes from the fact that elections for public office are different to other transactions. Democracy is fundamentally important to the Australian community, and we all have an interest in preserving its integrity. Public funding lessens parties' reli-

ance on corporate money, which in turn decreases the incentives for corruption. It gives the smaller parties at least some resources with which to circulate their messages. Political campaigns are horrendously costly—television advertising and, to an increasing degree, direct mail campaigns eat up the majority of funds—and voters can only hear those with a deep well of resources; this has implications for the health of our democracy. Most western liberal democracies have some form of public funding.

But no public funding system is perfect. When introduced in Australia two decades ago it was anticipated that parties would, with public funds at their disposal, cease to rely so heavily on private donations. But with election costs escalating this has not been the case and corporate donations have continued to grow. This is in contrast to Sweden where the introduction of public funding led to a voluntary agreement on the part of political parties to abstain from private funding.

Table 3.1. Public Funding for Australian Parties				
Party	Year	Public Funding	Total funding	Public to total (%)
Australian Democrats	2000/2001	\$24 514	\$1 316 689	1.9
Australian Democrats	2001/2002	\$2 563 422	\$5 581 331	45.9
Australian Democrats	2002/2003	\$41 313	\$851 654	4.9
Democrats three year total	2000-2003	\$2 629 249	\$7 749 674	33.9
Australian Labor Party	2000/2001	\$1 341 403	\$31 957 334	4.2
Australian Labor Party	2001/2002	\$15 843 740	\$60 797 263	26.1
Australian Labor Party	2002/2003	\$7 613 509	\$39 393 170	19.3
Labor three year total	2000-2003	\$24 798 651	\$132 147 768	18.8
Greens*	2000/2001	\$162 771	\$1 410 919	11.5
Greens*	2001/2002	\$1 301 017	\$3 577 302	36.4
Greens*	2002/2003	\$580 795	\$1 450 283	40.0
Greens* three year total	2000-2003	\$2 044 583	\$6 438 504	31.8
Liberal Party of Australia	2000/2001	\$860 729	\$23 130 964	3.7
Liberal Party of Australia	2001/2002	\$15 136 973	\$62 024 302	24.4
Liberal Party of Australia	2002/2003	\$5 014 700	\$35 022 983	14.3
Liberal three year total	2000-2003	\$21 012 402	\$120 178 248	17.5
National Party of Australia	2000/2001	\$507 872	\$6 649 817	7.6
National Party of Australia	2001/2002	\$2 990 074	\$9 534 179	31.4
National Party of Australia	2002/2003	\$1 352 055	\$8 956 007	15.1
National three year total	2000-2003	\$4 850 000	\$25 140 003	19.3

Private funding

In fact, by far the largest part of aggregate party finances still comes from the private sector. The parties must, by law, report their finances to the AEC annually. (This is for any financial activity, not just for federal elections.) But unlike public funding, private funding is difficult to identify, much less quantify, and the parties take advantage of any loopholes in the disclosure laws. For example, there are definitional issues between donations, gifts and services supplied for a fee. Often parties use the description 'unspecified' to characterise much of their income.

But for an exercise such as this the Democratic Audit must use the material it has, so to get some idea of the money involved we analysed the annual returns of the Labor, Liberal, National, Green and Democrat parties for the financial years 1998-99 and 2001-2. These two years were chosen because they contained federal elections, which are easily the parties' biggest expenditure items. In cases of the largest amounts, identification was not difficult; for others we used the balance of probabilities. We categorised receipts into public, corporate/private, affiliates, unions, and other² and put the dollar amounts into the following bar-charts.

² Public funding: that which parties receive from the Australian Electoral Commission or State electoral commissions following an election. Private or corporate: received from companies, institutions or individuals. Affiliate funding: income derived from other branches of the party, formally associated organisations or sitting members or senators. Unions refers to trade union. 'Other': income from the Australian Taxation Office (GST rebates) or other government departments.

Figure 3.1. Nationals: election year income by type

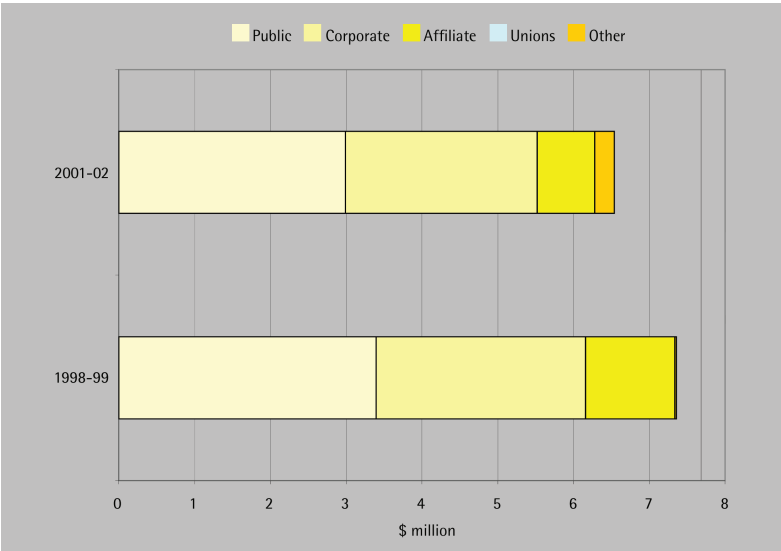


Figure 3.2. Liberal Party: election year income by type

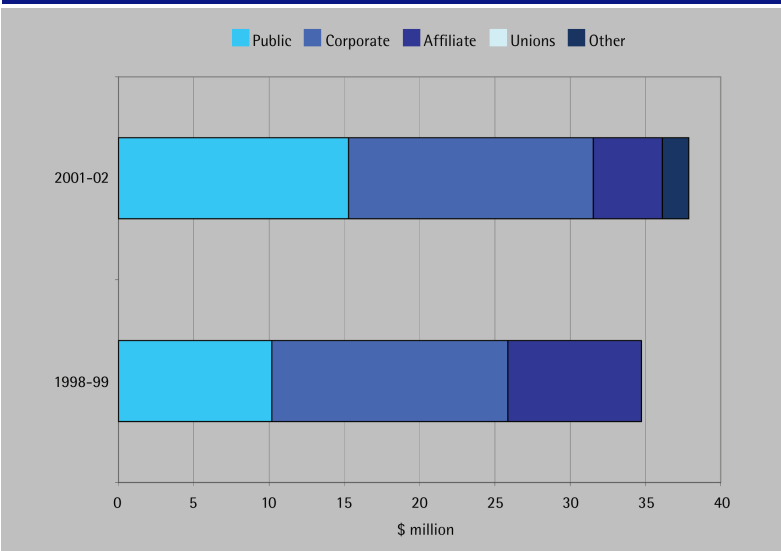


Figure 3.3. Greens*: election year income by type

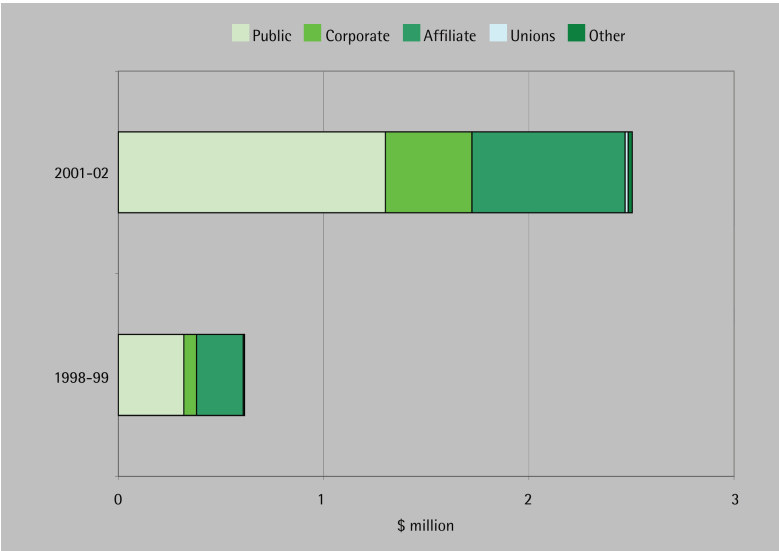


Figure 3.4. Australian Labor Party: election year income by type

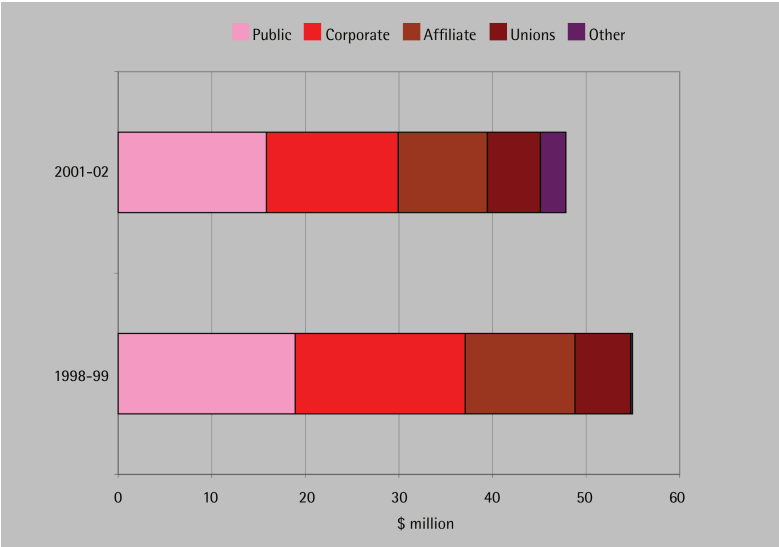
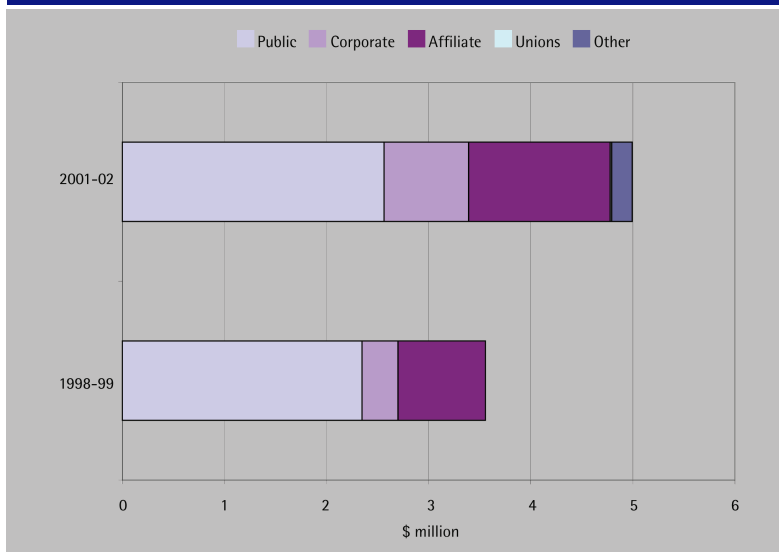


Figure 3.5. Democrats: election year income by type



These funding charts require some explaining. Notice that they each deal with very different amounts of money—from under three million dollars for the Greens to over fifty million dollars in the case of the Labor Party. Not surprisingly, the Australian Labor Party enjoys substantial union finance while the others get little from this source.

One obvious standout from these graphs is the jump in the Greens funding from 1998/99 to 2000/01. Public funding accounts for a good measure of this increase, but all other sources increased greatly as well.

To get a more detailed understanding of the rules for public funding, we can look at the public component of the Greens finance in some detail. At the October 1998 federal election, the Greens won 2.4 per cent of the formal primary vote in the House of Representatives and 2.2 per cent in the Senate. Remember, to receive public funding, a party or candidate must receive over 4 per cent *in an electorate*. The Greens contested 36 House of Representatives seats but they got over 4 per cent in just five. For the Senate vote, electorates are the states, and the Greens got more than four per cent in Western Australia, Tasmania and the Northern Territory.

At the November 2001 federal poll, the Greens' House of Representatives vote jumped to 4.4 per cent. They contested every seat (150) and exceeded the 4 per cent threshold in 84 of them. In the Senate their national vote of 4.4 translated into votes over 4 per cent in four states and both territories—everywhere except Queensland and South Australia. So while the Green vote roughly doubled between 1998 and 2001, their funding increased exponentially because they cleared the 4 per cent threshold in many more electorates. And success breeds success, the 2001 campaign and its aftermath saw increases in membership and donations.

There is another thing that stands out in the graphs above: the Labor and National Parties went backwards in nearly all sections of their funding. Can this be right? To answer this we have to note that these funding figures account for the operations of the parties in all jurisdictions. As already noted, the financial years 1998/99 and 2001/2002 contained federal elections, but Australia also regularly has State elections. There was one in New South Wales in FY1998/99 and in the Australian Capital Territory in 2001/2002 and both of these jurisdictions have public funding. There was also an election in Queensland in June 1998 for which public monies were disbursed in 1998/99. Of those *without* public funding, the year 1998/99 saw a Tasmanian election and 2001/2002 saw elections in South Australia and the Northern Territory.³

Now, while the ACT election involved relatively little public funding, not so for NSW and Queensland, which together contain about half the country's voters. Therefore, the inclusion of these two inflates the 1998/99 public numbers compared with 2000/2001 for all parties significantly. And because the Labor Party performed particularly well in both these State elections, its public funding benefited correspondingly. As well, Queensland is the one State in which the National Party is the dominant Coalition party, usually receiving a larger vote than the Liberal Party, so any year which includes Queensland State funding is a relatively good financial year for the National Party.

³ While disaggregating the public funding State by State and federally is easy (in fact the public funding figures here are arrived at by adding up all the states and federal funding), not so all other funding, because donors give to various branches and the parties don't tell us what they spend their money on. This is the reason we can't, for example, show total funding for federal elections only.

And this is not taking into account that private funding would have been boosted by the NSW election in 1998/99 (but not the Queensland one as most fund-raising would have occurred before the election—that is, during the financial year 1997/98). All of which is quite complicated, but helps explain why all parties' funding, but particularly the ALP and Nationals, have a high 1998/99 base, and why those two parties appear to go backwards between 1998/99 and 2001/2002.

There are two further points that must be made about these graphs. One is that while the AEC, and its counterparts in the States, only disburse money for election campaigns—usually in large lump sums and usually during the same financial year as the election—other types of party finance, like donations and fund-raising activities, occur every year. As such, public finance is 'lumpy' in that it only occurs after an election.

There is another issue that relates to our finance disclosure laws. Briefly, only amounts over \$1500 received by a party must be declared. Anything under this amount has to be included in the parties' totals but not individually identified. Not surprisingly, the parties make full use of this provision, and so each year tens of millions of dollars flow into their coffers about which we know nothing. We do not even know if they are 'donations', 'gifts' or some other type of transaction. But the parties must give the AEC their totals, which include these amounts, and the only thing we can say about these extra amounts for sure is that none of them are public funding.

Now, the above graphs only used numbers we could identify, that is, amounts over \$1500. For example, the 2001/2002 amounts for Labor, above, add up to \$47.8 million, because that's the total of all amounts the party individually identified in its annual return to the AEC. But in that same return the ALP told the Electoral Commission it received *in total* \$60.8 million. So there is an extra \$13 million we know nothing about (except, as noted, that none of it is public funding.)

So the first chart below (Figure 3.6) shows each party's public funding as a proportion of that total funding figure. Furthermore, we have taken a three year period from 1 July 2000 to 30 June 2003 to take in all activity that could be called a normal federal election cycle. This three year period included one federal election, one election each in NSW,

Victoria, Queensland and ACT, which have public funding, and in Western Australia, South Australia, Tasmania and NT, which don't.

What can we see from all these graphs? First, the amounts involved are large indeed. The Labor Party receives the most funding of all parties, but the National and Liberal figures added together out-perform Labor. If we 'stretch' all the bars so that they are the same size, we get Figure 3.7, which shows the proportions of each party's total funding that comes from the public purse.

Figure 3.6. Party funding over three years - July 2000 to June 2003

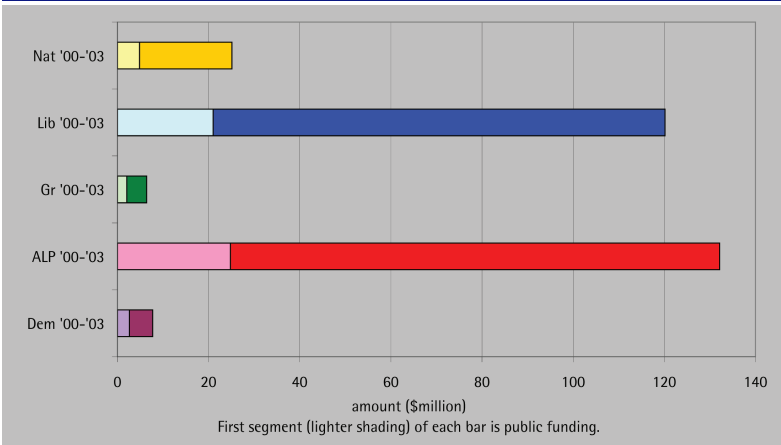


Figure 3.7. Percentage party funding over three years – July 2000 to June 2003

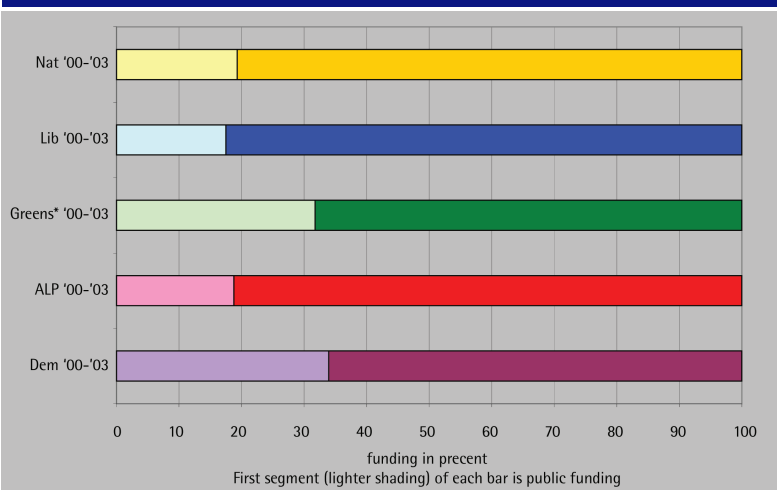


Figure 3.6 shows us that the two biggest parties, Labor and Liberal, receive by far the largest dollar amounts in public funding. Figure 3.7 shows that the Greens and Democrats easily receive the largest *proportion* of their funding from public sources. This is because the large parties get so much money elsewhere: corporations routinely donate money to both sides of politics (and the Liberal Party, rather than the Nationals, tends to be the greatest recipient on the Coalition side.) The business donors involved prefer to portray this philanthropy as ‘supporting democracy’; cynics call it hedging your bets, that is, being on favourable terms with whoever wins government.

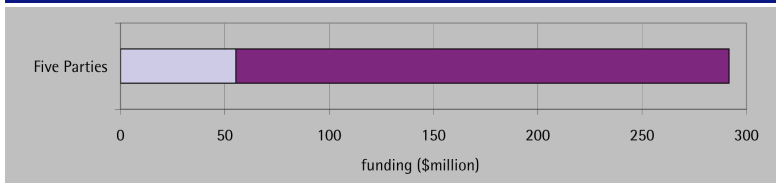
Neither the Democrats nor the Greens, sometimes referred to as ‘post materialist parties’, tend to be favoured by corporations when making political donations. Proportionately, the Greens are most reliant on public funding, followed by the Democrats, with the Liberal Party being the least reliant. But as we see in Figure 3.6, the Greens received the least number of private/corporate/ union dollars of all, followed by the Australian Democrats, while it was the Labor Party that attracted the most.

We should also note that the Australian Democrats appear to be in decline, having performed very poorly at the 2004 federal election,

and look to be replaced by the Greens as the major 'minor' party. We can expect funding to follow this reality.

In the final chart below, Figure 3.8, the one bar shows the total of public funding to all five parties as a proportion of their total funding over the three year period, 2000-2003.

Figure 3.8. Public and total funding - total for five big parties - July 2000 to June 2003



Parties benefiting from public funds

While the major parties obtain the largest sums of public funding, it is the minor parties that would have most to lose were it not to be available. This is because they do not generally have the same access to large amounts of corporate finance. Without public funding, small parties would have much greater difficulty in maintaining their organisation and ensuring their message reaches as much of the public as possible. As it stands, public funding is limited in application to five jurisdictions. Given the benefits to democracy in the diversity of opinions and electoral options, one important issue is should it be made available at all elections in all states?

The 4 per cent threshold is another issue. We have seen the huge difference in public funding that flowed to the Greens with a doubling of their vote between 1998 and 2001. The threshold is supposed to discourage frivolous candidates, but of course any such cut-off is arbitrary. Should there be a threshold at all? Should not the benefits of public funding go to all candidates in accordance with their level of support?

As noted above there is a broader question here. Australian Electoral Acts have dealt with parties only in relation to their formal requirements for party registration, ballot access and public funding, and in laying down financial disclosure requirements. Should this legislative

recognition and regulation go further? Should the parties submit their Constitution and Rules for assessment before they are eligible for public funding? If we the taxpayers give them money, should they be made to prove that they are democratically sound? And if so, what might that mean?

The disclosure of all financial donations can be seen as the other side of the public funding coin. But most disclosure rules in this country are lax by international standards. Consider this example. Any individual who 'donates' more than \$1500 in a year to a party must disclose it. But if they can reasonably claim the money was not a 'donation', but for the purchase of goods or services, then they do not have to. So if someone pays \$2000 to attend a party fundraiser, and this enables them to sit next to a minister, and they feel this has benefited them professionally, then they can claim that their \$2000 is not a donation. Now, to most people this sails pretty close to the definition of corruption, but it is just one loophole.

There are no easy answers to the question of funding. It will always be a mixture of public and private. Some countries, such as the United Kingdom and New Zealand, have limits on television advertising to contain spiralling campaign costs. This might seem onerous to us, but television is by far the most costly election expense. Another factor concerns government advertising prior to election time, which clearly favours incumbent governments. The extent of the problem and the amounts of money involved is demonstrated by the fact that in 1999 the Federal Government ranked ninth in spending among advertisers in Australia, but by 2000 and 2001 it had become the largest spender.⁴

The federal Labor government in 1991 legislated to ban electronic advertising, instead forcing the commercial stations to provide free spots, similar to how the government owned Australian Broadcasting Corporation does. Reform is not easy and there are many interests at stake; the High Court overturned the legislation following year.

Recommendation 2: There should be uniform public funding of political parties and candidates across all electoral jurisdictions.

⁴Young, 'Democracy, communication and money', p. 2.

Parties and special interests

An audit similar to this was conducted into New Zealand's political parties. There the authors noted: that 'while 'subordination' is not the appropriate term, party financing does tend to link parties to special interests'.⁵ In Australia, the Labor Party has depended for a major proportion of its funding on the affiliated trades unions, and there is no doubt that this has bolstered the 'special relationship' between the two interests. In fact, the unions are a formal component of the party.

Today, however, as with the Liberal Party, a large part of ALP funds also comes from private sector donations. Although the Liberal Party has traditionally received the overwhelming bulk of its money from business interests, many businesses today fund both major parties. The National Party has a similar funding relationship with its core—the rural business sector. The Democrats and the Greens have been less likely to be perceived as 'pro-business', or to receive large amounts of corporate donations.

Public funding has not reduced the appetite of the major Australian parties for private money. There have been calls, especially from minor parties and independents, for the full public funding of political campaigns. One stated reason is to end the need for private donations and hence the potential for 'unfair influence'. Another is to end the tilting of the playing field towards those parties that receive substantial corporate donations in addition to public money. Whereas the smaller parties that are most dependent on public funding may get (about) \$2 per vote, other parties get more than double this through the combination of private and public funding. The argument is that it is in the interests of democracy that alternative voices are given ample opportunity—and the necessary funding that this entails—to get their message across to the people.

Recommendation 3: There should be greater transparency and increased scrutiny of political parties' private funding.

⁵ Henderson and Bellamy, *Democracy in New Zealand*, p. 71.

4. How representative are the parties?

Representativeness of parliamentary membership

In its early days the Labor Party caucus was a mirror image of the twin bases of the party—the union movement and the working class. Over time, the social character of the parliamentary wing changed radically. In modern parliaments, the Labor Party's caucuses have become overwhelmingly drawn from middle-class and professional occupations. The data of previous occupations of the members of the Commonwealth parliament in the 1990s show clearly that the parliamentary membership of the parties is skewed towards the middle class—even the upper middle class—especially towards business and professional. This pattern is traditional for the Liberal Party; its support base is in this sector. But its coalition partner, the National Party, has also moved away from its former exclusive representation of the rural sector by the rural sector.

The question arises, then: do the parties still represent substantial sections of the population? And what do we mean by 'representation'? Does it mean the extent to which party members' views are reflected by the parliamentary representatives of the party? Or is it the extent to which parliamentary representatives reflect the views of party voters? Or is it the electorate (or population) as a whole; including the views of minorities and majorities?

Following each federal election the Australian National University surveys voters to gauge the rationale behind their voting behaviour. Known as the Australian Election Study, in 2001 it found that less than

50 per cent of respondents believed that parties represented the views of all voters 'well' or 'very well'.

How representative today are the party members of all of the people they claim to represent? And is this point even relevant given that the parties themselves still reject such inclusiveness in the nature of their appeal for members. Party politics in Australia was born in confrontation, and remains firmly embedded in it. Those who join a party are naturally committed to its aims and ideals, but they are equally committed to opposing what they perceive to be the 'enemy' party. But much of this can be characterised as 'tribal', as the tangible differences between the two becomes less significant.

The origins and nature of the three largest political parties—Labor, Liberal and National—contained a potential from the beginning to limit their reflection of the broader community. Labor was based, in its membership, ideology, policies, platforms, and practice when in government, on the working class and the union movement, and party members were required to be union members in most instances. The Liberal Party was just as firmly a middle-class party from the beginning—with its 'anti-Labor' rhetoric, while the National Party was formed specifically to represent the interests of the rural community.

The Labor Party continues with its membership based on the twin foundations of branch membership and affiliated trades unions. However, the branch membership has become increasingly diverse, with public sector professionals much in evidence. The union affiliation is mainly solid blue-collar, while the stronghold of unionism today is increasingly the public sector unions which are not affiliated with the Labor Party.

The Liberal Party has always claimed to be a party for everyone, but its membership remains embedded in the middle classes. There is no real evidence of a drift of blue-collar, let alone working class people into the membership of the party. National Party membership has remained essentially rural. Despite some attempts by the party to become more 'national', and some attempts to build membership bases in urban areas, the party is still, in almost every sense, essentially representative of and from the rural community. That said, not all rural people are necessarily committed to the National Party.

Party pre-selection

In the final analysis, political parties exist to get their members into parliament to act on their behalf; and if sufficiently successful, to form government and to put the party's policies into practice. 'Pre-selection' is the process by which candidates are chosen, and how parties pre-select their candidates for public office is a crucial component of this audit. There is a wide range of methods of pre-selection used in the parties, and a wide range of differences among the divisions of one party in particular. The following is a summary only.

Table 4.1. Summary of Pre-selection Methods

<i>Party</i>	<i>State</i>	<i>Method</i>
Liberal	NSW	Selection committee—central and local
	Vic	Preselection convention comprising central and local
	Qld	Lower house: local plebiscite in the electorate; 12 months minimum membership. Senate: central by state executive
	SA	Lower houses: electoral college central and local. Upper houses: central, State Council
	WA	State houses and House of Representatives: selection committee of central and local. Senate: central—State Council
	ACT	Plebiscite of members
	NT	Panels in branches, but if less than 10 members—central—Territory Council
Labor	Union	The union-branch component is 50:50
	NSW	Upper houses: central Conference. Lower houses: plebiscite
	Vic	State Conference elects a Public Office Selection Committee of 100 members. Senate: Selection Committee. Other: a plebiscite of local members residing in the electorate provides 1% of the votes of the Committee
	Qld	Senate: central, Conference. Lower houses: 'joint vote of the Central Electoral College and a plebiscite of branch members' with 50:50 votes from each
	SA	25% local plebiscite; 25% sub-branch component of the State Convention; 50% affiliated unions
	WA	Lower houses: selection committee comprising central and local. Upper houses: State Executive
	ACT	Plebiscite of members
	NT	Territory: 50% local plebiscite; 50% electoral college. Federal—central
Democrats	All States	All divisions preselect candidates for all elections by a ballot of members. However, the party includes a Candidate Assessment Committee to 'pre preselect' and offers 'approved' candidates for the ballot. The WA/NT party states that the ballot of members is 'to ratify'
Greens	All States	The common method is a plebiscite of members, with some variations. Senate candidates in Tas, Qld and Vic are selected by State Council, and in Vic, the Regional Councils can decide between a committee, an electoral assembly and a plebiscite. The NSW party offers a vote for 'no support for this candidate' on the plebiscite ballot paper

Note: Reference to 'central' refers to the central Council or Convention of the party; 'local' refers to branch member involvement, whether direct, through a ballot, or indirect through delegates.

For the purposes of this audit, we define that ‘a party-candidate selection process is regarded as passing the test of being reasonably democratic if it is based on a selection system that is reasonably competitive and procedurally fair’. A strong case can be made that if political parties dominate the legislatures and effectively select members of parliament in many seats, then they have a crucial obligation to the electorate—to choose candidates for public office by what are largely democratic means.

Former Federal Labor minister, Gary Johns, completed a PhD in 2001 on candidate selection for the federal parliament. It included an audit of party pre-selection procedures which is reproduced here:

Table 4.2. Audit of Party Rules Using the Principles of Fair Elections

<i>Party and Division</i>	<i>One-Vote, Integrity</i>	<i>One-Value of Roll</i>	<i>Fair Conduct of Ballot</i>	<i>Provision for Secret Ballot</i>	<i>Fair Dispute Procedures</i>
<i>Democrat #</i>	X	✓	✓	✓	✓
<i>Labor NSW #</i>	X	X	✓	✓	✓
<i>Labor Victoria</i>	X	✓	✓	✓	✓
<i>Labor Queensland #</i>	X	X	✓	X	✓
<i>Labor Western Australia</i>	X	X	X	X	✓
<i>Labor South Australia</i>	X	X	X	✓	✓
<i>Labor Tasmania</i>	X	✓	X	✓	✓
<i>Labor ACT</i>	X	✓	✓	✓	✓
<i>Labor Northern Territory</i>	X	X	X	✓	✓
<i>Liberal NSW</i>	X	X	✓	X	X
<i>Liberal Victoria</i>	X	X	X	✓	✓
<i>Liberal Queensland</i>	X	✓	✓	✓	X
<i>Liberal Western Australia #</i>	X	X	X	X	✓
<i>Liberal South Australia #</i>	X	X	X	X	✓
<i>Liberal Tasmania #</i>	X	X	X	X	X
<i>Liberal ACT #</i>	X	X	X	X	X
<i>CLP Northern Territory</i>	X	✓	X	X	✓
<i>National NSW</i>	X	X	X	✓	X
<i>National Victoria #</i>	X	X	X	✓	X
<i>National Queensland #</i>	X	X	X	X	✓
TOTAL	20	14	13	9	6

Notes: X = unsatisfactory; ✓ = satisfactory.

Overrule clause: the ability for any of the procedures to be overruled by a majority of an executive body. The requirement for a substantial majority vote, 60% or more, is considered a sufficient remedy. Total: the number of parties that *do not satisfy* the principle.

(Source: Johns 2001: 70)

The Australian Democrats satisfied the audit in almost every respect, as do the Green parties. But the other major parties were found wanting in the areas of membership influence and fair processes for selection of candidates.

What should be done to remedy this less than desirable situation? A number of models found in other liberal-democratic nations provide some suggestions. For example, in New Zealand, registered political parties are required to ‘follow democratic procedures in candidate

selection'. While in Germany, the Electoral Law states that 'a person can be named as a candidate for a party only if selected in a properly-constituted assembly of party members ... selection shall be by secret ballot'

Such measures would be relatively easy to apply in Australia. In fact, in its submission to the Labor Party's internal assessment, EMILY's List proposed the following similar measures, most of which could equally be applied to the Liberal and National parties:

- Only voters on the electoral roll in the seat in question being eligible to vote in the branch part of the pre-selections;
- Elimination of block union voting at the State pre-selection level;
- Establishing guidelines for democratic pre-selection processes;
- Establishing criteria against which branch members measure the candidate's ability to win the seat.

In 2002 the Queensland Parliament significantly altered the State's Electoral Act, and some of those amendments also provide a possible model worth expanding nationally. The Act makes parties free to adopt whatever form of pre-selection process they wish, provided the rules are clearly stated in their constitutions. However, pre-selection ballots must satisfy the 'general principles of free and democratic elections'. Furthermore, according to the Act's explanatory notes:

The purpose is to ensure transparency and accountability by political parties to their members and the public. The constitution must include the procedure for amendment of the constitution, membership rules, a statement about how the party manages its internal affairs, including the process for dispute resolution, and election rules for office bearers and pre-selection.

There are strong arguments for democratising the pre-selection processes of the parties. It would empower the membership to a greater degree and improve the public perception of parties. As it stands, in both of these aspects there is room for considerable improvement. Empowerment, however, as we will see, would be less likely where there are entrenched and powerful factions in existence.

One suggestion has been floated that the electoral commissions, already involved in a wide range of elections in the public and private sector, including some internal union elections, could be given the role of running party pre-selections. Such a development would have major implications for the commissions. For example, it would require a significant increase in staff and resources. Further, party pre-selections do not occur at a specific time in the inter-election period, and hence the commissions would need to have staff available at all times. This could be overcome if there was a 'pre-selection season' arbitrarily legislated throughout Australia, but this would be a significant constraint on the current freedom of the parties.¹

Recommendation 4: Political party pre-selection ballots should satisfy the general principles of 'free and fair' elections in that they are based on a selection system that is reasonably competitive and procedurally fair.

Party membership

We do not think of political parties as autonomous, self-nourishing bodies serving the populace from on high; they should have—and originally did have—firm roots in the community. The major parties (and the more recent minor ones) were formed to represent people's tangible interests, they came from mass mobilisation; one to represent labour and the working classes, the other capital and the middle classes. But these community divisions are less relevant today, and Australians are finding fewer reasons to join the major parties.

There is no doubt that the membership of the Labor and Liberal Parties has declined in recent decades. Unfortunately for our purposes here, the parties are under no obligation to release party numbers and generally keep them secret, but none (apart from the Greens, and possibly the Nationals) would seriously deny that numbers have steadily dropped of late.

Falling membership raises two important questions. One is quite simple: the parties represent fewer people who have bothered to sign on under the organisational banner. The second relates to the ability of the parties to represent large parts of the electorate. Fewer members mean weaker links with the community, and that means people's

¹ See for example Orr, 'Overseeing the Gatekeepers: Should the Preselection of Political Candidates be Regulated?'.

genuine concerns are less likely to find their way into the parties and influence policy.

In the past, party members were a valuable resource for parties in election campaigns; in fund-raising, in the tasks of running and organising a party, and on election day. More recently, the nature of election campaigning has been transformed, with television the dominant means of political communication, an increasing emphasis on surveys and direct mail, and the utilisation of technology. Furthermore, with public funding and the increase in corporate funding there is less need for an active, broad membership to raise money. The parties have become more dependent on the state, and on corporate donors and campaign professionals, and less dependent on members on the ground. However, a large membership is still a major asset—as a pool of talent for party and public office, as a workforce, as loyal voters, and as a publicity ‘machine’. Parties are naturally concerned about any decrease in membership.

As part of this audit, the parties were contacted for information about their membership numbers. Only one party was prepared to disclose its membership numbers—the Greens—and this in no small part because, as a Greens branch secretary claimed, ‘we’re the only party that’s actually growing’. The numbers given were a national membership at 5800 and the West Australian Greens at 800. But we have no way of checking even these figures and they should be treated with some caution.

Why such secrecy? Naturally, political parties are reluctant to release information that may become ammunition for their opponents. But an argument can be made that membership of the parties should be a matter of public knowledge. In Sweden, for example, political parties are required on regular occasions to make their membership figures public.

Former Labor Senator Chris Schacht has pointed out in the *Weekend Australian* of 26-27 July 2002 that ALP membership numbers are only about the same as for the Adelaide Football Club. And Labor is not alone in its membership collapse, or the factors which may have caused it

Throughout Australia, the Liberals face exactly the same fundamental problems ... Their membership is in long-term decline, ageing and increasingly unrepresentative. That means that the talent pool from which to draw parliamentary candidates is diminishing.

The last several years have been witness to a number of crises in the Australian Democrats, with dire consequences in popularity and, presumably, membership. The National Party has apparently suffered the smallest absolute decline in membership. In fact, some sources suggest that its membership actually increased between 1967 and 1990—although it is likely to have dropped since then, especially in its home State of Queensland.

In total, we estimate that membership of all Liberal, National, Labor and Democratic Labor Party in the 1960s and the Democrats since 1977 has declined, from 4 per cent of the electorate in the 1960s to less than 2 per cent in the late 1990s.

A decline in major party membership is common to most Western democracies. The table below (Table 4.3) is an attempt to put some numbers on how Australian political parties are faring in the membership game. Due to the parties' reticence to disclose actual figures, we have taken available information from wherever we could find it and have estimated and extrapolated to arrive at the numbers below. All include *caveats* of varying magnitude.

Table 4.3. Membership of political parties

Party	Jurisdiction	Year/s	Membership	Source
ALP	National	1970s	75 000	Hogg (former Federal Secretary)cited in Ward 1991
		1972	56 000	Ward 1991
		1990	51 900	Ward 1991
		1993	50 000	Jones (former National President)
		2002	7000	Branch official 2002
	SA	2002	3350	Branch official 2002
Liberal	National	1950	198 000	<i>The Weekend Australian</i> 26-27 July 2002
		1967	127 000	Ward 1991
		1983	103 000	Party internal assessment cited in Valder 1983
		1990	69 000	Warby cited in Ward 1991
		2002	80 000	Party official cited in <i>The Weekend Australian</i> 26-27 July 2002
	NSW	2000	11 337	Leaked party document cited in <i>The Weekend Australian</i> 26-27 July 2002
	Qld	2002	4300	Party official cited in <i>The Weekend Australian</i> 26-27 July 2002
	Vic	2002	14 317*	Branch official 2002
Tas	2002	<1000	<i>The Weekend Australian</i> 26-27 July 2002	
National	National	1967	81 000	Ward 1991
		1988	140 000	Party source cited in Ward 1991
		1990	118 300	Party source cited in Ward 1991
Democrats	National	1980s	8000	Stock 1994, cited in Ward 1997
		1990s	2000	<i>Weekend Australian</i> 28-29 August 1993
		1990s	4000-5000	Stock 1994, cited in Ward 1997
		1995	<5000	Sugita 1995, cited in Ward 1997
		2002	<3000	Wright 2002, <i>The Bulletin</i> 6 Aug 2002
Greens	Australian Greens	2003	5800	Australian Greens National Secretary April 2003
	WA	2003	800	Australian Greens National Secretary April 2003
	ACT	2002	226	ACT Greens Secretary June 2002

* includes 'provisional' and Young Liberals

Recruitment

The recruitment of members has always been, and generally remains a private matter for the parties. In recent years, however, some parties

have discovered first hand, through the court system, that recruitment is a private matter only if the party rules have been followed. The range of activities carried out under the broad description of 'branch stacking'—that is, the joining up of people who have their membership paid for merely in order to boost members in a pre-selection—has a long history in Australian politics. In the past, any allegations of the breaking of rules concerning recruitment have been a matter dealt with in the 'private' associations. However, in recent years, as we have seen, the courts have become involved, notably in cases in Queensland and South Australia.

The rules concerning the right to become a party member vary greatly between the parties, and even between the divisions of the same party. Some branches of some parties have included a ban on the payment of membership dues by third parties or 'other persons'. The Liberal Party in Queensland explicitly bans the practice.

Similarly, the national rules of the ALP state that:

it is an abuse of Party Rules for an individual or group/s to fund Party membership for other individuals or groups of individuals who would otherwise be unwilling to pay their own subscriptions.

The Victorian Branch of the ALP has gone further in its *Code of Conduct Relating to Membership Recruitment and Democratic Participation*, stating:

Party members individually or collectively who undertake any of the following activities will henceforth be considered to have behaved in a manner likely to bring the party into disrepute ...

To pay Party membership

- for a person unwilling to pay their own subscription
- for any person unaware that membership has been taken out on their behalf
- for individuals on the pre-condition of that member being obliged to vote in a particular way

- For any candidate to pay sufficient memberships to determine the outcome of any ballot they contest;

To organise or pay for concessional rate ... fees for groups of members they know to be ineligible for that rate;

To recruit members who do not live at the claimed address.

Parties have the right to reject applications for membership, and the rules of some parties specify the grounds on which this might occur. One such matter went to the courts in South Australia:

More than 500 members of the South Australian branch of the Sporting Shooters' Association attempted to join the Liberal Party in that State in 1996. The party rejected the applications, and one of the failed applicants took legal action. The case was dismissed on the basis that a political party had the right to deny anyone membership, and that an applicant, as opposed to a member, had no rights in the organisation.

A more recent case, again concerning the South Australian Liberal Party, illustrates the impact of recent court decisions. The party has begun a re-examination of a somewhat unusual rule concerning members. For many years it has been the case that any person living in Australia can become a member of any Branch of the party, and hence vote in pre-selections—there is no residence requirement. This has allowed a legal method of 'branch-stacking' which has been used on more than one occasion. The party decided in 2002, after something of a faction 'war' over the matter, to continue with the rule.

Other divisions of the Liberals and other parties have taken different positions, demanding clear proof of residency as a prerequisite for membership. Usually, the rules reflect the interests of the dominant faction(s) of the parties. In the South Australian case, the 'conservative' wing of the Liberal Party demanded the electorate residency requirement as it was convinced that the 'Australia-wide' system benefits the 'progressive' faction. In some States, the lax regulations concerning membership are accepted by most parties—they are seen as private

² Johns, *A Study in Democracy*, p. 161.

decisions by 'private' organisations. But intervention by the courts in those states can potentially alter this environment.

Effects of declining membership

A serious decline in membership not only suggests that a party has lost the loyalty of many of its supporters, but also that it may be less internally representative of the general population. A further question is whether the internal democracy of the party may be under threat if the membership declines. At the internal party level, a severe decline in membership would be expected to have a negative impact on the ability of the party to be viable as a mass party. The increased professionalism in campaigning has meant less reliance on a large and active membership. Also (and this particularly applies to the ALP), the need for a mass membership is reduced by the development of 'oligopolies' of factions and unions, and by public funding.

While public funding of political parties has many positives—possibly the most important of which is in limiting the risk of corruption—it also means the parties have less need for members. As the traditional activities of fundraising, down to the level of local chook-raffles, are replaced by public funding, then there is less need for a large membership to carry them out. This may establish a downward spiral—if members feel less central to the very existence and identity of their party, they may well ask: why, then, retain the membership at all?

Party membership trends

At the ALP Western Australia State Conference in 1970, Kim Beazley Senior (the father of former Labor Opposition leader Kim Beazley), who joined the ALP in the 1930s, declared:

When I joined the Labor Party, it contained the cream of the working class. But as I look about me now, all I see are the dregs of the middle class.

The Labor Party and its membership certainly had changed by the time of his famous lament half a century after joining the party. That the party was just two years away from ending 23 years in opposition, and that this victory would be under the very middle class Gough Whitlam shows the complexity of the issue.

If electoral success—that is, actually winning enough seats in parliament to form government—means broadening your membership base, then might that not entail a betrayal of the ‘cause’? If a party wants to attract a cross-section of the population, should that cross section be represented in its membership?

Youth: There is anecdotal evidence of particularly declining youth membership in the major parties. This may be part of the development of a more general ‘non-joining syndrome’—a problem for most voluntary groups. Is it a case of the young who join parties today doing so predominantly with an eye to a possible future parliamentary career? Has there been a real decline in the idea of a party as a ‘family’, with social as well as political functions? If so, does it really matter to the parties, given their adoption of new, ‘professional’ approaches to their contacts with the voters? Australian parties have had weak youth sectors for many years compared with their New Zealand, British or European counterparts.

Gender: From its formation in 1944, the Liberal Party provided a guaranteed place for women in the organisation. This was negotiated by the Australian Women’s National League who made equal representation of women at all decision-making levels up to State President in Victoria the condition of the merger of their organisation with the new party.

The majority membership of the ALP has always been male. The gender makeup of the Liberal Party membership was less one-sided—some sources even suggest that its membership now contains a majority of women. The National Party was once a male bastion in its parliamentary representation, but a ‘family party’ in its membership. More recently the party has been at the forefront of elevating women to key party positions. The Democrats attracted a higher proportion of female members from its beginnings, and has elevated women to its leadership more than any other party.

The gender gap in the major parties, but especially in the Labor Party, is equally if not more obvious in the parliamentary membership of the parties—except, again, the Australian Democrats. Women in all three major parties have found difficulty in winning pre-selection for safe and winnable seats and, as a result, the gender gap has been very

evident in parliaments across Australia. The following table shows the party affiliation of women candidates for the House of Representatives, and the significant improvement in the last decade or so.

Table 4.4. Party Affiliation of Women Candidates for the House of Representatives 1977–2001 (selected parties only)

<i>Year</i>	<i>ALP</i>	<i>Lib.</i>	<i>NP</i>	<i>AD</i>	<i>Greens</i>
1977	15	2	1	22	
1980	23	5	1	30	
1983	20	10	1	25	
1984	18	14	9	36	
1987	26	12	4	44	1
1990	19	18	6	39	14
1993	26	21	6	33	29
1996	30	34	2	50	46
1998	51	31	5	42	57
2001	58	24	10	55	72
2004	46	32	9	44	59

(Source: AEC Nomination Details)

What explains the absence of women from the parties' hierarchy and the nation's parliaments? Have the parties prevented women from having an equal opportunity to participate fully in internal party matters, and failed to pre-select a satisfactory proportion of women for public office? If so, is there a case for parties to be subject to anti-discrimination legislation, rather than be exempted as 'private bodies'? Has the introduction of public funding provided the need for public involvement in this matter?

The ALP Rules Convention in 2002 accepted a new affirmative action target. The 35 per cent rule was expanded to 40:40:20—40 per cent of safe and winnable seats for women, 40 per cent for males, and 20 per cent 'up for grabs'. But the Conference also established a 10-year phase-in period, so that the deadline for meeting the quota was set at 2012.

The Liberal Party has always reserved positions in its structure—but not the parliamentary party—for women. For example, in the Victorian division half of all executive positions are reserved for women up to the level of State president. Each State Division includes a separate

Women's State Council, and the chair of the Federal Women's Committee is an *ex officio* member of the Federal Executive. This means there are two guaranteed places for women on the Federal Executive, the other being the female Vice-President of the Party. Until 1960 there were three guaranteed positions, the Federal Women's Committee having two. There have also been active Liberal Women's Networks in different divisions. However, the Liberal Party claims to reject any concept of affirmative action, especially in regard to pre-selection.

A Liberal Women's Forum was created in 1994 to provide mentoring and training for potential women candidates. Two years later, the party was able to boast that the:

number of women facing selection in the Liberal Party is increasing quite dramatically, and quite quickly, for three reasons: changing attitudes within the Party, the Liberal Women's Forum Program ... and a changing attitude in the community to women taking on more responsibility. We are working with the Forum Program developing training sessions and building networks for the women to go to the pre-selections much better prepared.

However, the number of Liberal women candidates for the House of Representatives has declined since 1996. In 2004, there were only 32 in comparison to 46 Labor women candidates. Overall, women comprised 22 per cent of Liberal women parliamentarians around Australia in November 2004, compared with 35 per cent of Labor parliamentarians.

The National Party also rejects any form of quota for women candidates, and has an even lower proportion (14 per cent) of women among its parliamentary parties.

While no division has any affirmative action program for pre-selection for public office, the only Liberal and National parties which have no rules for affirmative action *within* the party organisation are the Liberal Party Divisions of Queensland, Western Australia, Tasmania and the ACT, the CLP (NT), and the National Party NSW, Victoria. The use of quotas in the Victorian Liberal Division 'are comprehensive'; the

New South Wales party imposes quotas on some positions, as does the South Australian party, and the Queensland National Party.

The rules of the Greens make mention of gender balance in these states:

Tasmania, Queensland, Victoria: ... committed to men and women having equal status ... will practice gender equality and equal opportunity principles ... will instigate affirmative action.

Western Australia: ... one third of all offices and candidates shall be women

New South Wales: Gender ... balance will be sought.

The Democrats have no rules concerning affirmative action for women, but have the second highest proportion of female representatives of the five largest parties, and of all their national leaders since forming in the late seventies, three have been male and six female.

Minority groups: The concept of affirmative action can also be applied to other minority groups, such as the various ethnic communities and Aboriginal peoples that constitute the broader Australian community. Only one reference is made to the former by any of the parties—in the South Australian Liberal Party: ‘Multi-cultural Committee ... ways to increase the ethnic membership of the Division’. And only one reference was found to a specific affirmative action policy for Aborigines. The Administrative Committee of the Northern Territory Branch has a requirement that women should be represented ‘proportional to their membership of the party ... at least two Aboriginal members’.³

The question must be asked: Given that political parties are increasingly public entities, and increasingly depend on the state for money and other support, should not an affirmative action policy be applied by law?

Citizenship requirements: Members of political parties do not have to be Australian citizens. But should they? If all elected members of parliament have to be citizens, and all electors (except British subjects

³ See also Jupp, *How Well Does Australian Democracy Serve Immigrant Australians?*

who migrated to Australia before 1984) must be citizens, then should members of parties, which pre-select the candidates, and which set policy frameworks for the governments, also be citizens? It can be argued that the potential of party membership to produce a parallel 'linkage' to the political system is of value, as it may encourage more migrants to become citizens.

The ALP Review in 2002 established a new rule to deal with branch stacking. This would require that any member who desired to participate in pre-selection ballots would have to be on the Australian electoral role. Except for pre-1984 British subjects, who had an automatic right to enrol and vote, this new requirement does demand Australian citizenship for party membership. But the rule also allowed that 'non-citizens can still be involved in Party activities'. If permanent residents who are not Australian citizens are excluded from party membership, then clearly the parties cannot be completely representative of the Australian population.

Participation through the internet

The internet offers considerable potential for membership interaction, networking and participation for political parties. However, in Australia only the Democrats have taken significant steps in this direction, and in general Australian parties have been content to restrict their websites to information dissemination purposes. The 2001 Australian Election Survey found that the Internet was not a prime source of information for voters in the 2001 Federal election:

Table 4.5. Internet usage during the 2001 election campaign

Do not have access to the Internet	41% (718)
Have access but didn't use it for the election	50% (878)
Used the Internet, once or twice	5% (95)
Used the Internet on several occasions	3% (46)
Used the Internet many times	1% (26)

N = 1763

Source: Bean et al. 2002

The 2002 National Committee of Review into the Labor Party examined the issue of the Internet and, since none of the parties have

particularly developed the technology, its conclusions could be applied to all parties. It proposed:

a dedicated section of the ALP web site, for members only, to encourage local activism. An expanded practice of emailing Party members (currently used in New South Wales and the ACT, for example) with regular updates, news and events should also be encouraged. These options would add to the membership experience and would help rebuild and maintain local ALP communities.

The ALP must continue to explore the Internet, in all its forms, for ways to further its aims and maintain its pre-eminent position as a user of new technology to facilitate policy development and social change. ... Online branches may be a good first step to providing a one-stop shop for people.

Each of the five parties discussed here have formal structures which establish representative processes. In the Greens and the Democrats, these structures are largely followed. At the same time, especially in the Democrats, there has been some discussion as to whether the participatory structure and processes weaken the party in its inter-party activities. The Greens, while committed to deliberative democracy also have some trouble in convincing members to accord with such principles. However, both parties do attempt to apply democratic processes of representation.

The decline in the quality of representation in the Labor and Liberal parties may be one explanation for the marked decline in membership. As the factions have increasingly dominated Labor, and as the leadership team has increasingly controlled the Liberal Party, then the actuality of representation declined. Further, as both parties move more towards 'professionalisation', then the participation by, and representation of the membership becomes less important. This is not a democratic trend.

5. How popular are the parties?

A number of factors affect the public perception of political parties and the esteem in which they are held. These include the nature of political advertising and the invasive character of campaign methods.

Truth in political advertising

Following the 1980 election, the Australian Democrats took a case to the High Court alleging misleading advertising under the terms of the *Commonwealth Electoral Act*. The major parties were accused of breaking Section 161(e) which established as 'illegal practices':

Printing, publishing, or distributing any electoral advertisement, notice, handbill, pamphlet, or card containing any untrue or incorrect statement intended or likely to mislead or improperly interfere with any elector in or in relation to the casting of his vote.

The challenge was defeated, with the Court giving a narrow interpretation to the wording such that it was:

limited to the mechanics of marking the ballot paper, and did not extend to the elector's state of mind in deciding which candidate to support.

In 1984, during revision of the *Commonwealth Electoral Act*, the Bill presented to the parliament included the clause:

A person shall not, during the relevant period in relation to an election under this Act, print, publish or distribute, or cause, permit or authorise to be printed, published or distributed, any electoral advertisement containing a statement: a. that is untrue; and b. that is, or is likely to be, misleading or deceptive.

However, the parliament reconsidered the amendment before the 1984 election, and accepted the view of the Joint Committee:

Political advertising differs from other forms of advertising in that it promotes intangibles, ideas, policies and images. Moreover, political advertising during an election period may well involve vigorous controversies over the policies of opposing parties ... [T]he Committee concludes that even though fair advertising is desirable it is not possible to control political advertising by legislation ... the safest course, which the Committee recommends, is to repeal the section, effectively leaving the decision as to whether political advertising is true or false to the electors and to the law of defamation.

The *South Australian Electoral Act* does include a 'truth in political advertising' clause. The relevant clause (113(2)) states that:

A person who authorises, causes or permits the publication of an electoral advertisement ... is guilty of an offence if the advertisement contains a statement purporting to be a statement of fact that is inaccurate and misleading to a material extent.

The legislation has some 'teeth', to the extent that it has been applied in the courts. The effect has been to cause parties and candidates to think more carefully about the nature and content of their electoral advertisements. Given this, there seems to be no justification in the arguments put forward by the Joint Committee to deny at least this reasonable component of democracy to the voters in other jurisdictions.

Despite the decline of political party membership, or perhaps because of it, there remain constant efforts to bring in new members. And it is worth noting that some party organisers use membership for fac-

tional and pre-selection purposes. The following excerpt from the *Weekend Australian*, 22-23 June 2002, refers to the Labor Party, but could just as well describe the other parties:

A fiery scuffle over the attendance book at a recent ALP meeting in Victoria's regional electorate of Corio is symptomatic of the factional pyrotechnics that make the party so combustible.

Membership of Corio's four Labor branches has risen dramatically over the past four years—from 150 to almost 600—as Croatian sporting associations and Turkish groups have been signed up.

Of course, branch stacking has a long history in all of the parties; it is part and parcel of the tactics of factions and groups in the pursuit of power. In fact, some practitioners believe Labor branch-stacking in the modern era is but a shadow of the past.

Electoral roll

The parties have access to information about citizens from the electoral roll. Members of parliament clearly need a list of who is enrolled in his or her electorate, simply to carry out their function of representation. But how much information should be available, and to whom should it be given?

The Commonwealth Electoral Act provides that any registered party may receive a full copy of the roll and regular updates. The information available to them and them alone, includes name, postal address, sex, date of birth, salutation, telephone number, census district, electoral district, local government area, and Australia Post delivery point identifier. Whereas once this information was once provided in 'hard-copy'—in books—today it is electronic, on computer tape or compact disks, and with modern technology enabling easy manipulations and sorting into various sectors for targeted campaigns, this is a virtual gold mine for a sophisticated organisation to use for election campaign-

ing. It can also very easily be distributed to people who have no legal right to it. This raises real privacy considerations.¹

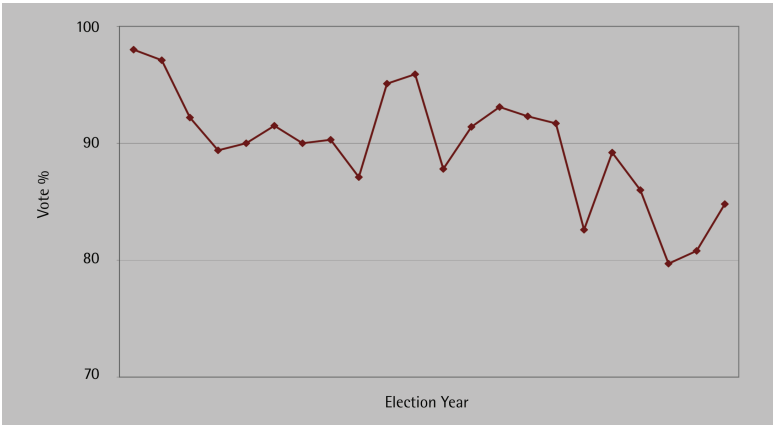
This 'special benefit' for parties is difficult to justify. The prime purpose of the electoral roll is to provide, as far as possible, an accurate base on which the electoral administration can organise and run an election based on one person one vote, and a means to check the validity of the process. The data available to political parties should be limited to name and address only.

Attitudes to parties

Taken collectively, the electoral and membership popularity of Australia's major political parties is fading; quite simply, people no longer identify as strongly as they once did with the major parties. The evidence from most other democratic nations suggests a significant decline in the proportion of the electorate with a strong commitment to or identification with a specific political party. Australians too have provided some evidence of a similar weakening of party loyalty. However, this trend needs to be interpreted in the light of the remarkable strength and stability of party identification in the past. There is also a further consideration—a shift away from the major parties to minor parties and independents. Whether this trend will continue is difficult to say as the 2004 Federal election result would seem to put this into question.

¹ See van Onselen and Errington, 'Electoral Databases: Big Brother or Democracy Unbound?'; and van Onselen, 'Political Databases and Democracy: Incumbency Advantage and Privacy Concerns'.

Figure 5.1. Aggregate major party votes – 1951 to 2001



Nevertheless, evidence of such a trend is quite clear (our single member electoral system in which 150 geographic areas elect one member each for the House of Representatives tends to mask these developments). There has been a significant decline in the electoral support for the three long-established parties, as the following graph shows:

So are we seeing a loss of confidence in the major parties? And if so, why has this occurred? Is it that the electorate is saying the major parties have lost touch with the average voter? Is it a judgement on the nature and internal workings of the parties? Is it a rejection of the policy directions of the parties by a substantial proportion of the voters who feel left out of the cross party consensus on many issues?

The overwhelming majority of Australians still vote for one or other the major political parties. But there is a striking disjunction between electoral support, and the attitudes of voters to the parties. This may be a partial explanation of the recent equally striking shift of electoral support to the minor parties and independents. At the time of writing, results from the 2004 Australian Electoral Study were not available, but those from the 2001 federal election provide important evidence of voter opinions. The following data were extracted from the survey.²

² Bean et al., Australian Election Study 2001.

Attitudes to political parties by party identification

Table 5.1. Satisfaction with Australian Democracy?

Party Identification	Satisfied?				
	Very	Fairly	Not very	Not at all	
Liberal	27	64	9	1	= 100
ALP	9	54	31	6	= 100
National	17	67	17	-	= 100
Democrat	14	50	28	8	= 100
Green	8	38	45	9	= 100
None	10	55	27	8	= 100

Table 5.2. Difference between the parties?

A good deal of difference	480
Some difference	887
Not much difference	520
No difference	94

Table 5.3. Standards of internal behaviour

Party	High standards	Medium standards	Low standards	
Liberal	13	67	20	= 100
ALP	7	59	33	= 100
National	8	71	21	= 100
Democrat	-	49	51	= 100
Green	13	43	43	= 100
None	4	50	46	= 100

Table 5.4. Are parties necessary to make the system work?

Party Identification	'Parties make the system work'					
	1 Necessary	2	3	4	5 Not needed	
Liberal	50	29	14	4	3	= 100
ALP	38	25	28	5	4	= 100
National	36	19	23	6	3	= 100
Democrat	32	25	15	7	5	= 100
Green	33	33	21	12	2	= 100
None	25	34	27	8	6	= 100

A total of 68 per cent of the respondents had a belief that parties were necessary, but only 24 per cent gave a positive response to the issue of whether parties 'care what ordinary people think'. In terms

of whether parties were ‘doing a good job’, only 38 per cent gave a positive response. Finally, and perhaps most importantly, the issue of perception of whether the parties were internally democratic produced a result which should be of deep concern: only 9 per cent perceived ‘high standards’; 60 per cent saw ‘medium standards’; and 31 per cent described the situation as ‘low standards’.

In terms of these responses, the major parties, especially, should give some real consideration to their standing in the minds of the voters. The lack of serious democratic reform within parties has fuelled the demand for stronger public control, as in Recommendation I of this report.

Australia’s political parties, for the first century of their history, were essentially private associations. In recent years, the major parties have voluntarily accepted a formal, statutory status—a public persona—through registration and public funding. Further, as we have seen, recent court cases involving the internal procedures of some parties have produced a new legal status for parties, and there is the potential for judicial intervention to increase.

One point is very clear from our audit of political parties: *parties in Australia do not need to be strengthened*. Parties are already pervasive, permanent, ubiquitous and dominant at every level of the political processes. There is little in political discussion which is conducted without the intervention of political parties and party policies. Parliament has been ruled by disciplined major parties. In more recent times, some houses of Australia’s parliaments have become controlled by balance of power parties, many of which are equally disciplined.

6. Conclusion

The evidence from this audit suggests that, for the major party participants, there is a real justification for reforms in terms of the both the internal democracy of the entrenched parties, and of the party system—the ‘party democracy’ that their interaction has produced. Australia’s major parties continue to dominate the recruitment of parliamentary leadership. They continue to provide the training ground for the overwhelming majority of the members of parliament. But their low and still falling membership means that these leaders and representatives are drawn from a very small, and declining, pool of talent.

In terms of policy-making, the major parties dominate, but it appears that a growing proportion of the electorate seems not to be convinced by these policies. The extent of disaffection, even cynicism, about politics and major party politics is increasing. The functions of interest aggregation and articulation may still be the province of the major parties, but it appears that their domination is under serious threat.

The major parties seem to be weakest in their functions of democratic socialisation of the electorate. This has two levels. Internally, the parties seem not to be able to convince people to join them as members; but, on the other hand, the membership of other interest groups seems to be growing. Externally, the major parties, especially, have taken on new electioneering techniques; the ‘professional’ party does not need a large and committed membership, nor does it need democratic procedures, which may, in fact, be a hindrance to its activities.

The evidence of voter de-alignment and volatility, and the signs of significant shifts to minor parties and independents, suggest a growing disenchantment with the entrenched political parties, and hence a clear suggestion that they need to reform. Furthermore, it contains the suggestion that if this 'self reform' does not occur, then the state may be called upon to intervene further.

On occasions it appears that the parties are not really aware of the need for reform. The severe defeat of a party at an election is usually followed by some type of internal inquiry. It is unusual indeed for such internal assessments to raise the questions of internal democracy, responsibility to the electorate, or accountability. To that degree, is it reasonable to ask whether the parties are even interested in asking the right questions? On the other hand, there is the question of whether state regulation of the parties and of their activities can go too far—to the point where the regulation has a negative impact on the ability of the parties to engage in real inter-party competition—in other words, in democratic competition?

Political parties in a democracy have a range of important functions. In a narrow sense, they have a central function in a democracy of either wielding governmental power, or acting as the opposition and the alternative government. But these central functions involve subsidiary, but equally important roles, including: representation, recruitment, policy formation, interest aggregation and articulation, socialisation and mobilisation, and education. That is, they have a crucial role in, and a fundamental impact on, the very nature of democracy.

Given that the Australian people do not have a high opinion of the parties, and of the way that they carry out their functions, then the overall contribution of the parties to the nature of Australian democracy is under question. How can parties restore themselves and their standing? Is public intervention inevitable? Given the previous intransigence of the parties to any proposals for reform, this may well be the only solution.

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